

# THAI OIL TOP TB

THAILAND / OIL &amp; GAS

## BUY

UNCHANGED

TARGET PRICE	THB67.00
CLOSE	THB52.75
UP/DOWNSIDE	+27.0%
PRIOR TP	THB67.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+11.6%

## The GRM tide turned in 4Q21

- 4Q21 NP of THB5b, up 142% q-q, with a core NP of THB955m due to a higher market GRM vs a higher cost at USD4.7/bbl.
- We project TOP's NP to improve markedly q-q in 1Q22 on a higher market GRM driven by rising product margins.
- Maintain BUY and our TP of THB67.

### Inventory gain and higher GRM boosted 4Q21 results

TOP posted a 4Q21 net profit (NP) of THB5b, up 142% q-q, which was 30% above BBG consensus but 5% below our estimate. The NP was driven by a pre-tax inventory gain of THB2.3b, an FX gain of THB522m, a THB1.8b net loss (NL) on financial instruments, and a THB574m gain from a reversal of net realised value. 4Q21 core NP stood at THB955m, owing to: 1) a refinery NP of THB3.9b, up from the THB1.3b loss in 3Q21, due to a higher market gross refining margin (GRM) vs a higher cost at USD4.7/bbl; and 2) lower non-refinery earnings due to weak NPs from lube, aromatics, power and olefins (from Chandra Asri).

### Refinery led the charge to offset other units

The 4Q21 refinery NP of THB3.9b was driven by a higher market GRM of USD5.4/bbl, up 2.4x q-q. The accounting gross integrated margin (GIM) was at USD9.9/bbl in 4Q21, down 6% q-q due to a lower stock gain of USD2.9/bbl vs USD5/bbl in 3Q21. Aromatics NP dropped to THB35m in 4Q21, down 97% q-q and 94% y-y due to a lower paraxylene-gasoline spread, with a q-q lower utilisation rate of 81%, down from 88% in 3Q21. The lube unit posted a 4Q21 NP of THB457m, down 56% q-q, due to a lower product-to-feed margin at USD118/t (-37% q-q), with a flat q-q utilisation rate of 88%. Power NP dipped to THB525m in 4Q21, down 20% q-q, due to lower NPs from small power producers caused by higher gas costs and the shutdown impact.

### Stronger net profit outlook in 1Q22

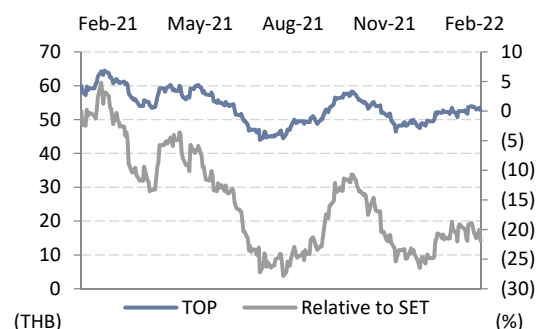
We project TOP's NP to improve markedly q-q in 1Q22, driven by our projected higher market GRM on higher product margins, led by a rising diesel and jet-Dubai margin and q-q higher utilisation rates, which should offset the higher projected crude premiums. During its conference call, TOP indicated its plans to pursue a capital increase in 1H22.

### Buy ahead of the continuing market GRM strength

We maintain BUY and our TP of THB67. We expect TOP's market GRM to continue to improve from 3Q21 into 2022, backed by higher product margins, relatively stable crude premiums, and higher utilisation rates. We think the jet-Dubai margin will lead the charge for a market GRM improvement on increasingly high rates of travel worldwide.

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	335,827	341,879	322,957	324,242
Net profit	12,578	12,286	12,324	13,331
EPS (THB)	6.17	6.02	6.04	6.53
vs Consensus (%)	-	27.7	27.0	-
EBITDA	20,640	26,499	27,138	28,982
Core net profit	12,578	12,286	12,324	13,331
Core EPS (THB)	6.17	6.02	6.04	6.53
Chg. In EPS est. (%)	nm	4.4	2.5	nm
EPS growth (%)	nm	(2.3)	0.3	8.2
Core P/E (x)	8.6	8.8	8.7	8.1
Dividend yield (%)	5.3	5.1	5.2	5.6
EV/EBITDA (x)	11.9	10.6	11.6	12.0
Price/book (x)	0.9	0.8	0.8	0.8
Net debt/Equity (%)	110.3	131.8	148.5	163.4
ROE (%)	10.6	9.9	9.4	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.0	(2.3)	(10.6)
Relative to country (%)	(0.8)	(5.9)	(20.0)
Mkt cap (USD m)	3,325		
3m avg. daily turnover (USD m)	18.7		
Free float (%)	45		
Major shareholder	PTT plc. (49%)		
12m high/low (THB)	66.00/42.50		
Issued shares (m)	2,040.03		

Sources: Bloomberg consensus; FSSIA estimates



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**Exhibit 1: Summary of 4Q21/2021 operations**

	4Q20	3Q21	4Q21			2020	2021	Chg.
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Revenue</b>	<b>56,065</b>	<b>82,064</b>	<b>98,669</b>	<b>20.2</b>	<b>76.0</b>	<b>242,840</b>	<b>335,827</b>	<b>38.3</b>
Operating costs	(60,314)	(72,144)	(93,580)	29.7	55.2	(247,746)	(312,131)	26.0
<b>EBITDA</b>	<b>3,492</b>	<b>6,784</b>	<b>6,082</b>	<b>(10.3)</b>	<b>74.2</b>	<b>(7,556)</b>	<b>20,640</b>	<b>nm</b>
EBITDA margin (%)	6.2	8.3	6.2	nm	nm	(3.1)	6.1	nm
Depreciation & amort	(1,099)	(1,860)	(1,930)	3.7	75.7	(7,554)	(7,424)	(1.7)
EBIT	11,060	3,328	7,217	116.9	(34.7)	(15,110)	13,216	nm
Interest expense	(986)	(934)	(958)	2.5	(2.9)	(4,292)	(3,595)	(16.2)
Interest & invt inc	5,245	697	9,747	1,298.9	85.8	11,703	8,336	(28.8)
Associates' contrib	436	442	225	(49.2)	(48.6)	2,566	1,675	(34.7)
Exceptional	7,742	(3,136)	993	nm	nm	0	0	nm
<b>Pretax profit</b>	<b>23,497</b>	<b>396</b>	<b>17,223</b>	<b>4,244.0</b>	<b>(26.7)</b>	<b>(3,529)</b>	<b>15,037</b>	<b>nm</b>
Tax	(2,384)	(213)	(1,075)	405.0	(54.9)	647	(2,034)	nm
Tax rate (%)	10.1	53.7	6.2	nm	nm	18.3	13.5	nm
Minority interests	(146)	(118)	(125)	6.2	(14.0)	(419)	(425)	1.4
<b>Net profit</b>	<b>7,257</b>	<b>2,063</b>	<b>4,996</b>	<b>142.2</b>	<b>(31.2)</b>	<b>(3,301)</b>	<b>12,578</b>	<b>nm</b>
Non-recurring	10,123	818	4,040	394.1	(60.1)	-	-	nm
<b>Core profit</b>	<b>(2,866)</b>	<b>1,245</b>	<b>955</b>	<b>(23.3)</b>	<b>nm</b>	<b>(3,301)</b>	<b>12,578</b>	<b>nm</b>
EPS (THB)	3.56	1.01	2.45	142.2	(31.2)	(1.62)	6.17	nm
Core EPS (THB)	(1.40)	0.61	0.47	(23.3)	nm	(1.62)	6.17	nm

Sources: TOP; FSSIA estimates

**Exhibit 2: 4Q21/2021 net profit breakdown**

Net profit	4Q20	3Q21	4Q21	Change		2020	2021	Chg.
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Consolidated</b>	<b>7,257</b>	<b>2,063</b>	<b>5,033</b>	<b>144</b>	<b>(31)</b>	<b>(3,301)</b>	<b>12,578</b>	<b>nm</b>
- Refinery	8,628	(1,312)	3,890	nm	(55)	(6,099)	2,462	nm
- Aromatics	546	1,002	35	(97)	(94)	1,535	2,586	68
- Olefins	-	(23)	(67)	191	nm	-	(90)	nm
- Lube	390	1,038	457	(56)	17	910	3,678	304
- Stock gain/loss	1,791	3,915	2,709	(31)	51	(7,399)	15,063	nm
- Power and others								
Power	530	656	525	(20)	(1)	2,666	2,488	(7)
Solvent	160	143	127	(11)	(21)	310	663	114
Marine transport	(54)	-	3	nm	nm	(20)	18	nm
Ethanol	7	535	(5)	nm	nm	44	579	1,216
Others	96	108	121	12	26	383	411	7

Sources: TOP; FSSIA estimates

**Exhibit 3: 4Q21/2021 key quarterly drivers**

Margin breakdown	Unit	4Q20	3Q21	4Q21	Change		2020	2021	Chg.
					(q-q %)	(y-y %)			(y-y %)
GIM (excl. stock gain/loss)	USD/bbl	3.6	5.5	7.0	27	94	2.4	5.5	129
GIM (incl. stock gain/loss)	USD/bbl	5.8	10.5	9.9	(6)	71	0.1	10.1	10,000
Stock gain/loss	USD/bbl	2.2	5.0	2.9	(42)	32	(2.3)	4.6	(300)
Refinery market GRM	USD/bbl	1.2	1.6	5.4	238	350	0.4	2.2	450
Spread PX- ULG 95	USD/tonne	146.0	212.0	96.0	(55)	(34)	180.0	177.0	(2)
Spread BZ-ULG95	USD/tonne	115.0	287.0	148.0	(48)	29	89.0	232.0	161
Product to feed - aromatics	USD/tonne	76.0	90.0	19.0	(79)	(75)	77.0	80.0	4
Spread 500SN-HSFO	USD/tonne	474.0	896.0	673.0	(25)	42	389.0	847.0	118
Product to feed - lube	USD/tonne	105.0	187.0	118.0	(37)	12	79.0	176.0	123
<b>Utilisation*</b>		<b>4Q20</b>	<b>3Q21</b>	<b>4Q21</b>	<b>ppts q-q</b>	<b>ppts y-y</b>	<b>2020</b>	<b>2021</b>	<b>ppts y-y</b>
Refinery	%	101	92	109	17	8	101	100	(1)
Aromatics	%	70	88	81	(7)	11	71	87	16
Lube	%	93	88	88	-	(5)	88	91	3
LAB	%	115	118	120	2	5	103	112	9
Solvent	%	118	102	97	(5)	(21)	112	117	5
Ethanol - Sapthip	%	105	70	109	39	4	100	86	(14)

\*Note: Change in margin % is represented in ppt change

Sources: TOP; FSSIA estimates

## Financial Statements

Thai Oil

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	242,840	335,827	341,879	322,957	324,242
Cost of goods sold	(247,746)	(312,131)	(312,268)	(292,879)	(292,309)
<b>Gross profit</b>	<b>(4,906)</b>	<b>23,697</b>	<b>29,610</b>	<b>30,078</b>	<b>31,933</b>
Other operating income	-	-	-	-	-
Operating costs	(2,650)	(3,056)	(3,111)	(2,939)	(2,951)
<b>Operating EBITDA</b>	<b>(7,556)</b>	<b>20,640</b>	<b>26,499</b>	<b>27,138</b>	<b>28,982</b>
Depreciation	(7,554)	(7,424)	(17,272)	(18,113)	(18,954)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>(15,110)</b>	<b>13,216</b>	<b>9,227</b>	<b>9,025</b>	<b>10,028</b>
Net financing costs	9,016	146	4,903	5,065	5,228
Associates	2,566	1,675	1,758	1,846	1,939
Recurring non-operating income	2,566	1,675	1,758	1,846	1,939
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>(3,529)</b>	<b>15,037</b>	<b>15,888</b>	<b>15,937</b>	<b>17,195</b>
Tax	647	(2,034)	(3,178)	(3,187)	(3,439)
<b>Profit after tax</b>	<b>(2,882)</b>	<b>13,003</b>	<b>12,711</b>	<b>12,749</b>	<b>13,756</b>
Minority interests	(419)	(425)	(425)	(425)	(425)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(3,301)</b>	<b>12,578</b>	<b>12,286</b>	<b>12,324</b>	<b>13,331</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(3,301)</b>	<b>12,578</b>	<b>12,286</b>	<b>12,324</b>	<b>13,331</b>
<b>Per share (THB)</b>					
Recurring EPS *	(1.62)	6.17	6.02	6.04	6.53
Reported EPS	(1.62)	6.17	6.02	6.04	6.53
DPS	2.00	2.77	2.71	2.72	2.94
Diluted shares (used to calculate per share data)	2,040	2,040	2,040	2,040	2,040
<b>Growth</b>					
Revenue (%)	(32.9)	38.3	1.8	(5.5)	0.4
Operating EBITDA (%)	nm	nm	28.4	2.4	6.8
Operating EBIT (%)	nm	nm	(30.2)	(2.2)	11.1
Recurring EPS (%)	nm	nm	(2.3)	0.3	8.2
Reported EPS (%)	nm	nm	(2.3)	0.3	8.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	(5.1)	4.8	3.6	3.7	4.0
Gross margin of key business (%)	(5.1)	4.8	3.6	3.7	4.0
Operating EBITDA margin (%)	(3.1)	6.1	7.8	8.4	8.9
Operating EBIT margin (%)	(6.2)	3.9	2.7	2.8	3.1
Net margin (%)	(1.4)	3.7	3.6	3.8	4.1
Effective tax rate (%)	18.3	13.5	20.0	20.0	20.0
Dividend payout on recurring profit (%)	(123.6)	45.0	45.0	45.0	45.0
Interest cover (X)	1.4	(102.0)	(2.2)	(2.1)	(2.3)
Inventory days	38.9	36.1	46.3	48.5	47.3
Debtor days	26.4	19.7	25.3	26.3	25.5
Creditor days	25.4	22.3	33.7	35.2	34.3
Operating ROIC (%)	(7.9)	5.8	3.5	3.5	3.9
ROIC (%)	(5.1)	4.9	2.7	2.3	2.3
ROE (%)	(2.8)	10.6	9.9	9.4	9.7
ROA (%)	(3.5)	3.9	2.2	1.9	2.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Oil refinery	177,280	270,267	276,318	257,397	258,681
Lubed base oil refinery	19,501	19,501	19,501	19,501	19,501
Petrochemical	27,070	27,911	27,670	27,670	27,670
Power generation	6,071	5,230	5,471	5,471	5,471

Sources: Thai Oil; FSSIA estimates

## Financial Statements

### Thai Oil

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(3,301)	12,578	12,286	12,324	13,331
Depreciation	7,554	7,424	17,272	18,113	18,954
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	2,096	(8,611)	(617)	1,930	(131)
<b>Cash flow from operations</b>	<b>6,349</b>	<b>11,392</b>	<b>28,940</b>	<b>32,368</b>	<b>32,154</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(38,666)	(33,174)	(15,984)	(15,991)	(15,970)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	34,291	40,174	(53,733)	(53,733)	(53,733)
<b>Cash flow from investing</b>	<b>(4,375)</b>	<b>6,999</b>	<b>(69,717)</b>	<b>(69,724)</b>	<b>(69,703)</b>
Dividends paid	(3,060)	(5,660)	(5,529)	(5,546)	(5,999)
Equity finance	0	0	0	0	0
Debt finance	(2,363)	(1,219)	55,619	18,487	18,487
Other financing cash flows	(18,161)	(35,059)	12,183	12,271	12,364
<b>Cash flow from financing</b>	<b>(23,584)</b>	<b>(41,939)</b>	<b>62,274</b>	<b>25,212</b>	<b>24,852</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(21,610)</b>	<b>(23,548)</b>	<b>21,496</b>	<b>(12,145)</b>	<b>(12,697)</b>
Free cash flow to firm (FCFF)	6,265.67	21,985.74	(37,260.79)	(33,918.24)	(34,188.84)
Free cash flow to equity (FCFE)	(18,550.29)	(17,887.83)	27,025.00	(6,598.53)	(6,697.87)

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	3.07	10.78	(18.26)	(16.63)	(16.76)
FCFE per share	(9.09)	(8.77)	13.25	(3.23)	(3.28)
Recurring cash flow per share	2.08	9.80	14.49	14.92	15.83

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	279,568	320,167	336,151	352,143	368,112
Less: Accumulated depreciation	(134,343)	(141,768)	(159,039)	(177,152)	(196,106)
<b>Tangible fixed assets (net)</b>	<b>145,225</b>	<b>178,399</b>	<b>177,112</b>	<b>174,990</b>	<b>172,006</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	24,521	55,412	57,170	59,017	60,955
Cash & equivalents	53,244	29,696	51,193	39,049	26,351
A/C receivable	12,702	23,508	23,932	22,607	22,697
Inventories	22,461	39,295	40,003	37,789	37,939
Other current assets	25,822	8,740	8,740	8,740	8,740
<b>Current assets</b>	<b>114,229</b>	<b>101,239</b>	<b>123,867</b>	<b>108,185</b>	<b>95,728</b>
Other assets	22,213	27,094	92,481	133,783	174,901
<b>Total assets</b>	<b>306,188</b>	<b>362,144</b>	<b>450,631</b>	<b>475,975</b>	<b>503,590</b>
Common equity	116,229	120,881	127,638	134,416	141,748
Minorities etc.	3,889	2,213	2,415	2,615	2,815
<b>Total shareholders' equity</b>	<b>120,118</b>	<b>123,094</b>	<b>130,053</b>	<b>137,032</b>	<b>144,564</b>
Long term debt	135,958	163,343	220,476	240,476	260,476
Other long-term liabilities	21,491	37,230	56,926	56,926	56,926
<b>Long-term liabilities</b>	<b>157,449</b>	<b>200,574</b>	<b>277,402</b>	<b>297,402</b>	<b>317,402</b>
A/C payable	9,517	28,545	29,060	27,451	27,561
Short term debt	5,665	2,142	2,115	2,089	2,063
Other current liabilities	13,438	7,789	12,001	12,001	12,001
<b>Current liabilities</b>	<b>28,620</b>	<b>38,476</b>	<b>43,176</b>	<b>41,541</b>	<b>41,624</b>
<b>Total liabilities and shareholders' equity</b>	<b>306,188</b>	<b>362,144</b>	<b>450,631</b>	<b>475,975</b>	<b>503,590</b>
Net working capital	38,030	35,209	31,614	29,684	29,815
Invested capital	229,989	296,114	358,378	397,474	437,677

\* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	56.97	59.25	62.57	65.89	69.48
Tangible book value per share	56.97	59.25	62.57	65.89	69.48

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	73.6	110.3	131.8	148.5	163.4
Net debt/total assets (%)	28.9	37.5	38.0	42.8	46.9
Current ratio (x)	4.0	2.6	2.9	2.6	2.3
CF interest cover (x)	(1.2)	(103.7)	(7.8)	(0.9)	(0.8)

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>(32.6)</b>	<b>8.6</b>	<b>8.8</b>	<b>8.7</b>	<b>8.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(41.4)</b>	<b>10.9</b>	<b>11.1</b>	<b>11.1</b>	<b>10.3</b>
Reported P/E (x)	(32.6)	8.6	8.8	8.7	8.1
Dividend yield (%)	3.8	5.3	5.1	5.2	5.6
Price/book (x)	0.9	0.9	0.8	0.8	0.8
Price/tangible book (x)	0.9	0.9	0.8	0.8	0.8
EV/EBITDA (x) **	(26.5)	11.9	10.6	11.6	12.0
EV/EBITDA @ target price (x) **	(30.3)	13.3	11.7	12.6	13.0
EV/invested capital (x)	0.9	0.8	0.8	0.8	0.8

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Thai Oil; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description	Score Range
Excellent	90-100
Very Good	80-89
Good	70-79

**Disclaimer:**

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Suwat Sinsadok, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

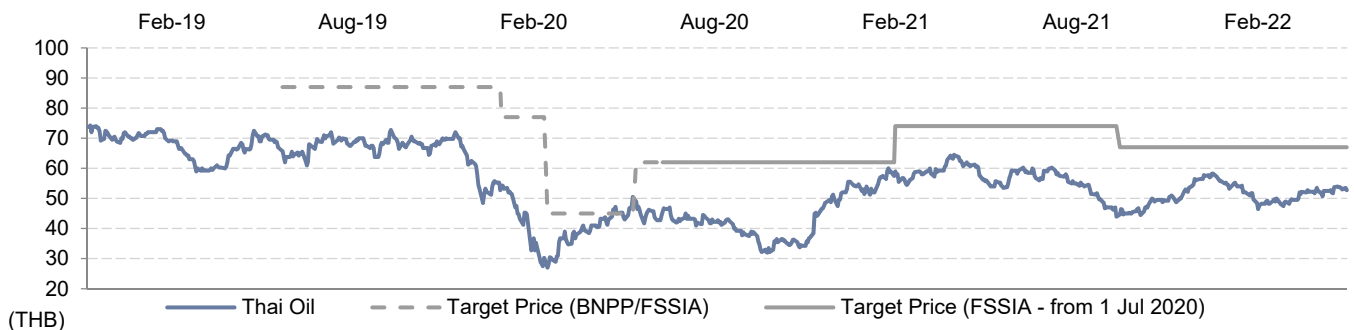
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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**History of change in investment rating and/or target price**

**Thai Oil (TOP TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Aug-2019	BUY	87.00	23-Mar-2020	BUY	45.00	18-Jan-2021	BUY	74.00
12-Feb-2020	BUY	77.00	08-Jun-2020	BUY	62.00	30-Jul-2021	BUY	67.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 08-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Oil	TOP TB	THB 52.75	BUY	Downside risks to our EV/EBITDA-based TP are a sharp rise in oil price and weak demand for refined oil products.

Source: FSSIA estimates

**Additional Disclosures**

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 15-Feb-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.