

STAR PETROLEUM REFINING

THAILAND / OIL & GAS

SPRC TB

BUY

UNCHANGED

Turnaround is confirmed

- 4Q21 core net profit was THB1.22b, up from a net loss of 350m in 3Q21 due to the higher-than-expected market GRM.
- We think SPRC's NP will continue to improve in 1Q22 onward, driven by a higher market GRM and higher product margins.
- Maintain our TP of THB13.5.

TARGET PRICE	THB13.50
CLOSE	THB8.75
UP/DOWNSIDE	+54.3%
TP vs CONSENSUS	+17.1%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	172,484	203,408	205,473	205,497
Net profit	4,746	5,930	6,188	7,574
EPS (THB)	1.09	1.37	1.43	1.75
vs Consensus (%)	-	51.0	38.6	-
EBITDA	5,972	10,568	10,827	12,467
Core net profit	1,937	5,930	6,188	7,574
Core EPS (THB)	0.45	1.37	1.43	1.75
Chg. In EPS est. (%)	nm	0.9	0.9	nm
EPS growth (%)	(6.3)	206.1	4.4	22.4
Core P/E (x)	19.6	6.4	6.1	5.0
Dividend yield (%)	2.0	4.6	4.6	4.6
EV/EBITDA (x)	7.2	3.5	2.9	2.0
Price/book (x)	1.1	1.0	0.9	0.8
Net debt/Equity (%)	14.9	(2.2)	(14.3)	(26.5)
ROE (%)	6.4	16.0	14.8	16.2

Strong 4Q21 results on high market GRM

SPRC's 4Q21 core net profit (NP) was THB1.22b, up from a net loss of 350m in 3Q21 and 450% y-y. 4Q21 NP was THB1.86b, up 15x q-q and 115% y-y, driven by an estimated pre-tax inventory gain of THB0.4b, or USD2.2/bbl, due to the higher oil price, and a forex gain of THB0.2b. The NP of THB1.86b beat Bloomberg's consensus estimate by 40% and our estimate by 10%. The main reason was the higher-than-expected market gross refining margin (GRM), which jumped to USD5.97/bbl (+155% q-q, +54% y-y) on higher product margins to offset the higher crude premium.

Higher reformat production in 4Q21

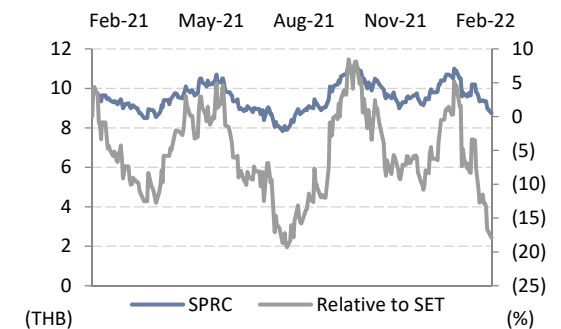
In 4Q21, SPRC continued to optimise its crude mix by using Middle East crude at a proportion of over 80%. It maintained its jet fuel production at 2% and lowered its gasoline yield to 26% and diesel yield to 40% in response to the higher reformat margins. Its 4Q21 utilisation rate was lower y-y at 80%, up from 74% in 3Q21, due to the higher product margins and demand.

Stronger net profit momentum to continue in 1Q22

We think SPRC's NP will continue to improve in 1Q22 onward, driven by a higher market GRM and higher product margins. In Jan-22 to date, the margins of diesel, jet fuel, and gasoline-Dubai have increased sharply due to the strong demand, resulting in a q-q higher GRM by USD3-4/bbl following the global economic reopening. In 4Q21, SPRC produced a 26% yield of gasoline, below its maximum 30% yield, while maintaining its jet yield at 2% and lowering its diesel yield to 40%. We think its 1Q22 net profit could jump q-q due to the higher product margins and rising utilisation rate to more than offset the impact of the higher crude premium.

GRM upside to overshadow oil spill downside

We maintain our TP of THB13.5, based on 5.5x 2022E EV/EBITDA. We think SPRC's share price has now priced in the negative impact of the high crude premium and the downside from its recent oil spill. SPRC remains our top pick in the Thai refinery sector for its low-cost structure to capture the global rising demand for oil products. SPRC will pay a dividend of THB0.174 in 2022 after its retained earnings turn positive.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(19.7)	(8.4)	(1.7)
Relative to country (%)	(21.5)	(10.6)	(14.1)
Mkt cap (USD m)	1,172		
3m avg. daily turnover (USD m)	10.0		
Free float (%)	39		
Major shareholder	Chevron South Asia Holdings Pte Ltd (61%)		
12m high/low (THB)	11.50/7.75		
Issued shares (m)	4,335.90		

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: Summary of 4Q21/2021 operations

	4Q20	3Q21	4Q21			2020	2021	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Revenue	32,708	41,193	52,803	28.2	61.4	130,163	172,484	32.5
Operating costs	(31,082)	(40,180)	(50,074)	24.6	61.1	(127,176)	(166,512)	30.9
EBITDA	1,626	1,013	2,729	169.3	67.8	2,988	5,972	99.9
EBITDA margin (%)	5.0	2	5.2	nm	nm	2.3	3	nm
Deprn & amort.	(737)	(620)	(627)	1.1	(14.9)	(2,832)	(2,644)	(6.6)
EBIT	889	393	2,102	435.0	136.5	156	3,328	2,038.5
Interest expense	(45)	(54)	(51)	(5.6)	13.0	(177)	(212)	19.5
Interest & invt inc	0	0	0	nm	nm	0	0	nm
Other income	38	16	20	22.1	(47.8)	215	(371)	nm
Associates' contrib	0	0	0	nm	nm	0	0	nm
Exceptional	193	(213)	199	nm	3.1	(7,752)	3,168	nm
Pretax profit	1,074	141	2,269	1,508.6	111.3	(7,559)	5,913	nm
Tax	(211)	(28)	(414)	1,369.2	96.4	1555	(1,166)	nm
Tax rate (%)	20	20	18	nm	nm	21	20	nm
Minority interests	0	0	0	nm	nm	0	0	nm
Net profit	863	113	1,855	1,543.5	114.9	(6,004)	4,746	nm
Non-recurring	641	463	633	36.7	(1.2)	8,072	2,809	(65.2)
Core net profit	222	(350)	1,222	nm	450.3	2,068	1,937	(6.3)
EPS (THB)	0.20	0.03	0.43	1,543.5	114.9	(1.38)	1.09	nm
Core EPS (THB)	0.05	(0.08)	0.28	nm	450.3	0.48	0.45	(6.3)

Sources: SPRC; FSSIA estimates

Exhibit 2: 4Q21/2021 key performance

	4Q20	3Q21	4Q21	Change		2020	2021	Change
	(USD m)	(USD m)	(USD m)	(q-q %)	(y-y %)	(USD m)	(USD m)	(y-y %)
Gross refining margin – accounting (USD/bbl)	6.45	4.38	8.16	86.3	26.5	(1.04)	7.50	nm
Market gross refining margin (USD/bbl)	3.88	2.34	5.97	155.1	53.9	2.79	3.66	31.2
EBITDA (USD m)	60	25	88	252.0	46.7	(140)	275	nm
Gain (loss) on foreign exchange and derivatives (loss) (USD m)	6	(6)	6	nm	0.0	14	(2)	nm
Inventory gain (loss) (USD/bbl)	2.6	2.0	2.2	7.4	(14.8)	(3.8)	3.8	nm
Net profit (USD m)	29	4	55	1,275.0	89.7	(187)	150	nm
Crude intake (k bbl/ day)	135.2	128.8	139.2	8.1	3.0	143.1	135.1	(5.6)
Revenue by product (USD m)								
Polymer-grade propylene	32	31	30	(3.2)	(6.3)	103	133	29.1
Liquefied petroleum gas	25	32	41	28.1	64.0	90	132	46.7
Light naphtha	40	60	65	8.3	62.5	137	226	65.0
Gasoline	360	420	517	23.1	43.6	1,319	1,790	35.7
Jet fuel	0	26	29	11.5	nm	95	91	(4.2)
Diesel	499	528	672	27.3	34.7	2,001	2,301	15.0
Fuel oil	23	31	61	96.8	165.2	97	145	49.5
Asphalt	6	10	13	30.0	116.7	25	51	104.0
Mix C4	29	39	43	10.3	48.3	94	163	73.4
Crude	0	0	0	nm	nm	0	2	nm
Others	52	68	103	51.5	98.1	181	316	74.6
Total Revenue	1,064	1,245	1,574	26.4	47.9	4,152	5,350	28.9
Revenue mix by product*	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Polymer-grade propylene	3	2	2	(0.6)	(1.1)	2	2	0.0
Liquefied petroleum gas	2	3	3	0.0	0.3	2	2	0.3
Light naphtha	4	5	4	(0.7)	0.4	3	4	0.9
Gasoline	34	34	33	(0.9)	(1.0)	32	33	1.7
Jet fuel	0	2	2	(0.2)	1.8	2	2	(0.6)
Diesel	47	42	43	0.3	(4.2)	48	43	(5.2)
Fuel oil	2	2	4	1.4	1.7	2	3	0.4
Asphalt	1	1	1	0.0	0.3	1	1	0.4
Mix C4	3	3	3	(0.4)	0.0	2	3	0.8
Crude	0	0	0	0.0	0.0	0	0	0.0
Others	5	5	7	1.1	1.7	4	6	1.5

*Note that change is in percentage point change

Sources: SPRC; FSSIA estimates

Financial Statements

Star Petroleum Refining

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	130,163	172,484	203,408	205,473	205,497
Cost of goods sold	(126,265)	(165,763)	(191,956)	(193,754)	(192,137)
Gross profit	3,898	6,721	11,452	11,720	13,360
Other operating income	-	-	-	-	-
Operating costs	(911)	(749)	(883)	(892)	(892)
Operating EBITDA	2,988	5,972	10,568	10,827	12,467
Depreciation	(2,832)	(2,644)	(3,286)	(3,286)	(3,286)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	156	3,328	7,282	7,541	9,181
Net financing costs	142	147	(261)	(229)	(196)
Associates	0	0	0	0	0
Recurring non-operating income	215	(371)	253	278	306
Non-recurring items	(8,072)	2,809	0	0	0
Profit before tax	(7,559)	5,913	7,274	7,591	9,291
Tax	1,555	(1,166)	(1,344)	(1,403)	(1,717)
Profit after tax	(6,004)	4,746	5,930	6,188	7,574
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(6,004)	4,746	5,930	6,188	7,574
Non-recurring items & goodwill (net)	8,072	(2,809)	0	0	0
Recurring net profit	2,068	1,937	5,930	6,188	7,574
Per share (THB)					
Recurring EPS *	0.48	0.45	1.37	1.43	1.75
Reported EPS	(1.38)	1.09	1.37	1.43	1.75
DPS	0.00	0.18	0.40	0.40	0.40
Diluted shares (used to calculate per share data)	4,336	4,336	4,336	4,336	4,336
Growth					
Revenue (%)	(22.9)	32.5	17.9	1.0	0.0
Operating EBITDA (%)	nm	99.9	77.0	2.5	15.1
Operating EBIT (%)	nm	2,038.5	118.8	3.6	21.7
Recurring EPS (%)	nm	(6.3)	206.1	4.4	22.4
Reported EPS (%)	nm	nm	24.9	4.4	22.4
Operating performance					
Gross margin inc. depreciation (%)	0.8	2.4	4.0	4.1	4.9
Gross margin of key business (%)	(5.4)	4.0	4.0	4.1	4.9
Operating EBITDA margin (%)	2.3	3.5	5.2	5.3	6.1
Operating EBIT margin (%)	0.1	1.9	3.6	3.7	4.5
Net margin (%)	1.6	1.1	2.9	3.0	3.7
Effective tax rate (%)	20.6	19.7	18.5	18.5	18.5
Dividend payout on recurring profit (%)	-	39.9	29.2	28.0	22.9
Interest cover (X)	(2.6)	(20.1)	28.8	34.2	48.4
Inventory days	38.9	28.1	34.1	36.8	37.1
Debtor days	22.0	23.0	23.7	23.5	23.5
Creditor days	30.9	24.0	28.9	31.1	31.4
Operating ROIC (%)	0.4	(1.9)	(3.8)	(4.0)	(5.1)
ROIC (%)	0.8	(1.6)	(3.8)	(4.0)	(5.0)
ROE (%)	7.0	6.4	16.0	14.8	16.2
ROA (%)	3.9	3.7	9.7	9.5	10.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Diesel	82,239	61,682	63,987	52,542	46,925
Gasoline	34,428	56,279	56,298	63,867	66,572
Jet Fuel	4,950	9,528	4,641	8,578	10,310
Light Naphtha	2,524	4,561	5,164	5,164	5,164

Sources: Star Petroleum Refining; FSSIA estimates

Financial Statements

Star Petroleum Refining

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	2,068	1,937	5,930	6,188	7,574
Depreciation	2,832	2,644	3,286	3,286	3,286
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	2,661	(6,107)	(215)	(12)	25
Cash flow from operations	7,561	(1,526)	9,001	9,462	10,886
Capex - maintenance	(2,518)	(2,602)	(3,286)	(3,286)	(3,286)
Capex - new investment	(2,216)	(104)	(1,019)	(1,019)	(1,019)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	2,146	3,243	0	0	0
Cash flow from investing	(2,588)	537	(4,305)	(4,305)	(4,305)
Dividends paid	(3,362)	(1,566)	(774)	(1,734)	(1,734)
Equity finance	0	0	0	0	0
Debt finance	3,418	(2,183)	(4,554)	0	0
Other financing cash flows	(3,413)	6,049	2,037	2,038	2,037
Cash flow from financing	(3,357)	2,299	(3,290)	303	303
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,615	1,310	1,406	5,461	6,884
Free cash flow to firm (FCFF)	5,149.65	(777.58)	4,957.59	5,385.97	6,776.95
Free cash flow to equity (FCFE)	4,977.52	2,876.13	2,179.74	7,195.04	8,618.15

Per share (THB)

FCFF per share	1.19	(0.18)	1.14	1.24	1.56
FCFE per share	1.15	0.66	0.50	1.66	1.99
Recurring cash flow per share	1.13	1.06	2.13	2.19	2.50

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	69,353	77,210	79,478	81,746	84,014
Less: Accumulated depreciation	(45,197)	(52,992)	(56,278)	(59,564)	(62,851)
Tangible fixed assets (net)	24,156	24,219	23,200	22,181	21,163
Intangible fixed assets (net)	93	93	93	93	93
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	1,635	2,945	4,351	9,811	16,695
A/C receivable	8,515	13,219	13,219	13,219	13,219
Inventories	9,052	16,486	19,420	19,602	19,438
Other current assets	121	81	95	96	96
Current assets	19,323	32,731	37,085	42,729	49,449
Other assets	2,969	1,683	1,683	1,683	1,683
Total assets	46,541	58,726	62,062	66,686	72,388
Common equity	26,427	34,371	39,526	43,980	49,820
Minorities etc.	0	0	0	0	0
Total shareholders' equity	26,427	34,371	39,526	43,980	49,820
Long term debt	8,857	3,374	0	0	0
Other long-term liabilities	517	950	950	950	950
Long-term liabilities	9,374	4,324	950	950	950
A/C payable	7,821	13,961	16,445	16,599	16,461
Short term debt	1,380	4,680	3,500	3,500	3,500
Other current liabilities	1,539	1,390	1,640	1,656	1,657
Current liabilities	10,740	20,031	21,585	21,756	21,617
Total liabilities and shareholders' equity	46,541	58,726	62,062	66,686	72,388
Net working capital	8,328	14,435	14,650	14,662	14,637
Invested capital	35,546	40,430	39,626	38,620	37,576

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

Per share (THB)

Book value per share	6.09	7.93	9.12	10.14	11.49
Tangible book value per share	6.07	7.91	9.09	10.12	11.47

Financial strength

Net debt/equity (%)	32.6	14.9	(2.2)	(14.3)	(26.5)
Net debt/total assets (%)	18.5	8.7	(1.4)	(9.5)	(18.2)
Current ratio (x)	1.8	1.6	1.7	2.0	2.3
CF interest cover (x)	(49.5)	(19.3)	13.2	36.9	50.2

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	18.3	19.6	6.4	6.1	5.0
Recurring P/E @ target price (x) *	28.3	30.2	9.9	9.5	7.7
Reported P/E (x)	(6.3)	8.0	6.4	6.1	5.0
Dividend yield (%)	-	2.0	4.6	4.6	4.6
Price/book (x)	1.4	1.1	1.0	0.9	0.8
Price/tangible book (x)	1.4	1.1	1.0	0.9	0.8
EV/EBITDA (x) **	15.6	7.2	3.5	2.9	2.0
EV/EBITDA @ target price (x) **	22.5	10.7	5.5	4.8	3.6
EV/invested capital (x)	1.3	1.1	0.9	0.8	0.7

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

Sources: Star Petroleum Refining; 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	SEOIL	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

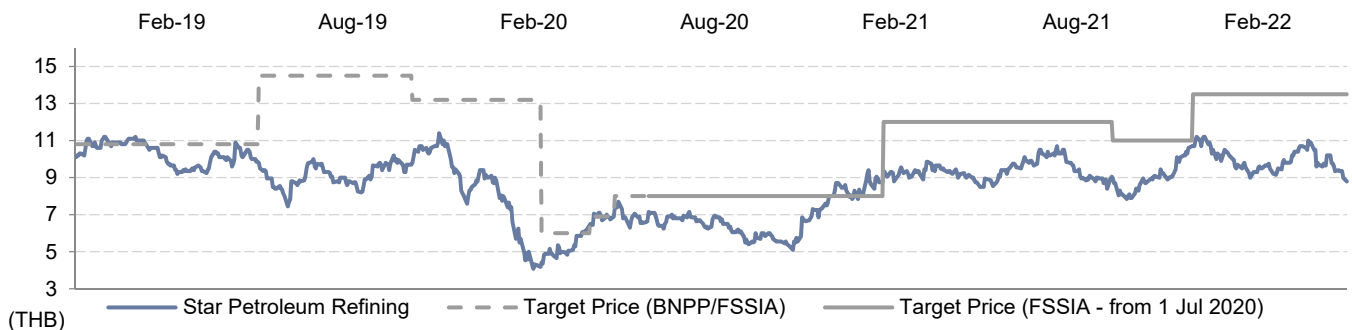
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History of change in investment rating and/or target price

Star Petroleum Refining (SPRC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Feb-2019	HOLD	10.80	31-Mar-2020	BUY	6.00	18-Jan-2021	BUY	12.00
01-Aug-2019	BUY	14.50	12-May-2020	BUY	6.90	03-Aug-2021	BUY	11.00
11-Dec-2019	BUY	13.20	02-Jun-2020	BUY	8.00	11-Oct-2021	BUY	13.50

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 18-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Star Petroleum Refining	SPRC TB	THB 8.75	BUY	TP is based on EV/EBITDA. Downside risks 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 Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 22-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.