

Thailand Energy – Oil Stations

Getting out from the devil and the deep blue sea

- We think Thai operators of oil stations should see strong NP growth in 2022 on improving marketing margins, higher sales volumes and improving non-oil EBITDA.
- We believe the gov't's recent moves to curb the prices of electricity and diesel will benefit Thai operators of oil stations, reducing the burden on the private sector.
- OR is our top pick for its well-diversified and integrated portfolio of oil and non-oil.

Favourable regulations to further enhance the rebound in demand and margins

After a poor 2021 due to the impact of Covid-19, we think Thai operators of oil stations should see strong net profit growth in 2022, backed by 1) an improving marketing margin on the back of the government's more favourable tax and subsidy policy for diesel; 2) higher sales volumes due to improving economic activities – demand growth in Jan-22 was high y-y despite the rising number of the Covid-19 cases; and 3) improving non-oil EBITDA for food & beverage (F&B), LPG, and retail businesses.

Gasoline demand recovery has already surpassed pre-Covid levels

The demand for four key fuels – diesel, gasoline, fuel oil, and jet fuel – has recovered markedly y-y, particularly for diesel (+24% y-y), gasoline (+12% y-y), and jet fuel (+76% y-y), which bounced back from their bottoms in mid-2021 after the government largely opened up economic activities and domestic and international flights, though at a piecemeal pace for international flights.

Lower margin burdens thanks to government initiatives

We believe the government's recent moves to curb the prices of electricity and diesel will benefit Thai operators of oil stations, effectively reducing the burden on the private sector. First, the government aims to maintain the retail price of diesel at THB30/litre by cutting the excise tax from THB5-6/litre to THB0.05/litre in Feb-22 and lifting the subsidy to THB9.6/litre. Second, on 8 Mar-22, the Thai cabinet approved cuts to the excise tax for biodiesel from THB3.2/litre to THB0.05/litre and for fuel oil from THB0.64/litre to THB0.05/litre to help relieve the financial burden on the Electricity Generating Authority of Thailand (EGAT), effective from 8 Mar to 15 Sep-22. However, the oil fund status has turned to a net loss of THB24b since Dec-21 and could worsen financially in the next few months as we expect the crude oil price to remain high above USD100/bbl throughout 2022.

PTG and OR are our top picks

We expect stronger net profit growth for oil station operators in 2022, backed by 1) solid sales volume growth post economic reopening; 2) a rising marketing margin, supported by government policies; and 3) improving EBITDA from non-oil businesses, namely F&B, LPG sales volumes (PTG), and wholesale volumes. Our top picks in the oil station sector are PTG and OR. As a pure play, PTG has the highest operating leverage on the projected recovery in the marketing margin as most of its oil stations have a COCO model. OR is our top pick for its well-diversified and integrated portfolio of oil (retail and wholesale) and non-oil businesses (F&B, CVS), and we expect OR's net profit growth to accelerate in 2022, backed by a rise in the sales volumes and margins for its oil and non-oil units.



Suwat Sinsadok, CFA, FRM, ERP
 suwat.sin@fssia.com
 +66 2611 3558

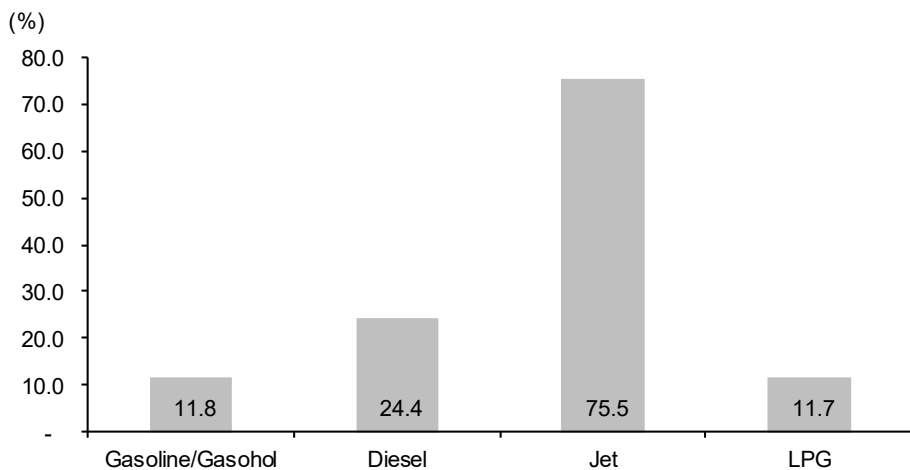
Siriluck Pinthusoonthorn
 siriluck.pin@fssia.com
 +66 2611 3562

Getting out from the devil and the deep blue sea

In the past six months, after the Thai government has almost fully reopened economic activities from the lockdowns, the demand for refined oils has shown a high resilience, rebounding significantly y-y in Jan-22 despite the rising number of Covid-19 cases.

As the death rate has remained low at fewer than 100 cases daily, the Thai government has clearly indicated that it is unlikely that lockdowns will be re-introduced again in 2022. Indeed, the government has even relaxed the “Test & Go” scheme for tourist arrivals, cutting the required hotel booking from two nights (first and fifth night) down to only one night (first night) to stimulate tourism amid the improving health situation in Thailand.

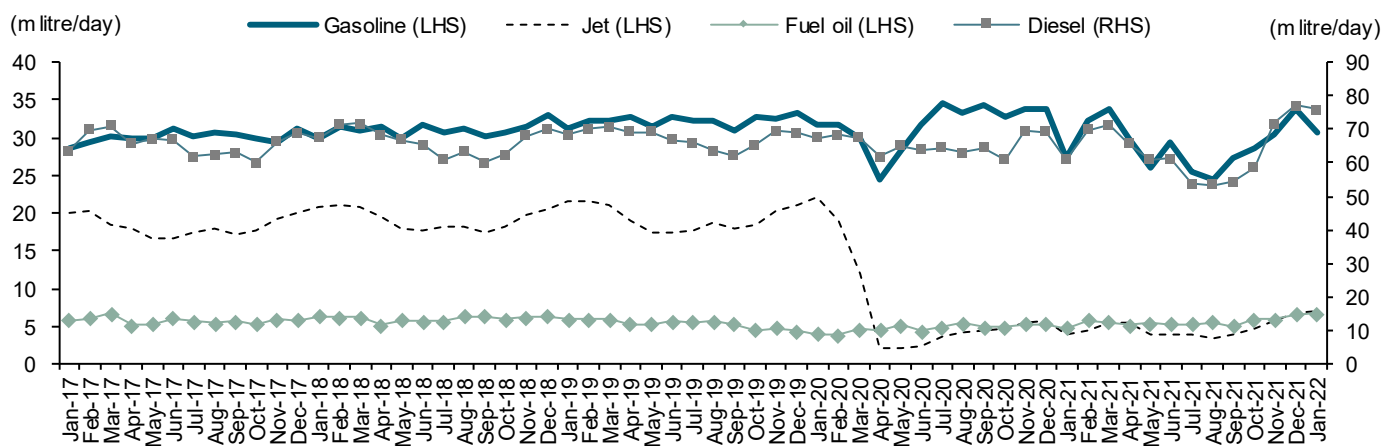
Exhibit 1: Oil demand growth y-y in Jan-22



Source: Department of Energy Business, Ministry of Energy (DOEB)

Meanwhile, the demand for four key fuels – diesel, gasoline, fuel oil, and jet fuel – has recovered markedly y-y, particularly for diesel and gasoline, which bounced back from their bottoms in mid-2021, while the demand for jet fuel has just started to rebound in the past few months after the government fully opened up flights both domestically and internationally, though at a piecemeal pace for international flights.

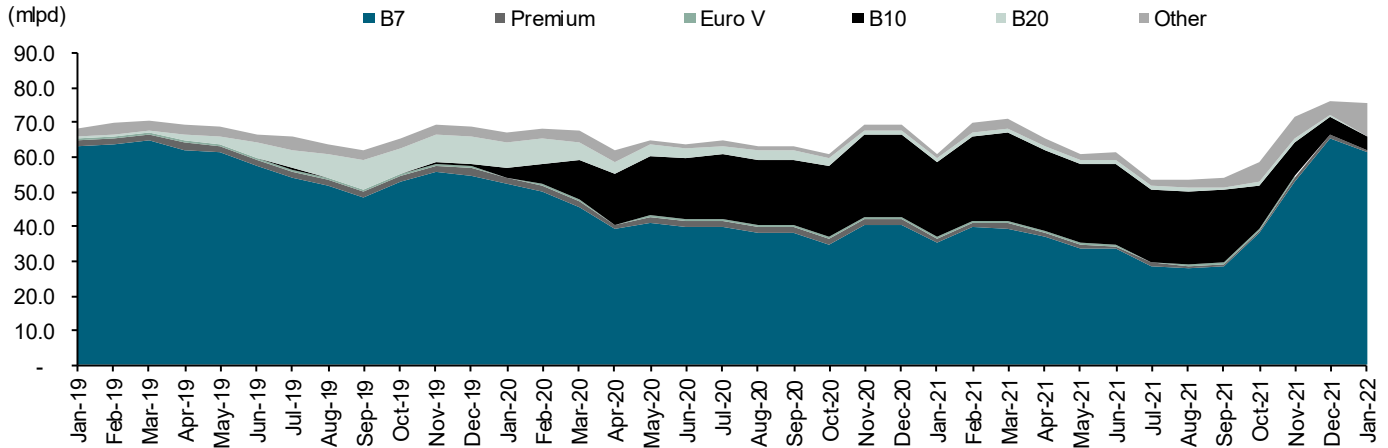
Exhibit 2: Demand for four key fuels in Thailand



Source: DOEB

As diesel is the major fuel consumed in Thailand for transportation, the Thai government has closely monitored the price of diesel and initiated a price cap policy at THB30/litre, aiming to alleviate the public burden on the cost of living. In addition, in 4Q21, the government decided to change the biodiesel standard type from B10 (90% refined diesel and 10% methyl ester or B100) to B7, citing that the price of the crude palm oil (CPO)-based B100 is too high compared to the ex-refinery oil price.

Exhibit 3: Thailand’s diesel consumption breakdown

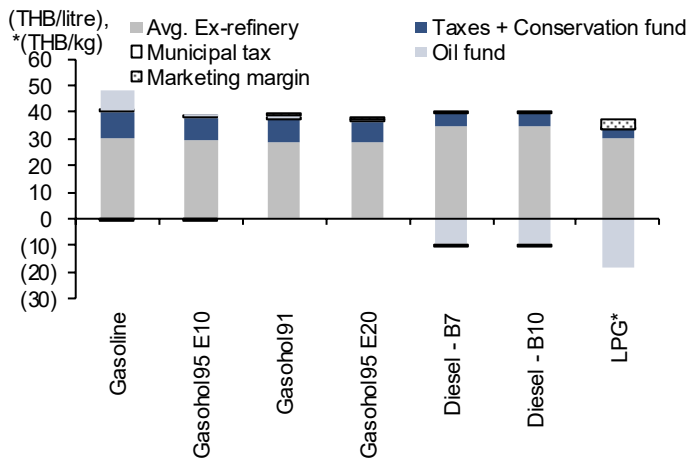


Source: DOEB

However, the global crude oil price has continued to rise to surpass USD130/bbl in Mar-22, triggered by the higher supply risk from the Russia-Ukraine war. At the current crude oil price of USD120-130/bbl, the retail biodiesel B7 price is estimated to jump to THB35/litre, far above the government’s capped price of THB30/litre.

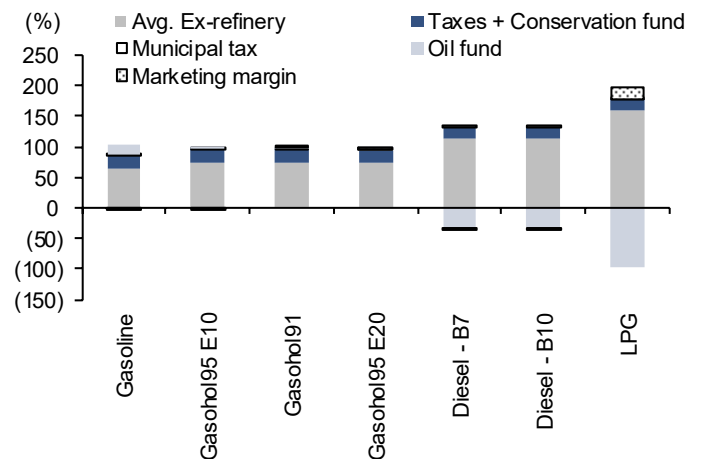
Hence, in Feb-22, Thai government decided to cut the excise taxes imposed on diesel/biodiesel from THB5-6/litre, down to THB0.05/litre, effectively lowering the retail price by THB2-3/litre. Moreover, the government simultaneously raised the subsidies for diesel/biodiesel to THB9.6/litre. The price subsidies and tax cuts have successfully contained the retail price of diesel/biodiesel to stay close to THB30/litre.

Exhibit 4: Price structure of refined products



Source: Energy Policy and Planning Office (EPPO)

Exhibit 5: Price structure of refined products (%)

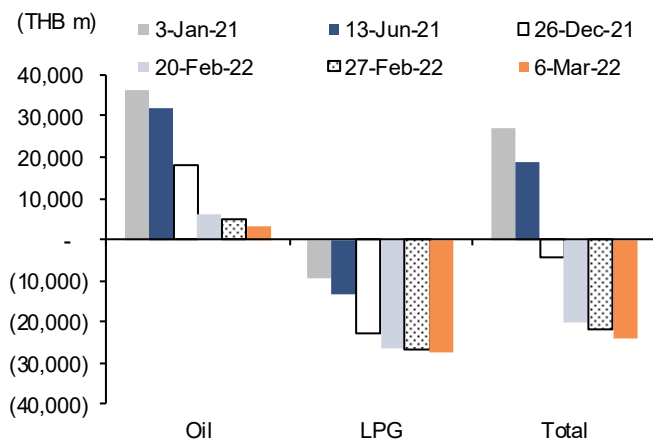


Source: EPPO

Oil fund status at deficit of THB24b as of 6 Mar-22. To retain the price of diesel/biodiesel at a low level, the Thai government cut the excise taxes but raised the subsidy from the oil fund to a similar degree, essentially exacerbating the government’s financial strain via both the revenue loss from the excise tax cuts and the higher subsidies from the oil fund. We believe the motive behind these actions comes from an attempt to gain popular support from the public ahead of the expected general election in 2023.

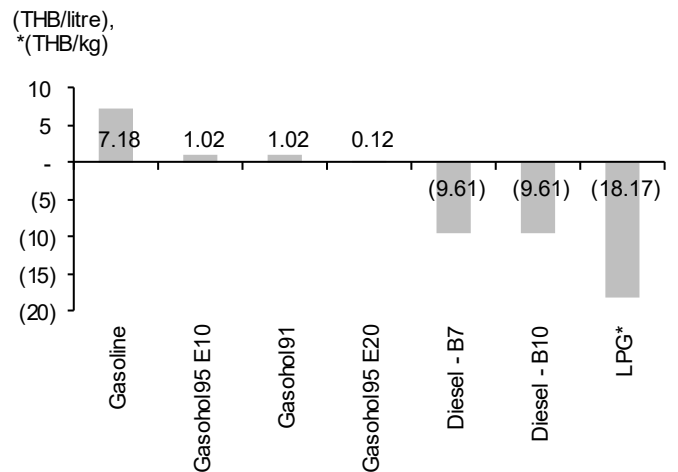
As a result, the oil fund status has turned from a positive to a negative balance since Dec-21, and stands at a deficit of THB24b, mainly from the subsidy of LPG at THB18.17/kg. With the changes in the subsidies for biodiesel B7 and B10, we think the oil fund status could worsen financially in the next few months, as we expect the crude oil price to remain high above USD100/bbl throughout 2022, far above the USD85/bbl level for the government’s THB30/litre retail price of biodiesel.

Exhibit 6: Oil fund status



Source: Oil Fuel Fund Office (OFFO)

Exhibit 7: Oil fund tax

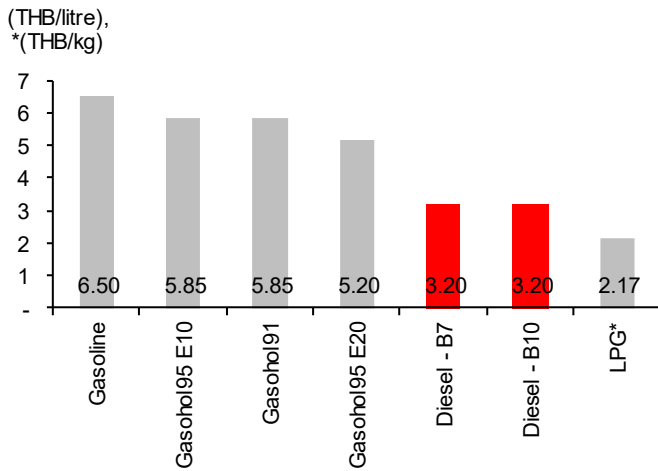


Source: EPP0

Reduction in the excise tax on diesel

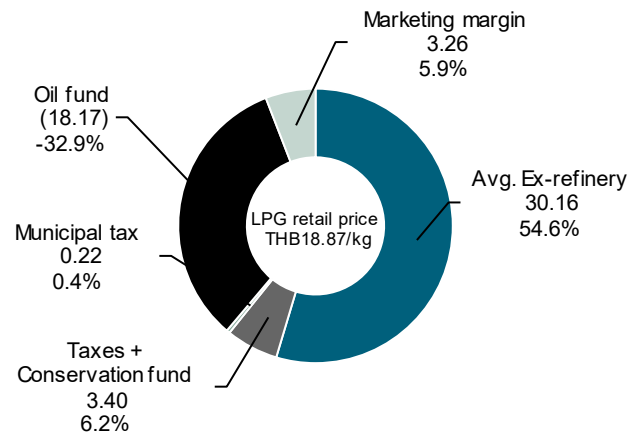
On 8 Mar-22, the Thai cabinet approved cuts to the excise tax for biodiesel from THB3.2/litre to THB0.05/litre and for fuel oil from THB0.64/litre to THB0.05/litre to help relieve the financial burden on EGAT, effective from 8 Mar to 15 Sep-22.

Exhibit 8: Excise tax for refined oil products



Source: EPPO

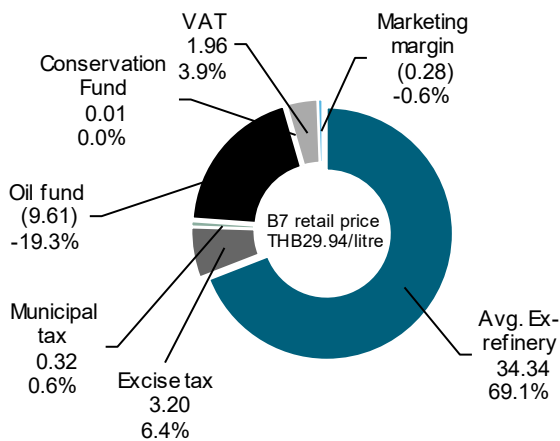
Exhibit 9: LPG price structure



Source: EPPO

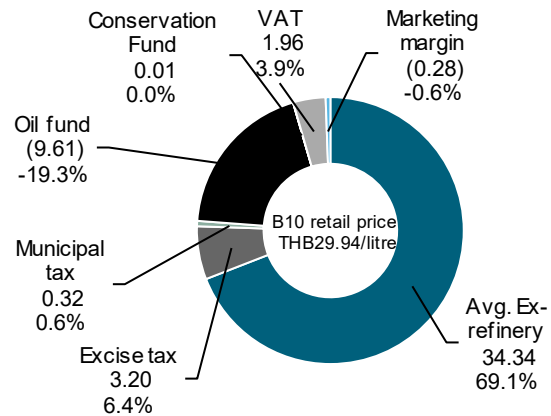
The main objective is to reduce the import price of spot LNG, whose current price is excessively high due to the tight gas market caused by Russia’s ongoing invasion of Ukraine. In Jan-22, according to the Department of Energy Business, Thailand imported 6.94m litres to be consumed as a fuel to produce electricity at a number of power plants, including Ratchaburi, GPSC, Wang Noi, and Bangpakong, all operated by EGAT.

Exhibit 10: Retail price – Diesel B7



Source: EPPO

Exhibit 11: Retail price – Diesel B10

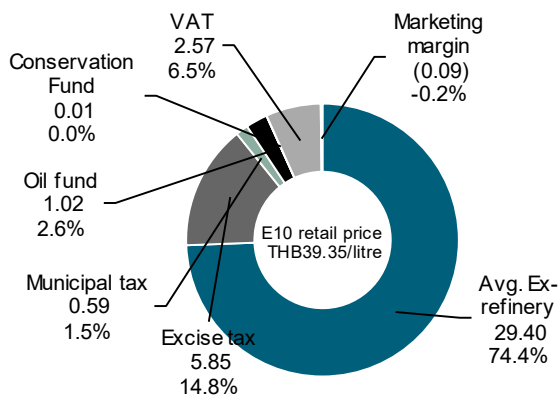


Source: EPPO

Note that the THB30/litre retail price of biodiesel applies only to the transportation sector, not the electricity sector, thus the government’s cuts in the excise taxes on the prices of biodiesel and fuel oil used for EGAT’s electricity production is one of many measures that the government plans to implement to keep the electricity tariff low.

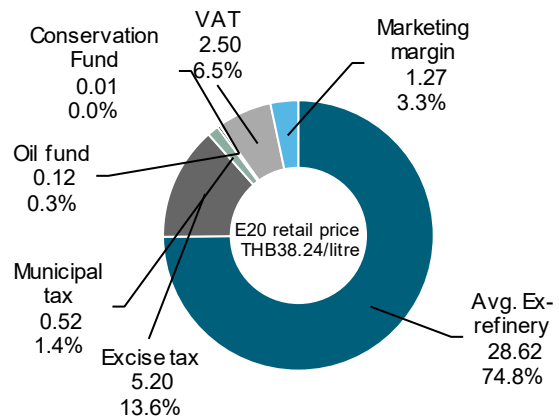
Meanwhile, the taxes imposed on gasoline and gasohol (gasoline blended with ethanol) remain high at over THB5/litre across the four types of gasoline/gasohol, as the government perceives the gasoline group to be a "luxury" product, and hence charges a higher tax rate on the gasoline group than on the diesel group.

Exhibit 12: Retail price structure – Gasohol95 E10



Source: EPPO

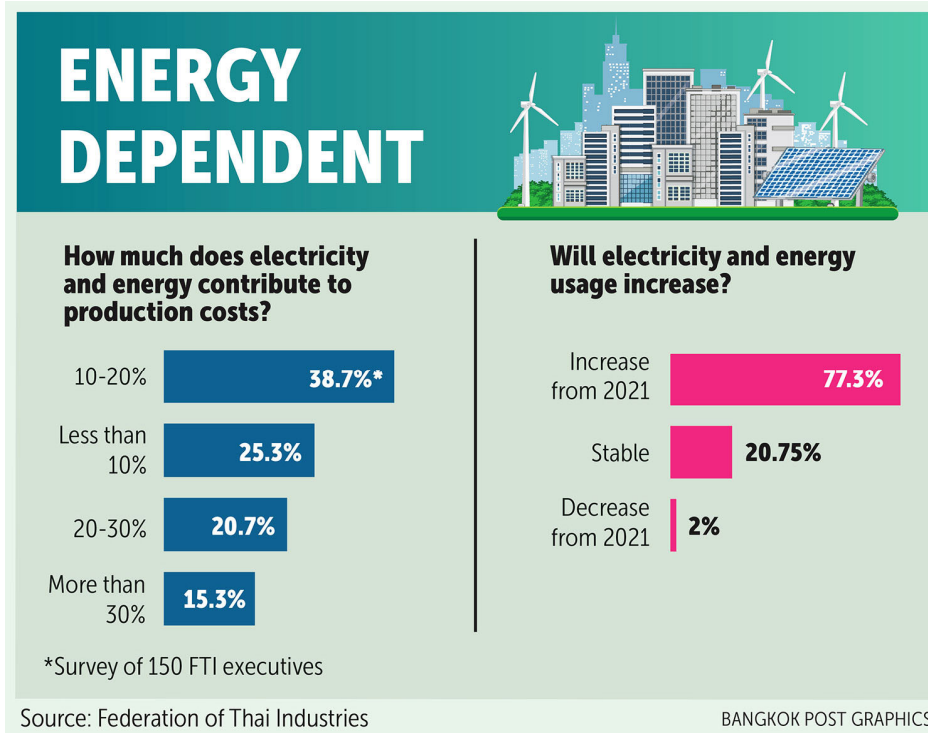
Exhibit 13: Retail price – Gasohol95 E20



Source: EPPO

According to the Bangkok Post on 4 Mar-22, the Federation of Thai Industries (FTI) urged the government to freeze the fuel tariff (Ft) on power bills and maintain the retail gas prices to ease the impact of soaring global oil prices on economic activities and the cost of living. The FTI's survey of companies' executives indicated that over 81% of those surveyed are in favour of freezing the Ft for four months (May-Aug 2022).

Exhibit 14: FTI's survey of 150 executives regarding electricity and energy costs



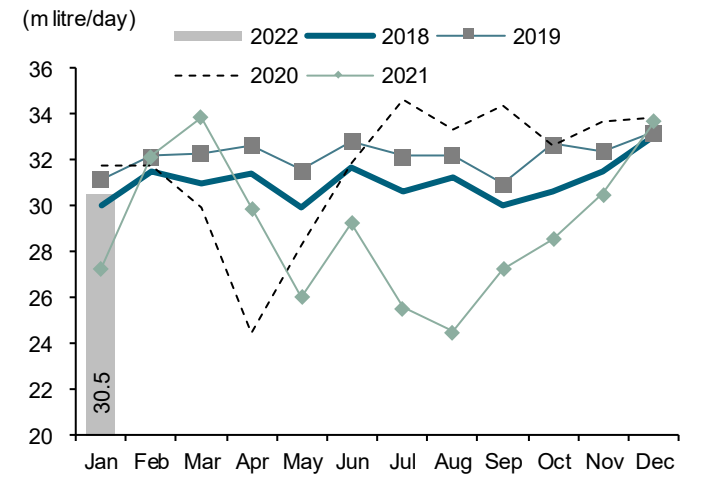
Sources: FTI; Bangkok Post

Earlier in January, the energy authority, the Energy Regulatory Commission, signalled that electricity bills could be lower in May as the National Energy Policy Council has already approved spending THB13b from gas sales contracts in Myanmar to reduce the Ft rate. This could be another measure, coupled with the excise tax cuts and oil fund subsidies, to reduce the energy and electricity costs for the industrial and household sectors.

Fuel demand recovery is moving at a faster pace than expected

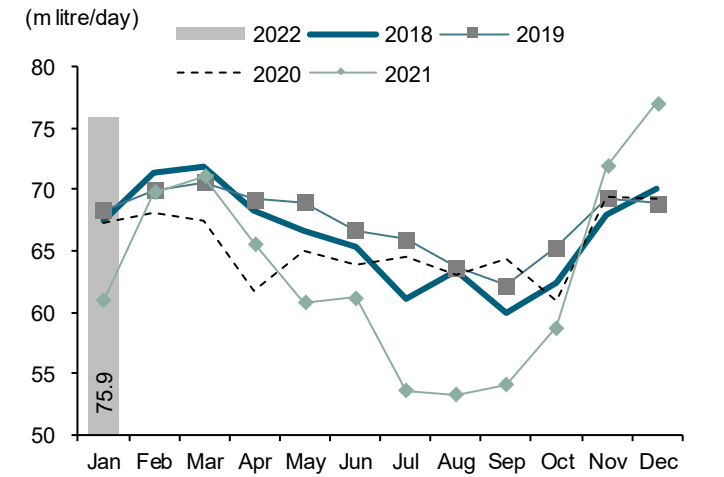
While the prices of fuel in Thailand have been pushed up by the sharp rise in global crude oil prices, the demand for all types of fuels has risen markedly since Sep-21 after the government reopened the economy and gradually opened up the tourism and transportation sectors in order to spur the resumption of the country’s tourist arrivals.

Exhibit 15: Diesel/biodiesel demand



Source: DOEB

Exhibit 16: Gasoline/gasohol demand

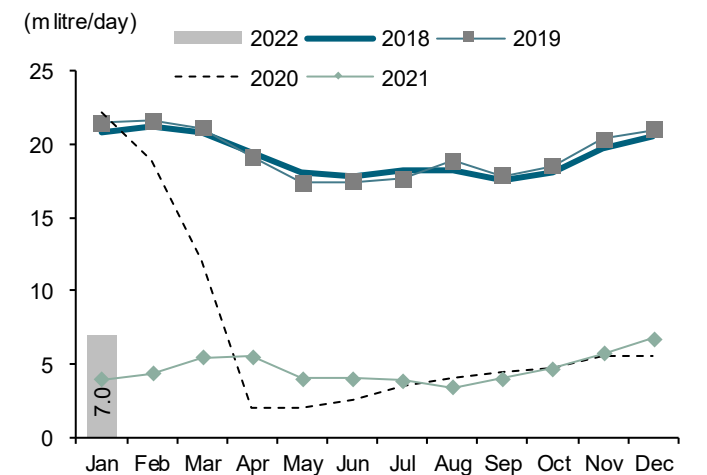


Source: DOEB

The demand for gasoline and gasohol has been the most resilient, jumping since Nov-21 to surpass the pre-Covid levels. Diesel demand has recovered, but it is still slightly below the pre-Covid level as the demand and price elasticity of diesel as a key transportation fuel is much higher than those of gasoline, which is mainly used by consumers.

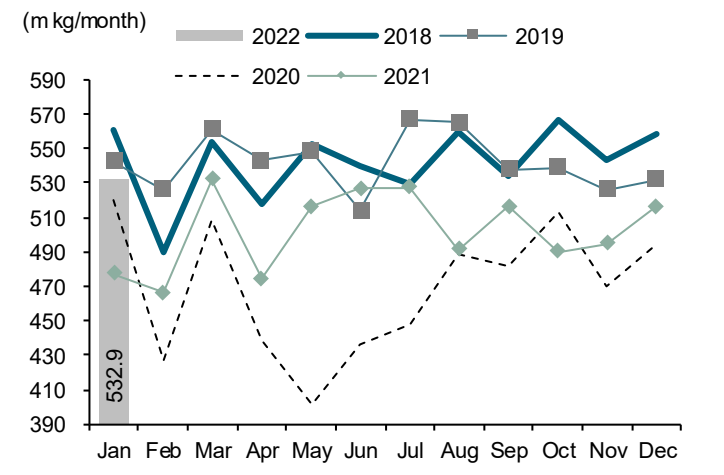
LPG demand has continued to rise but remains weaker than the pre-Covid level as the economic activities for restaurants and outdoor recreation remains lower than the pre-Covid level. Jet fuel demand has lagged the most, inching up to only one-third of the pre-Covid demand level of 21m litres per day (mlpd), as the number of international flights remains low due to the Omicron resurgence.

Exhibit 17: Jet fuel demand



Source: DOEB

Exhibit 18: LPG demand



Source: DOEB

Strong demand over margin weakness in 2022

We believe the worst quarter for the earnings of Thai oil station plays has already passed in 4Q21, given that the marketing margin for diesel was capped by the Thai government and sales volumes remained weak. Starting in 1Q22, we project the net profit for oil station operators to grow meaningfully, driven by an improving market margin as a result of the subsidies from the government to relieve the burden on the private sector, continued rising sales volumes that should effectively reduce the fixed cost per unit, particularly for companies like PTG Energy (PTG TB, BUY) and Susco (SUSCO TB, BUY), with the majority of their oil stations having Company-Owned, Company-Operated (COCO) business models.

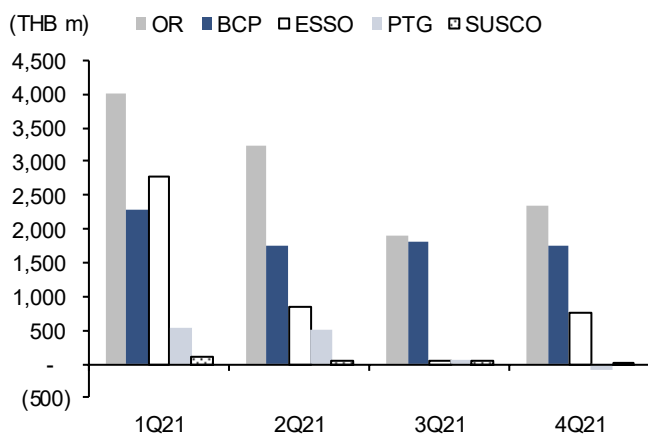
In the past four quarters, the net profits and core net profits of five key operators of oil stations in Thailand have declined due to the weaker marketing margin and the weak sales volumes for both the domestic and export markets due to the ongoing lockdowns and limited economic activities to contain the Covid-19 pandemic.

We, however, project that all operators will witness stronger net profits sequentially throughout 2022, backed by 1) solid sales volume growth due to much improved economic and driving activities; 2) a gradually rising marketing margin, as we think the costs being passed through to the retail prices should be more efficient and faster than in 2022; and 3) improving EBITDA from non-oil businesses, namely F&B, LPG sales volumes (PTG), and wholesale volumes.

Our top picks in the Thai downstream oil station sector are PTG and PTT Oil and Retail Business (OR TB, BUY). PTG is a pure play in the oil station sector with the highest operating leverage on the projected recovery in the marketing margin as most of its oil stations have a COCO model.

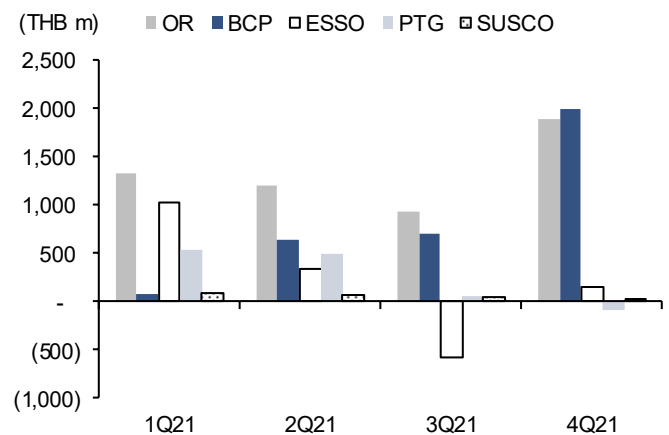
OR is our top pick for its well-diversified and integrated portfolio of oil (retail and wholesale) and non-oil businesses (F&B, convenient stores (CVS)). Since its initial public offering in 4Q20, OR has suffered substantially from the impact of the Covid-19 pandemic, both in terms of poor sales volumes, the depressed marketing margin, and declining EBITDA from its non-oil businesses.

Exhibit 19: Net profit



Source: Companies

Exhibit 20: Core net profit



Source: Companies

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:

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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	AMANAH	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

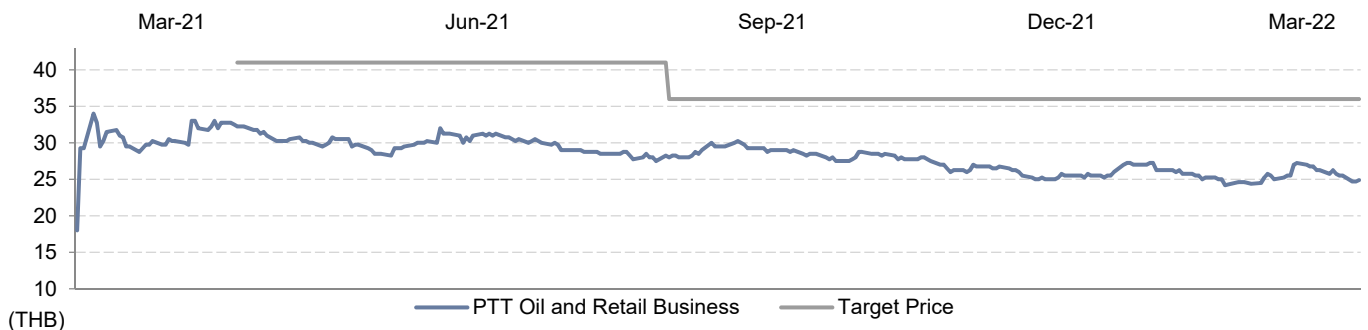
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

PTT Oil and Retail Business (OR TB)



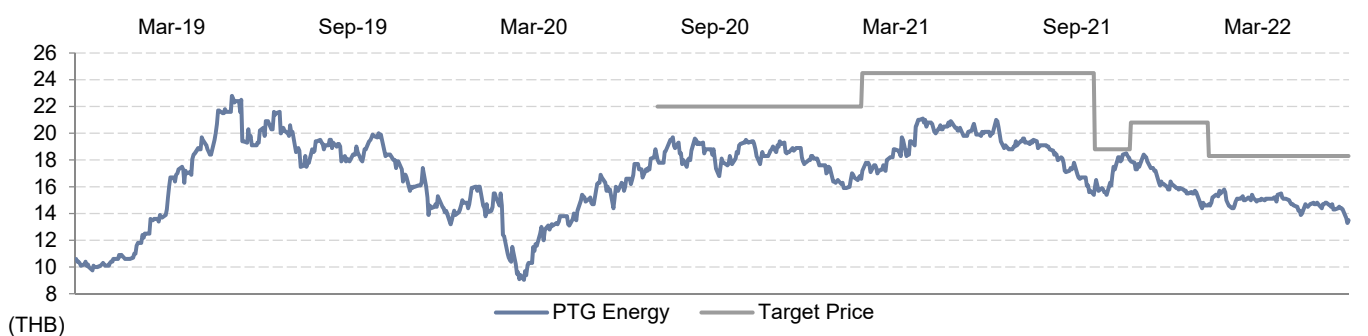
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Mar-2021	BUY	41.00	09-Aug-2021	BUY	36.00	-	-	-

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

PTG Energy (PTG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Jul-2020	BUY	22.00	02-Aug-2021	BUY	18.80	08-Nov-2021	BUY	18.30
14-Jan-2021	BUY	24.50	02-Sep-2021	BUY	20.80			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 22-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Susco (SUSCO TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	BUY	4.00	09-Aug-2021	BUY	3.50	-	-	-

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 29-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
PTT Oil and Retail Business	OR TB	THB 24.90	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.
PTG Energy	PTG TB	THB 13.50	BUY	The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.
Susco	SUSCO TB	THB 3.42	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet fuel demand.

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 09-Mar-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.