

PTT EXPLOR & PROD

THAILAND / OIL & GAS

PTTEP TB

BUY

UNCHANGED

Large hedging loss curbed 1Q22

- PTTEP's 1Q22 NP was THB10.5b (-1.2% q-q, -8.8% y-y) due to a USD252m non-recurring loss, including a hedging and FX loss.
- We believe PTTEP's NP growth in 2Q22 and 2022 will be driven by higher sales volumes, a higher ASP and its low-cost structure.
- Maintain BUY and our target price of THB176.

TARGET PRICE	THB176.00
CLOSE	THB148.00
UP/DOWNSIDE	+18.9%
TP vs CONSENSUS	+5.6%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	219,068	319,977	311,971	312,059
Net profit	38,864	54,880	51,174	54,146
EPS (THB)	9.79	13.82	12.89	13.64
vs Consensus (%)	-	(18.9)	(17.6)	(9.0)
EBITDA	113,647	161,457	145,410	153,602
Core net profit	48,531	54,880	51,174	54,146
Core EPS (THB)	12.22	13.82	12.89	13.64
EPS growth (%)	104.9	13.1	(6.8)	5.8
Core P/E (x)	12.1	10.7	11.5	10.9
Dividend yield (%)	4.2	6.0	5.6	5.9
EV/EBITDA (x)	5.3	4.3	4.7	4.3
Price/book (x)	1.4	1.4	1.3	1.2
Net debt/Equity (%)	2.5	25.8	19.7	14.8
ROE (%)	12.6	12.9	11.5	11.7

Large hedging loss eroded 1Q22 net profit

PTTEP's 1Q22 net profit (NP) was THB10.5b (-1.2% q-q, -8.8% y-y) due to a USD252m non-recurring loss, including a hedging loss (USD240m) and an FX loss. Core NP rose to THB19b in 1Q22 (+11 q-q, +115% y-y), beating Bloomberg consensus by 7% and our forecast by 2%. Key drivers were 1) a 9.6% q-q higher average selling price (ASP) at USD51.4/boe from the higher liquid price (+19.7% q-q to USD91.2/boe) and the higher gas price (+4.5% q-q to USD6.1/mmbtu); and 2) a higher sales volume of 427kboed (+1.5% q-q, +11.6% y-y) due to no planned shutdowns at the Arthit and MTJDA gas fields. The total cost in 1Q22 dipped to USD26.5/boe (-10% q-q, -5% y-y) due to lower operating expenses, SG&A and depreciation expenses.

Higher ASP and lower costs ahead

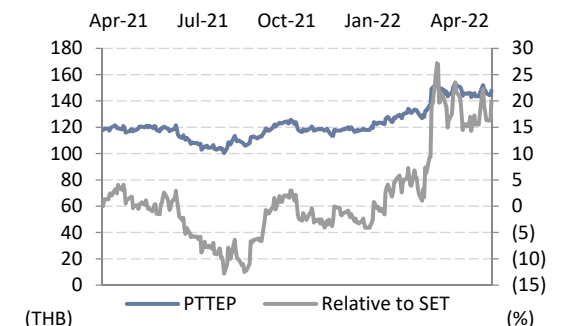
PTTEP's assets in Southeast Asia reported a 1Q22 NP of USD584m, up 7% q-q due to the higher ASP and sales volumes from the Arthit and MTJDA fields. The NP from its Middle East assets improved to USD54m in 1Q22 due to the higher ASP. PTTEP's guidance for 2022 is 1) a sales volume targeted at 467kboed; 2) a higher gas price at USD6.4/mmbtu in 2022; 3) maintaining a unit cost of USD28-29/boe; and 4) achieving an EBITDA margin of 70-75%.

G1/G2 production ramp-ups are key

We believe PTTEP's NP growth in 2Q22 and 2022 will be strong, driven by 1) higher sales volumes from G1/G2 and Algeria; 2) a higher ASP due to the higher liquid and gas prices; and 3) its low-cost structure, mainly from lower OPEX. PTTEP's guidance is for G1's production to rise from 250kboed in 2Q22 to 400kboed at end-2022, 600kboed in 2023, and 800kboed in Apr-24.

G1 overhang should now subside

Maintain BUY and our TP of THB176, based on 5.0x 2022E EV/EBITDA. PTTEP remains our top pick in the upstream oil & gas sector based on our estimate that for every 1% change in the oil price, its earnings should increase by 1.3-2.0%, depending on the oil volume sold. We think the overhang from the G1 production hiccup should gradually subside, allowing PTTEP's valuation to rerate on the higher oil and gas prices.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.3)	16.5	29.3
Relative to country (%)	(1.0)	15.0	22.6
Mkt cap (USD m)			17,124
3m avg. daily turnover (USD m)			75.4
Free float (%)			35
Major shareholder			PTT Plc. (65%)
12m high/low (THB)			158.00/100.50
Issued shares (m)			3,969.99

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: Summary of 1Q22 operations

	1Q21	4Q21	1Q22		2021	2022E	Change	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	42,136	62,313	67,145	7.8	59.4	219,068	319,977	46.1
Operating costs	(21,082)	(17,737)	(14,086)	(20.6)	(33.2)	(23,710)	(78,526)	231.2
EBITDA	21,054	44,576	53,059	19.0	152.0	113,647	161,457	42.1
<i>EBITDA margin (%)</i>	<i>50.0</i>	<i>71.5</i>	<i>79.0</i>	<i>nm</i>	<i>nm</i>	<i>51.9</i>	<i>50.5</i>	<i>nm</i>
Depn & amort.	(16,557)	(14,041)	(17,087)	21.7	3.2	(28,118)	(32,826)	16.7
EBIT	4,497	30,535	35,972	17.8	699.9	85,530	128,631	50.4
Interest expense	(1,453)	(1,696)	(1,718)	1.3	18.2	(6,472)	(6,790)	4.9
Interest & invt inc	11,280	3,033	742	(75.5)	(93.4)	532	532	-
Associates' contrib	64	109	350	221.4	446.0	489	489	-
Exceptionals	2,946	(6,417)	(8,392)	nm	nm	9,981	(9,338)	nm
Pretax profit	17,334	25,564	26,955	5.4	55.5	80,392	113,523	41.2
Tax	(5,801)	(14,919)	(16,436)	10.2	183.3	(41,528)	(58,643)	41.2
<i>Tax rate (%)</i>	<i>33.5</i>	<i>58.4</i>	<i>61</i>	<i>nm</i>	<i>nm</i>	<i>51.7</i>	<i>51.7</i>	<i>nm</i>
Minority interests	0	0	0	nm	nm	0	0	nm
Net profit	11,534	10,645	10,519	(1.2)	(8.8)	38,864	54,880	41.2
Non-recurring	2,696	(6,499)	(8,462)	30.2	nm	(9,667)	-	nm
Core profit	8,838	17,144	18,981	10.7	114.8	48,531	54,880	13.1
EPS (THB)	2.91	2.68	2.65	(1.2)	(8.8)	9.79	13.82	41.2
Core EPS (THB)	2.23	4.32	4.78	10.7	114.8	12.22	13.82	13.1

Sources: PTTEP; FSSIA estimates

Exhibit 2: 1Q22 results – key drivers

	Unit	1Q21	4Q21	1Q22	Change	
					(q-q %)	(y-y %)
Sales volume	boed	382,877	420,965	427,368	1.5	11.6
ASP	USD/boe	40.4	46.9	51.4	9.6	27.2
Gas price	USD/mmBTU	5.6	5.8	6.1	4.5	8.2
Liquid price	USD/bbl	56.6	76.2	91.2	19.7	61.1
Total cost	USD/boe	28.0	29.5	26.5	(10.1)	(5.1)
Cash cost	USD/boe	12.1	15.7	13.1	(16.3)	8.3
Operating expenses	USD/boe	5.1	7.1	5.1	(28.0)	1.0
Exploration expenses	USD/boe	0.1	0.5	0.2	(70.6)	25.0
Petroleum royalties	USD/boe	3.4	3.7	4.3	15.7	25.2
SG&A	USD/boe	2.1	3.1	2.2	(26.9)	5.2
Depreciation, depletion & amortisation	USD/boe	15.9	13.9	13.4	(3.0)	(15.3)
Tax	USD/boe	5.1	11.9	12.9	8.5	153.8
Interest	USD/boe	1.4	1.3	1.4	3.1	(2.9)
Net profit	THB m	11,534	10,645	10,519	(1.2)	(8.8)
Core earnings	THB m	8,838	17,144	18,981	10.7	114.8

Sources: PTTEP; FSSIA estimates

Exhibit 3: 1Q22 net profit by segment (USD m)

	1Q21	4Q21	1Q22	Change	
				(USD m)	(USD m)
Exploration and production	539	401	631	57.4	17.1
Southeast Asia	324	546	584	7.0	80.2
- Thailand	270	372	418	12.4	54.8
- Other Southeast Asia	54	174	166	(4.6)	207.4
Middle East	351	37	54	45.9	(84.6)
Australia	(1)	7	(1)	nm	-
America	(146)	(23)	(7)	(69.6)	(95.2)
Africa	7	(169)	(3)	(98.2)	nm
Others	4	3	4	33.3	-
Head office and others	(163)	(80)	(313)	291.3	92.0
Total	376	321	318	(0.9)	(15.4)

Sources: PTTEP; FSSIA estimates

Financial Statements

PTT Explor & Prod

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	160,401	219,068	319,977	311,971	312,059
Cost of goods sold	(14,793)	(23,710)	(78,526)	(88,569)	(80,442)
Gross profit	145,607	195,358	241,451	223,402	231,617
Other operating income	-	-	-	-	-
Operating costs	(75,004)	(81,710)	(79,994)	(77,993)	(78,015)
Operating EBITDA	70,603	113,647	161,457	145,410	153,602
Depreciation	(26,100)	(28,118)	(32,826)	(35,284)	(37,329)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	44,503	85,530	128,631	110,126	116,273
Net financing costs	(5,987)	(7,253)	(17,096)	(6,259)	(6,258)
Associates	1,307	489	489	489	489
Recurring non-operating income	3,933	11,782	1,989	1,989	1,989
Non-recurring items	(1,021)	(9,667)	0	0	0
Profit before tax	41,428	80,392	113,523	105,856	112,004
Tax	(18,764)	(41,528)	(58,643)	(54,682)	(57,858)
Profit after tax	22,664	38,864	54,880	51,174	54,146
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	22,664	38,864	54,880	51,174	54,146
Non-recurring items & goodwill (net)	1,021	9,667	0	0	0
Recurring net profit	23,685	48,531	54,880	51,174	54,146
Per share (THB)					
Recurring EPS *	5.97	12.22	13.82	12.89	13.64
Reported EPS	5.71	9.79	13.82	12.89	13.64
DPS	4.25	6.25	8.83	8.23	8.71
Diluted shares (used to calculate per share data)	3,970	3,970	3,970	3,970	3,970
Growth					
Revenue (%)	(16.0)	36.6	46.1	(2.5)	0.0
Operating EBITDA (%)	(27.5)	61.0	42.1	(9.9)	5.6
Operating EBIT (%)	(38.4)	92.2	50.4	(14.4)	5.6
Recurring EPS (%)	(46.8)	104.9	13.1	(6.8)	5.8
Reported EPS (%)	(53.6)	71.5	41.2	(6.8)	5.8
Operating performance					
Gross margin inc. depreciation (%)	74.5	76.3	65.2	60.3	62.3
Gross margin of key business (%)	74.5	76.3	65.2	60.3	62.3
Operating EBITDA margin (%)	44.0	51.9	50.5	46.6	49.2
Operating EBIT margin (%)	27.7	39.0	40.2	35.3	37.3
Net margin (%)	14.8	22.2	17.2	16.4	17.4
Effective tax rate (%)	45.3	51.7	51.7	51.7	51.7
Dividend payout on recurring profit (%)	71.2	51.1	63.8	63.8	63.8
Interest cover (X)	8.1	13.4	7.6	17.9	18.9
Inventory days	248.2	186.5	72.3	69.4	75.5
Debtor days	58.4	33.7	50.8	78.8	73.0
Creditor days	475.6	621.6	148.0	58.1	63.2
Operating ROIC (%)	8.6	16.1	19.0	14.2	(10.3)
ROIC (%)	5.5	10.4	11.8	9.4	(6.7)
ROE (%)	6.7	12.6	12.9	11.5	11.7
ROA (%)	4.1	7.2	8.3	7.0	6.7
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Exploration and production	155,181	223,260	324,169	316,163	316,250
Pipeline	11,513	11,513	11,513	11,513	11,513
Others	2,875	2,875	2,875	2,875	2,875
Inter company eliminations	(9,168)	(18,579)	(18,579)	(18,579)	(18,579)

Sources: PTT Explor & Prod; FSSIA estimates

Financial Statements

PTT Explor & Prod

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	23,685	48,531	54,880	51,174	54,146
Depreciation	26,100	28,118	32,826	35,284	37,329
Associates & minorities	-	-	-	-	-
Other non-cash items	35,065	35,066	35,066	35,066	35,067
Change in working capital	21,694	(13,587)	(41,823)	10,298	(22)
Cash flow from operations	106,543	98,127	80,949	131,821	126,519
Capex - maintenance	-	-	-	-	-
Capex - new investment	(115,506)	(115,506)	(114,807)	(81,807)	(81,807)
Net acquisitions & disposals	176	457	838	1,301	1,301
Other investments (net)	1	0	0	0	0
Cash flow from investing	(115,329)	(115,049)	(113,969)	(80,506)	(80,506)
Dividends paid	(20,986)	(19,325)	(35,038)	(32,672)	(34,569)
Equity finance	0	0	0	0	0
Debt finance	3,457	(2,275)	27,259	(20,000)	(15,000)
Other financing cash flows	52,451	12,792	(33,654)	4,328	7,757
Cash flow from financing	34,923	(8,808)	(41,433)	(48,344)	(41,812)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	26,136	(25,730)	(74,453)	2,971	4,201
Free cash flow to firm (FCFF)	(830.97)	(10,450.16)	(26,229.24)	58,105.21	52,802.40
Free cash flow to equity (FCFE)	47,121.85	(6,404.83)	(39,414.55)	35,642.94	38,770.13

Per share (THB)

FCFF per share	(0.21)	(2.63)	(6.61)	14.64	13.30
FCFE per share	11.87	(1.61)	(9.93)	8.98	9.77
Recurring cash flow per share	21.37	28.14	30.93	30.61	31.87

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	1,100,534	1,255,645	1,370,452	1,452,259	1,534,066
Less: Accumulated depreciation	(805,044)	(875,338)	(957,403)	(1,045,613)	(1,138,936)
Tangible fixed assets (net)	295,491	380,307	413,049	406,646	395,130
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	13,523	14,408	13,596	12,783	11,971
Cash & equivalents	111,257	85,528	11,075	14,046	18,247
A/C receivable	23,752	16,715	72,266	62,394	62,412
Inventories	10,156	14,069	17,056	16,629	16,634
Other current assets	7,551	23,272	23,272	23,272	23,272
Current assets	152,716	139,584	123,669	116,342	120,565
Other assets	213,908	249,237	235,211	237,899	240,583
Total assets	675,637	783,536	785,525	773,670	768,249
Common equity	354,411	415,350	435,194	453,696	473,270
Minorities etc.	0	0	0	0	0
Total shareholders' equity	354,411	415,350	435,194	453,696	473,270
Long term debt	85,016	82,741	110,000	90,000	75,000
Other long-term liabilities	179,953	180,943	172,855	164,767	156,679
Long-term liabilities	264,969	263,684	282,855	254,767	231,679
A/C payable	31,356	49,398	14,282	13,925	13,929
Short term debt	13,208	13,208	13,208	13,208	13,208
Other current liabilities	11,693	41,897	39,986	38,075	36,164
Current liabilities	56,257	104,502	67,476	65,208	63,301
Total liabilities and shareholders' equity	675,637	783,536	785,525	773,670	768,249
Net working capital	(1,591)	(37,239)	58,325	50,296	52,225
Invested capital	521,330	606,713	720,181	707,624	699,909

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

Per share (THB)

Book value per share	89.27	104.62	109.62	114.28	119.21
Tangible book value per share	89.27	104.62	109.62	114.28	119.21

Financial strength

Net debt/equity (%)	(3.7)	2.5	25.8	19.7	14.8
Net debt/total assets (%)	(1.9)	1.3	14.3	11.5	9.1
Current ratio (x)	2.7	1.3	1.8	1.8	1.9
CF interest cover (x)	28.2	16.0	5.4	19.8	20.3

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	24.8	12.1	10.7	11.5	10.9
Recurring P/E @ target price (x) *	29.5	14.4	12.7	13.7	12.9
Reported P/E (x)	25.9	15.1	10.7	11.5	10.9
Dividend yield (%)	2.9	4.2	6.0	5.6	5.9
Price/book (x)	1.7	1.4	1.4	1.3	1.2
Price/tangible book (x)	1.7	1.4	1.4	1.3	1.2
EV/EBITDA (x) **	8.1	5.3	4.3	4.7	4.3
EV/EBITDA @ target price (x) **	9.7	6.2	5.0	5.4	5.0
EV/invested capital (x)	1.1	1.0	1.0	1.0	0.9

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

Sources: PTT Explor & Prod; 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

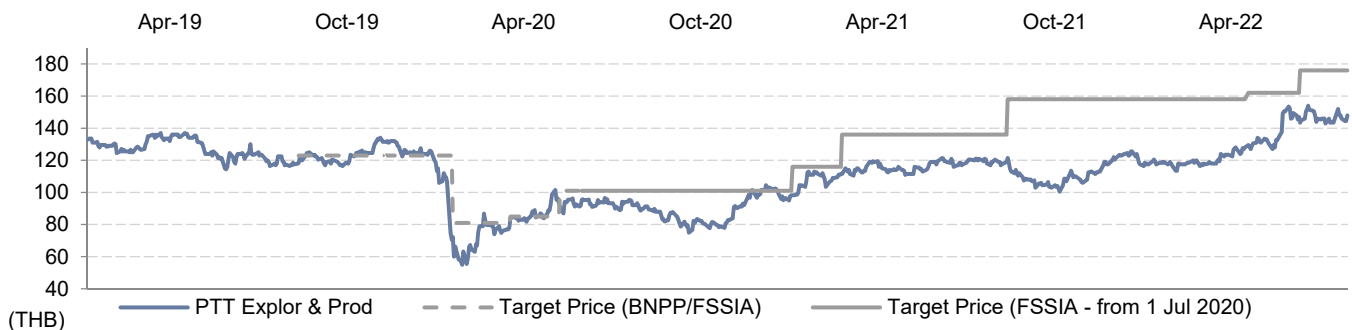
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Oct-2019	HOLD	123.00	12-Jun-2020	BUY	101.00	28-Jan-2022	BUY	162.00
11-Mar-2020	HOLD	81.00	30-Dec-2020	BUY	116.00	16-Mar-2022	BUY	176.00
26-Mar-2020	BUY	81.00	11-Feb-2021	BUY	136.00			
30-Apr-2020	BUY	85.00	05-Jul-2021	BUY	158.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 12-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
PTT Explor & Prod	PTTEP TB	THB 148.00	BUY	Risks our TP, which is based on EV/EBITDA, are a sharp decline in oil price and a potential earnings downside from government intervention.

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 27-Apr-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.