

BANGKOK AVIATION FUEL SERVICES

BAFS TB

THAILAND / AIRPORT SERVICES

BUY

UNCHANGED

On the brink of breakeven in 3Q22

- We believe BAFS is now poised to see sustainably stronger quarterly net profits in 2022-24, driven by a demand recovery.
- In 1Q22, we project BAFS to post a core net loss of THB255m, up from a net loss of THB274m in 4Q21.
- Maintain BUY but lower our SoTP-based target price to THB36.

TARGET PRICE	THB36.00
CLOSE	THB28.75
UP/DOWNSIDE	+25.2%
PRIOR TP	THB40.00
CHANGE IN TP	-10.0%
TP vs CONSENSUS	+2.8%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	1,617	2,919	3,963	4,314
Net profit	(785)	120	408	704
EPS (THB)	(1.23)	0.19	0.64	1.10
vs Consensus (%)	-	(61.8)	(60.2)	(42.7)
EBITDA	324	1,431	1,838	2,215
Core net profit	(785)	120	408	704
Core EPS (THB)	(1.23)	0.19	0.64	1.10
Chg. In EPS est. (%)	nm	(89.1)	(74.2)	nm
EPS growth (%)	nm	nm	240.4	72.6
Core P/E (x)	(23.4)	152.9	44.9	26.0
Dividend yield (%)	4.2	0.3	0.9	1.5
EV/EBITDA (x)	102.2	22.3	17.7	15.0
Price/book (x)	3.8	4.1	3.7	3.2
Net debt/Equity (%)	208.2	200.0	191.5	182.4
ROE (%)	(15.2)	2.6	8.6	13.2

Ready to run

We believe BAFS is poised to see sustainably stronger quarterly net profits in 2022-24, driven by 1) a demand recovery for BAFS' aviation services following a higher number of domestic flights after the return of international flights; 2) a higher oil pipeline sales volume from FPT; and 3) sustainable net profit contributions from solar power plants.

Stronger on both fronts of aviation and pipeline businesses

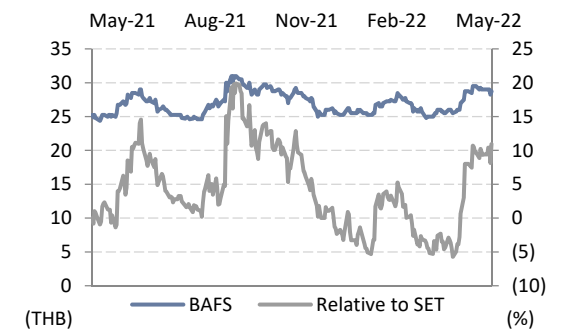
While BAFS has seen an improving sales volume from its aviation services, rising from 3.8mlpd in 3Q21 to 6.3mlpd in 1Q22, we think BAFS should reach its financial breakeven point for the aviation refuelling business by 3Q22 when we project the refuelling volume to exceed 8.3mlpd. BAFS' recurring revenue from its pipeline network under FPT connecting eastern refineries to the two major airports of BKK and DMK should be strengthened further by its new THB11b NFPT phase 1 & 2 project that we project to reach breakeven by 2024, with oil transmission volumes of 2b litres and an average transmission fee of THB0.5/litre.

Expect a net profit turnaround in 1Q22

In 1Q22, we project BAFS to post a core net loss of THB255m, up from a net loss of THB274m in 4Q21, driven by 1) a demand recovery for its jet fuel sales volume via its aviation refuelling services from both domestic and international flights under Thailand's reopening campaign; 2) diversification into solar power plants to ensure sustainable net profit contributions; and 3) rising oil sales volumes for its two oil pipeline networks. Under the staggered reopening, we estimate that the number of flights at BKK and DMK should gradually recover from 38,000 in 2Q21 to 60,000 in 2Q22 and 100,000 flights by 4Q22, sufficiently driving up the demand for aviation refuelling and allowing BAFS to become profitable.

Maintain BUY and lower TP to THB36

We maintain BUY and lower our SoTP-based target price from THB40 to THB36 to reflect our EPS estimate cuts by 63-89% in 2022-24. We believe that in 2022 onward, BAFS' net profit is likely to turn around and should see much stronger growth momentum in 2023-24 as we project the oil volume for its aviation refuelling to surpass the breakeven volume of 8.3mlpd and rise toward 13-15mlpd by 2024.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.6	4.5	12.7
Relative to country (%)	15.4	7.4	8.8
Mkt cap (USD m)	534		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	45		
Major shareholder	RATCH Group PCL (16%)		
12m high/low (THB)	31.50/24.10		
Issued shares (m)	637.50		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We project BAFS' net profit to recover markedly y-y in 2022-23, driven by 1) a demand recovery for its jet fuel sales volume via its aviation refuelling services from both domestic and international flights under Thailand's reopening campaign; 2) diversification into solar power plants to ensure sustainable net profit contributions; and 3) rising oil sales volumes for its two oil pipeline networks. Under the staggered reopening, we estimate that the number of flights at BKK and DMK should gradually recover from 38,000 in 2Q21 to 60,000 in 2Q22 and 100,000 flights by 4Q22, sufficiently driving up the demand for aviation refuelling and allowing BAFS to become profitable

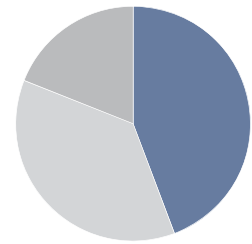
Company profile

BAFS provides aviation fuel storage and refuelling system services at five airports. Its main subsidiary is a pipeline transportation company, and it has recently ventured into the renewable energy sector by acquiring solar power plants.

www.bafsthai.com

Principal activities (revenue, 2021)

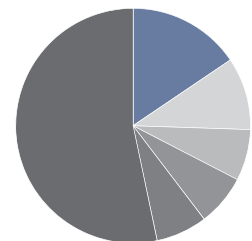
- Aviation refuelling - 44.3 %
- Fuel transportation (FPT) - 36.7 %
- Solar powerplants - 19.0 %



Source: Bangkok Aviation Fuel Services

Major shareholders

- RATCH Group PCL - 15.5 %
- Bangkok Airways PCL - 10.0 %
- PTT Oil and Retail Business PCL - 7.1 %
- Thai Airways International PCL - 7.1 %
- The Shell Company of Thailand Limited - 7.1 %



Source: Bangkok Aviation Fuel Services

Catalysts

- 1) A recovery of the tourism industry and jet fuel demand;
- 2) The completion of the Northern Fuel Pipeline Transportation Project (NFPT) phase 2, which will cover a wider area and capture more market share;
- 3) A substantial amount of revenue from its solar power plants.

Risks to our call

Downside risks to our SoTP-based target price include a slower-than-expected vaccination rate, leading to slower demand in tourism activities, plus uncertainty in the fuel volume demand in the north which could lead to volatility in Fuel Pipeline Transportation Limited (FPT)'s income.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(m litres)	(m litres)	(m litres)
BKK refuelling volume (m litres)	4,093	6,228	6,909
DMK refuelling volume (m litres)	1,395	1,793	1,955
FPT volume (m litres)	2,901	2,930	2,959
NFPT volume (m litres)	371	445	534

Source: FSSIA estimates

Earnings sensitivity

- For every 10% increase in refuelling volume for both airports, we project 2022 earnings to rise by 5.6%, and vice versa, all else being equal.
- For every 10% increase in FPT and NFPT's volume, we project 2022 earnings to rise by 2.85%, and vice versa, all else being equal.

Source: FSSIA estimates

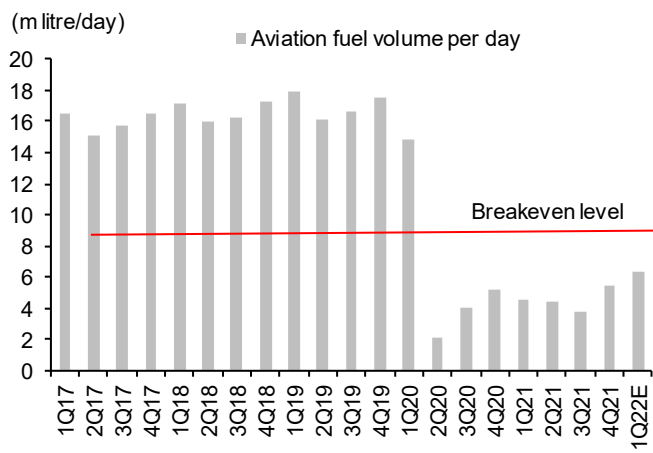
Time to recover

We believe BAFS is poised to see sustainably stronger quarterly net profits in 2022-24, driven by 1) a demand recovery for BAFS' aviation services following a higher number of domestic flights after the return of international flights; 2) a higher oil pipeline sales volume from FPT; and 3) sustainable net profit contributions from solar power plants.

Aviation services

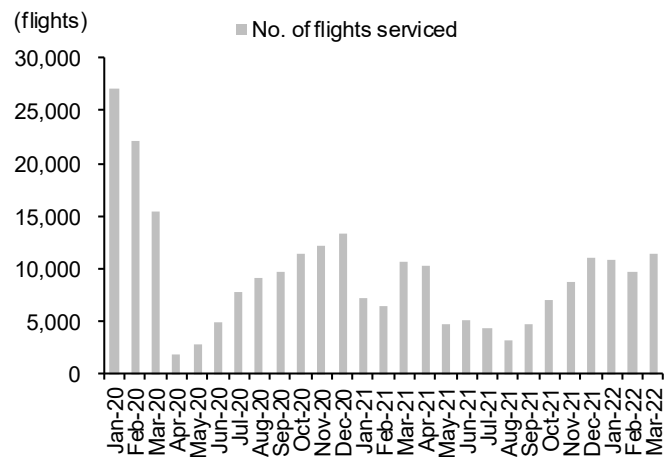
According to the management, BAFS has seen improving sales volumes for its aviation services, including into-plane fuelling services, hydrant system services, and fuel storage services. We estimate that the refuelling demand for jet fuel has improved from 3.8m litres per day (mlpd) in 3Q21 to 5.4mlpd in 4Q21, and should recover to 6.3mlpd in 1Q22 vs the breakeven level of 8.3mlpd.

Exhibit 1: Aviation fuel volume per day



Source: BAFS

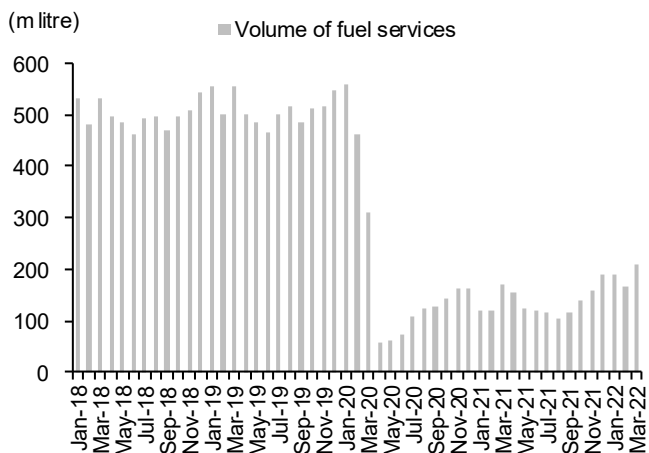
Exhibit 2: Number of flights serviced



Source: BAFS

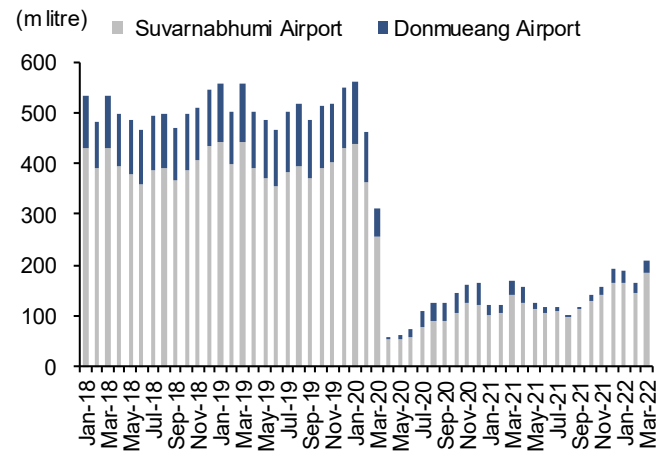
We believe that the impact from the recent lockdown should gradually subside as Thailand is now reopening the country to both domestic and international flights, which should lead to a higher aviation fuel volume and a rising number of flights. In 2Q20, during Thailand's first lockdown due to Covid-19, BAFS' jet fuel sales volume sharply declined by 85% q-q and 87% y-y to only 194ml in 2Q20, compared to 338ml in 3Q21.

Exhibit 3: Aviation services volume



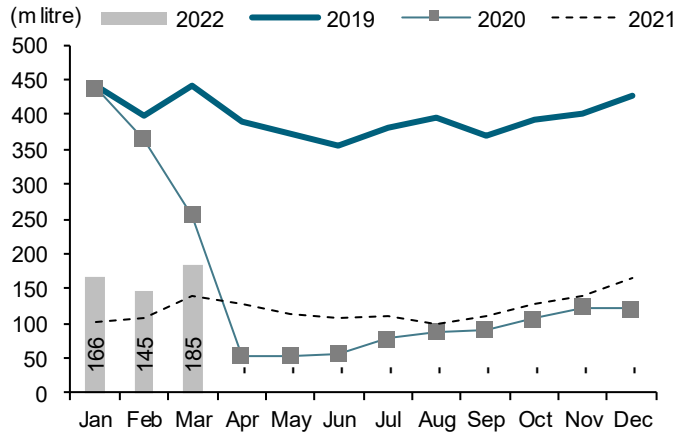
Source: BAFS

Exhibit 4: Aviation services volume breakdown



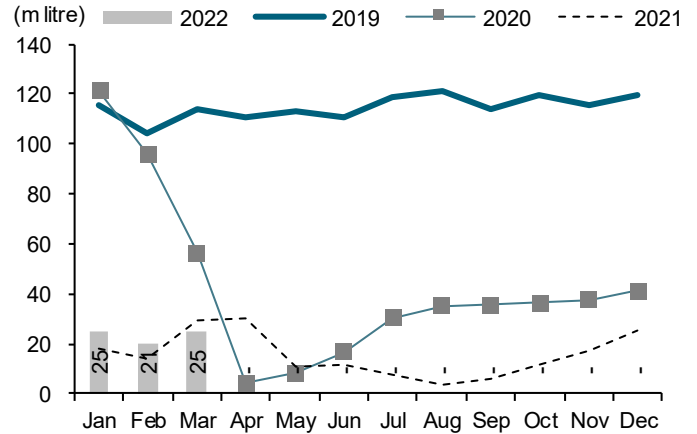
Source: BAFS

Exhibit 5: Aviation volume – Suvarnabhumi Airport



Source: BAFS

Exhibit 6: Aviation volume – Don Mueang Airport

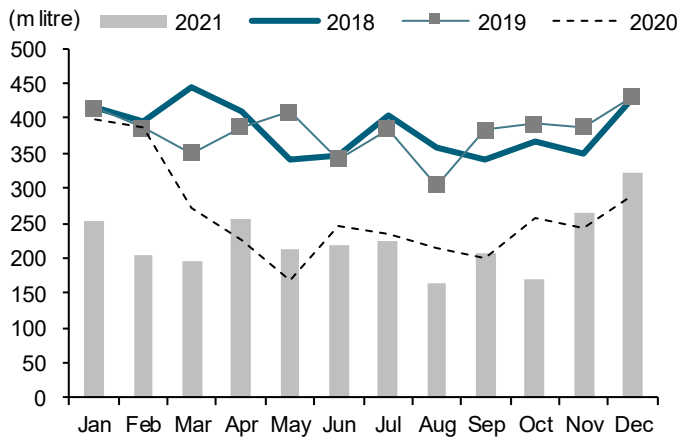


Source: BAFS

Oil pipeline: cash cow is now commencing

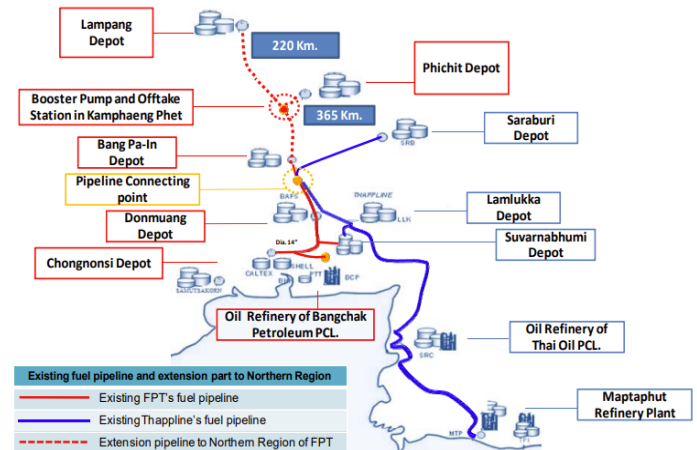
Pipeline volume growth could emerge to be BAFS' core cash cow in 2022 onward. We believe BAFS' revenue from its two-pipeline network under Fuel Pipeline Transportation Limited (FPT) will be its key growth driver in 2022 onward. Besides BAFS' long-operating oil pipeline network connecting eastern refineries to the two major airports of Suvarnabhumi (BKK) and Don Mueang (DMK), BAFS has invested in an oil pipeline project, the Northern Fuel Pipeline Transportation Project (NFPT) phase 1 & 2, that completed and started operating in 2021.

Exhibit 7: Multi-product volume of FPT



Source: BAFS

Exhibit 8: FPT's fuel transportation system with northern extension



Source: BAFS

On 30 Dec-21, FPT signed an agreement granting the right to manage the fuel pipeline systems (Bangkok-Bang Pa-in) to Bangkok Fuel Pipeline and Logistics Company Limited, a subsidiary of Bangchak Corporation Public Company Limited (BCP TB, BUY, TP THB40). BAFS will realise THB80m annually for 20 years, starting from 1 Jan-22 to 31 Dec-41 for a total amount of THB1,600m.

We are positive on this agreement due to the THB80m in recurring earnings which BAFS will realise annually. We expect the demand growth to normalise, slowing down to a sustainable growth rate of 2-4% p.a. in 2024-25.

Expect a net profit turnaround in 1Q22

BAFS reported a 4Q21 net loss (NL) of THB274m (-24% q-q, -126% y-y), mainly due to a lower y-y refuelling volume for jet fuel, resulting from the sharp decrease in the number of flights. The key culprits for the NLs from its two key businesses were: 1) a low aviation fuel service volume at its two key airports, BKK and DMK, at 490ml in 4Q21, as a result of the lower number of flights serviced at 26,788 flights (-27% y-y); and 2) the lower pipeline transportation sales volume at 756ml, down 4% y-y.

In 1Q22, we project BAFS to post a core net loss of THB255m, up from a net loss of THB274m in 4Q21, driven by 1) a demand recovery for its jet fuel sales volume via its aviation refuelling services from both domestic and international flights under Thailand's reopening campaign; 2) diversification into solar power plants to ensure sustainable net profit contributions; and 3) rising oil sales volumes for its two oil pipeline networks. Under the staggered reopening, we estimate that the number of flights at BKK and DMK should gradually recover from 38,000 in 2Q21 to 60,000 in 2Q22 and 100,000 flights by 4Q22, sufficiently driving up the demand for aviation refuelling and allowing BAFS to become profitable.

Exhibit 9: Summary of 4Q21/2021 operations

	4Q20	3Q20	----- 4Q21 -----			2020	2021	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	403	366	467	27.8	15.8	1,804	1,617	(10.4)
Operating costs	(369)	(305)	(350)	14.9	(5.0)	(1,324)	(1,293)	(2.3)
EBITDA	35	61	117	92.3	236.3	481	324	(32.5)
<i>EBITDA margin (%)</i>	8.6	17	25.0	<i>nm</i>	<i>nm</i>	26.6	20	<i>nm</i>
Depn & amort.	(199)	(241)	(291)	21.0	46.8	(794)	(972)	22.5
EBIT	(164)	(180)	(174)	(3.1)	6.5	(313)	(648)	106.8
Interest expense	(70)	(101)	(121)	19.6	73.0	(281)	(425)	51.3
Interest & invt inc				<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Other income	36	14	22	57.3	(38.1)	89	62	(31.1)
Associates' contrib	(1)	(6)	(2)	<i>nm</i>	<i>nm</i>	(2)	(9)	<i>nm</i>
Exceptionals	1	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Pretax profit	(199)	(273)	(276)	1.0	38.7	(507)	(1,020)	101.4
Tax	68	51	2	(96.6)	(97.4)	88	136	55.2
<i>Tax rate (%)</i>	34	19	1	<i>nm</i>	<i>nm</i>	17	13	<i>nm</i>
Minority interests	10	0	0	<i>nm</i>	<i>nm</i>	45	99	122.9
Net profit	(121)	(222)	(274)	23.6	126.1	(374)	(785)	109.7
Core net profit	(121)	(222)	(274)	23.6	126.1	(374)	(785)	109.7
EPS (THB)	(0.19)	(0.35)	(0.43)	23.6	126.1	(0.59)	(1.23)	109.7
Core EPS (THB)	(0.19)	(0.35)	(0.43)	23.6	126.1	(0.59)	(1.23)	109.7

Sources: BAFS; FSSIA estimates

Exhibit 10: 4Q21/2021 key performance

	4Q20	3Q21	4Q21	(q-q%)	(y-y%)	2020	2021	(y-y%)
Aviation refuelling service business								
Aviation fuel volume (m litres)	468	338	490	45.0	4.7	2,354	1,638	(30.4)
- Suvarnabhumi Airport	353	321	436	35.8	23.4	1,835	1,452	(20.8)
- Don Mueang Airport	115	17	55	214.5	(52.5)	520	186	(64.2)
Flights (flights)	36,902	12,209	26,788	119.4	(27.4)	137,736	83,123	(39.7)
Fuel pipeline transportation business								
Multi-product fuel volume (m litres)	788	594	756	27.3	(4.1)	3,132	2,688	(14.2)

Source: BAFS

EPS and target price revisions

We maintain BUY and lower our SoTP-based target price from THB40 to THB36 to reflect our EPS estimate cuts by 63-89% in 2022-24 as a result of the delayed timeline for the new projects from 2022 to 2023 and the lower-than-expected aviation refuelling volume caused by the delays in the tourism recovery and international flight rebound.

We believe that in 2022 onward, BAFS' net profit is likely to turn around and should see much stronger growth momentum in 2023-24 as we project the oil volume for its aviation refuelling to surpass the breakeven volume of 8.3mlpd and rise toward 13-15mlpd by 2024.

Exhibit 11: Key changes in assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	2,919	3,963	4,314	4,338	5,884	5,079	(32.7)	(32.6)	(15.1)
Gross profit	1,957	2,473	2,905	3,057	3,823	4,348	(36.0)	(35.3)	(33.2)
Operating profit	494	887	1,249	1,383	1,972	2,570	(64.3)	(55.0)	(51.4)
Core net profit	120	408	704	1,103	1,580	1,882	(89.1)	(74.2)	(62.6)
EPS (THB/share)	0.19	0.64	1.10	1.73	2.48	2.95	(89.1)	(74.2)	(62.6)
Key assumptions	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
BKK refuelling volume (m litres)	4,093	6,228	6,909	5,632	8,695	8,996	(27.3)	(28.4)	(23.2)
DMK refuelling volume (m litres)	1,395	1,793	1,955	1,966	2,356	2,496	(29.0)	(23.9)	(21.7)
FPT volume (m litres)	2,901	2,930	2,959	2,901	2,930	2,959	0.0	0.0	0.0
NFPT volume (m litres)	371	445	534	371	445	534	0.0	0.0	0.0

Source: FSSIA Estimates

Exhibit 12: SoTP valuation

	Solar (%)	FPT (%)	Comments
Risk-free rate	2.3	2.3	
Market risk premium	8.5	6.2	
Stock beta	0.8	0.8	
Cost of equity, Ke	13	8	
Weight applied (Equity)	30	36	
Pretax cost of debt	4	4	Higher interest rate for solar due to funding cost for acquisition
Marginal tax rate	20	20	
Net cost of debt, Kd	3	3	
Weight applied (Debt)	70	65	
WACC	5.99	4.92	
SOTP valuation	(THB m)	(THB/share)	Comments
Aviation business	11,260	17.7	Using average P/E ratio of the aviation refuelling industry
Solar power plant	3,842	6.0	Risk-free rate 2.3%; Risk premium 8.5%; WACC 5.99%
FPT	19,899	31.2	Risk-free rate 2.3%; Risk premium 6.2%; WACC 4.92%
Net debt	(12,082)	(19.0)	At end-2022E
Total	22,920	36.0	
Number of shares (m shares)	637.5		At end-2022E

Sources: BAFS; FSSIA estimates

Financial Statements

Bangkok Aviation Fuel Services

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	1,804	1,617	2,919	3,963	4,314
Cost of goods sold	(735)	(659)	(963)	(1,490)	(1,409)
Gross profit	1,070	959	1,957	2,473	2,905
Other operating income	-	-	-	-	-
Operating costs	(589)	(634)	(525)	(634)	(690)
Operating EBITDA	481	324	1,431	1,838	2,215
Depreciation	(794)	(972)	(937)	(951)	(965)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(313)	(648)	494	887	1,249
Net financing costs	(281)	(425)	(431)	(491)	(511)
Associates	(2)	(9)	(4)	(4)	(4)
Recurring non-operating income	88	52	76	76	76
Non-recurring items	0	0	0	0	0
Profit before tax	(507)	(1,020)	139	472	814
Tax	88	136	(19)	(64)	(110)
Profit after tax	(419)	(884)	120	408	704
Minority interests	45	99	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(374)	(785)	120	408	704
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	(374)	(785)	120	408	704
Per share (THB)					
Recurring EPS *	(0.59)	(1.23)	0.19	0.64	1.10
Reported EPS	(0.59)	(1.23)	0.19	0.64	1.10
DPS	1.20	1.20	0.08	0.26	0.44
Diluted shares (used to calculate per share data)	637	637	637	637	637
Growth					
Revenue (%)	(53.4)	(10.4)	80.5	35.7	8.9
Operating EBITDA (%)	(75.8)	(32.5)	341.1	28.5	20.5
Operating EBIT (%)	nm	nm	nm	79.6	40.8
Recurring EPS (%)	nm	nm	nm	240.4	72.6
Reported EPS (%)	nm	nm	nm	240.4	72.6
Operating performance					
Gross margin inc. depreciation (%)	15.3	(0.8)	34.9	38.4	45.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	26.6	20.1	49.0	46.4	51.3
Operating EBIT margin (%)	(17.4)	(40.0)	16.9	22.4	29.0
Net margin (%)	(20.7)	(48.5)	4.1	10.3	16.3
Effective tax rate (%)	17.4	13.5	13.5	13.5	13.5
Dividend payout on recurring profit (%)	(204.4)	(97.5)	40.0	40.0	40.0
Interest cover (X)	(0.8)	(1.4)	1.3	2.0	2.6
Inventory days	23.2	25.8	17.0	10.3	11.3
Debtor days	55.3	44.1	37.2	41.7	54.1
Creditor days	113.8	119.5	111.0	103.8	133.7
Operating ROIC (%)	(1.8)	(3.1)	2.2	4.0	5.3
ROIC (%)	(1.1)	(2.3)	2.0	3.4	4.5
ROE (%)	(6.2)	(15.2)	2.6	8.6	13.2
ROA (%)	(1.1)	(2.5)	1.9	3.3	4.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Aviation refuelling	1,203	716	1,673	2,617	2,879
Fuel transportation (FPT)	566	594	683	716	795
Solar powerplants	35	307	563	630	640

Sources: Bangkok Aviation Fuel Services; FSSIA estimates

Financial Statements

Bangkok Aviation Fuel Services

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(374)	(785)	120	408	704
Depreciation	794	972	937	951	965
Associates & minorities	(9)	(4)	(4)	(4)	0
Other non-cash items	-	-	-	-	-
Change in working capital	(796)	(1,478)	2,700	193	(167)
Cash flow from operations	(385)	(1,294)	3,754	1,548	1,503
Capex - maintenance	(516)	(500)	(521)	(529)	(536)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(44)	(269)	(1,308)	(1,636)	(1,664)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(560)	(769)	(1,829)	(2,165)	(2,201)
Dividends paid	(778)	(765)	(655)	(91)	(208)
Equity finance	0	0	0	0	0
Debt finance	2,111	4,019	(1,437)	1,000	0
Other financing cash flows	(1,622)	(1,433)	(75)	232	236
Cash flow from financing	(289)	1,821	(2,167)	1,141	28
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(1,234)	(242)	(243)	524	(670)
Free cash flow to firm (FCFF)	(664.53)	(1,638.39)	2,354.95	(126.14)	(186.96)
Free cash flow to equity (FCFE)	(456.42)	522.71	412.32	615.06	(461.96)

Per share (THB)

FCFF per share	(1.04)	(2.57)	3.69	(0.20)	(0.29)
FCFE per share	(0.72)	0.82	0.65	0.96	(0.72)
Recurring cash flow per share	0.64	0.29	1.65	2.13	2.62

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	21,718	21,718	22,509	23,300	24,091
Less: Accumulated depreciation	(7,651)	(5,291)	(4,911)	(4,517)	(4,110)
Tangible fixed assets (net)	14,066	16,427	17,598	18,783	19,982
Intangible fixed assets (net)	1,334	1,589	1,589	1,589	1,589
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	133	402	402	402	402
Cash & equivalents	805	562	318	843	174
A/C receivable	159	232	364	543	737
Inventories	43	50	40	45	42
Other current assets	893	2,627	101	137	149
Current assets	1,900	3,471	823	1,568	1,103
Other assets	2,033	2,759	2,759	2,759	2,759
Total assets	19,466	24,647	23,170	25,099	25,834
Common equity	5,493	4,806	4,471	4,988	5,684
Minorities etc.	1,274	1,569	1,569	1,569	1,569
Total shareholders' equity	6,767	6,376	6,040	6,557	7,253
Long term debt	9,396	12,496	12,000	13,000	13,000
Other long-term liabilities	2,640	3,858	3,858	3,858	3,858
Long-term liabilities	12,036	16,354	15,858	16,858	16,858
A/C payable	162	269	316	531	502
Short term debt	422	1,341	400	400	400
Other current liabilities	78	308	555	754	821
Current liabilities	662	1,918	1,272	1,685	1,723
Total liabilities and shareholders' equity	19,466	24,647	23,170	25,099	25,834
Net working capital	855	2,333	(368)	(560)	(394)
Invested capital	18,421	23,509	21,979	22,972	24,337

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

Per share (THB)

Book value per share	8.62	7.54	7.01	7.82	8.92
Tangible book value per share	6.52	5.05	4.52	5.33	6.42

Financial strength

Net debt/equity (%)	133.2	208.2	200.0	191.5	182.4
Net debt/total assets (%)	46.3	53.9	52.1	50.0	51.2
Current ratio (x)	2.9	1.8	0.6	0.9	0.6
CF interest cover (x)	(0.6)	2.2	2.0	2.3	0.1

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(49.0)	(23.4)	152.9	44.9	26.0
Recurring P/E @ target price (x) *	(61.3)	(29.2)	191.5	56.3	32.6
Reported P/E (x)	(49.0)	(23.4)	152.9	44.9	26.0
Dividend yield (%)	4.2	4.2	0.3	0.9	1.5
Price/book (x)	3.3	3.8	4.1	3.7	3.2
Price/tangible book (x)	4.4	5.7	6.4	5.4	4.5
EV/EBITDA (x) **	59.5	102.2	22.3	17.7	15.0
EV/EBITDA @ target price (x) **	69.1	116.5	25.6	20.2	17.0
EV/invested capital (x)	1.6	1.4	1.5	1.4	1.4

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

Sources: Bangkok Aviation Fuel Services; 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	ICHI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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

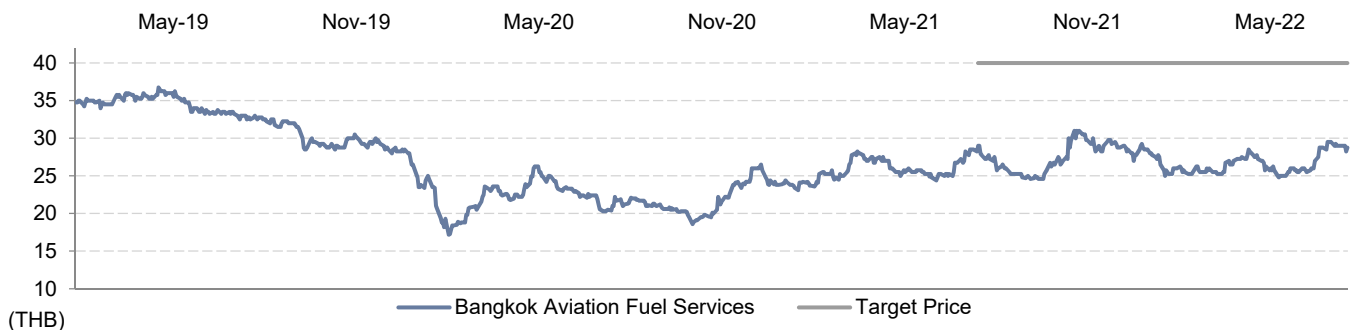
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Bangkok Aviation Fuel Services (BAFS TB)



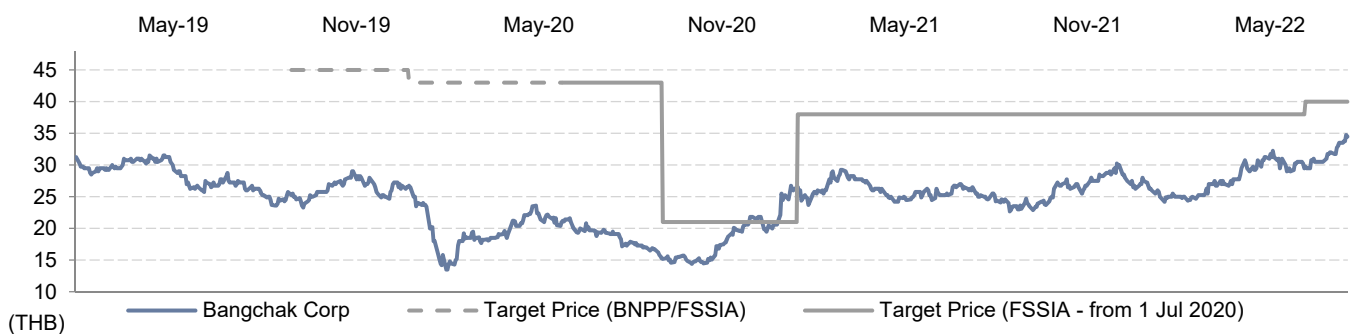
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jun-2021	BUY	40.00	-	-	-	-	-	-

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 21-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Bangchak Corp (BCP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Nov-2019	BUY	45.00	24-Sep-2020	BUY	21.00	30-Mar-2022	BUY	40.00
20-Feb-2020	BUY	43.00	18-Jan-2021	BUY	38.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 08-Nov-2019

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Aviation Fuel Services	BAFS TB	THB 28.75	BUY	Downside risks to our SoTP-based target price include a slower-than-expected vaccination rate, leading to slower demand in tourism activities, plus uncertainty in the fuel volume demand in the north which could lead to volatility in Fuel Pipeline Transportation Limited (FPT)'s income.
Bangchak Corp	BCP TB	THB 34.50	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) higher crude premiums; and 3) unplanned shutdowns of the company's refinery plants.

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 06-May-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.