

STAR PETROLEUM REFINING

THAILAND / OIL & GAS

SPRC TB

BUY

UNCHANGED

Solid 1Q22 NP on margin strengths

- SPRC's 1Q22 core NP was THB2.1b, up 76% q-q and 156% y-y. 1Q22 NP was THB5.3b, up 185% q-q and 164% y-y.
- We think SPRC's NP will continue to improve in 2Q22 onward, driven by a higher market GRM and higher product margins.
- Maintain BUY at our TP of THB 14.

TARGET PRICE	THB14.00
CLOSE	THB10.80
UP/DOWNSIDE	+29.6%
TP vs CONSENSUS	+19.8%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	172,484	333,272	301,205	297,439
Net profit	4,746	7,375	6,844	8,773
EPS (THB)	1.09	1.70	1.58	2.02
vs Consensus (%)	-	49.8	39.5	49.9
EBITDA	5,972	12,342	11,632	13,938
Core net profit	1,937	7,375	6,844	8,773
Core EPS (THB)	0.45	1.70	1.58	2.02
EPS growth (%)	(6.3)	280.7	(7.2)	28.2
Core P/E (x)	24.2	6.3	6.8	5.3
Dividend yield (%)	1.7	3.7	3.7	3.7
EV/EBITDA (x)	8.7	3.7	3.4	2.2
Price/book (x)	1.4	1.1	1.0	0.9
Net debt/Equity (%)	14.9	(3.2)	(16.7)	(29.7)
ROE (%)	6.4	19.6	15.7	17.7

Strong margin recovery in 1Q22 is just the beginning

SPRC's 1Q22 core net profit (NP) was THB2.1b, up 76% q-q and 156% y-y. 1Q22 NP was THB5.3b, up 185% q-q and 164% y-y, driven by an estimated pre-tax inventory gain of THB5.4b, or USD12.2/bbl, due to the higher oil price and a forex gain of THB0.2b that helped offset the USD42m provision related to the oil spill incident. The NP of THB5.4b beat Bloomberg's consensus estimate by 30% and our estimate by 20%. The main reason was the higher-than-expected market gross refining margin (GRM) which jumped to USD8.5/bbl (+42% q-q, +142% y-y) on higher product margins to offset the higher crude premium.

Higher utilisation rate boosted 1Q22 net profit

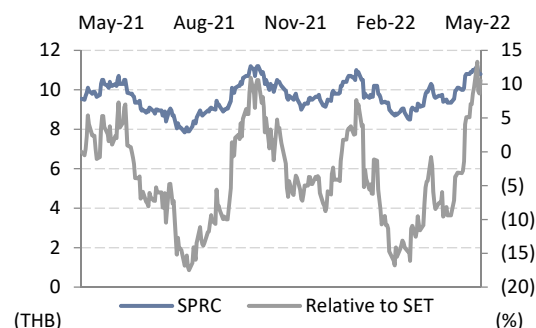
In 1Q22, SPRC continued to optimise its crude mix by using Middle East crude at a proportion of over 80%. It maintained its jet fuel production at 2% and lowered its gasoline yield to 31% and diesel yield to 42% in response to the higher reformat margins. Its 1Q22 utilisation rate was lower y-y at 86%, up from 80% in 4Q21, due to higher product margins and demand in both domestic and export markets.

Expect strong earnings to continue in 2Q22

We think SPRC's NP will continue to improve in 2Q22 onward, driven by a higher market GRM and higher product margins. In May-22 to date, the margins of diesel, jet fuel, and gasoline-Dubai have increased sharply due to the strong demand, resulting in a q-q higher GRM by USD6-8/bbl, following the global economic reopening and the tight supply due to the Russia-Ukraine war. We think its 2Q22 core net profit could jump q-q due to the higher product margins and rising utilisation rate more than offsetting the impact of the higher crude premium.

Catalysts from strong earnings momentum and higher dividend

We maintain our TP of THB14, based on 4.8x 2022E EV/EBITDA. We think SPRC's share price is poised to rerate further on the back of the strong GRM and higher demand, thereby boosting SPRC's refinery utilisation rate to above 90% in 2Q22 onward. SPRC is one of the most attractive Thai refiners for its low-cost structure amid the rising demand for oil products. In addition, SPRC should pay a dividend of THB0.174 in 2022 after its retained earnings turn positive, based on our estimate.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	15.5	15.5	11.3
Relative to country (%)	22.1	23.9	10.4
Mkt cap (USD m)	1,350		
3m avg. daily turnover (USD m)	10.8		
Free float (%)	39		
Major shareholder	Chevron South Asia Holdings Pte Ltd (61%)		
12m high/low (THB)	11.50/7.75		
Issued shares (m)	4,335.90		

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: Summary of 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	36,944	52,803	65,404	23.9	77.0	172,484	333,272	93.2
Operating costs	(33,663)	(50,074)	(58,410)	16.6	73.5	(166,512)	(320,930)	92.7
EBITDA	3,281	2,729	6,994	156.3	113.2	5,972	12,342	106.7
<i>EBITDA margin (%)</i>	8.9	5	10.7	<i>nm</i>	<i>nm</i>	3.5	4	<i>nm</i>
Deprn & amort.	(686)	(627)	(606)	(3.4)	(11.7)	(2,644)	(3,286)	24.3
EBIT	2,595	2,102	6,388	203.9	146.2	3,328	9,056	172.1
Interest expense	(53)	(51)	(41)	(21.0)	(23.4)	(212)	(261)	23.4
Interest & invt inc	0	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Other income	13	20	16	(19.8)	20.9	(371)	253	<i>nm</i>
Associates' contrib	0	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Exceptional	(48)	199	242	21.6	<i>nm</i>	3,168	0	<i>nm</i>
Pretax profit	2,507	2,269	6,605	191.1	163.5	5,913	9,047	53.0
Tax	(501)	(414)	(1,321)	218.8	163.5	-1166	(1,672)	43.3
<i>Tax rate (%)</i>	20	18	20	<i>nm</i>	<i>nm</i>	20	18	<i>nm</i>
Minority interests	0	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Net profit	2,006	1,855	5,284	184.9	163.5	4,746	7,375	55.4
Non-recurring	1,167	633	3,138	395.7	168.9	2,809	0	<i>nm</i>
Core net profit	839	1,222	2,146	75.7	155.9	1,937	7,375	280.7
EPS (THB)	0.46	0.43	1.22	184.9	163.5	1.09	1.70	55.4
Core EPS (THB)	0.19	0.28	0.50	75.7	155.9	0.45	1.70	280.7

Sources: SPRC; FSSIA estimates

Exhibit 2: 1Q22 key performance

	1Q21	4Q21	1Q22	Change	
	(USD m)	(USD m)	(USD m)	(q-q %)	(y-y %)
Gross refining margin – accounting (USD/bbl)	10.70	8.16	20.61	152.6	92.6
Market gross refining margin (USD/bbl)	3.50	5.97	8.46	41.7	141.7
EBITDA (USD m)	107	88	218	147.7	103.7
Gain (loss) on foreign exchange and derivatives (loss) (USD m)	(1)	6	7	16.7	(800.0)
Inventory gain (loss) (USD/bbl)	7.1	2.2	12.2	454.8	71.1
Net profit (USD m)	66	55	159	189.1	140.9
Crude intake (k bbl/ day)	137.1	139.2	150.2	7.9	9.6
Revenue by product (USD m)					
Polymer-grade propylene	37	30	35	16.7	(5.4)
Liquefied petroleum gas	22	41	44	7.3	100.0
Light naphtha	53	65	88	35.4	66.0
Gasoline	328	517	611	18.2	86.3
Jet fuel	46	29	40	37.9	(13.0)
Diesel	483	672	834	24.1	72.7
Fuel oil	25	61	67	9.8	168.0
Asphalt	2	13	25	92.3	1,150.0
Mix C4	133	43	61	41.9	(54.1)
Crude	0	0	29	-	-
Others	84	103	134	30.1	59.5
Total Revenue	1,213	1,574	1,967	25.0	62.2
Revenue mix by product*	(%)	(%)	(%)	(ppt)	(ppt)
Polymer-grade propylene	3	2	2	(0.1)	(1.3)
Liquefied petroleum gas	2	3	2	(0.4)	0.4
Light naphtha	4	4	4	0.3	0.1
Gasoline	27	33	31	(1.8)	4.1
Jet fuel	4	2	2	0.2	(1.8)
Diesel	40	43	42	(0.3)	2.6
Fuel oil	2	4	3	(0.5)	1.3
Asphalt	0	1	1	0.4	1.1
Mix C4	11	3	3	0.4	(7.9)
Crude	0	0	1	1.5	1.5
Others	7	7	7	0.3	(0.1)

*Note that change is in percentage point change

Sources: SPRC; FSSIA estimates

Financial Statements

Star Petroleum Refining

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	130,163	172,484	333,272	301,205	297,439
Cost of goods sold	(126,265)	(165,763)	(319,483)	(288,265)	(282,210)
Gross profit	3,898	6,721	13,789	12,940	15,229
Other operating income	-	-	-	-	-
Operating costs	(911)	(749)	(1,447)	(1,308)	(1,292)
Operating EBITDA	2,988	5,972	12,342	11,632	13,938
Depreciation	(2,832)	(2,644)	(3,286)	(3,286)	(3,286)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	156	3,328	9,056	8,346	10,651
Net financing costs	142	147	(261)	(229)	(196)
Associates	0	0	0	0	0
Recurring non-operating income	215	(371)	253	278	306
Non-recurring items	(8,072)	2,809	0	0	0
Profit before tax	(7,559)	5,913	9,047	8,396	10,762
Tax	1,555	(1,166)	(1,672)	(1,551)	(1,989)
Profit after tax	(6,004)	4,746	7,375	6,844	8,773
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(6,004)	4,746	7,375	6,844	8,773
Non-recurring items & goodwill (net)	8,072	(2,809)	0	0	0
Recurring net profit	2,068	1,937	7,375	6,844	8,773
Per share (THB)					
Recurring EPS *	0.48	0.45	1.70	1.58	2.02
Reported EPS	(1.38)	1.09	1.70	1.58	2.02
DPS	0.00	0.18	0.40	0.40	0.40
Diluted shares (used to calculate per share data)	4,336	4,336	4,336	4,336	4,336
Growth					
Revenue (%)	(22.9)	32.5	93.2	(9.6)	(1.3)
Operating EBITDA (%)	nm	99.9	106.7	(5.7)	19.8
Operating EBIT (%)	nm	2,038.5	172.1	(7.8)	27.6
Recurring EPS (%)	nm	(6.3)	280.7	(7.2)	28.2
Reported EPS (%)	nm	nm	55.4	(7.2)	28.2
Operating performance					
Gross margin inc. depreciation (%)	0.8	2.4	3.2	3.2	4.0
Gross margin of key business (%)	(5.4)	4.0	3.2	3.2	4.0
Operating EBITDA margin (%)	2.3	3.5	3.7	3.9	4.7
Operating EBIT margin (%)	0.1	1.9	2.7	2.8	3.6
Net margin (%)	1.6	1.1	2.2	2.3	2.9
Effective tax rate (%)	20.6	19.7	18.5	18.5	18.5
Dividend payout on recurring profit (%)	-	39.9	23.5	25.3	19.8
Interest cover (X)	(2.6)	(20.1)	35.6	37.7	55.9
Inventory days	38.9	28.1	27.9	38.9	37.3
Debtor days	22.0	23.0	14.5	16.0	16.2
Creditor days	30.9	24.0	23.6	33.0	31.6
Operating ROIC (%)	0.4	(1.9)	(4.7)	(4.4)	(5.8)
ROIC (%)	0.8	(1.6)	(4.6)	(4.3)	(5.6)
ROE (%)	7.0	6.4	19.6	15.7	17.7
ROA (%)	3.9	3.7	10.9	8.9	10.8
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Diesel	82,239	61,682	157,419	122,475	91,964
Gasoline	34,428	56,279	84,372	83,398	96,150
Jet Fuel	4,950	9,528	4,641	8,578	17,613
Light Naphtha	2,524	4,561	8,920	7,981	7,981

Sources: Star Petroleum Refining; FSSIA estimates

Financial Statements

Star Petroleum Refining

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	2,068	1,937	7,375	6,844	8,773
Depreciation	2,832	2,644	3,286	3,286	3,286
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	2,661	(6,107)	(1,205)	240	65
Cash flow from operations	7,561	(1,526)	9,457	10,371	12,125
Capex - maintenance	(2,518)	(2,602)	(3,286)	(3,286)	(3,286)
Capex - new investment	(2,216)	(104)	(1,019)	(1,019)	(1,019)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	2,146	3,243	0	0	0
Cash flow from investing	(2,588)	537	(4,305)	(4,305)	(4,305)
Dividends paid	(3,362)	(1,566)	(774)	(1,734)	(1,734)
Equity finance	0	0	0	0	0
Debt finance	3,418	(2,183)	(4,554)	0	0
Other financing cash flows	(3,413)	6,049	2,037	2,038	2,037
Cash flow from financing	(3,357)	2,299	(3,290)	303	303
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,615	1,310	1,861	6,369	8,122
Free cash flow to firm (FCFF)	5,149.65	(777.58)	5,413.03	6,294.61	8,015.64
Free cash flow to equity (FCFE)	4,977.52	2,876.13	2,635.17	8,103.68	9,856.84

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	1.19	(0.18)	1.25	1.45	1.85
FCFE per share	1.15	0.66	0.61	1.87	2.27
Recurring cash flow per share	1.13	1.06	2.46	2.34	2.78

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	69,353	77,210	79,478	81,746	84,014
Less: Accumulated depreciation	(45,197)	(52,992)	(56,278)	(59,564)	(62,851)
Tangible fixed assets (net)	24,156	24,219	23,200	22,181	21,163
Intangible fixed assets (net)	93	93	93	93	93
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	1,635	2,945	4,806	11,175	19,298
A/C receivable	8,515	13,219	13,219	13,219	13,219
Inventories	9,052	16,486	32,322	29,164	28,551
Other current assets	121	81	156	141	139
Current assets	19,323	32,731	50,504	53,699	61,207
Other assets	2,969	1,683	1,683	1,683	1,683
Total assets	46,541	58,726	75,480	77,657	84,146
Common equity	26,427	34,371	40,972	46,082	53,121
Minorities etc.	0	0	0	0	0
Total shareholders' equity	26,427	34,371	40,972	46,082	53,121
Long term debt	8,857	3,374	0	0	0
Other long-term liabilities	517	950	950	950	950
Long-term liabilities	9,374	4,324	950	950	950
A/C payable	7,821	13,961	27,371	24,696	24,178
Short term debt	1,380	4,680	3,500	3,500	3,500
Other current liabilities	1,539	1,390	2,687	2,428	2,398
Current liabilities	10,740	20,031	33,557	30,624	30,075
Total liabilities and shareholders' equity	46,541	58,726	75,480	77,657	84,146
Net working capital	8,328	14,435	15,640	15,400	15,334
Invested capital	35,546	40,430	40,616	39,357	38,273

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	6.09	7.93	9.45	10.63	12.25
Tangible book value per share	6.07	7.91	9.43	10.61	12.23

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	32.6	14.9	(3.2)	(16.7)	(29.7)
Net debt/total assets (%)	18.5	8.7	(1.7)	(9.9)	(18.8)
Current ratio (x)	1.8	1.6	1.5	1.8	2.0
CF interest cover (x)	(49.5)	(19.3)	15.0	40.9	56.5

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	22.6	24.2	6.3	6.8	5.3
Recurring P/E @ target price (x) *	29.4	31.3	8.2	8.9	6.9
Reported P/E (x)	(7.8)	9.9	6.3	6.8	5.3
Dividend yield (%)	-	1.7	3.7	3.7	3.7
Price/book (x)	1.8	1.4	1.1	1.0	0.9
Price/tangible book (x)	1.8	1.4	1.1	1.0	0.9
EV/EBITDA (x) **	18.6	8.7	3.7	3.4	2.2
EV/EBITDA @ target price (x) **	23.2	11.0	4.8	4.6	3.2
EV/invested capital (x)	1.6	1.3	1.1	1.0	0.8

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

Sources: Star Petroleum Refining; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

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

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

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

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

Disclaimer:

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

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

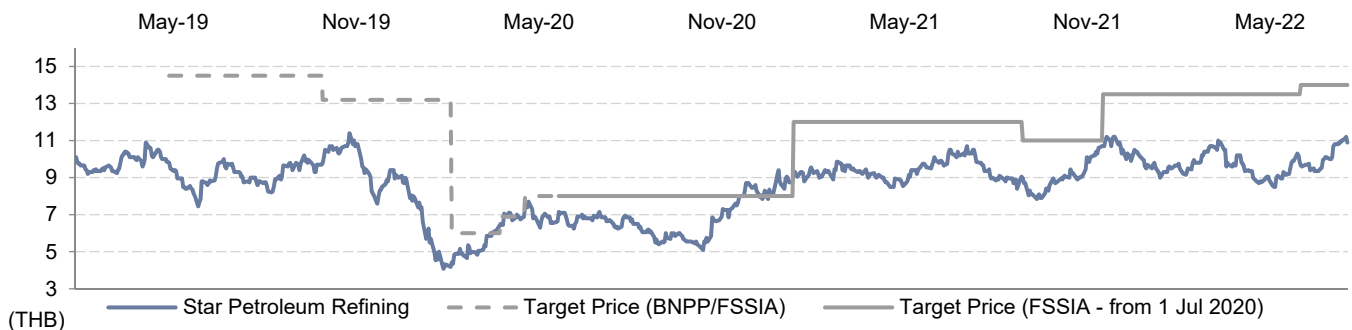
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History of change in investment rating and/or target price

Star Petroleum Refining (SPRC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Aug-2019	BUY	14.50	12-May-2020	BUY	6.90	03-Aug-2021	BUY	11.00
11-Dec-2019	BUY	13.20	02-Jun-2020	BUY	8.00	11-Oct-2021	BUY	13.50
31-Mar-2020	BUY	6.00	18-Jan-2021	BUY	12.00	30-Mar-2022	BUY	14.00

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Star Petroleum Refining	SPRC TB	THB 10.80	BUY	TP is based on EV/EBITDA. Downside risks are a sharp rise in oil price and weak demand for refined oil products.

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 12-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.