

TIPCO ASPHALT  
THAILAND / MATERIALS

## TASCO TB

BUY  
UNCHANGED

## ยอดขายที่อ่อนแอกระทบกำไร 1Q22

- TASCO รายงานกำไรสุทธิ 1Q22 ที่ 216 ลบ. (-61% q-q and -49% y-y) และกำไรปกติที่ 185 ลบ. (-63% q-q and -78% y-y)
- TASCO นำจะรายงานกำไรสุทธิสูงขึ้น q-q ในปี 2022 จากต้นทุนน้ำมันดิบที่ลดลง ปริมาณขายที่สูงขึ้นและต้นทุนค่าระวางที่ลดลงในปี 2022
- คงแนะนำซื้อ BUY ที่ราคาเป้าหมาย 22.5 บาท

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB22.50 |
| CLOSE           | THB16.00 |
| UP/DOWNSIDE     | +40.6%   |
| TP vs CONSENSUS | +32.5%   |

## KEY STOCK DATA

| YE Dec (THB m)      | 2021   | 2022E  | 2023E  | 2024E  |
|---------------------|--------|--------|--------|--------|
| Revenue             | 27,053 | 28,383 | 27,284 | 27,334 |
| Net profit          | 2,220  | 2,949  | 2,230  | 2,267  |
| EPS (THB)           | 1.41   | 1.87   | 1.41   | 1.44   |
| vs Consensus (%)    | -      | 40.6   | 11.0   | 9.3    |
| EBITDA              | 4,541  | 3,914  | 3,044  | 3,090  |
| Core net profit     | 2,997  | 2,949  | 2,230  | 2,267  |
| Core EPS (THB)      | 1.90   | 1.87   | 1.41   | 1.44   |
| EPS growth (%)      | 11.2   | (1.6)  | (24.4) | 1.7    |
| Core P/E (x)        | 8.4    | 8.6    | 11.3   | 11.1   |
| Dividend yield (%)  | 20.6   | 11.3   | 11.3   | 11.3   |
| EV/EBITDA (x)       | 6.1    | 7.9    | 10.6   | 10.8   |
| Price/book (x)      | 1.6    | 1.9    | 2.0    | 2.1    |
| Net debt/Equity (%) | 10.6   | 38.7   | 48.4   | 59.2   |
| ROE (%)             | 19.8   | 20.7   | 17.4   | 18.6   |

## กำไร 1Q22 อ่อนแอจากปริมาณขายที่ลดลง

TASCO รายงานกำไรสุทธิ 1Q22 ที่ 216 ลบ. (-61% q-q, -49% y-y) และกำไรปกติที่ 185 ลบ. (-63% q-q, -78% y-y) กำไรดังกล่าวต่ำกว่าประมาณการของตลาดอยู่ 33% และต่ำกว่าของเรา 22% เราเชื่อว่ากำไรปกติที่ลดลงเกิดจากปริมาณขายที่ลดลงโดยเฉพาะอย่างยิ่งจากการขายปลีกซึ่งให้อัตรากำไรที่สูงกว่าการส่งออกรวมถึง Product margin ที่ลดลง y-y จากราคาน้ำมันดิบที่สูงขึ้นและการใช้น้ำมันดิบจากเวเนซุเอลาที่ลดลง ซึ่งทำให้ Asphalt-Dubai margin ลดลง ในขณะที่ต้นทุนน้ำมันดิบปรับตัวเพิ่มสูงขึ้นในอัตราที่เร็วกว่าราคายางมะตอยตามความต้องการที่ลดลงจากมาตรการปิดเมืองของจีนและต้นทุนค่าระวางที่สูงขึ้น เราคาดว่า TASCO มีปริมาณขายยางมะตอยอยู่ที่ 0.24mt (-11% q-q) ซึ่งคิดเป็น 18% ของเป้าหมายปริมาณขายของบริษัท ในปี 2022 ที่ 1.3mt

## อัตรากำไรอ่อนแอจากต้นทุนน้ำมันดิบที่สูงขึ้น

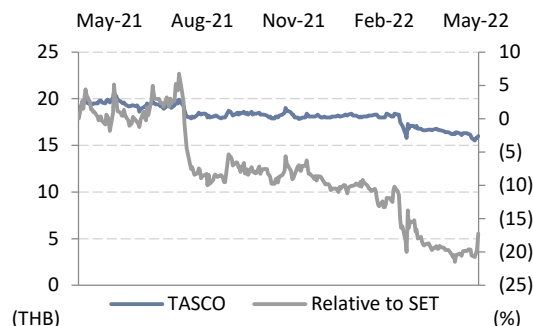
ใน 1Q22 EBITDA margin ลดลงเหลือ 6.6% จาก 13.3% ใน 1Q21 (แต่เพิ่มขึ้นจาก 5.3% ใน 4Q21) จาก Asphalt-crude margin ที่ลดลงและยอดขายยางมะตอยที่ลดลงในตลาดในประเทศ เราคาดว่าบริษัท มีรายการพิเศษใน 1Q22 ประกอบด้วยผลขาดทุนสัญญาป้องกันความเสี่ยงและกำไรอัตราแลกเปลี่ยน ในขณะที่ค่าใช้จ่ายดอกเบี้ยลดลง 22% q-q มาอยู่ที่ 20 ลบ. จากหนี้ที่ลดลง

## น่าจะฟื้นตัวตั้งแต่ 2Q22 เป็นต้นไป

เราเชื่อว่า TASCO นำจะรายงานกำไรสุทธิสูงขึ้น q-q ในปี 2022 จาก: 1) ต้นทุนน้ำมันดิบที่ลดลงจากอุปทานที่สูงขึ้น; 2) ปริมาณขายที่สูงขึ้นจากงบประมาณของรัฐบาลไทยที่สูงขึ้นในปีงบประมาณ 2022 (ต.ค. 21 ถึง ก.ย. 22); 3) ต้นทุนค่าระวางที่ลดลงในปี 2022 เนื่องจากอุตสาหกรรมการเดินเรือน่าจะกลับเป็นปกติหลังการกลับมาเปิดเศรษฐกิจโลก; และ 4) ปริมาณขายที่สูงขึ้นจากการขายปลีก

## ยังเป็นหุ้นที่น่าสนใจในประเด็นการฟื้นตัวของความต้องการยางมะตอย

เราคงแนะนำซื้อที่ราคาเป้าหมาย 22.5 บาท (10.6x ของค่า 2022E EV/EBITDA) เราเชื่อว่าความเสี่ยงในด้านอุปทานน้ำมันดิบยังอยู่ในระดับต่ำและความท้าทายในด้านโลจิสติกส์อันเกิดจากการแพร่ระบาด Covid-19 น่าจะลดลงในปี 2022 ซึ่งจะทำให้ TASCO สามารถเพิ่มยอดขายปลีกและปริมาณการส่งออกได้



|                                |                              |         |          |
|--------------------------------|------------------------------|---------|----------|
| Share price performance        | 1 Month                      | 3 Month | 12 Month |
| Absolute (%)                   | (2.4)                        | (11.1)  | (19.6)   |
| Relative to country (%)        | 3.1                          | (4.7)   | (20.2)   |
| Mkt cap (USD m)                | 728                          |         |          |
| 3m avg. daily turnover (USD m) | 2.9                          |         |          |
| Free float (%)                 | 39                           |         |          |
| Major shareholder              | Tipco Food, Colas S.A. (31%) |         |          |
| 12m high/low (THB)             | 21.20/15.50                  |         |          |
| Issued shares (m)              | 1,569.73                     |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 13 พฤษภาคม 2022

## Exhibit 1: Summary of 1Q22 operations

|                          | 1Q21         | 4Q21         | ----- 1Q22 ----- |               |               | 2021          | 2022E         | Chg.          |
|--------------------------|--------------|--------------|------------------|---------------|---------------|---------------|---------------|---------------|
|                          | (THB m)      | (THB m)      | (THB m)          | (q-q %)       | (y-y %)       | (THB m)       | (THB m)       | (y-y %)       |
| <b>Revenue</b>           | <b>5,871</b> | <b>6,603</b> | <b>7,102</b>     | <b>7.6</b>    | <b>21.0</b>   | <b>27,053</b> | <b>28,383</b> | <b>4.9</b>    |
| Operating costs          | (5,089)      | (6,254)      | (6,630)          | 6.0           | 30.3          | (22,511)      | (24,468)      | 8.7           |
| <b>EBITDA</b>            | <b>783</b>   | <b>349</b>   | <b>472</b>       | <b>35.1</b>   | <b>(39.7)</b> | <b>4,541</b>  | <b>3,914</b>  | <b>(13.8)</b> |
| <i>EBITDA margin (%)</i> | <i>13.3</i>  | <i>5.3</i>   | <i>6.6</i>       | <i>nm</i>     | <i>nm</i>     | <i>16.8</i>   | <i>13.8</i>   | <i>nm</i>     |
| Depn & amort.            | (289)        | (363)        | (304)            | (16.3)        | 5.1           | (1,237)       | (1,007)       | (18.6)        |
| EBIT                     | 494          | (14)         | 168              | nm            | (66.0)        | 3,305         | 2,907         | (12.0)        |
| Interest expense         | (25)         | (26)         | (20)             | (22.0)        | (20.4)        | (118)         | (110)         | (6.5)         |
| Interest & invt inc.     | 5            | 10           | 4                | nm            | nm            | 23.5          | 15.4          | nm            |
| Other income             | 26           | 44           | 39               | (13.1)        | 51.0          | 443.9         | 700.0         | 57.7          |
| Associates' contrib.     | 49           | 41           | 71               | 71.7          | 44.8          | 128.4         | 80.0          | (37.7)        |
| Exceptionals             | (21)         | 835          | (1)              | nm            | (97.1)        | (777)         | -             | nm            |
| <b>Pretax profit</b>     | <b>527</b>   | <b>891</b>   | <b>261</b>       | <b>(70.7)</b> | <b>(50.5)</b> | <b>3,005</b>  | <b>3,592</b>  | <b>19.5</b>   |
| Tax                      | (98)         | (335)        | (45)             | (86.6)        | (54.3)        | (753)         | (643)         | (14.7)        |
| <i>Tax rate (%)</i>      | <i>18.6</i>  | <i>37.6</i>  | <i>17.2</i>      | <i>nm</i>     | <i>nm</i>     | <i>25.1</i>   | <i>17.9</i>   | <i>nm</i>     |
| Minority interests       | (7)          | (5)          | 0                | nm            | nm            | (32.2)        | -             | nm            |
| <b>Net profit</b>        | <b>422</b>   | <b>552</b>   | <b>216</b>       | <b>(60.8)</b> | <b>(48.8)</b> | <b>2,220</b>  | <b>2,949</b>  | <b>32.9</b>   |
| Non-recurring            | (400)        | 49           | 31               | (36.0)        | (107.8)       | (777)         | -             | nm            |
| <b>Core net profit</b>   | <b>822</b>   | <b>503</b>   | <b>185</b>       | <b>(63.2)</b> | <b>(77.5)</b> | <b>2,997</b>  | <b>2,949</b>  | <b>(1.6)</b>  |
| EPS (THB)                | 0.27         | 0.35         | 0.14             | (60.8)        | (48.8)        | 1.41          | 1.87          | 32.9          |
| Core EPS (THB)           | 0.52         | 0.32         | 0.12             | (63.2)        | (77.5)        | 1.90          | 1.87          | (1.6)         |

Sources: TASCO; FSSIA estimates

## Financial Statements

### Tipco Asphalt

| Profit and Loss (THB m) Year Ending Dec           | 2020         | 2021         | 2022E        | 2023E        | 2024E        |
|---------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue                                           | 26,155       | 27,053       | 28,383       | 27,284       | 27,334       |
| Cost of goods sold                                | (19,550)     | (21,935)     | (23,048)     | (22,875)     | (22,876)     |
| <b>Gross profit</b>                               | <b>6,605</b> | <b>5,118</b> | <b>5,335</b> | <b>4,409</b> | <b>4,458</b> |
| Other operating income                            | -            | -            | -            | -            | -            |
| Operating costs                                   | (2,274)      | (577)        | (1,420)      | (1,365)      | (1,368)      |
| <b>Operating EBITDA</b>                           | <b>4,331</b> | <b>4,541</b> | <b>3,914</b> | <b>3,044</b> | <b>3,090</b> |
| Depreciation                                      | (1,050)      | (1,237)      | (1,007)      | (1,007)      | (1,007)      |
| Goodwill amortisation                             | 0            | 0            | 0            | 0            | 0            |
| <b>Operating EBIT</b>                             | <b>3,280</b> | <b>3,305</b> | <b>2,907</b> | <b>2,037</b> | <b>2,083</b> |
| Net financing costs                               | (118)        | (95)         | (95)         | (106)        | (106)        |
| Associates                                        | 118          | 128          | 80           | 80           | 80           |
| Recurring non-operating income                    | 297          | 572          | 780          | 780          | 780          |
| Non-recurring items                               | 896          | (777)        | 0            | 0            | 0            |
| <b>Profit before tax</b>                          | <b>4,355</b> | <b>3,005</b> | <b>3,592</b> | <b>2,711</b> | <b>2,757</b> |
| Tax                                               | (757)        | (753)        | (643)        | (481)        | (490)        |
| <b>Profit after tax</b>                           | <b>3,598</b> | <b>2,252</b> | <b>2,949</b> | <b>2,230</b> | <b>2,267</b> |
| Minority interests                                | (6)          | (32)         | 0            | 0            | 0            |
| Preferred dividends                               | 0            | 0            | 0            | 0            | 0            |
| Other items                                       | -            | -            | -            | -            | -            |
| <b>Reported net profit</b>                        | <b>3,592</b> | <b>2,220</b> | <b>2,949</b> | <b>2,230</b> | <b>2,267</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(896)</b> | <b>777</b>   | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>2,696</b> | <b>2,997</b> | <b>2,949</b> | <b>2,230</b> | <b>2,267</b> |
| <b>Per share (THB)</b>                            |              |              |              |              |              |
| Recurring EPS *                                   | 1.71         | 1.90         | 1.87         | 1.41         | 1.44         |
| Reported EPS                                      | 2.28         | 1.41         | 1.87         | 1.41         | 1.44         |
| DPS                                               | 1.30         | 3.30         | 1.80         | 1.80         | 1.80         |
| Diluted shares (used to calculate per share data) | 1,578        | 1,578        | 1,578        | 1,578        | 1,578        |
| <b>Growth</b>                                     |              |              |              |              |              |
| Revenue (%)                                       | (29.1)       | 3.4          | 4.9          | (3.9)        | 0.2          |
| Operating EBITDA (%)                              | 34.6         | 4.9          | (13.8)       | (22.2)       | 1.5          |
| Operating EBIT (%)                                | 40.0         | 0.7          | (12.0)       | (29.9)       | 2.3          |
| Recurring EPS (%)                                 | 5.8          | 11.2         | (1.6)        | (24.4)       | 1.7          |
| Reported EPS (%)                                  | 14.9         | (38.2)       | 32.9         | (24.4)       | 1.7          |
| <b>Operating performance</b>                      |              |              |              |              |              |
| Gross margin inc. depreciation (%)                | 21.2         | 14.3         | 15.2         | 12.5         | 12.6         |
| Gross margin of key business (%)                  | 21.2         | 14.3         | 15.2         | 12.5         | 12.6         |
| Operating EBITDA margin (%)                       | 16.6         | 16.8         | 13.8         | 11.2         | 11.3         |
| Operating EBIT margin (%)                         | 12.5         | 12.2         | 10.2         | 7.5          | 7.6          |
| Net margin (%)                                    | 10.3         | 11.1         | 10.4         | 8.2          | 8.3          |
| Effective tax rate (%)                            | 17.9         | 26.2         | 18.3         | 18.3         | 18.3         |
| Dividend payout on recurring profit (%)           | 76.1         | 173.8        | 96.3         | 127.4        | 125.3        |
| Interest cover (X)                                | 30.2         | 41.0         | 38.8         | 26.6         | 27.0         |
| Inventory days                                    | 120.0        | 97.8         | 103.4        | 106.4        | 106.0        |
| Debtor days                                       | 59.9         | 51.2         | 54.5         | 56.7         | 56.6         |
| Creditor days                                     | 87.3         | 51.1         | 50.5         | 51.9         | 51.7         |
| Operating ROIC (%)                                | 19.3         | 17.8         | 13.5         | 8.9          | 8.9          |
| ROIC (%)                                          | 19.6         | 19.1         | 15.6         | 11.4         | 11.3         |
| ROE (%)                                           | 19.1         | 19.8         | 20.7         | 17.4         | 18.6         |
| ROA (%)                                           | 12.0         | 13.5         | 12.1         | 9.1          | 8.9          |

\* Pre exceptional, pre-goodwill and fully diluted

| Revenue by Division (THB m)            | 2020   | 2021   | 2022E  | 2023E  | 2024E  |
|----------------------------------------|--------|--------|--------|--------|--------|
| Geographic segment located in Thailand | 19,240 | 21,048 | 22,402 | 21,303 | 21,353 |
| Geographic segment located overseas    | 6,916  | 6,004  | 5,981  | 5,981  | 5,981  |

Sources: Tipco Asphalt; FSSIA estimates

## Financial Statements

### Tipco Asphalt

| Cash Flow (THB m) Year Ending Dec | 2020           | 2021           | 2022E          | 2023E          | 2024E          |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Recurring net profit              | 2,696          | 2,997          | 2,949          | 2,230          | 2,267          |
| Depreciation                      | 1,050          | 1,237          | 1,007          | 1,007          | 1,007          |
| Associates & minorities           | 118            | 128            | 80             | 80             | 80             |
| Other non-cash items              | -              | -              | -              | -              | -              |
| Change in working capital         | 794            | (3,466)        | (211)          | 63             | (2)            |
| <b>Cash flow from operations</b>  | <b>4,659</b>   | <b>896</b>     | <b>3,826</b>   | <b>3,380</b>   | <b>3,353</b>   |
| Capex - maintenance               | (726)          | (797)          | (1,026)        | (1,176)        | (1,326)        |
| Capex - new investment            | (194)          | (535)          | (1,105)        | (325)          | (175)          |
| Net acquisitions & disposals      | 192            | 172            | 0              | 0              | 0              |
| Other investments (net)           | 2,814          | 7,418          | 80             | 80             | 80             |
| <b>Cash flow from investing</b>   | <b>2,086</b>   | <b>6,259</b>   | <b>(2,051)</b> | <b>(1,421)</b> | <b>(1,421)</b> |
| Dividends paid                    | (5,365)        | (9,628)        | (5,209)        | (2,841)        | (2,841)        |
| Equity finance                    | 0              | 0              | 0              | 0              | 0              |
| Debt finance                      | (2,230)        | 1,983          | 2,517          | 1,000          | 2,000          |
| Other financing cash flows        | 546            | (29)           | (160)          | (160)          | (160)          |
| <b>Cash flow from financing</b>   | <b>(7,049)</b> | <b>(7,674)</b> | <b>(2,852)</b> | <b>(2,001)</b> | <b>(1,001)</b> |
| Non-recurring cash flows          | -              | -              | -              | -              | -              |
| Other adjustments                 | 0              | 0              | 0              | 0              | 0              |
| <b>Net other adjustments</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>Movement in cash</b>           | <b>(304)</b>   | <b>(519)</b>   | <b>(1,077)</b> | <b>(42)</b>    | <b>931</b>     |
| Free cash flow to firm (FCFF)     | 6,875.48       | 7,273.35       | 1,885.35       | 2,069.17       | 2,042.06       |
| Free cash flow to equity (FCFE)   | 5,061.25       | 9,108.89       | 4,131.30       | 2,799.14       | 3,772.10       |

#### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| FCFF per share                | 4.38 | 4.63 | 1.20 | 1.32 | 1.30 |
| FCFE per share                | 3.22 | 5.80 | 2.63 | 1.78 | 2.40 |
| Recurring cash flow per share | 2.45 | 2.76 | 2.56 | 2.10 | 2.13 |

| Balance Sheet (THB m) Year Ending Dec             | 2020          | 2021          | 2022E         | 2023E         | 2024E         |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross)                     | 15,848        | 15,849        | 17,350        | 18,851        | 20,352        |
| Less: Accumulated depreciation                    | (7,692)       | (7,692)       | (7,976)       | (8,983)       | (9,990)       |
| <b>Tangible fixed assets (net)</b>                | <b>8,156</b>  | <b>8,157</b>  | <b>9,374</b>  | <b>9,868</b>  | <b>10,362</b> |
| <b>Intangible fixed assets (net)</b>              | <b>305</b>    | <b>462</b>    | <b>462</b>    | <b>462</b>    | <b>462</b>    |
| Long-term financial assets                        | -             | -             | -             | -             | -             |
| Invest. in associates & subsidiaries              | -             | -             | -             | -             | -             |
| Cash & equivalents                                | 2,672         | 2,152         | 1,075         | 1,033         | 1,964         |
| A/C receivable                                    | 3,352         | 4,237         | 4,237         | 4,237         | 4,237         |
| Inventories                                       | 5,383         | 6,371         | 6,694         | 6,644         | 6,644         |
| Other current assets                              | 491           | 2,182         | 2,289         | 2,201         | 2,205         |
| <b>Current assets</b>                             | <b>11,898</b> | <b>14,942</b> | <b>14,295</b> | <b>14,114</b> | <b>15,049</b> |
| Other assets                                      | 976           | 1,147         | 1,147         | 1,147         | 1,147         |
| <b>Total assets</b>                               | <b>21,334</b> | <b>24,707</b> | <b>25,278</b> | <b>25,591</b> | <b>27,020</b> |
| Common equity                                     | 14,837        | 15,368        | 13,109        | 12,498        | 11,924        |
| Minorities etc.                                   | 183           | 569           | 569           | 569           | 569           |
| <b>Total shareholders' equity</b>                 | <b>15,021</b> | <b>15,937</b> | <b>13,678</b> | <b>13,067</b> | <b>12,493</b> |
| Long term debt                                    | 225           | 324           | 2,840         | 3,840         | 5,840         |
| Other long-term liabilities                       | 170           | 640           | 640           | 640           | 640           |
| <b>Long-term liabilities</b>                      | <b>395</b>    | <b>964</b>    | <b>3,480</b>  | <b>4,480</b>  | <b>6,480</b>  |
| A/C payable                                       | 3,032         | 3,107         | 3,265         | 3,240         | 3,240         |
| Short term debt                                   | 1,639         | 3,524         | 3,524         | 3,524         | 3,524         |
| Other current liabilities                         | 1,248         | 1,269         | 1,332         | 1,280         | 1,283         |
| <b>Current liabilities</b>                        | <b>5,918</b>  | <b>7,900</b>  | <b>8,120</b>  | <b>8,044</b>  | <b>8,047</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>21,334</b> | <b>24,801</b> | <b>25,278</b> | <b>25,591</b> | <b>27,020</b> |
| Net working capital                               | 4,947         | 8,413         | 8,623         | 8,561         | 8,562         |
| Invested capital                                  | 14,384        | 18,179        | 19,607        | 20,038        | 20,533        |

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

#### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| Book value per share          | 9.40 | 9.74 | 8.31 | 7.92 | 7.55 |
| Tangible book value per share | 9.21 | 9.44 | 8.01 | 7.63 | 7.26 |

#### Financial strength

|                           |       |       |      |      |      |
|---------------------------|-------|-------|------|------|------|
| Net debt/equity (%)       | (5.4) | 10.6  | 38.7 | 48.4 | 59.2 |
| Net debt/total assets (%) | (3.8) | 6.9   | 20.9 | 24.7 | 27.4 |
| Current ratio (x)         | 2.0   | 1.9   | 1.8  | 1.8  | 1.9  |
| CF interest cover (x)     | 45.4  | 102.9 | 56.1 | 30.5 | 38.2 |

| Valuation                                 | 2020        | 2021        | 2022E       | 2023E       | 2024E       |
|-------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>9.4</b>  | <b>8.4</b>  | <b>8.6</b>  | <b>11.3</b> | <b>11.1</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>13.2</b> | <b>11.9</b> | <b>12.0</b> | <b>15.9</b> | <b>15.7</b> |
| Reported P/E (x)                          | 7.0         | 11.4        | 8.6         | 11.3        | 11.1        |
| Dividend yield (%)                        | 8.1         | 20.6        | 11.3        | 11.3        | 11.3        |
| Price/book (x)                            | 1.7         | 1.6         | 1.9         | 2.0         | 2.1         |
| Price/tangible book (x)                   | 1.7         | 1.7         | 2.0         | 2.1         | 2.2         |
| EV/EBITDA (x) **                          | 5.7         | 6.1         | 7.9         | 10.6        | 10.8        |
| EV/EBITDA @ target price (x) **           | 8.1         | 8.3         | 10.6        | 13.9        | 14.1        |
| EV/invested capital (x)                   | 1.7         | 1.5         | 1.6         | 1.6         | 1.6         |

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

Sources: Tipco Asphalt; 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   | 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   | TSC    | TSR    | TSTE   | TSTH   | TTA    |
| 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  | MITSI  | 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    | AMANA  | 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   | WIIC   | 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

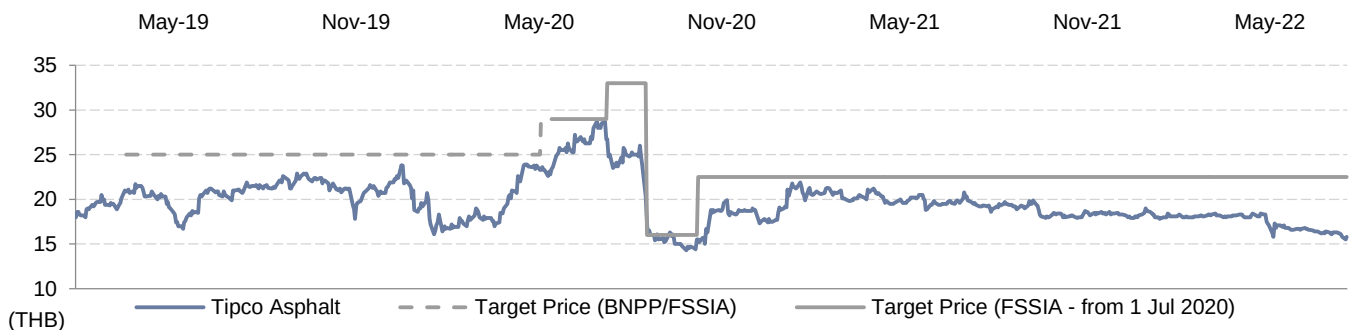
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

#### Tipco Asphalt (TASCO TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 25-Jun-2019 | BUY    | 25.00        | 11-Aug-2020 | BUY    | 33.00        | 28-Oct-2020 | BUY    | 22.50        |
| 16-Jun-2020 | BUY    | 29.00        | 14-Sep-2020 | REDUCE | 16.00        |             |        |              |

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

Price and TP are in local currency

Source: FSSIA estimates

| Company       | Ticker   | Price     | Rating | Valuation & Risks                                                                                                                                                                                                                                              |
|---------------|----------|-----------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tipco Asphalt | TASCO TB | THB 16.00 | BUY    | Downside risks to our EV/EBITDA multiple based TP include 1) a lower asphalt margin due to a oversupply in Asia on the back of faster recovery of utilisation rate for global refiners; and 2) a lower-than-expected supply of alternative crudes and asphalt. |

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 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.