

PTT OIL AND RETAIL BUSINESS

THAILAND / OIL & GAS

OR TB

BUY
UNCHANGED

จากธุรกิจสถานีบริการน้ำมันสู่แม่เหล็กในธุรกิจค้าปลีก

- เรามีความมั่นใจมากยิ่งขึ้นเกี่ยวกับการตัดสินใจขยายกลุ่มธุรกิจอาหารและเครื่องดื่ม รวมถึงธุรกิจค้าปลีกของ OR ซึ่งให้ EBITDA margin สูงถึง 25-30%
- เรายังมั่นใจในแนวโน้มการเติบโตของกำไรสุทธิของ OR ในปี 2022-24 จากการฟื้นตัวของอุปสงค์และ EBITDA ของธุรกิจอาหารและเครื่องดื่มที่สูงขึ้น
- คงแนะนำซื้อ แต่ปรับลดราคาเป้าหมายจาก 36 เป็น 32 บาท (SoTP)

TARGET PRICE	THB32.00
CLOSE	THB25.75
UP/DOWNSIDE	+24.3%
PRIOR TP	THB36.00
CHANGE IN TP	-11.1%
TP vs CONSENSUS	+12.3%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	511,799	555,967	564,638	578,380
Net profit	11,780	11,654	13,879	13,706
EPS (THB)	0.98	0.97	1.16	1.14
vs Consensus (%)	-	(2.2)	3.5	(6.5)
EBITDA	17,195	19,159	24,843	27,186
Core net profit	11,780	11,654	13,879	13,706
Core EPS (THB)	0.98	0.97	1.16	1.14
Chg. In EPS est. (%)	-	(2.0)	(2.0)	(2.2)
EPS growth (%)	(11.3)	(1.1)	19.1	(1.3)
Core P/E (x)	26.2	26.5	22.3	22.5
Dividend yield (%)	1.8	1.9	1.9	1.9
EV/EBITDA (x)	16.1	15.3	11.9	10.7
Price/book (x)	3.1	2.9	2.7	2.6
Net debt/Equity (%)	(31.9)	(14.7)	(11.6)	(15.0)
ROE (%)	17.1	11.3	12.7	11.7

ขุมชีวิตใหม่ในธุรกิจค้าปลีกจากธุรกิจค้าปลีกที่ทำเงินซึ่งจะช่วยเพิ่มมูลค่า

เรายังมั่นใจในแนวโน้มการเติบโตของกำไรสุทธิของ OR ในปี 2022-24 หลังการเยี่ยมชมหนึ่งในสถานีบริการน้ำมันหลักของ OR กล่าวคือ Active Park PTT Station (APPS) ที่เมืองทองธานี ซึ่งเป็นสถานีบริการน้ำมันและศูนย์การค้าชุมชนครบวงจร ด้วยเงินลงทุนรวม 170 ลบ. ผู้บริหารของ APPS ระบุว่าสถานีบริการดังกล่าวจะต้องใช้เวลา 5 ปีโดยรวมกว่าจะถึงจุดคุ้มทุน โดย Café Amazon จะมีระยะเวลาคืนทุนที่สั้นที่สุด (3 ปี) ตามด้วยร้านสะดวกซื้อ (4 ปี), พื้นที่เช่า (5 ปี), และสถานีบริการน้ำมัน (6 ปี) ปัจจัยสำคัญสำหรับผลตอบแทนทางการเงินที่แตกต่างกันมาจากทั้งปริมาณขายและอัตรากำไรจาก EBITDA margin ที่ 50-60% สำหรับ Café Amazon, 25% สำหรับร้านสะดวกซื้อ, 20-25% สำหรับธุรกิจเช่า, และเพียง 4% สำหรับสถานีบริการน้ำมัน

จากธุรกิจสถานีบริการเชื้อเพลิงและค้าปลีกสู่ธุรกิจศูนย์การค้าชุมชนเพื่อการค้าปลีกและยานยนต์ไฟฟ้า

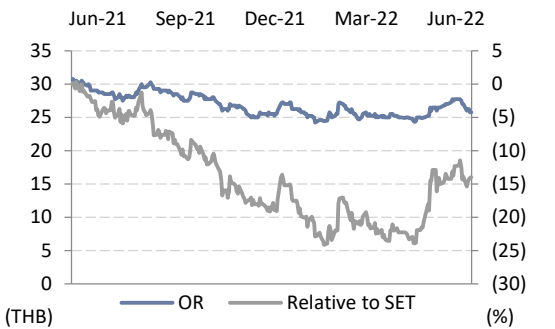
APPS แสดงให้เห็นถึงจุดแข็งของ OR ในการพัฒนาศูนย์การค้าชุมชนเพื่อการค้าปลีกและในด้านประโยชน์ที่ได้จากการควบคุมและซื้อกิจการที่เพิ่มเข้าสู่ธุรกิจสถานีบริการเชื้อเพลิงพร้อมภาคการต่าง ๆ อันประกอบด้วยร้านอาหารสุขภาพ Ohkajhu และ Café Amazon ด้วย EBITDA margin ที่สูงถึง 25% สำหรับธุรกิจที่ไม่ใช่น้ำมันเทียบกับเพียง 4% ของสถานีบริการน้ำมัน เจ้าของ APPS ได้ค่อย ๆ สร้างธุรกิจสถานีบริการเชื้อเพลิงและค้าปลีกขนาดใหญ่ขึ้นพร้อมพื้นที่ที่ใหญ่ขึ้นสำหรับธุรกิจที่ไม่ใช่น้ำมัน (ร้านสะดวกซื้อ, Café Amazon, และพื้นที่เช่า) และสถานีชาร์จยานยนต์ไฟฟ้าโดยขยายจากพื้นที่ 2.5 ไร่ (56% ของพื้นที่รวม) ในสถานีบริการน้ำมันแห่งแรก (#1) ในปี 2012 เป็น 9 ไร่ (82%) ในสถานีบริการน้ำมันแห่งที่ 4 (APPS) ในปี 2021

กลยุทธ์ "รับมาปรับ" และการควบรวมและซื้อกิจการเป็นหัวใจสำคัญ

หลังเข้าเยี่ยมชม APPS เรามีความมั่นใจมากยิ่งขึ้นเกี่ยวกับการตัดสินใจขยายกลุ่มธุรกิจอาหารและเครื่องดื่ม รวมถึงธุรกิจค้าปลีกของ OR ธุรกิจดังกล่าวให้ EBITDA margin สูงถึง 25-30% ซึ่งสูงกว่า EBITDA margin ของธุรกิจน้ำมันที่ 2-4% ถึง 6-15x แนวคิด Lifestyle Living Station ของ OR สำหรับศูนย์บริการครบวงจรจะช่วยขับเคลื่อนกำไรของ OR ผ่านกลยุทธ์การเติบโตทั้งจากภายในและภายนอกผ่านการลงทุนในการซื้อและควบรวมกิจการอาหารและเครื่องดื่ม การบริการจำนวนมาก รวมถึงการเติบโตในอนาคตในกิจการที่มีนวัตกรรมใหม่ผ่าน Start-up ต่าง ๆ

พื้นที่ที่ดีที่สุดในการฟื้นตัวของอุปสงค์สำหรับน้ำมัน ค้าปลีก และอาหารและเครื่องดื่ม

เราคงแนะนำซื้อ แต่ปรับลดราคาเป้าหมายจาก 36 เป็น 32 บาท (SoTP) เพื่อสะท้อน 1) การปรับลดประมาณการกำไรต่อหุ้น; 2) ประมาณการ 2022 EV/EBITDA ที่ต่ำลงสำหรับกลุ่มน้ำมันเพื่อการพาณิชย์จาก 8x เป็น 7x เพื่อสะท้อนอุปสงค์น้ำมันที่ลดลง; และ 3) ประมาณการ EV/EBITDA ที่สูงขึ้นสำหรับธุรกิจค้าปลีกจาก 9.0x เป็น 9.7x ซึ่งยังให้ส่วนลดเมื่อเทียบกับค่าเฉลี่ยในกลุ่มค้าปลีกที่ 12x เพื่อสะท้อนค่าการตลาดที่มีความแข็งแกร่งในธุรกิจน้ำมันของ OR



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.0)	1.0	(16.9)
Relative to country (%)	2.5	8.9	(13.8)
Mkt cap (USD m)	8,776		
3m avg. daily turnover (USD m)	18.3		
Free float (%)	62		
Major shareholder	PTT (75%)		
12m high/low (THB)	31.25/23.80		
Issued shares (m)	9,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

In 2020, OR's net profit weakened due to the coronavirus impact, resulting in a lower demand for both oil and non-oil products at its retail and wholesale channels. We expect OR's EBITDA margin from the non-oil business to improve markedly in 2022 onward, driven by its three growth strategies: 1) the expansion of its fuel stations in Thailand; 2) growth in its non-oil food and beverage (F&B) businesses, particularly its Café Amazon outlets and the number of convenience store (CVS) outlets; 3) lower operating costs for mixing and logistics; and 4) the expansion of its overseas presence in new and existing markets to leverage OR's core business value of being a one-stop shop with a "Living Community" concept.

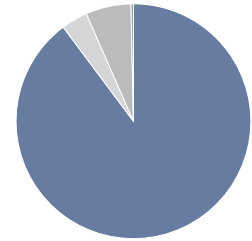
Company profile

OR is Thailand's leading gas station operator with its station network located mostly in Thailand and overseas. OR's non-oil business has increasingly contributed higher net profits led by its in-house coffee brand, Cafe Amazon. It also sells jet fuel, lube, asphalt and other petroleum products.

www.pttor.com

Principal activities (revenue, 2021)

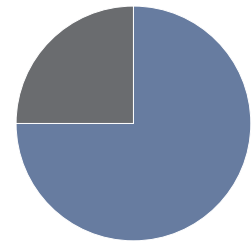
- Oil business - 89.8 %
- Non-oil business - 3.6 %
- International business - 6.2 %
- Others - 0.3 %



Source: PTT Oil and Retail Business

Major shareholders

- PTT - 75.0 %
- Others - 25.0 %



Source: PTT Oil and Retail Business

Catalysts

Key potential net profit catalysts include 1) higher sales volumes; 2) a higher marketing margin; and 3) improving EBITDA from non-oil businesses, such as the convenience store and food & beverage segments.

Risks to our call

The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.

Event calendar

Date	Event
Aug 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Brent oil price (USD/bbl)	100	90	90
Sales volume - retail (m litres)	12,244	12,455	12,670
Sales volume - commercial (m litres)	14,257	14,256	14,307
Sales volume - international (m litres)	1,999	2,299	2,644
Sales volume - domestic (m litres)	26,501	26,711	26,977
Oil stations (stations)	2,523	2,674	2,674
Amazon cups sold (m cups)	382	434	487
Revenue per ticket (THB/ticket)	60	63	64

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in marketing margin, we estimate 2022 earnings would rise by 4.3%, and vice versa, all else being equal.
- For every 1% increase in the number of cups sold for Café Amazon, we estimate 2022 earnings would rise by 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates

From fuel outlet to retail magnet

We remain positive on OR's net profit growth outlook in 2022-24 after our site visit at one of OR's flagship oil stations, "Active Park PTT Station" (APPS) at Muangthong Thani, an integrated oil station and community mall with the first "Ohkajhu" outlet right after OR's acquisition of a 20% stake in Feb-21.

APPS clearly showcases OR's strength in retail community mall development and the synergy created from M&As to be added into the fuel stations. APPS has a number of restaurants including the "Ohkajhu" healthy restaurant chain, service outlets such as Thai Post, and fast-food chain restaurants like McDonalds, KFC, and Swensen's ice cream parlour, plus OR's flagship coffee chain Café Amazon.

Of its total 11-rai area, around 2 rai are used for the oil station with 36 fuel nozzles to serve 1m litres per month of oil sales volume. The remaining 9 rai are deployed for three purposes, including a 7-Eleven CVS under CP All (CPALL TB, BUY)'s management, a large Café Amazon, and retail areas for many restaurants and service stations.

Exhibit 1: Active Park PTT Station – shopping mall zone



Source: [Active Park PTT Station](#)

Exhibit 2: Active Park PTT Station – oil station zone



Source: [Active Park PTT Station](#)

With a total THB170m investment, APPS' management indicated that reaching overall breakeven would take 5 years, with the fastest payback period for Café Amazon (3 years), followed by CVS (4 years), rental areas (5 years), and the oil station business (6 years). The key factors for the different financial returns come from both sales volumes and margins, with an EBITDA margin of 50-60% for Café Amazon, 25% for CVS, 20-25% for the rental business, and only 4% for oil stations.

With a high 25% EBITDA margin for the non-oil businesses vs only 4% for the oil station business, the owner of APPS has continued to expand the area for non-oil businesses (CVS, Café Amazon, and rental area) with a relatively stable area of 2 rai for the oil station, according to management.

From a fuel outlet to a retail magnet

Starting with a mere 2-rai PTT oil station in 2012, the owner has over time added larger-sized oil stations with larger areas for non-oil businesses, with the non-oil areas growing from 2.5 rai (56% of total area) for the first oil station (#1) in 2012, rising to 4 rai (67%) for the second oil station (#2) in 2014, 6.5 rai (76%) for the third oil station (#3) in 2019, and 9 rai (82%) for the fourth oil station (APPS) in 2021, based on our estimate.

According to APPS' owner, the investment costs of the integrated oil and non-oil stations have been in the range of THB8.9m per rai for #1 to THB16.5m per rai for #3, as the owner has increased the investment in the non-oil areas for the rental income, Café Amazon, and CVS, to boost the non-oil EBITDA from 60% of total EBITDA for #1 to 75% for APPS.

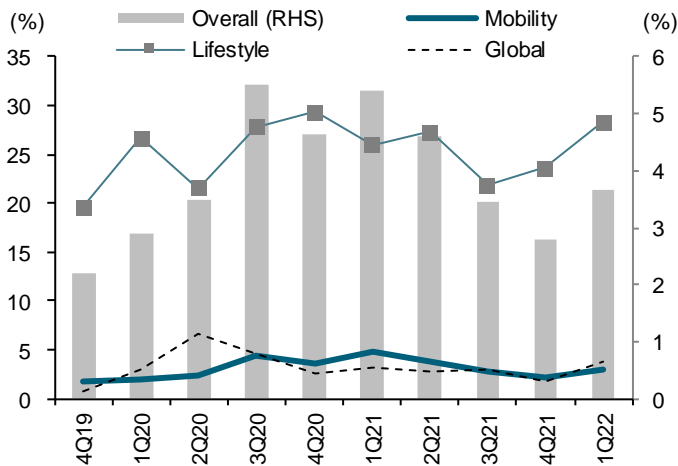
Exhibit 3: Development of PTT oil station franchise with higher focus on retail business

Oil Stations	#1 station	#2 station	#3 station	#4 station	Unit
Location	Kaset-Navamin	Pathumthani	Saimai	Muangthong Thani	
Operation date	2012	2014	2019	2021	
Total area	4.5	6	8.5	11	rai
Oil station area	2.0	2.0	2.0	2.0	rai
Non-oil area	2.5	4.0	6.5	9.0	rai
Oil station area as % of total area	44	33	24	18	%
Non-oil area as % of total area	56	67	76	82	%
Financial performance					
Investment	40	65	140	170	THB m
Investment per rai	8.9	10.8	16.5	15.5	THB m/rai
Oil as % total EBITDA	40	35	30	25	%
Oil sales volume	1.0	1.0	1.0	1.0	m litres per month
No. of fuel nozzles	36	36	36	36	nozzle
Payback period	6.5	6.0	5.0	4.0	year
EBITDA margin					
Oil stations	4	4	4	4	
Non-oil (Café Amazon, CVS, rental area)	25	26	27	29	

Sources: OR; FSSIA estimates

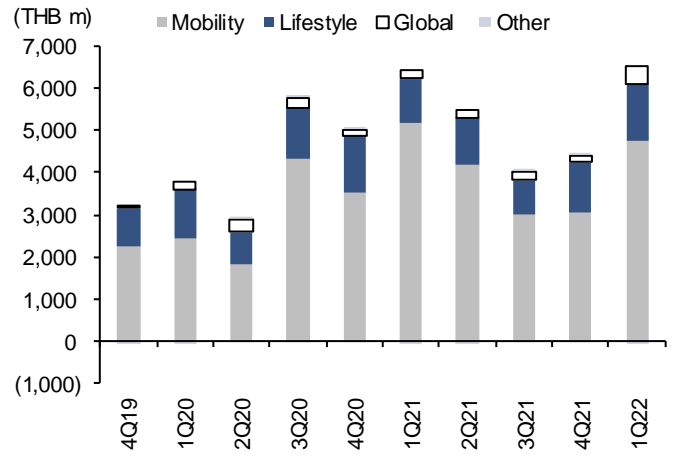
Non-oil EBITDA growth roadmap. The main reason for the expansion in the non-oil area and investment lies in the differential in the EBITDA margins of the oil and non-oil businesses, with the non-oil EBITDA (lifestyle) margin in the 21-30% range vs only a 0.8-3.8% range for the oil business (mobility), based on OR's EBITDA margins in 4Q19-1Q22.

Exhibit 4: EBITDA margin by segment



Source: OR

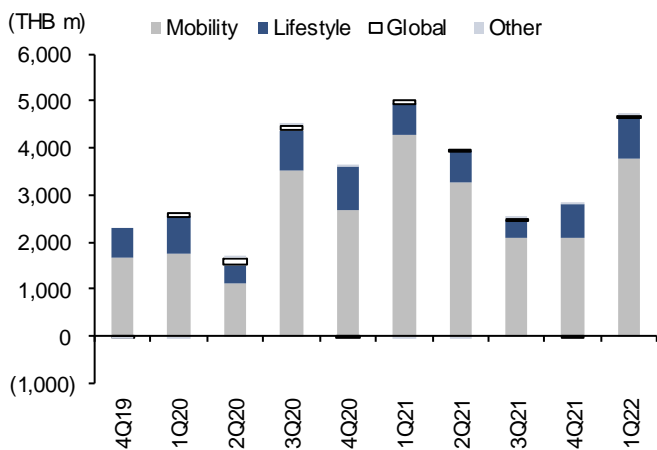
Exhibit 5: EBITDA breakdown by segment



Source: OR

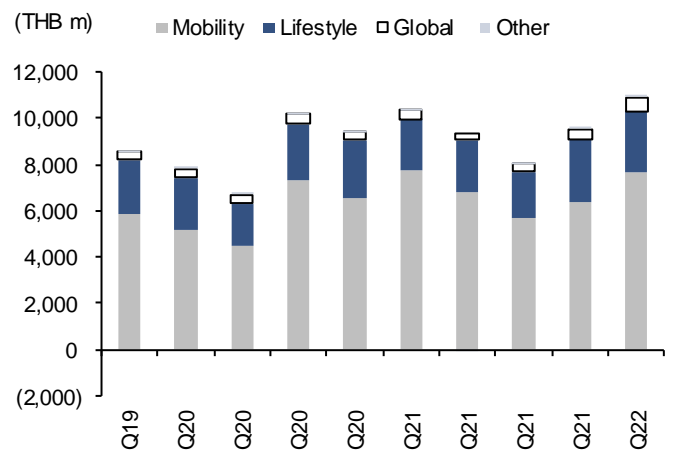
Since its initial public offering in 4Q19, OR has seen its EBITDA margins for non-oil, or lifestyle, strengthening above 25%, while its EBITDA margin for oil, or mobility, has stayed low in the range of 2-4%. Meanwhile, the EBITDA margin of the global segment (oil and non-oil business overseas) has remained weak below 5%, except for in 2Q20 when OR won a large oil sales order in the Philippines.

Exhibit 6: Operating profit breakdown by segment



Source: OR

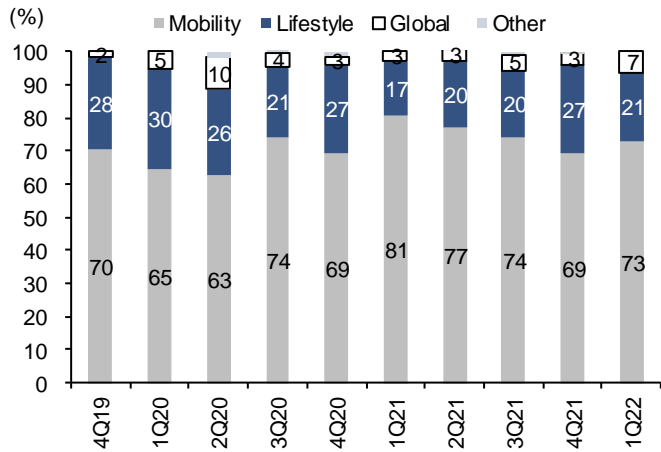
Exhibit 7: EBITDA breakdown by segment



Source: OR

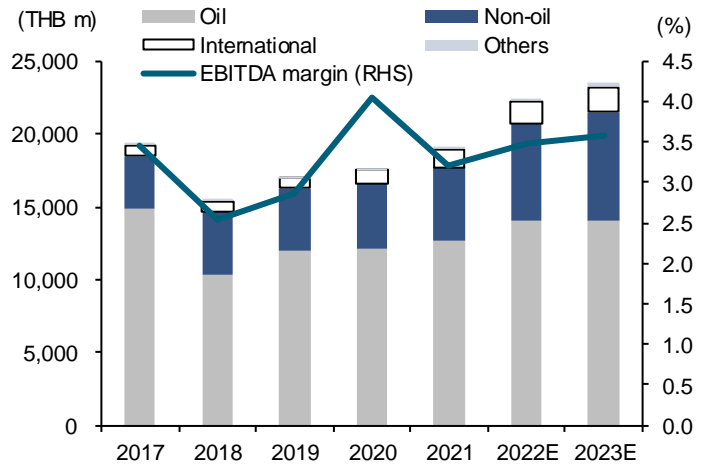
We believe APPS, as one of OR's flagship oil stations, provides a strong indicator for OR's potential to grow its non-oil EBITDA from 21-30% during 4Q19-1Q22 to 30-40% by 2025. The main driver would come from the high EBITDA margin of Café Amazon, rising from 59% in 2020-21 to 62% in 2024, based on our estimate.

Exhibit 8: EBITDA breakdown by segment (%)



Sources: OR; FSSIA estimates

Exhibit 9: EBITDA and EBITDA margin

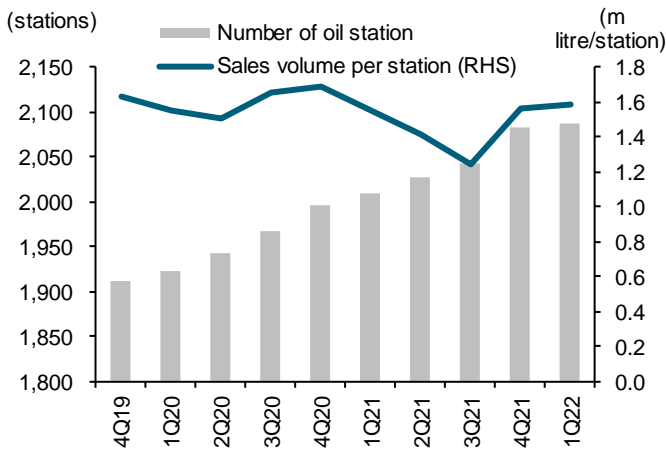


Sources: OR; FSSIA estimates

Oil EBITDA growth strategy. APPS has clearly been a strong example of one of OR’s retail oil growth drivers, with all of its four operating oil stations achieving a high sales turnover at over 30,000 litres per day or 1m litres per month, based on the owner’s guidance. With a 2-rai area dedicated to the 36-nozzle fuel station, OR’s APPS franchisee has successfully expanded its non-oil presence and EBITDA by increasing the non-oil areas while maintaining the oil area.

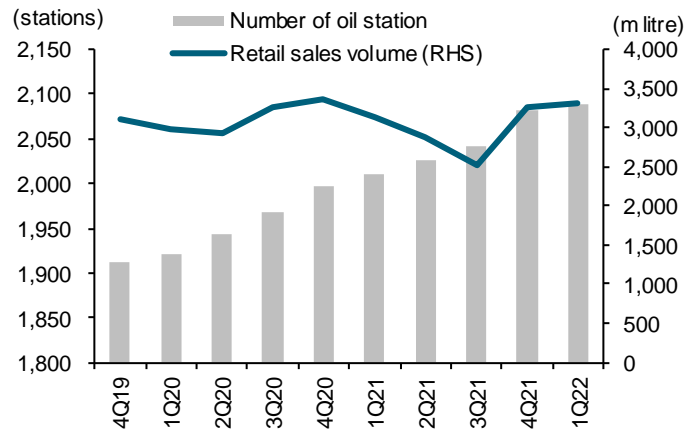
With a high average sales volume per station at 1.6m litres per station, OR has grown the EBITDA from its oil business by expanding its number of oil stations, mostly via dealer-owned, dealer-operated (DODO) stations such as APPS, to not only keep its investment low but also to enable OR to accelerate its oil EBITDA growth.

Exhibit 10: Number of oil stations vs oil sales volume per station



Source: OR

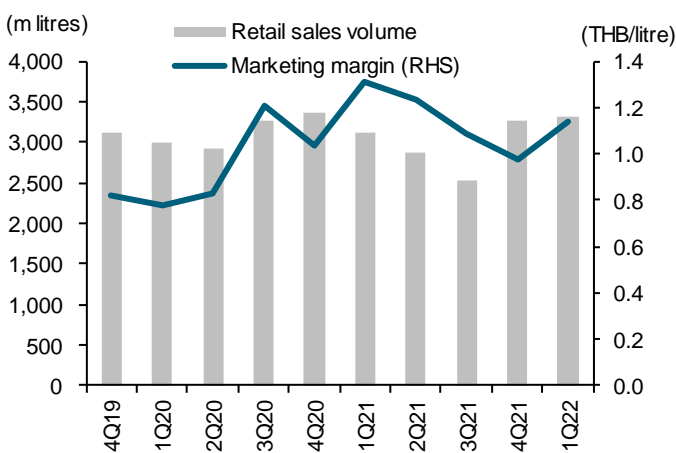
Exhibit 11: Number of oil stations vs retail oil sales volume



Source: OR

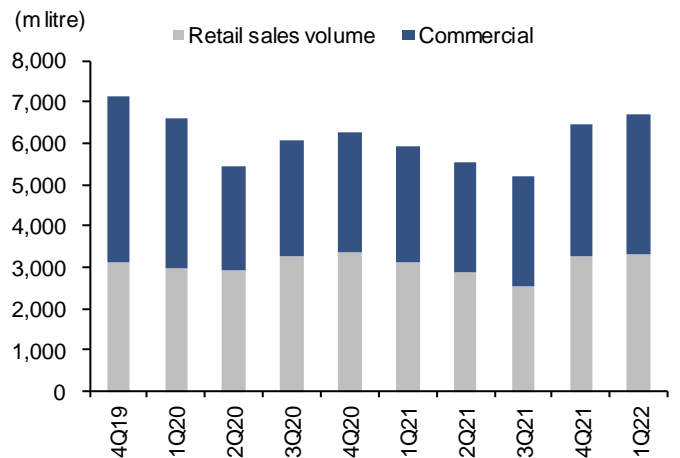
Oil EBITDA margin strategy. OR has continued to sustain its oil EBITDA margin via the strategy to maintain its marketing margin for the oil sales volume in the range of THB1.0-1.4/litre during 3Q20-1Q22 during the Covid-19 pandemic period. This is thanks to the resilient marketing margin and the sound risk management to share the marketing margin with dealers, thereby sustaining its oil EBITDA at over 60% since 4Q19. OR plans to add around 400 new oil stations in Thailand while maintaining its oil EBITDA margin to grow its oil EBITDA in 2022-25.

Exhibit 12: Retail oil sales volume vs marketing margin



Source: OR

Exhibit 13: Retail oil sales volume vs commercial oil sales volume



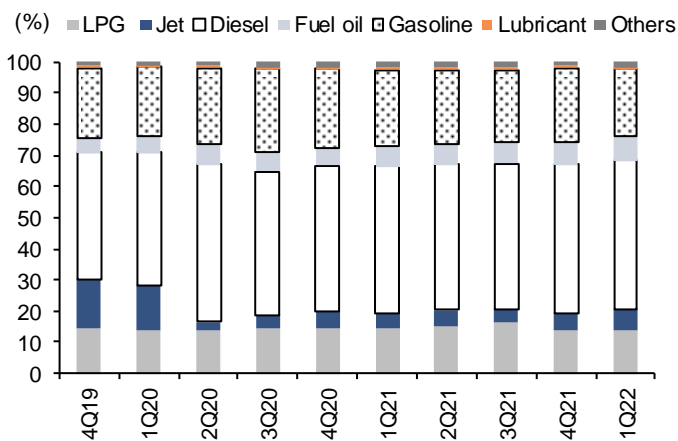
Source: OR

Commercial oil strategy. During the Covid-19 pandemic period in 2020-1Q22, OR saw its sales volume of jet fuel significantly decline from 25% of total commercial sales to only 7% in 1Q22, as the demand for jet fuel has remained weak due to the low number of long-haul international flights for inbound tourist arrivals.

Upside from jet demand recovery. According to the Department of Energy Business (DOEB), the demand for jet fuel in Thailand stayed at 7.3m litres per day in Apr-22, representing only one-third of the pre-Covid level of 22m litres per day in 2019. Management expects the demand for jet fuel to gradually increase to 50% or 10m litres per day in Dec-22 before reaching 90-100% of the pre-Covid-19 level by the end of 2023.

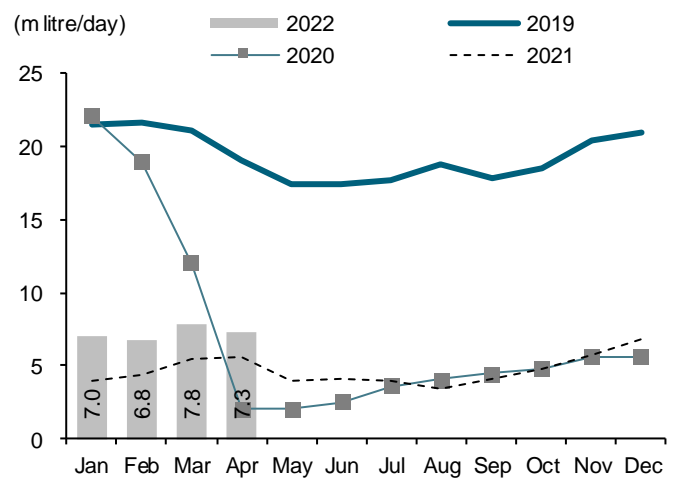
We believe that starting in 2H22, OR will see an earnings upside from jet sales, driven by the rising sales volume and an improving margin as we think the jet fuel price is likely to peak at USD160-170/bbl and likely soften in 2H22. This would potentially enhance the jet fuel margin for OR based on the selling price of a month's lag in pricing (M-1) vs the real cost (M).

Exhibit 14: Commercial oil sales volume breakdown by product



Source: OR

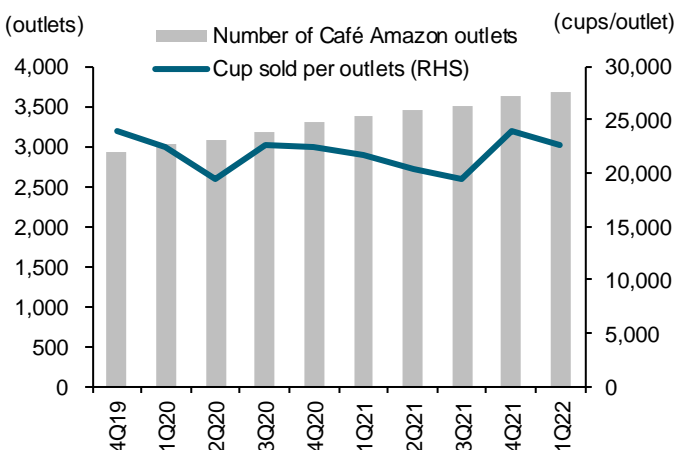
Exhibit 15: Thailand's jet fuel consumption



Source: Department of Energy Business (DOEB)

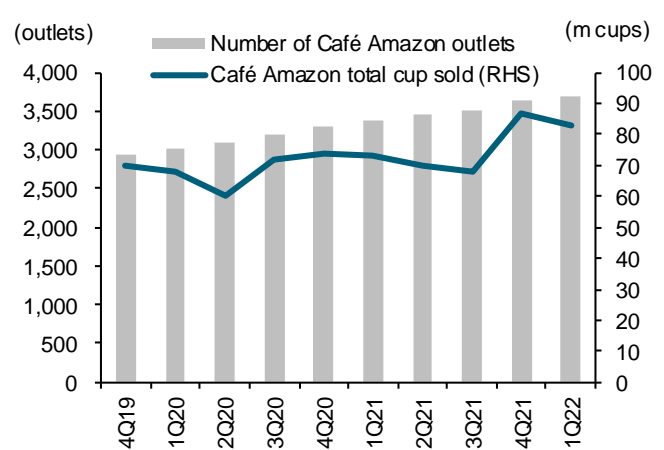
Café Amazon growth strategy. Thanks to OR's success in growing its in-house Café Amazon coffee chain, the EBITDA from Café Amazon has grown markedly from THB8.3b in 2018 to THB12.4b in 2021, driven by the expansion in the number of outlets by 100 annually in Thailand and the rising number of cups sold, from 60m cups in 2Q20 to 83m cups in 1Q22.

Exhibit 16: Number of Café Amazon outlets vs cups sold per outlet



Source: OR

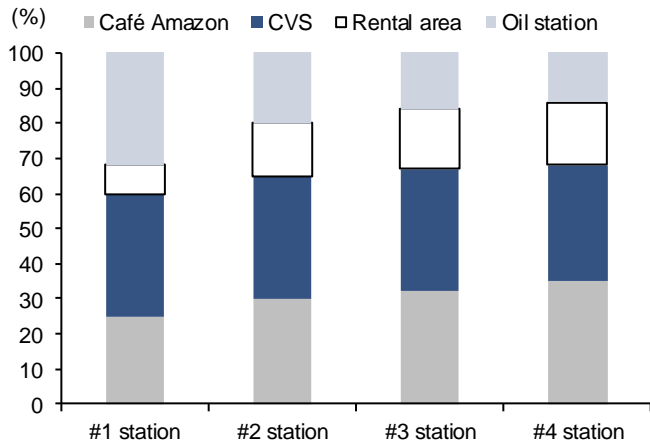
Exhibit 17: Number of Café Amazon outlets vs total cups sold



Source: OR

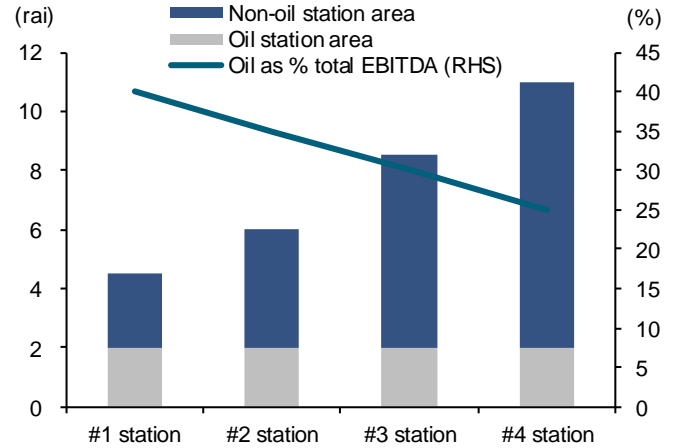
During our site visit at APPS, the owner indicated that Café Amazon has grown its EBITDA proportion from 25% of total EBITDA for #1 to 35% of total EBITDA for APPS (#4), thanks to the larger area and a more user-friendly and greener landscape that has successfully attracted a higher number of clients to Café Amazon. This has resulted in a higher number of cups sold from fewer than 500 cups per day in 2020 to over 1,000 cups per day currently.

Exhibit 18: EBITDA breakdown by segment of four oil stations under APPS group (%)



Sources: APPS' owner; OR; FSSIA estimates

Exhibit 19: Area breakdown by oil and non-oil usage of four oil stations under APPS group



Sources: APPS' owner; OR; FSSIA estimates

The wider variety of products offered at Café Amazon, including the bakery products produced from OR's own bakery plant, and other fresh and dried snack and dessert choices, have proven successful in boosting customer traffic and raising the ticket size, according to APPS' owner.

Exhibit 20: Café Amazon at APPS



Source: [PTT Station Muangthong Thani](#)

Exhibit 21: Coffee cups at Café Amazon in APPS



Source: [PTT Station Muangthong Thani](#)

Shorter payback period and higher returns for Café Amazon. According to APPS' owner the financial returns of Café Amazon have been highly lucrative for both the franchiser (OR) and franchisee (dealers), with a short payback period of only 3.4-4.5 years for the different Café Amazon sizes ranging from 40 sqm to 200 sqm, with an investment cost of THB2.3m for a small 40-sqm café to THB4.2m for a large 200-sqm café.

In the case of the four PTT stations under the APPS group, the payback period for Café Amazon has shortened from 4-5 years for #1 and #2 to 2-3 years for #3 and #4 (APPS), much shorter than the average 3.4-4.5-year payback range, with a higher number of cups sold, rising from 200-300 cups per day for #1 and #2 to 700-1,200 cups sold a day for #3 and #4.

We believe the success factors for the faster payback period and higher financial returns of over 15-20% EIRR for the franchisees, come from the high EBITDA margin of 59-60%, the strong brand, and the attractive business model with a much wider variety of choices for F&B and services that have attracted a higher number of customers to APPS, hence driving up the number of cups sold and the sales of non-drink products.

Exhibit 22: Financial analysis of Café Amazon

Format	Unit	----- Indoor -----		----- Standalone -----	
Size	sqm	>40		100-200	
Construction and decoration costs	THB	1,200,000	2,500,000	1,200,000	3,000,000
Designing cost	THB	40,000	100,000	40,000	100,000
Equipment	THB	779,000	779,000	779,000	779,000
Insurance	THB	100,000	100,000	100,000	100,000
Pre-opening cost	THB	80,000	80,000	80,000	80,000
Franchise fee	THB	150,000	150,000	150,000	150,000
Total fixed initial cost	THB	2,349,000	3,709,000	2,349,000	4,209,000
Depreciation period	year	15	15	15	15
Depreciation expense	THB	156,600	247,267	156,600	280,600
Variable cost					
Royalty fee (% of monthly sales)	%	3.0	3.0	3.0	3.0
Marketing fee (% of monthly sales)	%	3.0	3.0	3.0	3.0
Rental cost for "Point of sales" machine	THB	24,000	24,000	24,000	24,000
Contract period	year	6 renewable every 3 years			
Assumptions					
Revenue per cup	THB/cup	60	60	60	60
No. of cups sold per month	cup	4,500	6,000	4,500	6,000
Royalty fee (% of monthly sales)	THB	8,100	8,100	8,100	8,100
Marketing fee (% of monthly sales)	THB	8,100	8,100	8,100	8,100
Gross margin	%	35	35	35	35
Analysis of annual financials					
Revenue	THB	3,240,000	4,320,000	3,240,000	4,320,000
Gross profit	THB	1,134,000	1,512,000	1,134,000	1,512,000
Fixed depreciation expense	THB	(156,600)	(247,267)	(156,600)	(280,600)
Variable expense	THB	(194,400)	(194,400)	(194,400)	(194,400)
EBIT	THB	783,000	1,070,333	783,000	1,037,000
Interest expense @ 5% pa	THB	(117,450)	(185,450)	(117,450)	(210,450)
EBT		665,550	884,883	665,550	826,550
Tax rate	%	20	20	20	20
Tax expense	THB	(133,110)	(176,977)	(133,110)	(165,310)
Net profit	THB	532,440	707,907	532,440	661,240
Net margin	%	16.4	16.4	16.4	15.3
Cash flows	THB	689,040	955,173	689,040	941,840
Payback period	year	3.41	3.88	3.41	4.47

Sources: OR; FSSIA estimates

However, if we include the other businesses of CVS, rental area, and oil stations, we estimate that the payback period for the four PTT stations under the APPS group will range from 6.5 years for #1, 6 years for #2, 5 years for #3, and only 4 years for #4.

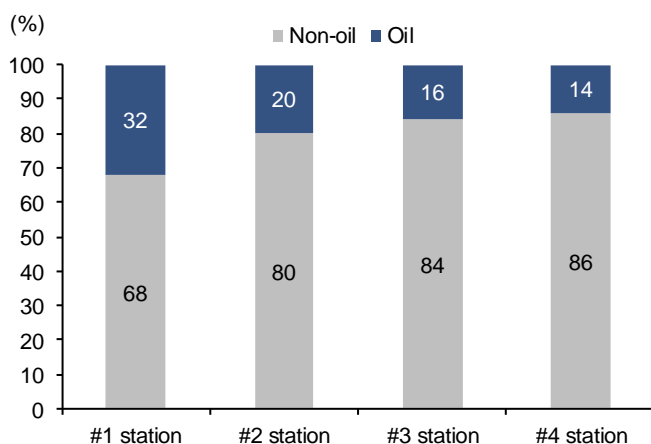
Exhibit 23: Financial analysis of four oil stations under APPS group

Oil Stations	#1 station	#2 station	#3 station	#4 station	Unit
Location	Kaset-Navamin	Pathumthani	Saimai	Muangthong Thani	
Operation date	2012	2014	2019	2021	
Total area	4.5	6	8.5	11	rai
Oil station area	2.0	2.0	2.0	2.0	rai
Non-oil station area	2.5	4.0	6.5	9.0	rai
Oil station area as % of total area	44	33	24	18	%
Non-oil station area as % of total area	56	67	76	82	%
Financial performance					
Investment	40	65	140	170	THB m
Investment per rai	8.9	10.8	16.5	15.5	THB m/rai
Oil as % total EBITDA (RHS)	40	35	30	25	%
Oil sales volume	1.0	1.0	1.0	1.0	m litres per month
No. of fuel nozzles	36	36	36	36	nozzle
Payback period	6.5	6.0	5.0	4.0	year
EBITDA margin					
Oil stations	4	4	4	4	%
Non-oil (Café Amazon, CVS, rental area)	25	26	27	29	%

Sources: OR; APPS; FSSIA estimates

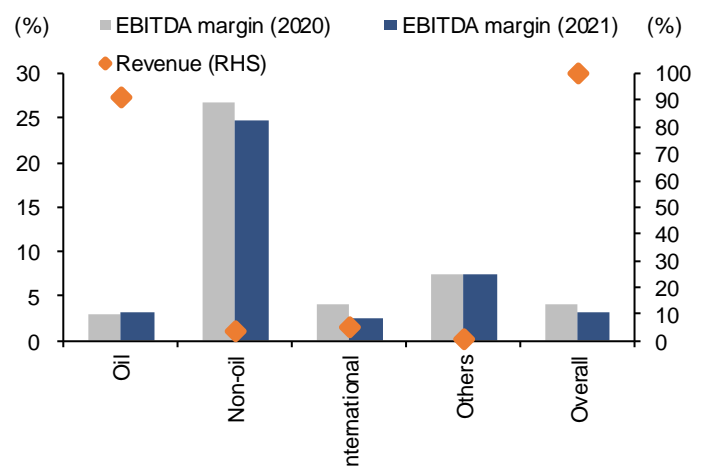
Non-oil growth vs oil cash cow. Under OR's business model for its fuel stations integrated with the non-oil ventures of rental areas, CVS, and Café Amazon, we believe the franchisees would gain not only from the highly secured earnings and attractive financial returns for their investments in OR's oil station-retail lifestyle business model, but also on the solid growth opportunity to expand the high-margin retail business to significantly enhance their profitability and investment returns.

Exhibit 24: EBITDA breakdown by segment for four oil stations under APPS group



Sources: APPS; FSSIA estimates

Exhibit 25: EBITDA margin by segment (2020 vs 2021), revenue as % of total revenue in 2020



Sources: APPS; FSSIA estimates

Retail growth strategy to leverage OR's retail-fuel model. While the oil station area is relatively limited to c2 rai to generate an EBITDA margin of 2-4% on oil sales volumes of 15,000-35,000 litres per day, the true growth opportunity lies in OR's successful retail-fuel business model. This allows franchisees (DODO) or OR per se under the company-owned, company-operated (COCO) model to create higher value from the high-margin retail business which commands a 6-15x higher EBITDA margin at 25-30% vs only 2-4% for oil stations.

M&A growth strategy remains on track

Since its IPO in Feb-21, OR has acquired a host of assets, mostly in the F&B and service industries, and has entered into JVs with a number of partners to set up many subsidiaries and associates to grow its fuel-retail business portfolio.

Exhibit 26: OR's investment history in Oct-20 to Jun-22 (21 months)

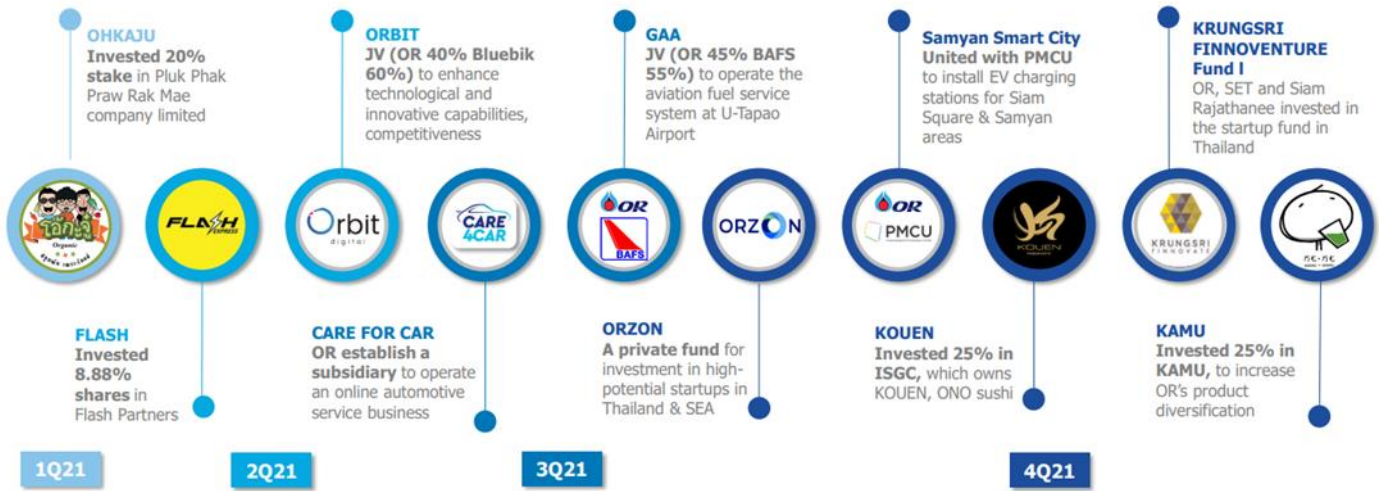
Acquisition date	Company acquired / Partnership / Investment	Business	Partners' brand	Business	No. of branches	Transaction format	Stake acquired	Investment value	
					(branch)		(%)	(THB m)	
1	12 Oct-20	Flash Express	A leading e-commerce logistics company in Thailand with a unique on-site pick-up service as a key differentiating service from its rivals	Flash	E-commerce freight provider	n/a	Investment	8.88	6,200
2	1 Dec-21	Peaberry Thai	A fully integrated operator in the coffee value chain including supplying, manufacturing, and distributing coffee beans and equipment, with the coffee shop brand 'Pacamara'	Pacamara	Coffee supply chain service and café chain	4	Investment	65	172
3	26 Feb-21	Pluk Phak Praw Rak Mae	Thailand's leading healthy organic food restaurant chain under the brand 'Ohkajhu'	Ohkajhu	Restaurant chain	16	Investment	20	400
4	17 May-21	Bluebik	JV under Orbit Digital to enhance technological and innovative capabilities, competitiveness, and increase value through digital business development	Blue Bik (BBIK TB)	Consulting	n/a	JV	40	20
5	2 Jul-21	Bangkok Aviation Fuel Services Public Company Limited (BAFS)	JV under Global Aero Associates Company Limited to provide aviation fuel services at U-Tapao International Airport	BAFS	Fuel refuelling service	n/a	JV	45	545
6	21 Jul-21	Online automotive service	A new subsidiary to operate business related to online automotive service	n/a	Auto service	n/a	Subsidiary	100	106
7	5 Oct-21	500 Startups Group (500 Startups)	A venture capital under the name ORZON Ventures to invest in high-potential startup companies in Thailand and Southeast Asia, to seek new opportunities to build new S-Curve growth	500 Tuk Tuk	Start-up investment arm	n/a	JV	99	825
8	27 Oct-21	Imsub Global Cuisine Company Limited (ISGC)	Operates Kouen, a Japanese restaurant, along with other brands	Kouen	Restaurant chain			25	192
9	27 Dec-21	KAMU KAMU	Owns and operates high-quality craft drink shops, predominantly tea-based	Kamu	Beverage chain		Investment	25	480
10	20 May-22	Polar Bear Mission (Freshket)	Entered into a JV to operate a food supply chain service for the import and marketing of raw, fresh, and dry ingredients and materials to hotels, restaurants, and consumers	Freshket	Food supply chain service	n/a	JV	34.33	508
11	6 Jun-22	China National Aviation Fuel International Holdings (CNAF), TotalEnergies, SG Holdings	Established a JV to operate a jet refuelling service at Phnom Penh Airport, with a concession agreement with Cambodia Airport Investment Company (CAIC)	TOTAL	Fuel refuelling service	n/a	JV	33.33	637
12	8 Jun-22	Boonrawd	Aims to produce and market ready-to-drink coffee and other F&B products via Boonrawd's strengths in alcoholic and non-alcoholic beverages	Singha beer and other F&B	F&B producer & marketer	n/a	JV	50	210
13	17 Jun-22	K-nex	Enhancing service in wash & dry stations using K-nex's strength as an importer and marketer of household and industrial washing and dryer machines for hotels, hospitals, and industrial firms with over 108,906 recurring customers	Ottari Wash & Dry	Wash & dry service	634	Investment	40	1,105
Total									11,400

Sources: OR; FSSIA's compilation

Inorganic growth strategy: moving from fuel service to retail and F&B play

After our visit to APPS, we are more confident in OR's strategic move to grow its F&B and retail business value chains, which command a much higher EBITDA margin at 25-30%, 6-15x higher than the EBITDA margin of 2-4% for the oil business (retail oil stations plus commercial oil sales).

Exhibit 27: Investment timeline as of 2021



Source: OR

OR's "Lifestyle Living Station" concept is for a one-stop service centre for the nearby community, providing F&B (coffee and beverages, cafés, fast food chains, healthy food, and local food choices), services (CVS, 'FIT' auto service, EV charging stations, shipping and freight), and even relaxation and recreational areas for visitors to OR's gas stations. As a result, OR has strived for value creation via both organic and inorganic growth strategies to create higher earnings and shareholder value in a number of related businesses, including F&B and services.

Exhibit 28: Green zone of Café Amazon in one of OR's oil stations



Source: OR

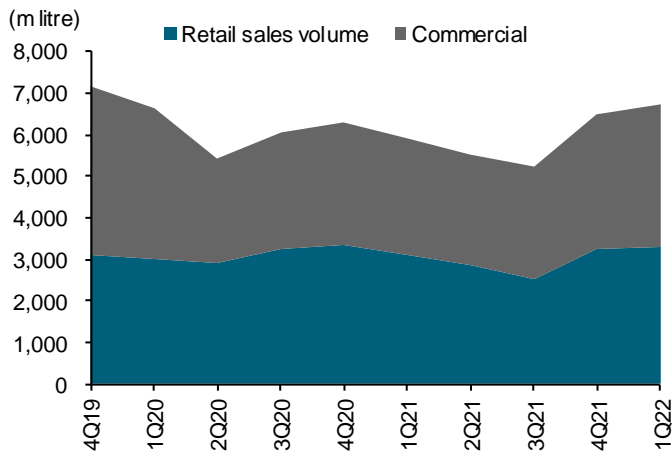
Exhibit 29: OR's PTT Station format



Source: OR

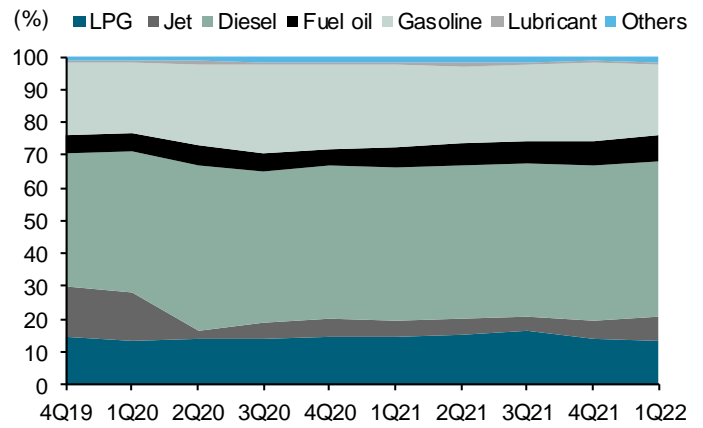
Investments (M&As) for oil business. We believe OR aims to grow its oil EBITDA at a piecemeal pace, driven by the demand recovery post the global reopening from the Covid-19 pandemic and by expanding the number of oil stations. In the commercial segment, OR aims to strengthen its jet refuelling business via JVs with Bangkok Aviation Fuel Services (BAFS TB, BUY) in Thailand (investment #5 in Exhibit 26) and China National Aviation Fuel International Holdings and TotalEnergies in Cambodia (investment #11).

Exhibit 30: Oil sales volume by segment



Source: OR

Exhibit 31: Commercial oil sales volume by product



Source: OR

With a relatively fixed margin, volume-driven business model with high operating leverage (60-70% fixed cost), we think OR's move into the jet refuelling service business in Thailand and Cambodia should position it well for demand growth in airborne services and tourism in Thailand and CLMV countries.

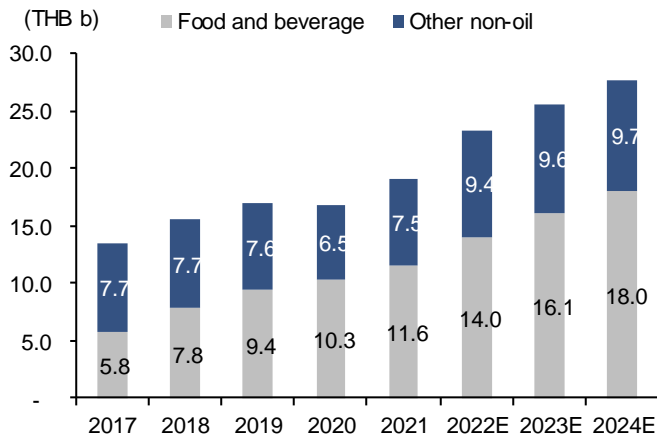
Exhibit 32: Business units (1Q22)

Oil Business	Descriptions		Units
Domestic			
Retail oil stations	#1 market share in Thailand with 43.9% market share	2,088	stations
LPG stations	Standalone stations offering only LPG	237	stations
EV charging stations		107	stations
LPG retail stores	Selling cooking gas	1,046	stores
Commercial	Aviation and marine, industrial use and LPG	13.3	b litres/year
Supply sales	Sales to dealers	13.6	b litres/year
International			
Retail oil stations	Gas stations in four countries in CLMV	365	stations
Philippines		188	stations
Cambodia		124	stations
Laos		53	stations
Commercial	Fuel sales volume	1.2	b litres/year
Oil station format		Stations	%
Thailand		2,088	100
DODO		1,693	81
COCO		395	19
Overseas stations		125	100
DODO		98	78
COCO		27	22

Sources: OR; FSSIA estimates

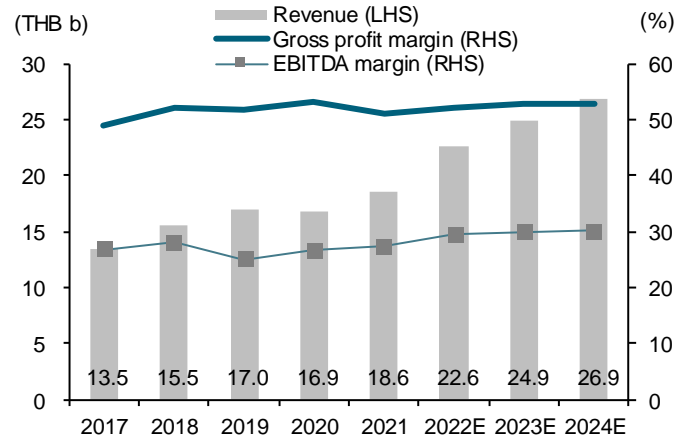
Investments for non-oil F&B business. Thanks to its crown jewel, Café Amazon, OR plans to grow its EBITDA from F&B and other non-oil businesses (rental area, CVS, and other services). We believe that starting in 2022, OR should see its EBITDA margin from the non-oil business rise from 24.7% in 2021 and 28.3% in 1Q22 to 30% in 2022-24, driven by rising EBITDA from F&B, mainly from Café Amazon and its acquired assets in the F&B value chain.

Exhibit 33: Non-oil revenue breakdown by F&B and others



Sources: OR; FSSIA estimates

Exhibit 34: Non-oil revenue, gross margin, and EBITDA margin



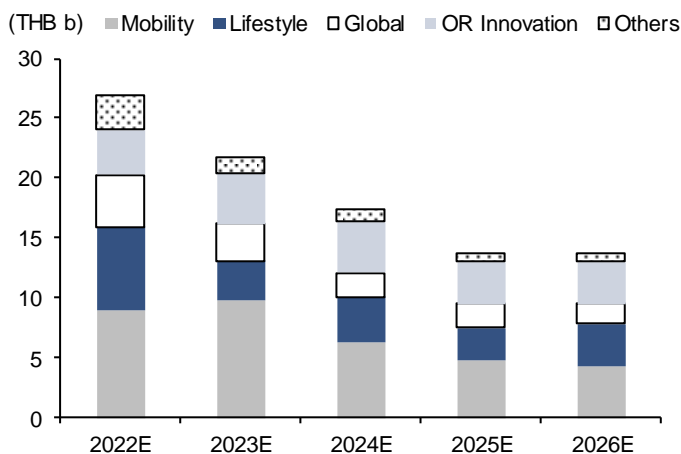
Sources: OR; FSSIA estimates

For the F&B and other non-oil businesses, OR has strengthened its in-house, organic growth from Flash Express (investment #1 in Exhibit 26), Peaberry Thai (#2), “Ohkajhu” (#3), ISGC for Kouen (#8), Kamu (#9), “Freshket” (#10), Boonrawd (#12), and K-nex (#13). Its organic growth investments include investments for the bakery production plant, the mixing powder plant, and the distribution centre for the F&B business.

Based on OR’s most recent capex plan for 2022-26, the investment budget earmarked for the lifestyle or non-oil business will account for 15-26% in 2022-26, mainly for the investments in new ventures related to F&B and services to be able to be operationally integrated and financially synergised to drive up its EBITDA from the non-oil business.

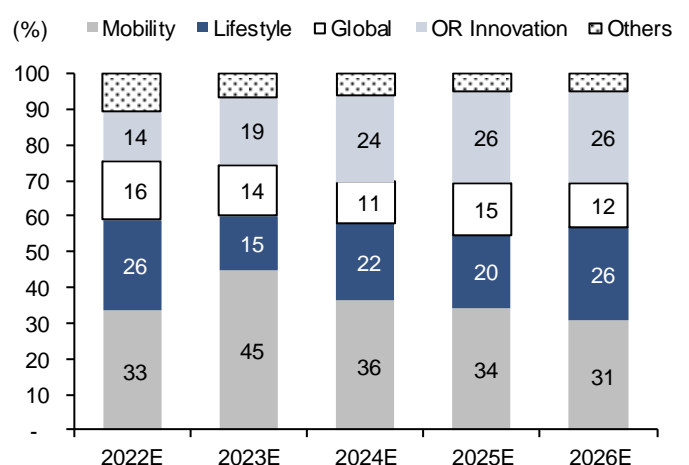
Capex of 11.5-16% in 2022-26 for the global unit includes both oil (oil stations and commercial) and non-oil businesses (F&B, services), implying that parts of the capex for the expansion in OR’s global unit will be for the investments in F&B and other non-oil businesses.

Exhibit 35: Capex plan (2022-26) totalling THB93.5b



Source: OR

Exhibit 36: Capex plan (2022-26) totalling THB93.5b (%)



Source: OR

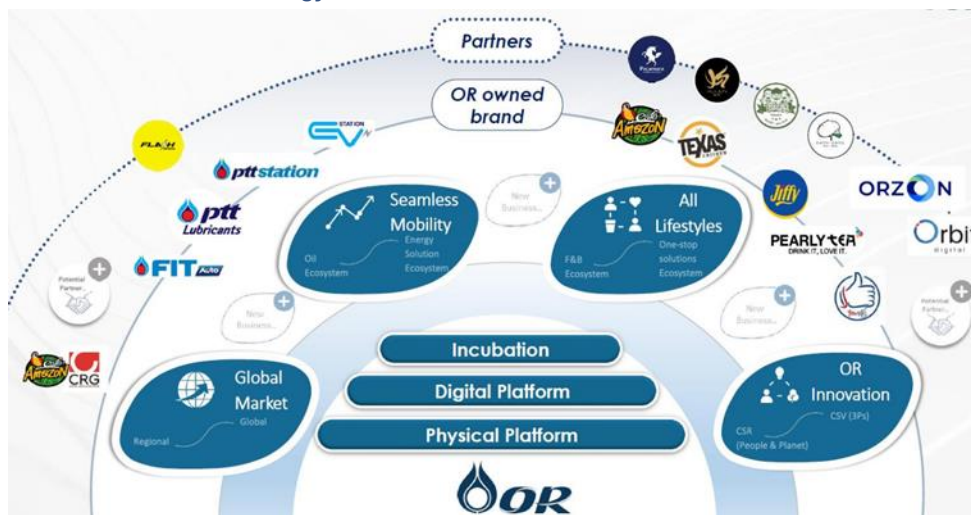
Investments for OR’s innovation. OR plans to gradually increase its capex for the innovation businesses, which are mostly for investments in start-up companies via its JVs – Orbit Digital (investment #4 in Exhibit 26), online automotive service (#6), and ORZON Ventures (#7).

Orbit Digital, a JV with Bluebik, is a dedicated, in-house consulting unit that aims to enhance and streamline business strategies, processes, and structures, via superior technology, innovations, and digital platforms via its partner Bluebik (BBIK TB, not rated), one of Thailand’s fast-growing, fully integrated consulting firms specialising in digital modernisation, strategic growth implementations, and operational efficiency.

ORZON Ventures is a JV with 500 Tuks Tuks, led by Mr. Karting Poonpol, CEO of Kasikorn Business-Technology Group, a newly established subsidiary of Kasikornbank (KBANK TB, BUY), to spearhead new S-curve growth opportunities outside the banking business. Hence, we think ORZON could be a growth engine for OR to penetrate new markets and industries via investments in start-ups.

While in the short term in 2022-24, we do not expect any meaningful earnings contributions from the investments in OR’s innovation unit, in the long term post 2024, we believe OR has positioned itself well for the future growth in industry 4.0 using the cash flows generated from its existing fuel-retail business portfolio.

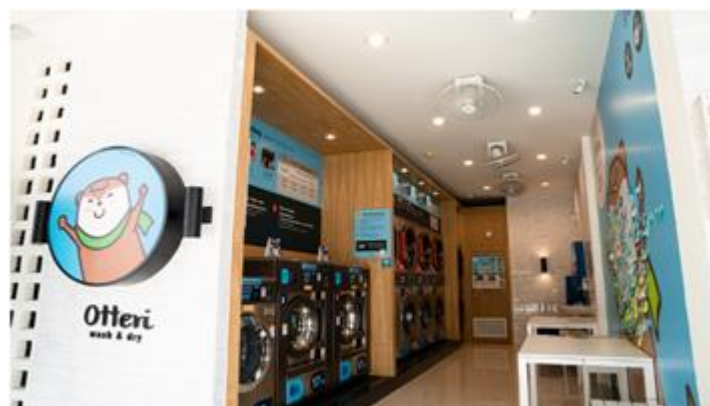
Exhibit 37: Growth strategy



Source: OR

K-nex: wash & dry service for both B2B and B2C. OR’s most recent acquisition is of a 40% stake worth THB1.1b in the 10-year-old K-nex, an importer of washing and drying machines for B2B clients including hospitals, hotels, and industrial firms, and an operator of the washing and drying service stations under the brand “Otteri Wash & Dry”.

Exhibit 38: K-nex’s Otteri Wash & Dry station



Sources: Otteriwashdry.com

Exhibit 39: K-nex and OR in their partnership ceremony



Sources: Otteriwashdry.com

K-nex has its own well-established Otteri Wash & Dry station franchise, with a proven track record of over 634 branches and over 0.1m repeat customers, according to the company's website. K-nex has a user-friendly mobile application named "Otteri" to allow customers to search for nearby branches within a 5-10 km radius for its coin-run washing & dryer machine services.

On 24 May-22, Otteri Wash & Dry received Thailand's "Best Service Franchise" award from the Thailand Franchise Award 2021 (TFA2021) competition, arranged by the Department of Business Development, Ministry of Commerce. The popularity among customers, its financial success, and the award granted lead us to believe that the partnership should allow OR to fully leverage its fuel-retail business model.

Exhibit 40: K-nex's Otteri Wash & Dry franchise award 2021



Source: Otteriwashdry.com

Exhibit 41: "Otteri" mobile application



Source: Otteriwashdry.com

Freshket food supply chain service. On 20 May-22, OR established a JV with Polar Bear Mission Company (Freshket), a leading food supply chain service in Thailand to provide a full range of raw, fresh, and dry ingredients, and particularly fresh produce from “farm to table”, to facilitate efficient service to hotels, restaurants, catering (HoReCa), and consumers.

Founded as a start-up company in 2017 by a new generation of entrepreneurs, Freshket is among several start-ups in Southeast Asian markets focused on streamlining the food supply chain in different countries, based on data on [TechCrunch.com](https://www.techcrunch.com). Others include TaniHub and Eden Farm in Indonesia, Agribuddy in Cambodia and Singapore-based Glife.

Exhibit 42: Food supply chain service for HoReCa



Source: [Freshket](https://www.freshket.com)

Freshket’s service quality has resulted in a 99.6% rate of complete product orders, 96.6% on-time deliveries, and 99.8% on-spec products delivered, and has since grown its business considerably in the past five years to gain a large market share in Thailand, according to data on its website. According to Euromonitor, the food service industry in Thailand was worth over USD8b in 2021, with over 200,000 restaurants operating even after the Covid-19 pandemic in 2020-21.

Exhibit 43: Freshket’s major customers out of 4,500



Source: [Freshket](https://www.freshket.com)

Exhibit 44: An example of Freshket’s products offered to customers



Source: [Freshket](https://www.freshket.com)

Adapting to EV risk with EV charging units in oil stations

As Thailand’s largest operator of oil stations, OR is highly exposed to the upcoming demand downside risk from the fast-emerging demand growth in the electric vehicle (EV) segment, not only in Thailand but also in any market where OR is presently operating.

As of 1Q22, OR has already adopted a proactive strategy to install a total of 107 EV charging stations, mostly located inside its oil stations (99) with only 8 EV charging stations being located outside OR’s oil stations.

Exhibit 45: OR’s EV chargers by type



Source: [MarketeerOnline](https://www.marketeeronline.com)

Exhibit 46: OR’s EV charging stations



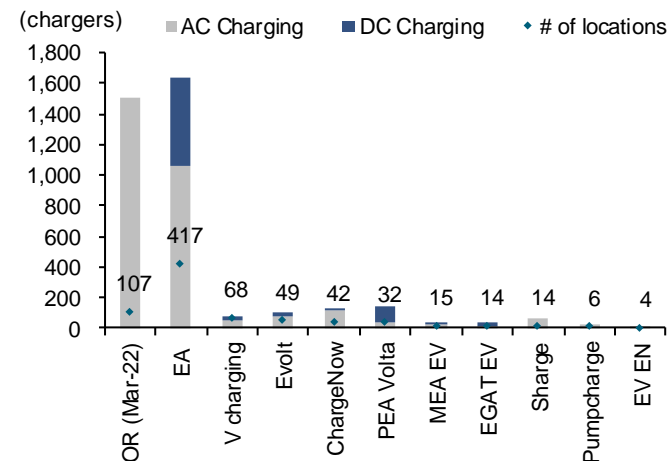
Source: [MarketeerOnline](https://www.marketeeronline.com)

From fuel-retail to EV-retail lifestyle business model? We believe OR’s “adopt-then-adapt” strategy for the EV threat that could greatly jeopardise OR’s oil demand, as the number of EVs has continued to grow in Thailand, should ensure OR’s business survival as the lower demand for oil will be directly substituted by the rising demand for EV charging services.

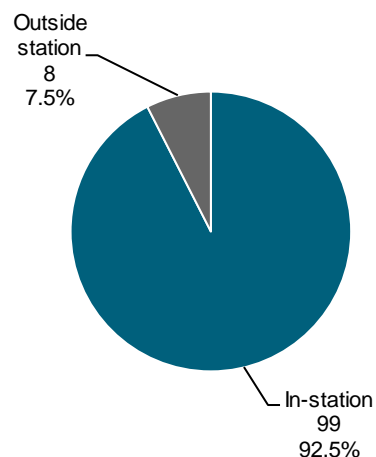
By adopting an EV charging venture at this early stage to be installed inside and outside its oil stations, we think OR will be able to adapt its business well to grow its EBITDA higher, turning from a “fuel-retail” lifestyle model into an “EV-retail” lifestyle business platform. OR plans to add 100 or more EV chargers inside or outside its oil stations in 2022-25, up from its current 107 EV charging stations at the end of 1Q22.

At this point, the revenue and EBITDA from the EV charging business will be lower than OR’s existing oil station business given the highly competitive industry landscape (low entry barrier, in-house substitutes at home or outside oil stations).

Exhibit 47: Number of chargers by electricity type (AC vs DC) as of Sep-21 | Exhibit 48: OR’s EV charging locations as of Sep-21



Source: EVAT



Source: OR

According to the Energy Planning Policy Office (EPPO), the number of EV charging stations in Thailand has jumped from 640 in 2021 to 944 stations as of 4 Mar-22, comprising 417 stations from Energy Absolute (EA TB, BUY), 120 from MG (Thailand), owned by CP group, 107 from OR, 73 from PEA, 68 from EVAT, 15 from EGAT, 15 from MEA, and only 3 from Arun Plus, PTT (PTT TB, BUY)'s EV arm.

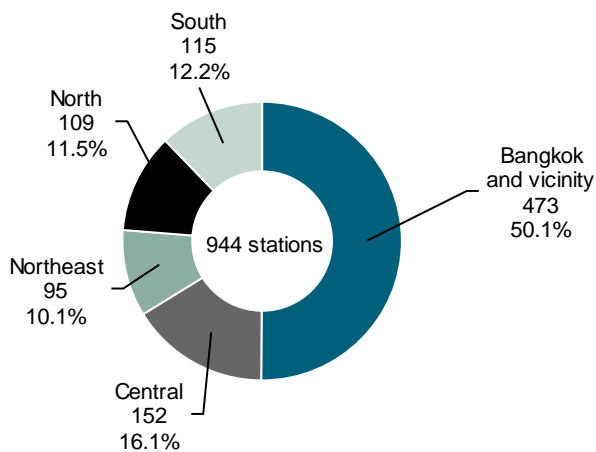
EPPO indicated that as many as 567 EV charging stations with 13,251 fast chargers (direct current or DC chargers) are planned to be added nationwide by 2030, according to [The Nation Thailand](#) on 18 Jun-22. Around 505 charging stations and 8,227 DC chargers should be located in large cities and 62 charging stations with 5,024 DC chargers should be located on highway areas, according to EPPO.

Exhibit 49: Number of EV charging stations in Thailand as of 4 Mar-22

Company		Number of charging stations
		(no.)
1	EA	417
2	MG Sales (Thailand), owned by CP group	120
3	OR	107
4	The Provincial Electricity Authority of Thailand (PEA)	73
5	The Electricity Vehicle Association of Thailand (EVAT)	68
6	EVOLT Technology	51
7	BMW (Thailand)	42
8	Charge Management	18
9	Electricity Generating Authority of Thailand (EGAT)	15
10	Metropolitan Electricity Authority of Thailand (MEA)	15
11	GridWhiz (Thailand)	8
12	Chosen Energy	6
13	Arun Plus (PTT)	3
14	Great Wall Motors (GWM)	1
Total		944

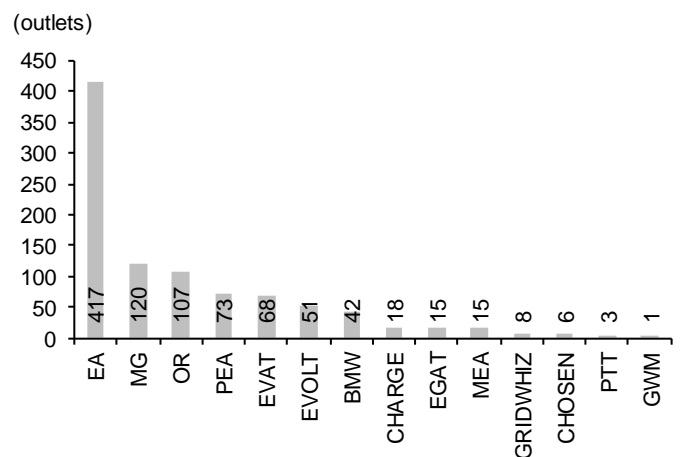
Source: EPPO

Exhibit 50: EV charging station locations by area



Source: EPPO

Exhibit 51: Number of EV charging stations by operator



Source: EPPO

Exhibit 52: EV charging station format

รูปแบบการใช้งาน สถานีอัดประจุยานยนต์ไฟฟ้า

1) การอัดประจุยานยนต์ไฟฟ้าแบบใช้สาย

- การอัดประจุแบบช้าด้วยไฟฟ้้ากระแสสลับ (AC Slow Charge):** นิยมการอัดประจุระดับ 3 (Level 1) ซึ่งใช้ปลั๊กแบบการอัดประจุที่เสียบเข้ากับเต้าเสียบที่พบบ่อย
 - 3 kW AC
 - 3 - 6 kW AC
 - 3 - 6 kW AC
 - 3 - 6 kW AC
 ใช้งานได้กับการอัดประจุแบบช้าด้วยไฟฟ้้ากระแสสลับ
- การอัดประจุแบบปกติด้วยไฟฟ้้ากระแสสลับ (AC Normal Charge):** นิยมการอัดประจุระดับ 2 (Level 2) ซึ่งสามารถอัดประจุด้วยสายไฟฟ้้าสูงถึง 22 กิโลวัตต์ เหมาะสำหรับการอัดประจุในพื้นที่ที่จอดรถ เช่น สวนจอดรถ อาคารจอดรถ เป็นต้น
 - 7.4 kW AC
 - 7 - 22 kW AC
 - 7 - 22 kW AC
 ใช้งานได้กับการอัดประจุแบบปกติด้วยไฟฟ้้ากระแสสลับ
- การอัดประจุแบบเร็ว (Fast Charge):** สามารถทำการอัดประจุแบบเร็วด้วยไฟฟ้้าชนิดหนึ่งถึง 350 กิโลวัตต์หรือมากกว่า
 - 50-350 kW DC
 - 43 kW AC
 ใช้งานได้กับการอัดประจุแบบเร็ว

2) สถานีสับเปลี่ยนแบตเตอรี่

ดำเนินการโดยอัดประจุแบตเตอรี่ไว้ล่วงหน้าเพื่อรองรับการสับเปลี่ยนแบตเตอรี่ที่มีกำลังการผลิตต่ำกว่า

3) การอัดประจุยานยนต์ไฟฟ้าแบบไร้สาย

เกิดจากคลื่นความถี่วิทยุที่ถ่ายโอนไฟฟ้า มิใช่เป็นการอัดประจุแบบไร้สายในขณะที่ยานยนต์จอดอยู่กับที่ หรือเป็นการอัดประจุแบบไร้สายในขณะที่ยานยนต์กำลังเคลื่อนที่

EV CHARGING STATION | สำนักงานนโยบายและแผนพลังงาน กระทรวงพลังงาน

Source: EPPD

Exhibit 54: EV chargers at PTT Station



Source: MGR Online.com

Exhibit 53: Number of EV charger stations in Thailand as of 4 Mar-22

จำนวน และตำแหน่ง สถานีอัดประจุในประเทศไทย

ในพื้นที่ กทม., นครปฐม, ปทุมธานี	จำนวน	376 สถานี
ภาคกลาง	จำนวน	152 สถานี
ภาคตะวันออกเฉียงเหนือ	จำนวน	89 สถานี
ภาคเหนือ	จำนวน	106 สถานี
ภาคใต้	จำนวน	104 สถานี
รวมทั้งหมด		827 สถานี

ผู้ให้บริการสถานีอัดประจุไฟฟ้า

กฟผ.	PEA	อีอีซี	ENERGY
20 สถานี	32 สถานี	11 สถานี	417 สถานี
42 สถานี	onion	OK	MG
3 สถานี	89 สถานี	119 สถานี	
SHARGE	EVidWhite	CHOSEN	EV
14 สถานี	8 สถานี	4 สถานี	68 สถานี

ข้อมูล ณ วันที่ 22 กันยายน 2564

EV CHARGING STATION | สำนักงานนโยบายและแผนพลังงาน กระทรวงพลังงาน

Source: EPPD

Exhibit 55: Number of applications for EV charging stations as of 4 Mar-22

แอปพลิเคชัน	ผู้พัฒนา	คุณสมบัติ	ดาวน์โหลด
EleXA	การไฟฟ้าภาคตะวันออกเฉียงเหนือ (กฟผ.)	ค้นหาสถานีชาร์จ, การจองคิว, ชำระค่าบริการ	QR Code
MEA EV	การไฟฟ้าภาคเหนือ (กฟผ.)	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
PEA VOLTA	การไฟฟ้าภาคกลาง (กฟผ.)	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
EA Anywhere	กรมพลังงานทดแทน	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
EV Station	แอปพลิเคชันสำหรับสถานีอัดประจุไฟฟ้า (PTT) และสถานีอัดประจุไฟฟ้า	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
EVolt	แอปพลิเคชันสำหรับสถานีอัดประจุไฟฟ้า (PTT) และสถานีอัดประจุไฟฟ้า	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
Pump Charge	แอปพลิเคชันสำหรับสถานีอัดประจุไฟฟ้า (PTT) และสถานีอัดประจุไฟฟ้า	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
B charge	แอปพลิเคชันสำหรับสถานีอัดประจุไฟฟ้า (PTT) และสถานีอัดประจุไฟฟ้า	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code
EVon	แอปพลิเคชันสำหรับสถานีอัดประจุไฟฟ้า (PTT) และสถานีอัดประจุไฟฟ้า	ค้นหาสถานีชาร์จ, จองคิว, ชำระค่าบริการ	QR Code

Source: EPPD

Positive outlook for earnings and EBITDA growth in 2022-24

Our visit to one of OR's flagship DODO oil stations has substantiated our positive view on OR's net profit and EBITDA growth outlook in 2022-24, backed by:

- 1) Demand recoveries for both retail oil on the pent-up demand for travel and the government's heavily subsidised prices of diesel and gasoline at oil stations.
- 2) Commercial oil segment, mostly driven by the higher demand for jet fuel and diesel for the export markets in CLMV countries.
- 3) Higher EBITDA growth from F&B, chiefly from strong EBITDA growth in Café Amazon and multiple investments in JVs and other F&B businesses to further strengthen OR's core value creation from its "fuel-retail-F&B" lifestyle business model.

We lift our Brent oil price forecasts by 50-67% in 2022-24 to reflect the tighter supply due to the Russia-Ukraine war. We lower our assumption for the number of cups sold and revenue per ticket for Café Amazon in the wake of the high inflation and rising interest rate that could erode consumers' purchasing power and F&B demand.

Exhibit 56: Key assumptions for 2022-24

	Current			Previous			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	555,967	564,638	578,380	556,085	564,779	578,534	(0)	(0)	(0)
Gross profit	44,177	50,252	53,213	44,474	50,569	53,542	(1)	(1)	(1)
Operating profit	11,114	13,315	12,848	11,418	13,663	13,233	(3)	(3)	(3)
Core net profit	11,654	13,879	13,706	11,896	14,157	14,012	(2)	(2)	(2)
EPS (THB/shr)	0.97	1.16	1.14	0.99	1.18	1.17	(2)	(2)	(2)
Key assumptions									
Brent oil price (USD/bbl)	100	90	90	60	60	60	67	50	50
Sales volume - retail (m litres)	12,244	12,455	12,670	12,244	12,455	12,670	0	0	0
Sales volume - commercial (m litres)	14,257	14,256	14,307	14,257	14,256	14,307	0	0	0
Sales volume - international (m litres)	1,999	2,299	2,644	1,999	2,299	2,644	0	0	0
Sales volume - domestic (m litres)	26,501	26,711	26,977	26,501	26,711	26,977	0	0	0
Oil stations (stations)	2,523	2,674	2,674	2,523	2,674	2,674	0	0	0
Amazon cups sold (m cups)	382	434	487	397	449	502	(4)	(3)	(3)
Revenue per ticket (THB/ticket)	60	63	64	63	64	65	(5)	(2)	(2)

Sources: OR; FSSIA estimates

We trim our SoTP-based TP from THB36 to THB32 to reflect our EPS cuts and lower our 2022E EV/EBITDA multiple for the commercial oil segment from 8x to 7x to reflect the weaker-than-expected demand for oil while raising our EV/EBITDA for the retail segment from 9.0x to 9.7x, still a discount to the commerce sector average of 12x, to reflect OR's resilient marketing margin and the high demand for oil.

Exhibit 57: SoTP-based TP

SoTP valuation	EBITDA	EBITDA margin	EV/EBITDA	Valuation	Comments	
	(THB m)	(%)	(X)	(THB m)	(THB/shr)	
Oil business	14,042	2.3	8.3	116,809	13.0	
Retail	6,857	1.8	9.7	66,509	7.4	At 9.7x FY22E EV/EBITDA
Commercial	7,186	3.0	7.0	50,300	5.6	At 7x FY22E EV/EBITDA
Non-oil	6,680	27.4	20.6	137,846	15.3	
Food & Beverage	4,239	28.3	21.0	89,012	9.9	At 21x FY22E EV/EBITDA
Others	2,442	26.0	20.0	48,834	5.4	At 20x FY22E EV/EBITDA
International	1,535	3.5	11.0	16,883	1.9	At 11x FY22E EV/EBITDA
Others	93	11.8	8.0	740	0.1	At 8.0x FY21E EV/EBITDA
Total	22,350		12.2	272,279	30.3	At 13.6x FY21E EV/EBITDA
Net debt	15,335	nm	nm	15,335	1.7	FY22E net debt
Total value	37,685		7.6	287,614	32.0	

Sources: OR; FSSIA estimates

Financial Statements

PTT Oil and Retail Business

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	428,804	511,799	555,967	564,638	578,380
Cost of goods sold	(390,479)	(469,517)	(511,790)	(514,386)	(525,167)
Gross profit	38,325	42,282	44,177	50,252	53,213
Other operating income	0	0	0	0	0
Operating costs	(25,261)	(25,087)	(25,019)	(25,409)	(26,027)
Operating EBITDA	13,064	17,195	19,159	24,843	27,186
Depreciation	(5,203)	(6,075)	(8,045)	(11,528)	(14,337)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,861	11,120	11,114	13,315	12,848
Net financing costs	3,343	3,001	3,005	3,547	3,739
Associates	535	372	410	451	496
Recurring non-operating income	535	372	410	451	496
Non-recurring items	0	0	0	0	0
Profit before tax	11,739	14,494	14,529	17,313	17,083
Tax	(1,776)	(2,719)	(2,875)	(3,434)	(3,378)
Profit after tax	9,963	11,775	11,654	13,879	13,706
Minority interests	0	4	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	9,963	11,780	11,654	13,879	13,706
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	9,963	11,780	11,654	13,879	13,706
Per share (THB)					
Recurring EPS *	1.11	0.98	0.97	1.16	1.14
Reported EPS	1.11	0.98	0.97	1.16	1.14
DPS	0.50	0.46	0.48	0.50	0.50
Diluted shares (used to calculate per share data)	9,000	12,000	12,000	12,000	12,000
Growth					
Revenue (%)	(25.7)	19.4	8.6	1.6	2.4
Operating EBITDA (%)	16.8	31.6	11.4	29.7	9.4
Operating EBIT (%)	3.6	41.5	(0.1)	19.8	(3.5)
Recurring EPS (%)	(8.6)	(11.3)	(1.1)	19.1	(1.3)
Reported EPS (%)	(8.6)	(11.3)	(1.1)	19.1	(1.3)
Operating performance					
Gross margin inc. depreciation (%)	7.7	7.1	6.5	6.9	6.7
Gross margin of key business (%)	7.7	7.1	6.5	6.9	6.7
Operating EBITDA margin (%)	3.0	3.4	3.4	4.4	4.7
Operating EBIT margin (%)	1.8	2.2	2.0	2.4	2.2
Net margin (%)	2.3	2.3	2.1	2.5	2.4
Effective tax rate (%)	17.0	20.4	20.4	20.4	20.4
Dividend payout on recurring profit (%)	45.2	46.9	49.4	43.2	43.8
Interest cover (X)	(2.5)	(3.8)	(3.8)	(3.9)	(3.6)
Inventory days	19.1	16.9	18.2	18.9	18.8
Debtor days	29.2	22.8	24.2	25.5	24.9
Creditor days	32.9	28.3	32.8	34.1	33.9
Operating ROIC (%)	10.6	15.3	13.3	12.9	11.5
ROIC (%)	7.6	9.7	8.7	9.0	8.3
ROE (%)	26.2	17.1	11.3	12.7	11.7
ROA (%)	4.9	5.3	4.6	5.6	5.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Oil business	389,783	459,576	495,000	496,374	502,201
Non-oil business	16,723	18,570	22,637	24,873	26,902
International business	21,011	31,939	36,480	41,491	47,377
Others	1,286	1,714	1,850	1,900	1,900

Sources: PTT Oil and Retail Business; FSSIA estimates

Financial Statements

PTT Oil and Retail Business

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	9,963	11,780	11,654	13,879	13,706
Depreciation	5,203	6,075	8,045	11,528	14,337
Associates & minorities	4,045	3,480	3,654	3,837	4,029
Other non-cash items	-	-	-	-	-
Change in working capital	493	5,310	(3,275)	138	497
Cash flow from operations	19,703	26,645	20,078	29,383	32,569
Capex - maintenance	(3,191)	(3,290)	(4,357)	(6,244)	(7,765)
Capex - new investment	(10,200)	(10,200)	(26,900)	(21,800)	(17,400)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(5,987)	(8,612)	(22,543)	(15,556)	(9,635)
Cash flow from investing	(19,378)	(22,102)	(53,800)	(43,600)	(34,800)
Dividends paid	(4,500)	(5,520)	(5,760)	(6,000)	(6,000)
Equity finance	0	53,497	0	0	0
Debt finance	3,608	16,433	24,502	0	0
Other financing cash flows	(6,729)	(21,732)	(25,863)	17,858	13,266
Cash flow from financing	(7,621)	42,678	(7,122)	11,858	7,266
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(7,296)	47,220	(40,844)	(2,359)	5,034
Free cash flow to firm (FCFF)	1,772.23	5,792.57	(33,072.53)	(13,927.23)	(1,941.34)
Free cash flow to equity (FCFE)	(2,796.04)	(756.64)	(35,083.81)	3,640.58	11,034.46
Per share (THB)					
FCFF per share	0.20	0.64	(3.67)	(1.55)	(0.22)
FCFE per share	(0.31)	(0.08)	(3.90)	0.40	1.23
Recurring cash flow per share	2.13	1.78	1.95	2.44	2.67
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	43,498	44,165	71,065	92,865	110,265
Less: Accumulated depreciation	(1,502)	(1,502)	(9,547)	(21,076)	(35,413)
Tangible fixed assets (net)	41,996	42,663	61,518	71,790	74,852
Intangible fixed assets (net)	5,624	5,463	5,463	5,463	5,463
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	5,218	6,920	6,920	6,920	6,920
Cash & equivalents	19,004	66,224	25,381	23,021	28,055
A/C receivable	29,543	34,321	39,510	39,510	39,510
Inventories	19,021	24,432	26,632	26,767	27,328
Other current assets	1,027	1,090	1,184	1,202	1,232
Current assets	68,594	126,066	92,706	90,500	96,125
Other assets	23,547	26,546	26,546	26,546	26,546
Total assets	144,979	207,659	193,154	201,220	209,907
Common equity	37,823	99,818	105,606	113,380	120,980
Minorities etc.	93	54	54	54	54
Total shareholders' equity	37,916	99,872	105,660	113,434	121,034
Long term debt	41,634	29,502	5,000	5,000	5,000
Other long-term liabilities	24,961	26,555	26,555	26,555	26,555
Long-term liabilities	66,595	56,057	31,555	31,555	31,555
A/C payable	28,898	44,000	47,961	48,204	49,215
Short term debt	9,169	4,868	4,868	4,868	4,868
Other current liabilities	2,402	2,862	3,109	3,158	3,235
Current liabilities	40,469	51,730	55,938	56,230	57,317
Total liabilities and shareholders' equity	144,979	207,659	193,154	201,220	209,907
Net working capital	18,291	12,980	16,255	16,117	15,620
Invested capital	94,675	94,573	116,703	126,836	129,402
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.20	8.32	8.80	9.45	10.08
Tangible book value per share	3.58	7.86	8.35	8.99	9.63
Financial strength					
Net debt/equity (%)	83.9	(31.9)	(14.7)	(11.6)	(15.0)
Net debt/total assets (%)	21.9	(15.3)	(8.0)	(6.5)	(8.7)
Current ratio (x)	1.7	2.4	1.7	1.6	1.7
CF interest cover (x)	(1.2)	(2.1)	3.7	(6.2)	(6.6)
Valuation					
Recurring P/E (x) *	23.3	26.2	26.5	22.3	22.5
Recurring P/E @ target price (x) *	28.9	32.6	33.0	27.7	28.0
Reported P/E (x)	23.3	26.2	26.5	22.3	22.5
Dividend yield (%)	1.9	1.8	1.9	1.9	1.9
Price/book (x)	6.1	3.1	2.9	2.7	2.6
Price/tangible book (x)	7.2	3.3	3.1	2.9	2.7
EV/EBITDA (x) **	20.2	16.1	15.3	11.9	10.7
EV/EBITDA @ target price (x) **	24.5	20.5	19.2	14.9	13.5
EV/invested capital (x)	2.8	2.9	2.5	2.3	2.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: PTT Oil and Retail Business; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENDEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAHA	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

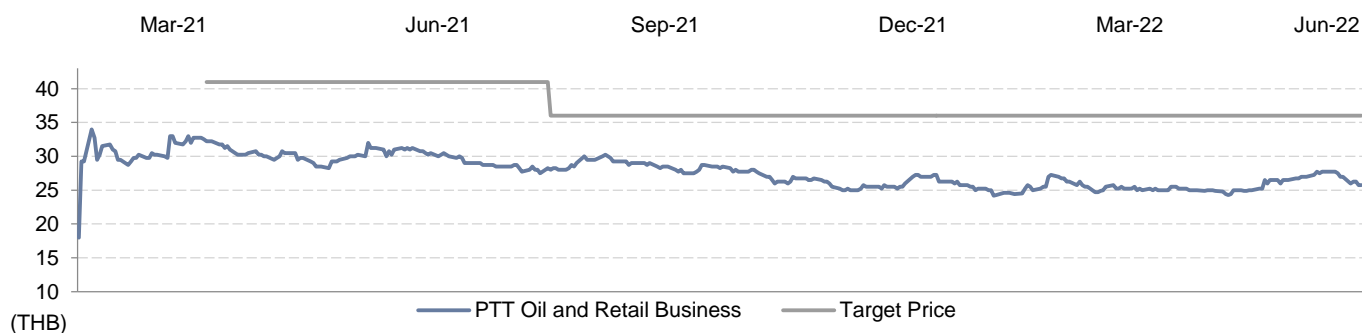
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

PTT Oil and Retail Business (OR TB)



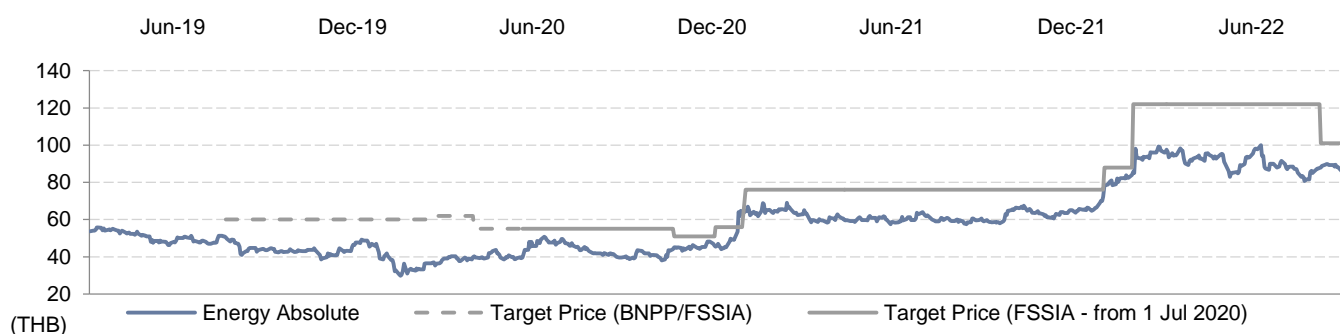
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Mar-2021	BUY	41.00	09-Aug-2021	BUY	36.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Energy Absolute (EA TB)



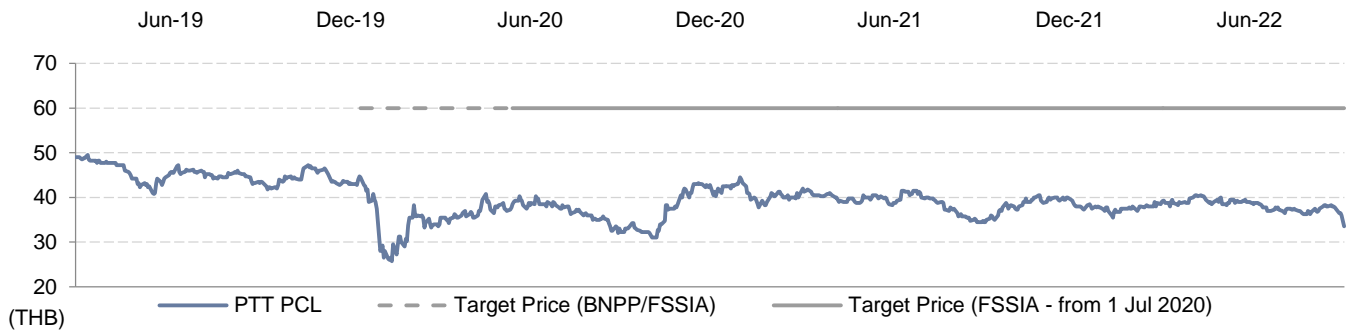
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
17-Oct-2019	BUY	60.00	09-Nov-2020	BUY	51.00	18-Nov-2021	BUY	88.00
16-Apr-2020	BUY	62.00	15-Dec-2020	BUY	56.00	13-Dec-2021	BUY	122.00
20-May-2020	BUY	55.00	08-Jan-2021	BUY	76.00	25-May-2022	BUY	101.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 09-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

PTT PCL (PTT TB)



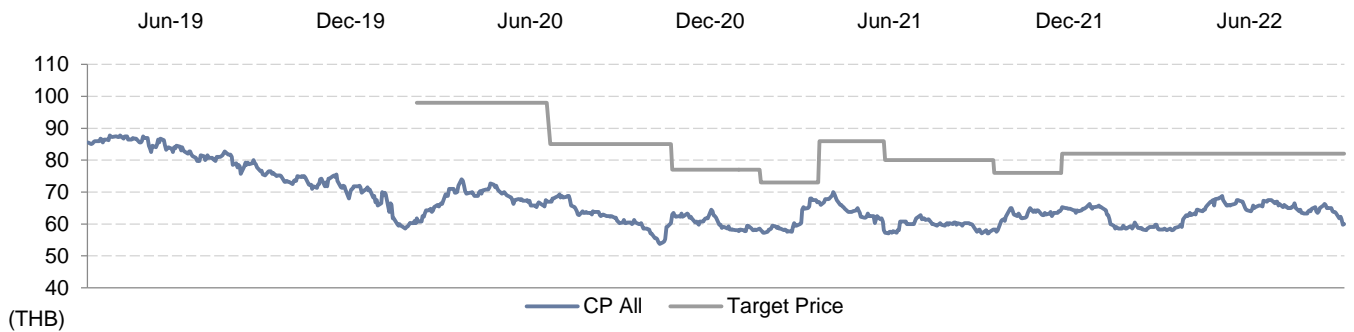
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Feb-2020	BUY	60.00	-	-	-	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

CP All (CPALL TB)



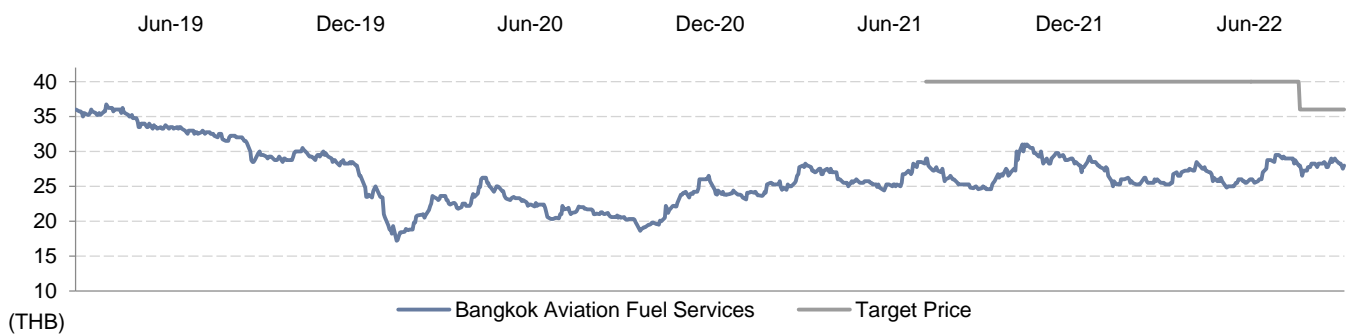
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Apr-2020	BUY	98.00	25-Jan-2021	BUY	73.00	16-Aug-2021	BUY	76.00
24-Jul-2020	BUY	85.00	17-Mar-2021	BUY	86.00	14-Oct-2021	BUY	82.00
09-Nov-2020	BUY	77.00	13-May-2021	BUY	80.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 24-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Aviation Fuel Services (BAFS TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jun-2021	BUY	40.00	09-May-2022	BUY	36.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
PTT Oil and Retail Business	OR TB	THB 25.75	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.
Energy Absolute	EA TB	THB 82.75	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.
PTT PCL	PTT TB	THB 33.50	BUY	Risks to our SoTP-based valuation are the oil price and potential earnings downside from government intervention.
CP All	CPALL TB	THB 60.00	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) the slow recovery of tourist numbers.
Bangkok Aviation Fuel Services	BAFS TB	THB 28.00	BUY	Downside risks to our SoTP-based target price include a slower-than-expected vaccination rate, leading to slower demand in tourism activities, and uncertainty in the fuel volume demand in the north which could lead to volatility in Fuel Pipeline Transportation Limited (FPT)'s income.

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 17-Jun-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.