EQUITY RESEARCH - NEWS FLASH

PTT OIL AND RETAIL BUSINESS   OR TB

THAILAND / OIL & GAS

BUY

Retail is full of detail

- Management substantiated our positive view of its 1) dynamic and ongoing acquisitions; 2) "fuel-to-food-to-foster" ecosystem concept; and 3) strategy to achieve 50% non-oil EBITDA.

- Blue Card should help integrate and monetise the acquired assets.

- Maintain BUY and our TP of THB32.

TARGET PRICE	**THB32.00**
CLOSE	**THB27.00**
UP/DOWNSIDE	**+18.5%**
TP vs CONSENSUS	**+12.3%**

Retail food and fuel services are moving into the right direction

During the post-2Q22 results analyst meeting, CEO Ms. Jiraphon Kawswat made her final presentation as CEO before her retirement in Sep-22 that substantiated our positive view on OR. First, the dynamic and ongoing acquisitions by OR in various industries, including food & beverages (F&B), pharmaceuticals, laundry, aviation, and catering, are strategically focused on leveraging OR's core asset: its "client network", built since OR's inception decades ago. Second, OR's ecosystem of "fuel-to-food-to-foster" (FFF) as a one-stop service concept would allow OR to monetise its lifestyle-centric business of oil and non-oil stations. Third, OR's innovation and execution of its growth strategy aims to achieve 50% EBITDA from the high-margin non-oil units (vs the current 21% in 2Q22), mainly from Café Amazon.

Acquisition, integration, and monetisation strategies

While OR's moves to acquire a host of assets in many industries has sparked grave concerns among investors who claim it has an unclear strategic direction and unseen synergies, we think OR's core asset is its "royal client network", which includes daily traffic of 1.9m vehicles, 3.8m customers, and 8m OR "Blue Card" members. In our view, leveraging this base could allow OR to integrate the acquired assets into its FFF portfolio and monetise them by expanding branches, enhancing service quality and traffic, and enabling cross-format marketing and sales.

Net profit growth outlook remains sanguine in 2H22-2023

OR is still committed to expanding the number of its oil stations (+100), Café Amazon outlets (+400), and EV charging stations in 2H22-2023. OR's move to expand the number of EV charging stations would not only enable OR to reduce its demand risk for oil products, which are expected to be replaced eventually by EVs, but also grow its non-oil EBITDA by attracting EV users into its FFF stations. OR currently charges its EV customers THB7.5/kWh for on-peak charging and THB4.5/kWh for off-peak.
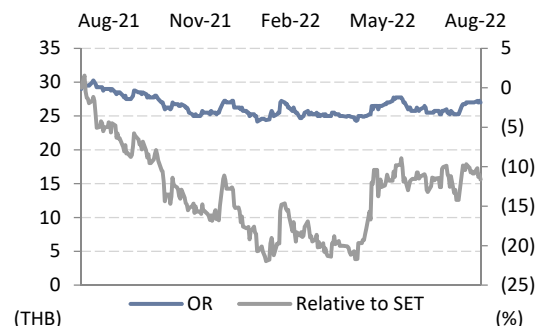
Mission 'possible' for OR's transformation into a retail giant

Maintain BUY and our TP of THB32. We think OR's strategic growth via M&As and its clear vision should help its earnings grow in 2022-24.

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 (%)	-	(15.7)	1.8	(5.6)
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
EPS growth (%)	(11.3)	(1.1)	19.1	(1.3)
Core P/E (x)	27.5	27.8	23.3	23.6
Dividend yield (%)	1.7	1.8	1.9	1.9
EV/EBITDA (x)	17.0	16.1	12.5	11.3
Price/book (x)	3.2	3.1	2.9	2.7
Net debt/Equity (%)	(31.9)	(14.7)	(11.6)	(15.0)
ROE (%)	17.1	11.3	12.7	11.7

Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.8	1.9	(6.1)
Relative to country (%)	(1.9)	0.9	(10.9)
Mkt cap (USD m)			9,094
3m avg. daily turnover (USD m)			16.1
Free float (%)			62
Major shareholder			PTT (75%)
12m high/low (THB)			30.50/23.80
Issued shares (m)			9,000.00

Sources: Bloomberg consensus; FSSIA estimates

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Exhibit 1: OR's investment history from Oct-20 to Aug-22 (23 months)

	Acquisition date	Company acquired / Partnership / Investment	Business	Partner's 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 supplying, manufacturing, and distributing coffee beans and equipment under 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 a 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 firm under the name ORZON Ventures that invests in high-potential startup companies in Thailand and Southeast Asia to create new opportunities and build 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 a JV operating a food supply chain service importing and marketing 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 under 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 services at wash & dry stations using K-nex's strength as an importer and marketer of household and industrial washer 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
14	28 Jul-22	Traveloka	Expanding into a large pool of customers in the Indonesian market	Traveloka	Travel Superapp	n/a	Investment	10	200
	Total								**11,600**

Sources: OR; FSSIA's compilation

FINANSIA

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)	2020	2021	2022E	2023E	2024E
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	2020	2021	2022E	2023E	2024E
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	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	**24.4**	**27.5**	**27.8**	**23.3**	**23.6**
Recurring P/E @ target price (x) *	**28.9**	**32.6**	**33.0**	**27.7**	**28.0**
Reported P/E (x)	24.4	27.5	27.8	23.3	23.6
Dividend yield (%)	1.9	1.7	1.8	1.9	1.9
Price/book (x)	6.4	3.2	3.1	2.9	2.7
Price/tangible book (x)	7.5	3.4	3.2	3.0	2.8
EV/EBITDA (x) **	21.0	17.0	16.1	12.5	11.3
EV/EBITDA @ target price (x) **	24.5	20.5	19.2	14.9	13.5
EV/invested capital (x)	2.9	3.1	2.6	2.5	2.4
* 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	PSH	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	CENTEL	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	
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIIK	
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	TPIPP	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
AMANAH	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	WIIK
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 th e 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
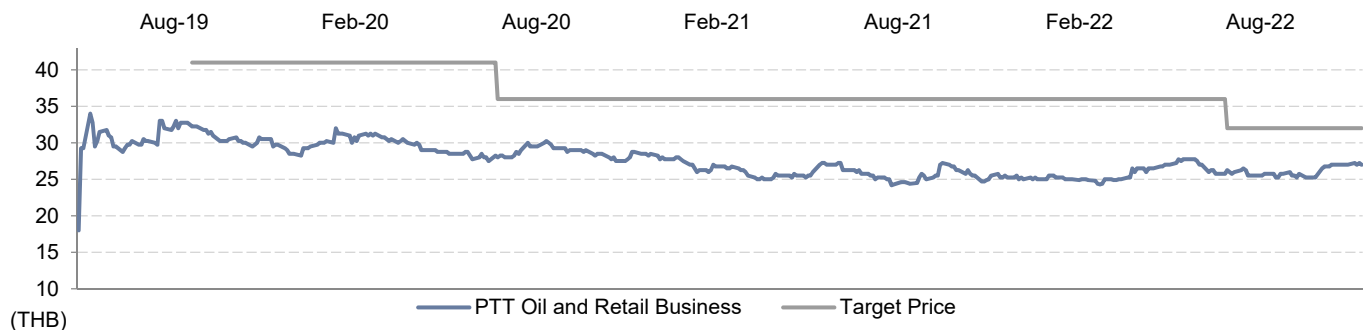
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	20-Jun-2022	BUY	32.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Mar-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 27.00	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.

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 18-Aug-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.