

SUSCO SUSCO TB

THAILAND / OIL & GAS

BUY

UNCHANGED

A tiger and a leopard

- SUSCO is poised to see a stronger NP momentum on rising sales volumes, higher marketing margins and oil station expansions.
- In the past three years, SUSCO has converted 77 stations (30% of 254 total stations) into the ESSO brand.
- Maintain BUY and lift our SoTP-based TP to THB6.7.

TARGET PRICE	THB6.70
CLOSE	THB4.70
UP/DOWNSIDE	+42.6%
PRIOR TP	THB3.50
CHANGE IN TP	+91.4%
TP vs CONSENSUS	+52.3%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	19,866	31,606	33,915	33,291
Net profit	234	364	456	487
EPS (THB)	0.21	0.33	0.41	0.44
vs Consensus (%)	-	(2.9)	0.0	2.3
EBITDA	422	408	514	579
Core net profit	234	364	456	487
Core EPS (THB)	0.21	0.33	0.41	0.44
Chg. In EPS est. (%)	-	20.3	24.9	23.8
EPS growth (%)	7.3	56.0	25.1	6.9
Core P/E (x)	22.1	14.2	11.3	10.6
Dividend yield (%)	-	1.7	2.1	1.7
EV/EBITDA (x)	12.7	10.9	7.3	5.5
Price/book (x)	1.5	1.3	1.1	1.0
Net debt/Equity (%)	4.9	(18.6)	(30.7)	(39.1)
ROE (%)	6.7	9.7	10.7	10.1

Stronger growth momentum ahead

We believe SUSCO is poised to see a stronger net profit growth momentum starting in 2022 onward. Rising sales volumes should back the higher growth via oil stations, jet fuel sales and exports, along with higher marketing margins from oil stations – mainly from the improved non-oil business model – and oil station expansions via both the SUSCO and ESSO brands.

SUSCO Square is a non-oil growth roadmap

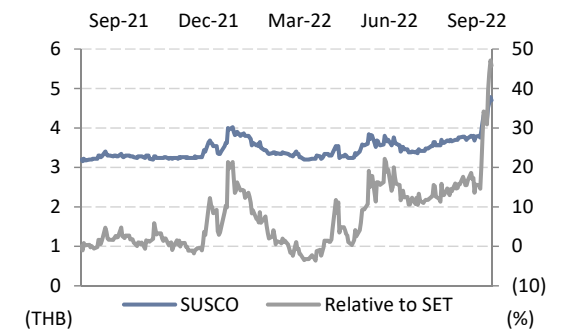
As of 2Q22, SUSCO has initiated a new lifestyle community mall concept called “SUSCO Square”. Unlike SUSCO’s conventional oil stations, the SUSCO Square stations have a ratio of around 4:1 to 6:1 in terms of space catering to non-oil businesses vs the space used for oil fuelling services. The much larger area for non-oil services with a number of leading food & beverage brands has led to much higher revenues from the non-oil business. We project the sales volumes of jet fuel to represent around 21-23% of the total oil sales volume, as we expect that the number of flights, particularly long-haul flights, will not return to the pre-Covid-19 level until 2024.

SUSCO-to-ESSO conversion strategy driving higher sales volumes

In the past three years, SUSCO has converted 77 stations (30% of 254 total stations as of August 2022), mostly in the north and northeast regions, into the ESSO brand. According to management, SUSCO has already seen around a 50-100% higher oil sales volume per station from 100k litres per month per station to 150k-200k litres per month per station after the brand conversion, due to the strong ESSO brand.

Maintain BUY; TP lifted to THB6.7

We maintain BUY and lift our SoTP-based TP to THB6.7 to reflect our valuation rollover to 2023 and our EPS revisions. We revise up our EPS forecasts in 2022-24 to reflect our higher retail sales volume assumptions. We think SUSCO is an attractive play that should greatly benefit from the strong demand growth following the economic reopening to catalyse its net profit growth in 2022-24.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	27.0	28.4	46.9
Relative to country (%)	27.2	22.6	46.8
Mkt cap (USD m)	125		
3m avg. daily turnover (USD m)	1.5		
Free float (%)	62		
Major shareholder	Mr. Mongkol Simaraj (14%)		
12m high/low (THB)	4.90/3.10		
Issued shares (m)	1,100.01		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok, CFA, FRM, ERP
 suwat.sin@fssia.com
 +66 2611 3558

Siriluck Pinthusoonthorn
 siriluck.pin@fssia.com
 +66 2611 3562

Investment thesis

We believe SUSCO is poised to see a stronger net profit growth momentum starting in 2022 onward. Rising sales volumes should back the higher growth via oil stations, jet fuel sales, exports, higher marketing margins from oil stations – mainly from the improved non-oil business model – and oil station expansions via both the SUSCO and Esso (Thailand) (ESSO TB, BUY, TP THB13) brands.

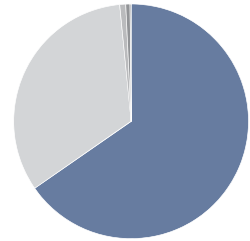
Company profile

SUSCO is one of Thailand's gas station operators with most of its stations located in Bangkok and its vicinity. It also sells jet fuel which accounts for around one-third of its total annual sales volume.

www.susco.co.th

Principal activities (revenue, 2021)

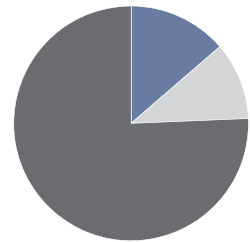
- Sales in Thailand - 65.3 %
- Sales in Cambodia - 33.1 %
- Sales in Myanmar - 0.8 %
- Sales in Laos - 0.6 %
- Sales in China - 0.1 %



Source: Susco

Major shareholders

- Mr. Mongkol Simaraj - 13.7 %
- Mr. Chalermchai Mahagitsiri - 10.7 %
- Others - 75.7 %



Source: Susco

Catalysts

Key potential net profit catalysts include 1) demand recoveries for jet fuel and oil in export markets, particularly in ASEAN; and 2) 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 fuel demand.

Event calendar

Date	Event
Oct 2022	3Q22 results announcement

Key assumptions

	2022E (m litre)	2023E (m litre)	2024E (m litre)
Sales volume (wholesales)	52	55	57
Sales volume (retail)	450	531	552
Sales volume (jet)	206	248	297
Sales volume (export)	449	458	467

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.

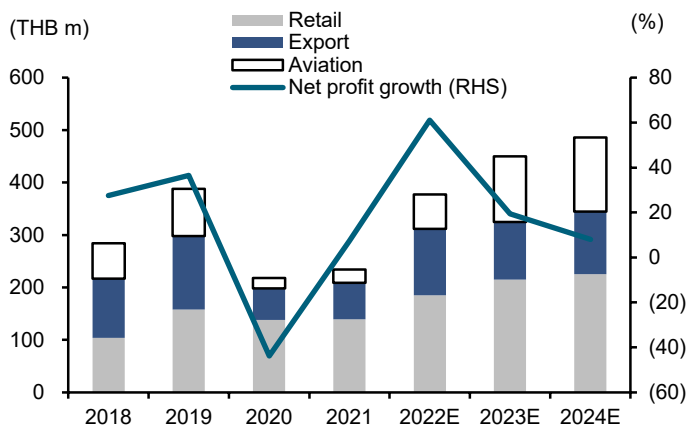
Source: FSSIA estimates

Stronger growth momentum ahead

We believe SUSCO is poised to see a stronger net profit growth momentum starting in 2022 onward. Rising sales volumes should back the higher growth via oil stations, jet fuel sales, exports, higher marketing margins from oil stations – mainly from an improving non-oil business model – and the oil station expansion via both the SUSCO and ESSO brands.

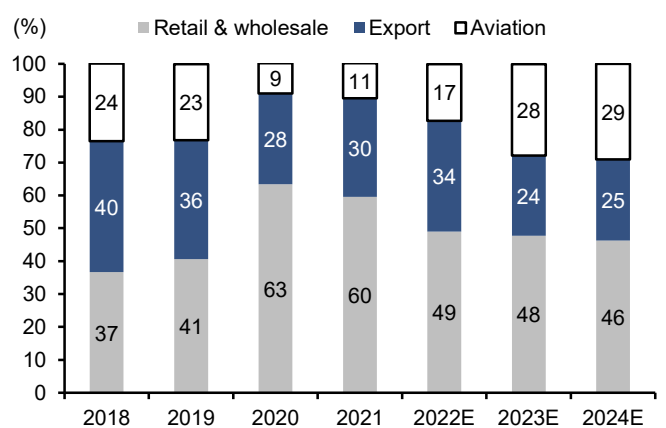
We project SUSCO’s revenue structure to change from a balanced one-third each for its oil stations, jet fuel sales, and oil exports, toward a higher proportion of revenue from its oil station and wholesale units. This is thanks to SUSCO’s highly successful strategy to convert 77 oil stations in the north and northeast regions into ESSO stations as of August 2022, which has resulted in a much higher oil sales volume per station by 50-100%, compared to the operations under its own brand, based on management’s guidance.

Exhibit 1: Net profit breakdown by segment



Sources: SUSCO; FSSIA estimates

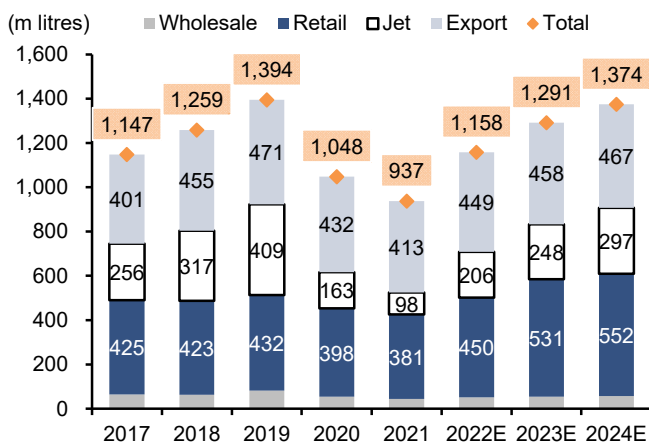
Exhibit 2: Net profit breakdown by segment (%)



Sources: SUSCO; FSSIA estimates

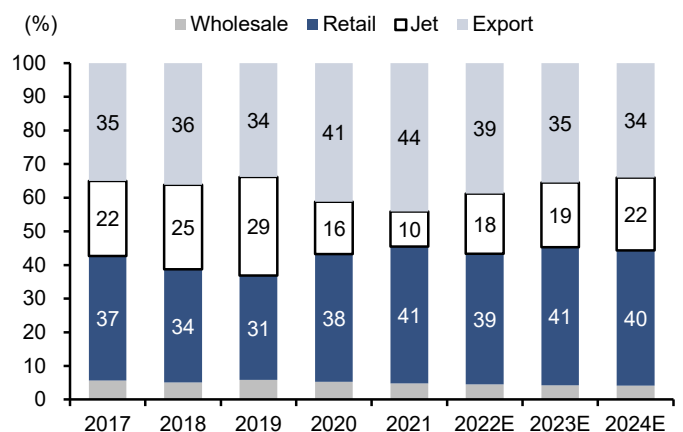
We also expect SUSCO to witness a structural change in terms of oil sales volumes, with the retail and export segments each accounting for over one-third of the total oil sales volumes in 2022-23 – higher than the pre-Covid-19 level in 2019. We project the sales volumes of jet fuel to represent around 21-23% of the total oil sales volume, as we expect that the number of flights, particularly long-haul flights, will not return to the pre-Covid-19 level until 2024.

Exhibit 3: Oil sales volume by segment



Sources: SUSCO; FSSIA estimates

Exhibit 4: Oil sales volume by segment (%)



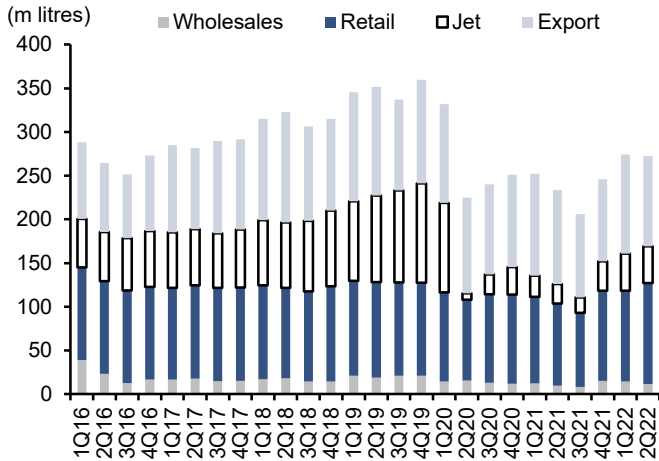
Sources: SUSCO; FSSIA estimates

Stronger growth momentum ahead

We think SUSCO's net profit growth is poised to accelerate in 2022-24, backed by higher sales volumes across all business segments, improving EBITDA margins from the changes in the non-oil business model, and the conversion of many of its oil stations from the SUSCO brand to ESSO.

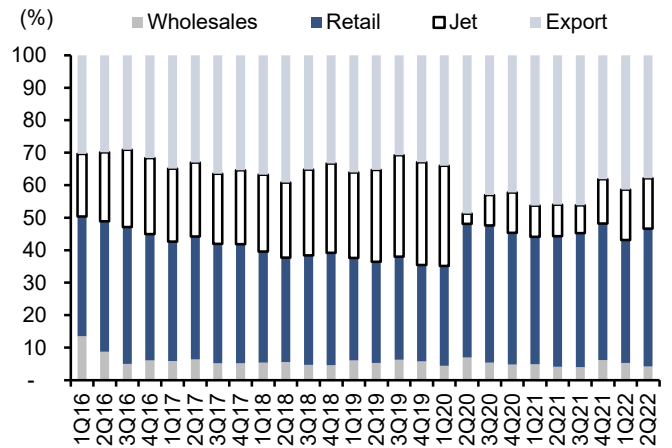
Higher sales volume. Simply put, SUSCO's net profit should rise in line with its oil sales volume, given the relatively fixed and sustainable gross margins for its retail oil stations, wholesales, jet fuel sales, and oil exports.

Exhibit 5: Total sales volume breakdown



Source: SUSCO

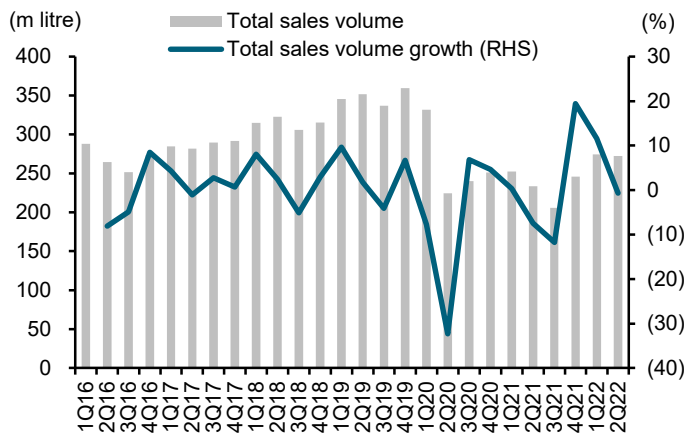
Exhibit 6: Total sales volume breakdown (%)



Source: SUSCO

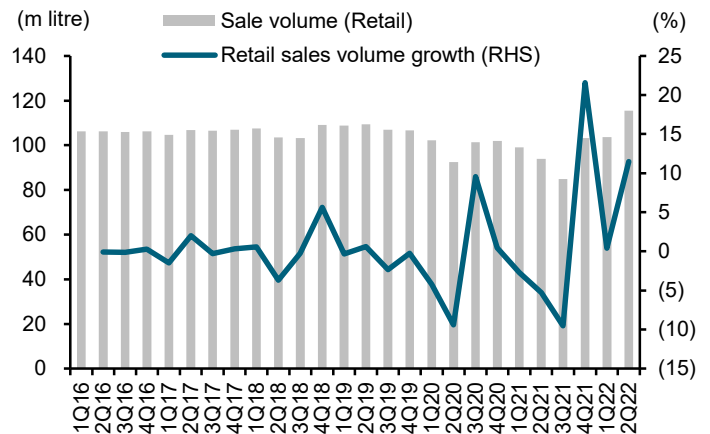
We project SUSCO's quarterly sales volume to rise from 270m litres in 2Q22 to 300m litres by 1Q23, driven by improving sales volumes for jet fuel, retail oil stations, wholesales, and exports. Meanwhile, we project the retail sales volume to surpass its pre-Covid level of 105m litres a quarter during 1Q16-4Q19, thanks to the improving sales volume per station from its 77 converted oil stations as of August 2022.

Exhibit 7: Total sales volume and growth



Source: SUSCO

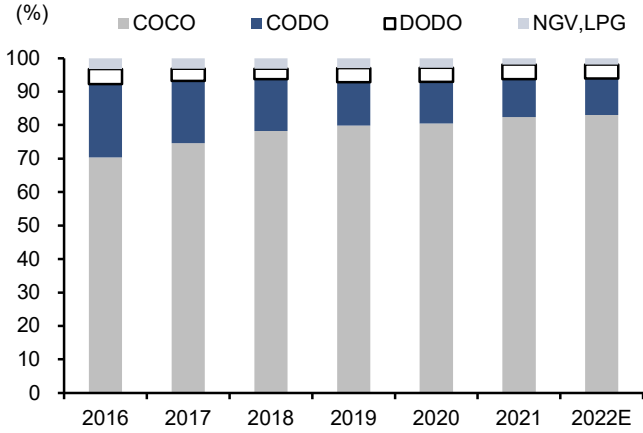
Exhibit 8: Retail sales volume and growth



Source: SUSCO

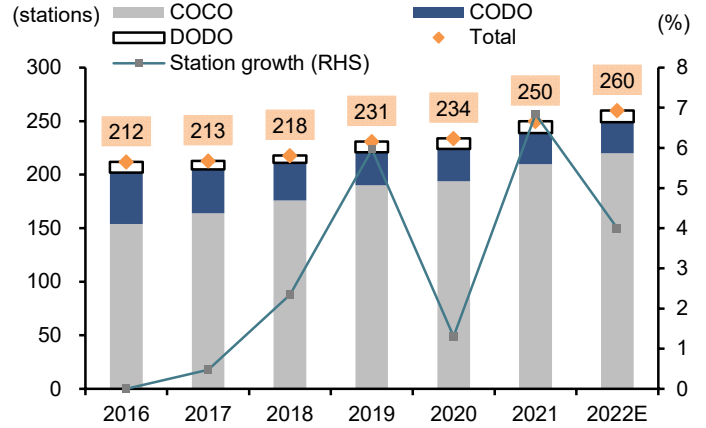
SUSCO-to-ESSO conversion strategy driving higher sales volumes. SUSCO's company-owned, company-operated (COCO) business model has long differentiated it from its competitors, with a highly competitive cost structure using its own land for COCO oil stations. This has allowed SUSCO to turn around by changing the strategies for its product mix, non-oil business model, and brand conversion.

Exhibit 9: Number of oil stations breakdown by ownership type (%)



Sources: SUSCO; FSSIA estimates

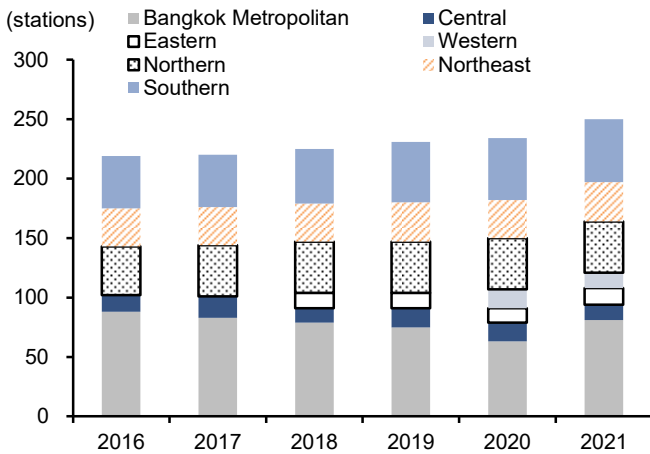
Exhibit 10: Number of oil stations breakdown by ownership type



Sources: SUSCO; FSSIA estimates

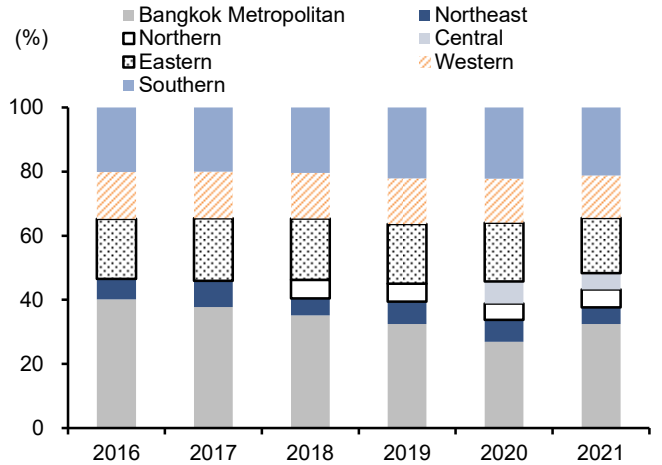
According to management, SUSCO now has 216 COCO stations, which represent 84.5% of its total 254 oil stations as of 2Q22. While SUSCO's own branded stations in the central, Bangkok metropolitan, southern, and eastern regions have been operating at high performance levels, with oil sales volumes per station at a higher level than the average, the oil stations located in the north and northeast areas have seen underperforming financial returns due to weak brand recognition, which has led to lower oil sales volumes.

Exhibit 11: Number of oil stations breakdown by region



Sources: SUSCO; FSSIA estimates

Exhibit 12: Number of oil stations breakdown by region (%)

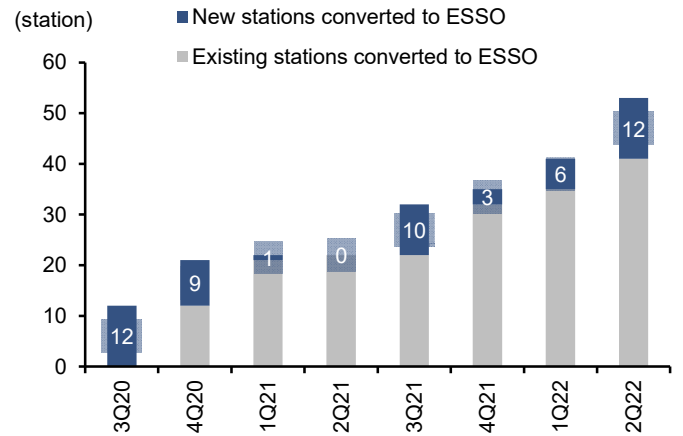
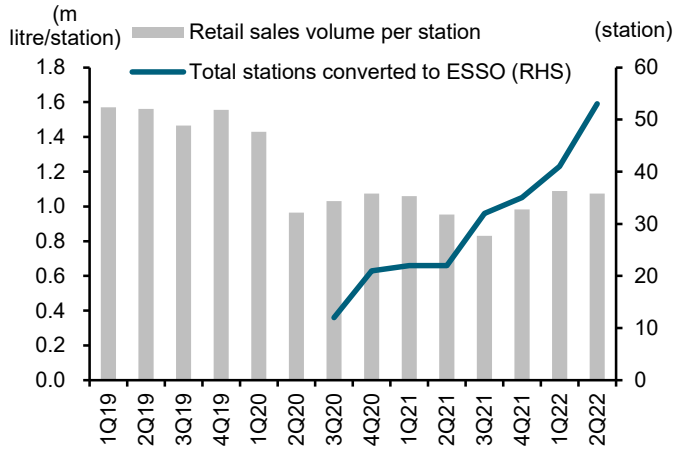


Sources: SUSCO; FSSIA estimates

1.5-2.0x higher oil sales volume under ESSO brand oil stations. In the past three years, SUSCO has converted 77 stations (30% of 254 total stations as of August 2022), mostly in the north and northeast regions, into the ESSO brand. According to management, SUSCO has already seen around a 50-100% higher oil sales volume per station from 100k litres per month per station to 150k-200k litres per month per station after the brand conversion, due to the strong ESSO brand.

Exhibit 13: Retail oil sales volume vs number of oil stations converted to ESSO brand

Exhibit 14: Number of oil stations converted to ESSO brand



Source: SUSCO

Source: SUSCO

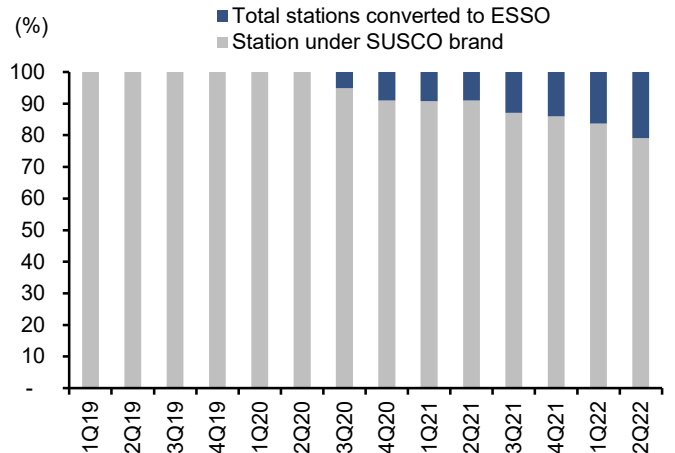
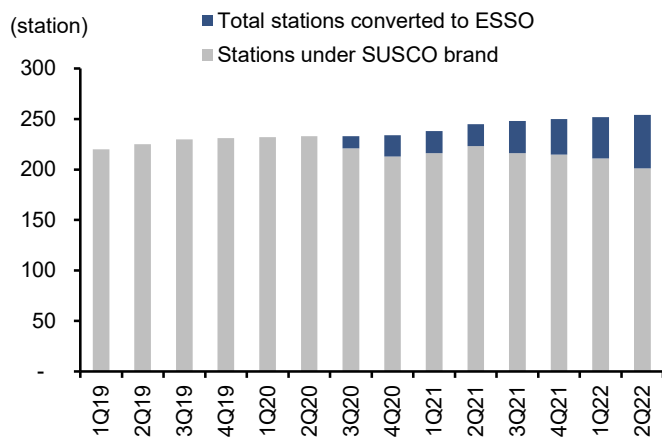
Other benefits of the brand conversion strategy include higher sales volumes of premium oil products, namely “Supreme Plus” under the ESSO brand, which command a 3-5x higher marketing margin than SUSCO’s commodity oil products. Management indicated that the sales volume of premium oil products under the ESSO brand now accounts for 5-6% of the total oil sales volume at converted stations.

In addition, the product mix has also shifted under the SUSCO-cum-ESSO strategy, with a higher diesel proportion at 70% of total oil sales at the converted stations, up from 65% before the brand conversion, thanks to ESSO’s strong diesel products.

Hence, SUSCO has seen its earnings from the retail oil segment rise by 10-20% y-y as of 2Q22, and will likely improve further in 2H22-2024 as SUSCO plans to boost the same-store-sales-growth of oil sales and the non-oil food & beverage (F&B) business.

Exhibit 15: Number of oil stations

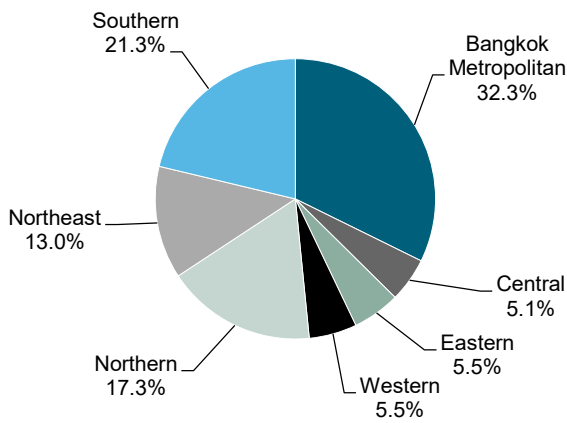
Exhibit 16: Number of oil stations (%)



Source: SUSCO

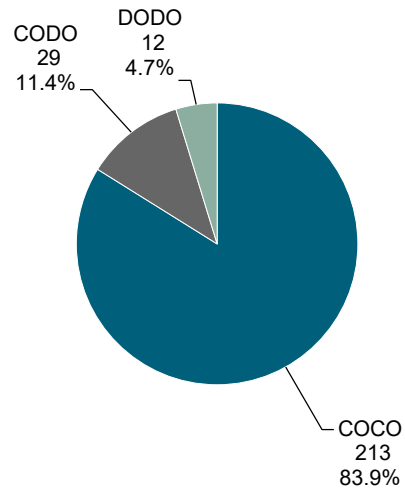
Source: SUSCO

Exhibit 17: Number of oil stations breakdown by region as of 2Q22



Source: SUSCO

Exhibit 18: Number of oil stations breakdown by type as of 2Q22



Source: SUSCO

Non-oil strategy to enhance EBITDA. Unlike most competitors with their own non-oil brands (Café Amazon for PTT Oil and Retail Business (OR TB, BUY, TP THB32), Intanin for Bangchak Corporation (BCP TB, BUY, TP THB41), and PunThai for PTG Energy (PTG TB, BUY, TP THB18.3)), SUSCO has no owned coffee brands, allowing it a high degree of flexibility to mix and match non-oil brands into its COCO oil stations.

“SUSCO Square”: a new lifestyle community mall. As of 2Q22, SUSCO has initiated a new lifestyle oil station concept called “SUSCO Square”. Unlike SUSCO’s conventional oil stations, the SUSCO Square stations have a ratio of around 4:1 to 6:1 in terms of space catering to non-oil businesses vs the space used for oil fuelling services. The much larger area for non-oil services with a number of leading F&B brands has led to much higher revenues from the non-oil business.

Exhibit 19: SUSCO Square concept and brand partnerships for its non-oil business

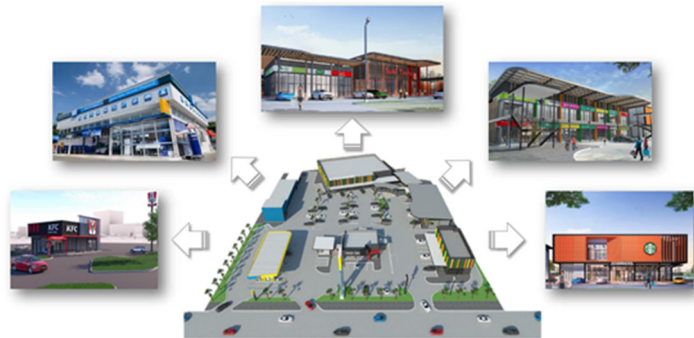


Source: SUSCO

Starbucks, KFC, and Subway are just a few leading brands joining with SUSCO Square. As of 2Q22, SUSCO has introduced two SUSCO Squares at Phutthabucha and Srinakarin Three.

In addition to F&B, SUSCO is also adding car services (Cockpit, B-Quik, Autobacs, Wizard, and TyrePlus), and convenience stores (FamilyMart at 5 locations and Lawson 108 at 36 locations) to some of its other stations.

Exhibit 20: SUSCO Square concept layout



Source: SUSCO

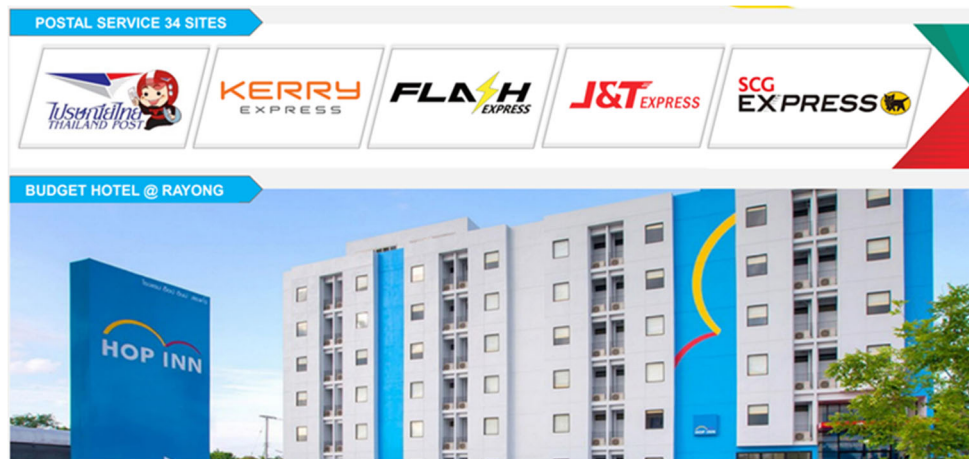
Exhibit 21: Rental business alliance



Source: SUSCO

SUSCO has also introduced logistics service brands including Kerry Express, J&T Express, Flash Express, SCG Express, and Thai Post. SUSCO even recently added a budget hotel, Hop Inn, at one of its oil stations in Rayong, which could be further expanded into other locations nationwide, according to management.

Exhibit 22: Other services at SUSCO's oil stations



Source: SUSCO

EV charging stations. As of 2Q22, SUSCO has installed 20 EV charging stations via a partnership with Energy Absolute (EA TB, BUY, TP THB101), mostly in the Bangkok metropolitan area. Given that SUSCO's oil stations are mostly located in areas with high population densities, we think there is a high chance that SUSCO installs an additional number of charging stations.

Hidden value of land assets. With over 84% of its oil stations being COCO, SUSCO either owns the land or has the right-of-use for the land lease for its oil service stations. With an average three rai of land used for each oil station and 50% of the land used for stations owned by SUSCO, we estimate that SUSCO owns around 381 rai of land used for its oil stations as of 2Q22.

In addition, SUSCO owns 151 rai of land for its three tank terminals located in Bangkok (11 rai), Surat Thani (40 rai), and Songkhla (100 rai). This would bring the total area of land owned by SUSCO to 532 rai as of 2Q22, based on our estimate.

Exhibit 23: Tank terminals & pipelines



Source: SUSCO

THB2.5/share value for the land owned by SUSCO as of 2Q22. Our analysis indicates that the market value of land owned by SUSCO as of 2Q22 would be THB2.8b, implying a THB2.5/share value if all of the land owned by SUSCO is revalued from the historical to market value. This could provide an upside to SUSCO's share price of THB2.5/share, in our view.

Exhibit 24: Analysis of land value

Total land owned by SUSCO		Unit
Total land used for oil stations	762	rai
% ownership of land for oil stations	50	%
Total land owned by SUSCO for oil stations	381	rai
Total land used for tank terminals	151	rai
Total land owned by SUSCO	532	rai
Estimated market value over book value	3.5	x
Estimated land book value as of 2Q22	0.8	THB b
Estimated land market value as of 2Q22	2.8	THB b
No. of shares outstanding	1,100	m shares
Estimated land value per share	2.5	THB/share
Average value per rai of land owned	5.3	THB m/rai

Sources: SUSCO; FSSIA estimates

Stronger growth momentum ahead

We maintain BUY and lift our SoTP-based TP to THB6.7 to reflect our valuation rollover to 2023 and our EPS revisions. We revise up our EPS forecasts in 2022-24 to reflect our higher retail sales volume assumptions. We think the key catalysts for SUSCO's net profit growth in 2022-24 are its sound growth strategy to convert its SUSCO stations to ESSO oil stations, improve its non-oil business via the SUSCO Square concept, and the rising demand for oil products post economic reopening.

Exhibit 25: Changes in assumptions and EPS forecasts

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2022E (%)
Revenue	31,606	33,915	33,291	28,300	29,879	29,879	11.7	13.5	11.4
Gross profit	2,320	2,567	2,526	2,070	2,242	2,237	12.1	14.5	12.9
Operating profit	7	82	114	(43)	1	25	(116.3)	7,932.4	363.9
Net profit	364	456	487	303	365	393	20.3	24.9	23.8
EPS (THB/share)	0.33	0.41	0.44	0.28	0.33	0.36	20.3	24.9	23.8
Key assumptions	(m litre)	(m litre)	(m litre)	(m litre)	(m litre)	(m litre)	(%)	(%)	(%)
Sales volume (wholesales)	52	55	57	59	60	61	(11.7)	(9.1)	(6.4)
Sales volume (retail)	450	531	552	422	435	452	6.5	22.1	22.1
Sales volume (jet)	206	248	297	206	248	297	0.0	0.0	0.0
Sales volume (export)	449	458	467	449	458	467	0.0	0.0	0.0

Sources: SUSCO; FSSIA estimates

Exhibit 26: SoTP valuation

SoTP valuation	% of 2022E sales volume	(THB m)	(THB/shr)	Comments
Retail oil	46	3,008	2.7	At 18x FY23E P/E
Exports	35	1,919	1.7	At 15x FY23E P/E
Jet	19	1,038	0.9	At 15x FY23E P/E
Net cash (debt)		1,392	1.3	FY23E net debt
Total value		7,356	6.7	

Sources: SUSCO; FSSIA estimates

Financial Statements

Susco

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	16,483	19,866	31,606	33,915	33,291
Cost of goods sold	(14,868)	(18,180)	(29,286)	(31,349)	(30,765)
Gross profit	1,615	1,686	2,320	2,567	2,526
Other operating income	-	-	-	-	-
Operating costs	(1,228)	(1,265)	(1,912)	(2,052)	(1,947)
Operating EBITDA	387	422	408	514	579
Depreciation	(352)	(370)	(401)	(433)	(464)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	35	52	7	82	114
Net financing costs	(52)	(59)	(48)	(39)	(39)
Associates	(5)	(13)	(4)	(4)	(4)
Recurring non-operating income	290	306	502	534	541
Non-recurring items	0	0	0	0	0
Profit before tax	273	298	461	576	616
Tax	(55)	(65)	(97)	(121)	(129)
Profit after tax	218	234	364	456	487
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	218	234	364	456	487
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	218	234	364	456	487
Per share (THB)					
Recurring EPS *	0.20	0.21	0.33	0.41	0.44
Reported EPS	0.20	0.21	0.33	0.41	0.44
DPS	0.00	0.00	0.08	0.10	0.08
Diluted shares (used to calculate per share data)	1,100	1,100	1,100	1,100	1,100
Growth					
Revenue (%)	(40.6)	20.5	59.1	7.3	(1.8)
Operating EBITDA (%)	14.9	8.9	(3.2)	26.1	12.5
Operating EBIT (%)	(64.1)	48.5	(86.4)	1,069.5	39.8
Recurring EPS (%)	(43.9)	7.3	56.0	25.1	6.9
Reported EPS (%)	(43.9)	7.3	56.0	25.1	6.9
Operating performance					
Gross margin inc. depreciation (%)	7.7	6.6	6.1	6.3	6.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	2.3	2.1	1.3	1.5	1.7
Operating EBIT margin (%)	0.2	0.3	0.0	0.2	0.3
Net margin (%)	1.3	1.2	1.2	1.3	1.5
Effective tax rate (%)	20.0	20.8	20.8	20.8	20.8
Dividend payout on recurring profit (%)	-	-	24.2	24.1	18.1
Interest cover (X)	6.3	6.0	10.6	15.8	16.8
Inventory days	12.9	9.2	8.1	9.7	10.1
Debtor days	17.8	11.9	9.2	10.6	12.9
Creditor days	25.8	20.0	19.9	23.7	24.7
Operating ROIC (%)	1.4	2.1	0.3	4.6	6.9
ROIC (%)	5.9	5.7	8.4	10.7	11.7
ROE (%)	6.2	6.7	9.7	10.7	10.1
ROA (%)	4.4	4.4	5.5	5.9	5.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales in Thailand	12,000	12,981	24,714	27,017	26,385
Sales in Cambodia	4,173	6,574	6,581	6,587	6,594
Sales in Myanmar	164	164	164	164	165
Sales in Laos	118	118	118	118	119

Sources: Susco; FSSIA estimates

Financial Statements

Susco

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	218	234	364	456	487
Depreciation	352	370	401	433	464
Associates & minorities	105	152	240	252	265
Other non-cash items	-	-	-	-	-
Change in working capital	159	204	239	(115)	(211)
Cash flow from operations	834	959	1,244	1,025	1,005
Capex - maintenance	(170)	(167)	(195)	(210)	(225)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(38)	(59)	(106)	(91)	(76)
Cash flow from investing	(207)	(226)	(301)	(301)	(301)
Dividends paid	-	-	-	-	-
Equity finance	0	0	0	0	0
Debt finance	(152)	41	170	0	0
Other financing cash flows	(457)	(716)	(367)	(75)	(110)
Cash flow from financing	(609)	(675)	(197)	(75)	(110)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	18	58	746	649	594
Free cash flow to firm (FCFF)	678.52	792.37	991.11	763.12	743.11
Free cash flow to equity (FCFE)	18.38	58.23	746.10	649.16	594.15

Per share (THB)

FCFF per share	0.62	0.72	0.90	0.69	0.68
FCFE per share	0.02	0.05	0.68	0.59	0.54
Recurring cash flow per share	0.61	0.69	0.91	1.04	1.11

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	3,302	3,493	3,693	3,893	4,093
Less: Accumulated depreciation	(1,627)	(1,627)	(2,028)	(2,460)	(2,925)
Tangible fixed assets (net)	1,675	1,867	1,666	1,433	1,169
Intangible fixed assets (net)	63	55	55	55	55
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	848	844	844	844	844
Cash & equivalents	302	360	1,106	1,755	2,349
A/C receivable	594	706	886	1,078	1,267
Inventories	416	498	801	858	842
Other current assets	53	232	370	397	390
Current assets	1,365	1,796	3,163	4,088	4,848
Other assets	2,051	2,232	2,232	2,232	2,232
Total assets	6,001	6,794	7,960	8,652	9,147
Common equity	3,454	3,526	4,002	4,534	5,074
Minorities etc.	0	0	0	0	0
Total shareholders' equity	3,454	3,526	4,002	4,534	5,074
Long term debt	234	221	51	51	51
Other long-term liabilities	1,137	1,321	1,321	1,321	1,321
Long-term liabilities	1,371	1,543	1,372	1,372	1,372
A/C payable	770	1,220	1,965	2,104	2,065
Short term debt	341	312	312	312	312
Other current liabilities	66	193	307	330	324
Current liabilities	1,176	1,725	2,585	2,746	2,701
Total liabilities and shareholders' equity	6,001	6,794	7,960	8,652	9,147
Net working capital	227	23	(216)	(101)	110
Invested capital	4,864	5,021	4,581	4,463	4,410

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

Per share (THB)

Book value per share	3.14	3.21	3.64	4.12	4.61
Tangible book value per share	3.08	3.16	3.59	4.07	4.56

Financial strength

Net debt/equity (%)	7.9	4.9	(18.6)	(30.7)	(39.1)
Net debt/total assets (%)	4.5	2.5	(9.3)	(16.1)	(21.7)
Current ratio (x)	1.2	1.0	1.2	1.5	1.8
CF interest cover (x)	1.4	2.0	16.5	17.7	16.3

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	23.8	22.1	14.2	11.3	10.6
Recurring P/E @ target price (x) *	33.9	31.6	20.2	16.2	15.1
Reported P/E (x)	23.8	22.1	14.2	11.3	10.6
Dividend yield (%)	-	-	1.7	2.1	1.7
Price/book (x)	1.5	1.5	1.3	1.1	1.0
Price/tangible book (x)	1.5	1.5	1.3	1.2	1.0
EV/EBITDA (x) **	14.1	12.7	10.9	7.3	5.5
EV/EBITDA @ target price (x) **	19.7	17.9	16.2	11.6	9.3
EV/invested capital (x)	1.1	1.1	1.0	0.8	0.7

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

Sources: Susco; 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	DRSH	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	WIK
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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Susco	SUSCO TB	THB 4.70	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 fuel demand.
Esso Thailand	ESSO TB	THB 13.30	BUY	The downside risks to our SoTP-based TP on ESSO include 1) lower-than-expected demand for petroleum products; 2) a higher crude premium; and 3) unplanned shutdowns of its refinery and petrochemical plants.
PTT Oil and Retail Business	OR TB	THB 26.25	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 fuel demand.
PTG Energy	PTG TB	THB 16.10	BUY	The downside risks to our SoTP-based TP include 1) a government cap on oil prices; and 2) weaker demand for diesel and gasoline.
Bangchak Corp	BCP TB	THB 31.50	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) higher crude premiums; and 3) unplanned shutdowns of the company's refinery plants.
Energy Absolute	EA TB	THB 89.50	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.

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 23-Sep-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.