

PTT EXPLOR & PROD

THAILAND / OIL & GAS

PTTEP TB

BUY

UNCHANGED

TARGET PRICE	THB199.00
CLOSE	THB173.50
UP/DOWNSIDE	+14.7%
PRIOR TP	THB180.00
CHANGE IN TP	+10.6%
TP vs CONSENSUS	+10.3%

Time to reload ahead of growth

- PTTEP's 3Q22 NP was THB24.2b (+17% q-q, +153% y-y), and core NP rose to THB26.8b in 3Q22 (+17% q-q, +136% y-y).
- We expect PTTEP's NP growth in 4Q22 and 2023 to be strong, driven by a higher sales volume, lower ASP, and low cost structure.
- Maintain BUY and lift our TP to THB199.

Solid 3Q22 net profit on higher sales volumes and gas price

PTTEP's 3Q22 net profit (NP) was THB24.2b (+17% q-q, +153% y-y), with core NP rising to THB26.8b in 3Q22 (+17% q-q, +136% y-y), missing the Bloomberg consensus estimate by 3% and our forecast by 2%. Key drivers were 1) a 21% y-y higher average selling price (ASP) at USD53.7/boe from the higher liquid price (+42% y-y to USD97.9/boe) and the higher gas price (+7.3% y-y to USD6.2/mmbtu); and 2) a higher sales volume of 478.3kboed (+2.8% q-q, +15% y-y) due to additional volumes from Oman and Sabah in Malaysia. Total costs in 3Q22 remained low at USD28.8/boe (+0.1% q-q, -1.9% y-y) due to lower operating expenses, SG&A, and tax expenses.

Malaysia remains PTTEP's key driver

PTTEP's assets in Southeast Asia reported a 3Q22 NP of USD682m, down 8% q-q due to the q-q lower ASP from Sabah H. The NP from its Middle East assets improved to USD64m in 3Q22 due to the higher ASP and additional volume from the Oman project. PTTEP's guidance for 2022 includes 1) a sales volume target of 468kboed (up from 467kboed); 2) a lower gas price at USD6.3/mmbtu (down from USD6.4/mmbtu); and 3) a higher unit cost of USD29-30/boe (up by USD1/boe).

Strong growth to continue in 4Q22-2023

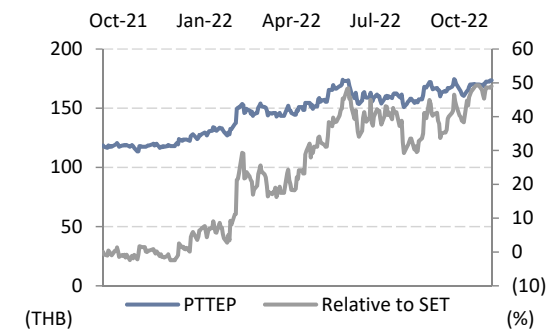
On 26 Oct-22, PTTEP announced its acquisition of a 25% stake in the Sharjah Onshore Area A project (Sharjah) from Eni Sharjah B.V. The transaction is scheduled to be completed within 2022 and Eni will remain a key operator of the project with a 50% stake. Sharjah is an onshore gas project currently in the exploration phase, located in the central part of Sharjah Emirate. We think this move should further strengthen PTTEP's presence in the Middle East on top of the current projects in Oman.

TP lifted to THB199

Maintain BUY and lift our TP to THB199, based on 5.5x 2023E EV/EBITDA. PTTEP is our top pick in the upstream oil & gas sector based on its high leverage to oil and gas prices and rising sales volumes. We think the overhang from the G1 production hiccup should gradually subside, allowing PTTEP's valuation to rerate on higher oil and gas prices.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	219,068	347,030	362,651	329,667
Net profit	38,864	74,864	66,545	67,123
EPS (THB)	9.79	18.86	16.76	16.91
vs Consensus (%)	-	(1.7)	(8.1)	5.4
EBITDA	113,647	172,506	163,741	160,697
Core net profit	48,531	74,864	66,545	67,123
Core EPS (THB)	12.22	18.86	16.76	16.91
Chg. In EPS est. (%)	-	36.4	30.0	24.0
EPS growth (%)	104.9	54.3	(11.1)	0.9
Core P/E (x)	14.2	9.2	10.4	10.3
Dividend yield (%)	3.6	6.9	6.2	6.2
EV/EBITDA (x)	6.2	4.4	4.9	4.8
Price/book (x)	1.7	1.6	1.5	1.4
Net debt/Equity (%)	2.5	16.0	22.9	15.2
ROE (%)	12.6	17.5	14.6	14.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.5	7.4	39.9
Relative to country (%)	6.1	4.5	43.4
Mkt cap (USD m)			18,247
3m avg. daily turnover (USD m)			65.1
Free float (%)			35
Major shareholder			PTT Plc. (65%)
12m high/low (THB)			178.50/113.00
Issued shares (m)			3,969.99

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

PTTEP's net profit growth should remain sanguine in 2022 based on its strong sales volume growth and the oil and gas price uptrend.

We believe PTTEP's average selling price will rise in tandem with the higher oil price, given PTTEP's high exposure to the oil price via its liquid price, which accounts for 30% of its production volume and 50% of its revenue. Gas currently constitutes 70% of its total sales volume but only 50% of its revenue.

PTTEP's cost structure remains highly competitive compared with its regional peers due to its low-cost gas fields and strict cost control strategy implemented in 2015.

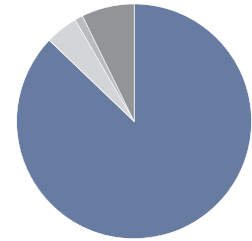
Company profile

Established by PTT Plc (formerly Petroleum Authority of Thailand) in 1985, PTTEP is Thailand's premier oil & gas exploration and production company. Most of its petroleum assets are in the Gulf of Thailand. It was listed on the Stock Exchange of Thailand in 1992.

www.pttep.com

Principal activities (revenue, 2021)

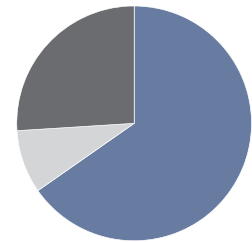
- Exploration and production - 101.9 %
- Pipeline - 5.3 %
- Others - 1.3 %
- Inter company eliminations - -8.5 %



Source: PTT Explor & Prod

Major shareholders

- PTT Plc. - 65.3 %
- Thai NDVR - 8.7 %
- Others - 26.0 %



Source: PTT Explor & Prod

Catalysts

Potential catalysts for PTTEP are rising oil and gas prices and potential M&A that could further drive its production and reserves higher.

Risks to our call

Risks our TP, which is based on EV/EBITDA, are a sharp decline in oil price and a potential earnings downside from government intervention.

Event calendar

Date	Event
Jan 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Dubai oil price (USD/bbl)	100	90	100
Sales volume (boed)	468,890	468,390	498,040
ASP (USD/boe)	54.1	51.0	50.6
Gas price (USD/mmbtu)	6.3	5.6	5.5
Cost (USD/boe)	29.0	27.0	27.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in the Dubai oil price, we project 2022 earnings would rise 1.3%, and vice versa, all else being equal.
- For every 1% increase in the gas price, we estimate 2022 earnings would rise 1.2%, and vice versa, all else being equal.
- For every 1% increase in sales volume, we estimate 2022 earnings would rise 1.1%, and vice versa, all else being equal.

Source: FSSIA estimates

Lower risk, higher reward on oil and gas prices

During the post-3Q22 results conference call, management delivered three key messages that substantiated our more positive view on PTTEP's net profit growth outlook. They are as follows:

Competitive cost structure. PTTEP guided that its cost structure is likely to remain low at USD29-30/mmbtu, thanks to the low cost structures of its gas fields in the Gulf of Thailand and Malaysia, PTTEP's two key growth areas.

G1 gas production to reach 800mmscfd in Apr-24. Management confirmed that PTTEP would achieve the required 800mmscfd target for gas production at its G1 field, ramping up from 210mmscfd as of 3Q22 to 400mmscfd in 1H23 and 800mmscfd in Apr-24. However, we think the pace of the gas production increase remains uncertain given that PTTEP must first accelerate the installation of production platforms to increase gas production.

Impairment concerns at Mozambique LNG project. Management indicated that the likelihood of an impairment remains remote at its 12mtpa LNG project despite the security issue. The financial return from its 8.5% stake in the Mozambique project remains sound according to PTTEP, given that 1) the project's development is on target to achieve its first gas production in 2025; and 2) the selling prices for the LNG to potential buyers are adjustable to reflect market prices, which in turn reflect the demand-supply shift due to the impact of the Russia-Ukraine war.

Sabah and Sarawak will be the key focus in Malaysia. PTTEP plans to increase its gas production and exploration in two out of three areas in Malaysia, namely Sabah and Sarawak, but not on the peninsula.

While the cost structures of the gas fields in Sabah and Sarawak are on par with those in the Gulf of Thailand, the gas selling prices there are lower than the prices under the previous concessions but higher than the selling prices under the production service contract (PSC) applied to G1 and G2 – two key gas fields with a combined gas production of 2,000mmscfd under the old concessions and 1,500mmscfd under the new PSCs.

In 3Q22, PTTEP's ASP for gas in Malaysia was around USD4.0-4.5/mmbtu vs USD6.2/mmbtu for gas produced in the Gulf of Thailand. However, the net profit contribution from Other Southeast Asia, mainly from Malaysia, rose to USD261m (+72% q-q, +393% y-y) compared to the net profit of USD421m (-12.3% q-q, +55.4% y-y) generated from Thailand.

Exhibit 1: Summary of 3Q22/9M22 operations

	3Q21	2Q22	3Q22		9M21	9M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	57,417	83,088	88,503	6.5	54.1	153,762	238,736	55.3	347,030
Operating costs	(14,691)	(20,144)	(21,094)	4.7	43.6	(48,232)	(55,325)	14.7	(87,766)
EBITDA	42,726	62,944	67,409	7.1	57.8	105,530	183,412	73.8	172,506
<i>EBITDA margin (%)</i>	<i>74.4</i>	<i>75.8</i>	<i>76.2</i>	<i>nm</i>	<i>nm</i>	<i>68.6</i>	<i>76.8</i>	<i>nm</i>	<i>49.7</i>
Depn & amort.	(19,949)	(19,443)	(22,973)	18.2	15.2	(56,253)	(59,502)	5.8	(33,000)
EBIT	22,777	43,501	44,436	2.1	95.1	49,277	123,910	151.5	139,506
Interest expense	(1,712)	(2,194)	(2,270)	3.4	32.6	(4,776)	(6,182)	29.4	(6,790)
Interest & invt inc	457	1,549	1,222	(21.1)	167.7	12,530	3,514	(72.0)	532
Associates' contrib	228	445	(619)	nm	nm	380	176	(53.6)	489
Exceptionals	(1,459)	(1,659)	(1,592)	nm	nm	(2,583)	(11,643)	nm	10,233
Pretax profit	20,291	41,642	41,177	(1.1)	102.9	54,828	109,775	100.2	143,969
Tax	(10,746)	(21,042)	(17,006)	(19.2)	58.3	(26,609)	(54,484)	104.8	(69,105)
<i>Tax rate (%)</i>	<i>53.0</i>	<i>50.5</i>	<i>41</i>	<i>nm</i>	<i>nm</i>	<i>48.5</i>	<i>49.6</i>	<i>nm</i>	<i>48.0</i>
Minority interests	0	0	0	nm	nm	0	0	nm	0
Net profit	9,545	20,600	24,172	17.3	153.2	28,218	55,291	95.9	74,864
Non-recurring	(1,818)	(2,239)	(2,593)	15.8	42.6	(3,168)	(13,294)	319.6	
Core profit	11,363	22,839	26,764	17.2	135.5	31,387	68,585	118.5	74,864
EPS (THB)	2.40	5.19	6.09	17.3	153.2	7.11	13.93	95.9	18.86
Core EPS (THB)	2.86	5.75	6.74	17.2	135.5	7.91	17.28	118.5	18.86

Sources: PTTEP; FSSIA estimates

Exhibit 2: 3Q22/9M22 results – key drivers

	Unit	3Q21	2Q22	3Q22	Change		9M21	9M22	Change
					(q-q %)	(y-y %)			(y-y %)
Sales volume	boed	417,167	465,459	478,323	2.8	14.7	414,516	457,237	10.3
ASP	USD/boe	44.3	55.6	53.7	(3.5)	21.3	42.3	53.6	26.6
Gas price	USD/mmbtu	5.8	6.1	6.2	1.3	7.3	5.7	6.1	8.1
Liquid price	USD/bbl	69.2	105.5	97.9	(7.1)	41.6	63.4	98.4	55.3
Total cost	USD/boe	29.4	28.8	28.8	0.1	(1.9)	28.2	28.0	(0.6)
Cash cost	USD/boe	13.6	15.5	14.5	(6.2)	6.5	12.4	14.3	15.0
Operating expenses	USD/boe	5.7	6.9	6.6	(4.1)	15.0	5.2	6.1	18.3
Exploration expenses	USD/boe	1.3	0.4	1.0	137.5	(27.5)	0.6	0.5	(7.3)
Petroleum royalties	USD/boe	3.4	4.2	3.9	(8.1)	12.8	3.4	4.1	20.2
SG&A	USD/boe	1.8	2.5	1.7	(32.8)	(6.7)	1.9	2.1	8.8
Depreciation, depletion & amortisation	USD/boe	15.8	13.3	14.3	7.4	(9.3)	15.8	13.7	(13.0)
Tax	USD/boe	8.7	15.2	12.0	(21.4)	38.0	7.1	13.4	88.7
Interest	USD/boe	1.4	1.5	1.4	(5.3)	5.2	1.3	1.4	6.7
Net profit	THB m	9,545	20,600	24,172	17.3	153.2	28,218	55,291	95.9
Core earnings	THB m	11,363	22,839	26,764	17.2	135.5	31,387	68,585	118.5

Sources: PTTEP; FSSIA estimates

Exhibit 3: 3Q22/9M22 net profit by segment (USD m)

	3Q21	2Q22	3Q22	Change		9M21	9M22	Change
	(USD m)	(USD m)	(USD m)	(q-q %)	(y-y %)	(USD m)	(USD m)	(y-y %)
Exploration and production	366	682	610	(10.6)	66.7	1,300	1,923	47.9
Southeast Asia	324	632	682	7.9	110.5	1,030	1,898	84.3
- Thailand	271	480	421	(12.3)	55.4	848	1,319	55.5
- Other Southeast Asia	53	152	261	71.7	392.5	182	579	218.1
Middle East	32	56	64	14.3	100.0	389	174	(55.3)
Australia	(1)	(1)	(31)	3,000.0	6,100.0	(2)	(33)	1,550.0
America	(2)	(4)	(96)	2,300.0	4,700.0	(150)	(107)	(28.7)
Africa	9	(6)	(10)	66.7	(211.1)	22	(19)	nm
Others	3	5	1	(80.0)	(66.7)	10	10	-
Head office and others	(74)	(82)	54	nm	nm	(410)	(341)	(16.8)
Total	292	600	664	10.7	127.4	890	1,582	77.8

Sources: PTTEP; FSSIA estimates

Exhibit 4: Key changes in assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	347,030	362,651	329,667	319,977	311,971	312,059	8.5	16.2	5.6
Gross profit	259,264	254,403	243,114	241,451	223,402	231,617	7.4	13.9	5.0
Operating profit	139,506	128,016	122,834	128,631	110,126	116,273	8.5	16.2	5.6
Net profit	74,864	66,545	67,123	54,880	51,174	54,146	36.4	30.0	24.0
EPS (THB/share)	18.86	16.76	16.91	13.82	12.89	13.64	36.4	30.0	24.0
Key assumptions									
Dubai oil price (USD/bbl)	100	90	100	100	90	90	0.0	0.0	11.1
Sales volume (boed)	468,890	468,390	498,040	471,890	468,390	498,040	(0.6)	0.0	0.0
ASP (USD/boe)	54.1	51.0	50.6	51.0	47.9	47.9	6.0	6.6	5.6
Gas price (USD/mmbtu)	6.3	5.6	5.5	5.6	5.5	5.5	12.5	1.8	0.0
Cost (USD/boe)	29.0	27.0	27.0	28.0	27.0	27.0	3.6	0.0	0.0

Sources: FSSIA estimates

We revise up our EPS forecasts in 2022-24 by 24-36% to reflect 1) our higher ASP assumption by 5.6-6.6% due to the higher-than-expected ASPs for gas in Malaysia; and 2) 1.8-12.5% higher expected gas prices in 2022-23 as a result of the lower proportion of gas produced from G1, whose selling price is 30% lower than the previous selling price under the old concession.

Financial Statements

PTT Explor & Prod

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	160,401	219,068	347,030	362,651	329,667
Cost of goods sold	(14,793)	(23,710)	(87,766)	(108,248)	(86,553)
Gross profit	145,607	195,358	259,264	254,403	243,114
Other operating income	-	-	-	-	-
Operating costs	(75,004)	(81,710)	(86,758)	(90,663)	(82,417)
Operating EBITDA	70,603	113,647	172,506	163,741	160,697
Depreciation	(26,100)	(28,118)	(33,000)	(35,725)	(37,863)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	44,503	85,530	139,506	128,016	122,834
Net financing costs	(5,987)	(7,253)	2,474	(2,033)	4,261
Associates	1,307	489	489	489	489
Recurring non-operating income	3,933	11,782	1,989	1,989	1,989
Non-recurring items	(1,021)	(9,667)	0	0	0
Profit before tax	41,428	80,392	143,969	127,971	129,083
Tax	(18,764)	(41,528)	(69,105)	(61,426)	(61,960)
Profit after tax	22,664	38,864	74,864	66,545	67,123
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	22,664	38,864	74,864	66,545	67,123
Non-recurring items & goodwill (net)	1,021	9,667	0	0	0
Recurring net profit	23,685	48,531	74,864	66,545	67,123
Per share (THB)					
Recurring EPS *	5.97	12.22	18.86	16.76	16.91
Reported EPS	5.71	9.79	18.86	16.76	16.91
DPS	4.25	6.25	12.04	10.70	10.79
Diluted shares (used to calculate per share data)	3,970	3,970	3,970	3,970	3,970
Growth					
Revenue (%)	(16.0)	36.6	58.4	4.5	(9.1)
Operating EBITDA (%)	(27.5)	61.0	51.8	(5.1)	(1.9)
Operating EBIT (%)	(38.4)	92.2	63.1	(8.2)	(4.0)
Recurring EPS (%)	(46.8)	104.9	54.3	(11.1)	0.9
Reported EPS (%)	(53.6)	71.5	92.6	(11.1)	0.9
Operating performance					
Gross margin inc. depreciation (%)	74.5	76.3	65.2	60.3	62.3
Gross margin of key business (%)	74.5	76.3	65.2	60.3	62.3
Operating EBITDA margin (%)	44.0	51.9	49.7	45.2	48.7
Operating EBIT margin (%)	27.7	39.0	40.2	35.3	37.3
Net margin (%)	14.8	22.2	21.6	18.3	20.4
Effective tax rate (%)	45.3	51.7	48.0	48.0	48.0
Dividend payout on recurring profit (%)	71.2	51.1	63.8	63.8	63.8
Interest cover (X)	8.1	13.4	(57.2)	63.9	(29.3)
Inventory days	248.2	186.5	67.7	63.8	77.8
Debtor days	58.4	33.7	50.0	75.9	76.7
Creditor days	475.6	621.6	247.0	144.3	65.2
Operating ROIC (%)	8.6	16.1	21.5	16.6	(10.3)
ROIC (%)	5.5	10.4	13.1	11.0	(6.8)
ROE (%)	6.7	12.6	17.5	14.6	14.0
ROA (%)	4.1	7.2	9.1	8.3	8.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Exploration and production	155,181	223,260	351,222	366,843	333,859
Pipeline	11,513	11,513	11,513	11,513	11,513
Others	2,875	2,875	2,875	2,875	2,875
Inter company eliminations	(9,168)	(18,579)	(18,579)	(18,579)	(18,579)

Sources: PTT Explor & Prod; FSSIA estimates

Financial Statements

PTT Explor & Prod

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	23,685	48,531	74,864	66,545	67,123
Depreciation	26,100	28,118	33,000	35,725	37,863
Associates & minorities	-	-	-	-	-
Other non-cash items	35,065	35,066	35,066	35,066	35,067
Change in working capital	21,694	(15,063)	(49,375)	5,012	8,355
Cash flow from operations	106,543	96,651	93,555	142,348	148,408
Capex - maintenance	-	-	-	-	-
Capex - new investment	(115,506)	(126,684)	(128,723)	(89,244)	(81,807)
Net acquisitions & disposals	176	457	838	1,301	1,301
Other investments (net)	1	0	0	0	0
Cash flow from investing	(115,329)	(126,227)	(127,885)	(87,943)	(80,506)
Dividends paid	(20,986)	(19,325)	(47,797)	(42,486)	(42,855)
Equity finance	0	0	0	0	0
Debt finance	3,457	(2,275)	7,259	10,000	(25,000)
Other financing cash flows	52,451	25,446	21,730	(47,872)	7,081
Cash flow from financing	34,923	3,846	(18,808)	(80,358)	(60,774)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	26,136	(25,730)	(53,138)	(25,953)	7,128
Free cash flow to firm (FCFF)	(830.97)	(23,104.35)	(27,539.67)	61,194.98	74,690.80
Free cash flow to equity (FCFE)	47,121.85	(6,405.02)	(5,340.98)	16,532.71	49,982.53

Per share (THB)

FCFF per share	(0.21)	(5.82)	(6.94)	15.41	18.81
FCFE per share	11.87	(1.61)	(1.35)	4.16	12.59
Recurring cash flow per share	21.37	28.14	36.00	34.59	35.28

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	1,100,534	1,255,645	1,384,368	1,473,612	1,555,419
Less: Accumulated depreciation	(805,044)	(875,338)	(957,838)	(1,047,150)	(1,141,807)
Tangible fixed assets (net)	295,491	380,307	426,530	426,462	413,612
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	13,523	14,408	13,596	12,783	11,971
Cash & equivalents	111,257	85,528	32,391	6,438	13,566
A/C receivable	23,752	16,715	78,375	72,530	65,933
Inventories	10,156	14,069	18,498	19,331	17,573
Other current assets	7,551	23,272	23,272	23,272	23,272
Current assets	152,716	139,584	152,537	121,571	120,344
Other assets	213,908	249,237	235,211	237,899	240,583
Total assets	675,637	783,536	827,873	798,715	786,510
Common equity	354,411	415,350	442,419	466,478	490,745
Minorities etc.	0	0	0	0	0
Total shareholders' equity	354,411	415,350	442,419	466,478	490,745
Long term debt	85,016	82,741	90,000	100,000	75,000
Other long-term liabilities	179,953	180,943	172,855	164,767	156,679
Long-term liabilities	264,969	263,684	262,855	264,767	231,679
A/C payable	31,356	49,398	69,406	16,187	14,715
Short term debt	13,208	13,208	13,208	13,208	13,208
Other current liabilities	11,693	41,897	39,986	38,075	36,164
Current liabilities	56,257	104,502	122,600	67,470	64,087
Total liabilities and shareholders' equity	675,637	783,536	827,873	798,715	786,510
Net working capital	(1,591)	(37,239)	10,754	60,871	55,899
Invested capital	521,330	606,713	686,090	738,015	722,065

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

Per share (THB)

Book value per share	89.27	104.62	111.44	117.50	123.61
Tangible book value per share	89.27	104.62	111.44	117.50	123.61

Financial strength

Net debt/equity (%)	(3.7)	2.5	16.0	22.9	15.2
Net debt/total assets (%)	(1.9)	1.3	8.6	13.4	9.5
Current ratio (x)	2.7	1.3	1.2	1.8	1.9
CF interest cover (x)	28.2	17.6	(48.9)	53.0	(29.9)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	29.1	14.2	9.2	10.4	10.3
Recurring P/E @ target price (x) *	33.4	16.3	10.6	11.9	11.8
Reported P/E (x)	30.4	17.7	9.2	10.4	10.3
Dividend yield (%)	2.4	3.6	6.9	6.2	6.2
Price/book (x)	1.9	1.7	1.6	1.5	1.4
Price/tangible book (x)	1.9	1.7	1.6	1.5	1.4
EV/EBITDA (x) **	9.6	6.2	4.4	4.9	4.8
EV/EBITDA @ target price (x) **	11.0	7.0	5.0	5.5	5.4
EV/invested capital (x)	1.3	1.2	1.1	1.1	1.1

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

Sources: PTT Explor & Prod; 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	SEAFECO	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	PPP	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	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	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
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	WIKK
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

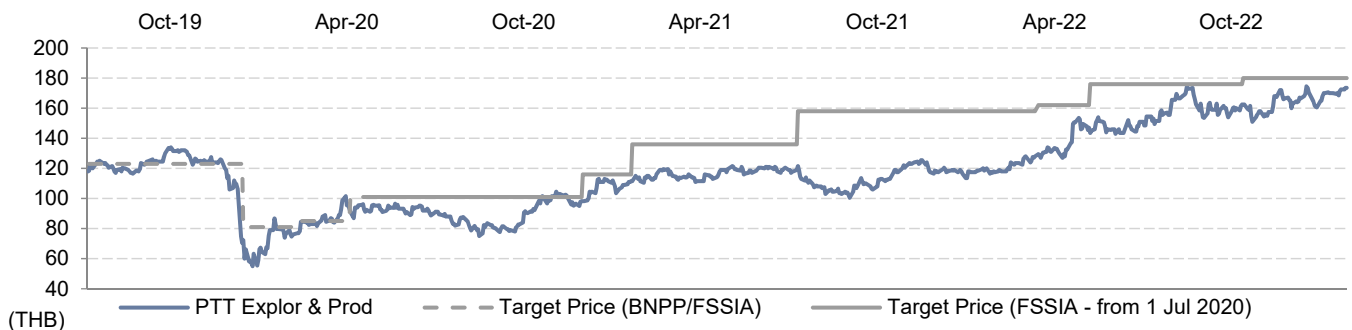
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Oct-2019	HOLD	123.00	12-Jun-2020	BUY	101.00	28-Jan-2022	BUY	162.00
11-Mar-2020	HOLD	81.00	30-Dec-2020	BUY	116.00	16-Mar-2022	BUY	176.00
26-Mar-2020	BUY	81.00	11-Feb-2021	BUY	136.00	27-Jul-2022	BUY	180.00
30-Apr-2020	BUY	85.00	05-Jul-2021	BUY	158.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
PTT Explor & Prod	PTTEP TB	THB 173.50	BUY	Risks our TP, which is based on EV/EBITDA, are a sharp decline in oil price and a potential earnings downside from government intervention.

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 26-Oct-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.