EQUITY RESEARCH - COMPANY REPORT

BANGKOK AVIATION FUEL SERVICES   BAFS TB
THAILAND / ENERGY

BUY
UNCHANGED

TARGET PRICE	**THB37.00**
CLOSE	**THB32.25**
UP/DOWNSIDE	**+14.7%**
PRIOR TP	**THB35.00**
CHANGE IN TP	**+5.7%**
TP vs CONSENSUS	**+5.7%**

คาดว่าจะขาดทุนสุทธิอีกใน 4Q22

- เราคาดว่า BAFS จะฟื้นตัวอย่างมีนัยสำคัญตั้งแต่ 1Q23 เป็นต้นไปจากการฟื้นตัวของความต้องการและอัตรากำไรขั้นต้น (GPM) ที่ดีขึ้นในธุรกิจเชื้อเพลิง
- เราคาดว่า BAFS จะขาดทุนสุทธิใน 4Q22 โดยน่าจะอยู่ที่ 31 ลบ. ดีขึ้นจากที่เคยขาดทุนสุทธิ 43 ลบ. ใน 3Q22
- คงแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 37 บาทจาก 35 บาท

แนวโน้มที่ดีขึ้นรออยู่ข้างหน้า

ปัจจุบันเรามีความมั่นใจในแนวโน้มการเติบโตของกำไรสุทธิของ BAFS มากยิ่งขึ้นจากแนวโน้มการเติบโตที่ดีขึ้นมาก โดยเราคาดว่ากำไรจะฟื้นตัวอย่างมีนัยสำคัญตั้งแต่ 1Q23 เป็นต้นไปจาก 1) การฟื้นตัวของความต้องการสำหรับบริการอากาศยานของ BAFS ตามการเปิดเศรษฐกิจและตัวเลขเที่ยวบินในประเทศที่สูงขึ้นหลังการกลับมาของเที่ยวบินต่างประเทศ; 2) อัตรากำไรขั้นต้นที่ดีขึ้นในธุรกิจเติมเชื้อเพลิง; และ 3) ส่วนแบ่งกำไรสุทธิที่ยั่งยืนจากโรงไฟฟ้าพลังแสงอาทิตย์

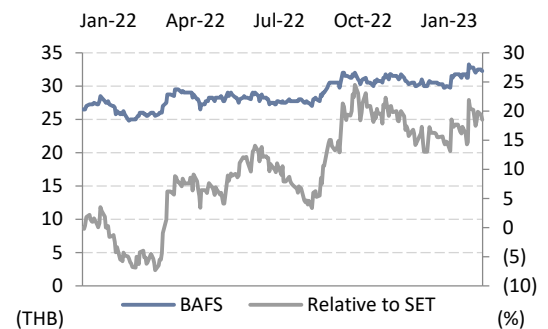### ปริมาณขายในธุรกิจการบินค่อย ๆ ปรับตัวขึ้นสู่ระดับก่อนโควิด

BAFS รายงานปริมาณขายที่ดีขึ้นในธุรกิจให้บริการอากาศยานหลังประเทศไทยกลับมาเปิดให้บริการเที่ยวบินทั้งในและต่างประเทศ เราได้เห็นความต้องการเติมเชื้อเพลิงอากาศยานปรับตัวดีขึ้นจาก 2.2ล้านลิตรต่อวัน (mlpd) ใน 2Q20 เป็น 8.8mlpd ใน 3Q22 และคาดว่าปริมาณการเติมเชื้อเพลิงจะเพิ่มเป็น 10.9mlpd ใน 4Q22 เราคาดว่าจุดคุ้มทุนทางการเงินของ BAFS หลังการปรับลดเงินเดือนและสวัสดิการพนักงานอื่น ๆ อยู่ที่ 10.3mlpd ในขณะที่ธุรกิจของบริษัทฯ น่าจะค่อย ๆ ฟื้นตัวสู่ระดับก่อนโควิดที่ 15mlpd ในปี 2023 จากจำนวนเที่ยวบินที่เพิ่มขึ้นหลังจีนกลับมาเปิดพรมแดน

การดำเนินงานดีขึ้น แต่ต้นทุนก็เพิ่มขึ้นด้วย

เราคาดว่า BAFS จะขาดทุนสุทธิใน 4Q22 โดยคาดว่าจะอยู่ที่ 31 ลบ. ดีขึ้นจากที่เคยขาดทุนสุทธิ 43 ลบ. ใน 3Q22 จากปริมาณเติมเชื้อเพลิงที่สูงขึ้น y-y จากการเพิ่มของตัวเลขเที่ยวบิน โดยมีตัวการสำคัญอยู่ที่ค่าเสื่อมและค่าดอกเบี้ยที่อยู่ในระดับสูงจากโครงการท่อขนส่งเชื้อเพลิงสายเหนือ (The North Fuel Pipeline Transportation project หรือ NFPT) อันมีมูลค่า 11พันลบ. นอกจากนี้ BAFS จะกลับมาจ่ายเงินเดือนเต็มจำนวนและให้สวัสดิการพนักงานอื่น ๆ ใน 4Q22 หลังได้ปรับลดไปจากสถานการณ์การแพร่ระบาดไวรัสโควิด

คงแนะนำซื้อหลังปรับเพิ่มราคาเป้าหมายเป็น 37 บาท

เราปรับเพิ่มราคาเป้าหมายจาก 35 เป็น 37 บาท (SoTP) เพื่อสะท้อนประมาณการกำไรต่อหุ้นปี 2023 ที่สูงขึ้น 3.6% สำหรับในปี 2022 เราปรับลดสมมติฐานกำไรปกติต่อหุ้นเป็นติดลบ 0.43 บาทจากค่าใช้จ่ายการขายและการบริหารที่สูงเกินคาดและสมมติฐานอัตรากำไรจากการเติมเชื้อเพลิงอากาศยานที่สนามบินสุวรรณภูมิและดอนเมืองที่ลดลง 3% อย่างไรก็ดีเราปรับเพิ่มประมาณการอัตรากำไรจากการเติมเชื้อเพลิงอากาศยานที่สนามบินดอนเมืองขึ้น 2% ในปี 2023 เราเชื่อว่าผลประกอบการของ BAFS น่าจะพลิกเป็นกำไรได้ในขณะที่ปริมาณการเติมเชื้อเพลิงอากาศยานเพิ่มเป็น 13-15mlpd ภายในปี 2023

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	1,617	2,216	3,450	3,868
Net profit	(785)	(271)	409	790
EPS (THB)	(1.23)	(0.43)	0.64	1.24
vs Consensus (%)	-	nm	(11.5)	(23.3)
EBITDA	324	1,004	1,657	2,033
Core net profit	(785)	(271)	409	790
Core EPS (THB)	(1.23)	(0.43)	0.64	1.24
Chg. In EPS est. (%)	nm	nm	3.6	0.0
EPS growth (%)	nm	nm	nm	93.1
Core P/E (x)	(26.2)	(75.8)	50.3	26.0
Dividend yield (%)	-	-	0.8	1.5
EV/EBITDA (x)	109.1	32.4	18.9	14.7
Price/book (x)	4.3	4.3	3.9	3.4
Net debt/Equity (%)	208.2	169.0	140.1	111.5
ROE (%)	(15.2)	(5.7)	8.2	13.9

Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.5	4.9	19.4
Relative to country (%)	3.3	(0.8)	16.4
Mkt cap (USD m)			626
3m avg. daily turnover (USD m)			0.9
Free float (%)			45
Major shareholder			RATCH Group PCL (16%)
12m high/low (THB)			33.25/24.10
Issued shares (m)			637.50

Sources: Bloomberg consensus; FSSIA estimates
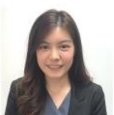
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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 25 มกราคม 2023

Investment thesis

We are now more positive on BAFS' net profit growth outlook and expect stronger growth momentum in 2023-24, driven by 1) the recovery in demand for jet fuel via its aviation refuelling services from both domestic and international flights; 2) the earnings from its solar farms; and 3) rising oil sales volumes for its two oil pipeline networks. Given the economic recovery, we expect to see aviation refuelling demand gradually rise to the pre-Covid level and toward 13-15mlpd by 2023.

Company profile

BAFS provides aviation fuel storage and refuelling system services at five airports. Its main subsidiary is a pipeline transportation company, and it has recently ventured into the renewable energy sector by acquiring solar power plants.

www.bafsthai.com

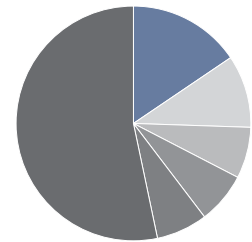## Principal activities (revenue, 2021)

- ■ Aviation refuelling - 77.6 %
- ■ Fuel transportation (FPT) - 3.4 %
- ■ Solar powerplants - 19.0 %
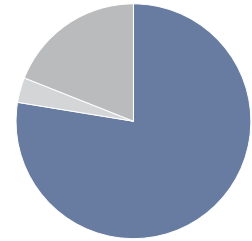
Source: Bangkok Aviation Fuel Services

Major shareholders

- ■ RATCH Group PCL - 15.5 %
- ■ Bangkok Airways PCL - 10.0 %
- ■ PTT Oil and Retail Business PCL - 7.1 %
- ■ Thai Airways International PCL - 7.1 %
- ■ The Shell Company of Thailand Limited - 7.1 %

Source: Bangkok Aviation Fuel Services

Catalysts

1) A recovery in tourism and jet fuel demand;

2) The completion of the Northern Fuel Pipeline Transportation Project (NFPT) phase 2, which will cover a wider area and capture more market share;

3) A substantial amount of revenue from its solar power plants.

Risks to our call

Downside risks to our SoTP-based target price include a slower-than-expected vaccination rate, leading to a slower tourism recovery, and uncertainty in fuel volume demand in the north which could lead to volatility in Fuel Pipeline Transportation Limited (FPT)'s income.

Event calendar

Date	Event
Feb 2023	4Q22/2022 results announcement

Key assumptions

	2022E	2023E	2024E
BKK refuelling volume (m litres)	2,614	4,182	5,228
DMK refuelling volume (m litres)	353	990	1,079
NFPT volume (m litres)	430	516	619
BKK into-plane fuelling - operating margin (%)	45	48	50
DMK into-plane fuelling - operating margin (%)	45	50	60

Source: FSSIA estimates

Earnings sensitivity

- ▪ For every 10% increase in refuelling volume for both airports, we project 2023 earnings to rise by 5.2%, and vice versa, all else being equal.

- ▪ For every 10% increase in FPT and NFPT's volume, we project 2023 earnings to rise by 1.8%, and vice versa, all else being equal.

Source: FSSIA estimates

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Stronger operations, but higher costs in 4Q22

We are now more positive on BAFS' net profit growth outlook and expect much stronger growth momentum. We expect BAFS's earnings to recover significantly in 1Q23 onward, backed by 1) a recovery in demand for BAFS' aviation services due to the economic reopening and the higher number of domestic flights as international flights return; 2) the improving gross profit margin of its refuelling business; and 3) sustainable net profit contributions from its solar power plants.

Exhibit 1: Aviation fuel volume per day
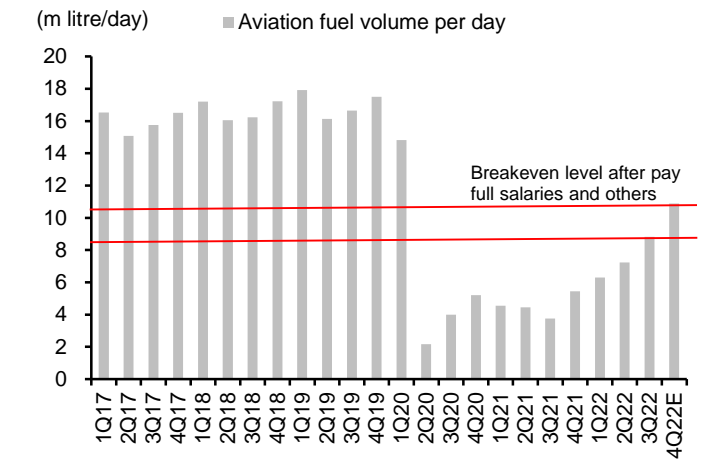
Source: BAFS

Exhibit 2: Number of flights serviced
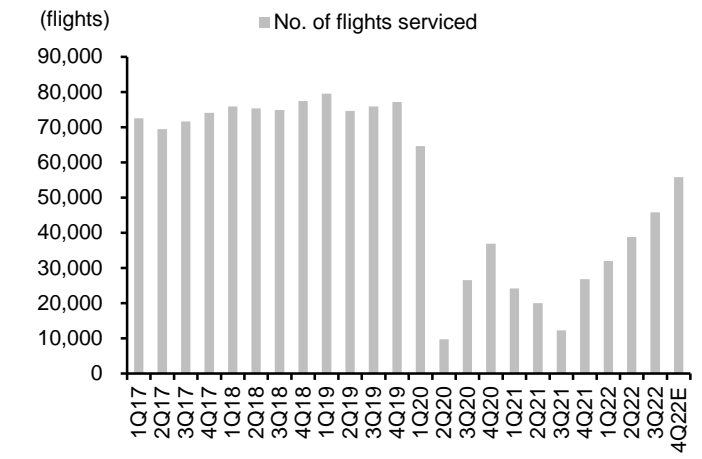
Source: BAFS

BAFS has seen improving sales volumes for its aviation services as Thailand reopens to both domestic and international flights, including into-plane fuelling, hydrant systems, and fuel storage. We see that the refuelling demand for jet fuel has improved from 2.2m litres per day (mlpd) in 2Q20 to 8.8mlpd in 3Q22. We estimate that BAFS' financial breakeven point is 8.3mlpd before the return of full salaries and other employee benefits as aviation services reported a net profit contribution of THB73m in 3Q22.

Exhibit 3: Aviation fuel volume – Suvarnabhumi Airport
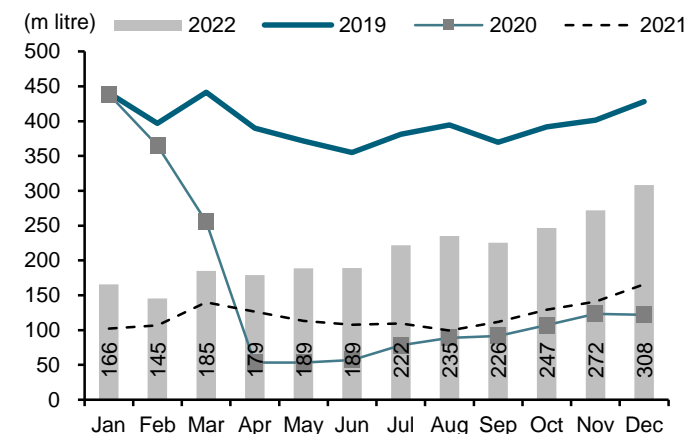
Source: BAFS

Exhibit 4: Aviation fuel volume – Don Mueang Airport

Source: BAFS

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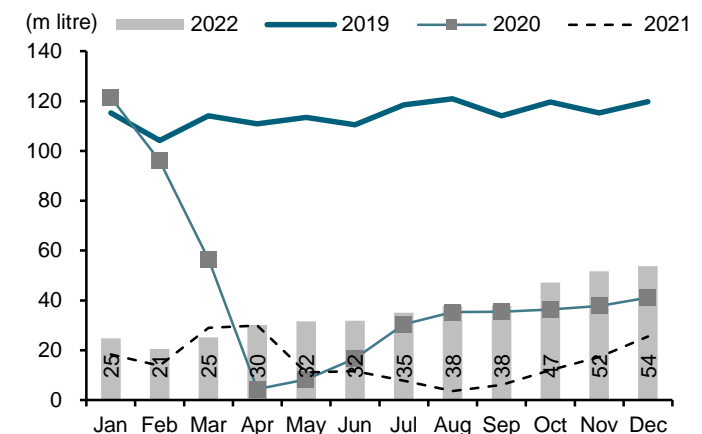
We expect BAFS to report a THB31m NL in 4Q22, up from a NL of THB43m in 4Q22, supported by a higher y-y refuelling volume for jet fuel as the number of flights has increased. The key culprits for the NLs are the high depreciation and interest expenses from the THB11b North Fuel Pipeline Transportation project (NFPT). On top of that, BAFS will be back to paying full salaries and other employee benefits in 4Q22 after cutting back during the Covid-19 lockdowns.

We expect refuelling volumes to rise to 10.9mlpd in 4Q22, which is higher than BAFS' financial breakeven point of 10.3mlpd following cuts to salaries and other employee benefits, and gradually recover to the pre-Covid level of 15mlpd in 2023 as flight numbers rise on China's proposed reopening.

Exhibit 5:   Summary of 4Q22/2022 operations

	4Q21	3Q22	-------------------- 4Q22E----------------------			2021	2022E	*Change*
	(THB m)	(THB m)	(THB m)	*(q-q%)*	*(y-y%)*	(THB m)	(THB m)	*(y-y%)*
Revenue	467	568	749	*31.9*	*60.2*	1,617	2,216	*37.0*
Operating costs	(350)	(294)	(263)	*(10.6)*	*(24.9)*	(1,293)	(1,212)	*(6.2)*
EBITDA	117	273	485	*77.6*	*314.8*	324	1,004	*209.4*
EBITDA margin (%)	*25.0*	*48*	*64.8*	*nm*	*nm*	*20.1*	*45*	*nm*
Depn & amort.	(291)	(229)	(202)	*(11.9)*	*(30.8)*	(972)	(877)	*(9.8)*
EBIT	(174)	44	284	*539.9*	*(262.6)*	(648)	127	*(119.6)*
Interest expense	(121)	(135)	(185)	*36.4*	*52.8*	(425)	(588)	*38.3*
Interest & invt inc	4	19	(55)	*nm*	*nm*	0	0	*nm*
Other income	18	16	(46)	*(392.1)*	*(351.1)*	62	80	*29.7*
Associates' contrib	(2)	(2)	3	*nm*	*nm*	(9)	0	*nm*
Exceptionals	0	0	(50)	*n/a*	*n/a*	0	0	*#DIV/0!*
Pretax profit	**(276)**	**(59)**	**(49)**	*(17.2)*	*(82.3)*	**(1,020)**	**(381)**	*(62.6)*
Tax	2	(10)	(3)	*(69.0)*	*(279.0)*	136	10	*(92.7)*
Tax rate (%)	*1*	*(17)*	*(6)*	*nm*	*nm*	*13*	*3*	*nm*
Minority interests	0	26	21	*nm*	*nm*	99	100	*0.5*
Net profit	**(274)**	**(43)**	**(31)**	*(28.8)*	*(88.7)*	**(785)**	**(271)**	*(65.4)*
Core net profit	**(274)**	**(43)**	**(31)**	*(28.8)*	*(88.7)*	**(785)**	**(271)**	*(65.4)*
EPS (THB)	(0.43)	(0.07)	(0.05)	*(28.8)*	*(88.7)*	(1.23)	(0.43)	*(65.4)*
Core EPS (THB)	(0.43)	(0.07)	(0.05)	*(28.8)*	*(88.7)*	(1.23)	(0.43)	*(65.4)*

Sources: BAFS; FSSIA estimates

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EPS and target price revisions

We maintain BUY and raise our SoTP-based target price from THB35 to THB37 to reflect our 3.6% higher core EPS estimate for 2023. However, for 2022, we cut our core EPS to a negative THB0.43 due to the higher-than-expected SG&A expenses in 2022. We trim our BKK and DMK into-plane fuelling operating margin assumption by 3% in 2022 but raise our DMK into-plane fuelling operating margin by 2% for 2023.

We believe that in 2023 onward, BAFS' net profit is likely to turn around and should see much stronger growth momentum in 2023-24 as we project the volume of its aviation refuelling service to rise to near the pre-Covid level of 15mlpd by 2023.

Exhibit 6: Key changes in assumptions

	------------------ Current ------------------			----------------- Previous -----------------			----------------- Change ---------------		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	2,216	3,450	3,868	2,216	3,450	3,868	0.0	0.0	0.0
Gross profit	1,476	2,381	2,807	1,519	2,315	2,807	(2.8)	2.9	0.0
Operating profit	127	923	1,356	228	881	1,356	(44.3)	4.8	0.0
Core net profit	(271)	409	775	(137)	395	790	nm	3.6	0.0
Core EPS (THB/shr)	(0.43)	0.64	1.22	(0.21)	0.62	1.24	nm	3.6	0.0
Key assumptions									
BKK refuelling volume (m Litres)	2,614	4,182	5,228	2,614	4,182	5,228	0.0	0.0	0.0
DMK refuelling volume (m Litres)	353	990	1,079	353	990	1,079	0.0	0.0	0.0
NFPT volume (m Litres)	430	516	619	430	516	619	0.0	0.0	0.0
BKK into-plane fuelling - operating margin (%)	45	48	50	48	48	50	(3.0)	0.0	0.0
DMK into-plane fuelling - operating margin (%)	45	50	60	48	48	60	(3.0)	2.0	0.0

Sources: FSSIA estimates

Exhibit 7: SoTP valuation

	Solar	FPT	Comments
	(%)	(%)	
Risk-free rate	2.3	2.3	
Market risk premium	8.5	6.2	
Stock beta	0.8	0.8	
Cost of equity, Ke	13	8	
Weight applied (Equity)	30	36	
Pretax cost of debt	4	4	Higher interest rate for solar due to funding cost for acquisition
Marginal tax rate	20	20	
Net cost of debt, Kd	3	3	
Weight applied (Debt)	70	65	
WACC	5.99	4.92	
SoTP valuation	**(THB m)**	**(THB/share)**	**Comments**
Aviation business	25,255	39.6	Using average 25x P/E ratio of the aviation refuelling industry
Solar power plant	3,566	5.6	Risk-free rate 2.3%; Risk premium 8.5%; WACC 5.99%
FPT	3,928	6.2	Risk-free rate 2.3%; Risk premium 6.2%; WACC 4.92%
Net debt	(9,280)	(14.6)	At end-2023E
Total	**23,470**	**37.0**	
Number of shares (m shares)	637.5		At end-2023E

Sources: FSSIA estimates

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Financial Statements
Bangkok Aviation Fuel Services

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	1,804	1,617	2,216	3,450	3,868
Cost of goods sold	(735)	(543)	(740)	(1,069)	(1,061)
Gross profit	**1,070**	**1,075**	**1,476**	**2,381**	**2,807**
Other operating income	-	-	-	-	-
Operating costs	(589)	(750)	(472)	(725)	(774)
Operating EBITDA	**481**	**324**	**1,004**	**1,657**	**2,033**
Depreciation	(794)	(972)	(877)	(734)	(677)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**(313)**	**(648)**	**127**	**923**	**1,356**
Net financing costs	(281)	(425)	(588)	(646)	(639)
Associates	(2)	(9)	0	0	0
Recurring non-operating income	88	52	80	80	80
Non-recurring items	0	0	0	0	0
Profit before tax	**(507)**	**(1,020)**	**(381)**	**357**	**797**
Tax	88	136	10	(48)	(107)
Profit after tax	**(419)**	**(884)**	**(371)**	**309**	**690**
Minority interests	45	99	100	100	100
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**(374)**	**(785)**	**(271)**	**409**	**790**
Non-recurring items & goodwill (net)	**0**	**0**	**0**	**0**	**0**
Recurring net profit	**(374)**	**(785)**	**(271)**	**409**	**790**
Per share (THB)					
Recurring EPS *	(0.59)	(1.23)	(0.43)	0.64	1.24
Reported EPS	(0.59)	(1.23)	(0.43)	0.64	1.24
DPS	0.00	0.00	0.00	0.26	0.50
Diluted shares (used to calculate per share data)	637	637	637	637	637
Growth					
Revenue (%)	(53.4)	(10.4)	37.0	55.7	12.1
Operating EBITDA (%)	(75.8)	(32.5)	209.4	65.0	22.7
Operating EBIT (%)	nm	nm	nm	627.2	47.0
Recurring EPS (%)	nm	nm	nm	nm	93.1
Reported EPS (%)	nm	nm	nm	nm	93.1
Operating performance					
Gross margin inc. depreciation (%)	15.3	6.3	27.0	47.7	55.1
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	26.6	20.1	45.3	48.0	52.6
Operating EBIT margin (%)	(17.4)	(40.0)	5.7	26.7	35.1
Net margin (%)	(20.7)	(48.5)	(12.2)	11.9	20.4
Effective tax rate (%)	17.4	13.5	13.5	13.5	13.5
Dividend payout on recurring profit (%)	-	-	-	40.0	40.0
Interest cover (X)	(0.8)	(1.4)	0.4	1.6	2.2
Inventory days	23.2	31.3	19.8	10.7	11.0
Debtor days	55.3	44.1	46.4	43.4	54.3
Creditor days	113.8	145.0	126.3	106.5	130.5
Operating ROIC (%)	(1.8)	(3.1)	0.6	4.8	7.3
ROIC (%)	(1.1)	(2.3)	0.8	4.0	5.9
ROE (%)	(6.2)	(15.2)	(5.7)	8.2	13.9
ROA (%)	(1.1)	(2.5)	0.4	3.4	4.7
* Pre-exceptional, pre-goodwill and fully diluted					

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Aviation refuelling	1,203	1,255	1,492	2,626	2,950
Fuel transportation (FPT)	566	56	161	194	279
Solar powerplants	35	307	563	630	640

Sources: Bangkok Aviation Fuel Services; FSSIA estimates

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Financial Statements
Bangkok Aviation Fuel Services

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(374)	(785)	(271)	409	790
Depreciation	794	972	877	734	677
Associates & minorities	(9)	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(796)	(1,478)	2,558	172	(112)
Cash flow from operations	**(385)**	**(1,290)**	**3,165**	**1,315**	**1,355**
Capex - maintenance	(516)	(500)	(496)	(453)	(410)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(44)	(269)	325	311	425
Other investments (net)	0	0	0	0	0
Cash flow from investing	**(560)**	**(769)**	**(171)**	**(142)**	**14**
Dividends paid	(650)	0	0	(61)	(221)
Equity finance	0	0	0	0	0
Debt finance	2,111	4,019	(1,437)	1,000	0
Other financing cash flows	(1,749)	(2,202)	(205)	53	10
Cash flow from financing	**(288)**	**1,817**	**(1,642)**	**992**	**(211)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(1,234)**	**(243)**	**1,351**	**2,165**	**1,159**
Free cash flow to firm (FCFF)	(664.53)	(1,634.39)	3,581.52	1,818.86	2,008.62
Free cash flow to equity (FCFE)	(583.42)	(242.81)	1,351.42	2,225.92	1,379.32

Per share (THB)					
FCFF per share	(1.04)	(2.56)	5.62	2.85	3.15
FCFE per share	(0.92)	(0.38)	2.12	3.49	2.16
Recurring cash flow per share	0.64	0.29	0.95	1.79	2.30

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	21,718	21,718	21,809	21,900	21,991
Less: Accumulated depreciation	(7,651)	(5,291)	(5,784)	(6,420)	(7,113)
Tangible fixed assets (net)	**14,066**	**16,427**	**16,025**	**15,480**	**14,878**
Intangible fixed assets (net)	**1,334**	**1,589**	**1,589**	**1,589**	**1,589**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	133	402	402	402	402
Cash & equivalents	805	562	1,914	4,079	5,238
A/C receivable	159	232	332	488	662
Inventories	43	50	30	32	32
Other current assets	893	2,627	77	119	134
Current assets	**1,900**	**3,471**	**2,353**	**4,718**	**6,066**
Other assets	2,033	2,759	2,759	2,759	2,759
Total assets	**19,466**	**24,647**	**23,127**	**24,947**	**25,693**
Common equity	5,493	4,806	4,735	5,283	6,052
Minorities etc.	1,274	1,569	1,469	1,369	1,269
Total shareholders' equity	**6,767**	**6,376**	**6,204**	**6,652**	**7,321**
Long term debt	9,396	12,496	12,000	13,000	13,000
Other long-term liabilities	2,640	3,858	3,858	3,858	3,858
Long-term liabilities	**12,036**	**16,354**	**15,858**	**16,858**	**16,858**
A/C payable	162	269	243	381	378
Short term debt	422	1,341	400	400	400
Other current liabilities	78	308	422	656	736
Current liabilities	**662**	**1,918**	**1,065**	**1,437**	**1,514**
Total liabilities and shareholders' equity	**19,466**	**24,647**	**23,127**	**24,947**	**25,693**
Net working capital	855	2,333	(226)	(398)	(286)
Invested capital	18,421	23,509	20,548	19,831	19,341

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

Per share (THB)					
Book value per share	8.62	7.54	7.43	8.29	9.49
Tangible book value per share	6.52	5.05	4.94	5.79	7.00
Financial strength					
Net debt/equity (%)	133.2	208.2	169.0	140.1	111.5
Net debt/total assets (%)	46.3	53.9	45.3	37.4	31.8
Current ratio (x)	2.9	1.8	2.2	3.3	4.0
CF interest cover (x)	(1.1)	0.4	3.3	4.4	3.2

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	**(54.9)**	**(26.2)**	**(75.8)**	**50.3**	**26.0**
Recurring P/E @ target price (x) *	**(63.0)**	**(30.1)**	**(87.0)**	**57.7**	**29.9**
Reported P/E (x)	(54.9)	(26.2)	(75.8)	50.3	26.0
Dividend yield (%)	-	-	-	0.8	1.5
Price/book (x)	3.7	4.3	4.3	3.9	3.4
Price/tangible book (x)	4.9	6.4	6.5	5.6	4.6
EV/EBITDA (x) **	64.2	109.1	32.4	18.9	14.7
EV/EBITDA @ target price (x) **	70.5	118.4	35.4	20.7	16.2
EV/invested capital (x)	1.7	1.5	1.6	1.6	1.6

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

Sources: Bangkok Aviation Fuel Services; FSSIA estimates

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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:
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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

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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)

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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

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**Siriluck Pinthusoonthorn FSS International Investment Advisory Securities Co., Ltd**

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History of change in investment rating and/or target price

Bangkok Aviation Fuel Services (BAFS TB)
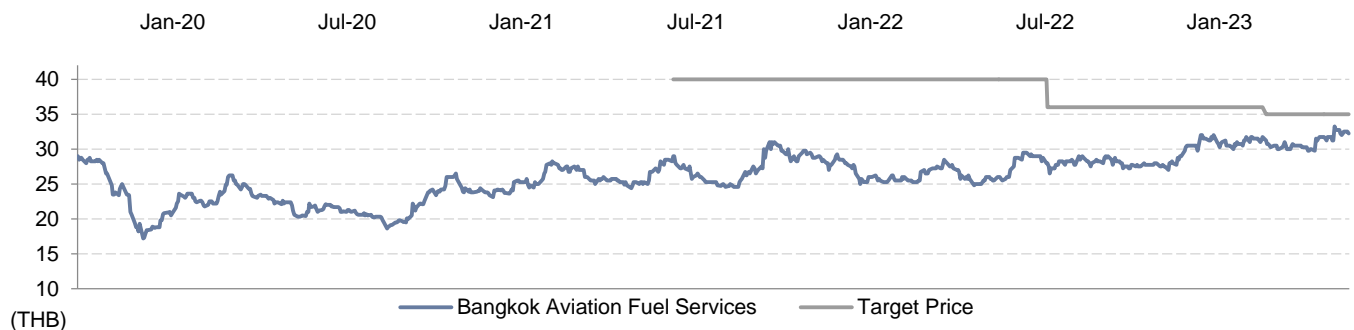
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jun-2021	BUY	40.00	09-May-2022	BUY	36.00	11-Nov-2022	BUY	35.00

Siriluck Pinthusoonthorn started covering this stock from 11-Nov-2022

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Aviation Fuel Services	BAFS TB	THB 32.25	BUY	Downside risks to our SoTP-based target price include a slower-than-expected vaccination rate, leading to a slower tourism recovery, and uncertainty in the fuel volume demand in the north which could lead to volatility in Fuel Pipeline Transportation Limited (FPT)'s income.

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 24-Jan-2023 unless otherwise stated.

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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.

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