

PTT OIL AND RETAIL BUSINESS

THAILAND / ENERGY

OR TB

BUY

UNCHANGED

TARGET PRICE	THB26.00
CLOSE	THB22.40
UP/DOWNSIDE	+16.1%
PRIOR TP	THB28.00
CHANGE IN TP	-7.1%
TP vs CONSENSUS	-7.9%

Expect a hiccup in 4Q22

- We project OR to post a 4Q22 core net loss of THB0.3b, sharply dropping from net profits of THB1.9b in 4Q21 & THB0.8b in 3Q22.
- Key factors would be 1) a q-q drop in MM; 2) lower sales volumes for Café Amazon; and 3) a q-q drop in non-oil EBITDA margin.
- Maintain BUY but trim TP to THB26.

Weak 4Q22E earnings due to a q-q lower margin

We project OR to post a 4Q22 core net loss of THB0.3b, sharply dropping from profits of THB1.9b in 4Q21 and THB0.8b in 3Q22, excluding a stock loss of THB1.1b. Based on our estimates, the key factors would be 1) a q-q drop in the marketing margin (MM) for its oil station business to THB0.45/litre in 4Q22 from THB0.68/litre in 3Q22; 2) lower sales volumes for Café Amazon; and 3) a q-q drop in the non-oil EBITDA margin due to higher raw material and advertisement costs.

Import costs and oil fund expenses pressured mobility margin

In 4Q22, we project the oil unit to post a weak net profit, dragged down by a weaker MM, mainly from 1) the impact of the increased Oil Fuel Fund expense, as the government sought to reduce the financial strain from the oil fund's negative balance; and 2) the high imported diesel and gasoline costs from overseas on the tight supply from the maintenance shutdown of two major refineries in 4Q22. However, this should be partly offset by a q-q higher sales volume for retail oil stations, due to the strong demand for travel, and a q-q higher sales volume for the commercial segment, driven by a higher jet sales volume following the reopening of the economy, the resumption of tourism, and OR's oil station expansion. In 4Q22, OR added 49 new stations and 179 EV charging stations.

Softer volume and margin from non-oil

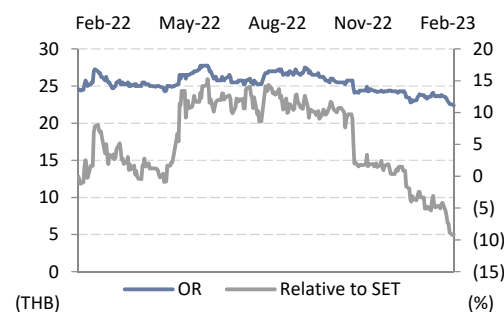
Café Amazon should see a q-q dip in its cups sold – we estimate to 90m cups in 4Q22 (-3% q-q, +3% y-y) from 93m cups in 3Q22 – due to the impact of the higher selling price of THB5/cup. Meanwhile, we expect EBITDA from non-oil to drop to 21% in 4Q22, down from 22.9% in 3Q22, due to higher raw material and advertisement costs. In 4Q22, OR added 110 new Café Amazon outlets and 50 new convenience stores.

Maintain BUY but trim TP to THB26

Maintain BUY but trim our SoTP-TP from THB28 to THB26 to reflect our 2022-24E EPS cuts by 2%-11% on the weaker-than-expected gross margin for the mobility business due to the government's unclear oil fund policy. However, we think OR remains an attractive investment choice as a leading company in F&B, CVS, retail oil stations, and jet fuel – all being good proxies for Thailand's economic reopening and tourism recovery.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	511,799	792,957	758,669	776,097
Net profit	11,780	10,609	12,539	13,889
EPS (THB)	0.98	0.88	1.04	1.16
vs Consensus (%)	-	(18.8)	(8.0)	(5.0)
EBITDA	17,195	16,486	21,210	24,990
Core net profit	11,780	10,609	12,539	13,889
Core EPS (THB)	0.98	0.88	1.04	1.16
Chg. In EPS est. (%)	-	(10.0)	(10.6)	(2.2)
EPS growth (%)	(11.3)	(9.9)	18.2	10.8
Core P/E (x)	22.8	25.3	21.4	19.4
Dividend yield (%)	2.1	2.5	2.2	2.2
EV/EBITDA (x)	13.8	15.1	12.1	10.1
Price/book (x)	2.7	2.6	2.4	2.3
Net debt/Equity (%)	(31.9)	(19.7)	(11.8)	(13.4)
ROE (%)	17.1	10.4	11.7	12.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.9)	(7.1)	(8.9)
Relative to country (%)	(6.0)	(10.5)	(10.2)
Mkt cap (USD m)	8,132		
3m avg. daily turnover (USD m)	13.7		
Free float (%)	62		
Major shareholder	PTT (75%)		
12m high/low (THB)	28.00/22.30		
Issued shares (m)	12,000.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

In 2020, OR's net profit weakened due to the impact of Covid-19, which resulted in lower demand for both oil and non-oil products at its retail and wholesale channels. We expect OR's EBITDA margin from the non-oil business to improve markedly in 2022 onward, driven by its three growth strategies: 1) the expansion of its fuel stations in Thailand; 2) growth in its non-oil food and beverage (F&B) businesses, particularly its Café Amazon outlets, and the number of convenience store outlets; 3) lower operating costs for mixing and logistics; and 4) the expansion of its overseas presence in new and existing markets to leverage OR's core business value of being a one-stop shop with a "Living Community" concept.

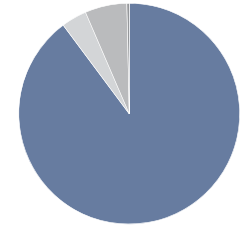
Company profile

OR is a leading gas station operator whose station network is mostly located in Thailand. It also has an overseas presence. The non-oil business of OR has increasingly contributed higher net profits, led by its in-house coffee brand, Café Amazon. Other products it sells include jet fuel, lube, asphalt and other petroleum products.

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Principal activities (revenue, 2021)

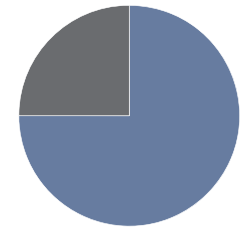
- Oil business - 89.8 %
- Non-oil business - 3.7 %
- International business - 6.1 %
- Others - 0.3 %



Source: PTT Oil and Retail Business

Major shareholders

- PTT - 75.0 %
- Others - 25.0 %



Source: PTT Oil and Retail Business

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
Feb 2023	4Q22/2022 results announcement

Key assumptions

	2022E	2023E	2024E
Sales volume - retail (m litres)	13,714	14,795	15,034
Sales volume - commercial (m litres)	13,172	13,378	13,428
Sales volume - international (m litres)	1,999	2,299	2,644
Sales volume - domestic (m litres)	26,886	28,173	28,462
Oil stations in Thailand (stations)	2,160	2,250	2,250
Gross profit margin for mobility business	4.0	5.0	5.2
Amazon cups sold in Thailand (m cups)	351	396	441
Revenue per ticket (THB/ticket)	63	67	67
Average oil price per litre	29	26	26

Source: FSSIA estimates

Earnings sensitivity

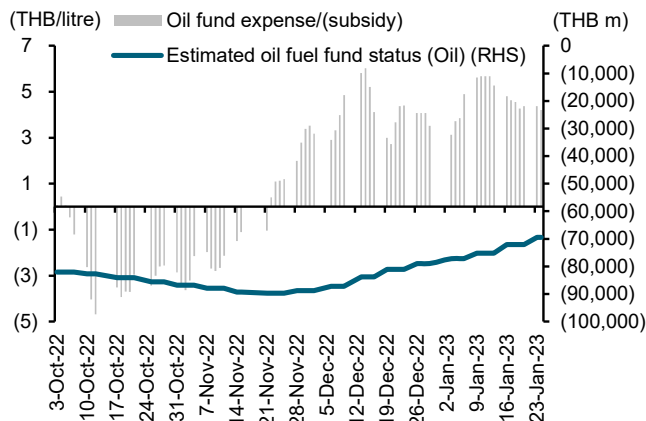
- For every 1% increase in marketing margin, we estimate 2023 earnings would rise by 3.8%, and vice versa, all else being equal.
- For every 1% increase in the number of cups sold for Café Amazon, we estimate 2023 earnings would rise by 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates

A hiccup in 4Q22, a recovery in 1Q23

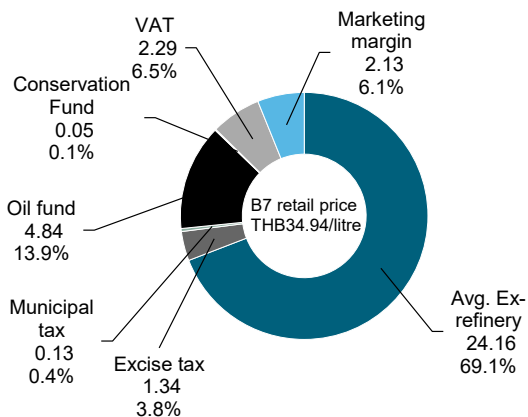
In late September, the Thai government decided to lower the subsidies for diesel and gradually increase the oil fund expense to reduce the government’s financial strain from the oil fund’s negative balance. As a result, the oil fund started to recover from the net loss of THB90b in Nov-22 to a net loss of THB79b at the end of 2022. In contrast with the changes in the subsidies for diesel, retail oil stations’ marketing margins suffered from the higher oil fund expense.

Exhibit 1: Oil fund expense/subsidy vs estimated oil fund status



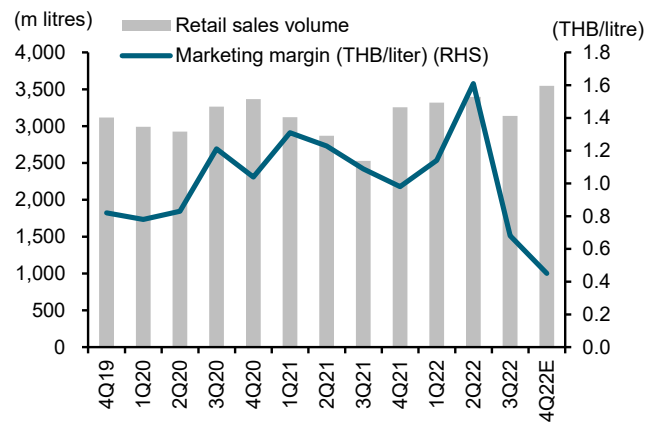
Source: Energy Policy and Planning Office (EPPO)

Exhibit 2: Biodiesel B7 retail price structure as of 3 Feb-23 (THB34.94/litre)



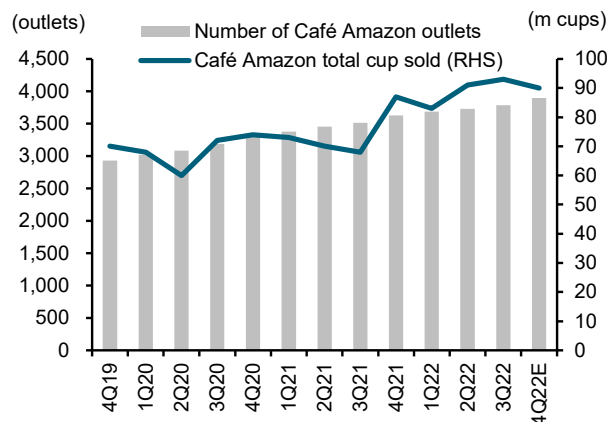
Source: EPPO

Exhibit 3: Retail oil sales volume vs marketing margin



Sources: OR, FSSIA estimates

Exhibit 4: Number of Café Amazon outlets vs total cups sold



Sources: OR, FSSIA estimates

We project OR's 4Q22 earnings to turn negative at THB0.3b, sharply dropping from net profits of THB1.9b in 4Q21 and THB0.8b in 3Q22, excluding a stock loss of THB1.1b and an impairment of THB0.1b-0.2b. Key drivers and expectations are:

Oil business: Drop q-q and y-y despite the higher sales volume

- A q-q weaker MM estimated at THB0.45/litre down from THB0.68/litre in 3Q22, mainly from 1) the high imported diesel and gasoline costs from overseas due to the tight crude supply situation from the maintenance shutdown of two major refineries (PTT Global Chemical (PTTGC TB, not rated) and IRPC (IRPC TB, not rated)); and 2) the impact of the increased Oil Fuel Fund expense, as the government sought to reduce the financial strain from the oil fund's negative balance;
- A q-q higher sales volume for retail oil stations, thanks to the strong demand for travel, and a q-q higher sales volume for the commercial segment, driven by a higher jet sales volume following the reopening of the economy, the resumption of tourism, and OR's oil station expansion.
- In 4Q22, OR added 49 new stations, bringing the total number of outlets to 2,160 at end-2022.

Non-oil business: Net profit dragged down by softer sales volume and higher costs

- We estimate that the number of cups sold for Café Amazon dropped q-q to 90m cups in 4Q22 (-3% q-q, +3% y-y), down from 93m cups in 3Q22 despite the 110 new outlets added in 4Q22, due to the impact of the higher selling price of THB5/cup.
- OR added 110 new Café Amazon outlets in Thailand in 4Q22, bringing the total number of outlets to 3,896 at end-2022.
- OR added 50 new 7-Eleven convenience stores in 4Q22, bringing the total convenience store number to 2,145 at end-2022.
- We expect EBITDA from non-oil to drop to 21% in 4Q22, down from 22.9% in 3Q22, due to higher raw material costs and higher advertisement costs.

Exhibit 5: Summary of 4Q22E/2022E operations

	4Q21	3Q22	4Q22E		2021	2022E	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Revenue	157,840	194,796	209,440	7.5	32.7	511,799	792,957	54.9
Operating costs	(153,422)	(192,149)	(212,309)	10.5	38.4	(494,604)	(776,472)	57.0
EBITDA	4,418	2,647	(2,868)	nm	nm	17,195	16,486	(4.1)
<i>EBITDA margin (%)</i>	2.8	1.4	(7.8)	nm	nm	3.4	2.1	nm
Depn & amort.	(1,629)	(1,658)	(1,880)	13.4	15.4	(6,075)	(6,684)	10.0
EBIT	2,789	989	(4,749)	nm	nm	11,120	9,802	(11.9)
Interest expense	(307)	(277)	153	nm	nm	(1,250)	(649)	(48.1)
Interest & invt inc	1,034	805	1,058	31.4	2.4	3,480	3,654	5.0
Associates' contrib	140	102	48	(53.4)	(65.9)	372	410	10.0
Exceptional	(909)	(844)	2,342	nm	nm	771	0	nm
Pretax profit	2,746	775	(1,148)	nm	nm	14,494	13,217	(8.8)
Tax	(393)	(74)	641	nm	nm	(2,719)	(2,608)	(4.1)
<i>Tax rate (%)</i>	14.3	9.6	(34.9)	nm	nm	18.8	19.7	5.2
Minority interests	1	0	2	nm	65.2	4	0	nm
Net profit	2,353	701	(505)	nm	nm	11,780	10,609	(9.9)
Non-recurring	(465)	68	231	239.6	nm	0	0	nm
Core net profit	1,888	769	(274)	nm	nm	11,780	10,609	(9.9)
EPS (THB)	0.20	0.06	(0.04)	nm	nm	0.98	0.88	(9.9)
Core EPS (THB)	0.16	0.06	(0.02)	nm	nm	0.98	0.88	(9.9)

Sources: OR; FSSIA estimates

EPS and target price revisions

We cut our EPS forecasts by 2%-11% in 2022-24 to reflect 1) the lower gross profit margin for the mobility business in 2022-24 due to the unpredictability of the oil fund expense for diesel and higher diesel and gasoline costs; 2) the higher average oil price per litre due to the Russia-Ukraine war; and 3) higher revenue per ticket for Café Amazon due to the higher selling price of THB5/cup, and the increase in bakery sales.

Exhibit 6: Changes in key 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	792,957	758,669	776,097	622,736	646,530	661,461	27	17	17
Gross profit	52,169	55,350	59,914	45,989	52,165	55,151	13	6	9
Operating profit	9,802	11,632	13,078	11,282	13,493	13,474	(13)	(14)	(3)
Net profit	10,609	12,539	13,889	11,787	14,021	14,204	(10)	(11)	(2)
EPS (THB/shr)	0.88	1.04	1.16	0.98	1.17	1.18	(10)	(11)	(2)
Key assumptions									
Sales volume - retail (m litres)	13,714	14,795	15,034	13,714	14,795	15,034	0	0	0
Sales volume - commercial (m litres)	13,172	13,378	13,428	13,172	13,378	13,428	0	0	0
Sales volume - international (m litres)	1,999	2,299	2,644	1,999	2,299	2,644	0	0	0
Sales volume - domestic (m litres)	26,886	28,173	28,462	26,886	28,173	28,462	0	0	0
Oil stations in Thailand (stations)	2,160	2,250	2,250	2,120	2,250	2,250	0	0	0
Gross profit margin for mobility business (%)	4.0	5.0	5.2	5.0	5.5	5.5	(20)	(9)	(5)
Amazon cups sold in Thailand (m cups)	351	396	441	351	396	441	0	0	0
Revenue per ticket (THB/ticket)	63	67	67	63	64	64	0	5	5
Average oil price per litre (THB/litre)	29	26	26	23	22	22	27	18	18

Source: FSSIA estimates

We maintain BUY but trim our SoTP-based TP from THB28 to THB26 to reflect our 2022-24E EPS cuts by 2%-11% on the weaker-than-expected gross margin for the mobility business due to the government's unclear policy – unless the government reduces the oil fund expense for oil station operators, which would increase their MMs.

However, we think that OR remains an attractive investment choice as a leading company in F&B, CVS, retail oil stations, and jet fuel – all being good proxies for Thailand's economic reopening and tourism recovery.

Exhibit 7: SoTP-based target price

SoTP valuation	EBITDA (THB m)	EBITDA margin (%)	EV/EBITDA (X)	Valuation (THB m)	Valuation (THB/shr)	Comments
Oil business	16,388	2.1	8.1	132,323	11.0	
Retail	8,803	1.7	9.0	79,228	6.6	At 9.6x FY23E EV/EBITDA
Commercial	7,585	2.7	7.0	53,095	4.4	At 7x FY23E EV/EBITDA
Non-oil	6,740	24.9	21.7	146,369	12.2	
Food & Beverage	4,824	27.5	22.0	106,138	8.8	At 22x FY23E EV/EBITDA
Others	1,916	20.0	21.0	40,232	3.4	At 21x FY23E EV/EBITDA
International	1,740	3.0	11.0	19,138	1.6	At 11x FY23E EV/EBITDA
Others	95	11.4	8.0	760	0.1	At 8.0x FY23E EV/EBITDA
Total	24,963		12.0	298,591	24.9	At 13.6x FY23E EV/EBITDA
Net cash / (net debt)	12,951	nm	nm	12,951	1.1	FY23E net cash
Total value	37,914		8.2	311,541	26.0	

Sources: OR; FSSIA estimates

Financial Statements

PTT Oil and Retail Business

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	428,804	511,799	792,957	758,669	776,097
Cost of goods sold	(390,479)	(469,517)	(740,789)	(703,319)	(716,183)
Gross profit	38,325	42,282	52,169	55,350	59,914
Other operating income	0	0	0	0	0
Operating costs	(25,261)	(25,087)	(35,683)	(34,140)	(34,924)
Operating EBITDA	13,064	17,195	16,486	21,210	24,990
Depreciation	(5,203)	(6,075)	(6,684)	(9,578)	(11,912)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,861	11,120	9,802	11,632	13,078
Net financing costs	3,343	3,001	3,005	3,547	3,739
Associates	535	372	410	451	496
Recurring non-operating income	535	372	410	451	496
Non-recurring items	0	0	0	0	0
Profit before tax	11,739	14,494	13,217	15,630	17,313
Tax	(1,776)	(2,719)	(2,608)	(3,091)	(3,424)
Profit after tax	9,963	11,775	10,609	12,539	13,889
Minority interests	0	4	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	9,963	11,780	10,609	12,539	13,889
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	9,963	11,780	10,609	12,539	13,889
Per share (THB)					
Recurring EPS *	1.11	0.98	0.88	1.04	1.16
Reported EPS	1.11	0.98	0.88	1.04	1.16
DPS	0.30	0.46	0.55	0.50	0.50
Diluted shares (used to calculate per share data)	9,000	12,000	12,000	12,000	12,000
Growth					
Revenue (%)	(25.7)	19.4	54.9	(4.3)	2.3
Operating EBITDA (%)	16.8	31.6	(4.1)	28.7	17.8
Operating EBIT (%)	3.6	41.5	(11.9)	18.7	12.4
Recurring EPS (%)	(8.6)	(11.3)	(9.9)	18.2	10.8
Reported EPS (%)	(8.6)	(11.3)	(9.9)	18.2	10.8
Operating performance					
Gross margin inc. depreciation (%)	7.7	7.1	5.7	6.0	6.2
Gross margin of key business (%)	7.7	7.1	5.7	6.0	6.2
Operating EBITDA margin (%)	3.0	3.4	2.1	2.8	3.2
Operating EBIT margin (%)	1.8	2.2	1.2	1.5	1.7
Net margin (%)	2.3	2.3	1.3	1.7	1.8
Effective tax rate (%)	17.0	20.4	20.4	20.4	20.4
Dividend payout on recurring profit (%)	27.1	46.9	62.2	47.8	43.2
Interest cover (X)	(2.5)	(3.8)	(3.4)	(3.4)	(3.6)
Inventory days	19.1	16.9	15.5	19.5	18.8
Debtor days	29.2	22.8	17.5	20.1	19.6
Creditor days	32.9	28.3	27.9	35.1	33.9
Operating ROIC (%)	10.6	15.3	12.4	11.9	12.0
ROIC (%)	7.6	9.7	8.0	8.3	8.6
ROE (%)	26.2	17.1	10.4	11.7	12.2
ROA (%)	4.9	5.3	3.9	4.5	4.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Oil business	389,783	459,576	710,746	678,945	686,956
Non-oil business	16,723	19,040	23,272	27,122	29,412
International business	21,011	31,469	57,089	50,702	57,828
Others	1,286	1,714	1,850	1,900	1,900

Sources: PTT Oil and Retail Business; FSSIA estimates

Financial Statements

PTT Oil and Retail Business

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	9,963	11,780	10,609	12,539	13,889
Depreciation	5,203	6,075	6,684	9,578	11,912
Associates & minorities	4,045	3,480	3,654	3,837	4,029
Other non-cash items	-	-	-	-	-
Change in working capital	493	5,310	4,878	(1,680)	596
Cash flow from operations	19,703	26,645	25,825	24,274	30,426
Capex - maintenance	(3,191)	(3,290)	(4,357)	(6,244)	(7,765)
Capex - new investment	(10,200)	(10,200)	(26,900)	(21,800)	(17,400)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(5,987)	(8,612)	(22,543)	(15,556)	(9,635)
Cash flow from investing	(19,378)	(22,102)	(53,800)	(43,600)	(34,800)
Dividends paid	(2,700)	(5,520)	(6,600)	(6,000)	(6,000)
Equity finance	0	53,497	0	0	0
Debt finance	3,608	16,433	24,502	0	0
Other financing cash flows	(8,529)	(21,732)	(25,863)	17,858	13,266
Cash flow from financing	(7,621)	42,678	(7,962)	11,858	7,266
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(7,296)	47,220	(35,937)	(7,469)	2,891
Free cash flow to firm (FCFF)	1,772.23	5,792.57	(27,326.06)	(19,036.32)	(4,084.49)
Free cash flow to equity (FCFE)	(4,596.04)	(756.64)	(29,337.34)	(1,468.51)	8,891.32

Per share (THB)

FCFF per share	0.15	0.48	(2.28)	(1.59)	(0.34)
FCFE per share	(0.38)	(0.06)	(2.44)	(0.12)	0.74
Recurring cash flow per share	2.13	1.78	1.75	2.16	2.49

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	43,498	44,165	71,065	92,865	110,265
Less: Accumulated depreciation	(1,502)	(1,502)	(8,186)	(17,764)	(29,676)
Tangible fixed assets (net)	41,996	42,663	62,879	75,102	80,590
Intangible fixed assets (net)	5,624	5,463	5,463	5,463	5,463
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	5,218	6,920	6,920	6,920	6,920
Cash & equivalents	19,004	66,224	30,287	22,818	25,710
A/C receivable	29,543	34,321	41,723	41,723	41,723
Inventories	19,021	24,432	38,548	36,598	37,267
Other current assets	1,027	1,090	1,688	1,615	1,653
Current assets	68,594	126,066	112,246	102,754	106,352
Other assets	23,547	26,546	26,546	26,546	26,546
Total assets	144,979	207,659	214,055	216,785	225,871
Common equity	37,823	99,818	103,721	110,155	117,938
Minorities etc.	93	54	54	54	54
Total shareholders' equity	37,916	99,872	103,776	110,209	117,992
Long term debt	41,634	29,502	5,000	5,000	5,000
Other long-term liabilities	24,961	26,555	26,555	26,555	26,555
Long-term liabilities	66,595	56,057	31,555	31,555	31,555
A/C payable	28,898	44,000	69,421	65,910	67,115
Short term debt	9,169	4,868	4,868	4,868	4,868
Other current liabilities	2,402	2,862	4,435	4,243	4,340
Current liabilities	40,469	51,730	78,724	75,021	76,324
Total liabilities and shareholders' equity	144,979	207,659	214,055	216,785	225,871
Net working capital	18,291	12,980	8,103	9,783	9,187
Invested capital	94,675	94,573	109,912	123,814	128,706

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

Per share (THB)

Book value per share	4.20	8.32	8.64	9.18	9.83
Tangible book value per share	3.58	7.86	8.19	8.72	9.37

Financial strength

Net debt/equity (%)	83.9	(31.9)	(19.7)	(11.8)	(13.4)
Net debt/total assets (%)	21.9	(15.3)	(9.5)	(6.0)	(7.0)
Current ratio (x)	1.7	2.4	1.4	1.4	1.4
CF interest cover (x)	(0.7)	(2.1)	1.8	(4.7)	(6.0)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	20.2	22.8	25.3	21.4	19.4
Recurring P/E @ target price (x) *	23.5	26.5	29.4	24.9	22.5
Reported P/E (x)	20.2	22.8	25.3	21.4	19.4
Dividend yield (%)	1.3	2.1	2.5	2.2	2.2
Price/book (x)	5.3	2.7	2.6	2.4	2.3
Price/tangible book (x)	6.3	2.8	2.7	2.6	2.4
EV/EBITDA (x) **	17.9	13.8	15.1	12.1	10.1
EV/EBITDA @ target price (x) **	20.4	16.3	17.7	14.1	11.9
EV/invested capital (x)	2.5	2.5	2.3	2.1	2.0

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

Sources: PTT Oil and Retail Business; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	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	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	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	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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Siriluck Pinthusoonthorn FSS International Investment Advisory Securities Co., Ltd

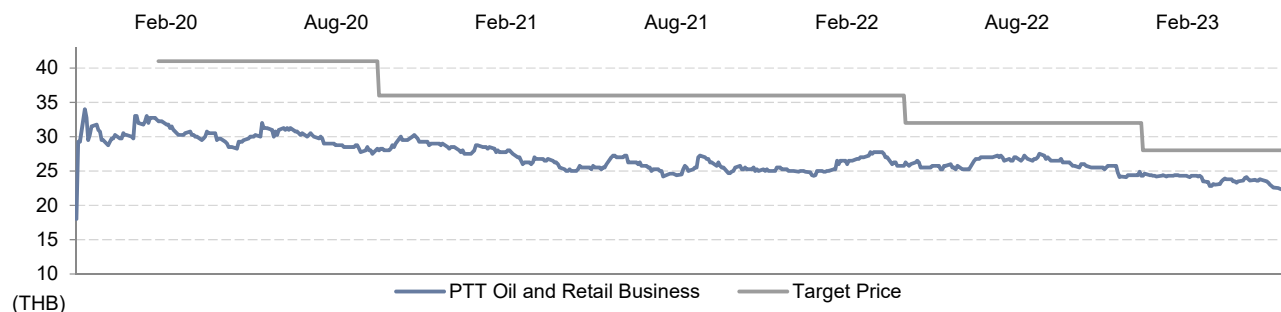
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History of change in investment rating and/or target price

PTT Oil and Retail Business (OR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Mar-2021	BUY	41.00	20-Jun-2022	BUY	32.00	-	-	-
09-Aug-2021	BUY	36.00	09-Nov-2022	BUY	28.00	-	-	-

Siriluck Pinthusoonthorn started covering this stock from 9-Nov-2022

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
PTT Oil and Retail Business	OR TB	THB 22.40	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 02-Feb-2023 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.