

THAI OIL TOP TB
THAILAND / ENERGY

FSSIA ESG rating

BUY
UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB56.80
CLOSE	THB47.25
UP/DOWNSIDE	+20.2%
TP vs CONSENSUS	-8.8%

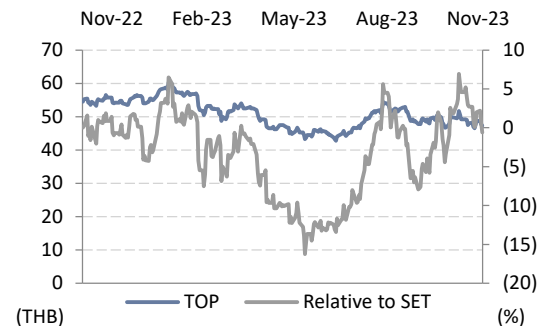
ผลประกอบการ 3Q23 ออกมาตามคาดและน่าจะสูงสุดในปีนี้

Highlights

- TOP รายงานกำไรสุทธิ 10.8 พัน ลบ. (+9.7 พัน ลบ. q-q, +10.8 พัน ลบ. y-y) ใกล้เคียงกับที่เราคาด ผลประกอบการดังกล่าวปรับตัวดีขึ้นอย่างมีนัยสำคัญทั้ง q-q และ y-y ส่วนมากจากค่าการกลั่นที่ดีซึ่งมีน้ำหนักมากเกินพอในการหักล้างผลประกอบการในธุรกิจ Aromatics และ Lube base ที่อ่อนแอจาก Product spreads ที่อ่อนตัวลดลง q-q ซึ่งทำให้บริษัท รายงาน Marketing GIM อยู่ที่ USD13.6/bbl (+USD7.5/bbl q-q, +USD4.8/bbl y-y) โดยได้ปัจจัยหนุนจาก Market GRM ที่ปรับตัวดีขึ้นเป็น USD12.4/bbl (+USD7.9/bbl q-q, +USD5.7/bbl y-y) ในขณะที่ GIM ในธุรกิจ Aromatics และ Lube base ลดลง USD0.2/bbl และ USD0.3/bbl q-q ตามลำดับ ถ้าเรารวมกำไรจากสินค้าคงคลัง USD9.8/bbl (~9.6 พัน ลบ.) เราจะได้ Accounting GIM อยู่ที่ USD23.3/bbl (+USD19.2/bbl q-q, +USD24.0/bbl y-y)
- 3Q23 EBITDA เพิ่มขึ้นเป็น 18.9 พัน ลบ. (+14.4 พัน ลบ. q-q, +19.5 พัน ลบ. y-y) ถ้าเราหักรายการพิเศษอันประกอบด้วย 1) กำไรจากสินค้าคงคลัง (9.6 พัน ลบ.); 2) ผลขาดทุนจากสัญญาป้องกันความเสี่ยง (4.5 พัน ลบ.); 3) การปรับลดมูลค่าสินค้าคงคลัง (1.7 พัน ลบ.) และ 4) ภาษีรอตัดบัญชี (2.7 พัน ลบ.) กำไรปกติจะอยู่ที่ 10.5 พัน ลบ. (+257% q-q, +91% y-y) กำไรสุทธิ 9M23 คิดเป็น 88% ของประมาณการกำไรปี 2023 ของเรา
- คาดค่าใช้จ่ายที่เกี่ยวข้องกับเหตุน้ำมันรั่วไหลจะไม่ส่งผลกระทบต่ออย่างมีนัยสำคัญต่อไปในอนาคต อย่างไรก็ตามการกลับมาเปิดใช้ SBM อาจล่าช้า บริษัทฯ แจ้งว่าบริษัทฯ บันทึกต้นทุนค่าใช้จ่ายจากเหตุการณ์น้ำมันรั่วเพียง 0.16 พัน ลบ. แบ่งเป็นค่าทำความสะอาด 0.08 พัน ลบ. และสำรองความรับผิดชอบในด้านสิ่งแวดล้อมและต่อบุคคลที่สาม อีก 0.07 พัน ลบ. และคาดว่าจะไม่มีค่าใช้จ่ายที่เกี่ยวข้องอย่างมีนัยสำคัญอีกในอนาคต อย่างไรก็ตามหากการกลับมาเปิดใช้ Single-Buoy Mooring 2 (SBM-2) อาจล่าช้าเนื่องจากต้องใช้เวลาในการสอบสวนและขออนุมัติจากกรมเจ้าท่าเมื่อเทียบกับกรณีก่อนหน้านี้เราคาดว่า SBM-2 อาจกลับมาเปิดใช้ได้ในปี 2025
- แนวโน้ม 4Q23 อ่อนตัวลดลง จาก Crude premiums ที่เพิ่มขึ้นประกอบกับ Petroleum product spreads ที่ลดลงในทุกผลิตภัณฑ์ q-q เราคาดว่ากำไร 4Q23 จะอ่อนตัวลง นอกจากนี้เรายังคาดว่าราคาน้ำมันใน 4Q23 จะเพิ่มเพียงเล็กน้อย q-q ซึ่งทำให้เราคาดว่ากำไรจากสินค้าคงคลังจะลดลง q-q
- คงคำแนะนำซื้อที่ราคาเป้าหมาย 56.8 บาท ปัจจุบันราคาหุ้นมีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจโดยต่ำกว่ามูลค่าทางบัญชี นอกจากนี้เรายังเชื่อว่า TOP มีแนวโน้มระยะกลางถึงยาวที่สดใสจากอุปทานใหม่ที่ลดลงในธุรกิจปิโตรเคมี

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	529,589	451,706	461,321	572,611
Net profit	32,668	18,571	13,280	18,801
EPS (THB)	15.29	8.31	5.94	8.42
vs Consensus (%)	-	11.0	(8.0)	(9.3)
EBITDA	52,014	33,641	24,384	33,899
Recurring net profit	32,668	18,771	13,080	18,800
Core EPS (THB)	15.29	8.40	5.86	8.42
EPS growth (%)	147.9	(45.0)	(30.3)	43.7
Core P/E (x)	3.1	5.6	8.1	5.6
Dividend yield (%)	7.8	8.8	6.3	8.9
EV/EBITDA (x)	4.2	5.5	7.7	5.7
Price/book (x)	0.7	0.6	0.6	0.6
Net debt/Equity (%)	71.0	45.7	45.9	45.1
ROE (%)	23.6	11.7	7.8	10.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.1	(7.4)	(17.5)
Relative to country (%)	3.0	(0.4)	(4.6)
Mkt cap (USD m)	2,965		
3m avg. daily turnover (USD m)	20.2		
Free float (%)	52		
Major shareholder	PTT plc. (48%)		
12m high/low (THB)	60.25/42.25		
Issued shares (m)	2,234.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 9 พฤศจิกายน 2023

Financial key performance

Exhibit 1: 3Q23 results summary

	3Q22	2Q23	----- 3Q23-----		
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Revenue	127,901	108,662	124,206	14.3	(2.9)
Operating costs	(131,685)	(103,310)	(100,284)	(2.9)	(23.8)
EBITDA	(568)	4,618	18,973	310.8	>100%
EBITDA margin (%)	(0.4)	4.2	15.3	nm	nm
Deprn & amort.	(1,850)	(1,286)	(1,388)	8.0	(25.0)
EBIT	899	1,700	14,600	758.9	1,524.5
Interest expense	(940)	(1,081)	(1,032)	(4.5)	9.9
Interest & invt inc	260	279	317	13.5	21.9
Associates' contrib	(294)	16	(49)	(401.6)	(83.2)
Exceptionals	3,216	(734)	(4,949)	574.1	(253.9)
Pretax profit	3,141	180	8,886	4,838.5	182.9
Tax	156	523	(2,680)	(612.0)	(1,821.2)
Tax rate (%)	(5.0)	(290.8)	30.2	nm	nm
Minority interests	(103)	(25)	(60)	144.6	(41.6)
Net profit	12	1,117	10,828	869.3	92,380.4
Non-recurring	(5,500)	(1,834)	288	(115.7)	(105.2)
Core profit	5,512	2,951	10,540	257.2	91.2
EPS (THB)	0.01	0.55	5.31	869.3	92,380.4
Core EPS (THB)	2.70	1.27	4.55	257.2	68.5

Sources: TOP; FSSIA estimates

Exhibit 2: Quarterly key earnings drivers

Quarterly key drivers	3Q22	2Q23	3Q23E	Chg. q-q	Chg. y-y
	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)	(USD/bbl)
Marketing GIM	8.8	6.1	13.6	7.5	4.8
Refinery - Mkt GRM	6.7	4.5	12.4	7.9	5.7
Aromatic&LAB	0.2	0.9	0.7	(0.2)	0.5
Lube base	1.9	0.8	0.5	(0.3)	(1.4)
Accounting GIM	(0.7)	4.1	23.3	19.2	24.0
Refinery - Acct GRM	(2.9)	2.5	22.2	19.7	25.1
Stock gain/loss	(9.6)	(2.0)	9.8	11.8	19.4
Crude premium	10.5	2.8	1.8	(1.0)	(8.7)
Diesel-Dubai	35.2	14.6	26.9	12.3	(8.3)
Gasoline-Dubai	13.2	16.6	18.9	2.3	5.7
Refinery run rate (%)	104	113	110		
PX-ULG95 (USD/t)	152	228	175	(53.4)	22.8
BZ-ULG95 (USD/t)	42	71	1	(69.5)	(40.9)

Source: TOP

Financial Statements

Thai Oil

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	345,496	529,589	451,706	461,321	572,611
Cost of goods sold	(319,555)	(481,137)	(421,822)	(440,823)	(547,645)
Gross profit	25,941	48,452	29,884	20,499	24,966
Other operating income	-	-	-	-	-
Operating costs	(3,056)	(4,182)	(3,763)	(3,718)	(573)
Operating EBITDA	30,309	52,014	33,641	24,384	33,899
Depreciation	(7,424)	(7,744)	(7,520)	(7,603)	(9,506)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	22,885	44,270	26,121	16,781	24,393
Net financing costs	(9,523)	(1,733)	(3,561)	(1,453)	(1,345)
Associates	1,675	(513)	300	1,000	1,000
Recurring non-operating income	1,675	(513)	300	1,000	1,000
Non-recurring items	0	0	(200)	200	1
Profit before tax	15,037	42,024	22,660	16,528	24,049
Tax	(2,034)	(8,918)	(3,852)	(2,810)	(4,810)
Profit after tax	13,003	33,106	18,807	13,718	19,239
Minority interests	(425)	(438)	(236)	(438)	(438)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	12,578	32,668	18,571	13,280	18,801
Non-recurring items & goodwill (net)	0	0	200	(200)	(1)
Recurring net profit	12,578	32,668	18,771	13,080	18,800
Per share (THB)					
Recurring EPS *	6.17	15.29	8.40	5.86	8.42
Reported EPS	6.17	15.29	8.31	5.94	8.42
DPS	2.60	3.70	4.16	2.97	4.21
Diluted shares (used to calculate per share data)	2,040	2,137	2,234	2,234	2,234
Growth					
Revenue (%)	39.4	53.3	(14.7)	2.1	24.1
Operating EBITDA (%)	nm	71.6	(35.3)	(27.5)	39.0
Operating EBIT (%)	nm	93.4	(41.0)	(35.8)	45.4
Recurring EPS (%)	nm	147.9	(45.0)	(30.3)	43.7
Reported EPS (%)	nm	147.9	(45.6)	(28.5)	41.6
Operating performance					
Gross margin inc. depreciation (%)	7.5	9.1	6.6	4.4	4.4
Gross margin exc. depreciation (%)	9.7	10.6	8.3	6.1	6.0
Operating EBITDA margin (%)	8.8	9.8	7.4	5.3	5.9
Operating EBIT margin (%)	6.6	8.4	5.8	3.6	4.3
Net margin (%)	3.6	6.2	4.2	2.8	3.3
Effective tax rate (%)	13.5	21.2	17.0	17.0	20.0
Dividend payout on recurring profit (%)	42.2	24.2	49.5	50.8	50.0
Interest cover (X)	2.6	25.2	7.4	12.2	18.9
Inventory days	36.3	36.6	47.7	45.0	41.0
Debtor days	19.1	18.0	20.7	18.1	16.5
Creditor days	19.0	37.5	52.6	38.5	35.1
Operating ROIC (%)	10.0	16.2	9.6	6.0	8.1
ROIC (%)	8.1	11.5	7.5	5.2	6.9
ROE (%)	10.6	23.6	11.7	7.8	10.6
ROA (%)	6.4	8.5	5.1	3.6	4.8
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Oil refinery	284,019	452,096	370,297	376,145	487,435
Lubed base oil refinery	18,826	20,078	23,926	23,689	23,689
Petrochemical	24,461	27,752	27,719	31,724	31,724
Power generation	4,059	6,211	6,211	6,211	6,211

Sources: Thai Oil; FSSIA estimates

Financial Statements

Thai Oil

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	12,578	32,668	18,771	13,080	18,800
Depreciation	7,424	7,744	7,520	7,603	9,506
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(14,344)	30,043	(20,320)	(644)	(7,457)
Cash flow from operations	5,659	70,455	5,971	20,039	20,849
Capex - maintenance	-	-	-	-	-
Capex - new investment	(33,174)	(28,076)	(14,364)	(14,304)	(14,298)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(7,417)	(8,103)	30,000	(15,000)	(30,000)
Cash flow from investing	(40,591)	(36,179)	15,636	(29,304)	(44,298)
Dividends paid	(5,304)	(8,265)	(9,286)	(6,640)	(9,401)
Equity finance	0	0	0	0	0
Debt finance	(1,219)	(550)	(16,357)	(6,551)	(21,551)
Other financing cash flows	17,908	(11,581)	25,979	14,829	32,390
Cash flow from financing	11,384	(20,396)	336	1,638	1,439
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(23,548)	13,880	21,944	(7,627)	(22,010)
Free cash flow to firm (FCFF)	(31,337.86)	38,136.16	25,381.84	(5,577.04)	(19,846.50)
Free cash flow to equity (FCFE)	(18,244.02)	22,145.45	31,229.27	(987.46)	(12,609.45)

Per share (THB)

FCFF per share	(14.03)	17.07	11.36	(2.50)	(8.88)
FCFE per share	(8.17)	9.91	13.98	(0.44)	(5.64)
Recurring cash flow per share	9.80	18.91	11.77	9.26	12.67

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	320,167	355,988	370,352	384,656	398,954
Less: Accumulated depreciation	(141,768)	(149,512)	(157,033)	(164,636)	(174,142)
Tangible fixed assets (net)	178,399	206,476	213,319	220,020	224,812
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	55,412	32,603	32,903	33,903	34,903
Cash & equivalents	29,696	43,576	65,520	57,893	35,883
A/C receivable	23,415	28,759	22,585	23,066	28,631
Inventories	39,576	55,343	52,853	53,979	67,000
Other current assets	8,552	26,150	8,000	8,000	8,000
Current assets	101,239	153,828	148,959	142,937	139,514
Other assets	27,094	51,674	14,525	21,820	21,136
Total assets	362,144	444,581	409,706	418,680	420,365
Common equity	120,881	156,034	165,320	171,960	181,360
Minorities etc.	2,213	2,623	2,823	3,023	3,223
Total shareholders' equity	123,094	158,657	168,143	174,983	184,583
Long term debt	163,343	151,442	136,635	131,635	111,635
Other long-term liabilities	37,230	30,809	30,809	30,809	30,809
Long-term liabilities	200,574	182,250	167,444	162,444	142,444
A/C payable	23,001	74,154	45,171	46,132	57,261
Short term debt	2,142	4,776	5,712	6,648	7,583
Other current liabilities	13,334	24,743	20,000	25,000	25,000
Current liabilities	38,476	103,673	70,882	77,780	89,844
Total liabilities and shareholders' equity	362,144	444,581	406,469	415,206	416,872
Net working capital	35,209	11,355	18,268	13,913	21,370
Invested capital	296,114	302,108	279,016	289,655	302,221

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

Per share (THB)

Book value per share	59.25	69.85	74.01	76.98	81.19
Tangible book value per share	59.25	69.85	74.01	76.98	81.19

Financial strength

Net debt/equity (%)	110.3	71.0	45.7	45.9	45.1
Net debt/total assets (%)	37.5	25.3	18.8	19.2	19.8
Current ratio (x)	2.6	1.5	2.1	1.8	1.6
CF interest cover (x)	2.6	30.0	13.8	10.2	2.3

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	7.7	3.1	5.6	8.1	5.6
Recurring P/E @ target price (x) *	9.2	3.7	6.8	9.7	6.7
Reported P/E (x)	7.7	3.1	5.7	7.9	5.6
Dividend yield (%)	5.5	7.8	8.8	6.3	8.9
Price/book (x)	0.8	0.7	0.6	0.6	0.6
Price/tangible book (x)	0.8	0.7	0.6	0.6	0.6
EV/EBITDA (x) **	7.7	4.2	5.5	7.7	5.7
EV/EBITDA @ target price (x) **	8.4	4.7	6.1	8.6	6.3
EV/invested capital (x)	0.8	0.7	0.7	0.7	0.6

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

Sources: Thai Oil; FSSIA estimates

Thai Oil (TOP TB)

FSSIA ESG rating

★★★★★

Exhibit 3: FSSIA ESG score implication

84.35 /100

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 4: ESG – peer comparison

	FSSIA	Domestic ratings					Global ratings					Bloomberg			
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCP	77.54	--	Y	Y	5.00	5.00	Certified	Medium	56.04	AA	--	79.53	83.00	6.34	69.77
ESSO	30.81	--	--	--	4.00	5.00	--	Severe	46.89	--	--	45.86	17.00	2.06	34.92
IRPC	86.08	Y	Y	Y	5.00	5.00	Certified	Medium	59.62	A	--	80.95	76.00	6.72	--
SPRC	44.50	--	--	--	5.00	5.00	Certified	High	55.86	--	--	36.91	28.00	3.77	54.54
TOP	84.35	Y	Y	Y	5.00	5.00	Certified	Medium	52.10	BBB	38.00	75.83	88.00	6.81	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 5: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	5.57	6.10	6.16	6.29	6.30	6.26	6.57	6.81
BESG environmental pillar score	4.71	5.60	5.87	6.11	6.07	5.99	6.91	—
BESG social pillar score	7.44	7.45	7.34	7.49	7.58	7.60	7.07	—
BESG governance pillar score	5.30	5.68	5.55	5.47	5.50	5.46	5.54	—
ESG disclosure score	67.94	68.41	69.00	70.73	69.00	69.00	67.01	—
Environmental disclosure score	72.61	74.03	75.78	75.78	72.40	72.40	72.40	—
Social disclosure score	43.77	43.77	43.77	48.97	47.16	47.16	41.17	—
Governance disclosure score	87.36	87.36	87.36	87.36	87.36	87.36	87.36	—
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	Yes	Yes	Yes	Yes	Yes	No
GHG scope 1	2,540	3,650	3,400	3,490	3,310	3,020	3,150	3,264
GHG scope 2 location-based	0	0	0	0	0	0	0	0
GHG Scope 3	—	2,298,400	2,197,900	2,687,800	2,309,200	1,372,500	1,599,800	27,255
Carbon per unit of production	—	—	0.22	0.23	0.23	0.22	0.23	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	11,945	17,641	8,169	8,778	8,528	7,639	15,636	12,977
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	967	988	1,027	1,054	987	972	980	1,059
Fuel used - natural gas	505,790	857,597	937,470	1,014,100	960,412	881,360	889,680	34,849,400

Sources: Bloomberg; FSSIA's compilation

Exhibit 6: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	5	6	4	13	12	8	5	10
Total waste	5	6	5	13	15	11	6	11
Waste recycled	2	1	1	1	7	4	1	2
Waste sent to landfills	0.14	0.19	0.12	0.23	0.43	0.00	0.00	0.00
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	2,880.00	3,810.00	4,130.00	4,340.00	4,700.00	3,340.00	3,880.00	3,110.00
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	26.11	26.35	26.81	26.48	25.00	24.10	25.00	26.03
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Lost time incident rate - employees	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.05
Total recordable incident rate - employees	0.09	0.10	0.00	0.00	0.14	0.14	0.07	0.07
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	1,409.00	1,434.00	1,447.00	1,482.00	1,637.00	1,749.00	1,799.00	1,851.00
Employee turnover pct	3.62	3.14	3.25	2.91	2.44	2.69	2.72	—
Total hours spent by firm - employee training	122,081.00	85,893.00	71,644.00	105,032.00	124,222.00	94,716.00	103,102.00	124,421.00
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Governance								
Board size	14	14	14	14	15	15	15	14
No. of independent directors (ID)	7	6	7	6	6	7	8	8
No. of women on board	2	5	4	3	3	3	3	1
No. of non-executive directors on board	13	13	13	13	14	14	14	13
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	14	13	15	16	12	16	18	18
Board meeting attendance pct	94	93	93	96	96	98	100	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	51	51	53	50	51	52	43	44
Age of the oldest director	65	65	66	69	70	66	67	68
No. of executives / company managers	34	37	35	34	34	34	35	45
No. of female executives	10	11	10	11	10	14	15	15
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	4	3	3	3	4	4	4
No. of ID on audit committee	3	4	3	3	3	4	4	4
Audit committee meetings	7	10	9	7	8	8	9	10
Audit meeting attendance %	95	94	100	95	100	100	100	100
Size of compensation committee	4	3	3	3	3	3	3	3
No. of ID on compensation committee	3	2	2	2	2	2	2	2
No. of compensation committee meetings	6	6	6	5	5	5	4	4
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	4	3	3	3	3	3	3	3
No. of nomination committee meetings	6	6	6	5	5	5	4	4
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																							
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																							
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																							
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (50-59), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																							
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																							
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																							
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr></thead><tbody><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></tbody></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+													
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																							
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>Rating</th><th>Score Range</th><th>Category</th><th>Description</th></tr></thead><tbody><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></tbody></table>	Rating	Score Range	Category	Description	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																								
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																								
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																								
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																							
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																							

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Kwanwaree Apichartsatoporn FSS International Investment Advisory Securities Co., Ltd

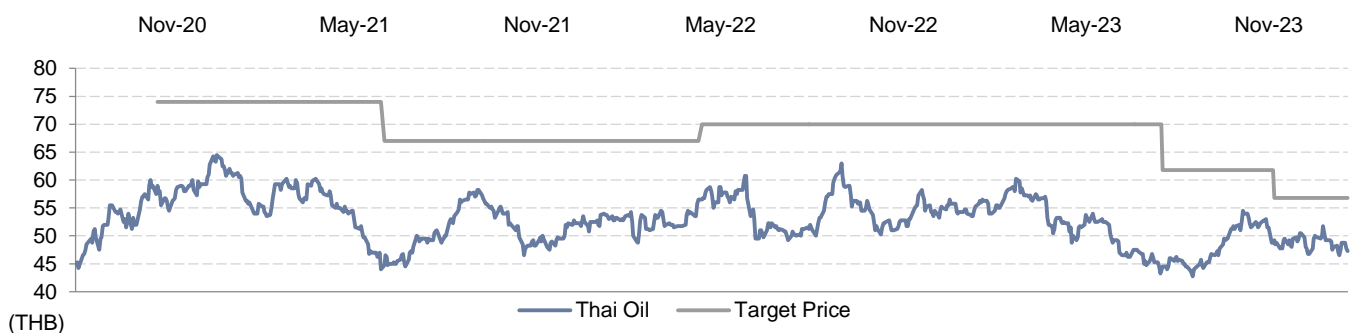
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Thai Oil (TOP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2021	BUY	74.00	29-Apr-2022	BUY	70.00	05-Sep-2023	BUY	56.80
30-Jul-2021	BUY	67.00	01-Jun-2023	BUY	61.80			

Kwanwaree Apichartsatoporn started covering this stock from 01-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Oil	TOP TB	THB 47.25	BUY	Downside risks to our P/BV-based TP are 1) a sharp fall in oil prices; 2) weaker demand for refined oil products; 3) GRM volatility; 4) unplanned refinery shutdowns; and 5) longer-than-expected maintenance of SBM-2.

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.

All share prices are as at market close on 08-Nov-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.