

Outperform • Maintained

Price as of 25 Jan 2024	18.30
12M target price (Bt/shr)	24.00
Unchanged/Revised up(down)(%)	(7.7)
Upside/downside (%)	31.1

Key messages

เราคาดว่ากำไรสุทธิของ OR ใน 4Q66F จะอยู่ที่ 466 ล้านบาท (ดีขึ้น YoY จากขาดทุนสุทธิ 744 ล้านบาท ใน 4Q65, -91% QoQ) ต่ำกว่าประมาณการเดิมเบื้องต้นของเรา เนื่องจากค่าการตลาดน้ำมันลดลง โดยมีสาเหตุหลักมาจากผลขาดทุนจากสต็อกน้ำมัน ในขณะที่ผลประกอบการที่ฟื้นตัวขึ้น YoY แต่แยลง QoQ ใน 4Q66F เป็นเพราะเราคาดว่าการตลาดน้ำมันจะอยู่ที่ 0.75 บาท/ลิตร เพิ่มขึ้นจากระดับที่ต่ำสุดปีคือ 0.48 บาท/ลิตร ใน 4Q65 แลลดลงจาก 1.26 บาท/ลิตรใน 3Q66 นอกจากนี้ เรายังปรับลดราคาเป้าหมายปี 2567F เป็น 24.00 บาท จากเดิม 26.00 บาท เพื่อสะท้อนถึงการปรับลดประมาณการกำไรในปี 2567F ซึ่งอิงจาก PE ที่ 22.0x ถึงแม้เราายังคงคำแนะนำซื้อ แต่เราได้ออก OR ออกจากพอร์ตหุ้นเด่นในกลุ่มพลังงานของเราไปแล้ว (ดูบทวิเคราะห์สินค้าโลกภัณฑ์ของ KGI ฉบับวันที่ 17 มกราคม 2567) นอกจากนี้ เรายังเชื่อว่าราคาหุ้นน่าจะถูกกดดันจากผลการดำเนินงานใน 4Q66F ที่แยลง QoQ ไปอีกระยะหนึ่ง

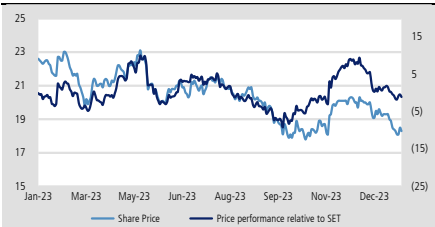
Trading data

Mkt cap (Btbn/US\$m)	220/6,129		
Outstanding shares (mn)	12,000		
Foreign ownership (mn)	332		
3M avg. daily trading (mn)	14.4		
52-week trading range (Bt)	17.80 – 23.10		
Performance (%)	3M	6M	12M
Absolute	(0.5)	(13.3)	(19.7)
Relative	0.4	(2.7)	(2.4)

Quarterly EPS

Bt	1Q	2Q	3Q	4Q
2021	0.33	0.27	0.16	0.20
2022	0.32	0.55	0.06	(0.06)
2023	0.25	0.23	0.43	

Share price chart



Source: SET

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PTT Oil and Retail Business
(OR.BK/OR TB)*



ประมาณการ 4Q66F: ถูกกดโดยผลขาดทุนจากสต็อกน้ำมัน

Event

ประมาณการ 4Q66F, ปรับลดประมาณการกำไรเต็มปี และปรับลดราคาเป้าหมาย

Impact

คาดว่าผลประกอบการใน 4Q66F จะดีขึ้น YoY แต่แยลง QoQ

เราคาดว่ากำไรสุทธิของ OR ใน 4Q66F จะอยู่ที่ 466 ล้านบาท (ดีขึ้น YoY จากขาดทุนสุทธิ 744 ล้านบาท ใน 4Q65, -91% QoQ) ต่ำกว่าประมาณการเดิมเบื้องต้นของเรา เนื่องจากค่าการตลาดน้ำมันลดลง โดยมีสาเหตุหลักมาจากผลขาดทุนจากสต็อกน้ำมัน ในขณะที่ผลประกอบการที่ฟื้นตัวขึ้น YoY แต่แยลง QoQ ใน 4Q66F เป็นเพราะเราคาดว่าการตลาดน้ำมันจะอยู่ที่ 0.75 บาท/ลิตร เพิ่มขึ้นจากระดับที่ต่ำสุดปีคือ 0.48 บาท/ลิตร ใน 4Q65 แลลดลงจาก 1.26 บาท/ลิตรใน 3Q66 แต่อย่างไรก็ตาม เราคาดว่าปริมาณยอดขายน้ำมันของ OR จะเพิ่มขึ้นเล็กน้อย 3% QoQ เป็น 6,950 ล้านลิตร เนื่องจากเป็นช่วง high season ของการท่องเที่ยวในประเทศไทย นอกจากนี้ เรายังคาดว่ากำไรจากรูทิจที่ไม่ใช่ น้ำมันจะเพิ่มขึ้นด้วย เพราะคาดว่าปริมาณยอดขายกาแฟแฟงของ OR จะเพิ่มขึ้น 3% QoQ ทำสถิติสูงสุดใหม่ที่ 95 ล้านแก้ว ในขณะที่ผลกำไรจากรายการขายของร้าน 7-Eleven ในสถานีบริการน้ำมันแบรนด์ PTT จะเพิ่มขึ้น QoQ ตามจำนวนลูกค้าที่เข้ามาใช้บริการที่สถานีบริการเพิ่มขึ้น เรายังคาดว่าอัตรากำไรขั้นต้นของรูทิจที่ไม่ใช่ น้ำมันของบริษัทจะทรงตัว QoQ อยู่ที่ 53.5% สำหรับรายการพิเศษ เราคาดว่าบริษัทจะบันทึกผลขาดทุนจากอัตราแลกเปลี่ยน 547 ล้านบาทใน 4Q66F ลดลง QoQ จากที่มีกำไรจากอัตราแลกเปลี่ยน 732 ล้านบาท เพราะเงินบาทแข็งค่าขึ้น 2.30 บาท/ดอลลาร์ฯ ใน 4Q66

ผลกระทบจากการใช้มาตรฐาน Euro 5 ในประเทศไทยอยู่ในระดับที่บริหารจัดการได้

ตั้งแต่วันที่ 1 มกราคม 2567 ประเทศไทยได้นำมาตรฐาน Euro 5 มาใช้ (เพิ่มขึ้นจากเดิมที่ใช้ Euro 4) เพื่อลดมลพิษทางอากาศ และปรับปรุงคุณภาพสิ่งแวดล้อม ทั้งนี้ ตามปกติแล้ว premium ของคุณภาพน้ำมันที่แตกต่างกันระหว่างมาตรฐาน Euro 4 และ Euro 5 ในตลาดน้ำมันภูมิภาคจะอยู่ที่ประมาณ US\$0.4/bbl (หรือประมาณ 0.09 บาท/ลิตร) ซึ่งโรงกลั่นในประเทศบอว่าจะถูกนำมาใส่ไว้ในราคาขายหน้าโรงกลั่นของน้ำมันดีเซล และเบนซิน อย่างไรก็ตาม เนื่องจากประเทศไทยยังคงมีราคาขายปลีกน้ำมันดีเซลเอไอวที่ 29.94 บาท/ลิตร ซึ่งหมายความว่าราคาน้ำมันดีเซลหน้าโรงกลั่นที่สูงขึ้นประมาณ 0.09 บาท/ลิตร จากการเปลี่ยนจากมาตรฐาน Euro 4 มาเป็น Euro 5 จะไปกดดันผลการตลาดของผู้ประกอบการสถานีบริการน้ำมัน ถึงแม้ OR จะบอกว่าบริษัทสามารถบริหารจัดการผลการตลาดน้ำมันโดยรวมได้จากกรณีราคา น้ำมันชนิดอื่นเพื่อมาชดเชยต้นทุนน้ำมันดีเซลที่เพิ่มขึ้นประมาณ 0.09 บาท/ลิตร จากการใช้มาตรฐาน Euro 5 แต่เรายังคงปรับลดประมาณการกำไรของ OR ในปี 2567F ลง 8% เหลือ 1.31 หมื่นล้านบาท เพื่อความอนุรักษ์นิยม โดยเราได้ปรับลดสมมติฐานผลการตลาดน้ำมันของ OR ในปีนี้ลง 5% (หรือ 0.05 บาท/ลิตร) เหลือ 1.00 บาท/ลิตร

Valuation & action

เราปรับลดราคาเป้าหมายปี 2567F เป็น 24.00 บาท จากเดิม 26.00 บาท เพื่อสะท้อนถึงการปรับลดประมาณการกำไรในปี 2567F ซึ่งอิงจาก PE ที่ 22.0x ถึงแม้เราายังคงคำแนะนำซื้อ แต่เราได้ออก OR ออกจากพอร์ตหุ้นเด่นในกลุ่มพลังงานของเราไปแล้ว (ดูบทวิเคราะห์สินค้าโลกภัณฑ์ของ KGI ฉบับวันที่ 17 มกราคม 2567) นอกจากนี้ เรายังเชื่อว่าราคาหุ้นน่าจะถูกกดดันจากผลการดำเนินงานใน 4Q66F ที่แยลง QoQ ไปอีกระยะหนึ่ง

Risks

ความผันผวนของค่าการตลาดน้ำมัน, ปริมาณยอดขายน้ำมัน และปริมาณยอดขายกาแฟ

Key financials and valuations

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue (Bt mn)	511,799	789,785	776,138	811,027	825,473
Gross profit (Bt mn)	36,207	39,108	41,065	44,046	46,025
EBIT (Bt mn)	14,601	13,632	15,134	16,866	17,442
Net profit (Bt mn)	11,474	10,370	11,367	13,142	13,811
EPS (Bt)	0.96	0.86	0.95	1.10	1.15
DPS (Bt)	0.46	0.50	0.52	0.60	0.63
EPS growth (%)	(2.1)	(9.6)	9.6	15.6	5.1
P/E (x)	28.2	27.5	19.3	16.7	15.9
P/B (x)	3.2	2.8	2.0	1.9	1.8
EV/EBITDA (x)	14.6	14.4	10.3	9.3	8.9
Net debt to equity (x)	(0.2)	0.0	0.0	0.0	0.0
Dividend yield (%)	1.7	2.1	2.8	3.3	3.5
Return on avg. equity (%)	16.7	10.2	10.7	11.8	11.7

Source: Company data, KGI Securities Research

*The Company may be issuer of Derivative Warrants on these securities.

http://research.kgi.com; Bloomberg: KGI <GO> Please see back page for disclaimer

Figure 1: Expect 4Q23F earnings of Bt466mn, improving YoY from a net loss of Bt744mn in 4Q22 but plunging 91% QoQ

Bt mn	4Q23F	4Q22	YoY (%)	3Q23	QoQ (%)	2023F	2022	YoY (%)
Revenue	185,910	206,268	(9.9)	191,560	(2.9)	762,592	789,785	(3.4)
Cost of goods sold	(177,225)	(199,561)	(11.2)	(179,766)	(1.4)	(721,827)	(750,677)	(3.8)
Gross profit	8,685	6,707	29.5	11,794	(26.4)	40,765	39,108	4.2
Operating expenses	(8,500)	(8,738)	(2.7)	(7,341)	15.8	(31,008)	(29,110)	6.5
Other incomes	1,325	1,037	27.7	1,725	(23.2)	5,323	3,633	46.5
Operating profit	1,509	(994)	N.A.	6,178	(75.6)	15,081	13,632	10.6
Depreciation of fixed assets	1,700	1,699	0.1	1,673	1.6	6,752	6,503	3.8
Operating EBITDA	3,209	705	355.4	7,850	(59.1)	21,833	20,134	8.4
Non-operating income	-	-	N.A.	-	N.A.	-	-	N.A.
Non-operating expenses	(510)	(433)	17.9	(603)	(15.4)	(2,372)	(2,223)	6.7
Net investment income/(loss)	130	128	1.7	115	12.8	563	490	15.0
Pre-tax profit	1,129	(1,299)	N.A.	5,690	(80.1)	13,272	11,899	11.5
Current taxation	(117)	611	N.A.	(1,252)	(90.7)	(2,832)	(2,638)	7.3
Minorities	1	1	(3.1)	0	371.7	1	2	(43.2)
Extraordinary items	(547)	(55)	894.7	732	N.A.	927	1,112	(16.6)
Net profit	466	(744)	N.A.	5,170	(91.0)	11,367	10,370	9.6
EPS (Bt)	0.04	(0.06)	N.A.	0.43	(91.0)	0.95	0.86	9.6
Percent	4Q23F	4Q22	YoY (ppts)	3Q23	QoQ (ppts)	2023F	2022	YoY (ppts)
Gross profit margin	4.7	3.3	1.4	6.2	(1.5)	5.3	5.0	0.4
EBITDA margin	1.7	0.3	1.4	4.1	(2.4)	2.9	2.5	0.3
Net margin	0.3	(0.4)	0.6	2.7	(2.4)	1.5	1.3	0.2

Source: Company data, KGI Securities Research

Figure 2: Key assumptions for 4Q23F earnings

	4Q23F	4Q22	YoY (%)	3Q23	QoQ (%)
Oil business					
Oil sales volume (mn liters)	6,950	6,979	(0.4)	6,756	2.9
Marketing margin (Bt/liter)	0.75	0.48	56.3	1.26	(40.7)
Non-oil business					
Coffee sales volume (mn cups)	95	90	5.6	92	3.3
Revenue (Bt mn)	5,848	5,727	2.1	5,514	6.1
Gross profit margin (%)	53.5	54.4	(1.7)	53.5	(0.0)
International business					
Oil sales volume (mn liters)	380	363	4.7	420	(9.5)
Coffee sales volume (mn cups)	8.1	6.4	25.8	7.0	15.0
Revenue (Bt mn)	11,700	12,151	(3.7)	12,583	(7.0)
Gross profit margin (%)	5.5	4.6	19.1	4.9	12.9

Source: Company data, KGI Securities Research

Figure 3: Changes in key assumptions for 2023F/2024F

Our assumptions	2023F			2024F		
	Previous	Revised	Change (%)	Previous	Revised	Change (%)
Oil business						
Total oil sales volume (mn liters)	28,000	27,650	(1.3)	29,361	29,361	0.0
Marketing margin (Bt/liter)	1.05	0.99	(5.7)	1.05	1.00	(4.8)
Income statement						
Earnings (Bt mn)	13,410	11,367	(15.2)	14,316	13,142	(8.2)

Source: Company data, KGI Securities Research

Figure 4: Key assumptions for OR

	2021	2022	2023F	2024F	2025F
<u>Oil business</u>					
Total oil sales volume (mn liters)	23,145	26,846	27,650	29,361	30,327
- Retail (mn liters)	11,777	13,133	12,500	13,303	13,969
- Commercial (mn liters)	11,368	13,713	15,150	16,058	16,358
Marketing margin (Bt/liter)	1.15	0.98	0.99	1.00	1.00
<u>Non-oil business</u>					
Coffee sales volume (mn cups)	298	357	370	380	390
Revenue (Bt mn)	16,965	21,082	22,742	24,265	25,841
- Food & Beverage (Bt mn)	11,181	13,993	15,170	15,960	16,770
- Convenience store (Bt mn)	5,784	7,089	7,572	8,305	9,071
Gross profit margin (%)	54.6	54.6	53.5	53.5	53.5
<u>International business</u>					
Revenue (Bt mn)	28,424	52,154	54,497	58,069	61,467
Gross profit margin (%)	5.1	4.6	5.0	5.0	5.0

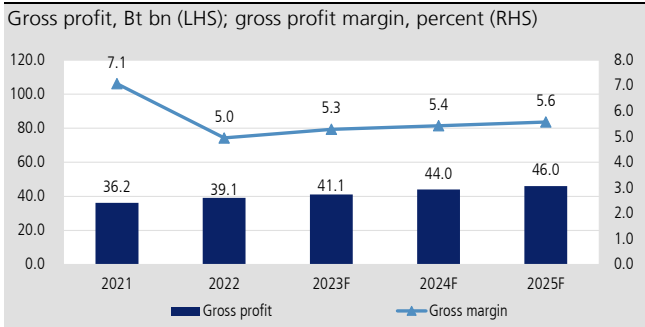
Source: Company data, KGI Securities Research

Figure 5: Company profile

PTT Oil and Retail Business (OR) has three main business groups, consisting of i) Oil business, ii) Non-Oil business, and iii) International business. Firstly, the company sells oil refinery products through the retail market, operated by PTT-branded oil service station, and the commercial market. Secondly, the company has the food & beverage segment - Café Amazon, Texas Chicken, Hua Seng Hong Dim Sum, and Pearly Tea - and the convenience store & rental area segment - 7-Eleven and Jiffy. Thirdly, the company expands its retail oil service station and Café Amazon into Philippines, Cambodia, and other countries.

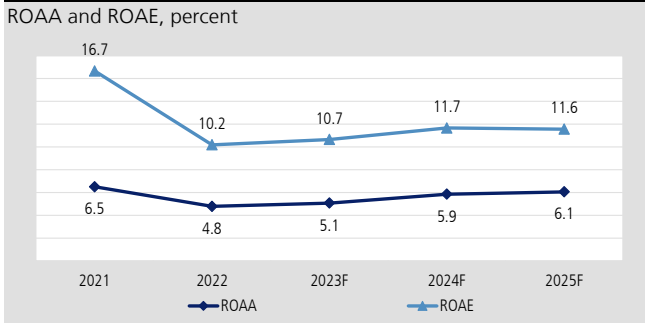
Source: Company data, KGI Securities Research

Figure 7: Gross profit



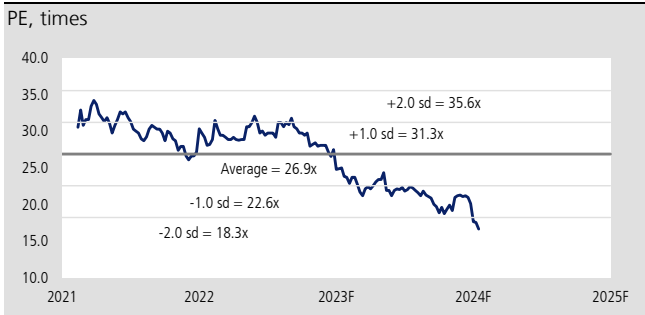
Source: Company data, KGI Securities Research

Figure 9: Company ROAA and ROAE



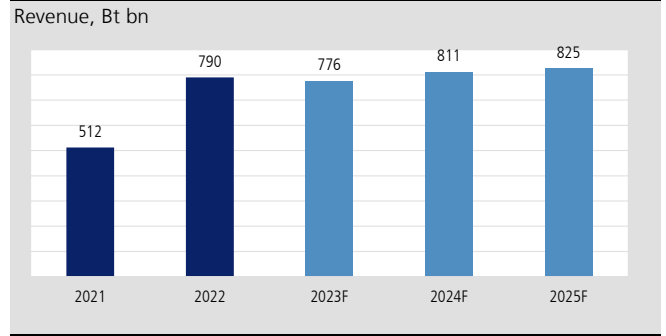
Source: Company data, KGI Securities Research

Figure 11: Company trading PE



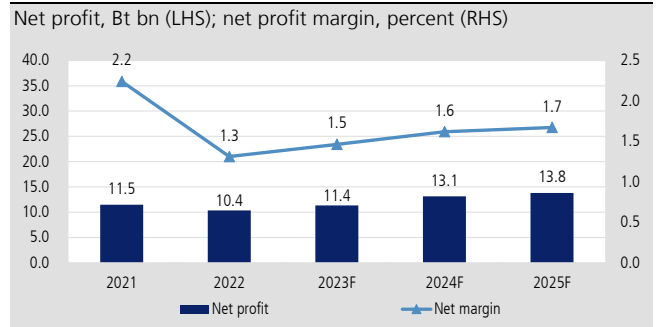
Source: KGI Securities Research

Figure 6: Revenue



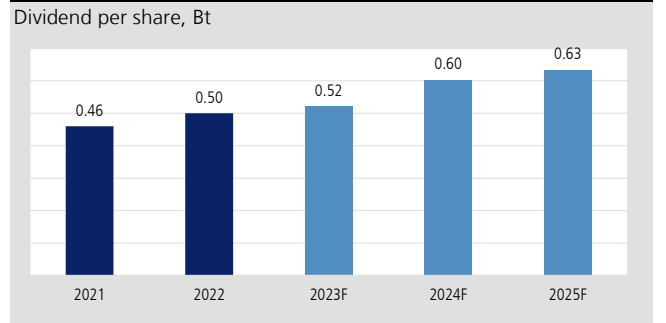
Source: Company data, KGI Securities Research

Figure 8: Net profit



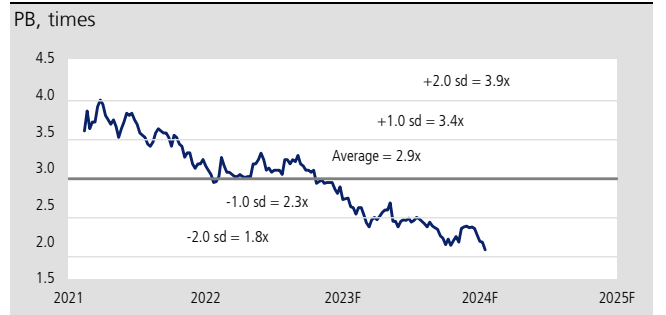
Source: Company data, KGI Securities Research

Figure 10: Dividend



Source: Company data, KGI Securities Research

Figure 12: Company trading PB



Source: KGI Securities Research

Quarterly Income Statement

(Bt mn)	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A	Dec-23F
Income Statement (Bt mn)												
Revenue	118,460	118,708	116,791	157,840	177,291	211,431	194,796	206,268	197,414	187,708	191,560	185,910
Cost of Goods Sold	(108,360)	(109,631)	(109,023)	(148,578)	(166,708)	(197,045)	(187,363)	(199,561)	(187,170)	(177,666)	(179,766)	(177,225)
Gross Profit	10,100	9,077	7,769	9,261	10,583	14,386	7,433	6,707	10,244	10,042	11,794	8,685
Operating Expenses	(5,957)	(5,752)	(5,939)	(7,438)	(6,525)	(6,628)	(7,219)	(8,738)	(7,592)	(7,575)	(7,341)	(8,500)
Other incomes	842	802	803	1,034	916	875	805	1,037	1,261	1,013	1,725	1,325
Operating Profit	4,985	4,126	2,632	2,857	4,974	8,633	1,019	(994)	3,913	3,480	6,178	1,509
Depreciation of fixed assets	1,420	1,499	1,526	1,629	1,547	1,598	1,658	1,699	1,678	1,701	1,673	1,700
Operating EBITDA	6,406	5,625	4,159	4,486	6,521	10,231	2,677	705	5,591	5,182	7,850	3,209
Non-Operating Income	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expenses	(354)	(377)	(432)	(393)	(404)	(445)	(940)	(433)	(619)	(640)	(603)	(510)
Interest Expenses	(335)	(325)	(283)	(307)	(271)	(254)	(277)	(353)	(321)	(337)	(362)	(360)
Other Non-op Expenses	(19)	(51)	(149)	(85)	(133)	(192)	(663)	(80)	(298)	(303)	(241)	(150)
Net Investment Income/(Loss)	126	81	26	140	139	121	102	128	182	136	115	130
Pre-tax Profit	4,757	3,831	2,226	2,604	4,709	8,308	180	(1,299)	3,476	2,977	5,690	1,129
Current Taxation	(947)	(812)	(566)	(393)	(943)	(2,231)	(74)	611	(744)	(718)	(1,252)	(117)
Minorities	(1)	(3)	2	(1)	2	0	(0)	1	1	0	0	1
Extraordinary items	192	203	234	142	81	491	595	(55)	244	498	732	(547)
Net Profit	4,003	3,225	1,892	2,353	3,845	6,568	701	(744)	2,975	2,756	5,170	466
EPS (Bt)	0.33	0.27	0.16	0.20	0.32	0.55	0.06	(0.06)	0.25	0.23	0.43	0.04
Margins												
Gross profit margin	8.5	7.6	6.7	5.9	6.0	6.8	3.8	3.3	5.2	5.4	6.2	4.7
Operating EBIT margin	4.2	3.5	2.3	1.8	2.8	4.1	0.5	(0.5)	2.0	1.9	3.2	0.8
Operating EBITDA margin	5.4	4.7	3.6	2.8	3.7	4.8	1.4	0.3	2.8	2.8	4.1	1.7
Net profit margin	3.4	2.7	1.6	1.5	2.2	3.1	0.4	(0.4)	1.5	1.5	2.7	0.3
Growth												
Revenue growth	(9.1)	41.1	11.4	44.2	49.7	78.1	66.8	30.7	11.4	(11.2)	(1.7)	(9.9)
Operating EBIT growth	82.9	268.6	(41.0)	(20.7)	(0.2)	109.2	(61.3)	N.A.	(21.3)	(59.7)	506.4	N.A.
Operating EBITDA growth	62.9	139.0	(28.0)	(11.1)	1.8	81.9	(35.6)	(84.3)	(14.3)	(49.4)	193.3	355.4
Net profit growth	110.9	520.1	(45.1)	(19.5)	(3.9)	103.7	(63.0)	N.A.	(22.6)	(58.0)	637.5	N.A.

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Total Assets	207,659	225,504	221,530	225,071	227,680
Current Assets	126,066	136,552	127,242	126,766	125,926
Cash & ST Investments	66,224	39,461	31,207	28,323	26,513
Inventories	24,630	27,474	26,903	28,071	28,527
Accounts Receivable	20,235	28,083	27,598	28,838	29,352
Others	14,977	41,534	41,534	41,534	41,534
Non-current Assets	81,592	88,952	94,288	98,305	101,754
LT Investments	9,800	16,751	16,751	16,751	16,751
Net fixed Assets	42,663	44,363	50,583	55,439	59,687
Others	29,129	27,838	26,954	26,115	25,317
Total Liabilities	107,787	121,744	112,654	110,281	106,676
Current Liabilities	51,730	68,660	64,024	66,082	66,886
Accounts Payable	37,275	48,414	47,408	49,465	50,269
ST Borrowings	6,109	10,263	6,633	6,633	6,633
Others	8,345	9,983	9,983	9,983	9,983
Long-term Liabilities	56,057	53,084	48,630	44,199	39,790
Long-term Debts	38,930	33,556	29,103	24,672	20,263
Others	17,127	19,527	19,527	19,527	19,527
Shareholders' Equity	99,872	103,761	108,876	114,790	121,005
Common Stock	120,000	120,000	120,000	120,000	120,000
Capital Surplus	(42,535)	(42,638)	(42,638)	(42,638)	(42,638)
Retained Earnings	22,407	26,399	31,514	37,428	43,643
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Forecast Drivers					
Growth (% YoY)					
Sales	19.4	54.3	(1.7)	4.5	1.8
OP	22.6	(6.6)	11.0	11.4	3.4
EBITDA	20.8	(2.6)	8.4	9.5	3.9
NP	30.5	(9.6)	9.6	15.6	5.1
EPS	(2.1)	(9.6)	9.6	15.6	5.1
Profitability (%)					
Gross Margin	7.1	5.0	5.3	5.4	5.6
Operating Margin	2.9	1.7	1.9	2.1	2.1
EBITDA Margin	4.0	2.5	2.8	2.9	3.0
Net Profit Margin	2.2	1.3	1.5	1.6	1.7
ROAA	6.5	4.8	5.1	5.9	6.1
ROAE	16.7	10.2	10.7	11.8	11.7
Stability					
Gross Debt/Equity (%)	45.1	42.2	32.8	27.3	22.2
Net Debt/Equity (%)	(21.2)	4.2	4.2	2.6	0.3
Interest Coverage (x)	12.4	12.3	11.6	14.8	17.8
Interest & ST Debt Coverage (x)	2.1	1.2	2.0	2.3	2.4
Cash Flow Interest Coverage (x)	19.2	(3.6)	13.1	16.3	20.1
Cash Flow/Interest & ST Debt (x)	3.3	(0.4)	2.2	2.5	2.7
Current Ratio (x)	2.4	2.0	2.0	1.9	1.9
Quick Ratio (x)	2.0	1.6	1.6	1.5	1.5
Net Debt (Bt mn)	(21,185)	4,358	4,529	2,983	383
Per Share Data (Bt)					
EPS	1.0	0.9	0.9	1.1	1.2
CFPS	2.0	(0.3)	1.5	1.6	1.7
BVPS	8.3	8.6	9.1	9.6	10.1
SPS	--	--	--	--	--
EBITDA/Share	1.7	1.7	1.8	2.0	2.1
DPS	0.5	0.5	0.5	0.6	0.6
Activity					
Asset Turnover (x)	2.9	3.6	3.5	3.6	3.6
Days Receivables	14.4	13.0	13.0	13.0	13.0
Days Inventory	18.9	13.4	13.4	13.4	13.4
Days Payable	7.8	6.4	6.4	6.4	6.4
Cash Cycle	25.5	19.9	19.9	19.9	19.9

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Revenue	511,799	789,785	776,138	811,027	825,473
Cost of Goods Sold	(475,592)	(750,677)	(735,073)	(766,982)	(779,448)
Gross Profit	36,207	39,108	41,065	44,046	46,025
Operating Expenses	(25,087)	(29,110)	(31,136)	(32,662)	(34,248)
Other incomes	3,480	3,633	5,205	5,482	5,666
Operating Profit	14,601	13,632	15,134	16,866	17,442
Depreciation of fixed assets	6,075	6,503	6,697	7,032	7,384
Operating EBITDA	20,675	20,134	21,832	23,898	24,826
Non-Operating Income	0	0	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	0	0	0	0	0
Non-Operating Expenses	(1,556)	(2,223)	(2,347)	(1,187)	(1,027)
Interest Expenses	(1,250)	(1,155)	(1,347)	(1,187)	(1,027)
Other Non-op Expenses	(305)	(1,068)	(1,000)	0	0
Net Investment Income/(Loss)	372	490	650	750	850
Pre-tax Profit	13,418	11,899	13,437	16,429	17,265
Current Taxation	(2,719)	(2,638)	(2,869)	(3,286)	(3,453)
Minorities	(4)	2	1	1	1
Extraordinary items	771	1,112	800	0	0
Net Profit	11,474	10,370	11,367	13,142	13,811
EPS (Bt)	0.96	0.86	0.95	1.10	1.15

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Operating Cash Flow	24,044	(4,200)	17,661	19,393	20,619
Net Profit	11,474	10,370	11,367	13,142	13,811
Depreciation & Amortization	6,075	6,503	6,697	7,032	7,384
Change in Working Capital	322	447	50	(350)	(166)
Others	6,173	(21,520)	(453)	(431)	(409)
Investment Cash Flow	(25,903)	5,753	(12,033)	(11,049)	(10,833)
Net CAPEX	(5,472)	(6,110)	(12,917)	(11,889)	(11,631)
Change in LT Investment	0	0	0	0	0
Change in Other Assets	(20,431)	11,863	884	840	798
Free Cash Flow	18,572	(10,310)	4,743	7,504	8,989
Financing Cash Flow	29,634	(9,816)	(13,882)	(11,228)	(11,596)
Change in Share Capital	30,000	0	0	0	0
Net Change in Debt	(16,433)	(562)	(7,630)	(4,000)	(4,000)
Change in Other LT Liab.	16,067	(9,254)	(6,252)	(7,228)	(7,596)
Net Cash Flow	27,775	(8,263)	(8,254)	(2,884)	(1,810)

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- Revenue	+ COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin	
2021	91.7%		1.2%	4.9%	2.2%	
2022	94.2%		0.8%	3.7%	1.3%	
2023F	93.8%		0.9%	4.0%	1.3%	
2024F	93.7%		0.9%	4.0%	1.4%	
2025F	93.5%		0.9%	4.1%	1.4%	
Year	1/ Revenue	+ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover	
2021	0.15		0.08	0.06	3.50	
2022	0.09		0.06	0.04	5.64	
2023F	0.08		0.07	0.03	5.51	
2024F	0.07		0.07	0.03	5.70	
2025F	0.07		0.07	0.03	5.73	
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	= After-tax Return on Inv. Capital
2021	2.2%		3.5		80.8	6.2
2022	1.3%		5.6		79.7	5.7
2023F	1.3%		5.5		79.8	5.6
2024F	1.4%		5.7		80.0	6.4
2025F	1.4%		5.7		80.0	6.5

Source: KGI Securities Research

PTT Oil and Retail Business - Recommendation & target price history



Source: KGI Securities Research

Company's ESG details

Environment

- PTTOR has guidelines for the management of wastewater from operations in petroleum terminals, PTT stations, Café Amazon stores, and Texas Chicken restaurants where oil and grease contaminants may be discharged into the environment. Therefore, the installation of an effective grease trap system must be installed for all petroleum terminals, PTT stations, Café Amazon stores, and Texas Chicken restaurants. It also has regular monitoring of wastewater quality on a regular basis to ensure that the wastewater quality meets the standards in the areas.
- PTTOR is committed to reducing the environmental impact of the production process, as well as encouraging consumers to reduce their environmental impact through the use of products or services. PTTOR supports government initiatives to promote the use of Biofuel (biodiesel and ethanol), which is one such product under the PTT Group Clean and Green Strategy that focuses on reducing both direct and indirect greenhouse gas emissions and increasing the proportion of revenue from low-carbon products. All PTT stations sell diesel (B7, B10, B20) and gasohol. It also continually improve the quality of oil to respond to the consumer demand, change in engine technology, and for better quality of life of people in the country.
- PTTOR focuses on water resources. The building's water usage has been continuously developed and improved, such as reducing the amount of water in the air conditioning system (Cooling Tower), controlling the efficiency of water use by controlling the system's turn on and turn off, bringing water from treatment systems and testing the water for fire extinguishing systems to be water for plants, improving sanitation to be water saving, and preparing preventive maintenance plans to check for irregularities at work sites on a monthly basis.

Social

- PTTOR is aware of building a safety culture among employees and contractors. This is done by combining them to be part of the work group to promote safety culture of PTT group and to communicate with the employees on safety issues. In 2021, OR set a goal for the department level and above, to do the Quality, Health, Safety, and Environment (QSHE) Talk and the QSHE Tour to communicate safety issues in all departments. It also set the goal to have Management Walk, which requires executives to inspect work areas and check for risks or substandard operations at the workplace and of the staff.
- PTTOR supports the promotion of the well-being and health of all employees. It provides annual health checks for employees and organize trainings to educate the staff on physical health care for employees and contract workers. In addition to such activities, PTTOR has also developed a system to record employee health in the form of e-Health Books, so that the employee health data can be analyzed for trend and used to create additional health promotion programs. PTTOR also organized the "OR Exercise Together for Better Health" project to encourage employees to exercise in a competitive form in terms of calories they reduce from their maximum exercise.
- PTTOR conducts human rights training with expectations that all employees, including safety officers, will have knowledge of human rights and have an understanding of PTTOR Group's human rights policies and related practices, in accordance PTTOR Business standards. This is in order to ensure proper performance from all employees, and respect for human rights of the stakeholders involved. In 2021, PTTOR has established human rights training courses as a topic for all employees to be trained through e-Learning. This course is a collaboration between the oil and retail business development institute (OBA), and the Corporate Sustainability Management Project. It was to enhance the knowledge and understanding of human rights to employees throughout the organization by 2022. This course has been open for registration since mid-November of 2021.

Governance

- PTTOR maintains annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).

Climate Management (Subset of environment)

- PTTOR takes action to support alternative energy and reduce greenhouse gas emissions to slow down climate change situation. The target has been set to the Carbon Neutrality by 2030.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALAI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFECO	SEAFECO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEEET
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENDEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSIAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result 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 assessment 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 result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFSCO	SEAFSCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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