

March 22, 2019

OUTPERFORM

(from NEUTRAL)

PTT Exploration & Production

(PTTEP TB)

Share Price: Bt124.0

Target Price: Bt150.0 (+21.0%)

A major milestone

Acquisitions fit with PTTEP's coming home strategy. Contribution to PTTEP: +18% for production volume, +27% for 2P reserves, and 70-75% EBITDA margin. Upgrade to OUTPERFORM, raise TP to Bt150/sh (from Bt115/sh)

Acquisitions fit with PTTEP's coming home strategy

PTTEP has signed a Share Sale and Purchase Agreement (SSPA) to acquire 100% stake of Murphy Oil Corporation's business in Malaysia, which has two subsidiaries of Murphy Sarawak and Murphy Sabah. These two companies currently hold five projects; two under production, one under development, and two under exploration with total proved and probable reserves (2P) of approximately 274m boe. Total sales volume in 2018 was 48k boed, 62% of which is liquid product. Total transaction is US\$2,127m, implying US\$7.8 EV/boe, which is in the low range of past five-year transactions (ranging US\$6-18/boe) in Southeast Asia. Transaction is expected to complete by 1H19. On the separated announcement, PTTEP was awarded for exploration and production rights of two blocks, PM407 and PM415, located in offshore Peninsular Malaysia, with interest at 55% and 70% respectively.

Contribution to PTTEP: +18% for production volume, +27% for 2P reserves, and 70-75% EBITDA margin

PTTEP expects these assets to increase sales volume by 18% (on five-year average) from 318k boed in 2019. They will increase 2P reserves by 27% from 1,028m boe at end 2018 to 1,302m boed. Post acquisitions, 73% of PTTEP's 2P reserves is gas and another 27% is liquid (75% gas and 25% liquid at end 2018). PTTEP expects EBITDA margin at 70-75%, which is the same range as its current EBITDA margin. Note that the sales volume and 2P reserves are not including Bongkot and Erawan projects that PTTEP won the bids. We estimate these projects to add 137m boe, or 9% to our estimate of PTTEP's proved reserves (1P) at end 2019, which consist of 677m boe at end 2018, 145m boe from Mozambique, 430m boe from Bongkot, 100m boe from Erawan (60% stake, assuming 1/3 of committed sales volume), and 50m boe from Southwest Vietnam and Algeria HBR projects. The reserve lives will increase from 5.5 years at end 2018 to 13 years.

Upgrade to OUTPERFORM, raise TP to Bt150/sh (from Bt115/sh), deserve to be re-rated

We are optimistic on these acquisitions and expect PTTEP's share prices to be re-rated given a substantial increase in 1P reserves. We upgrade the stock to OUTPERFORM and raise TP to Bt150/sh, pegged to 15.5x FY19F PE, or +0.5 SD of 12-year historical mean. The PE multiple will drop to 12.7x in 2020F as PTTEP starts first gas production at the Sabah H project in 2020.

Financial Summary (Btm)

Year to Dec	2017	2018	2019F	2020F	2021F
Sales (Btm)	147,725	171,809	194,669	218,503	221,383
Growth (%)	-2	16	13	12	1
EBITDA (Btm)	104,740	125,163	143,030	159,739	160,611
Growth (%)	-0	19	14	12	1
Recurring profit (Btm)	37,438	36,831	38,348	46,837	44,231
Growth (%)	157	-2	4	22	-6
Net Profit (Btm)	20,579	36,206	38,348	46,837	44,231
FDEPS (Bt)	9.43	9.28	9.66	11.80	11.14
Growth (%)	157	-2	4	22	-6
PE (x)	13.1	13.4	12.8	10.5	11.1
DPS (Bt)	4.25	5.00	4.83	5.90	5.57
Yield (%)	3.4	4.0	3.9	4.8	4.5
BVPS (Bt)	94.81	98.25	102.73	109.27	114.64
P/BV (x)	1.3	1.3	1.2	1.1	1.1



A member of MUFG group



Naphat CHANTARASEREKUL

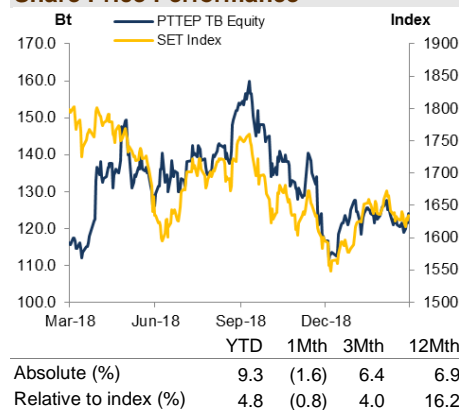
662 - 659 7000 ext 5000

naphat.chantaraserkul@krungsrisecurities.com

Key Data

12-mth high/low (Bt)	160 / 110.5
Market capital (Btm/US\$m)	492,278 / 15,504
3m avg. turnover (Btm/US\$m)	1,466 / 46.2
Free float (%)	33.7
Issued shares (m shares)	3,970
Major shareholders:	
-PTT PCL	65.3
-Thai NVDR	7.1
-STATE ST BK EURO	2.6

Share Price Performance



Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	19	8	0
	Krungsri	Market	% +/-
Target Price (Bt)	150.0	143.4	4.6
'19 Net Profit (Btm)	38,348	39,330	(2.5)
'20 Net Profit (Btm)	46,837	38,460	21.8

Krungsri's earnings revision

	2019F	2020F
Earnings revision (%)	15.3	34.4

Source: Bloomberg, Krungsri Securities

Acquiring assets in Malaysia

Yesterday PTTEP announced that it has signed a Share Sale and Purchase Agreement (SSPA) to acquire 100% stake of Murphy Oil Corporation's business in Malaysia, which own two subsidiaries of Murphy Sarawak and Murphy Sabah.

These two companies currently hold five projects; two under production, one under development, and two under exploration with total proved and probable reserves (2P) of approximately 274m boe. The total sales volume in 2018 was 48k boed, 62% of which is liquid product. Total transaction is US\$2,127m, plus up to US\$100m contingent payment upon certain future exploratory drilling results. Transaction is expected to complete by 1H19, subject to customary consents and regulatory approvals.

On the separate announcement, PTTEP was awarded for exploration and production rights of two blocks, PM407 and PM415 located in offshore Peninsular Malaysia. with interest at 55% and 70% respectively.

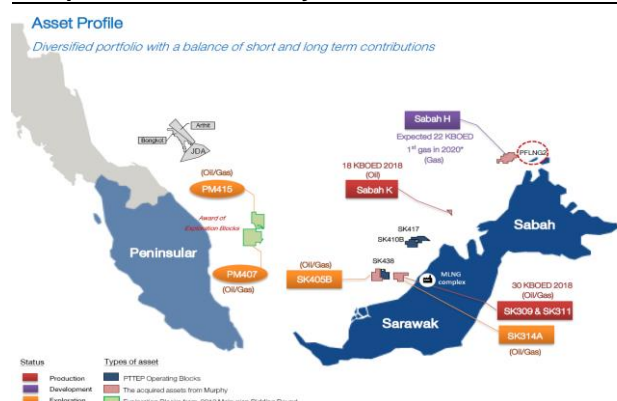
Details of acquired and awarded assets

Project			Working Interest	Oil/Gas	Covering Area(km ²)	2018 Net Sales Volum
Producing Phase						
1	SK309 & SK311		PTTEP HKO* Pertamina Petronas <u>For East Patricia field</u>		903.7	Oil 13,000BPD Gas 105 MMSCFD (equivalent to 30,000 BOED)
			59.5%(Operator)			
			25.5%			
			15.0%			
			PTTEP HKO Petronas Pertamina	Oil and Gas	13	
			42.0%			
			40.0%			
			18.0%			
2	Sabah K	Kikeh	PTTEP HKO* Petronas Pertamina	Oil	247	
			56%(Operator)			
			20.0%			
			24.0%			
		SiakapNorth-Petai(SNP)	Shell Conoco Phillip			
			PTTEP HKO* Petronas Pertamina	Oil	10.5	
			22.4%(Operator)			
			20.0%			
		Gumusut-Kakap(GK)	Pertamina Shell Conoco Phillips Petronas			Oil 17,000 BPD Gas 6 MMSCFD (equivalent to 18,000 BOED)
			PTTEP HKO* Pertamina Brunei contractors			
			29.1%(Operator)			
			29.1%			
			16.8%	Oil	4	
			PTTEP HKO* Pertamina Brunei contractors			
			6.4%			
			2.7%			
			15.9%			

Project	Working Interest	Oil/Gas	Covering Area(km ²)	2018 Net Sales Volum
Development Phase				
3 Sabah H	Rotan Field PTTEP HKO* 56% (Operator) Petronas 20% Pertamina 24% Remaining Area PTTEP HKO* 42% (Operator) Petronas 40% Pertamina 30.0%	Gas	17.6 2,693.8	Expected first gas in 2H 2020, ramping up to full capacity at 270 MMSCFD. Net sales volume to be 130 MMSCFD or equivalent to 22,000 BOED
Exploration Phase				
4 SK314A	PTTEP HKO* 59.5% (Operator) Pertamina 25.5% Petronas 15.0%	Oil/Gas	1,975	N/A
5 SK405B	PTTEP HKO* 59.5% (Operator) MOECO 25.5% Petronas 15.0%	Oil/Gas	2,305	N/A
6 PM407	PTTEP HKO 55%(Operator) Petronas 45.0%	Oil/Gas	6,742	N/A
7 PM415	PTTEP HKO 70%(Operator) Petronas 30.0%	Oil/Gas	4,117	N/A

Source: Company data, Krungsri Securities

Acquired assets in Malaysia



Source: Company data, Krungsri Securities

PTTEP's projects in Southeast Asia

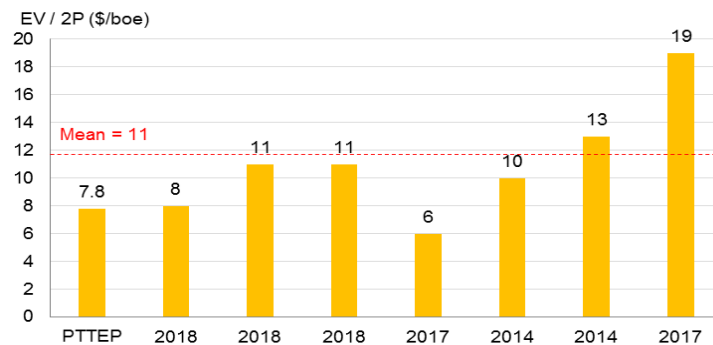


Source: Company, Krungsri Securities

Self-funding project, acquisition price implies US\$7.8 EV/boe

This transaction of US\$2,127m implies US\$7.8 EV/boe, which is in the low range of past five-year transactions in Southeast Asia. We estimate the additional assets to generate US\$400m operating cash flow to PTTEP, which would be sufficient to fund capex pa in the next five years. Note that PTTEP guided US\$300-500m capex pa in the next five years.

Comparable transactions in Southeast Asia

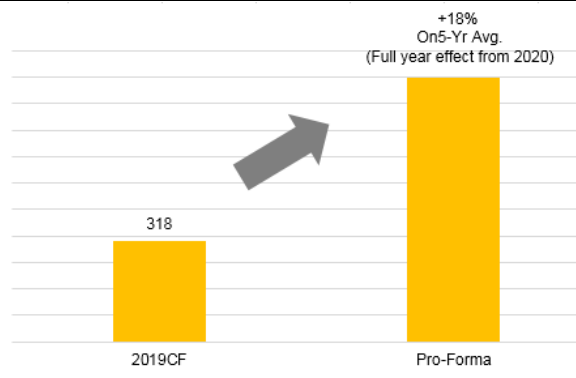


Source: Company, Krungsri Securities

Contribution to PTTEP: +18% for production volume, +27% for 2P reserves, 70-75% EBITDA margin

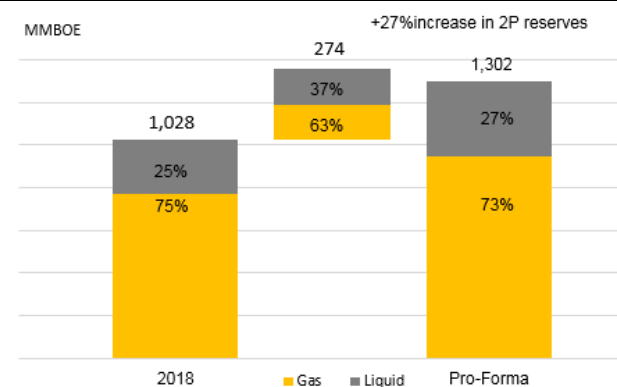
PTTEP expects these assets to increase sales volume by 18% on five-year average from 318k boed in 2019. They will increase 2P reserves by 27% from 1,028m boe at end 2018 to 1,302m boed. Post acquisition, 73% of 2P reserves is gas and another 27% is liquid (75% gas and 25% liquid at end 2018). PTTEP expects EBITDA margin at 70-75%, which is the same range as its current EBITDA margin. Note that the sales volume and 2P reserves are not including Bongkot and Erawan projects that PTTEP won the bids.

Net sales volume to PTTEP



Source: Company data, Krungsri Securities

Proved and probable reserves (2P)



Source: Company, Krungsri Securities

Estimate 1P reserves to increase by 9%

PTTEP does not provide 1P reserves from acquired assets, but guided that 1P reserves is estimated at 50% of 2P reserves, which would add 137m boe or 9% to our estimate of PTTEP's proved reserves at end 2019. which consist of 677m boe at end 2018, 145m boe from Mozambique, 430m boe from Bongkot, 100m boe from Erawan (60% stake, assuming 1/3 of committed sales volume), and 50m boe from Southwest Vietnam and Algeria HBR projects. The reserve lives will increase from 5.5 years at end 2018 to 13 years.

PTTEP: Estimated 1P reserves

	Unit: m boe	Note
Reserves end 2018	677	
Mozambique LNG	145	
Bongkot	430	
Erawan	100	60% stake, assuming 1/3 of committed sales volume give PTTEP is not an operator now
Southwest Vietnam, Algeria	50	
Hassi Bir Rekaiz		
5 assets acquired in Malaysia	137	based on 50% of 2P reserves (274m boe)
Total	1,539	

Source: Company data, Krungsri Securities

Upgrade to OUTPERFORM (from NEUTRAL), raise TP to Bt150/sh (from Bt115/sh)

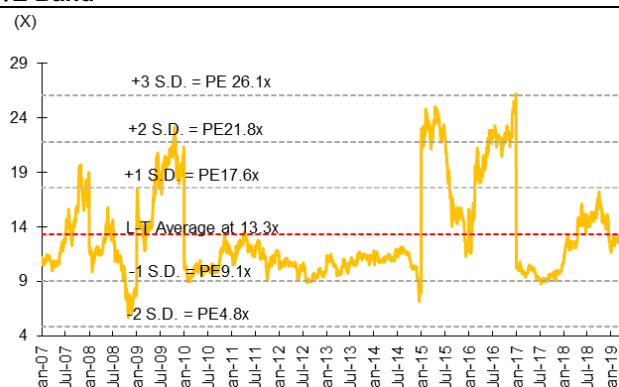
We incorporate additional sales volume from two producing assets (SK309 and SK311) and the Sabah K project, and planned production start-up of Sabah H project in 2H20 into our model. We also factored in US\$400m pa investment in 2020-2024. We finetune the proportion of gas and liquid products to 70:30 from 74:26 range in the next five years as majority of the additional sales volume is liquid product.

We are optimistic on these acquisitions and expect PTTEP's share prices to be rerated given a substantial increase in 1P reserves. We upgrade the stock to OUTPERFORM and raise TP to Bt150/sh, pegged to 15.5x FY19F PE, or +0.5 SD of 12-year historical mean. The PE multiple will drop to 12.7x in 2020F as PTTEP starts first gas production at the Sabah H project in 2020.

PTTEP: Key assumptions

	2017	2018	2019F	2020F	2021F
FX (Bt/US\$)	33.8	32.3	32.2	32.2	32.2
Sales volume (BOED)	299,206	305,522	342,000	384,000	396,000
Sales volume - gas (%)	70	72	70	70	70
Sales volume - liquid (%)	30	28	30	30	30
Dubai crude price (US\$/bbl)	53.2	69.6	65.0	65.0	62.0
Gas price (US\$/MMBTU)	5.6	6.4	6.7	6.7	6.7

Source: Krungsri Securities

P/E Band


Source: Bloomberg, Krungsri Securities

P/BV Band


Source: Bloomberg, Krungsri Securities

Peer Comparison

BB Ticker	Name	Market Cap US\$	PE (x) 19F	PE (x) 20F	P/BV (x) 19F	P/BV (x) 20F	EV/EBITDA (x) 19F	EV/EBITDA (x) 20F	Div Yield (%) 19F	ROE (%) 19F	Share Price Performance 1M	Share Price Performance 3M	Share Price Performance 6M	Share Price Performance YTD
PTTEP TB	PTT EXPLOR & PROD PUBLIC	15,519	12.8	10.5	1.2	1.1	2.5	2.0	4.8	9.6	(1.6)	6.4	(19.2)	9.3
883 HK	CNOOC LTD	79,766	10.5	9.6	1.4	1.4	4.0	3.7	4.5	12.0	(0.1)	20.0	(0.8)	15.9
ONGC IN	OIL & NATURAL GAS CORP LTD	28,358	6.1	6.1	0.9	0.8	3.8	4.0	5.8	15.1	2.2	2.3	(15.8)	1.3
WPL AU	WOODSIDE PETROLEUM LTD	23,922	14.9	14.1	1.9	1.9	6.8	6.1	5.3	8.7	1.2	20.1	(2.7)	14.8
STO AU	SANTOS LTD	10,730	13.8	12.6	1.9	1.8	6.1	5.8	1.9	9.5	3.4	39.3	3.4	32.2
OSH AU	OIL SEARCH LTD	9,002	19.0	17.7	2.3	2.2	9.3	8.9	2.4	8.4	(0.7)	21.7	(3.5)	16.1
Average (simple)			12.8	11.8	1.6	1.5	5.4	5.1	4.1	10.5				

Source: Bloomberg, Krungsri Securities

PTTEP: Quarterly P&L

Quarterly P&L (Btm)	4Q17	1Q18	2Q18	3Q18	4Q18	Chg qoq	Chg yoy
Sales	40,325	37,343	42,115	45,088	47,263	5%	17%
COGS (inc dep'n)	(24,007)	(20,681)	(24,082)	(26,469)	(26,119)	-1%	9%
Gross Profit	16,318	16,663	18,033	18,619	21,144	14%	30%
SG&A	(3,489)	(1,814)	(1,862)	(2,297)	(3,431)	49%	-2%
Operating Profit	12,829	14,849	16,171	16,322	17,712	9%	38%
Net other income/expense	552	(1,047)	25	(858)	1,641	-291%	197%
Net interest	(1,279)	(1,170)	(1,158)	(1,240)	(1,448)	17%	13%
Pretax profit	12,101	12,633	15,038	14,224	17,905	26%	48%
Income Tax	(2,082)	(112)	(10,534)	(3,483)	(9,636)	177%	363%
Associates	85	66	60	75	56	-25%	-35%
Minority interest	0	0	0	0	0		
Profit after tax (pre-ex)	10,104	12,586	4,564	10,816	8,325	-23%	-18%
Extraordinaries, GW & FX	(664)	794	(974)	(415)	510	-223%	-177%
Reported net profit	9,440	13,381	3,590	10,401	8,834	-15%	-6%
Shares out (end Q, m)	3,970	3,970	3,970	3,970	3,970		
Adjusted shares (m)	3,970	3,970	3,970	3,970	3,970		
Pre-ex EPS	2.55	3.17	1.15	2.72	2.10	-23%	-18%
EPS	2.38	3.24	0.83	2.50	2.23	-11%	-6%

Note: Our core profit (profit pre-ex) is based on reported financial statement. PTTEP provided breakdown of non-recurring items after result release. Our explanation of core profit on front page stripped out non-recurring items provided by PTTEP

INCOME STATEMENT (Btm)	2017	2018	2019F	2020F	2021F
Turnover	147,725	171,809	194,669	218,503	221,383
Cost of sales (COGS)	(35,391)	(37,541)	(41,262)	(47,109)	(48,996)
Depreciation & amortization	(55,983)	(59,809)	(68,316)	(75,838)	(81,431)
Gross profit	56,351	74,459	85,090	95,556	90,956
S&A expense	(8,459)	(9,405)	(10,707)	(12,018)	(12,176)
Operating profit	47,891	65,054	74,384	83,539	78,780
Other operating income	866	300	330	363	400
EBIT	48,757	65,354	74,714	83,902	79,180
Interest expense	(7,676)	(7,707)	(6,314)	(6,314)	(6,314)
Interest income	2,016	2,691	1,324	474	852
Other income	0	0	0	0	0
Goodwill amortization	0	0	0	0	0
Pre-tax profit	43,097	60,339	69,724	78,062	73,718
Income tax on company & subsidiaries	(5,987)	(23,764)	(31,376)	(31,225)	(29,487)
Profit after tax	37,110	36,574	38,348	46,837	44,231
Minority interests	0	0	0	0	0
Share of associate net income	329	256	0	0	0
Preferred dividends	0	0	0	0	0
Recurring attributable net profit	37,438	36,831	38,348	46,837	44,231
Extraordinary items	(16,859)	(624)	0	0	0
Reported net profit	20,579	36,206	38,348	46,837	44,231
Shares in issue (Y/E, m)	3,970	3,970	3,970	3,970	3,970
Shares in issue (weighted avg. m)	3,970	3,970	3,970	3,970	3,970
EPS (before extraordinary items, Bt)	9	9	10	12	11
DPS (Bt)	4	5	5	6	6
DPS/EPS (%)	82	55	50	50	50

CASH FLOW (Btm)	2017	2018	2019F	2020F	2021F
Operating profit	47,891	65,054	74,384	83,539	78,780
Other operating income	866	300	330	363	400
EBIT	48,757	65,354	74,714	83,902	79,180
Depreciation & amortization	55,983	59,809	68,316	75,838	81,431
EBITDA	104,740	125,163	143,030	159,739	160,611
Notional cash taxes on ungeared operations	(7,987)	(25,673)	(33,071)	(33,048)	(31,253)
Net change in working capital	(690)	16,238	1,974	2,558	(3,809)
CAPEX	(12,772)	(63,429)	(173,130)	(66,557)	(84,461)
Operating free cash flow (OpFCF)	83,291	52,300	(61,197)	62,692	41,087
Net interest income adjusted for tax impact	(3,660)	(3,107)	(3,294)	(4,017)	(3,696)
Net free cash flow (Net FCF)	79,631	49,193	(64,491)	58,675	37,392
Non-operating income (net of tax)	0	0	0	0	0
Equity income from associates	329	256	0	0	0
Investments	(8,200)	375	0	0	0
Net change in other assets/liabilities	(17,258)	(6,796)	0	0	0
Other items	1,841	(3,399)	0	0	0
Residual cash flow (RCF)	56,343	39,628	(64,491)	58,675	37,392
Dividends	(15,880)	(17,865)	(20,572)	(20,872)	(22,897)
Equity capital raised	(0)	0	0	0	0
Other items	(32,101)	(3,460)	0	0	0
Cash flow from financing	(47,981)	(21,325)	(20,572)	(20,872)	(22,897)
Net change in cash	8,362	18,303	(85,063)	37,804	14,494
Net cash/(debt) at YS	42,643	51,006	69,308	(15,755)	22,048
Ending net cash/(debt)	51,006	69,308	(15,755)	22,048	36,543
Increase/(decrease) in cash & equivalents	1,913	(13,566)	(85,063)	37,804	14,494
(Increase)/decrease in debt	6,450	31,869	0	0	0
NOPLAT (net op profit less adjusted tax)	40,770	39,682	41,642	50,854	47,926
Normalized OpFCF (est. maint. CAPEX)	52,486	73,119	65,819	78,059	70,582
FCFE (free cash flow to equity)	49,893	7,759	(64,491)	58,675	37,392

BALANCE SHEET (Btm)	2017	2018	2019F	2020F	2021F
Cash & equivalents	146,014	132,448	47,385	85,188	99,683
A/C receivable	24,661	38,802	42,696	47,066	51,493
Inventory	10,368	9,158	11,305	12,907	13,423
Others	7,357	6,375	7,223	8,107	8,214
Total Current Assets	188,400	186,783	108,608	153,268	172,814
Property and equipment	262,571	266,191	371,004	361,724	364,754
Investments & associates	11,196	10,822	10,822	10,822	10,822
Other assets	21,984	25,738	25,738	25,738	25,738
Goodwill	143,971	145,553	145,553	145,553	145,553
Total Assets	628,121	635,087	661,726	697,105	719,681
Short-term debt	13,063	13,208	13,208	13,208	13,208
A/C payable	3,770	3,331	3,661	4,180	4,348
Other current liabilities	35,498	64,124	72,656	81,552	82,627
Total Current Liabilities	52,330	80,663	89,525	98,940	100,182
Long-term debt	81,946	49,932	49,932	49,932	49,932
Other liabilities	117,470	114,429	114,429	114,429	114,429
Total Liabilities	251,747	245,024	253,886	263,300	264,543
Share capital	3,970	3,970	3,970	3,970	3,970
Share premium	105,418	105,418	105,418	105,418	105,418
Revaluation/Warrants/Treasury	0	0	0	0	0
Translation adjustment	42,781	39,945	39,945	39,945	39,945
Retained earnings	224,206	240,731	258,507	284,472	305,806
Total ordinary equity	376,375	390,063	407,840	433,805	455,138
Preferred equity	0	0	0	0	0
Minorities	0	0	0	0	0
Total equity & minorities	376,375	390,063	407,840	433,805	455,138
Accumulated depreciation	587,811	587,811	656,127	731,964	813,395
BV per ordinary share (Y/E, Bt)	94.81	98.25	102.73	109.27	114.64
Adjusted book value ps (Y/E, Bt)	94.81	98.25	102.73	109.27	114.64

RATIOS (%)	2017	2018	2019F	2020F	2021F
Growth					
Turnover	(1.7)	16.3	13.3	12.2	1.3
EBITDA	(0.1)	19.5	14.3	11.7	0.5
EBIT	54.7	34.0	14.3	12.3	(5.6)
Net profit	60.0	75.9	5.9	22.1	(5.6)
EPS pre extraordinary items	156.9	(1.6)	4.1	22.1	(5.6)
EPS (diluted)	156.9	(1.6)	4.1	22.1	(5.6)
DPS	30.8	17.6	(3.4)	22.1	(5.6)
Accounting ratios					
Cash profit margin	76.0	78.1	78.8	78.4	77.9
Gross profit margin	38.1	43.3	43.7	43.7	41.1
Operating profit margin	32.4	37.9	38.2	38.2	35.6
Net profit margin	13.9	21.1	19.7	21.4	20.0
Turnover/avg. total assets (x)	0.2	0.3	0.3	0.3	0.3
ROA	5.7	5.8	5.9	6.9	6.2
ROE	9.5	9.6	9.6	11.1	10.0
S&A/turnover	5.7	5.5	5.5	5.5	5.5
Effective tax rate	13.9	39.4	45.0	40.0	40.0
Operating performance					
EBITDA margin	70.9	72.9	73.5	73.1	72.5
EBIT margin	33.0	38.0	38.4	38.4	35.8
NOPLAT margin (NOPLAT/Turnover)	27.6	23.1	21.4	23.3	21.6
Asset turnover (Turnover/avg Op assets)	0.8	1.0	0.9	0.8	0.8
ROCE (NOPLAT/avg Op assets)	21.9	23.3	19.0	19.2	18.2
ROCE incl. capitalized goodwill	11.9	12.6	11.4	12.4	11.7

EQUITY VALUATIONS (Bt)	2017	2018	2019F	2020F	2021F
EPS	9.43	9.28	9.66	11.80	11.14
FDEPS	9.43	9.28	9.66	11.80	11.14
FDEPS growth (%)	156.9	(1.6)	4.1	22.1	(5.6)
DPS	4.25	5.00	4.83	5.90	5.57
BVPS	94.81	98.25	102.73	109.27	114.64
Adjusted BVPS	94.81	98.25	102.73	109.27	114.64
Free cash flow to equity (FCFE) per share	12.6	2.0	(16.2)	14.8	9.4
PE (x)	13.1	13.4	12.8	10.5	11.1
PE (fully diluted, x)	13.1	13.4	12.8	10.5	11.1
PE/FDEPS growth (x)	0.1	(8.2)	3.1	0.5	(2.0)
Yield (%)	3.4	4.0	3.9	4.8	4.5
P/BV (x)	1.3	1.3	1.21	1.13	1.08
P/ABV (x)	1.31	1.26	1.21	1.13	1.08
P/FCFE (x)	9.9	63.4	(7.6)	8.4	13.2
ENTERPRISE VALUATIONS (Btm)	2017	2018	2019F	2020F	2021F
Ordinary shares (m)	3970	3970	3970	3970	3970
Share price (Bt)	100.00	113.50	124.00	124.00	124.00
Ordinary equity MV	396,999	450,593	492,278	492,278	492,278
MI & deferred taxes	0	0	0	0	0
Equity MV (adjusted ord)	396,999	450,593	492,278	492,278	492,278
Preferred equity	0	0	0	0	0
Debt	95,009	63,140	63,140	63,140	63,140
Enterprise value	492,007	513,733	555,418	555,418	555,418
Net noncore assets	298,227	285,387	199,866	237,193	251,630
Core enterprise value (EV)	193,780	228,347	355,552	318,225	303,788
Turnover	147,725	171,809	194,669	218,503	221,383
EBITDA	104,740	125,163	143,030	159,739	160,611
EBIT	48,757	65,354	74,714	83,902	79,180
NOPLAT	40,770	39,682	41,642	50,854	47,926
OpFCF	83,291	52,300	-61,197	62,692	41,087
OpFCF (normalized)	52,486	73,119	65,819	78,059	70,582
Op (core) capital employed (CE)	173,157	167,817	271,113	259,752	266,648
Avg. core capital employed	185,813	170,487	219,465	265,433	263,200
Core EV multiples	1,750	2,437	2,194	2,602	2,353
EV/Turnover (x)	1.3	1.3	1.8	1.5	1.4
EV/EBITDA (x)	1.9	1.8	2.5	2.0	1.9
EV/EBIT (x)	4.0	3.5	4.8	3.8	3.8
EV/NOPLAT (x)	4.8	5.8	8.5	6.3	6.3
EV/OpFCF (x)	2.3	4.4	(5.8)	5.1	7.4
EV/OpFCF normalised (x)	3.7	3.1	5.4	4.1	4.3
EV/capital employed (YE, x)	1.1	1.4	1.3	1.2	1.1
EV/avg capital employed (x)	1.0	1.3	1.6	1.2	1.2
RISK MEASURES	2017	2018	2019F	2020F	2021F
Equity multiplier (avg. total assets/avg. equity)	1.7	1.6	1.6	1.6	1.6
Net debt/equity & MI	n/a	n/a	0.0	n/a	n/a
Interest cover (x)					
Interest cover (EBIT & int. incl/int. expense)	6.6	8.8	12.0	13.4	12.7
NOPLAT/interest paid	5.3	5.1	6.6	8.1	7.6
Debt service (OpFCF/net interest paid)	15	10	(12)	11	8
Short term ratios (x)					
Current assets/current liabilities	3.6	2.3	1.2	1.5	1.7
Current assets less inventory/current liabilities	3.4	2.2	1.1	1.4	1.6
A/C receivable, days Turnover	60.9	82.4	80.1	78.6	84.9
Inventory, days COGS	106.9	89.0	100.0	100.0	100.0
A/C payable, days COGS	38.9	32.4	32.4	32.4	32.4

CG Rating 2018 Companies with CG Rating



ADVANC	AKP	AMATA	AMATAV	ANAN	AOT	AP	BAFS	BANPU	BAY	BCP	BCPG	BRR	BTS
BWG	CFRESH	CHO	CK	CKP	CM	CNT	COL	CPF	CPI	CPN	CSS	DELTA	DEMCO
DRT	DTAC	DTC	EA	EASTW	EGCO	GC	GEL	GFPT	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HMPRO	ICC	ICHI	INTUCH	IRPC	IVL	JSP	KBANK	KCE	KKP	KSL	KTB	KTC
LHFG	LIT	LPN	MAKRO	MBK	MCOT	MINT	MONO	MTC	NCL	NKI	NVD	NYT	OISHI
OTO	PCSGH	PDJ	PG	PHOL	PLANB	PLANET	PPS	PRG	PSH	PSL	PTG	PTT	PTTEP
PTTGC	PYLON	Q-CON	QH	QTC	RATCH	ROBINS	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SDC	SE-ED	SIS	SITHAI	SNC	SPALI	SPRC	SSSC	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TKT	TMB	TNDT	TOP	TRC
TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	UAC	UV	VGI	VIH	WACOAL	WAVE	WHA

WINNER



2S	AAV	ACAP	AGE	AH	AHC	AIRA	AIT	AKR	ALLA	ALT	AMA	AMANAH	APCO
AQUA	ARIP	ARROW	ASIA	ASIMAR	ASK	ASN	ASP	ATP30	AU	AUCT	AYUD	BA	BBL
BDMS	BEC	BEM	BFIT	BGRIM	BIZ	BJC	BJCHI	BLA	BOL	BPP	BROOK	BTW	CBG
CEN	CENTEL	CGH	CHEWA	CHG	CHOW	CI	CIMBT	CNS	COM7	COMAN	CPALL	CSC	CSP
DCC	DCORP	DDD	EASON	ECF	ECL	EE	EPG	ERW	ETE	FN	FNS	FORTH	FPI
FSMART	FVC	GBX	GCAP	GLOBAL	GLOW	GULF	HARN	HPT	HTC	HYDRO	ICN	ILINK	INET
IRC	ITD	JAS	JCKH	JKN	JWD	K	KBS	KCAR	KGI	KKC	KOOL	KTIS	L&E
LANNA	LDC	LH	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MALEE	MBKET	MC	MEGA
METCO	MFC	MFEC	MK	MOONG	MSC	MTI	NCH	NEP	NINE	NOBLE	NOK	NSI	NTV
NWR	OCC	OGC	ORI	PAP	PATO	PB	PDI	PJW	PLAT	PM	PORT	PPP	PREB
PRECHA	PRINC	PRM	PT	QLT	RICHY	RML	RS	RWI	S	S11	SALEE	SANKO	SAWAD
SCG	SCI	SCN	SE	SEAFCO	SEAOIL	SELIC	SENA	SFP	SIAM	SINGER	SIRI	SKE	SMK
SMPC	SMT	SNP	SORKON	SPC	SPI	SPPT	SPVI	SR	SSF	SST	STA	SUC	SUSCO
SUTHA	SWC	SYMC	SYNEX	TACC	TAE	TAKUNI	TBSP	TCC	TEAM	TFG	TFMAMA	THRE	TICON
TIPCO	TK	TKN	TKS	TM	TMC	TMI	TMILL	TMT	TNITY	TNL	TNP	TNR	TOA
TOG	TPA	TPAC	TPBI	TPCORP	TRITN	TRT	TSE	TSR	TSST	TTA	TTW	TVI	TVO
TWP	TWPC	U	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT	WHAUP	WICE	WIIK
XO	YUASA	ZMICO											



7UP	ABICO	ABM	AEC	AEONTS	AF	AJ	ALUCON	AMARIN	AMC	AS	ASAP	ASEFA	ASIAN
BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK	BSBM	BTNC	CCET	CCP	CGD
CHARAN	CHAYO	CITY	CMO	CMR	COLOR	CPL	CPT	CRD	CSR	CTW	CWT	D	DCON
DIGI	DIMET	EKH	EMC	EPCO	ESSO	ESTAR	FE	FLOYD	FOCUS	FSS	FTE	GENCO	GIFT
GJS	GLAND	GPI	GREEN	GTB	GYT	HTECH	IFS	IHL	III	INOX	INSURE	IRCP	IT
ITEL	J	JCK	JMART	JMT	JTS	JUBILE	KASET	KCM	KIAT	KWC	KWG	KYE	LALIN
LEE	LPH	MATCH	MATI	MBAX	M-CHAI	MDX	META	MILL	MJD	MM	MODERN	MPG	NC
NDR	NETBAY	NNCL	NPK	OCEAN	PAF	PDG	PF	PICO	PIMO	PK	PL	PLE	PMTA
PPPM	PRIN	PSTC	PTL	RCI	RCL	RJH	ROJNA	RPC	RPH	SAMCO	SAPPE	SCP	SF
SGF	SGP	SKN	SKR	SKY	SLP	SMIT	SOLAR	SPA	SPCG	SPG	SQ	SRICHA	SSC
SSP	STANLY	STPI	SUN	SUPER	SVOA	T	TCCC	TCMC	THE	THG	THMUI	TIC	TITLE
TIW	TMD	TOPP	TPCH	TIPIP	TPOLY	TTI	TVT	TYCN	UEC	UMS	UNIQ	VCOM	VIBHA
VPO	WIN	WORK	WP	WPH	ZIGA								

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, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator 2018

Companies that have declared their intention to join CAC

A	ABICO	AIE	AJ	AMATA	AMATAV	ANAN	AOT	APCO	ARROW	ASIAN	B	BJC	BLAND
BLISS	BM	BPP	BR	BUI	CEN	CGH	CHG	CHO	CHOTI	CI	CIMBT	CITY	COL
CPR	DDD	EFORL	EKH	ESTAR	ETE	FLOYD	FN	FPI	FTE	GPI	GYT	ICHI	ILINK
INSURE	IRC	ITEL	JAS	JTS	KWG	LDC	LEE	LIT	LRH	MATCH	MATI	META	MFEC
MILL	MTC	NCL	NEP	NWR	ORI	PAP	PK	PLANB	POST	PRM	PRO	PSL	PYLON
QTC	ROJNA	RWI	SAPPE	SCI	SHANG	SPALI	SST	STANLY	SUPER	SWC	SYMC	SYNEX	TAKUNI
THE	THIP	TKN	TMC	TNR	TOPP	TPP	TRITN	TTI	TVO	UEC	UKEM	UPA	UREKA
UV	UWC	VIH	XO	YUASA									

Companies certified by CAC

ADVANC	AKP	AMANAH	AP	APCS	ASK	ASP	AYUD	BAFS	BANPU	BAY	BBL	BCH	BCP
BCPG	BGRIM	BJCHI	BKI	BLA	BROOK	BRR	BSBM	BTS	BWG	CENTEL	CFRESH	CHEWA	CIG
CM	CNS	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET	DRT	DTAC	DTC
EASTW	ECL	EGCO	EPCO	FE	FNS	FSS	GBX	GC	GCAP	GEL	GFPT	GGC	GJS
GLOW	GOLD	GPSC	GSTEL	GUNKUL	HANA	HARN	HMPRO	HTC	ICC	IFEC	IFS	INET	INTUCH
IRPC	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC
L&E	LANNA	LHFG	LHK	LPN	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC
MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NGI	NMG	NNCL	NSI	OCC	OCEAN	OGC
PATO	PB	PCSGH	PDG	PDI	PDJ	PE	PG	PHOL	PL	PLANET	PLAT	PM	PPP
PPPM	PPS	PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	Q-CON	QH
QLT	RATCH	RML	ROBINS	S & J	SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SE-ED
SELIC	SENA	SGP	SINGER	SIRI	SIS	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSI	SSSC	STA	SUSCO	SVI	SYNTEC	TAE	TASCO	TCAP
TCMC	TFG	TFI	TFMAMA	THANI	THCOM	THRE	THREL	TICON	TIP	TIPCO	TISCO	TKT	TMB
TMD	TMILL	TMT	TNITY	TNL	TNP	TOG	TOP	TPA	TPCORP	TRU	TRUE	TSC	TSTH
TTCL	TU	TVD	TVI	TWPC	U	UBIS	UOBKH	VGI	VNT	WACOAL	WHA	WICE	WIIK

N/A

2S	7UP	AAV	ABM	ACAP	ACC	ADAM	ADB	AEC	AEONTS	AF	AFC	AGE	AH
AHC	AI	AIRA	AIT	AJA	AKR	ALLA	ALT	ALUCON	AMA	AMARIN	AMC	APEX	APURE
AQ	AQUA	ARIP	AS	ASAP	ASEFA	ASIA	ASIMAR	ASN	ATP30	AU	AUCT	BA	BAT-3K
BCT	BDMS	BEAUTY	BEC	BEM	BFIT	BGC	BGT	BH	BIG	BIZ	BKD	BOL	BROCK
BSM	BTNC	BTW	CBG	CCET	CCP	CGD	CHARAN	CHAYO	CHOW	CHUO	CK	CKP	CMAN
CMC	CMO	CMR	CNT	COLOR	COMAN	COTTO	CPH	CPL	CRANE	CRD	CSP	CSR	CSR
CSS	CTW	CWT	D	DCON	DCORP	DELTA	DIGI	DNA	DOD	DTCI	EA	EARTH	EASON
ECF	EE	EIC	EMC	EPG	ERW	ESSO	EVER	F&D	FANCY	FC	FMT	FOCUS	FORTH
FSMART	FVC	GENCO	GIFT	GL	GLAND	GLOBAL	GRAMMY	GRAND	GREEN	GTB	GULF	HFT	HPT
HTECH	HUMAN	HYDRO	ICN	IEC	IHL	III	INGRS	INOX	IRCP	IT	ITD	J	JCK
JCKH	JCT	JKN	JMART	JMT	JSP	JUBILE	JUTHA	JWD	KAMART	KC	KCM	KDH	KIAT
KKC	KOOL	KTECH	KTIS	KWM	KYE	LALIN	LH	LOXLEY	LPH	LST	LTX	LVT	MACO
MAJOR	MANRIN	MAX	M-CHAI	MCS	MDX	MEGA	METCO	MGT	MIDA	MJD	MK	ML	MM
MODERN	MPG	MPIC	MVP	NC	NCH	NDR	NER	NETBAY	NEW	NEWS	NFC	NOBLE	NOK
NPK	NPPG	NTV	NUSA	NVD	NYT	OHTL	OISHI	OSP	OTO	PACE	PAE	PAF	PERM
PF	PICO	PIMO	PJW	PLE	PMTA	POLAR	POMPUI	PORT	PPM	PR9	PRAKIT	PRECHA	PRIN
PTL	RAM	RCI	RCL	RICH	RICHY	RJH	ROCK	ROH	RP	RPC	RPH	RS	RSP
S	S11	SAAM	SAFARI	SALEE	SAM	SAMART	SAMCO	SAMTEL	SANKO	SAUCE	SAWAD	SAWANG	SCP
SDC	SE	SEAFECO	SEAOIL	SF	SFP	SGF	SIAM	SIMAT	SISB	SKE	SKN	SKR	SKY
SLP	SMART	SMM	SMT	SOLAR	SONIC	SPA	SPCG	SPG	SPORT	SPPT	SPVI	SQ	SR
SSC	SSP	STAR	STEC	STHAI	STI	STPI	SUC	SUN	SUTHA	SVH	SVOA	T	TACC
TAPAC	TBSP	TC	TCC	TCCC	TCJ	TCOAT	TEAM	TEAMG	TGPRO	TH	THAI	THANA	THG
THL	THMUI	TIC	TIGER	TITLE	TIW	TK	TKS	TM	TMI	TMW	TNDT	TNH	TNPC
TOA	TPAC	TPBI	TPCH	TIPL	TIPIP	TPLAS	TPOLY	TQM	TR	TRC	TRT	TRUBB	TSE
TSF	TSI	TSR	TSTE	TTA	TTL	TTMT	TTW	TVT	TWP	TWZ	TYCN	UAC	UMI
UMS	UNIQ	UP	UPF	UPOIC	UT	UTP	UVAN	VARO	VCOM	VI	VIBHA	VNG	VPO
WAVE	WG	WHAUP	WIN	WINNER	WORK	WORLD	WP	WPH	WR	YCI	YNP	ZIGA	ZMICO

Disclaimer

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

Reference

Disclosure: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of July 31, 2017) are categorised into:

- Companies that have declared their intention to join CAC
- Companies certified by CAC.

Research Group

Head of Research

Isara Ordeedolchest
isara.ordeedolchest@krungsrisecurities.com, (662)-659-7000 ext. 5001

Fundamental Research

Energy, Petrochemical

Naphat Chantaraserekul
naphat.chantaraserekul@krungsrisecurities.com, (662)-659-7000 ext. 5000

Property, ICT, Contractor

Kittisorn Pruittipat, CFA, FRM
kittisorn.pruittipat@krungsrisecurities.com, (662)-659-7000 ext. 5019

Banking, Consumer Finance, Insurance

Jesada Techahusdin, CFA
jesada.techahusdin@krungsrisecurities.com, (662)-659-7000 ext. 5004

Food, Transportation

Sunthorn Thongthip
sunthorn.thongthip@krungsrisecurities.com, (662)-659-7000 ext. 5009

Electronic, Automotive, Commerce

Worrapong Tuntiwutthipong
worrapong.tuntiwutthipong@krungsrisecurities.com, (662)-659-7000 ext. 5016

Utilities Energy, Food

Karun Intrachai
karun.intrachai@krungsrisecurities.com, (662)-659-7000 ext. 5010

Transportation, Media

Kitti Pitakteerabandit
kitti.pitakteerabandit@krungsrisecurities.com, (662)-659-7000 ext. 5008

Investment Strategy

Strategy

Varorith Chirachon
varorith.chirachon@krungsrisecurities.com, (662)-659-7000 ext. 5012

Strategy

Kaushal Ladha, CFA
kaushal.ladha@krungsrisecurities.com, (662)-659-7000 ext. 5013

Retail Strategy

Artit Jansawang
artit.jansawang@krungsrisecurities.com, (662)-659-7000 ext. 5005

Retail Strategy and Technical

Chaiyot Jiwagkul
chaiyot.jiwagkul@krungsrisecurities.com, (662)-659-7000 ext. 5006

Research Assistant

Nalinee Praman
nalinee.praman@krungsrisecurities.com, (662)-659-7000 ext. 5011

Research Support

Database

Yuphawane Laotrakunchai
yuphawane.laotrakunchai@krungsrisecurities.com, (662)-659-7000 ext. 5002

Database

Natthakan Phosri
Natthakan.phosri@krungsrisecurities.com, (662)-659-7000 ext. 5015

Krungsri Securities



Headquarters

898 Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini Pathumwan, Bangkok 10330
Tel: 0-2659-7000 Fax: 0-2658-5699

Branches

Emporium

01 662 Emporium Tower, Fl. 10, Sukhumvit 24 Road Klongton, Klongtoey, Bangkok 10110
Tel: 0-2695-4500 Fax: 0-2695-4599

Central Bangna

02 589/151 Central City Tower, Fl. 27 Debaratana Road, Bangna Nua, Bangkok 10260
Tel: 0-2763-2000 Fax: 0-2399-1448

Rama II

03 111/917-919 Fl. 4 Rama II Road, Smaedum, Bangkhuntien, Bangkok 10150
Tel: 0-2013-7145 Fax: 0-2895-9557

Vibhavadi-rangsit

04 Bank of Ayudhya Public Company Limited 123 Suntowers (B) Building, Vibhavadirangsit Road, Jompol, Jatujak, Bangkok 10900
Tel: 0-2273-8388 Fax: 0-2273-8399

Chonburi

05 64/17 Sukhumvit Road, Tambol Bang Plasoi, Amphur Muang, Chonburi 20000
Tel: 0-3312-6580 Fax: 0-3312-6588

Nakhon Pathom

07 67/1 Ratchadamnoen Road, Tambol Phra Pathom Jaedee, Amphur Muang Nakhon Pathom, Nakhon Pathom 73000
Tel: 0-3427-5500-7 Fax: 0-3421-8989

Suphanburi

08 249/171-172 Moo 5 Tambol Ta Rahad, Amphur Muang, Suphanburi, 72000
Tel: 0-3596-7981 Fax: 0-3552-2449

Khon Kaen

10 114 Sri Chan Road, Tambol Nai Muang, Amphur Muang Khon Kaen, Khon Kaen 40000
Tel: 0-4322-6120 Fax: 0-4322-6180

Chiang Mai

11 70 Chang Phuak Road, Tambol Sri Phum Amphur Muang Chiang Mai, Chiang Mai 50200
Tel: 0-5321-9234-6 Fax: 0-5321-9247

Chiang Rai

12 231-232 Thamalai Road, Tambol Wiang, Amphur Muang Chiang Rai, Chiang Rai 57000
Tel: 0-5371-6489 Fax: 0-5371-6490

Phitsanulok

13 275/1 Phichaisongkram Road, Tambol Nai Muang, Amphur Muang Phitsanulok, Phitsanulok 65000
Tel: 0-5530-3360 Fax: 0-5530-2580

Definition of Ratings

OUTPERFORM	- Stocks with an expected capital gain above 10% in the next 12 months for small-caps, above 5% for big-caps
NEUTRAL	- Stocks with an expected capital gain between -10% and +10% in the next 12 months for small-caps, -5% to +5% for big-caps
UNDERPERFORM	- Stocks with an expected capital gain below 10% in the next 12 months for small-caps, below 5% for big-caps