



# PTG Energy

(PTG.BK/PTG TB)\*

## Outperform • Maintained

Price as of 23 Jan 2023	14.60
12M target price (Bt/shr)	17.00
Unchanged/Revised up(down)(%)	(15.0)
Upside/downside (%)	16.4

### Key messages

We estimate PTG to report a 4Q22F net loss of Bt25mn, improving from a net loss of Bt86mn in 4Q21 but dropping from a net profit of Bt177mn in 3Q22. The increase YoY and the decrease QoQ would come mainly from our expected oil marketing margin of Bt1.55/liter (+23% YoY, -22% QoQ) for the quarter, staying at a bad level (less than Bt1.7/liter). We cut our 2023 target price to Bt17.00, from Bt20.00, based on 19.0x PE to reflect the earnings downgrades. However, we reiterate a rating of Outperform on the counter thanks to an upward trend in oil sale volume after the country reopened and the number of foreign travelers increased significantly, but we remove PTG from our portfolio of energy top picks due to the anticipated poor earnings performance in 4Q22.

### Trading data

Mkt cap (Btbrv/US\$mn)	24.5/751		
Outstanding shares (mn)	1,670		
Foreign ownership (mn)	77		
3M avg. daily trading (mn)	7.7		
52-week trading range (Bt)	13.20 – 16.20		
Performance (%)	3M	6M	12M
Absolute	6.5	2.8	1.4
Relative	0.9	(4.0)	(1.5)

### Quarterly EPS

Bt	1Q	2Q	3Q	4Q
2020	0.12	0.31	0.30	0.40
2021	0.32	0.30	0.04	(0.05)
2022	0.10	0.36	0.11	

### Share price chart



Source: SET

Kaweewit Thawilwithayanon  
66.2658.8888 Ext. 8847  
kaweewitt@kgi.co.th

## 4Q22F earnings preview: Unpleasant oil marketing margin

### Event

4Q22F earnings preview, full-year earnings revised down, and target price cut.

### Impact

#### Forecast a small net loss for 4Q22F

We estimate PTG to report a 4Q22F net loss of Bt25mn, improving from a net loss of Bt86mn in 4Q21 but dropping from a net profit of Bt177mn in 3Q22. The increase YoY and the decrease QoQ would come mainly from our expected oil marketing margin of Bt1.55/liter (+23% YoY, -22% QoQ) for the quarter, staying at a bad level (less than Bt1.7/liter). The oil marketing margin has been pressured by an increase in diesel savings to approximately Bt4.0/liter into the Oil Fuel Fund since December 2022 in order to reduce the Oil Fuel Fund's loss of Bt117bn as of January 15, consisting of i) Bt72bn from oil loss and ii) Bt45bn from LPG loss. However, we expect PTG's oil sales volume to grow 10% QoQ to 1,400mn liters thanks to high seasonal oil consumption in the country and an upward trend in foreigner travelers. In addition, earnings contribution from its non-oil business is expected to improve QoQ because of larger LPG sales volume of 140mn liters (+6% QoQ) and more sales for PunThai Coffee, following good traffic at the company's retail oil service stations.

#### Adjust down our earnings estimates by 37%/15% for 2022F/2023F

We revise down our earnings forecasts by 37% to Bt912bn for 2022F and 15% to Bt1.5bn for 2023F as we cut PTG's oil marketing margin 5% to Bt1.83/liter last year and 7% to Bt1.70/liter this year to reflect an increase in diesel savings to approximately Bt4.0/liter into the Oil Fuel Fund since December 2022. Meanwhile, we maintain our assumption on oil sales volume in 2022F at 5,321mn liters (+6% YoY) and in 2023F at 5,747mn liters (+8% YoY). However, we raise the company's LPG sales volume in 2023F by 22% to 700mn liters (+40% YoY) with a good track record in growth every quarter of last year, while management targets high growth of 40-60% this year. Therefore, we adjust up our non-oil revenue in 2023F by 20% to Bt13.3bn.

### Valuation & Action

We cut our 2023 target price to Bt17.00, from Bt20.00, based on 19.0x PE to reflect the earnings downgrades. However, we reiterate a rating of Outperform on the counter thanks to an upward trend in oil sale volume after the country reopened and the number of foreign travelers increased significantly, but we remove PTG from our portfolio of energy top picks due to the anticipated poor earnings performance in 4Q22.

### Risks

Volatility in oil marketing margin, oil sales volume, LPG sales volume, and biodiesel sales volume, and sales in Max Mart convenience stores.

### Key financials and valuations

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Bt mn)	104,423	133,759	168,936	176,887	171,145
Gross profit (Bt mn)	10,599	10,132	11,970	12,824	14,516
EBIT (Bt mn)	2,779	1,861	2,212	2,526	3,591
Net profit (Bt mn)	1,894	1,006	912	1,495	2,467
EPS (Bt)	1.13	0.60	0.55	0.90	1.48
DPS (Bt)	0.50	0.25	0.30	0.40	0.66
EPS growth (%)	21.4	(46.9)	(9.4)	64.0	65.0
P/E (x)	14.0	25.1	26.7	16.3	9.9
P/B (x)	3.4	3.1	2.9	2.6	2.3
EV/EBITDA (x)	6.0	6.4	5.6	5.0	4.0
Net debt to equity (x)	1.1	1.0	0.9	0.7	0.5
Dividend yield (%)	3.1	1.7	2.1	2.8	4.6
Return on avg. equity (%)	25.8	12.4	10.8	16.6	24.4

Source: Company data, KGI Securities Research

**Figure 1: Expect a 4Q22F net loss of Bt25mn, improving from a net loss of Bt86mn in 4Q21 but dropping from a net profit of Bt177mn in 3Q22**

Bt mn	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	2022F	2021	YoY (%)
Revenue	46,041	37,600	22.4	45,171	1.9	176,488	133,759	31.9
Cost of goods sold	(43,231)	(35,524)	21.7	(42,047)	2.8	(164,549)	(123,627)	33.1
Gross profit	2,810	2,076	35.4	3,124	(10.0)	11,940	10,132	17.8
Operating expenses	(2,600)	(2,037)	27.7	(2,569)	1.2	(9,782)	(8,271)	18.3
Other incomes	86	98	(12.3)	84	2.6	347	329	5.3
Operating profit	296	137	116.6	638	(53.6)	2,504	2,190	14.3
Depreciation of fixed assets	800	777	3.0	816	(1.9)	3,164	3,024	4.6
Operating EBITDA	1,096	913	20.0	1,454	(24.6)	5,668	5,214	8.7
Non-operating income	10	-	N.A.	7	42.3	17	1	1,677.6
Non-operating expenses	(285)	(284)	0.2	(279)	2.1	(1,174)	(1,119)	5.0
Net investment income/(loss)	(60)	47	N.A.	(86)	30.6	(171)	205	N.A.
Pre-tax profit	(39)	(101)	(61.7)	280	(113.8)	1,176	1,277	(8.0)
Current taxation	5	21	(75.5)	(88)	N.A.	(295)	(261)	13.0
Minorities	6	6	2.0	4	55.6	19	10	81.3
Extraordinary items	14	-	N.A.	(11)	N.A.	50	-	N.A.
Net profit	(25)	(86)	70.5	177	N.A.	912	1,006	(9.3)
EPS (Bt)	(0.02)	(0.05)	70.5	0.11	N.A.	0.55	0.60	(9.3)
Percent	4Q22F	4Q21	YoY (ppts)	3Q22	QoQ (ppts)	2022F	2021	YoY (ppts)
Gross profit margin	6.1	5.5	0.6	6.9	(0.8)	6.8	7.6	(0.8)
EBITDA margin	2.4	2.4	(0.0)	3.2	(0.8)	3.2	3.9	(0.7)
Net margin	(0.1)	(0.2)	0.2	0.4	(0.4)	0.5	0.8	(0.2)

Source: Company data, KGI Securities Research

**Figure 2: Key assumptions for 4Q22F earnings**

	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)
<b>Oil business</b>					
Sales volume (mn liters)	1,400	1,287	8.8	1,278	9.5
Marketing margin (Bt/liter)	1.55	1.26	23.1	1.99	(22.1)
<b>Non-oil business</b>					
LPG sales volume (mn liters)	140	103	35.9	132	6.1
Revenue (Bt mn)	2,725	1,796	51.7	2,556	6.6
Gross profit margin (%)	23.5	25.3	(7.1)	22.8	3.3
<b>PTG group</b>					
Total gross profit (Bt mn)	2,810	2,076	35.4	3,124	(10.0)
- Oil (Bt mn)	2,170	1,621	33.9	2,542	(14.6)
- Non-oil (Bt mn)	640	455	40.9	582	10.1

Source: Company data, KGI Securities Research

**Figure 3: Changes in key assumptions for 2022/23F**

Our assumptions	2022F			2023F		
	Previous	Revised	Change (%)	Previous	Revised	Change (%)
<b><u>Oil business</u></b>						
Sales volume (mn liters)	5,321	5,321	0.0	5,747	5,747	0.0
Marketing margin (Bt/liter)	1.93	1.83	(5.2)	1.83	1.70	(7.1)
<b><u>Non-oil business</u></b>						
LPG sales volume (mn liters)	500	500	0.0	575	700	21.7
Revenue (Bt mn)	9,300	9,300	0.0	11,036	13,280	20.3
Gross profit margin (%)	24.0	24.0	0.0	24.0	23.0	(4.2)
<b><u>Income statement</u></b>						
Total gross profit (Bt mn)	12,502	11,970	(4.3)	13,165	12,824	(2.6)
- Oil (Bt mn)	10,270	9,738	(5.2)	10,517	9,770	(7.1)
- Non-oil (Bt mn)	2,232	2,232	0.0	2,649	3,054	15.3
Earnings (Bt mn)	1,439	912	(36.6)	1,760	1,495	(15.1)

Source: Company data, KGI Securities Research

**Figure 4: Key assumptions for PTG**

	2020	2021	2022F	2023F	2024F
<b><u>Oil business</u></b>					
Sales volume (mn liters)	4,959	5,020	5,321	5,747	6,092
Marketing margin (Bt/liter)	1.89	1.72	1.83	1.70	1.80
<b><u>Non-oil business</u></b>					
LPG sales volume (mn liters)	174	300	500	700	910
Revenue (Bt mn)	4,266	5,624	9,300	13,280	16,142
Gross profit margin (%)	28.6	26.3	24.0	23.0	22.0
<b><u>Gross profit</u></b>					
Total (Bt mn)	10,599	10,132	11,970	12,824	14,516
- Oil (Bt mn)	9,380	8,653	9,738	9,770	10,965
- Non-oil (Bt mn)	1,219	1,479	2,232	3,054	3,551

Source: Company data, KGI Securities Research

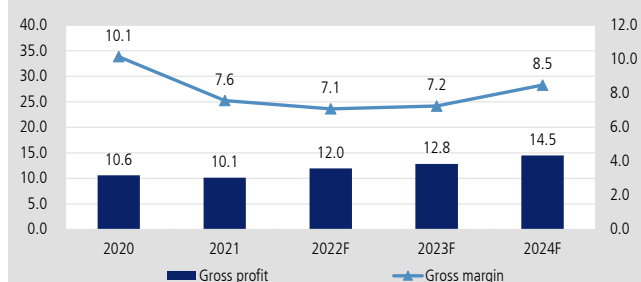
**Figure 5: Company profile**

PTG Energy (PTG) sells diesel and gasoline products to customer through its oil service stations under the PT trademark, which is the company's core business. The company also holds a 40% stake in biodiesel production with 500,000LPD. In addition, the firm operates other businesses, which still have small contribution, such as convenience store in PT service stations, LPG, coffee beverage, and auto care & maintenance for automobiles and commercial trucks.

Source: Company data, KGI Securities Research

**Figure 7: Gross profit**

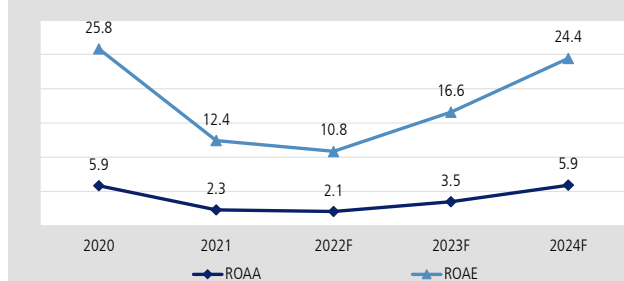
Gross profit, Bt bn (LHS); gross profit margin, percent (RHS)



Source: Company data, KGI Securities Research

**Figure 9: Company ROAA and ROAE**

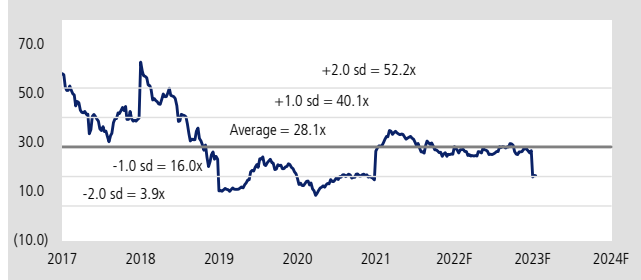
ROAA and ROAE, percent



Source: Company data, KGI Securities Research

**Figure 11: Company trading PER**

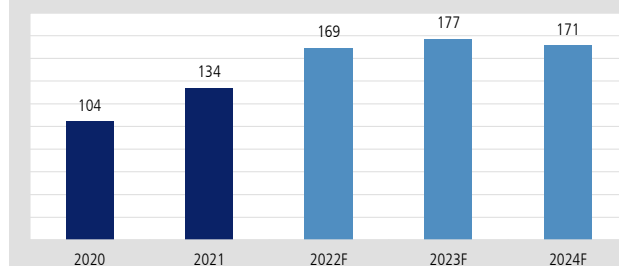
PER, times



Source: KGI Securities Research

**Figure 6: Revenue**

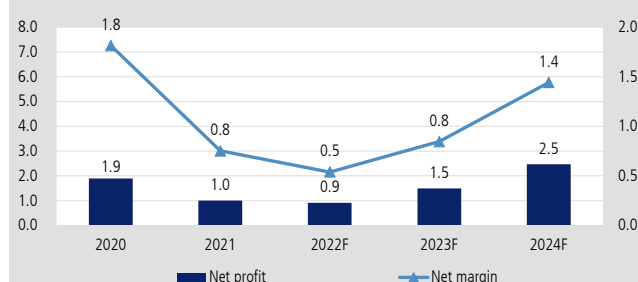
Revenue, Bt bn



Source: Company data, KGI Securities Research

**Figure 8: Net profit**

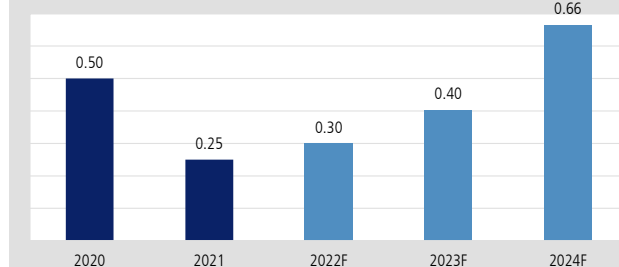
Net profit, Bt bn (LHS); net profit margin, percent (RHS)



Source: Company data, KGI Securities Research

**Figure 10: Dividend**

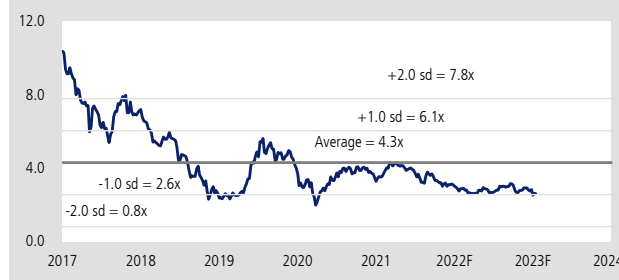
Dividend per share, Bt



Source: Company data, KGI Securities Research

**Figure 12: Company trading PB**

PB, times



Source: KGI Securities Research

# Quarterly Income Statement

(Bt mn)	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22F
Income Statement (Bt mn)												
<b>Revenue</b>	<b>29,121</b>	<b>22,257</b>	<b>25,315</b>	<b>27,730</b>	<b>32,264</b>	<b>33,310</b>	<b>30,585</b>	<b>37,600</b>	<b>38,969</b>	<b>46,307</b>	<b>45,171</b>	<b>46,041</b>
Cost of Goods Sold	(26,890)	(19,513)	(22,595)	(24,826)	(29,435)	(30,473)	(28,195)	(35,524)	(36,394)	(42,877)	(42,047)	(43,231)
<b>Gross Profit</b>	<b>2,231</b>	<b>2,745</b>	<b>2,720</b>	<b>2,903</b>	<b>2,828</b>	<b>2,837</b>	<b>2,391</b>	<b>2,076</b>	<b>2,576</b>	<b>3,430</b>	<b>3,124</b>	<b>2,810</b>
Operating Expenses	(1,944)	(1,879)	(1,895)	(2,102)	(2,057)	(2,069)	(2,109)	(2,037)	(2,186)	(2,427)	(2,569)	(2,600)
Other incomes	61	46	66	70	79	81	72	98	89	88	84	86
<b>Operating Profit</b>	<b>348</b>	<b>911</b>	<b>891</b>	<b>872</b>	<b>851</b>	<b>849</b>	<b>354</b>	<b>137</b>	<b>478</b>	<b>1,091</b>	<b>638</b>	<b>296</b>
Depreciation of fixed assets	696	723	728	733	733	746	768	777	764	783	816	800
<b>Operating EBITDA</b>	<b>1,045</b>	<b>1,634</b>	<b>1,620</b>	<b>1,605</b>	<b>1,584</b>	<b>1,595</b>	<b>1,122</b>	<b>913</b>	<b>1,243</b>	<b>1,875</b>	<b>1,454</b>	<b>1,096</b>
<b>Non-Operating Income</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>10</b>
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	0	1	1	1	1	0	0	0	0	0	7	10
<b>Non-Operating Expenses</b>	<b>(272)</b>	<b>(268)</b>	<b>(280)</b>	<b>(284)</b>	<b>(274)</b>	<b>(276)</b>	<b>(284)</b>	<b>(284)</b>	<b>(320)</b>	<b>(290)</b>	<b>(279)</b>	<b>(285)</b>
Interest Expenses	(272)	(268)	(280)	(284)	(274)	(276)	(283)	(284)	(282)	(280)	(279)	(285)
Other Non-op Expenses	(0)	0	0	0	0	0	(1)	0	(38)	(10)	0	0
Net Investment Income/(Loss)	165	12	33	166	78	45	35	47	27	(51)	(86)	(60)
<b>Pre-tax Profit</b>	<b>241</b>	<b>656</b>	<b>645</b>	<b>755</b>	<b>656</b>	<b>618</b>	<b>104</b>	<b>(101)</b>	<b>185</b>	<b>749</b>	<b>280</b>	<b>(39)</b>
Current Taxation	(36)	(143)	(132)	(113)	(125)	(118)	(39)	21	(53)	(159)	(88)	5
Minorities	1	3	4	4	0	3	2	6	3	6	4	6
Extraordinary items	0	0	0	35	0	0	0	0	32	16	(11)	14
<b>Net Profit</b>	<b>203</b>	<b>510</b>	<b>509</b>	<b>672</b>	<b>531</b>	<b>498</b>	<b>63</b>	<b>(86)</b>	<b>160</b>	<b>601</b>	<b>177</b>	<b>(25)</b>
EPS (Bt)	0.12	0.31	0.30	0.40	0.32	0.30	0.04	(0.05)	0.10	0.36	0.11	(0.02)
<b>Margins</b>												
Gross profit margin	7.7	12.3	10.7	10.5	8.8	8.5	7.8	5.5	6.6	7.4	6.9	6.1
Operating EBIT margin	1.2	4.1	3.5	3.1	2.6	2.5	1.2	0.4	1.2	2.4	1.4	0.6
Operating EBITDA margin	3.6	7.3	6.4	5.8	4.9	4.8	3.7	2.4	3.2	4.0	3.2	2.4
Net profit margin	0.7	2.3	2.0	2.4	1.6	1.5	0.2	(0.2)	0.4	1.3	0.4	(0.1)
<b>Growth</b>												
Revenue growth	1.6	(30.1)	(11.1)	(10.7)	10.8	49.7	20.8	35.6	20.8	39.0	47.7	22.4
Operating EBIT growth	(52.9)	49.5	128.2	82.2	144.3	(6.8)	(60.3)	(84.3)	(43.8)	28.5	80.5	116.6
Operating EBITDA growth	(27.7)	20.5	39.4	26.6	51.6	(2.4)	(30.7)	(43.1)	(21.5)	17.5	29.7	20.0
Net profit growth	(60.9)	19.2	98.4	88.5	161.4	(2.4)	(87.6)	N.A.	(69.9)	20.7	180.9	70.5

Source: Company data, KGI Securities Research

## Balance Sheet

As of 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Total Assets</b>	<b>42,037</b>	<b>44,384</b>	<b>42,822</b>	<b>42,054</b>	<b>41,189</b>
<b>Current Assets</b>	3,859	4,859	3,682	3,897	4,125
Cash & ST Investments	942	1,701	(322)	(281)	115
Inventories	2,088	2,239	2,881	3,012	2,875
Accounts Receivable	503	722	926	969	938
Others	326	196	196	196	196
<b>Non-current Assets</b>	38,179	39,525	39,140	38,157	37,065
LT Investments	2,545	2,773	2,773	2,773	2,773
Net fixed Assets	10,853	11,505	12,331	12,497	12,497
Others	24,781	25,247	24,036	22,887	21,795
<b>Total Liabilities</b>	<b>34,057</b>	<b>36,184</b>	<b>34,211</b>	<b>32,621</b>	<b>30,399</b>
<b>Current Liabilities</b>	8,486	12,450	12,447	12,777	12,431
Accounts Payable	3,920	6,000	7,311	7,641	7,295
ST Borrowings	3,748	5,751	4,437	4,437	4,437
Others	818	699	699	699	699
<b>Long-term Liabilities</b>	25,572	23,735	21,765	19,844	17,969
Long-term Debts	6,294	3,844	2,844	1,844	844
Others	19,277	19,890	18,921	18,000	17,124
<b>Shareholders' Equity</b>	<b>7,980</b>	<b>8,200</b>	<b>8,611</b>	<b>9,433</b>	<b>10,790</b>
Common Stock	1,670	1,670	1,670	1,670	1,670
Capital Surplus	1,227	1,270	1,270	1,270	1,270
Retained Earnings	5,083	5,260	5,671	6,493	7,850
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

## Key Ratios

Year to 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Forecast Drivers</b>					
<b>Growth (% YoY)</b>					
Sales	(13.0)	28.1	26.3	4.7	(3.2)
OP	39.5	(33.0)	18.9	14.2	42.2
EBITDA	12.9	(11.7)	10.2	8.4	20.0
NP	21.4	(46.9)	(9.4)	64.0	65.0
EPS	21.4	(46.9)	(9.4)	64.0	65.0
<b>Profitability (%)</b>					
Gross Margin	10.1	7.6	7.1	7.2	8.5
Operating Margin	2.7	1.4	1.3	1.4	2.1
EBITDA Margin	5.7	3.9	3.4	3.5	4.4
Net Profit Margin	1.8	0.8	0.5	0.8	1.4
ROAA	5.9	2.3	2.1	3.5	5.9
ROAE	25.8	12.4	10.8	16.6	24.4
<b>Stability</b>					
Gross Debt/Equity (%)	125.8	117.0	84.6	66.6	48.9
Net Debt/Equity (%)	114.0	96.3	88.3	69.6	47.9
Interest Coverage (x)	3.1	2.1	2.1	2.7	3.9
Interest & ST Debt Coverage (x)	0.7	0.3	0.4	0.5	0.8
Cash Flow Interest Coverage (x)	2.5	4.8	3.1	3.7	4.6
Cash Flow/Interest & ST Debt (x)	0.6	0.8	0.6	0.7	0.9
Current Ratio (x)	0.5	0.4	0.3	0.3	0.3
Quick Ratio (x)	0.2	0.2	0.1	0.1	0.1
Net Debt (Bt mn)	9,100	7,894	7,603	6,562	5,166
<b>Per Share Data (Bt)</b>					
EPS	1.1	0.6	0.5	0.9	1.5
CFPS	1.7	3.2	2.1	2.4	2.9
BVPS	4.7	4.8	5.1	5.6	6.4
SPS	--	--	--	--	--
EBITDA/Share	3.5	3.1	3.4	3.7	4.5
DPS	0.5	0.3	0.3	0.4	0.7
<b>Activity</b>					
Asset Turnover (x)	3.2	3.1	3.9	4.2	4.1
Days Receivables	1.8	2.0	2.0	2.0	2.0
Days Inventory	8.1	6.6	6.7	6.7	6.7
Days Payable	4.2	4.9	4.7	4.7	4.7
Cash Cycle	5.7	3.7	4.0	4.0	4.0

Source: KGI Securities Research

## Profit & Loss

Year to 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Revenue</b>	<b>104,423</b>	<b>133,759</b>	<b>168,936</b>	<b>176,887</b>	<b>171,145</b>
Cost of Goods Sold	(93,824)	(123,627)	(156,966)	(164,063)	(156,628)
<b>Gross Profit</b>	<b>10,599</b>	<b>10,132</b>	<b>11,970</b>	<b>12,824</b>	<b>14,516</b>
Operating Expenses	(7,820)	(8,271)	(9,757)	(10,298)	(10,926)
Other incomes	243	329	357	368	379
<b>Operating Profit</b>	<b>3,023</b>	<b>2,190</b>	<b>2,569</b>	<b>2,893</b>	<b>3,969</b>
Depreciation of fixed assets	2,880	3,024	3,175	3,334	3,500
<b>Operating EBITDA</b>	<b>5,903</b>	<b>5,214</b>	<b>5,744</b>	<b>6,227</b>	<b>7,470</b>
<b>Non-Operating Income</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	0	0	0
Other Non-op Income	2	0	0	0	0
<b>Non-Operating Expenses</b>	<b>(1,104)</b>	<b>(1,118)</b>	<b>(1,171)</b>	<b>(1,101)</b>	<b>(1,061)</b>
Interest Expenses	(1,104)	(1,118)	(1,141)	(1,101)	(1,061)
Other Non-op Expenses	0	0	(30)	0	0
Net Investment Income/(Loss)	376	205	(170)	100	200
<b>Pre-tax Profit</b>	<b>2,296</b>	<b>1,277</b>	<b>1,228</b>	<b>1,892</b>	<b>3,108</b>
Current Taxation	(425)	(261)	(298)	(378)	(622)
Minorities	12	10	18	19	19
Extraordinary items	35	0	0	0	0
<b>Net Profit</b>	<b>1,894</b>	<b>1,006</b>	<b>912</b>	<b>1,495</b>	<b>2,467</b>
EPS (Bt)	1.13	0.60	0.55	0.90	1.48

Source: KGI Securities Research

## Cash Flow

Year to 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Operating Cash Flow</b>	2,811	5,336	3,582	4,064	4,914
Net Profit	1,894	1,006	912	1,495	2,467
Depreciation & Amortization	2,880	3,024	3,175	3,334	3,500
Change in Working Capital	(1,011)	1,710	465	157	(178)
Others	(953)	(403)	(970)	(921)	(875)
<b>Investment Cash Flow</b>	(1,924)	(2,384)	(2,790)	(2,350)	(2,408)
Net CAPEX	(1,884)	(2,217)	(4,000)	(3,500)	(3,500)
Change in LT Investment	0	0	0	0	0
Change in Other Assets	(40)	(166)	1,210	1,150	1,092
<b>Free Cash Flow</b>	927	3,119	(418)	564	1,414
<b>Financing Cash Flow</b>	(982)	(2,193)	(2,815)	(1,673)	(2,110)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	646	(446)	(2,314)	(1,000)	(1,000)
Change in Other LT Liab.	(1,628)	(1,747)	(501)	(673)	(1,110)
<b>Net Cash Flow</b>	(95)	760	(2,023)	41	396

Source: KGI Securities Research

## Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= <b>Operating Margin</b>
2020	87.1%	2.8%	7.5%	2.7%
2021	90.2%	2.3%	6.2%	1.4%
2022F	91.0%	1.9%	5.8%	1.3%
2023F	90.9%	1.9%	5.8%	1.4%
2024F	89.5%	2.0%	6.4%	2.1%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= <b>Capital Turnover</b>
2020	-0.04	0.10	0.24	3.37
2021	-0.06	0.09	0.19	4.59
2022F	-0.05	0.07	0.14	6.12
2023F	-0.05	0.07	0.13	6.67
2024F	-0.05	0.07	0.13	6.59
Year	$\frac{\text{Operating Margin}}{\text{Capital Turnover}}$	x $\frac{\text{Cash Tax Rate}}{\text{After-tax Return on Inv. Capital}}$	=	
2020	2.7%	3.4	81.7	7.3
2021	1.4%	4.6	79.4	5.1
2022F	1.3%	6.1	75.3	6.0
2023F	1.4%	6.7	79.8	7.6
2024F	2.1%	6.6	79.9	11.0

Source: KGI Securities Research


## PTG Energy - Recommendation & target price history




Source: KGI Securities Research



# Corporate Governance Report of Thai Listed Companies

 <b>Companies with Excellent CG Scoring</b>					
Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFECO	SEAFECO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTG	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B. GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAI COM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	

 <b>Companies with Very Good CG Scoring</b>					
Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		

 <b>Companies with Good CG Scoring</b>					
Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

<b>Companies classified Not in the three highest score groups</b>					
Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

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	KASIKORNBANK	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 ERWAN 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	SEAFCO	SEAFCO
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
BCPG	BCPG	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.

## KGI Locations

<b>China</b>	Shanghai	Room 2703B-2704, Tower A , Shanghai Dawning Centre,500 Hongbaoshi Road Shanghai, PRC 201103
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
<b>Taiwan</b>	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 • Facsimile 886.2.8501.1691
<b>Hong Kong</b>		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
<b>Thailand</b>	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
<b>Singapore</b>		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

## 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.  <i>Excess return = 12M target price/current price-</i>
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.

## Disclaimer

KGI Securities (Thailand) Plc. ( "The Company" ) disclaims all warranties with regards to all information contained herein. In no event shall the Company be liable for any direct, indirect or any damages whatsoever resulting from loss of income or profits, arising by utilization and reliance on the information herein. All information hereunder does not constitute a solicitation to buy or sell any securities but constitutes our sole judgment as of this date and are subject to change without notice.