

PLEASE CLICK ON THE PAGE NUMBER TO MOVE TO THE RELEVANT PAGE.

KEY HIGHLIGHTS

Update

Plan B Media (PLANB TB/BUY/Bt7.05/Target: Bt7.90)

Page 2

3Q22 results preview: To soften slightly qoq due to lower margins.

Thai Oil (TOP TB/HOLD/Bt51.50/Target: Bt51.00)

Page 5

Expect a qoq drop in 3Q22 core and net profit; 4Q22 outlook remains weak on poorer GRM outlook.

KEY INDICES

| Symbol | Close | Chg | %Chg |
|---------------------|-----------|--------|------|
| SET | 1,590.36 | 18.96 | 1.21 |
| SET50 | 952.84 | 10.07 | 1.07 |
| Value (Btm) - SET | 59,046 | | |
| Top 5 Sector | | | |
| BANK | 374.82 | 2.23 | 0.60 |
| PETRO | 925.43 | 6.26 | 0.68 |
| PROP | 250.13 | 4.11 | 1.67 |
| ENERG | 24,291.93 | 216.84 | 0.90 |
| ICT | 166.21 | 1.58 | 0.96 |

Source: Bloomberg

TOP VOLUME

| Symbol | Price (Bt) | Chg (%) | Volume ('000) |
|--------|------------|---------|---------------|
| CPALL | 58.50 | 2.63 | 55,686.1 |
| PTT | 34.25 | 0.00 | 69,784.4 |
| AOT | 72.00 | 2.49 | 32,746.5 |
| PTTEP | 170.00 | 0.29 | 12,016.5 |
| MINT | 26.25 | 7.14 | 70,650.6 |

TOP GAINERS

| Symbol | Price (Bt) | Chg (%) | Volume ('000) |
|--------|------------|---------|---------------|
| ABM | 2.46 | 29.47 | 27,549.2 |
| ZIGA | 4.66 | 24.60 | 213,037.7 |
| DHOUSE | 0.70 | 14.75 | 857.8 |
| PPPM | 0.17 | 13.33 | 58,683.7 |
| INSURE | 250.00 | 12.11 | 5.8 |

TOP LOSERS

| Symbol | Price (Bt) | Chg (%) | Volume ('000) |
|----------|------------|---------|---------------|
| STOWER | 0.04 | (20.00) | 5,131.3 |
| SAWANG | 11.90 | (9.16) | 1.4 |
| SUPEREIF | 9.40 | (5.53) | 3,438.1 |
| ARIN | 5.85 | (4.10) | 8,613.2 |
| PROS | 2.40 | (4.00) | 14,513.2 |

KEY STATISTICS

| Commodity | Current Price | %Chg | | |
|------------------|---------------|-------|--------|--------|
| | | 1m | 3M | YTD |
| Brent crude* | 90.9 | 0.2 | (6.8) | 23.9 |
| Dubai crude* | 87.6 | (3.4) | (18.3) | 14.5 |
| Baltic Dry Index | 1,875.0 | 20.7 | (12.6) | (15.4) |
| Gold Spot*** | 1,651.8 | (1.4) | (3.5) | (9.7) |

*(US\$/bbl), *** (US\$/toz)

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

| Day (Mil US\$) | MTD Net (Mil US\$) | YTD Net (Mil US\$) | YTD Net YoY% |
|----------------|--------------------|--------------------|--------------|
| 11.0 | (209.5) | 4,308.0 | 5,805.7 |

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 38.05

Interest Rate (%) - TH 1-day RP = 1.50

Thai Lending Rate (%)* - MLR = 5.25

COMPANY UPDATE

Plan B Media (PLANB TB)

3Q22 Results Preview: To Soften Slightly qoq Due To Lower Margins

PLANB's 3Q22 earnings are not expected to be outstanding, and should dip slightly qoq due to lower revenue from the engagement marketing business and lower gross margin. Conversely, we foresee a substantial improvement in 4Q22 due to advertising spending picking up, positive growth from the engagement marketing business as well as margin expansion. Maintain BUY. Target price: Bt7.90.

WHAT'S NEW

- **A slight drop in 3Q22 results.** We expect Plan B Media (PLANB) to announce 3Q22 net profit of Bt158m, a considerable improvement from core loss of Bt113m in 3Q21 but a drop of 10% qoq. The qoq earnings drop will be mainly due to lower gross margin brought about by the revenue mix of the engagement marketing business. PLANB's 3Q22 revenue is forecasted at Bt1,629m, up 48% yoy and flat qoq.
- **A small uptick in OOH media business.** PLANB's revenue from out-of-home (OOH) media in 3Q22 is forecasted to rise 3% qoq to Bt1,339m, based on rising media utilisation rate of 61% (3Q21: 34%, 2Q22: 57%). The utilisation rate substantially rose in Sep 22 following two previous months of stagnation in advertising spending as Thailand enters the high season of advertising. Nonetheless, revenue growth is limited due to: a) a small reduction in media capacity to around Bt2,200m (from Bt2,277m in 2Q22) from the write-off of underperforming media assets, b) limited media utilisation rate increase in retail media from the postponement of certain advertising campaigns in 7-Eleven convenience stores, and c) lower advertising spending from digital asset companies.
- **Lower revenue from engagement marketing.** In contrast, revenue from engagement marketing business in 3Q22 is expected to fall 37% yoy and 10% qoq to Bt291m. The yoy reduction is from the absence of revenue from the marketing rights management of the Olympic Games (Bt154m) and the managing rights of the Football Association of Thailand (Bt160m) that were recognised in 3Q21. The qoq reduction is from the absence of revenue from the election activity of BNK48 in 2Q22. The decrease is offset by: a) higher revenue from the boxing business (Rajadamnern Boxing Stadium) by about Bt100m – this had been officially launched in Aug 22, and b) revenue from the production of The Voice All Stars, although both of these have lower margins.

KEY FINANCIALS

| Year to 31 Dec (Btm) | 2020 | 2021 | 2022F | 2023F | 2024F |
|-------------------------------|-------|-------|-------|-------|-------|
| Net turnover | 3,724 | 4,443 | 6,186 | 7,225 | 7,607 |
| EBITDA | 2,405 | 2,477 | 3,567 | 4,199 | 4,678 |
| Operating profit | 254 | 136 | 1,029 | 1,409 | 1,647 |
| Net profit (rep./act.) | 140 | 64 | 657 | 933 | 1,126 |
| Net profit (adj.) | 140 | (7) | 645 | 933 | 1,126 |
| EPS (Bt) | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 |
| PE (x) | 195.2 | n.m. | 48.5 | 33.5 | 27.8 |
| P/B (x) | 5.2 | 4.0 | 3.5 | 3.0 | 2.8 |
| EV/EBITDA (x) | 13.6 | 13.2 | 9.2 | 7.8 | 7.0 |
| Dividend yield (%) | 2.0 | 0.0 | 0.0 | 1.1 | 1.5 |
| Net margin (%) | 3.8 | 1.4 | 10.6 | 12.9 | 14.8 |
| Net debt/(cash) to equity (%) | 78.6 | 31.9 | 25.5 | 16.8 | 10.6 |
| Interest cover (x) | 26.8 | 13.1 | 20.6 | 22.4 | 25.7 |
| ROE (%) | 2.4 | 1.0 | 8.4 | 9.8 | 10.5 |
| Consensus net profit | - | - | 629 | 894 | 1,102 |
| UOBKH/Consensus (x) | - | - | 1.03 | 1.04 | 1.02 |

Source: Plan B Media, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E reflected as "n.m."

BUY

(Maintained)

| | |
|--------------|--------|
| Share Price | Bt7.05 |
| Target Price | Bt7.90 |
| Upside | +12.1% |

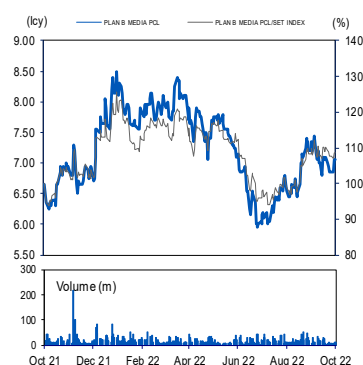
COMPANY DESCRIPTION

PLANB is a leading provider in out-of-home advertising media covering a diversity of media formats and operates engagement marketing businesses to leverage its platform and enhance advertising reach.

STOCK DATA

| | | | | |
|---------------------------------|------------------------|-------------|------------|------------|
| GICS sector | Communication Services | | | |
| Bloomberg ticker: | PLANB TB | | | |
| Shares issued (m): | 4,279.3 | | | |
| Market cap (Btm): | 30,169.4 | | | |
| Market cap (US\$m): | 792.0 | | | |
| 3-mth avg daily t'over (US\$m): | 3.6 | | | |
| Price Performance (%) | | | | |
| 52-week high/low | Bt8.50/Bt5.95 | | | |
| 1mth | 3mth | 6mth | 1yr | YTD |
| (2.1) | 16.5 | (8.4) | 6.9 | (7.8) |
| Major Shareholders | | % | | |
| Lojanagosin family | | 25.2 | | |
| VGI PCL | | 18.6 | | |
| Suchart Luechaikajohnpan | | 5.0 | | |
| FY22 NAV/Share (Bt) | | 2.00 | | |
| FY22 Net Debt/Share (Bt) | | 0.51 | | |

PRICE CHART



Source: Bloomberg

ANALYST(S)

Waritthorn Kaewmuang
+662 090 8642
waritthorn@uobkayhian.co.th

3Q22 RESULTS PREVIEW

| Year to 31 Dec (Btm) | 3Q22F | 3Q21 | 2Q22 | yoy (%) | qoq (%) |
|----------------------|-------|--------|-------|---------|---------|
| Sales | 1,629 | 1,098 | 1,627 | 48% | 0% |
| Gross Profit | 451 | 32 | 468 | 1317% | -4% |
| EBITDA | 923 | 490 | 924 | 88% | 0% |
| Pre-tax Profit | 213 | -75 | 242 | 384% | -12% |
| Net Profit | 158 | -54 | 174 | 394% | -9% |
| Core Profit | 158 | -113 | 175 | 240% | -10% |
| EPS (Bt) | 0.037 | -0.014 | 0.041 | 367% | -9% |
| Gross Margin (%) | 28% | 3% | 29% | | |
| EBITDA Margin (%) | 57% | 45% | 57% | | |
| Net Margin (%) | 10% | -5% | 11% | | |

Source: PLANB, UOB Kay Hian

3Q22 KEY STATISTICS

| Year to 31 Dec (Btm) | 3Q22F | 3Q21 | 2Q22 | yoy (%) | qoq (%) |
|----------------------|-------|------|-------|---------|---------|
| OOH Advertising | 1,339 | 637 | 1,303 | 110% | 3% |
| Utilisation rate (%) | 61% | 34% | 57% | | |
| Engagement Marketing | 291 | 461 | 324 | -37% | -10% |

Source: PLANB, UOB Kay Hian

STOCK IMPACT

- **Considerable improvement in 4Q22.** We are optimistic on PLANB in 4Q22 since 4Q is generally the high season of OOH media; this is despite the ongoing high inflation given that advertising spending has begun to pick up since Sep 22. PLANB will also benefit from margin expansion due to its cost structure that consists of a large proportion of fixed cost. We also foresee positive growth in revenue from engagement marketing business in 4Q22 due to: a) the BNK48 handshake event in Oct 22, and b) increasing international tourists to Rajadamnern Boxing Stadium following the full reopening of Thailand's borders.

EARNINGS REVISION/RISK

- **Forecasts revised.** We revise our earnings forecasts based on: a) downward revision in expected revenue from OOH media business as a result of lower media capacity assumption in our earlier forecast, b) upward revision in revenue from engagement marketing business due to good performance from the boxing business, and c) lower margin assumption on sales mix.

EARNINGS REVISION

| | 2022F | | | 2023F | | | 2024F | | |
|--------------|-------|-------|-----|-------|-------|-----|-------|-------|-----|
| | Old | New | Chg | Old | New | Chg | Old | New | Chg |
| Sales | 5,898 | 6,186 | 5% | 7,135 | 7,225 | 1% | 7,720 | 7,607 | -1% |
| Gross profit | 1,710 | 1,763 | 3% | 2,198 | 2,225 | 1% | 2,532 | 2,495 | -1% |
| EBITDA | 3,526 | 3,567 | 1% | 4,167 | 4,199 | 1% | 4,676 | 4,678 | 0% |
| Core profit | 621 | 645 | 4% | 910 | 933 | 3% | 1,124 | 1,126 | 0% |
| Core EPS | 0.145 | 0.151 | 4% | 0.205 | 0.211 | 3% | 0.254 | 0.254 | 0% |

Source: PLANB, UOB Kay Hian

VALUATION/RECOMMENDATION

- **Maintain BUY with an SOTP-based target price of Bt7.90.** PLANB and its subsidiaries are valued using DCF methodology, based on WACC of 9.4% and terminal growth of 3.0% while the investment in Master Ad Public Company Limited (MACO) is valued at 2.0x P/B, its five-year historical average. The target price corresponds to 38x 2023F PE. We look ahead towards brighter 4Q22 earnings on the back of stronger advertising revenue and the realisation of benefits from operational optimisation following the acquisition of media assets from Aqua Corporation (AQUA) in 1Q22. We remain slightly cautious in the short term on softening 3Q22 earnings.

SHARE PRICE CATALYST

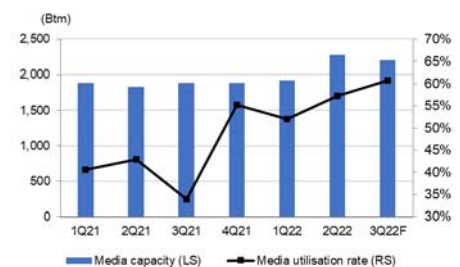
- The pick-up of OOH advertising and higher media utilisation rate thanks to the recovery of mobility and travel.
- Efficient cost optimisation and economies of scale due to larger media capacity that will result in expansion of profitability margins.
- Strong growth in the engagement marketing business from attractive and up-to-date content.

SOTP-BASED VALUATION

| Business(es) | Value (Btm) | Note |
|------------------------------|---------------|-------------------------------------|
| OOH and Engagement Marketing | 36,059 | DCF WACC 9.4%, terminal growth 3.0% |
| Key investment(s) | 739 | |
| MACO | 739 | Using x2 PBV |
| - Net Debt | -1,767 | |
| Total Value | 35,031 | |
| number of shares - basic (m) | 4,432 | |
| Fair Value (Bt) | 7.90 | |

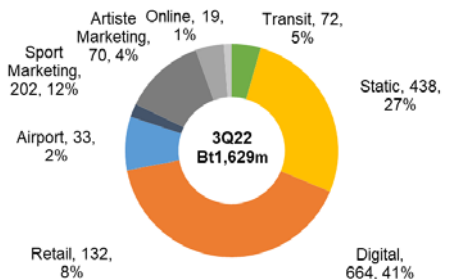
Source: PLANB, UOB Kay Hian

QUARTERLY MEDIA UTILISATION RATE



Source: PLANB, UOB Kay Hian

REVENUE BREAKDOWN (3Q22)



Source: PLANB

PROFIT & LOSS

| Year to 31 Dec (Btm) | 2021 | 2022F | 2023F | 2024F |
|----------------------------------|--------------|--------------|--------------|--------------|
| Net turnover | 4,443 | 6,186 | 7,225 | 7,607 |
| EBITDA | 2,477 | 3,567 | 4,199 | 4,678 |
| Deprec. & amort. | 2,341 | 2,538 | 2,790 | 3,031 |
| EBIT | 136 | 1,029 | 1,409 | 1,647 |
| Total other non-operating income | 0 | 0 | 0 | 0 |
| Associate contributions | (28) | 9 | 31 | 46 |
| Net interest income/(expense) | (189) | (173) | (188) | (182) |
| Pre-tax profit | (81) | 865 | 1,252 | 1,511 |
| Tax | (18) | (195) | (238) | (287) |
| Minorities | 74 | (27) | (81) | (98) |
| Net profit | 64 | 657 | 933 | 1,126 |
| Net profit (adj.) | (7) | 645 | 933 | 1,126 |

CASH FLOW

| Year to 31 Dec (Btm) | 2021 | 2022F | 2023F | 2024F |
|---|----------------|----------------|----------------|----------------|
| Operating | 2,487 | 2,283 | 3,624 | 4,238 |
| Pre-tax profit | 8 | 880 | 1,252 | 1,511 |
| Tax | (18) | (195) | (238) | (287) |
| Deprec. & amort. | 2,341 | 2,538 | 2,790 | 3,031 |
| Associates | 28 | (9) | (31) | (46) |
| Working capital changes | 732 | (947) | (77) | (2) |
| Non-cash items | (583) | 7 | (103) | (15) |
| Other operating cashflows | (20) | 9 | 31 | 46 |
| Investing | (2,299) | (3,078) | (4,075) | (3,206) |
| Capex (growth) | (1,784) | (2,952) | (2,959) | (3,085) |
| Investments | (245) | (279) | (1,079) | (97) |
| Others | (270) | 154 | (37) | (25) |
| Financing | 1,220 | 778 | 975 | (686) |
| Dividend payments | 0 | 0 | (328) | (467) |
| Issue of shares | 1,547 | 624 | 1,225 | 0 |
| Proceeds from borrowings | 0 | 0 | 78 | 0 |
| Loan repayment | (489) | (81) | 0 | (220) |
| Others/interest paid | 162 | 236 | 0 | 0 |
| Net cash inflow (outflow) | 1,408 | (16) | 523 | 346 |
| Beginning cash & cash equivalent | 651 | 2,059 | 2,043 | 2,566 |
| Ending cash & cash equivalent | 2,059 | 2,043 | 2,566 | 2,912 |

BALANCE SHEET

| Year to 31 Dec (Btm) | 2021 | 2022F | 2023F | 2024F |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Fixed assets | 7,995 | 8,409 | 8,578 | 8,631 |
| Other LT assets | 1,739 | 1,875 | 3,001 | 3,127 |
| Cash/ST investment | 2,059 | 2,043 | 2,566 | 2,912 |
| Other current assets | 1,971 | 2,231 | 2,568 | 2,665 |
| Total assets | 13,764 | 14,557 | 16,713 | 17,334 |
| ST debt | 1,700 | 1,283 | 1,302 | 1,022 |
| Other current liabilities | 2,041 | 1,361 | 1,517 | 1,597 |
| LT debt | 2,611 | 2,948 | 3,006 | 3,067 |
| Other LT liabilities | 51 | 62 | 72 | 76 |
| Shareholders' equity | 7,053 | 8,569 | 10,399 | 11,058 |
| Minority interest | 307 | 335 | 416 | 514 |
| Total liabilities & equity | 13,764 | 14,557 | 16,713 | 17,334 |

KEY METRICS

| Year to 31 Dec (%) | 2021 | 2022F | 2023F | 2024F |
|---------------------------|---------|-------|-------|-------|
| Profitability | | | | |
| EBITDA margin | 55.7 | 57.7 | 58.1 | 61.5 |
| Pre-tax margin | (1.8) | 14.0 | 17.3 | 19.9 |
| Net margin | 1.4 | 10.6 | 12.9 | 14.8 |
| ROA | 0.5 | 4.6 | 6.0 | 6.6 |
| ROE | 1.0 | 8.4 | 9.8 | 10.5 |
| Growth | | | | |
| Turnover | 19.3 | 39.2 | 16.8 | 5.3 |
| EBITDA | 3.0 | 44.0 | 17.7 | 11.4 |
| Pre-tax profit | (152.7) | n.a. | 44.8 | 20.7 |
| Net profit | (54.3) | 925.9 | 42.0 | 20.7 |
| Net profit (adj.) | (104.7) | n.a. | 44.7 | 20.7 |
| EPS | (104.6) | n.a. | 44.7 | 20.7 |
| Leverage | | | | |
| Debt to total capital | 36.9 | 32.2 | 28.5 | 26.1 |
| Debt to equity | 61.1 | 49.4 | 41.4 | 37.0 |
| Net debt/(cash) to equity | 31.9 | 25.5 | 16.8 | 10.6 |
| Interest cover (x) | 13.1 | 20.6 | 22.4 | 25.7 |

COMPANY UPDATE

Thai Oil (TOP TB)

Expect qoq Drop In 3Q22 Core And Net Profit; 4Q22 Outlook Remains Weak

We expect a qoq drop in TOP's 3Q22 net profit from huge extraordinary expenses, especially the net inventory loss and forex loss. Moreover, core profit is also expected to decline qoq on weaker GRM which is back to the normal level from the abnormally high level in 2Q22. We expect 4Q22 core earnings to remain weak, pressured by the sharp decline in product spreads (gasoline, jet, and fuel oil) and major shutdown of its lube base plant. Maintain HOLD. Target price: Bt51.00.

WHAT'S NEW

- **Expect 3Q22 to post a net loss on huge extraordinary expenses.** We expect Thai Oil (TOP) to post a net loss of Bt198m in 3Q22, reversing from a net profit of Bt25.3b in 2Q22 and Bt2.1b in 3Q21. The weak qoq net profit is mainly due to huge extraordinary expenses including: a) net inventory loss of Bt9.7b in 3Q22 (2Q22: Bt7.8b gain, 3Q21: Bt3.6b gain), and b) forex loss of Bt1.8b in 3Q22 (2Q22: Bt1.3b loss, 3Q21: Bt1.3b loss). But these will be partially offset by the hedging gain of Bt4.8b in 3Q22 (2Q22: Bt12.6b loss, 3Q21: Bt1.9b loss).
- **Stripping out the extraordinary items, we expect TOP to post core earnings of Bt5.3b in 3Q22, down 75.5% qoq but up 325.5% yoy.** The weak qoq core earnings was mainly due to lower gross refinery margin (GRM) of US\$6.80/bbl in 3Q22 (2Q22: US\$25.10/bbl, 3Q21: US\$5.10/bbl) which returned to a normal level from the decline in all of its refined products including: a) gasoline spread, which declined by 62% qoq to US\$13.24/bbl in 3Q22 from US\$34.97/bbl in 2Q22 mainly due to the soft demand and higher inventory, b) diesel spread, which tumbled by 18.4% qoq to US\$35.19/bbl in 3Q22 from the abnormally high level of US\$43.11/bbl in 2Q22, and c) jet spread, which fell by 17.1% qoq to US\$32.41/bbl in 3Q22, in line with other middle distillate spreads. Moreover, TOP's refinery utilisation rate is expected to drop to 105% in 3Q22 from 112% in 2Q22, impacted by the softening GRM.

However, the negative factors are partially offset by the improvement in the aromatics and lube businesses, which contribute to TOP's gross integrated margin (GIM) at US\$1.6/bbl in 3Q22 from US\$0.8/bbl in 2Q22 driven by the stronger lube base spread and improvement in aromatics spreads.

The yoy decrease in net profit was also mainly dragged down by the huge inventory loss of Bt9.7b in 3Q22 vs Bt3.6b gain in 3Q21.

KEY FINANCIALS

| Year to 31 Dec (Btm) | 2020 | 2021 | 2022F | 2023F | 2024F |
|-------------------------------|---------|---------|---------|---------|---------|
| Net turnover | 256,614 | 346,632 | 526,485 | 420,830 | 463,784 |
| EBITDA | 8,604 | 26,119 | 72,391 | 24,657 | 31,311 |
| Operating profit | 1,050 | 18,695 | 63,522 | 15,363 | 21,578 |
| Net profit (rep./act.) | (3,301) | 12,578 | 45,979 | 9,469 | 14,271 |
| Net profit (adj.) | (2,913) | 5,583 | 31,573 | 9,469 | 14,271 |
| EPS (Bt) | (1.4) | 2.7 | 14.1 | 4.2 | 6.4 |
| PE (x) | n.m. | 18.6 | 3.6 | 12.1 | 8.0 |
| P/B (x) | 0.9 | 0.9 | 0.8 | 0.8 | 0.9 |
| EV/EBITDA (x) | 31.1 | 10.2 | 3.7 | 10.8 | 8.5 |
| Dividend yield (%) | 1.4 | 5.1 | 11.0 | 5.4 | 8.1 |
| Net margin (%) | (1.3) | 3.6 | 8.7 | 2.3 | 3.1 |
| Net debt/(cash) to equity (%) | 83.1 | 147.4 | 109.7 | 83.6 | 89.9 |
| Interest cover (x) | 2.0 | 7.3 | 19.0 | 7.0 | 8.4 |
| ROE (%) | n.a. | 10.9 | 36.6 | 6.7 | 10.4 |
| Consensus net profit | - | - | 33,013 | 12,380 | 13,399 |
| UOBKH/Consensus (x) | - | - | 0.96 | 0.76 | 1.07 |

Source: Thai Oil, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E reflected as "n.m."

HOLD

(Maintained)

| | |
|---------------|----------|
| Share Price | Bt51.50 |
| Target Price | Bt51.00 |
| Upside | -1.0% |
| (Previous TP) | Bt61.00) |

COMPANY DESCRIPTION

TOP is an oil refinery company. It also produces oil related products including LPG, Kerosene, fuel oil and chemicals.

STOCK DATA

| | |
|---------------------------------|-----------|
| GICS sector | Energy |
| Bloomberg ticker: | TOP TB |
| Shares issued (m): | 2,232.3 |
| Market cap (Btm): | 113,849.1 |
| Market cap (US\$m): | 2,977.8 |
| 3-mth avg daily t'over (US\$m): | 22.2 |
| Price Performance (%) | |

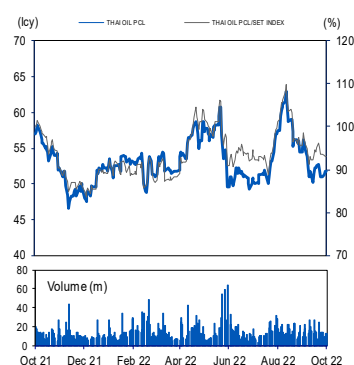
52-week high/low Bt63.00/Bt46.50

| 1mth | 3mth | 6mth | 1yr | YTD |
|-------|------|-------|--------|-----|
| (8.9) | 2.0 | (1.4) | (11.7) | 3.0 |

Major Shareholders

| | % |
|-------------------------------------|-------|
| PTT | 49.1 |
| NVDR | 4.5 |
| HSBC (Singapore) Nominees Pte. Ltd. | 2.6 |
| FY22 NAV/Share (Bt) | 62.35 |
| FY22 Net Debt/Share (Bt) | 68.41 |

PRICE CHART



Source: Bloomberg

ANALYST(S)

Tanaporn Visaruthaphong
+662 659 8305
tanaporn@uobkayhian.co.th

Chaiwat Arsirawichai
+662 659 8301
chaiwat@uobkayhian.co.th

3Q22 RESULTS PREVIEW

| Year to 31 Dec (Btm) | 3Q21 | 2Q22 | 3Q22F | yoy % chg | qoq % chg |
|-----------------------------|--------|---------|---------|-----------|-----------|
| Revenue | 79,960 | 143,892 | 129,502 | 62.0 | -10.0 |
| Operating cost | 76,028 | 124,004 | 132,869 | 74.8 | 7.1 |
| SG&A expense | 712 | 865 | 848 | 19.1 | -2.0 |
| EBITDA | 6,859 | 22,322 | 12,763 | 86.1 | -42.8 |
| EBIT | 3,328 | 33,925 | 1,160 | -65.1 | -96.6 |
| Tax (expense)/Reversal | -213 | -7,509 | -197 | 7.4 | 97.4 |
| Net income | 2,063 | 25,327 | -198 | -109.6 | -100.8 |
| EPS (Bt) | 1.01 | 12.41 | -0.10 | -109.6 | -100.8 |
| Inventory gain/(loss) & NRV | 3,635 | 7,816 | -9,700 | -366.9 | -224.1 |
| FX gain/(loss) | -1,320 | -1,298 | -1,800 | -36.4 | -38.7 |
| Hedging gain/(loss) | -1,908 | -12,645 | 4,800 | 351.6 | 138.0 |
| Recurring income | 1,245 | 21,629 | 5,296 | 325.5 | -75.5 |
| Gross margin (%) | 4.9% | 13.8% | -2.6% | | |
| EBITDA margin (%) | 8.6% | 15.5% | 9.9% | | |
| Net profit margin (%) | 2.6% | 17.6% | -0.2% | | |

Source: Thai Oil, UOB Kay Hian

STOCK IMPACT

- Expect 4Q22 core earnings to remain soft on sharp decline in GRM.** We expect 4Q22 core earnings to soften qoq on the decline in GRM. Singapore's GRM has declined sharply to US\$2.04/bbl in 4Q22 qtd (currently: -US\$0.40, 3Q22: US\$7.05) on the sharp drop in gasoline (4Q22 qtd: US\$2.37/bbl, 3Q22: US\$13.24/bbl) from softer demand and high inventory level as well as a poorer high sulphur fuel oil (HSFO) spread, which tumbled to -US\$29.50/bbl in 4Q22 qtd vs -US\$22.30/bbl in 3Q22 on the higher supply flow to the global market from the Middle East and Russia. Moreover, TOP plans to shut down its lube base plant for a major maintenance inspection during 1-31 Oct 22 which will drag down lube base production volume for 4Q22. However, Saudi Arabia has announced plans to decrease its Arab light official selling price (OSP) to US\$5.85/bbl in Oct-Nov 22 from US\$8.53/bbl in 3Q22 given the higher crude oil supply in the market. In addition, aromatics spreads will remain soft in 4Q22 due to the huge new supplies in the market.
- Delay in CFP project.** The completion of its clean-fuel (CFP) project has been delayed to 2024-25 and management expects the additional capex for the project to be around US\$480m or 10% of total initial budget of US\$4.8b. We have not included the CFP into our earnings forecasts yet.

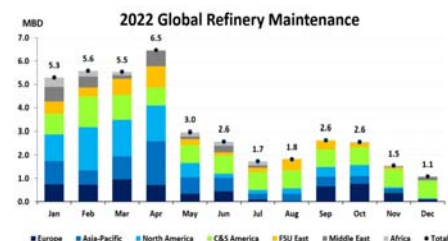
EARNINGS REVISION/RISK

- None.** If our forecast on 3Q22 core profit is in line, our 9M22 core earnings should account for around 98.5% of our 2022 full-year forecast. We also expect 4Q22 core earnings to stand at a small amount from the very weak GRM and major shutdown of lube base plant.

VALUATION/RECOMMENDATION

- Maintain HOLD with a new 2023 target price of Bt51.00 based on the updated five-year regional PE mean of 12x** (from Bt61.00 previously based on five-year regional PE mean of 14x). We think the exceptionally high GRM this year will not persist into 2023. Our sector picks are PTT Exploration & Production (PTTEP/BUY/Bt195.00) and PTT Oil & Retail Business (OR/BUY/Bt33.00) for their strong earnings momentum.

GLOBAL REFINERY MAINTENANCE IN 2022



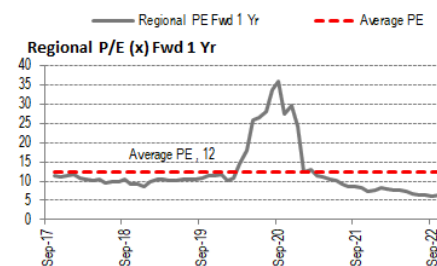
Source: TOP

PRICE AND SPREAD ASSUMPTIONS

| | 3Q21 | 2Q22 | 3Q22 | UOBKH 2022F |
|------------------------|------|-------|-------|-------------|
| Dubai price (US\$/bbl) | 71.7 | 108.1 | 96.9 | 92.0 |
| Refinery (US\$/bbl) | | | | |
| Gasoline spread | 11.8 | 35.0 | 13.2 | 20.0 |
| Jet spread | 5.4 | 39.2 | 32.4 | 20.0 |
| Diesel spread | 5.4 | 43.1 | 35.2 | 25.0 |
| LSFO spread | 5.0 | 21.9 | 11.7 | 1.0 |
| HSFO spread | -3.4 | -3.2 | -22.3 | -9.0 |
| Aromatic (US\$/tonne) | | | | |
| PX - ULG95 Spread | 210 | 44 | 152 | 100 |
| BZ - ULG95 Spread | 284 | 23 | 42 | 50 |

Source: Bloomberg, UOB Kay Hian

FIVE-YEAR REGIONAL CORE PE BAND



Source: Bloomberg, UOB Kay Hian

PROFIT & LOSS

| Year to 31 Dec (Btm) | 2021 | 2022F | 2023F | 2024F |
|-------------------------------|----------------|----------------|----------------|----------------|
| Net turnover | 346,632 | 526,485 | 420,830 | 463,784 |
| EBITDA | 26,119 | 72,391 | 24,657 | 31,311 |
| Deprec. & amort. | 7,424 | 8,869 | 9,295 | 9,734 |
| EBIT | 18,695 | 63,522 | 15,363 | 21,578 |
| Net interest income/(expense) | (3,595) | (3,817) | (3,512) | (3,716) |
| Pre-tax profit | 15,100 | 59,705 | 11,851 | 17,862 |
| Tax | (2,034) | (11,941) | (2,015) | (3,036) |
| Minorities | (488) | (1,785) | (368) | (554) |
| Net profit | 12,578 | 45,979 | 9,469 | 14,271 |
| Net profit (adj.) | 5,583 | 31,573 | 9,469 | 14,271 |

CASH FLOW

| Year to 31 Dec (Btm) | 2021 | 2022F | 2023F | 2024F |
|---|-----------------|-----------------|-----------------|-----------------|
| Operating | 10,015 | 41,346 | 74,478 | 7,998 |
| Pre-tax profit | 14,612 | 57,920 | 11,484 | 17,307 |
| Tax | (2,034) | (11,941) | (2,015) | (3,036) |
| Deprec. & amort. | 7,424 | 8,869 | 9,295 | 9,734 |
| Associates | 0 | 0 | 0 | 0 |
| Working capital changes | (18,565) | (19,812) | 49,821 | (23,313) |
| Other operating cashflows | 8,578 | 6,310 | 5,894 | 7,307 |
| Investing | (43,337) | (42,604) | (15,946) | (13,597) |
| Investments | (43,337) | (42,604) | (15,946) | (13,597) |
| Financing | 12,602 | (10,003) | (18,200) | (11,929) |
| Dividend payments | (3,551) | (5,304) | (12,629) | (6,155) |
| Proceeds from borrowings | 23,082 | (882) | (2,059) | (2,058) |
| Others/interest paid | (6,929) | (3,817) | (3,512) | (3,716) |
| Net cash inflow (outflow) | (20,719) | (11,261) | 40,332 | (17,528) |
| Beginning cash & cash equivalent | 53,244 | 29,696 | 38,922 | 37,926 |
| Changes due to forex impact | (2,828) | 20,486 | (41,328) | 6,712 |
| Ending cash & cash equivalent | 29,696 | 38,922 | 37,926 | 27,110 |

BALANCE SHEET

| Year to 31 Dec (Btm) | 2021 | 2022F | 2023F | 2024F |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Fixed assets | 178,502 | 223,998 | 242,018 | 260,043 |
| Other LT assets | 70,981 | 81,241 | 85,038 | 83,833 |
| Cash/ST investment | 29,696 | 38,922 | 37,926 | 27,110 |
| Other current assets | 71,543 | 59,020 | 86,116 | 72,604 |
| Total assets | 350,722 | 403,181 | 451,098 | 443,591 |
| ST debt | 2,142 | 5,745 | 2,202 | 5,997 |
| Other current liabilities | 36,334 | 23,175 | 47,821 | 36,322 |
| LT debt | 192,131 | 186,687 | 156,784 | 138,430 |
| Other LT liabilities | 8,442 | 47,669 | 99,514 | 132,312 |
| Shareholders' equity | 111,672 | 139,905 | 144,777 | 130,531 |
| Total liabilities & equity | 350,722 | 403,181 | 451,098 | 443,591 |

KEY METRICS

| Year to 31 Dec (%) | 2021 | 2022F | 2023F | 2024F |
|---------------------------|-------|-------|--------|-------|
| Profitability | | | | |
| EBITDA margin | 7.5 | 13.7 | 5.9 | 6.8 |
| Pre-tax margin | 4.4 | 11.3 | 2.8 | 3.9 |
| Net margin | 3.6 | 8.7 | 2.3 | 3.1 |
| ROA | 3.8 | 12.2 | 2.2 | 3.2 |
| ROE | 10.9 | 36.6 | 6.7 | 10.4 |
| Growth | | | | |
| Turnover | 35.1 | 51.9 | (20.1) | 10.2 |
| EBITDA | 203.6 | 177.2 | (65.9) | 27.0 |
| Pre-tax profit | n.a. | 295.4 | (80.2) | 50.7 |
| Net profit | n.a. | 265.6 | (79.4) | 50.7 |
| Net profit (adj.) | n.a. | 465.5 | (70.0) | 50.7 |
| EPS | n.a. | 414.1 | (70.0) | 50.7 |
| Leverage | | | | |
| Debt to total capital | 63.5 | 57.9 | 52.3 | 52.5 |
| Debt to equity | 174.0 | 137.5 | 109.8 | 110.6 |
| Net debt/(cash) to equity | 147.4 | 109.7 | 83.6 | 89.9 |
| Interest cover (x) | 7.3 | 19.0 | 7.0 | 8.4 |

Disclosures/Disclaimers

This report is prepared by UOB Kay Hian Securities (Thailand) Public Company Limited (“UOBKHST”), which is a licensed corporation providing Securities Brokerage, Securities Dealing, Underwriting, Derivative Agent and Financial Advisory in Thailand.

This report is provided for information only and is not an offer or a solicitation to deal in securities or to enter into any legal relations, nor an advice or a recommendation with respect to such securities.

This report is prepared for general circulation. It does not have regard to the specific investment objectives, financial situation and the particular needs of any recipient hereof. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before the person makes a commitment to purchase the investment product.

This report is confidential. This report may not be published, circulated, reproduced or distributed in whole or in part by any recipient of this report to any other person without the prior written consent of UOBKHST. This report is not directed to or intended for distribution to or use by any person or any entity who is a citizen or resident of or located in any locality, state, country or any other jurisdiction as UOBKHST may determine in its absolute discretion, where the distribution, publication, availability or use of this report would be contrary to applicable law or would subject UOBKHST and its connected persons (as defined in Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 and the Securities and Exchange Act of Thailand) to any registration, licensing or other requirements within such jurisdiction.

The information or views in the report (“Information”) has been obtained or derived from sources believed by UOBKHST to be reliable. However, UOBKHST makes no representation as to the accuracy or completeness of such sources or the Information and UOBKHST accepts no liability whatsoever for any loss or damage arising from the use of or reliance on the Information. UOBKHST and its associate may have issued other reports expressing views different from the Information and all views expressed in all reports of UOBKHST and its connected persons are subject to change without notice. UOBKHST reserves the right to act upon or use the Information at any time, including before its publication herein.

Except as otherwise indicated below, (1) UOBKHST, its associates and its officers, employees and representatives may, to the extent permitted by law, transact with, perform or provide broking, underwriting, corporate finance-related or other services for or solicit business from, the subject corporation(s) referred to in this report; (2) UOBKHST, its associate and its officers, employees and representatives may also, to the extent permitted by law, transact with, perform or provide broking or other services for or solicit business from, other persons in respect of dealings in the securities referred to in this report or other investments related thereto; (3) the officers, employees and representatives of UOBKHST may also serve on the board of directors or in trustee positions with the subject corporation(s) referred to in this report. (All of the foregoing is hereafter referred to as the “Subject Business”); and (4) UOBKHST may otherwise have an interest (including a proprietary interest) in the subject corporation(s) referred to in this report.

As of the date of this report, no analyst responsible for any of the content in this report has any proprietary position or material interest in the securities of the corporation(s) which are referred to in the content they respectively author or are otherwise responsible for.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report is prepared by UOBKHST, a company authorized, as noted above, to engage in securities and derivative activities in Thailand. UOBKHST is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution by UOBKHST (whether directly or through its US registered broker dealer affiliate named below) to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). All US persons that receive this document by way of distribution from or which they regard as being from UOBKHST by their acceptance thereof represent and agree that they are a major institutional investor and understand the risks involved in executing transactions in securities.

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through UOB Kay Hian (U.S.) Inc (“UOBKHUS”), a registered broker-dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through UOBKHST.

UOBKHUS accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to and intended to be received by a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority (“FINRA”) and may not be an associated person of UOBKHUS and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Analyst Certification/Regulation AC

Each research analyst of UOBKHST who produced this report hereby certifies that (1) the views expressed in this report accurately reflect his/her personal views about all of the subject corporation(s) and securities in this report; (2) the report was produced independently by him/her; (3) he/she does not carry out, whether for himself/herself or on behalf of UOBKHST or any other person, any of the Subject Business involving any of the subject corporation(s) or securities referred to in this report; and (4) he/she has not received and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. However, the compensation received by each such research analyst is based upon various factors, including UOBKHST's total revenues, a portion of which are generated from UOBKHST's business of dealing in securities.

Reports are distributed in the respective countries by the respective entities and are subject to the additional restrictions listed in the following table.

| | |
|-----------------------------------|---|
| General | This report is not intended for distribution, publication to or use by any person or entity who is a citizen or resident of or located in any country or jurisdiction where the distribution, publication or use of this report would be contrary to applicable law or regulation. |
| Hong Kong | This report is distributed in Hong Kong by UOB Kay Hian (Hong Kong) Limited ("UOBKHHK"), which is regulated by the Securities and Futures Commission of Hong Kong. Neither the analyst(s) preparing this report nor his associate, has trading and financial interest and relevant relationship specified under Para. 16.4 of Code of Conduct in the listed corporation covered in this report. UOBKHHK does not have financial interests and business relationship specified under Para. 16.5 of Code of Conduct with the listed corporation covered in this report. Where the report is distributed in Hong Kong and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKHHK (and not the relevant foreign research house) in Hong Kong in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Hong Kong who is not a professional investor, or institutional investor, UOBKHHK accepts legal responsibility for the contents of the analyses or reports only to the extent required by law. |
| Indonesia | This report is distributed in Indonesia by PT UOB Kay Hian Sekuritas, which is regulated by Financial Services Authority of Indonesia. Where the report is distributed in Indonesia and contains research analyses or reports from a foreign research house, please note recipients of the analyses or reports are to contact PT UOBKH (and not the relevant foreign research house) in Indonesia in respect of any matters arising from, or in connection with, the analysis or report. |
| Malaysia | Where the report is distributed in Malaysia and contains research analyses or reports from a foreign research house, the recipients of the analyses or reports are to contact UOBKHM (and not the relevant foreign research house) in Malaysia, at +603-21471988, in respect of any matters arising from, or in connection with, the analysis or report as UOBKHM is the registered person under CMSA to distribute any research analyses in Malaysia. |
| Singapore | This report is distributed in Singapore by UOB Kay Hian Private Limited ("UOBKH"), which is a holder of a capital markets services licence and an exempt financial adviser regulated by the Monetary Authority of Singapore. Where the report is distributed in Singapore and contains research analyses or reports from a foreign research house, please note: (i) recipients of the analyses or reports are to contact UOBKH (and not the relevant foreign research house) in Singapore in respect of any matters arising from, or in connection with, the analysis or report; and (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, UOBKH accepts legal responsibility for the contents of the analyses or reports only to the extent required by law. |
| Thailand | This report is distributed in Thailand by UOB Kay Hian Securities (Thailand) Public Company Limited, which is regulated by the Securities and Exchange Commission of Thailand. |
| United Kingdom | This report is being distributed in the UK by UOB Kay Hian (U.K.) Limited, which is an authorised person in the meaning of the Financial Services and Markets Act and is regulated by The Financial Conduct Authority. Research distributed in the UK is intended only for institutional clients. |
| United States of America ('U.S.') | This report cannot be distributed into the U.S. or to any U.S. person or entity except in compliance with applicable U.S. laws and regulations. It is being distributed in the U.S. by UOB Kay Hian (US) Inc, which accepts responsibility for its contents. Any U.S. person or entity receiving this report and wishing to effect transactions in any securities referred to in the report should contact UOB Kay Hian (US) Inc. directly. |

Copyright 2022, UOB Kay Hian Securities (Thailand) Public Company Limited. All rights reserved.

<http://www.utrade.co.th>