

China's stimulus to trigger interest

PTTGC (-5%) has slightly underperformed the SET (-2%) over the past three months but is up 10% YTD, indicating better appetite for the stock on a view that the worst is past and we feel China's stimulus for its property sector will spur investor interest in the petrochemical sector in the near term. This is a plus for PTTGC given its 20% exposure to the construction sector, notably via allnex which opened a China hub in 2023. TP stays at Bt48, based on 0.8x 2024F PBV, implying 8.8x EV/EBITDA (2024F). We upgrade from Neutral to Outperform.

Catalyst#1: China's stimulus package to trigger interest. We expect China's latest economic stimulus package to buoy market sentiment towards petrochemical stocks in the near term amidst the persistent demand-supply imbalance. The impact may arguably not be a bang, but could pave the way for more measures to revive the ailing property sector and consumer confidence, in turn boosting the petrochemical industry. This is a plus for at least 20% of its portfolio, notably via allnex, which is related to the construction sector.

Catalyst#2: Higher ethane supply from PTT. EBITDA margin for PTTGC's olefins segment is expected to improve on more ethane feedstock from PTT's gas separation plants (GSP) following full production at Block G1/61 (Erawan) at 800mmcf/d from late Mar, up from 200-295mmcf/d in 2023. This will raise the proportion of ethane feedstock to nearly 40% from 35% in 2023 and bring the segment's adjusted EBITDA back to positive vs. a negative of Bt880mn in 2023. The greater ethane flow is expected to be more apparent in 2H24 given planned shutdown of PTT's GSPs in 2Q24.

Catalyst#3: PE spread is expected to recover sooner than PP. We expect PE product spread to recover at a faster pace than PP as shown in Figure 1, where the HDPE operating rate may reach the long-term average of 80% in 2025. This benefits PTTGC as a gas-based cracker, giving it better cost advantage in terms of ethylene and PE than peers. Ethylene and PE capacity accounts for 33% of total capacity for PTTGC and its JVs. The 2Q24TD average PE price is up 4% YoY and 2% QoQ to US\$1,065/t.

Action & recommendation. The improving earnings outlook leads us to upgrade our rating from Neutral to Outperform with unchanged TP of Bt48/share based on 0.8x PBV (2024F), with valuation undemanding at 0.6x PBV (2024F). Current share price implies 7.8x EV/EBITDA (2024F) vs. 5-year average of 10.7x and regional peers of 11.5x.

Risks & concerns: 1) Volatile crude oil price and product spread for oil refining and petrochemicals, 2) slower than expected recovery of demand for petrochemical products, 3) asset impairment, 4) regulatory change on GHG emissions and single-use plastics (<3% of capacity), and 5) change in allocation of domestic gas supply to petrochemicals. Key ESG risk factors include the environmental impact of its business and how it adapts during the transition to clean energy and circular economy.

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	683,954	621,631	596,322	578,337	558,475
EBITDA	(Btmn)	46,537	38,627	50,935	56,639	61,504
Core profit	(Btmn)	13,792	(3,183)	10,614	14,877	18,843
Reported profit	(Btmn)	(8,752)	999	9,145	14,877	18,843
Core EPS	(Bt)	3.06	(0.71)	2.35	3.30	4.18
DPS	(Bt)	1.00	1.00	1.00	1.60	2.00
P/E, core	(x)	12.1	n.a.	15.7	11.2	8.9
EPS growth, core	(%)	(57.3)	n.a.	n.a.	40.2	26.7
P/BV, core	(x)	0.6	0.6	0.6	0.6	0.5
ROE	(%)	4.4	(1.1)	3.6	4.9	6.0
Dividend yield	(%)	2.7	2.7	2.7	4.3	5.4
EV/EBITDA	(x)	8.9	9.7	7.8	6.7	5.9

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data

Last close (May 21) (Bt)	37.00
Target price (Bt)	48.00
Mkt cap (Btmn)	166.83
Mkt cap (US\$mn)	4,578

Beta	H
Mkt cap (%) SET	0.98
Sector % SET	2.09
Shares issued (mn)	4,509
Par value (Bt)	10.00
12-m high / low (Bt)	41.3 / 31.8
Avg. daily 6m (US\$mn)	10.54
Foreign limit / actual (%)	37 / 11
Free float (%)	54.8
Dividend policy (%)	≥ 30

Share performance

(%)	1M	3M	12M
Absolute	(2.0)	(4.5)	(1.3)
Relative to SET	(3.5)	(2.3)	10.1

Source: SET, InnovestX Research

2023 Sustainability/2022 ESG Score

SET ESG Ratings	AAA
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ESG Bloomberg Rank in the sector

ESG Score Rank	2/15
Environmental Score Rank	1/15
Social Score Rank	2/15
Governance Score Rank	2/15

ESG comment

PTTGC had the sector's best environmental and governance scores in 2022, with an outstanding social score. The company has set up concrete plans to achieve target to reduce greenhouse gas by 20% within 2030 from the 2025 peak.

Source: Bloomberg Finance L.P.

Note: 1/ Upstream = Oil refinery, Aromatics and Olefins

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Value proposition

PTTGC is PTT Group's flagship chemical company. It is also the largest ethane-based petrochemical producer in Thailand with fully integrated petrochemical and refinery operations and a diversified product portfolio covering the full hydrocarbon chain, as well as ventures in green chemicals. While the ethylene output from the 2.9mtpa-crackers is mostly consumed internally to produce 1.9mtpa polyethylene, it also supplies propylene to contracted customers, primarily companies under the PTT Group. PTTGC also operates a 280kbd oil refinery, comprising a 145kbd conventional oil refinery and 135kbd condensate residual splitter. It has steadily expanded its product portfolio to specialty chemicals, including ethylene oxide (EO)-based performance products and ethylene glycol (EG), as well as phenol and related. It invested in a global coating resins firm – allnex – to strengthen its HVA product portfolio and international business. PTTGC has invested in the bio-based chemical business, using crude palm oil and crude palm kernel oil as the key feedstock to produce methyl ester (biodiesel) and related products via subsidiary Global Green Chemicals Plc (GGC).

Business outlook

Following poor earnings in 2023, we expect a profit in 2024, assuming gas supply from PTT's gas separation plants (GSP) returns to normal. This assessment relies heavily on the full committed production volume of G1/61 (Erawan) at 800mmcf/d, which it achieved in March. Sluggish petrochemical demand and new capacity additions in China and the Middle East are likely to keep product spread lower than historical average. Oil refinery and aromatics businesses will continue to be in the driver's seat in 2024 due to steady recovery in demand and lower additional PX capacity. More contribution from the specialty chemical business – allnex – is expected on the gradual recovery of demand in Europe and the US, as well as in Asia as allnex's China hub started up in 2023. Oil price fluctuation may cause inventory gain/loss throughout the year. Expanding to more specialty and recycled products will also reduce earnings volatility compared to commodity grade products.

Bullish views	Bearish views
1. PTTGC's competitive feedstock cost, mainly ethane from PTT's gas separation plant, will support profitability in the medium term.	1. Lower ethane supply from PTT on lower gas production in the Gulf of Thailand at Block G1/61 (Erawan) was the key drag on olefins EBITDA margin in 2023. More risk has emerged from the new government's intention to alter the gas supply allocation to the petrochemical industry.
2. Feedstock flexibility was raised by the startup of the olefins retrofit project (ORP) in 2021 and the olefins 2 modification project (OMP) in 2023.	2. Investors are concerned about depleting gas reserves in the Gulf of Thailand which will reduce its competitiveness in the longer term.
3. The planned expansion in downstream specialty and recycled products will stabilize profitability in the long term.	3. The company's plan to invest in an olefins cracker in the US continues to undermine investor appetite for the stock. The downcycle of the petrochemical industry has led it to defer this investment in the near term.

Key catalysts

Factor	Event	Impact	Comment
Higher ethane feedstock	Ethane supply from PTT is expected to increase in 2024.	Positive	We expect adjusted EBITDA for the olefins business to improve in 2024 on a higher ethane supply from PTT on more production at Block G1/61 (Erawan) after full production was achieved in Mar 2024.
Near-term earnings outlook	2Q24F earnings	Higher YoY and QoQ	We expect earnings to turn around from a net loss in 2Q23 and 1Q24. Net profit will be boosted by a better EBITDA margin for the olefins and aromatics segments, though with some offset by lower market GRM due to decline of crack spread of middle distillate products (diesel and jet fuel).

Sensitivity Analysis

Factor	Earnings impact	TP impact
EBITDA margin (+0.1%)	+5.4% (2024F)	+Bt0.7/share

Our view on ESG

We view that PTTGC provides concrete targets on environmental and social issues with a committed timeline and actual performance relative to its targets. We view PTTGC's management and governance as satisfactory, reflecting management expertise and experience in the business, a diverse Board of Directors and transparency with stakeholders.

ESG Disclosure Score

Bloomberg ESG Score	77.38 (2022)
Rank in Sector	2/15

CG Rating	DJSI	SETESG	SET ESG Ratings	
PTTGC	5	Yes	Yes	AAA

Source: Thai Institute of Directors and SET

Environmental Issue (E)

- PTTGC targets to reduce greenhouse gas (scope 1 and 2) by 20% within 2030 from peak year in 2025 and to achieve net zero emissions and cooperate with suppliers and customers to halve scope 3 emissions within 2050.
- It is one of the first organizations in Thailand to implement a Circular Economy by raising public awareness of waste management.
- PTTGC continues to invest in renewable energy technology and integrate green initiatives into its business operations, aiming at reducing the consumption of fossil fuels. This includes the installation of solar rooftops. The company also enhanced energy efficiency and reduced energy consumption in production process and offices. PTTGC also joins hand with other companies under PTT group to study opportunities in CCUS in Thailand.

Social Issue (S)

- PTTGC set up social enterprises with the goal of generating sustainable income for local communities, leveraging strategy via a Circular Economy, mainly the management of waste for delivery as feedstock to its recycled plastic resin factory under the Community Waste Model project in order to promote end-to-end waste management.
- PTTGC employed customer recommendations to enhance the efficiency of its customer relationship management. It continuously maintains customer satisfaction at 93%.
- PTTGC continued to emphasize improving employee capability while maintaining work-life balance and safety and occupational health with competitive compensation. Employee turnover rate was 5.65% in 2022, slightly up from 3.83% in 2021 and Lost Time Injury Frequency Rate and Total recordable incident rate was 0 and 0.4 case/1 million man-hours, respectively.

Governance Issue (G)

- PTTGC's board of directors (2022) consists of 14 directors, 13 non-executive directors (92.8% of the entire board), 8 independent directors, which exceeds half of the board (57.1% of the entire board), and an executive director. There is one female member (7.1% of the entire board).
- The company has been rated "Excellent" (5 stars) by the Thai Institute of Directors in 2022.
- We view PTTGC's management and governance as satisfactory, reflecting management's experience and expertise, its transparency with stakeholders, and its independent board of directors.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	78.71	77.38
Environment	88.55	90.27
Emissions Reduction Initiatives	Yes	Yes
Climate Change Policy	Yes	Yes
GHG Scope 1	6,737.60	6,148.62
Biodiversity Policy	Yes	Yes
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption	43,233.80	36,885.50
Social	57.68	58.22
Human Rights Policy	Yes	Yes
Equal Opportunity Policy	Yes	Yes
Health and Safety Policy	Yes	Yes
Fatalities - Employees	0.00	1.00
Total Recordable Incident Rate - Employees	0.08	0.08
Employee Turnover Pct	3.83	5.65
Governance	89.86	83.59
Size of the Board	15	14
Number of Board Meetings for the Year	16	15
Board Meeting Attendance Pct	99	100
Number of Female Executives	7	7
Number of Independent Directors	8	9
Board Duration (Years)	3	3

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	412,810	329,291	468,953	683,954	621,631	596,322	578,337	558,475
Cost of goods sold	(Btmn)	390,619	317,093	409,783	631,679	584,369	548,198	525,333	502,197
Gross profit	(Btmn)	22,191	12,198	59,170	52,274	37,262	48,124	53,004	56,278
SG&A	(Btmn)	16,469	14,881	21,727	37,245	34,042	32,653	31,666	30,576
Other income	(Btmn)	2,319	2,283	1,771	3,946	6,920	6,562	6,127	6,414
Interest expense	(Btmn)	3,119	3,511	5,945	9,835	11,718	9,180	9,156	9,006
Pre-tax profit	(Btmn)	4,922	(3,912)	33,269	9,139	(1,578)	12,853	18,309	23,110
Corporate tax	(Btmn)	649	(109)	7,228	(2,273)	1,352	1,930	3,105	3,919
Equity a/c profits	(Btmn)	4,559	3,323	6,841	3,496	(387)	(445)	(467)	(490)
Minority interests	(Btmn)	(667)	(452)	(568)	(1,116)	134	137	140	142
Core profit	(Btmn)	8,164	(932)	32,313	13,792	(3,183)	10,614	14,877	18,843
Extra-ordinary items	(Btmn)	3,518	1,132	12,669	(22,544)	4,182	(1,469)	0	0
Net Profit	(Btmn)	11,682	200	44,982	(8,752)	999	9,145	14,877	18,843
EBITDA	(Btmn)	27,239	19,891	61,952	46,537	38,627	50,935	56,639	61,504
Core EPS	(Btmn)	1.81	(0.21)	7.17	3.06	(0.71)	2.35	3.30	4.18
Net EPS	(Bt)	2.59	0.04	9.98	(1.94)	0.22	2.03	3.30	4.18
DPS	(Bt)	2.00	1.00	3.75	1.00	1.00	1.00	1.60	2.00

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	104,494	129,911	209,092	172,009	186,874	154,180	169,779	176,168
Total fixed assets	(Btmn)	348,020	359,472	538,389	547,957	532,131	531,374	526,387	519,286
Total assets	(Btmn)	452,514	489,383	747,481	719,965	719,005	685,554	696,166	695,454
Total loans	(Btmn)	106,778	148,002	209,163	277,345	253,304	252,662	252,020	244,377
Total current liabilities	(Btmn)	53,033	59,041	147,003	103,976	125,841	84,157	93,265	81,431
Total long-term liabilities	(Btmn)	105,886	141,347	272,875	317,161	296,982	281,988	274,346	274,704
Total liabilities	(Btmn)	158,919	200,389	419,878	421,138	422,824	366,145	367,610	356,134
Paid-up capital	(Btmn)	45,088	45,088	45,088	45,088	45,088	45,088	45,088	45,088
Total equity	(Btmn)	293,595	288,994	327,603	298,828	296,181	300,681	309,827	320,592
BVPS	(Bt)	63.39	62.33	70.58	64.61	64.07	65.10	67.16	69.58

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	8,164	(932)	32,313	13,792	(3,183)	10,614	14,877	18,843
Depreciation and amortization	(Btmn)	19,198	20,292	22,738	27,563	28,487	28,903	29,174	29,387
Operating cash flow	(Btmn)	30,337	21,953	70,108	(3,297)	48,649	9,300	46,467	48,142
Investing cash flow	(Btmn)	(41,780)	(28,274)	(148,843)	(12,213)	(12,148)	(28,145)	(24,187)	(22,287)
Financing cash flow	(Btmn)	(6,461)	31,794	90,036	(14,164)	(25,123)	(5,288)	(6,373)	(15,720)
Net cash flow	(Btmn)	(17,904)	25,473	11,300	(29,674)	11,379	(24,134)	15,908	10,135

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	5.4	3.7	12.6	7.6	6.0	8.1	9.2	10.1
Operating margin	(%)	1.4	(0.8)	8.0	2.2	0.5	2.6	3.7	4.6
EBITDA margin	(%)	6.6	6.0	13.2	6.8	6.2	8.5	9.8	11.0
EBIT margin	(%)	1.9	(0.1)	8.4	2.8	1.6	3.7	4.7	5.8
Net profit margin	(%)	2.8	0.1	9.6	(1.3)	0.2	1.5	2.6	3.4
ROE	(%)	2.7	(0.3)	10.5	4.4	(1.1)	3.6	4.9	6.0
ROA	(%)	1.8	(0.2)	5.2	1.9	(0.4)	1.5	2.2	2.7
Net D/E	(x)	0.3	0.3	0.4	0.8	0.7	0.8	0.7	0.6
Interest coverage	(x)	8.7	5.7	10.4	4.7	3.3	5.5	6.2	6.8
Debt service coverage	(x)	2.1	0.8	1.3	2.0	1.8	3.5	2.7	4.7
Payout Ratio	(%)	77.2	2,258.9	37.6	n.m.	451.3	49.3	48.5	47.9

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Utilization rate - Olefins	(%)	102	97	91	80	80	85	85	85
Utilization rate - Aromatics	(%)	88	96	99	88	83	85	85	85
Utilization rate - Oil Refinery	(%)	87	97	95	89	104	100	100	100
HDPE-naphtha spread	(US\$/t)	468	500	536	418	394	420	445	475
PX-condensate spread	(US\$/t)	351	228	259	275	359	340	340	280
Market GRM	(US\$/bbl)	3.9	2.2	3.8	12.1	9.4	9.9	11.8	12.7

Financial statement

Profit and Loss Statement

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total revenue	(Btmn)	197,603	183,141	126,442	148,147	147,949	161,678	163,858	156,242
Cost of goods sold	(Btmn)	171,442	179,713	123,568	138,948	142,652	145,548	157,221	143,947
Gross profit	(Btmn)	26,161	3,428	2,875	9,199	5,297	16,130	6,636	12,295
SG&A	(Btmn)	9,139	9,328	9,126	8,471	8,482	8,645	8,444	8,604
Other income	(Btmn)	818	591	1,725	680	1,321	1,516	3,403	872
Interest expense	(Btmn)	2,428	2,741	2,566	2,786	2,885	2,999	3,047	3,067
Pre-tax profit	(Btmn)	15,412	(8,050)	(7,091)	(1,379)	(4,750)	6,002	(1,452)	1,497
Corporate tax	(Btmn)	(255)	(28)	(2,028)	(43)	(271)	467	1,199	291
Equity a/c profits	(Btmn)	1,549	250	555	(244)	(408)	(263)	529	(332)
Minority interests	(Btmn)	(438)	(200)	(9)	23	16	30	66	(11)
Core profit	(Btmn)	16,778	(7,973)	(4,517)	(1,557)	(4,871)	5,302	(2,057)	863
Extra-ordinary items	(Btmn)	(15,400)	(5,431)	5,195	1,640	(720)	(3,875)	7,138	(1,469)
Net Profit	(Btmn)	1,378	(13,404)	678	82	(5,591)	1,427	5,081	(606)
EBITDA	(Btmn)	24,544	1,717	2,470	8,373	5,168	16,201	8,886	11,774
Core EPS	(Btmn)	3.72	(1.77)	(1.00)	(0.35)	(1.08)	1.18	(0.46)	0.19
Net EPS	(Bt)	0.31	(2.97)	0.15	0.02	(1.24)	0.32	1.13	(0.13)

Balance Sheet

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total current assets	(Btmn)	252,436	198,814	172,009	168,995	167,095	195,704	186,874	207,931
Total fixed assets	(Btmn)	540,220	543,650	547,957	544,374	542,457	537,201	532,131	537,117
Total assets	(Btmn)	792,656	742,464	719,965	713,369	709,552	732,906	719,005	745,048
Total loans	(Btmn)	304,490	277,163	277,345	270,999	266,646	267,637	253,304	261,436
Total current liabilities	(Btmn)	165,556	123,985	103,976	102,370	105,487	128,436	125,841	138,702
Total long-term liabilities	(Btmn)	310,247	316,374	317,161	312,472	310,802	311,394	296,982	305,093
Total liabilities	(Btmn)	475,803	440,358	421,138	414,842	416,288	439,830	422,824	443,796
Paid-up capital	(Btmn)	45,088	45,088	45,088	45,088	45,088	45,088	45,088	45,088
Total equity	(Btmn)	316,853	302,106	298,828	298,528	293,263	293,075	296,181	301,252
BVPS	(Bt)	68.21	64.91	64.61	64.53	63.39	63.37	64.07	65.21

Cash Flow Statement

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Core Profit	(Btmn)	16,778	(7,973)	(4,517)	(1,557)	(4,871)	5,302	(2,057)	863
Depreciation and amortization	(Btmn)	6,704	7,027	6,995	6,965	7,032	7,200	7,290	7,210
Operating cash flow	(Btmn)	(3,262)	(547)	(4,664)	18,397	10,807	10,724	8,722	12,519
Investing cash flow	(Btmn)	(9,925)	28,046	(12,745)	(4,417)	(116)	(4,427)	(3,187)	(7,103)
Financing cash flow	(Btmn)	4,205	(42,332)	8,626	(9,284)	(12,993)	5,398	(8,244)	(2,935)
Net cash flow	(Btmn)	(8,982)	(14,834)	(8,783)	4,695	(2,302)	11,695	(2,709)	2,480

Key Financial Ratios

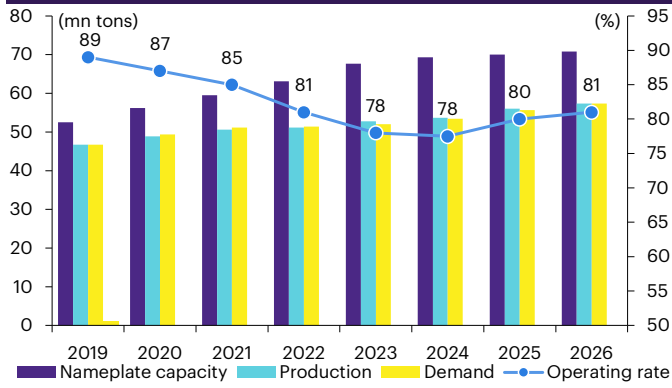
FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Gross margin	(%)	13.2	1.9	2.3	6.2	3.6	10.0	4.1	7.9
Operating margin	(%)	8.6	(3.2)	(4.9)	0.5	(2.2)	4.6	(1.1)	2.4
EBITDA margin	(%)	12.4	0.9	2.0	5.7	3.5	10.0	5.4	7.5
EBIT margin	(%)	9.0	(2.9)	(3.6)	1.0	(1.3)	5.6	1.0	2.9
Net profit margin	(%)	0.7	(7.3)	0.5	0.1	(3.8)	0.9	3.1	(0.4)
ROE	(%)	20.9	(10.3)	(6.0)	(2.1)	(6.6)	7.2	(2.8)	1.2
ROA	(%)	8.5	(4.2)	(2.5)	(0.9)	(2.7)	2.9	(1.1)	0.5
Net D/E	(x)	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7
Interest coverage	(x)	10.1	0.6	1.0	3.0	1.8	5.4	2.9	3.8
Debt service coverage	(x)	1.8	0.3	0.4	1.5	1.0	3.0	1.6	2.1

Key Statistics

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Utilization rate - Olefins	(%)	75	83	76	72	81	89	78	83
Utilization rate - Aromatics	(%)	80	88	82	89	90	69	83	83
Utilization rate - Oil Refinery	(%)	98	100	56	103	103	105	106	104
HDPE-naphtha spread	(US\$/t)	468	390	360	396	435	384	364	355
PX-condensate spread	(US\$/t)	351	274	249	355	396	357	330	351
Market GRM	(US\$/bbl)	21.1	9.8	9.7	10.3	5.7	12.6	9.0	8.3

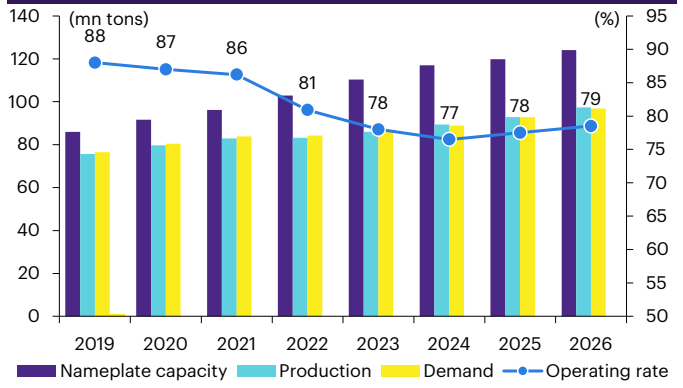
Appendix

Figure 1: Global HDPE capacity and demand



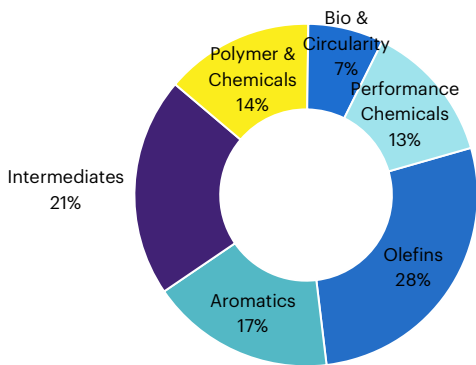
Source: Industry data and InnovestX Research

Figure 2: Global PP capacity and demand



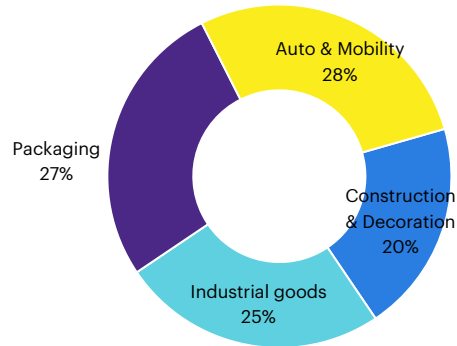
Source: Industry data and InnovestX Research

Figure 3: PTTGC's capacity (Petrochemicals)



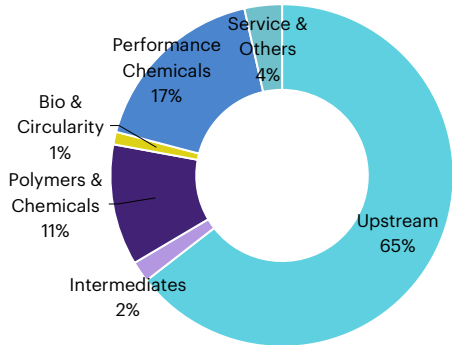
Source: PTTGC and InnovestX Research

Figure 4: PTTGC's exposure to various sectors



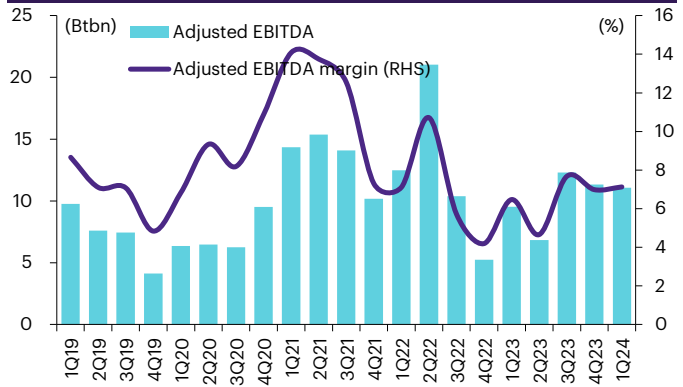
Source: PTTGC and InnovestX Research

Figure 5: Adj. EBITDA breakdown (LTM to 1Q24)



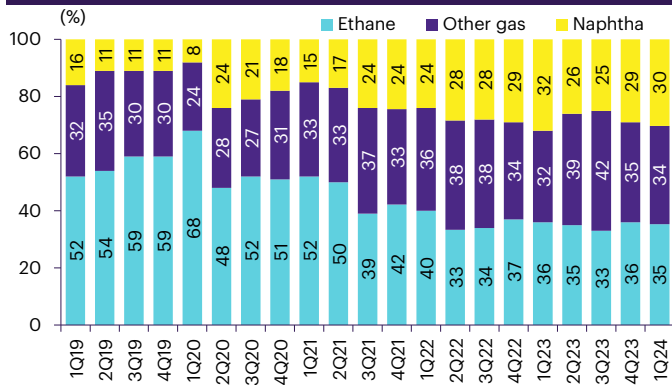
Source: PTTGC and InnovestX Research

Figure 6: Quarterly adjusted EBITDA



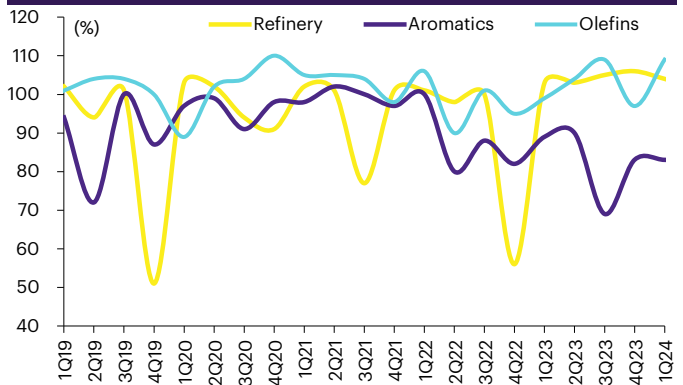
Source: PTTGC and InnovestX Research

Figure 7: Olefins intake breakdown



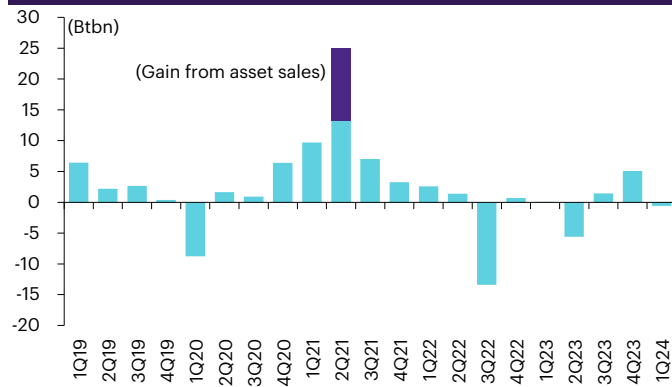
Source: PTTGC and InnovestX Research

Figure 8: Utilization rate



Source: PTTGC and InnovestX Research

Figure 9: PTTGC – quarterly profit



Source: PTTGC and InnovestX Research

Figure 10: PTTGC – PBV band



Source: InnovestX Research

Figure 11: Valuation summary (price as of May 21, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
GGC	Underperform	7.60	7.7	1.7	n.m.	180.3	33.7	n.m.	n.m.	436	0.8	0.8	0.8	(2)	0	2	1.3	0.4	1.5	12.3	8.3	6.4
IVL	Neutral	24.90	30.0	22.9	359.0	13.9	8.6	(99)	2,474	62	0.9	0.8	0.8	0	6	9	3.7	2.4	3.6	8.9	6.2	4.8
PTTGC	Outperform	37.00	48.0	32.4	n.m.	15.7	11.2	n.m.	n.m.	40	0.6	0.6	0.6	(1)	4	5	2.7	2.7	4.3	9.7	7.8	6.7
Average					359.0	70.0	17.8	(99)	2,474	179	0.7	0.7	0.7	(1)	3	5	2.6	1.8	3.1	10.3	7.5	6.0

Source: InnovestX Research

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CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

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Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้สัมฤทธิ์ผล)

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRB, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EP, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITTEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCCAMC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNAN, LHF, LIT, LOXLEY, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMP, SNC, SNNP, SORCON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASC, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนา)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, PEER, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, LTS, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, QTCG, RAM, RCL, READY, RICHY, RJH, ROCK, ROTECT, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SP, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STX, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPOR, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.