

India

**REDUCE** (no change)

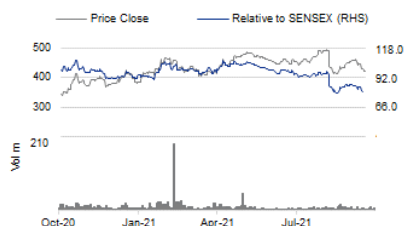
Consensus ratings\*: Buy 34 Hold 1 Sell 1

Current price:	Rs418
Target price:	Rs375
Previous target:	Rs352
Up/downside:	-10.3%
InCred Research / Consensus:	-30.3%
Reuters:	BPCL.NS
Bloomberg:	BPCL IN
Market cap:	US\$12,101m
	Rs906,081m
Average daily turnover:	US\$41.9m
	Rs3136.9m
Current shares o/s:	2,169.2m
Free float:	41.4%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS increased by 17.8%
- FY23F EPS decreased by 3.1%
- FY24F EPS decreased by 0.5%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(4.4)	0.5	32.1
Relative (%)	(5.3)	(10.8)	(11.8)

Major shareholders	% held
Govt of India	53.0
LIC	5.7
BPCL trust (treasury shares)	1.5

**Analyst(s)**



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# Bharat Petroleum

## Divestment blues

- Inventory gains continued to boost BPCL's 2QFY22 profits in refining and marketing. A recent surge in refining margins is a key positive.
- We adjust our estimates for higher oil prices, marketing margins and lower auto fuel volumes. We now include estimates of inventory gains in 1HFY22.
- We reiterate our Reduce rating and roll forward our TP from Rs352 to Rs375 (Sep-22). Upside risk is a successful strategic sale at a premium valuation.

### Inventory gains will boost FY22F profits

BPCL's standalone entity has gone back to reporting inventory gains in marketing (Rs2.3bn in 2QFY22), while we estimate inventory gains for refining at Rs8bn based on peer group reporting. Adjusted for inventory gains, EBITDA was Rs34.5bn vs our estimate of Rs27.8bn. For 2Q, BPCL reported gross refining margin (GRM) of US\$6.04/bbl, which we estimate would include inventory gains of around US\$2/bbl. As at Sep 2021, BPCL reported net debt of Rs128bn vs Rs203bn at Mar 2021. But this excludes the final FY21 dividend of Rs58/sh (Rs124bn) which was paid in Oct 2021. We have raised our Brent oil forecasts but cut our auto fuel volume estimates over FY22-24F and now assume the higher level of auto fuel marketing margins likely in FY22F to sustain in FY23-24F. We raise our FY22F EPS estimate by 18% as we now incorporate our estimate of inventory gains earned in 1HFY22 (Rs26bn).

### Management commentary provided an update on operations

1Q capex was Rs65.54bn which included Rs27bn for raising its stake in BORL to 100%. FY22F capex guidance was maintained at Rs100bn (excluding the additional investment in BORL). The Kochi petchem project is still not fully operational and management expects this project to add US\$1/bbl to Kochi GRM, once fully stabilized. Government subsidy dues were just Rs1.2bn as on Sep 2021 and there have been no under-recoveries on any petroleum product. BPCL could not provide any update on government plans to sell its stake to strategic investors. Compared to pre-Covid levels, Oct 2021 volumes show growth in gasoline but decline in diesel. BORL's debt (excluding lease) was Rs93bn in Sep 2021 vs Rs108bn in Mar 2021 and its merger with BPCL may take another 6-9 months.

### Maintain Reduce, Rs375 TP

Business fundamentals are set to improve as Indian oil demand should recover, aiding higher utilization of refining as well, in our view. Marketing margins remain robust while GRMs surge (though we believe they will moderate by 4QFY22, but still settle at higher levels relative to 1HFY22). However, BPCL's significant premium valuation relative to its peers is based on the government's plan to execute a strategic sale of its holdings, rather than just the fundamentals of the business. Our channel checks suggest this divestment of government holdings could be delayed to FY23F which puts BPCL's premium valuation at risk, in our view. Our valuation does not consider any potential upside from a strategic sale. We expect BPCL to raise its capex in the event of any delay in divestment.

### Financial Summary

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (Rsm)	2,845,719	2,301,626	2,982,980	2,872,790	2,762,790
Operating EBITDA (Rsm)	93,018	200,888	171,091	164,876	166,010
Net Profit (Rsm)	30,554	161,649	89,266	82,063	81,615
Core EPS (Rs)	15.5	81.9	41.8	38.4	38.2
Core EPS Growth	(60.8%)	427.0%	(49.0%)	(8.1%)	(0.5%)
FD Core P/E (x)	26.89	5.10	10.00	10.87	10.93
DPS (Rs)	16.5	79.0	20.0	18.0	18.0
Dividend Yield	5.27%	20.85%	5.24%	4.72%	4.72%
EV/EBITDA (x)	13.06	5.08	7.88	8.32	8.33
P/FCFE (x)	(5.08)	4.12	(9.97)	(64.06)	1,996.81
Net Gearing	153.2%	74.0%	144.4%	140.2%	133.9%
P/BV (x)	2.25	1.54	2.05	1.88	1.74
ROE	8.1%	35.9%	18.4%	18.0%	16.5%
% Change In Core EPS Estimates			17.80%	(3.08%)	(0.53%)
InCred Research/Consensus EPS (x)			1.02	0.81	0.74

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS. PRICED AS AT 29 OCT 2021

## Divestment blues

BPCL's 1HFY22 numbers exclude Numaligarh Refinery (NRL) which was sold in Mar 2021. There was an accounting gain of Rs13.8bn in 1QFY22 on the conversion of BORL from a JV to subsidiary with effect from 30 Jun 2021 (included in other income in Figure 1). BORL reported a profit of Rs2.13bn in 2QFY22.

BPCL's standalone has gone back to reporting inventory gains in marketing, while we estimate refining's inventory gains at Rs8bn based on peer group reporting. Adjusted for inventory gains, EBITDA was Rs34.5bn vs our estimate of Rs27.8bn. For 2QFY22, BPCL reported GRM of US\$6.04/bbl, which we estimate includes inventory gains of around US\$2/bbl. As at Sep 2021, BPCL reported total debt (including lease liabilities) at Rs290bn and cash of Rs162bn, resulting in net debt of Rs128bn. But this excludes the final FY21 dividend of Rs124bn paid in Oct 2021.

Broadly industry transportation fuel volumes have been trending below expectations and we have cut our FY22-24F estimates.

Figure 1: BPCL's consolidated quarterly results (Rs m)

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	yoy %	qoq %
Net sales	4,94,086	6,60,749	7,66,799	7,09,464	7,64,389	55%	8%
EBITDA	49,425	49,690	59,039	30,452	49,653	0%	63%
Interest	-1,078	-3,454	-5,791	-5,823	-6,620	514%	14%
Depreciation	-10,650	-10,728	-11,237	-11,499	-13,495	27%	17%
Other income	3,047	7,345	71,494	17,978	7,065	132%	-61%
Share of profit from associates/JVs	-678	-7,268	4,356	2,608	4,758	-802%	82%
Profit before tax	40,067	35,585	1,17,861	33,716	41,361	3%	23%
Tax	-14,172	-16,579	-11,441	-4,988	-9,352	-34%	88%
Minority interest	-3,265	-3,354	-3,406	0	0	0%	0%
Net profit	22,630	15,652	1,03,013	28,728	32,009	41%	11%
EPS (Rs)	11.5	8.0	49.2	13.4	15.0	30%	11%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 2: BPCL's standalone quarterly results (Rs m)

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	yoy %	qoq %
EBITDA	37,266	38,863	46,612	31,757	44,777	20%	41%
Interest	-126	-2,510	-4,776	-4,867	-3,940	3017%	-19%
Depreciation	-9,888	-9,936	-9,998	-11,446	-11,681	18%	2%
Other income	5,726	15,146	90,536	4,517	6,805	19%	51%
Profit before tax	32,978	41,562	1,22,374	19,961	35,961	9%	80%
Tax	-10,500	-13,786	-2,973	-4,945	-9,020	-14%	82%
Net profit	22,478	27,776	1,19,401	15,016	26,941	20%	79%
EPS (Rs)	11.43	14.12	57.05	7.03	12.65	11%	80%
<b>Operating data</b>							
Refining throughput (mmt)	5.63	7.24	8.39	6.84	7.16	27%	5%
Domestic sales volumes (mmt)	8.94	11.10	11.17	9.63	9.91	11%	3%
Exports (mmt)	0.28	0.25	0.63	0.31	0.48	71%	55%
Singapore Reuters GRM (US\$/bbl)	0.08	1.20	1.80	2.00	3.70	4525%	85%
Reported GRM-BPCL (US\$/bbl)	5.80	2.47	6.64	4.12	6.04	4%	47%
GRM ex-inventory -BPCL(US\$/bbl)	1.54	1.23	2.46				
GRM ex-inventory -Mumbai(US\$/bbl)	2.23	1.41	3.96				
GRM ex-inventory -Kochi(US\$/bbl)	0.84	1.06	1.11				
<b>Other financial data</b>							
Staff costs	16,965	12,890	15,295	8,160	7,694	-55%	-6%
<b>Inventory gains/(loss)</b>							
In refining	13,030	5,020	18,130				
In marketing	11,500	2,690	18,290	8,150	2,270		
EBITDA excl inventory, forex, excep	12,736	31,153	20,667				
Forex (loss)/gain	1,520	760	290	-470	520		
Total debt excluding lease liabilities	2,78,480	2,46,740	2,63,150	2,15,770	2,10,008	-25%	-3%
Capex	19,710	29,780	26,710	15,100	27,800	41%	84%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Transportation fuels marketing performance

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	yoy %	qoq %
Gasoline sales (mmt)	1.81	2.09	2.05	1.75	2.08	14.9%	18.9%
Diesel sales (mmt)	3.86	5.10	5.02	4.43	4.26	10.4%	-3.8%
Jet fuel sales (mmt)	0.18	0.24	0.29	0.19	0.22	22.2%	15.8%
Gasoline market share	25.5%	26.1%	26.2%	25.8%	26.3%		
Diesel market share	24.4%	24.0%	24.4%	24.1%	24.7%		
Jet fuel market share	22.4%	20.6%	21.5%	20.3%	19.9%		

SOURCES: INCRED RESEARCH, COMPANY REPORTS

4QFY21 final dividend of Rs58/sh was 21% of FY21 standalone book value and was paid in Oct 2021. This will result in a sharp jump in net debt equity ratios over FY22-24F. In addition to capital gains (Rs94.2bn) related to NRL, FY21 other income included forex gains of Rs2bn and Rs17.7bn from NRL dividends.

Our estimates for FY22F now take into account inventory gains in marketing (reported by BPCL) and refining (our estimate) earned in 1HFY22.

We have adjusted our estimates for higher oil price, lower auto fuel volumes and higher auto fuel marketing margins. We cut our FY22F estimate for refining throughput and raise it for GRM taking into account estimated inventory gains in 1HFY22.

BORL has historically struggled to report a profit. Recent profitability has been hit by the exhaustion of indirect tax benefit (annual hit of Rs6bn estimated). Poor profits led to net debt of Rs111bn in FY21, which will be added to BPCL's consolidated debt from 30 Jun 2021 (when BPCL became a 100% subsidiary). 1HFY22 GRM was US\$5.7/bbl, which we estimate included inventory gains of around US\$2/bbl.

**Figure 4: BPCL's standalone P&L (Rs m)**

Y/E Mar	2020	2021	2022F	2023F	2024F
EBITDA	72,207	1,61,900	1,62,117	1,49,752	1,49,734
Interest	-21,819	-13,284	-18,816	-16,445	-16,445
Depreciation	-37,869	-39,781	-47,914	-51,071	-52,772
Other income	14,191	1,17,340	22,739	21,134	21,611
Pre-tax profit	26,710	2,26,175	1,18,126	1,03,370	1,02,128
Tax	122	-35,758	-30,713	-26,876	-26,553
Net profit	26,832	1,90,417	87,413	76,494	75,575
EPS (Rs)	13.6	96.4	40.9	35.8	35.4
Book value per share (Rs)	168.9	276.3	222.6	240.2	257.6
ROE	7.7%	43.4%	17.1%	15.5%	14.2%
Net debt equity	128%	37%	72%	67%	62%
Staff costs	36,915	54,178	32,000	33,600	35,280

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 5: BPCL standalone EBITDA working (Rs m)**

Y/E Mar	2020	2021	2022F	2023F	2024F
<u>Gross margins from all business segments</u>					
Refinery (excl inventory)	71,264	27,922	65,809	81,450	81,450
Auto fuels	90,544	1,15,643	1,05,958	1,09,698	1,13,521
LPG/kero marketing	26,005	27,531	28,033	28,565	29,110
Balance products/lubricants/pipeline	47,237	45,306	47,550	48,889	50,277
Sub total	2,35,050	2,16,402	2,47,351	2,68,602	2,74,357
Less: Labour cost	-36,915	-54,178	-32,000	-33,600	-35,280
Less: other operational expenses	-78,749	-74,584	-79,144	-85,250	-89,344
Sub total	1,19,387	87,640	1,36,207	1,49,752	1,49,734
<u>Plus: Non-operational items</u>					
Subsidy borne	0	0	0	0	0
Inventory in refining	-28,850	31,750	15,500		
Inventory in marketing	-18,330	42,510	10,410		
EBITDA	72,207	1,61,900	1,62,117	1,49,752	1,49,734

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 6: BPCL assumptions**

Y/E Mar	2020	2021	2022F	2023F	2024F
Brent crude oil, US\$/bbl	61.00	44.90	70.00	65.00	60.00
Rupee dollar rate yr avg	70.89	74.23	75.00	75.00	75.00
BPCL refinery throughput (mmt)	31.91	26.40	29.50	32.00	32.00
BPCL reported refinery GRM (\$/bbl)	2.50	4.06	4.90	4.53	4.53
BPCL ex-inventory GRM (US\$/bbl)	4.20	1.85	4.90	4.53	4.53
Auto fuel volumes (mmt)	27.67	24.68	26.91	27.83	28.75
Auto fuels margins (Rs/kl)	2,583	3,694	3,100	3,101	3,103
BORL throughput (mmt)	7.82	6.12	7.02	7.96	8.42
BORL GRM (US\$/bbl)	3.45	5.83	6.00	7.00	7.00

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 7: BORL standalone P&L (Rs m)**

Y/E Mar	2020	2021	2022F	2023F	2024F
EBITDA	3,800	11,049	13,452	19,602	20,755
Interest	-7,120	-5,585	-6,150	-5,779	-5,378
Depreciation	-7,179	-7,545	-7,533	-7,721	-7,909
Other income	-1,675	990	1,015	1,006	1,006
Pre-tax profit	-12,174	-1,092	785	7,107	8,473
Tax	4,139	328	-267	-2,416	-2,881
Net profit	-8,035	-763	518	4,691	5,592
EPS (Rs)	-2.5	-0.2	0.2	1.4	1.7
DPS (Rs)					
Book value per share (Rs)	11.2	10.9	11.1	12.5	14.3
ROE	-20.0%	-2.1%	1.5%	12.2%	12.9%
Net debt equity	230%	312%	284%	229%	171%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 8: BPCL – Changes in our estimates**

Year to 31 Mar	Old			New			Change %		
	2022F	2023F	2024F	2022F	2023F	2024F	2022F	2023F	2024F
Brent crude oil, US\$/bbl	60.0	55.0	50.0	70.00	65.00	60.00	16.7%	18.2%	20.0%
Rupee US dollar average	75	75	75	75.00	75.00	75.00	0.0%	0.0%	0.0%
BPCL refinery throughput (mmt)	31.10	32.00	32.00	29.50	32.00	32.00	-5.1%	0.0%	0.0%
BPCL refinery GRM (\$/bbl)	3.26	4.26	4.26	4.90	4.53	4.53	50.2%	6.2%	6.2%
Auto fuel volumes (mmt)	27.96	29.09	30.06	26.91	27.83	28.75	-3.8%	-4.3%	-4.4%
Auto fuels margins (Rs/kl)	3,102	2,776	2,781	3,100	3,101	3,103	-0.1%	11.7%	11.6%
BORL throughput (mmt)	7.2072	7.956	8.424	7.02	7.96	8.42	-2.6%	0.0%	0.0%
BORL GRM (US\$/bbl)	7.00	8.00	8.00	6.00	7.00	7.00	-14.3%	-12.5%	-12.5%
EBITDA (Rsbn)	1,58,710	1,75,016	1,71,718	1,71,091	1,64,876	1,66,010	7.8%	-5.8%	-3.3%
Net profit (Rs bn)	75,780	84,667	82,049	89,266	82,063	81,615	17.8%	-3.1%	-0.5%
EPS (Rs)	35.47	39.63	38.41	41.79	38.41	38.20	17.8%	-3.1%	-0.5%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Our SOP-based TP separately values the Mozambique gas assets at broadly option value (US\$2/boe on reserves approved for development).

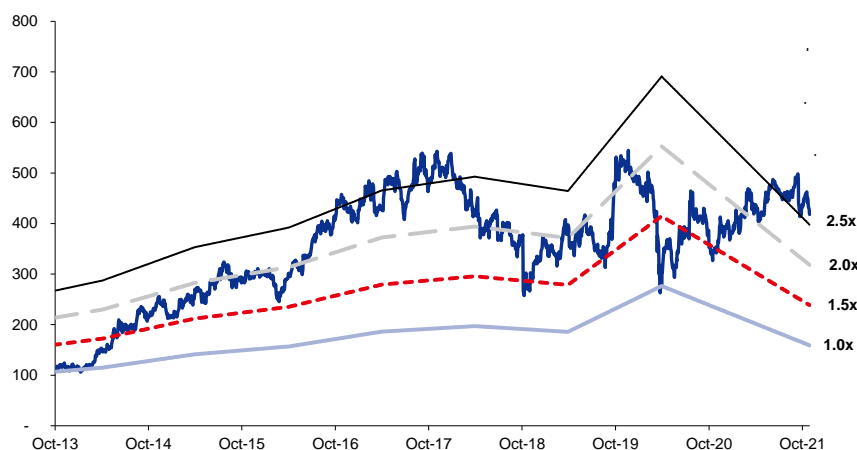
**Figure 9: Our SOP valuation of BPCL**

	Book value	P/BV (x)	Value per share (Rs)
Core refining and marketing business at Sep23F P/BV	230	2	354
E&P value for Mozambique gas assets			21
Target price			375

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

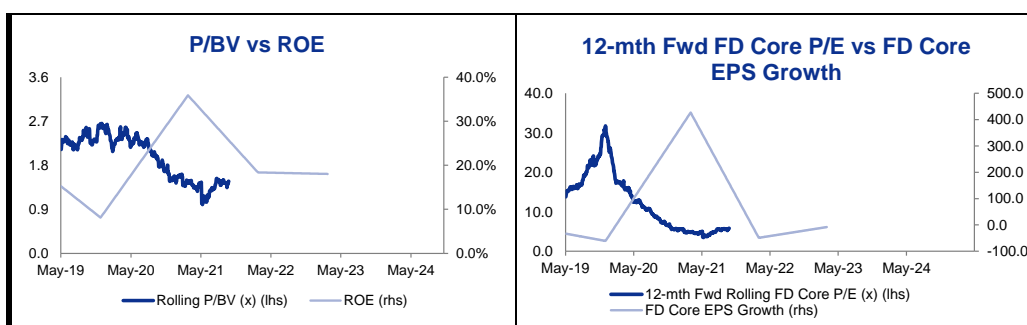
BPCL's stock price movement in the last two years has been guided by news flow on the strategic sale of the government's holding in the company (which could be at a significant premium to normal market valuation) rather than fundamentals of the business. Our channel checks suggest that the sale may be pushed back to FY23F, which places the stock's current premium valuation (relative to peers) at risk.

**Figure 10: BPCL's P/BV (x) chart**



SOURCES: INCRED RESEARCH, COMPANY REPORTS, BLOOMBERG

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>Total Net Revenues</b>	<b>2,845,719</b>	<b>2,301,626</b>	<b>2,982,980</b>	<b>2,872,790</b>	<b>2,762,790</b>
<b>Gross Profit</b>	<b>306,694</b>	<b>427,639</b>	<b>373,650</b>	<b>377,824</b>	<b>386,804</b>
<b>Operating EBITDA</b>	<b>93,018</b>	<b>200,888</b>	<b>171,091</b>	<b>164,876</b>	<b>166,010</b>
Depreciation And Amortisation	(46,741)	(43,342)	(55,378)	(58,723)	(60,612)
<b>Operating EBIT</b>	<b>46,277</b>	<b>157,546</b>	<b>115,713</b>	<b>106,153</b>	<b>105,398</b>
Financial Income/(Expense)	(26,370)	(17,234)	(28,824)	(26,083)	(25,682)
Pretax Income/(Loss) from Assoc.	14,007	(3,255)	15,888	15,431	15,001
Non-Operating Income/(Expense)	2,602	87,263	17,189	15,575	16,052
<b>Profit Before Tax (pre-EI)</b>	<b>36,516</b>	<b>224,320</b>	<b>119,967</b>	<b>111,076</b>	<b>110,770</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>36,516</b>	<b>224,320</b>	<b>119,967</b>	<b>111,076</b>	<b>110,770</b>
Taxation	142	(51,122)	(30,980)	(29,293)	(29,434)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>36,658</b>	<b>173,198</b>	<b>88,987</b>	<b>81,784</b>	<b>81,336</b>
Minority Interests	(6,104)	(11,549)	279	279	279
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>30,554</b>	<b>161,649</b>	<b>89,266</b>	<b>82,063</b>	<b>81,615</b>
Recurring Net Profit	30,554	161,649	89,266	82,063	81,615
<b>Fully Diluted Recurring Net Profit</b>	<b>30,554</b>	<b>161,649</b>	<b>89,266</b>	<b>82,063</b>	<b>81,615</b>

### Cash Flow

(Rs mn)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>EBITDA</b>	<b>93,018</b>	<b>200,888</b>	<b>171,091</b>	<b>164,876</b>	<b>166,010</b>
Cash Flow from Invt. & Assoc.	2,602	87,263	17,189	15,575	16,052
Change In Working Capital	(1,090)	71,215	(20,401)	4,125	18,647
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(1,695)	(33,486)	(30,011)	(2,672)	(2,991)
Net Interest (Paid)/Received	(26,370)	(17,234)	(28,824)	(26,083)	(25,682)
Tax Paid	142	(51,122)	(30,980)	(29,293)	(29,434)
<b>Cashflow From Operations</b>	<b>66,607</b>	<b>257,524</b>	<b>78,065</b>	<b>126,529</b>	<b>142,603</b>
Capex	(197,000)	(75,644)	(190,026)	(132,408)	(136,156)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(31,211)	18,466	22,446	(8,050)	(6,000)
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>(228,211)</b>	<b>(57,178)</b>	<b>(167,580)</b>	<b>(140,458)</b>	<b>(142,156)</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares		52,273	4,989		
Shares Repurchased					
Dividends Paid	(57,423)	(42,323)	(162,356)	(38,880)	(38,453)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>(57,423)</b>	<b>9,950</b>	<b>(157,368)</b>	<b>(38,880)</b>	<b>(38,453)</b>
Total Cash Generated	(219,026)	210,296	(246,883)	(52,809)	(38,006)
<b>Free Cashflow To Equity</b>	<b>(161,603)</b>	<b>200,346</b>	<b>(89,515)</b>	<b>(13,929)</b>	<b>447</b>
<b>Free Cashflow To Firm</b>	<b>(135,233)</b>	<b>217,580</b>	<b>(60,692)</b>	<b>12,153</b>	<b>26,128</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS



## BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22F</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Total Cash And Equivalents	63,733	149,044	60,483	60,484	60,485
Total Debtors	53,780	78,348	96,157	93,517	91,112
Inventories	222,426	267,060	345,138	340,193	327,082
Total Other Current Assets	169,127	102,062	116,275	113,222	110,776
<b>Total Current Assets</b>	<b>509,066</b>	<b>596,514</b>	<b>618,052</b>	<b>607,416</b>	<b>589,456</b>
Fixed Assets	781,335	813,637	948,285	1,021,970	1,097,514
Total Investments	218,200	199,734	177,288	185,338	191,338
Intangible Assets					
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>999,535</b>	<b>1,013,371</b>	<b>1,125,573</b>	<b>1,207,308</b>	<b>1,288,852</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	369,672	435,858	519,918	513,406	514,092
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>369,672</b>	<b>435,858</b>	<b>519,918</b>	<b>513,406</b>	<b>514,092</b>
Total Long-term Debt	654,755	545,318	691,913	725,842	744,946
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>654,755</b>	<b>545,318</b>	<b>691,913</b>	<b>725,842</b>	<b>744,946</b>
Total Provisions	98,286	93,158	94,636	98,086	101,988
<b>Total Liabilities</b>	<b>1,122,713</b>	<b>1,074,334</b>	<b>1,306,467</b>	<b>1,337,334</b>	<b>1,361,026</b>
Shareholders Equity	365,325	535,551	435,569	474,520	513,279
Minority Interests	20,563		1,590	(4)	(1,916)
<b>Total Equity</b>	<b>385,888</b>	<b>535,551</b>	<b>437,158</b>	<b>474,516</b>	<b>511,363</b>

<b>Key Ratios</b>					
	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22F</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Revenue Growth	(4.6%)	(19.1%)	29.6%	(3.7%)	(3.8%)
Operating EBITDA Growth	(41.2%)	116.0%	(14.8%)	(3.6%)	0.7%
Operating EBITDA Margin	3.3%	8.7%	5.7%	5.7%	6.0%
Net Cash Per Share (Rs)	(300.49)	(200.70)	(295.58)	(311.46)	(320.40)
BVPS (Rs)	185.74	271.25	203.89	222.13	240.27
Gross Interest Cover	1.75	9.14	4.01	4.07	4.10
Effective Tax Rate		22.8%	25.8%	26.4%	26.6%
Net Dividend Payout Ratio	141.7%	106.4%	52.4%	51.3%	51.6%
Accounts Receivables Days	7.88	10.48	10.68	12.05	12.20
Inventory Days	32.47	47.67	42.82	50.13	51.25
Accounts Payables Days	55.73	78.45	66.85	75.58	78.92
ROIC (%)	4.0%	14.3%	8.8%	7.5%	7.1%
ROCE (%)	4.6%	14.1%	10.0%	8.8%	8.2%
Return On Average Assets	3.9%	11.9%	6.6%	5.7%	5.4%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

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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 evaluation 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. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A



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## Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2020, Anti-Corruption 2020

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Excellent, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Very Good, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Very Good, n/a, **DELTA** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, n/a, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – Excellent, Declared, **JMT** – Very Good, Declared, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – n/a, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – n/a, n/a, **OR** – n/a, n/a, **ORI** – Excellent, Certified, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RBF** – Good, n/a, **RS** – Excellent, n/a, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – n/a, n/a, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – n/a, n/a, **SHR** – Very Good, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Declared, **SPRC** – Excellent, Certified, **SSP** – Good, Declared, **STEC** – n/a, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, n/a, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, n/a, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2020 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of January 30, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

### Recommendation Framework

#### Stock Ratings

Definition:

<b>Add</b>	The stock's total return is expected to exceed 10% over the next 12 months.
<b>Hold</b>	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
<b>Reduce</b>	The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

#### Sector Ratings

Definition:

<b>Overweight</b>	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
<b>Neutral</b>	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
<b>Underweight</b>	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

#### Country Ratings

Definition:

<b>Overweight</b>	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
<b>Neutral</b>	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
<b>Underweight</b>	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.