

Siam Senses

The rainbow effect



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Siam Senses lowers Thai GDP growth to 0.8% in 2021F and a weak 3.2% in 2022F given the prolonged third COVID wave which will likely also hinder the economic recovery next year. Our SET target is cut to 1,580 this year and 1,750 in 2022F, implying a stock-selection strategy need.

Wasting 2H21F with a weak 1H22F recovery

We cut our GDP growth estimates to 0.8% (from 1.4%) in 2021F and 3.2% (from 3.9%) in 2022F. We see Thailand losing control of the third wave with a 10,000 daily COVID infection rate and expect GDP growth to decline in 2H21F. Given the slow vaccination rate (14% of the population and immigrants) and with the available vaccines seemingly unable to neutralize the new Delta variant, the third wave looks unlikely to go away soon. We expect a tourism recovery to be delayed and materialize only slowly in 1H22F; thus, our 2022F GDP cut.

The rainbow coalition

Thailand has a rainbow coalition government where many political parties with different interests work together but not in sync. The rainbow effects so far that we have seen are vaccine management and communication breakdowns, lockdown policy yo-yos, slow spending disbursement and a lack of long-term economic planning. That said, the rainbow coalition remains a very strong government that is likely to group together again for the next election. We now expect 2022F to be a slower turnaround year on the back of a weaker tourism recovery, government stimulus being too small and the regime shifting its focus in 2022 in preparation for an election (due in 1H23).

Lockdown yo-yos

The government has been playing around with different degrees of lockdown yo-yos for months but not a complete one nationwide like in 2Q20. This time, with daily COVID infection cases hovering near 10,000, it announced last Friday a strict lockdown in Bangkok and its vicinity with softer curbs in other provinces. Although this is better late than never, we believe it is not enough and expect the lockdown to eventually be stricter and extend beyond the initial 14-day period. Thanachart Securities' analysts revise their numbers to reflect this in Exhibit 4. Our team also takes this opportunity to roll over their stock TPs to 2022F.

Strategy – stocks left to their own devices

We cut our SET Index target to 1,580 (from 1,650) this year and now set our 2022F target at 1,750, implying an 19.0x PE (vs. the 18x past-7-year average prior to COVID). We still believe the SET can trade at high PE multiples, despite the bearish economic outlook, due to support from substantial excess liquidity in the system and the low interest rate environment that supports stock valuations. Our SET target offers limited upside for this year and a small upside next year. Together with our expectation that things can get worse before getting better, our investment strategy is to select stocks that can do well on their own devices. Our top picks changes are: in – BEC, TU, CBG and STARK and out – AOT, CRC, RS and TQM.

Top Picks

	-EPS growth-		— PE —		Yield
	21F (%)	22F (%)	21F (x)	22F (x)	21F (%)
BEC *	na	33.1	31.2	23.4	2.9
CBG *	16.9	33.1	37.5	28.2	1.8
COM7	40.8	34.5	40.9	30.4	2.0
EA	15.3	32.6	37.9	28.6	0.8
GLOBAL	45.7	17.9	39.1	33.2	1.0
KCE	124.6	57.4	38.4	24.4	1.1
M	(41.7)	238.1	88.8	26.3	1.1
MEGA	15.3	9.8	20.6	18.7	2.7
STARK *	58.0	38.4	35.8	25.9	1.4
TU *	5.9	16.1	15.4	13.3	3.9

Stocks taken out

AOT	na	na	na	na	0.0
CRC	na	106.4	72.6	35.2	0.6
RS	8.7	54.9	35.2	22.7	2.3
TQM	29.9	30.9	37.8	28.9	2.4

Source: Thanachart estimates

Note: *New addition.

Based on 14 July 2021 closing prices

Earnings Revisions From Lockdown

	Earnings Revisions	
	2021F	2022F
Construction	(34.1)	(1.7)
Bank	(14.2)	(19.6)
Transport	More Loss	More Loss
Hotel	More Loss	(18.9)
Fashion	(13.3)	(11.8)
Retail	(11.4)	(6.0)
Finance	(7.3)	(10.9)
IE & logistics	(5.1)	2.4
Food	(1.9)	(1.6)
Property	(0.8)	(0.8)
Materials	(0.4)	(0.3)
Telecom	(0.3)	2.5
Asset fund	(0.2)	(4.9)
Energy	(0.1)	(0.3)
Healthcare	Revised	Revised
Media	Revised	Revised
Paper	Unchanged	Unchanged
Insurance	Unchanged	Unchanged
Auto	Unchanged	Unchanged
Electronics	Unchanged	Unchanged
Pharmaceutical	Unchanged	Unchanged
Shipping	Unchanged	Unchanged
Utilities	Unchanged	Unchanged

Source: Thanachart estimates

The rainbow effect

GDP growth cut to only 0.8% this year and 3.2% in 2022F from a low base

Due to the prolonged third COVID wave in Thailand and its increasing severity, *Siam Senses* cuts its GDP growth estimates to 0.8% (from 1.4%) in 2021F and 3.2% (from 3.9%) in 2022F. The key reasons are as follows:

- The third COVID wave is much more severe than we had anticipated earlier, and we expect it to continue into 4Q21F with the peak being felt in 3Q21F. The recent lockdown announcement for 10 provinces, including Bangkok and its vicinity, is better late than never, in our view, but it is still not enough and we expect an extension from the initial order of 14-day lockdown. On the other side of the story is the limited availability of quality vaccines that can protect against the fast-spreading Delta variant. Overall, the vaccination rate (14% of the population and migrants so far) is slower than our earlier expectation.
- The high infection rate, hovering at nearly 10,000 cases a day, is killing off hopes for some degree of a tourism recovery this year and we expect the sandbox schemes to provide more risks, both on infections and the country's reputation on COVID management, than economic benefits, if any.
- Crossing over to 2022F, we assume a slower tourism recovery too as a real recovery looks unlikely to kick off in 4Q21F. Though 2022F should still be a recovery year as the vaccination rate should reach herd immunity level in 1Q22F, we expect the rebound to be slower because of the slower tourism turnaround, greater limitations on new stimulus measures, and the government shifting its focus towards a general election since 2022 in preparation for it coming due in 1H23. And by Thai political standards, an early election is always a possibility.
- With the severity of the third wave and the lockdown, the government's stimulus measures look unlikely to be enough to plug the output gap. And we forecast the debt-to-GDP ratio to reach its 60% ceiling by year end. We now do not believe the government really has a choice about lifting the ceiling and instead believe it is now a matter of by how much. We estimate a 63% debt-to-GDP ratio in 2022F, reflecting the conservative nature of the government and a sluggish GDP recovery.
- We already factor in a stronger-than-expected export recovery from the global reopening. We foresee exports in 2021F at already a high base and surpassing the 2019 level by 9%, driven by pent-up demand from the reopening. Exports should continue to grow in 2022F with continued global turnaround momentum, but the growth rate does not look set to be strong because of the already high base in 2021F.
- We assume a weaker baht from the sluggish Thai economy vs. the stronger USD and delayed cash inflows from the tourism industry. However, we still expect a long-term baht strengthening trend once tourism resumes with a rising current account surplus.

Ex 1: GDP Growth Revisions

	2019	2020	— 2021F —		— 2022F —		— 2023F —	
	(%)	(%)	New (%)	Old (%)	New (%)	Old (%)	New (%)	Old (%)
Real GDP growth	2.3	(6.1)	0.8	1.4	3.2	3.9	4.9	5.2
Private consumption	4.0	(1.0)	1.7	2.6	2.2	2.1	2.6	2.5
Private investment	2.7	(8.4)	5.9	6.6	6.0	6.0	4.0	4.0
Government investment	0.1	5.7	8.2	8.2	6.8	6.8	4.0	4.0
Export (nominal US\$ growth)	(3.3)	(6.5)	16.2	12.0	3.2	3.2	3.5	3.9
Import (nominal US\$ growth)	(5.6)	(13.8)	23.7	18.7	3.7	4.5	4.5	4.8
Export of services	0.6	(60.8)	(28.8)	(27.5)	46.2	73.0	82.9	80.0
Current account (% to GDP)	7.0	3.5	2.4	4.3	7.1	6.5	6.9	6.3
Headline CPI	0.7	(0.9)	1.5	1.5	1.2	1.2	1.0	1.0
Bt/USD - average	31.05	31.30	31.6	31.1	31.8	30.6	31.0	29.6
Policy rate	1.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50

Sources: Bank of Thailand, NESDB, Bloomberg, Thanachart estimates

Rainbow effect

Thailand has a rainbow coalition government with many political parties and factions with different interests working together but not in sync. The end results we have seen so far are poor vaccine management and communication breakdowns, lockdown policy yo-yos, slow spending disbursement, slow and undecisive policy making and a lack of long-term economic planning.

But the current government will likely still prevail

Having said that, the rainbow coalition remains a very strong government that in our opinion is likely to group together again for another term. This government comprises many political parties and factions and we expect it to win another election. We see it as a national government in disguise. We also expect more members of the two opposition parties, Pheu Thai and the Move Forward Party, to switch over to the government camp. The two opposition parties are currently at a low ebb with a lack of front-of-scenes leaders. This makes it very difficult for them to pose a real challenge in the next election. Perhaps this is the reason for the potential defections. We expect the government to shift its focus next year to prepare for an election in 1H23. With rising public discontent over the COVID situation, there is now a possibility of an early election, say, in 2H22F. If that is the case, policy implementation and infrastructure project biddings might be delayed.

Long-term growth trap but a tourism-driven cyclical recovery in 2023-24F

Given our assumption of continuity of the rainbow coalition into another term, we expect Thailand to remain in its structural growth trap with excess liquidity that is not channeled toward creating long-term growth. This is despite our projection for 2023-24F to experience a tourism-driven cyclical recovery of 4.9/4.3% GDP growth. The high GDP growth (based on Thai standards where the normalized level is around 3.0-3.5%) is still due to a low base in 2022F, the first year of a tourism recovery with still weak momentum in 1H22F.

Lockdown yo-yos

14-day lockdown is not enough in our view

The government has been playing around with different degrees of lockdown measures for months. We believe the rainbow coalition has many interests to consider and is also balancing the economic impact. However, indecisive measures and a slow vaccination pace have caused the infection rate to rise to nearly 10,000 cases a day. Stricter lockdown measures were finally announced last Friday for 14 days with the possibility of them being extended. We expect at least a month of lockdown will be necessary.

Likely less of an impact than last year

This lockdown is less strict than the one in late March last year and the provincial economy is being hit less hard. The harshest measures are being implemented in only 10 provinces, i.e., Bangkok and its vicinity and four southern provinces. This is compared with last year's nationwide lockdown. The partial lockdown is for 14 days with the possibility of it being extended if the situation does not improve sufficiently. Last year, the lockdown lasted around nearly months before it was relaxed. This time round people and business sectors are likely to make adjustments to their way of life better than last year given their past experience.

Better late than never

We view the lockdown as better late than never. Economic damage had already taken place before the lockdown was imposed and we would have expected more without it. Risks are also looming in the healthcare system where there is a shortage of COVID beds. Despite the lockdown having a significant effect on the economy, we hope it will help stop daily cases from escalating. And if the government is not too complacent and decides to extend the lockdown for as long as it is needed, we hope infections will fall considerably in 4Q21.

Ex 2: Lockdown Measures

Lockdown Measures In 10 Provinces:

- Maximum work-from-home for both public and private sectors
- Mass transit and all transport services' service hours from 5.00am to 9.00pm
- Convenient stores and food markets' opening hours from 4.00am to 8.00pm
- Shopping malls are close except areas of supermarket, F&B, banks, drug stores, mobile shops and vaccination area that can be opened to 8.00pm
- Restaurants can be opened for take-outs and delivery with no sit-in or dine-in
- Beauty treatment shops and spa are closed
- Public parks are open till 8.00pm
- Schools are close with only online classes
- No gathering of over five people
- Curfew during 9.00pm to 4.00am
- Construction sites with worker camps remain close like in the earlier announcement
- Limited traveling across provinces with more police checkpoints being deployed

Sources: Centre for Covid-19 Situation Administration

Mass earnings revisions from the lockdown impact

Thanachart Securities' analysts have revised their numbers following the lockdown measures, as shown in Exhibit 4. We assume a one-month lockdown with details provided in Exhibit 2 and a gradual relaxation after that. We also take a top-down view of a weaker economy into 4Q21F and 1H21F, when a tourism recovery is likely to be more gradual than we had expected earlier. We also take this opportunity to roll over our TPs to 2022F for those stocks

that we hadn't done so already. Certain stocks have not had their TPs rolled over pending more information and we will issue separate reports for them subsequent to this publication.

Ex 3: Earnings Impact By Sector

	Earnings Revisions (%)	
	2021F	2022F
Construction	(34.1)	(1.7)
Bank	(14.2)	(19.6)
Transport	More Loss	More Loss
Hotel	More Loss	(18.9)
Fashion	(13.3)	(11.8)
Retail	(11.4)	(6.0)
Finance	(7.3)	(10.9)
Industrial estate & logistics	(5.1)	2.4
Food	(1.9)	(1.6)
Property	(0.8)	(0.8)
Materials	(0.4)	(0.3)
Telecom	(0.3)	2.5
Asset fund	(0.2)	(4.9)
Energy	(0.1)	(0.3)
Healthcare	Revised	Revised
Media	Revised	Revised
Paper	Unchanged	Unchanged
Insurance	Unchanged	Unchanged
Auto	Unchanged	Unchanged
Electronics	Unchanged	Unchanged
Pharmaceutical	Unchanged	Unchanged
Shipping	Unchanged	Unchanged
Utilities	Unchanged	Unchanged

Source: Thanachart estimates

Ex 4: Earnings Revisions

REC	– Target Price –			Norm Profit (Bt m)				Norm EPS Gr.		Norm PE		Comment	
	NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F	2022F		
	(Bt)	(Bt)	(%)		(%)		(%)	(%)	(%)	(x)	(x)		
Bank				133,585	(14.2)	135,118	(19.6)	(1.0)	1.1	10.2	10.1		
BAY	BUY	34.0	37.0	(8)	20,978	(17.3)	19,336	(27.3)	(8.9)	(7.8)	10.5	11.4	Lower lending yield of SME and retail loans, flat fee income and higher provisions
BBL	HOLD	116.0	130.0	(11)	16,863	(24.6)	18,163	(21.5)	(1.8)	7.7	12.0	11.1	Lower lending yield of SME and retail loans, flat fee income and higher provisions
KBANK	BUY	150.0	156.0	(4)	30,430	(12.0)	30,388	(17.6)	3.2	(0.1)	9.0	9.0	Lower lending yield of SME and retail loans, flat fee income and higher provisions
KKP	BUY	69.0	70.0	(1)	5,552	(2.0)	5,751	(13.5)	8.4	3.6	8.2	7.9	Lower lending yield of SME and retail loans, flat fee income and higher provisions
KTB	BUY	13.0	13.6	(4)	16,386	(11.7)	15,955	(20.9)	(2.0)	(2.6)	8.7	8.9	Lower lending yield of SME and retail loans, flat fee income and higher provisions
SCB	BUY	111.0	112.0	(1)	27,693	(12.3)	28,917	(17.6)	1.7	4.4	11.4	10.9	Lower lending yield of SME and retail loans, flat fee income and higher provisions
TISCO	BUY	107.0	109.0	(2)	6,309	(5.2)	6,596	(6.6)	4.1	4.5	11.6	11.1	Lower lending yield of SME and retail loans, flat fee income and higher provisions
TTB	HOLD	1.1	1.2	(7)	9,373	(14.8)	10,014	(20.4)	(7.3)	6.8	10.4	9.7	Lower lending yield of SME and retail loans, flat fee income and higher provisions
Finance				-	25,272	(7.3)	30,189	(10.9)	10.3	19.0	24.3	20.4	
BAM	BUY	24.0	27.0	(11)	2,069	(41.0)	2,581	(46.1)	12.4	24.8	27.8	22.3	Slash cash collection of NPLs
KTC	SELL	56.0	58.0	(3)	6,669	(1.7)	7,579	(4.7)	25.0	13.7	25.7	22.6	Lower credit card spending and cutting interest charge
MTC	HOLD	73.0	70.0	4	5,774	-	7,028	(3.1)	10.7	21.7	21.4	17.6	Trim loan growth from slower new motorcycle HP loans
SAK	BUY	10.8	11.0	(2)	610	(7.4)	818	(13.0)	(17.3)	34.2	31.6	23.6	Cut yield on expectation of lower ceiling rates of auto-titled and personal loans to 22-23%
SAWAD	BUY	84.0	88.0	(5)	4,969	(7.3)	5,770	(10.1)	10.2	16.1	18.3	15.8	Lower loan growth and fee income
THANI	BUY	5.0	5.4	(7)	1,886	(0.0)	2,111	(2.5)	(5.0)	11.9	14.6	13.0	Lower loan drawdown on delay of country reopening
TIDLOR	BUY	53.0	53.0	-	3,296	-	4,301	(1.3)	28.2	26.3	26.0	20.6	Lower yield of motorcycle-titled loan on expectation of lower ceiling rates to 22%
Insurance				912	-	1,194	-	29.9	30.9	37.8	28.9		
TQM	BUY	160.0	160.0	-	912	-	1,194	-	29.9	30.9	37.8	28.9	Unchanged
Automotive				1,920	-	2,421	-	(18.3)	26.0	11.6	9.2		
SAT	BUY	28.0	28.0	-	883	-	1,077	-	138.2	21.9	10.3	8.5	Unchanged
STANLY	BUY	260.0	260.0	-	1,037	-	1,344	-	(47.6)	29.6	12.7	9.8	Unchanged

Sources: Company data, Thanachart estimates

Ex 4 : Earnings Revisions (Con't)

	REC	— Target Price —			— Norm Profit (Bt m) —				Norm EPS Gr.		Norm PE		Comment
		NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F	2022F	
		(Bt)	(Bt)	(%)		(%)		(%)	(%)	(%)	(x)	(x)	
Construction					1,348	(34.1)	2,723	(1.7)	(12.4)	102.0	42.7	21.1	
CK	BUY	26.0	26.0	-	518	(30.2)	1,088	(1.1)	53.7	110.0	60.2	28.7	Hard hit this year from lockdown of the construction camps. TP was already rolled over to 2022F.
PYLON	HOLD	4.3	4.0	8	64	(60.3)	180	(0.9)	(64.7)	181.7	51.0	18.1	Hard hit this year from lockdown of the construction camps. TP is rolled over to 2022F.
SEAFCO	BUY	5.6	5.6	-	56	(46.3)	201	(0.5)	(63.8)	260.2	59.3	16.5	Hard hit this year from lockdown of the construction camps. TP was already rolled over to 2022F.
STEC	BUY	19.0	19.0	-	710	(31.5)	1,254	(2.5)	(18.1)	76.6	27.9	15.8	Hard hit this year from lockdown of the construction camps. TP was already rolled over to 2022F.
Electronics					4,120	-	5,671	-	46.3	37.6	36.3	26.3	
HANA	BUY	50.3	44.0	14	1,834	-	2,071	-	2.0	12.9	32.4	28.7	No impact. Higher TP is due to the roll-over impact.
KCE	BUY	83.0	83.0	-	2,287	-	3,600	-	124.6	57.4	39.3	25.0	No impact. TP was already rolled over to 2022F.
Energy					197,762	(0.1)	209,430	(0.3)	389.1	5.9	11.8	11.2	
BANPU	BUY	23.0	23.0	-	7,533	-	9,207	-	na	22.2	8.9	7.3	Unchanged
BCP	SELL	21.0	21.0	-	(77)	na	1,502	(15.1)	na	na	na	22.1	Lockdown hurts fuel sales, but higher oil price lifts E&P profit
ESSO	SELL	6.9	6.9	-	(896)	na	189	(46.2)	na	na	na	141.1	Improvements in aromatic spreads help offset lockdown impact
IRPC	BUY	5.1	5.1	-	5,721	-	6,271	-	na	9.6	13.0	11.9	Unchanged
IVL	HOLD	47.0	47.0	-	17,056	-	15,323	-	165.2	(10.2)	12.8	14.2	Unchanged
PTG	BUY	22.0	24.0	(8)	1,790	(11.2)	2,001	(9.0)	(3.6)	11.8	16.0	14.4	Sales volume to decline 5-10% y-y in 3Q21F
PTT	BUY	48.0	48.0	-	105,716	-	109,325	-	177.8	3.4	10.0	9.7	Unchanged
PTTEP	HOLD	126.0	126.0	-	32,566	-	36,650	-	52.2	12.5	13.7	12.1	Unchanged
PTTGC	BUY	86.0	86.0	-	24,384	-	24,098	-	219.4	(1.2)	10.1	10.2	Unchanged
SPRC	SELL	7.2	7.2	-	(269)	na	334	-	na	na	na	114.9	Unchanged
SUSCO	BUY	4.8	5.4	(11)	219	(19.3)	264	(16.1)	3.0	23.4	14.8	12.0	Lockdown hurts sales at petrol stations and delay recovery in jet fuel demand
TOP	SELL	48.0	48.0	-	4,020	-	4,267	-	na	6.1	26.0	24.5	Unchanged
Fashion					294	(13.3)	380	(11.8)	6.0	29.5	23.7	18.3	
SABINA	BUY	25.0	25.0	-	294	(13.3)	380	(11.8)	6.0	29.5	23.6	18.3	Lower sales. TP is rolled over to 2022F

Sources: Company data, Thanachart estimates

Ex 4 : Earnings Revisions (Con't)

	REC	— Target Price —			— Norm Profit (Bt m) —			Norm EPS Gr.		Norm PE		Comment	
		NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F		2022F
		(Bt)	(Bt)	(%)		(%)		(%)	(%)	(x)	(x)		
Food					38,602	(1.9)	45,900	(1.6)	8.6	18.3	16.5	13.9	
CBG	BUY	167.0	168.0	(1)	4,122	(2.0)	5,488	(1.2)	16.9	33.1	37.4	28.1	Small impact to domestic businesses while no impact on exports.
CPF	BUY	29.5	30.0	(2)	23,415	(1.0)	26,612	(0.9)	10.9	13.7	9.3	8.2	A downward revision is from CPALL
M	BUY	64.0	68.0	(6)	529	(36.9)	1,788	(17.4)	(41.7)	238.1	90.1	26.7	A direct victim of the lockdown
OSP	SELL	32.0	32.0	-	3,653	(3.7)	4,019	(2.3)	4.3	10.0	30.8	28.0	Impact from domestic businesses. TP is rolled over to 2022F.
TU	BUY	24.0	24.0	-	6,882	-	7,993	-	5.9	16.1	15.3	13.1	Unchanged
Healthcare					12,799	-	15,187	-	26.4	18.7	48.4	40.8	
BCH	HOLD	22.6	22.6	-	2,249	-	1,578	-	83.0	(29.9)	26.1	37.1	Unchanged. TP was already rolled over.
BDMS	BUY	26.0	26.0	-	6,987	-	9,052	-	15.6	29.6	52.8	40.7	Unchanged. TP is yet to roll over pending a new report.
BH	HOLD	131.0	131.0	-	1,205	-	1,904	-	0.5	57.9	82.4	52.2	Unchanged. TP is yet to roll over pending a new report.
CHG	BUY	4.1	4.1	-	1,167	-	1,232	-	33.1	5.6	37.3	35.3	Unchanged. TP was already rolled over.
LPH	HOLD	6.5	6.5	-	214	-	186	-	49.6	(13.0)	20.0	23.0	Unchanged. TP was already rolled over.
PR9	BUY	11.2	11.2	-	241	-	294	-	19.1	22.1	35.0	28.6	Unchanged. TP is yet to roll over pending a new report.
RJH	HOLD	32.0	32.0	-	472	-	466	-	27.2	(1.3)	19.5	19.8	Unchanged. TP was already rolled over.
RPH	BUY	6.4	6.4	-	109	-	130	-	16.0	19.6	27.1	22.6	Unchanged. TP is yet to roll over pending a new report.
THG	SELL	21.5	21.5	-	155	-	345	-	na	123.4	160.7	71.9	Unchanged. TP is yet to roll over pending a new report.
Hotel					(16,406)	na	1,458	(18.9)	na	na	na	148.0	
CENTEL	BUY	38.0	38.5	(1)	(1,244)	na	319	(17.2)	na	na	na	137.7	Cut same-store sales in 2021F. TP is yet to roll over, pending a new report.
ERW	SELL	2.6	2.6	-	(1,580)	na	(439)	na	na	na	na	na	Cut occupancy and rental rate for its shopping mall in BKK. TP is yet to roll over, pending a new report.
MINT	HOLD	31.0	31.0	-	(13,257)	na	1,638	(5.3)	na	na	na	1,804.0	Cut same-store sales, occupancy and rental rate for malls in BKK. TP is yet to roll over, pending a new report.
SPA	SELL	5.5	5.5	-	(325)	na	(60)	na	na	na	na	na	Deeper loss from SPA shop closure. TP is rolled over to 2022F.

Sources: Company data, Thanachart estimates

Ex 4 : Earnings Revisions (Con't)

	REC	— Target Price —			— Norm Profit (Bt m) —				Norm EPS Gr.		Norm PE		Comment
		NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F	2022F	
		(Bt)	(Bt)	(%)		(%)		(%)	(%)	(%)	(x)	(x)	
Industrial Estate & Logistics					6,540	(5.1)	8,620	2.4	(4.3)	31.8	19.7	14.9	
AMATA	BUY	22.0	22.0	-	1,074	(1.5)	1,402	(0.1)	(10.2)	30.6	18.7	14.3	Delayed land sales are offset by higher contribution from Vietnam operation via AMATAV. TP is rolled over to 2022F.
AMATAV	SELL	5.7	5.7	-	183	-	274	-	1,056.6	50.2	36.6	24.4	Unchanged. TP was already rolled over.
FPT	SELL	10.4	10.4	-	1,764	-	2,316	-	(31.5)	31.3	15.4	11.7	Unchanged. TP was already rolled over.
JWD	BUY	8.8	8.8	-	347	-	394	-	19.7	13.6	44.1	38.8	Unchanged. TP was already rolled over.
NYT	BUY	5.3	5.3	-	258	-	340	-	10.2	31.8	20.9	15.8	Unchanged. TP was already rolled over.
WHA	BUY	4.0	4.0	-	2,720	(11.0)	3,671	5.8	9.6	34.9	17.0	12.6	Delayed industrial land transfer
WICE	BUY	6.6	6.6	-	194	-	223	-	1.2	14.7	33.9	29.6	Unchanged. TP was already rolled over.
Materials					52,359	(0.4)	49,502	(0.3)	20.5	(6.4)	12.6	13.4	
DCC	HOLD	3.3	3.1	6	1,647	-	1,700	-	(2.7)	0.2	17.5	17.4	No impact. TP is rolled over to 2022F.
SCC	BUY	460.0	460.0	-	46,781	-	42,753	-	23.6	(8.6)	10.8	11.8	Unchanged
STARK	BUY	5.0	5.0	-	1,746	(2.4)	2,416	(3.7)	58.0	38.4	35.5	25.6	Small impact from construction work delays from lockdown of construction camps.
TOA	BUY	42.0	41.0	2	2,185	(7.9)	2,633	(2.0)	7.2	20.5	29.5	24.5	Small impact from sales in Bangkok (50% of total sales). TP is rolled over to 2022F.
Media					1,859	-	3,088	-	67.7	61.6	56.0	30.7	
BEC	BUY	17.0	17.0	-	898	-	1,195	-	na	33.1	29.6	22.3	Unchanged
PLANB	HOLD	6.2	6.2	-	203	-	554	-	44.6	173.3	109.1	39.9	Unchanged as the latest report already factored in the impact.
RS	BUY	35.0	35.0	-	574	-	889	-	8.7	54.9	34.5	22.3	Unchanged as the latest report already factored in the impact.
VGI	HOLD	6.4	6.4	-	184	-	449	-	(85.7)	144.5	262.4	107.3	Unchanged as the latest report already factored in the impact.
Packaging					583	0.7	663	(3.5)	12.8	13.8	13.8	12.1	
BGC	BUY	13.5	11.6	16	583	0.7	663	(3.5)	12.8	13.8	13.8	12.1	Impact is offset by better cost management. TP is rolled over to 2022F.
Paper&Printing Materials					11,199	-	13,221	-	17.8	18.1	30.7	26.0	
SCGP	HOLD	55.0	55.0	-	10,060	-	11,762	-	17.5	16.9	26.4	22.5	Unchanged
UTP	BUY	32.0	32.0	-	1,139	-	1,459	-	12.6	28.2	11.5	9.0	Unchanged
Pharmaceuticals					1,632	-	1,792	-	15.3	9.8	20.6	18.7	
MEGA	BUY	47.0	47.0	-	1,632	-	1,792	-	15.3	9.8	20.6	18.7	Unchanged. TP is rolled over to 2022F.

Sources: Company data, Thanachart estimates

Ex 4 : Earnings Revisions (Con't)

REC	— Target Price —			— Norm Profit (Bt m) —				Norm EPS Gr.		Norm PE		Comment	
	NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F	2022F		
	(Bt)	(Bt)	(%)		(%)		(%)	(%)	(%)	(x)	(x)		
Professional Services				224	(21.1)	310	(14.7)	28.0	38.5	41.7	30.1		
SISB	BUY	12.0	12.5	(4)	224	(21.1)	310	(14.7)	28.0	38.5	41.7	30.1	Impact from longer school closure. TP is rolled over to 2022F.
Property				-	(0.8)	26,818	(0.8)	8.7	10.8	10.0	9.0		
AP	BUY	10.0	9.8	2	3,790	-	3,926	-	(10.3)	3.6	6.7	6.5	No impact. TP is rolled over to 2022F.
LH	BUY	10.5	10.2	3	7,420	(1.9)	8,318	(1.9)	12.5	12.1	12.8	11.4	Indirect impact from HMPRO. TP is rolled over to 2022F.
LPN	SELL	3.9	3.7	5	631	-	727	-	(11.9)	15.2	11.5	10.0	No impact. TP is rolled over to 2022F.
PSH	SELL	11.0	10.3	7	2,781	-	3,144	-	0.4	13.0	10.2	9.0	No impact. TP is rolled over to 2022F.
QH	HOLD	2.4	2.4	-	2,185	(2.7)	2,391	(2.9)	3.0	9.4	11.0	10.0	Indirect impact from HMPRO. TP is rolled over to 2022F.
SIRI	SELL	0.88	0.80	10	1,599	-	1,755	-	(11.6)	12.3	13.8	12.3	No impact. TP is rolled over to 2022F.
SPALI	BUY	27.0	26.0	4	5,789	-	6,556	-	36.2	13.3	7.6	6.7	No impact. TP is rolled over to 2022F.
Retail				40,683	(11.4)	56,447	(6.0)	(0.3)	38.7	40.9	29.5		
BJC	SELL	30.0	32.0	(6)	3,893	(24.3)	4,895	(11.0)	(0.5)	25.7	34.3	27.3	Some non-food items are not allowed to sell with more rent discount. TP is rolled over to 2022F.
COM7	BUY	76.5	70.0	9	2,041	(3.4)	2,746	3.2	40.8	34.5	39.4	29.3	Small impact as shops are not closed from the lockdown. TP is rolled over to 2022F.
CPALL	BUY	73.0	75.0	(3)	10,682	(5.8)	17,548	(3.8)	(34.9)	70.9	55.7	32.6	Fewer store hours as lockdown is from 8pm-4am. Also an impact from interprovincial travel restriction. TP was already rolled over.
CPN	BUY	60.0	63.0	(5)	4,887	(10.1)	7,099	(8.3)	(7.1)	45.3	47.1	32.4	A 50% of space are in six lockdown provinces with 12-15% of space in closed malls allowed to open.
CRC	BUY	37.0	38.0	(3)	2,743	(46.4)	5,660	(18.1)	na	106.4	72.6	35.2	Big impact from lockdown in Thailand and Vietnam (96% of sales). TP is rolled over to 2022F.
GLOBAL	BUY	27.5	27.5	-	2,858	-	3,373	-	45.7	17.9	38.0	32.2	No impact as stores are not closed. TP was already rolled over.
HMPRO	BUY	19.0	19.0	-	5,810	(4.9)	6,733	(4.9)	12.7	15.9	31.5	27.2	Four branches in shopping malls are closed. TP is rolled over to 2022F.
MAKRO	BUY	46.0	46.0	-	7,232	-	7,814	-	10.2	8.0	24.2	22.4	Unchanged
MC	BUY	12.5	14.0	(11)	537	(5.8)	580	(16.1)	21.1	8.0	13.3	12.3	All stores in six provinces (30% of sales) are closed.
Shipping				4,873	-	6,280	-	309.2	28.9	9.7	7.5		
PRM	BUY	14.1	14.1	-	1,915	-	2,259	-	18.7	17.9	8.7	7.4	Unchanged
PSL	BUY	27.0	27.0	-	2,958	-	4,021	-	na	36.0	10.3	7.6	Unchanged

Sources: Company data, Thanachart estimates

Ex 4 : Earnings Revisions (Con't)

	REC	— Target Price —			— Norm Profit (Bt m) —			Norm EPS Gr.		Norm PE		Comment	
		NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F		2022F
		(Bt)	(Bt)	(%)		(%)		(%)	(%)		(x)	(x)	
Telecom					38,321	(0.3)	42,124	2.5	(4.2)	9.9	23.1	21.0	
ADVANC	BUY	220.0	220.0	-	25,928	0.8	27,586	(4.4)	(4.6)	6.4	19.5	18.3	Delayed tourism recovery next year. TP is rolled over to 2022F.
DTAC	BUY	46.0	46.0	-	3,559	1.9	3,731	7.4	(32.8)	4.8	19.6	18.7	Delayed tourism recovery is more than offset by cost saving. But long-term cost should rise back. TP is rolled over to 2022F.
INTUCH	BUY	66.0	66.0	-	10,430	(3.7)	11,687	(2.9)	(2.0)	12.1	19.8	17.7	Delayed tourism recovery next year. TP is rolled over to 2022F.
TRUE	SELL	2.7	2.7	-	(1,596)	na	(881)	na	na	na	na	na	Unchanged as the latest report already factored in the impact.
Transport					(19,562)	na	(8,506)	na	na	na	na	na	
AAV	BUY	2.5	2.5	-	(4,879)	na	(3,718)	na	na	na	na	23.5	Lower losses. TP is rolled over to 2022F.
AOT	BUY	69.0	69.0	-	(13,979)	na	(6,041)	na	na	na	na	na	Unchanged as no country reopening anyway. TP was already rolled over.
BA	BUY	13.5	13.50	-	(3,641)	na	(2,894)	na	na	na	na	na	Unchanged as the latest report already factored in the impact.
BEM	BUY	10.0	11.5	(13)	588	(81.2)	2,215	(39.2)	(71.3)	276.6	39.6	34.0	Further fall in the traffic volume and ridership with a slow recovery in 2022F. TP is rolled over to 2022F.
BTS	BUY	13.0	13.5	(4)	2,349	(16.9)	1,932	(21.3)	(7.7)	(17.7)	50.4	61.3	No impact on the O&M train business but the earnings are hit by lower contribution from VGI and BTSGIF. TP is rolled over to 2022F.
Utilities					53,999	(0.1)	61,619	(0.1)	19.5	14.2	23.3	20.4	
BGRIM	BUY	52.0	52.0	-	2,751	-	3,433	-	3.0	24.8	38.1	30.6	Unchanged
BPP	BUY	22.5	22.5	-	3,668	-	4,123	-	10.2	12.4	14.3	12.7	Unchanged
CKP	BUY	7.5	7.5	-	1,976	-	2,091	-	401.7	5.8	22.4	21.2	Unchanged
EA	BUY	95.0	95.0	-	5,911	-	7,839	-	15.3	32.6	37.4	28.2	Unchanged
EGCO	BUY	320.0	325.0	(2)	10,707	(3.9)	11,894	(2.6)	17.9	11.1	8.4	7.5	Unchanged. TP is yet to roll over pending a new report.
GPSC	BUY	80.0	80.0	-	8,870	-	9,573	-	18.1	7.9	23.2	21.5	Unchanged
GULF	HOLD	34.0	34.0	-	6,669	-	8,078	-	42.7	21.1	58.1	47.9	Unchanged
GUNKUL	BUY	3.3	3.3	-	1,882	-	2,295	-	34.5	22.0	22.1	18.1	Unchanged. TP is yet to roll over pending a new report.
RATCH	BUY	76.0	76.0	-	6,827	(1.1)	7,021	(3.7)	25.2	2.8	9.5	9.2	Unchanged. TP is yet to roll over pending a new report.
TPCH	BUY	16.0	16.0	-	382	-	471	-	52.4	23.3	12.3	10.0	Unchanged
TTW	BUY	14.0	14.0	-	3,167	(2.1)	3,321	(2.6)	7.3	4.9	14.6	13.9	Small impact from the lockdown. TP is rolled over to 2022F.
WHAUP	BUY	5.0	5.0	-	1,188	-	1,479	-	47.9	24.5	13.6	10.9	Unchanged

Sources: Company data, Thanachart estimates

Ex 4 : Earnings Revisions (Con't)

	REC	— Target Price —			— Norm Profit (Bt m) —				Norm EPS Gr.		---Norm PE---		Comment
		NEW	OLD	Chg	2021F	Chg	2022F	Chg	2021F	2022F	2021F	2022F	
		(Bt)	(Bt)	(%)		(%)		(%)	(%)	(%)	(x)	(x)	
Asset Funds					31,619	(0.2)	32,714	(4.9)	(12.7)	1.9	14.5	14.3	
BTSGIF	BUY	5.3	5.6	(5)	2,037	-	1,540	(36.3)	(56.9)	(24.4)	13.2	17.4	Further fall in the ridership this fiscal year FY22F.
CPNREIT	HOLD	19.0	19.5	(3)	1,418	(6.3)	2,166	(3.2)	(19.0)	49.8	36.8	24.5	A 50% of space is in six lockdown provinces.
DIF	BUY	15.0	15.0	-	12,567	-	12,687	-	1.3	1.0	10.6	10.5	Unchanged
FTREIT	BUY	15.0	14.0	7	2,274	-	2,320	(0.0)	3.6	(3.3)	18.0	18.6	Unchanged
IMPACT	SELL	15.3	15.5	(1)	440	-	435	(63.4)	(63.9)	(1.2)	65.7	66.4	A major impact from lockdown due to falling exhibition events. TP is rolled over to 2022F.
JASIF	BUY	10.9	10.7	2	8,575	0.3	8,641	1.0	(0.3)	0.8	14.8	14.1	Limited impact with TP rolled over to 2022F.
LPF	HOLD	15.2	15.0	1	1,817	-	1,891	(6.8)	(25.1)	4.1	20.6	19.8	A 40% of space is in six lockdown provinces. TP is rolled over to FY22F.
SPF	BUY	16.0	16.0	-	519	-	841	-	(25.7)	62.2	32.1	19.8	Unchanged
WHART	BUY	15.8	15.0	5	1,972	0.6	2,192	3.2	(1.3)	(1.6)	19.2	19.5	Just a fine-tune and TP is rolled over to 2022F.

Sources: Company data, Thanachart estimates

Strategy – left to its own devices

SET targets are now 1,580 this year and 1,750 next

We cut our SET Index target to 1,580 (from 1,650) this year and now have a 2022F target of 1,750, implying an 19.0x PE (vs. the 18x pre-COVID seven-year average). We still believe that the SET can trade at high PE multiples despite the more bearish economic outlook, and this is because of continued support from substantial excess liquidity in the system and the prolonged low interest rate environment that supports stock valuations.

Stock selection is key in 2H21

Although we still foresee the market turning upward next year, there is limited upside this year and things could get worse before they get better. Therefore, our investment strategy in 2H21F is focused on stock selection for those companies that can do well under their own devices or those that have decent foreseeable earnings performances. As for themes, we reaffirm our long-held preference for big-fish stocks along with counters exposed to the technology mega-trend, exports and the weak baht, and low rate and provincial economy plays. We make many changes to our top-picks list to gear more towards stock selection.

Ex 5: Thanachart's Top Picks

Ticker	Rating	Current price	Target price	Upside	Market cap	Norm EPS growth		— Norm PE —		EV/EBITDA or P/BV of Bank		— Yield —	
						2021F	2022F	2021F	2022F	2021F	2022F	2021F	2022F
		(Bt/shr)	(Bt/shr)	(%)	(US\$ m)	(%)	(%)	(x)	(x)	(x)	(x)	(%)	(%)
BEC TB *	BUY	14.00	17.00	21.4	857	na	33.1	31.2	23.4	8.5	7.7	2.9	3.8
CBG TB *	BUY	154.50	167.00	8.1	4,728	16.9	33.1	37.5	28.2	27.6	21.2	1.8	2.4
COM7 TB	BUY	69.50	76.50	10.1	2,552	40.8	34.5	40.9	30.4	27.1	20.8	2.0	2.7
EA TB	BUY	60.00	95.00	58.3	6,849	15.3	32.6	37.9	28.6	22.6	17.4	0.8	1.1
GLOBAL TB	BUY	24.30	27.50	13.2	3,422	45.7	17.9	39.1	33.2	28.2	24.0	1.0	1.2
KCE TB	BUY	74.50	83.00	11.4	2,693	124.6	57.4	38.4	24.4	24.9	17.1	1.1	1.8
M TB	BUY	51.00	64.00	25.5	1,437	(41.7)	238.1	88.8	26.3	16.3	10.1	1.1	3.8
MEGA TB	BUY	38.50	47.00	22.1	1,027	15.3	9.8	20.6	18.7	14.9	13.3	2.7	2.9
STARK TB *	BUY	3.94	5.00	26.9	1,436	58.0	38.4	35.8	25.9	20.8	16.2	1.4	1.9
TU TB *	BUY	22.20	24.00	8.1	3,242	5.9	16.1	15.4	13.3	13.8	12.6	3.9	4.5
Stock taken out													
AOT TB	BUY	61.75	69.00	11.7	26,997	na	na	na	na	na	168.3	0.0	0.0
CRC TB	BUY	33.00	37.00	12.1	6,091	na	106.4	72.6	35.2	11.0	9.6	0.6	1.1
RS TB	BUY	20.80	35.00	68.3	619	8.7	54.9	35.2	22.7	15.3	10.6	2.3	3.7
TQM TB	BUY	115.00	160.00	39.1	1,056	29.9	30.9	37.8	28.9	25.8	20.0	2.4	3.1

Sources: Company data, Thanachart estimates

Note: * New additions, Based on 14 July 2021 closing prices

We add TU, CBG, BEC and STARK to our top picks list

New additions: Thai Union Group Pcl (TU) is an exporter that is enjoying a business turnaround and a weak baht. Country re-openings in the US and Europe are benefiting it via its frozen seafood and restaurant businesses while its pet food business has been growing well. TU is also implementing a major cost-cutting strategy where we see high visibility for its earnings growth. Please refer to Pattadol Bunnak's report, *TU – Very strong 2Q21F*, dated 8 July 2021. **Carabao Group Pcl (CBG)** is also an export play with 48% of its revenue from export income, which is growing more strongly than the saturated core energy drink business at home. CBG has been expanding its domestic business beyond energy drinks and growth is coming from functional drinks and its spirits distribution business. It has also embarked on various cost-saving programs, which should add 5% to profit this year. The cost cuts are from a sugar content reduction, insourcing of packaging production and lower marketing costs in Europe. Please refer to Pattadol's report, *CBG – Back with a vengeance*, dated 5 July 2021.

We also add **BEC World Pcl (BEC)** to our portfolio as a strong earnings turnaround play that is gaining market share from out-of-home and transit media during the COVID period. Major factors behind its turnaround are: 1) an aggressive cost-cutting program, 2) the comeback of a news anchor celebrity and a major program reshuffle, 3) improving soap ratings, and 4) growth in content licensing sales. Items #2 and #3 have helped push up its utilization rate and stabilize its average ad rate. We expect a very strong 2Q21F and an even stronger 3Q21F from the full-quarter impact of a higher utilization rate. Please refer to Rata Limsuthiwanpoom's report, *BEC – Improving momentum*, dated 5 July 2021. As for **Stark Corporation Pcl (STARK)**, we see it as a bottom-up, big-fish growth stock story on a growing and industrializing Vietnam with a rising mix of higher-end products. STARK, which is the biggest electrical cable producer in Thailand, is utilizing its expertise to make higher-end products in Vietnam to grow with the market, gain market share and substitute imports for the high-end products. Please refer to Nuttapop Prasitsuksant's initiation of coverage report, *STARK – A new big fish*, dated 18 June 2021.

We remove AOT, RS, CRC and TQM from our portfolio

The stocks we take out from our top picks are Airports of Thailand (AOT) given the longer timeline for a tourism turnaround because of the severity of the third COVID wave. The so-called sandbox schemes in our opinion offer more risks than benefits at this stage. RS Pcl (RS) is removed from our portfolio because of hiccups with its new business lines' product launches for the whole of 2H21F. These new businesses, including food supplements via new distribution channels, functional drinks via convenience stores and pet food via specialty stores, all require new off-line selling channels, which will likely be hit by the third virus wave. That said, its existing commerce business via TV channels, online RS Mall, call centers, and online market places continue to do well.

We also remove Central Retail Corp. Pcl (CRC) as one of the direct victims of the third wave and the government's lockdown order. Its potential earnings turnaround story in 2H21F has been turned upside down. As the COVID crisis drags on, we believe purchasing power is also being affected and more and more people are turning to cheaper online products. TQM Corporation Pcl (TQM) has been underperforming the market despite its strong earnings growth. We believe this is because of delays to M&A deals that will likely have a meaningful impact on its earnings base. We still like TQM but now like our newly initiated-coverage stock, STARK, more as a growth play and, as with TQM, on the big-fish theme (i.e., a company being a leader in its own segment, has large business scale and eating market share of small players).

APPENDIX 1: Top picks' financials

Ex 1: BEC World Pcl (BEC TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	5,861	6,022	6,891	7,344
Net profit	(214)	898	1,195	1,515
Norm profit	(146)	898	1,195	1,515
Norm EPS (Bt)	(0.1)	0.4	0.6	0.8
Norm EPS grw (%)	na	na	33.1	26.8
Norm PE (x)	na	31.2	23.4	18.5
EV/EBITDA (x)	13.9	8.5	7.7	6.9
P/BV (x)	5.2	4.7	4.5	4.3
Div yield (%)	0.0	2.9	3.8	4.9
ROE (%)	na	15.9	19.8	24.0
Net D/E (%)	7.4	(0.6)	2.0	0.7

Sources: Company data; Thanachart estimates

Ex 2: Carabao Group Pcl (CBG TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	17,231	19,144	22,514	24,822
Net profit	3,525	4,122	5,488	6,531
Norm profit	3,525	4,122	5,488	6,531
Norm EPS (Bt)	3.5	4.1	5.5	6.5
Norm EPS grw (%)	40.0	16.9	33.1	19.0
Norm PE (x)	43.8	37.5	28.2	23.7
EV/EBITDA (x)	32.6	27.6	21.2	17.9
P/BV (x)	15.5	13.5	11.3	9.7
Div yield (%)	1.6	1.8	2.4	3.2
ROE (%)	38.1	38.5	43.6	44.1
Net D/E (%)	34.9	15.9	(3.2)	(18.4)

Sources: Company data; Thanachart estimates

Ex 3: COM7 Pcl (COM7 TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	37,306	44,825	52,686	59,357
Net profit	1,491	2,041	2,746	3,392
Norm profit	1,449	2,041	2,746	3,392
Norm EPS (Bt)	1.2	1.7	2.3	2.8
Norm EPS grw (%)	19.1	40.8	34.5	23.5
Norm PE (x)	57.5	40.9	30.4	24.6
EV/EBITDA (x)	35.8	27.1	20.8	17.2
P/BV (x)	21.6	18.7	15.8	13.8
Div yield (%)	1.4	2.0	2.7	3.5
ROE (%)	40.1	49.0	56.4	59.9
Net D/E (%)	22.4	4.3	(2.2)	(7.8)

Sources: Company data; Thanachart estimates

Ex 4: Energy Absolute Pcl (EA TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	17,080	25,342	41,384	51,815
Net profit	5,205	5,911	7,839	10,941
Norm profit	5,127	5,911	7,839	10,941
Norm EPS (Bt)	1.4	1.6	2.1	2.9
Norm EPS grw (%)	(13.4)	15.3	32.6	39.6
Norm PE (x)	43.7	37.9	28.6	20.5
EV/EBITDA (x)	28.2	22.6	17.4	13.6
P/BV (x)	8.0	6.9	5.9	4.9
Div yield (%)	0.5	0.8	1.1	2.0
ROE (%)	20.0	19.7	22.3	26.1
Net D/E (%)	135.5	117.7	87.2	57.7

Sources: Company data; Thanachart estimates

Ex 5: Siam Global House Pcl (GLOBAL TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	26,803	31,813	34,546	38,086
Net profit	1,956	2,858	3,373	4,043
Norm profit	1,956	2,858	3,373	4,043
Norm EPS (Bt)	0.4	0.6	0.7	0.9
Norm EPS grw (%)	(6.9)	45.7	17.9	19.9
Norm PE (x)	57.0	39.1	33.2	27.7
EV/EBITDA (x)	38.2	28.2	24.0	20.1
P/BV (x)	6.6	5.9	5.3	4.7
Div yield (%)	0.9	1.0	1.2	1.4
ROE (%)	11.9	15.9	16.8	18.1
Net D/E (%)	76.4	65.6	52.9	42.0

Sources: Company data; Thanachart estimates

Ex 6: KCE Electronics Pcl (KCE TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	11,527	15,310	17,533	20,347
Net profit	1,127	2,287	3,600	5,474
Norm profit	1,018	2,287	3,600	5,474
Norm EPS (Bt)	0.9	1.9	3.1	4.6
Norm EPS grw (%)	15.6	124.6	57.4	52.1
Norm PE (x)	86.3	38.4	24.4	16.1
EV/EBITDA (x)	41.6	24.9	17.1	11.8
P/BV (x)	7.3	6.5	5.5	4.6
Div yield (%)	0.5	1.1	1.8	3.1
ROE (%)	8.6	17.9	24.4	31.2
Net D/E (%)	(0.0)	4.2	(4.7)	(14.5)

Sources: Company data; Thanachart estimates

Ex 7: MK Restaurant Group Pcl (M TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	13,361	12,860	15,694	18,385
Net profit	907	529	1,788	2,687
Norm profit	907	529	1,788	2,687
Norm EPS (Bt)	1.0	0.6	1.9	2.9
Norm EPS grw (%)	(65.1)	(41.7)	238.1	50.3
Norm PE (x)	51.8	88.8	26.3	17.5
EV/EBITDA (x)	13.2	16.3	10.1	8.0
P/BV (x)	3.5	3.5	3.4	3.2
Div yield (%)	2.0	1.1	3.8	5.3
ROE (%)	6.5	3.9	13.1	18.9
Net D/E (%)	(55.2)	(60.5)	(59.6)	(58.2)

Sources: Company data; Thanachart estimates

Ex 8: Mega Lifesciences Pcl (MEGA TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	12,589	13,994	15,079	16,158
Net profit	1,393	1,632	1,792	1,964
Norm profit	1,416	1,632	1,792	1,964
Norm EPS (Bt)	1.6	1.9	2.1	2.3
Norm EPS grw (%)	16.3	15.3	9.8	9.6
Norm PE (x)	23.7	20.6	18.7	17.1
EV/EBITDA (x)	16.9	14.9	13.3	12.0
P/BV (x)	4.8	4.3	3.9	3.6
Div yield (%)	2.3	2.7	2.9	3.8
ROE (%)	21.6	22.2	22.0	21.8
Net D/E (%)	(10.3)	(11.9)	(16.7)	(23.2)

Sources: Company data; Thanachart estimates

Ex 9: Stark Corporation Pcl (STARK TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	16,858	19,608	22,430	25,500
Net profit	1,619	1,746	2,416	3,160
Norm profit	1,105	1,746	2,416	3,160
Norm EPS (Bt)	0.1	0.1	0.2	0.2
Norm EPS grw (%)	312.3	58.0	38.4	30.8
Norm PE (x)	56.6	35.8	25.9	19.8
EV/EBITDA (x)	29.6	20.8	16.2	13.1
P/BV (x)	16.9	12.5	9.8	7.7
Div yield (%)	0.0	1.4	1.9	2.5
ROE (%)	37.0	40.0	42.3	43.4
Net D/E (%)	291.5	181.1	126.7	94.7

Sources: Company data; Thanachart estimates

Ex 10: Thai Union Group Pcl (TU TB)

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Sales	132,402	133,729	140,626	147,549
Net profit	6,246	6,882	7,993	8,832
Norm profit	6,501	6,882	7,993	8,832
Norm EPS (Bt)	1.4	1.4	1.7	1.9
Norm EPS grw (%)	39.1	5.9	16.1	10.5
Norm PE (x)	16.3	15.4	13.3	12.0
EV/EBITDA (x)	13.1	13.8	12.6	11.9
P/BV (x)	2.3	2.1	2.0	1.9
Div yield (%)	3.2	3.9	4.5	5.0
ROE (%)	12.9	12.8	14.0	14.5
Net D/E (%)	91.4	87.1	77.8	68.7

Sources: Company data; Thanachart estimates

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