

Sabina Pcl (SABINA TB) - BUY

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Earnings Preview

3Q21 earnings preview

- **Its offline sales turn around nicely after the ease of lockdown.**
 - **This confirms our view on its earnings hit the bottom in 3Q21F.**
 - **Its 3Q21F earnings are also likely to be better than expected.**
 - **With 34% and 31% EPS growth in 2022-23F, we maintain BUY.**
- Message from management confirms our view on SABINA's earnings to hit the bottom in 3Q21. Its offline sales in September increased 2-3 times of its sales in July and August 2021 after the easing of COVID-19 restrictions in the 29 dark-red zone provinces starting from 1 September 2021. We see the turnaround sales have been stronger and faster than our expectation.
 - However, with weak offline sales in July and August, we thus estimate SABINA's offline sales to decline both y-y and q-q in 3Q21. For SABINA's online sales in 3Q21, it still grew both y-y and q-q. Meanwhile, export and OEM sales in 3Q21 were likely to be flat in y-y and q-q.
 - We thus estimate SABINA's 3Q21 earnings at Bt49m, down by 43% y-y and 22% q-q due to weak offline sales channel. This was likely to be stronger than our previous expectation. We estimate SABINA's sales momentum to improve in 4Q21F due to the easing of lockdown and the country's reopening. We estimate SABINA's earnings growth to resume at 34% and 31% in 2022-23F, respectively vs. 15% earnings contraction in 2021F. We see it's time to re-enter this stock. We maintain BUY at Bt24.0 TP.

Key Valuations

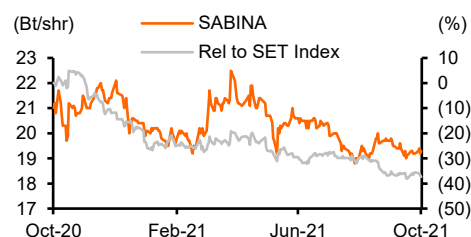
Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Revenue	2,898	2,453	2,793	3,182
Net profit	277	235	314	413
Norm net profit	277	235	314	413
Norm EPS (Bt)	0.8	0.7	0.9	1.2
Norm EPS gr (%)	(33.0)	(15.2)	34.0	31.3
Norm PE (x)	24.2	28.5	21.3	16.2
EV/EBITDA (x)	15.9	18.0	14.6	11.7
P/BV (x)	3.7	3.8	3.7	3.6
Div. yield (%)	4.1	3.5	4.7	6.2
ROE (%)	15.1	13.2	17.5	22.5
Net D/E (%)	18.6	9.7	13.0	14.3

Source: Thanachart estimates

Stock Data

Closing price (Bt)	19.3
Target price (Bt)	24.0
Market cap (US\$ m)	347.5
Avg daily turnover (US\$ m)	0.4
12M H/L price (Bt)	22.50/18.80

Price Performance



Source: Bloomberg

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