BUY (Unchanged)

Change in Numbers

TP: Bt 22.00 (From: Bt 20.00)

Upside : 105.6%

15 NOVEMBER 2021

Thanachart Securities

Banpu Public Co Ltd (BANPU TB)

Strong outlook continues

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We maintain our BUY on BANPU and raise our TP to Bt22 on higher coal/gas price forecasts. We still see a robust outlook for BANPU as we head into 2022F on strong coal and gas prices as well as earnings from new businesses. Valuation looks at rock-bottom at 5x 2021-22F PE with 7% dividend yield.

Rock-bottom valuation

We lift our TP to Bt22 from Bt20 as we raise our coal and gas price forecasts but also assume full dilution from warrant conversions without any re-investment of the cash proceeds. Our TP implies 9x 2021-22F PE. The stock's current valuation remains at rock-bottom level, trading at below 5x 2021-22F PE (fully diluted). We also expect 7% dividend yields in 2021-22F.

Strong outlook for coal

We upgrade our NEX assumptions to 130/110/100 $/tonne in 2021-23F vs. 115/100/95 $/tonne previously and to 95 from 90 $/tonne longer term. Despite the ramp-up in Chinese production, supply remains tight overall and prices remain high with the NEX hovering at around $150-160/tonne. Meanwhile, production in Indonesia and Australia could be hit by heavy rains due to La Nina. On the demand side, La Nina could also lead to colder-than-usual winter in North Asia, leading to extra demand for coal. We expect BANPU's ASP to average upwards in 4Q21F and potentially 1Q22F. Next year, we expect a higher domestic sales price in Australia (from July 2022) to lift BANPU's ASP as well.

Gas remains on a firm footing

The US gas price remains elevated with front-month contract trading at close to $5/mmbtu and all futures in 2022 at an average of about $4.1/mmbtu. Offsetting this is the additional forward hedging positions which the company did in 3Q21. The company has yet to disclose its positions and we have therefore raised our gas price estimates per mmbtu to only $3.7/3.6 in 2022-23F (+$0.3) and to $3.5 longer term (+$0.17) while keeping 2021F unchanged at $3.1/mmbtu. Note, however, that the new hedged price is likely to be much higher than old contracts (which were at $2.4-2.9/mmbtu) as 2022F futures averaged $3.7/mmbtu in 3Q21 and higher still in September. Therefore, even if BANPU's hedged prices were lower than the current market price, we would still expect them to be at or higher than our assumption for 2022F. At $3.7/mmbtu, BANPU's annual EBIT from gas would be almost Bt8bn with about a 21% ROIC.

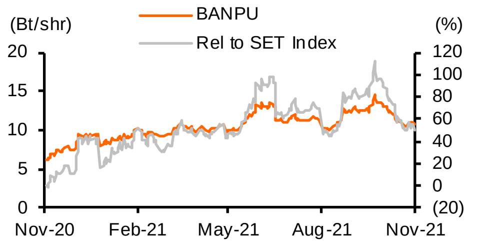
Utilities earnings to recover

We expect utilities earnings to recover from the very low levels in 3Q21. This is due to higher utilization rates at IPPs in Thailand, higher electricity prices and more steam sales in China. We also expect contributions from its new gas-fired power plant in the US to start from November onwards. Aside from recurring profit, BANPU is due to recognize an after-tax gain of Bt4.5bn from its divestment of Sunseap, a Singapore-based solar energy company, in 1Q22.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	71,332	111,476	121,519	114,656
Net profit	(1,786)	12,930	16,806	14,555
Consensus NP	—	10,659	12,447	11,127
Diff frm cons (%)	—	*21.3*	*35.0*	*30.8*
Norm profit	(4,122)	12,930	16,806	14,555
Prev. Norm profit	—	10,111	13,044	11,744
Chg frm prev (%)	—	*27.9*	*28.8*	*23.9*
Norm EPS (Bt)	(0.8)	2.3	2.3	1.6
Norm EPS grw (%)	na	na	(0.3)	(29.9)
Norm PE (x)	na	4.6	4.6	6.5
EV/EBITDA (x)	19.3	4.1	3.7	3.8
P/BV (x)	0.9	0.9	0.9	0.9
Div yield (%)	2.8	7.1	7.4	5.4
ROE (%)	na	18.1	18.7	13.2
Net D/E (%)	163.4	108.6	86.1	52.4

PRICE PERFORMANCE



COMPANY INFORMATION

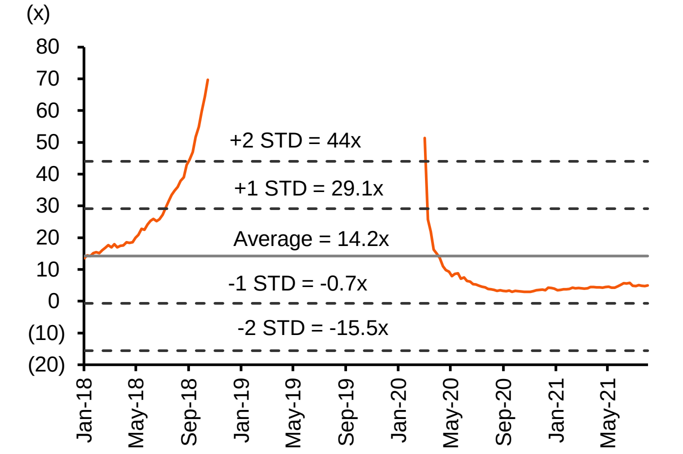
Price *as of* 15-Nov-21 (Bt)	10.70
Market Cap (US$ m)	2,212.3
Listed Shares (m shares)	6,766.1
Free Float (%)	88.4
Avg Daily Turnover (US$ m)	53.9
12M Price H/L (Bt)	14.50/6.15
Sector	Energy
Major Shareholder	Vongkusolkit family 9.02%

Sources: Bloomberg, Company data, Thanachart estimates

Rock-bottom valuation

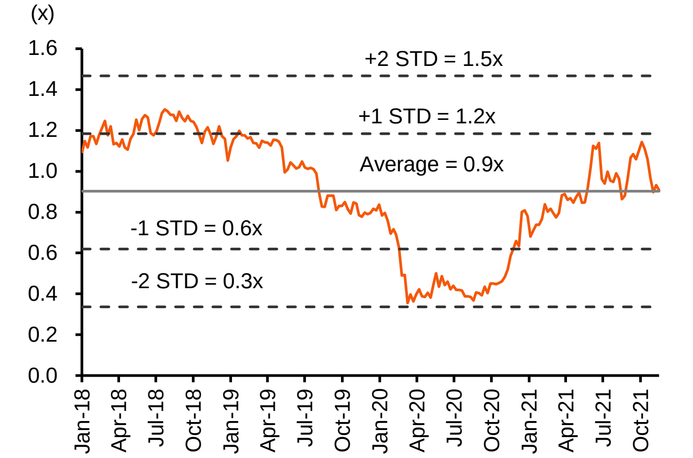
Banpu Pcl's (BANPU) valuation remains attractive in our view trading at less than 5x 2021-22F PE while offering a 7% dividend yield.

Ex 1: BANPU PE



Sources: Bloomberg, Thanachart estimates

Ex 2: BANPU P/BV



Sources: Bloomberg, Thanachart estimates

In this report, we have upgraded our coal and gas price assumptions as follows:

Ex 3: We Upgrade Our Coal And Gas Price Assumptions

		2021F	2022F	2023F	2024F
New					
NEX coal price	(US$/tonne)	130.00	110.00	100.00	95.00
HH gas price	(US$/mmbtu)	3.10	3.70	3.60	3.50
Old					
NEX coal price	(US$/tonne)	115.00	100.00	95.00	90.00
HH gas price	(US$/mmbtu)	3.10	3.40	3.30	3.33
Change					
NEX coal price	(US$/tonne)	15.00	10.00	5.00	5.00
HH gas price	(US$/mmbtu)	0.00	0.30	0.30	0.17

Sources: Company data, Thanachart estimates

The coal and gas price upgrades lead to 23-29% revisions in our normalized profit estimates in 2021-24F. However, we have now assumed full conversions of all remaining warrants. This has raised the average number of shares in our forecasts. As such, our normalized EPS projections have been revised down in 2023-24F.

Ex 4: Normalized Profit And Normalized EPS Revisions

	2019	2020	2021F	2022F	2023F	2024F
Normalized profit (Bt m)						
New/actual	2,567	(4,122)	12,930	16,806	14,555	13,147
Old			10,111	13,044	11,744	10,680
Change (%)			*27.9*	*28.8*	*23.9*	*23.1*
Normalized EPS (Bt/shr)						
New/actual	0.50	(0.81)	2.34	2.34	1.64	1.30
Old			1.59	1.93	1.74	1.58
Change (%)			*47.8*	*21.2*	*(5.6)*	*(17.9)*

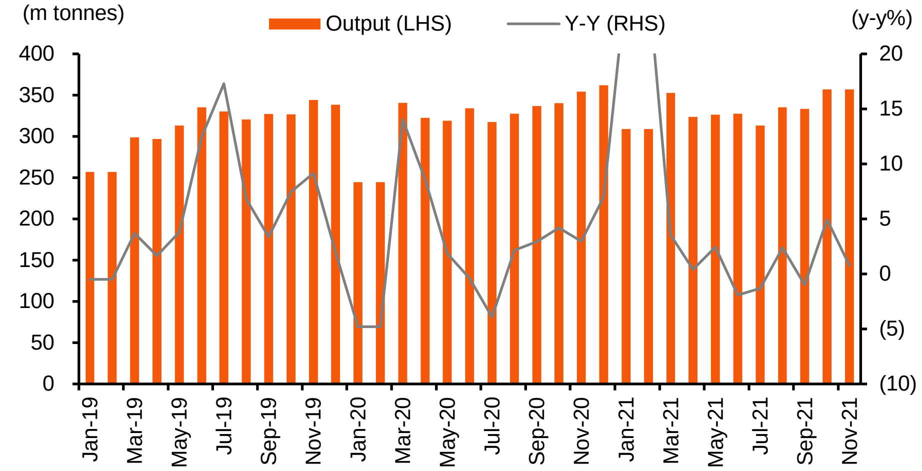
Sources: Company data, Thanachart estimates

Note: EPS in 2021F is raised by more than normalized profit because of a previous error in our EPS calculation

China's coal output rising but supply remains tight

Production has been rising rapidly since the end of September as the government pushes for mines to expand output. The National Development and Reform Commission took to giving weekly (and sometimes daily) updates on coal production. For October, coal production jumped to 357m tonnes, averaging 11.5m tonnes per day. This represents a 4% increase y-y. Output seems to be hovering around 12m tpd as of mid-November. If maintained for the whole month, this would be a new monthly production record. Even so, it would represent growth of only about 1-2% from the level a year ago, which would likely fall short of underlying demand that has been growing at 10% plus for much of the year. Moreover, unless output can be further increased, growth in December would remain at just a trickle. As such, we believe the government still needs to manage demand by, for example, curbing steel, aluminum, and cement output. It has also prioritized coal supply to power plants in the northeastern part of the country which is grappling with an early winter.

Ex 5: China's Coal Output Growing By Only 1-2%* Despite Government Efforts



Sources: Company data, Thanachart

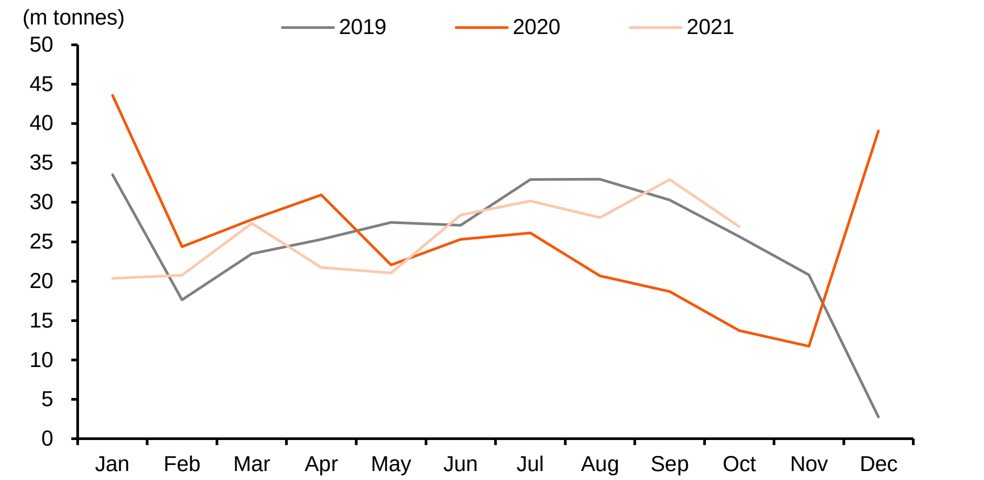
Note: Our estimates for October and November are based on news reports

Imports could slow after a massive jump

China's coal imports had been growing at a slow pace through May and they jumped in recent months. September imports grew by 76% y-y while October arrivals nearly doubled from the level a year ago. Still, because of the low levels of imports in 1H21, YTD imports (258m tonnes) were barely higher than the 10M20 level (253m tonnes). Imports also remain below the pace set in 10M19 (276m tonnes). As such, we think China will need to import significantly more coal for the next several months to ensure sufficient winter supplies and rebuild inventory levels for next year.

Going forward, shipment data from Refinitiv Eikon suggest arrivals of just 16m tonnes for November, representing a downward adjustment of over 35% m-m. The primary reason for this is risk avoidance by traders who were caught off-guard by the rapid and severe government intervention. According to Reuters, many traders had to sell cargoes at significant losses and some buyers walked away from high-priced contracts. This led to a marked increase in the deposit requirement (up to 50% of the cargo value from the conventional 10%). We believe market activity will come to a standstill until the coal price stabilizes or there are further signs that government intervention will ease.

Ex 6: China's Coal Imports

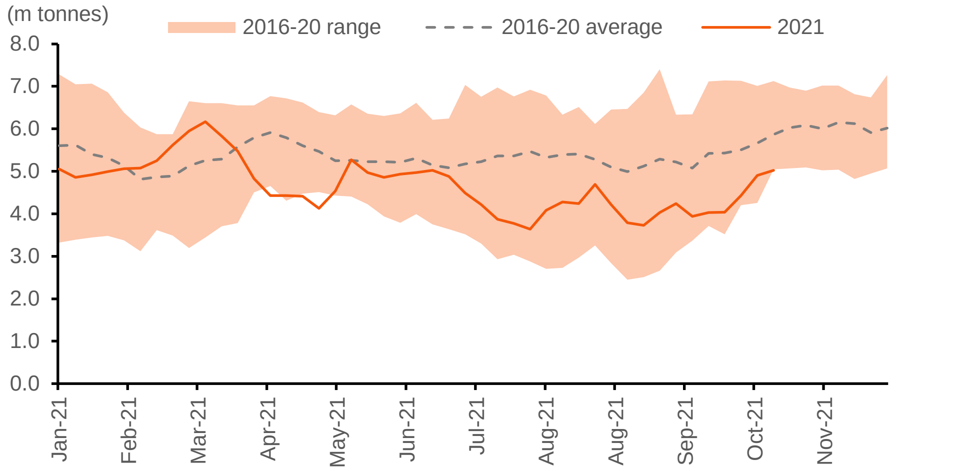


Sources: Company data, Thanachart

Inventory level less critical but still low

With the output increase, demand-side management, and prioritizing of northeastern ports, the inventory level at the Qinhuangdao port recovered from very low levels in September. Still, it remains at the low end of its five-year range and well below the five-year average level. We think inventory will remain low through the rest of winter as demand picks up and imports slow.

Ex 7: Inventories At Qinhuangdao Port Remain Very Low Vs. Five-year Average



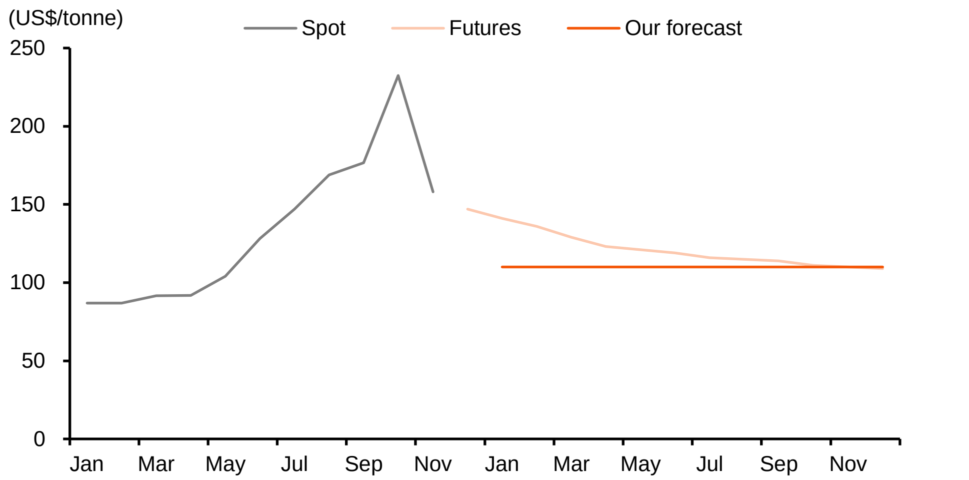
Sources: Company data, Thanachart

Coal price remains elevated despite collapse

The coal price stabilized somewhat after spiking in early October, only to collapse towards month-end. The Newcastle benchmark peaked at around $280/tonne and has since collapsed to $150-160/tonne. Similarly, China's spot price skyrocketed to over CNY2,000/tonne only to collapse to around CNY1,100/tonne, or $170/tonne recently. Still, these are very high prices by historical standards. Given the strong winter demand and potential supply disruption, we think prices will remain elevated in the coming months.

Consequently, we upgrade our NEX assumptions to 130/110/100 $/tonne in 2021-23F vs. 115/100/95 $/tonne previously. However, to be conservative, we keep our long-term assumption unchanged at $90/tonne. We think long-term coal prices remain well supported by resilient demand and a lack of investments in new supplies. We don't believe the new Chinese capacities will be viable at a mine-mouth price of less than CNY500/tonne, implying a port price of CNY750-800/tonne, or $115-125/tonne. This, in our view, is likely to provide a floor for coal prices in the long run.

Ex 8: NEX Coal Price

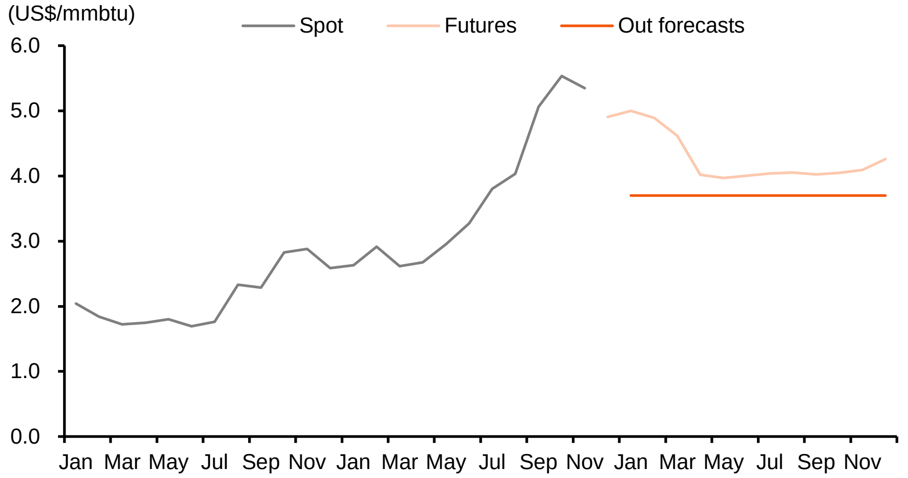


Sources: Company data, Thanachart

Gas remains on a firm footing

The US gas price remains elevated despite having pulled back from its highs in October. The Henry Hub price averaged $5.5/mmbtu in October and is now trading at roughly $5/mmbtu. Futures prices for 2022F average about $4.1/mmbtu currently. However, BANPU's realized price could be lower than this as the company has hedged a higher amount of its sales volume since 3Q21. The company has yet to provide details on its hedging book but we note that all 2022 futures averaged $3.7/mmbtu in 3Q21 and even higher in September. This forms the basis for our 2022F gas price assumption of $3.7/mmbtu, an upward revision of $0.3/mmbtu from our previous forecast. For 2023F, we also raise our assumption by $0.3/mmbtu to $3.6/mmbtu. Longer term, we assume $3.5/mmbtu, up about $0.17/mmbtu from our previous forecast. At $3.7/mmbtu, we estimate EBIT from the gas operation of about Bt8bn, equating to 21% ROIC for this business.

Ex 9: Henry Hub Gas Price



Sources: Company data, Thanachart

Ex 10: 12-month DCF-derived TP Calculation Using A Base Year Of 2022F

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
Coal EBITDA and equity income	51,849	46,477	42,875	42,891	44,140	45,382	46,617	47,844	49,065	50,277	51,475	-
Free cash flow	6,432	17,766	16,155	16,920	18,276	19,668	21,057	22,440	23,819	25,193	26,555	383,894
PV of free cash flow	6,432	16,472	13,886	13,485	13,381	13,321	13,218	13,056	12,845	12,568	11,974	159,764

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.3
WACC (%)	7.9
Terminal growth (%)	2.0

BANPU's sum-of-the-parts valuation	(Bt m)
PV of cash flow	300,402
Less: net debt	115,609
Less: minority interest	51,899
Equity value - coal & gas	132,894
Battery	16,074
Power	48,539
Total value exc. Warrant	**197,508**
Add cash from warrant conversions:	
W4	8,458
W5	12,686
Net equity value	**218,652**
# of Shares	10,149
Total value per share (Bt/sh)	**21.5**

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 11: Valuation Comparison With Regional Peers

Company	Code	Country	EPS Growth 21F (%)	EPS Growth 22F (%)	PE 21F (x)	PE 22F (x)	P/BV 21F (x)	P/BV 22F (x)	EV/EBITDA 21F (x)	EV/EBITDA 22F (x)	Div. yield 21F (%)	Div. yield 22F (%)
New Hope Corp	NHC AU	Australia	15.6	na	11.0	2.6	1.0	0.7	5.1	1.8	6.8	15.9
Whitehaven Coal Ltd	WHC AU	Australia	na	na	na	2.5	0.8	0.7	16.5	2.0	0.0	9.4
China Shenhua Energy	601088 CH	China	37.6	1.2	7.0	7.0	1.0	1.0	3.3	3.4	10.5	9.2
Datong Coal Industry	601001 CH	China	na	1.9	6.1	6.0	1.5	1.3	3.1	3.2	na	na
Guizhou Panjiang Ref. Coal	600395 CH	China	37.2	22.3	9.0	7.4	1.6	1.5	5.6	5.4	6.0	6.6
Kailuan Energy	600997 CH	China	na	na	na	na	0.8	0.8	3.1	3.7	10.2	10.8
Pingdingshan Tianan Coal	601666 CH	China	na	63.5	5.1	3.1	1.0	0.8	3.8	2.5	12.1	17.7
Yang Quan Coal Industry	600348 CH	China	na	3.9	8.9	8.6	1.2	1.1	5.3	5.4	4.2	4.6
Yanzhou Coal Mining	600188 CH	China	na	2.5	6.9	6.7	1.6	1.5	6.0	5.8	8.1	7.8
China Coal Energy	1898 HK	Hong Kong	na	(15.0)	3.7	4.4	0.5	0.5	3.4	3.8	8.1	6.7
Indo Tambangraya Megah	ITMG IJ	Indonesia	na	(9.0)	4.5	5.0	1.4	1.4	2.2	2.4	8.5	16.2
Bukit Asam Tbk PT	PTBA IJ	Indonesia	na	(4.4)	5.0	5.2	1.3	1.2	2.9	2.9	7.6	12.9
Semirara Mining Corp.	SCC PM	Philippines	na	(13.2)	6.6	7.6	1.8	1.7	4.6	4.8	10.1	7.5
Banpu Pcl *	BANPU TB	Thailand	na	(0.3)	4.6	4.6	0.9	0.9	4.1	3.7	7.1	7.4
Average			**30.1**	**4.9**	**6.5**	**5.4**	**1.2**	**1.1**	**4.9**	**3.6**	**7.6**	**10.2**

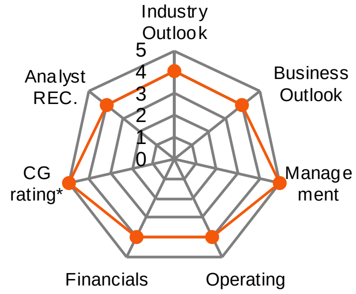
Sources: Bloomberg, * Thanachart estimates
Based on 15 November 2021 closing prices

COMPANY DESCRIPTION

Banpu Pcl (BANPU) is a leading regional energy company. It operates coal mines in Indonesia, Australia and China. It also has investments in the power businesses in Thailand, Laos, China and Japan. In recent years, the company has significantly expanded its footprint in US shale gas as well as invested in new energy businesses including battery (Durapower) and EV (Fomm).

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Reduced operating risk due to greater geographical diversification. It also has a footprint across the energy value chain.
- Operations more reliable than peers', which don't own port facilities and/or power plants.

W — Weakness

- Coal price volatility still impacts earnings though diversification in recent years has greatly reduced BANPU's dependence on coal.
- Relatively high financial leverage.

O — Opportunity

- BANPU could look to grow its US shale gas business after having established a firm footing.
- New energy businesses such as lithium-ion battery and electric vehicles (EV) offer strong growth potential.

T — Threat

- Regulatory risk and environmental concerns.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	14.47	22.00	52%
Net profit 21F (Bt m)	10,659	12,930	21%
Net profit 22F (Bt m)	12,447	16,806	35%
Consensus REC	**BUY: 7**	**HOLD: 5**	**SELL: 2**

HOW ARE WE DIFFERENT FROM THE STREET?

- We are 21-35% ahead of Bloomberg consensus in 2021-22F earnings forecast likely due to higher coal and gas price assumption.
- Our TP is consequently much higher than Street's forecast as well.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- A weaker-than-expected coal or gas price environment would present the key downside risk to our earnings and TP.
- Lower-than-expected growth in the power business would present a secondary downside risk to our TP.

Source: Thanachart

Profit growth is offset by dilution impact

Balance sheet is improving with strong profit and new capital

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	85,718	71,332	111,476	121,519	114,656
Cost of sales	63,737	57,768	61,558	63,456	64,027
Gross profit	**21,981**	**13,564**	**49,918**	**58,063**	**50,630**
% gross margin	25.6%	19.0%	44.8%	47.8%	44.2%
Selling & administration expenses	21,059	17,128	22,174	23,450	22,777
Operating profit	**922**	**(3,564)**	**27,744**	**34,613**	**27,853**
% operating margin	1.1%	-5.0%	24.9%	28.5%	24.3%
Depreciation & amortization	10,535	13,543	15,623	17,764	19,312
EBITDA	**11,457**	**9,979**	**43,367**	**52,377**	**47,164**
% EBITDA margin	13.4%	14.0%	38.9%	43.1%	41.1%
Non-operating income	5,367	2,309	1,330	1,254	1,199
Non-operating expenses	(168)	(199)	(320)	(320)	(300)
Interest expense	(5,657)	(5,420)	(7,356)	(6,134)	(6,073)
Pre-tax profit	**463**	**(6,874)**	**21,399**	**29,413**	**22,679**
Income tax	2,436	269	8,560	11,765	9,072
After-tax profit	**(1,973)**	**(7,143)**	**12,839**	**17,648**	**13,608**
% net margin	-2.3%	-10.0%	11.5%	14.5%	11.9%
Shares in affiliates' Earnings	6,444	4,239	5,409	6,227	6,797
Minority interests	(1,905)	(1,217)	(5,319)	(7,069)	(5,850)
Extraordinary items	(2,962)	2,336	0	0	0
NET PROFIT	**(395)**	**(1,786)**	**12,930**	**16,806**	**14,555**
Normalized profit	**2,567**	**(4,122)**	**12,930**	**16,806**	**14,555**
EPS (Bt)	(0.1)	(0.3)	2.3	2.3	1.6
Normalized EPS (Bt)	0.5	(0.8)	2.3	2.3	1.6

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	41,095	47,301	51,506	54,329	52,553
Cash & cash equivalent	16,388	23,777	16,836	16,836	16,836
Account receivables	7,415	7,482	10,689	11,653	10,994
Inventories	4,782	3,935	5,060	5,216	5,262
Others	12,510	12,107	18,920	20,625	19,460
Investments & loans	49,711	51,389	54,501	58,225	58,841
Net fixed assets	58,796	77,523	82,015	95,981	95,814
Other assets	93,710	105,435	105,620	115,096	108,892
Total assets	**243,312**	**281,648**	**293,642**	**323,631**	**316,101**
LIABILITIES:					
Current liabilities:	47,026	66,405	44,993	47,224	40,276
Account payables	1,798	2,025	1,096	1,130	1,140
Bank overdraft & ST loans	13,716	24,856	13,398	13,244	10,121
Current LT debt	16,417	24,520	9,647	9,536	7,287
Others current liabilities	15,095	15,003	20,853	23,313	21,728
Total LT debt	**103,749**	**112,559**	**110,936**	**109,664**	**83,804**
Others LT liabilities	13,084	18,129	29,798	32,443	30,901
Total liabilities	**163,859**	**197,092**	**185,727**	**189,331**	**154,982**
Minority interest	18,286	22,211	27,530	34,599	40,449
Preferreds shares	0	0	0	0	0
Paid-up capital	5,162	5,075	6,766	8,458	10,149
Share premium	15,372	15,372	22,139	28,905	39,900
Warrants	0	0	0	0	0
Surplus	(25,675)	(19,348)	(19,348)	(19,348)	(19,348)
Retained earnings	**66,308**	**61,245**	**70,828**	**81,686**	**89,969**
Shareholders' equity	61,167	62,344	80,384	99,700	120,670
Liabilities & equity	**243,312**	**281,648**	**293,642**	**323,631**	**316,101**

Sources: Company data, Thanachart estimates

We expect FCF to be strong in 2021-23F

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	463	(6,874)	21,399	29,413	22,679
Tax paid	(2,587)	(543)	(8,328)	(11,821)	(9,047)
Depreciation & amortization	10,535	13,543	15,623	17,764	19,312
Chg In w orking capital	3,509	1,006	(5,261)	(1,085)	621
Chg In other CA & CL / minorities	(7,019)	7,560	4,214	7,039	6,352
Cash flow from operations	**4,901**	**14,692**	**27,647**	**41,310**	**39,917**
Capex	(8,995)	(32,269)	(20,000)	(31,600)	(19,000)
Right of use	0	(2,149)	(300)	(300)	(300)
ST loans & investments	0	0	0	0	0
LT loans & investments	251	(1,678)	(3,113)	(3,724)	(616)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	21,336	(4,767)	11,669	(6,660)	4,817
Cash flow from investments	**12,592**	**(40,863)**	**(11,743)**	**(42,284)**	**(15,099)**
Debt financing	428	30,596	(27,954)	(1,536)	(31,232)
Capital increase	0	(87)	8,458	8,458	12,686
Dividends paid	(3,613)	(2,030)	(3,347)	(5,947)	(6,272)
Warrants & other surplus	(17,885)	5,080	0	0	0
Cash flow from financing	**(21,070)**	**33,559**	**(22,844)**	**975**	**(24,818)**
Free cash flow	**(4,093)**	**(17,578)**	**7,647**	**9,710**	**20,917**

Valuation looks attractive at 5x 2021-22F PE

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	21.5	na	4.6	4.6	6.5
Normalized PE - at target price (x)	44.2	na	9.4	9.4	13.4
PE (x)	na	na	4.6	4.6	6.5
PE - at target price (x)	na	na	9.4	9.4	13.4
EV/EBITDA (x)	15.1	19.3	4.1	3.7	3.8
EV/EBITDA - at target price (x)	20.2	25.1	5.5	5.2	5.9
P/BV (x)	0.9	0.9	0.9	0.9	0.9
P/BV - at target price (x)	1.9	1.8	1.9	1.9	1.9
P/CFO (x)	11.3	3.7	2.1	1.9	2.4
Price/sales (x)	0.8	1.0	0.6	0.6	0.6
Dividend yield (%)	5.6	2.8	7.1	7.4	5.4
FCF Yield (%)	(7.4)	(32.1)	13.0	12.6	22.0
(Bt)					
Normalized EPS	0.5	(0.8)	2.3	2.3	1.6
EPS	(0.1)	(0.3)	2.3	2.3	1.6
DPS	0.6	0.3	0.8	0.8	0.6
BV/share	11.8	12.3	11.9	11.8	11.9
CFO/share	0.9	2.9	5.0	5.7	4.5
FCF/share	(0.8)	(3.4)	1.4	1.3	2.4

Sources: Company data, Thanachart estimates

ROE looks set to improve due to higher margins

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	(24.0)	(16.8)	56.3	9.0	(5.6)
Net profit (%)	na	na	na	30.0	(13.4)
EPS (%)	na	na	na	(0.3)	(29.9)
Normalized profit (%)	(74.4)	na	na	30.0	(13.4)
Normalized EPS (%)	(74.4)	na	na	(0.3)	(29.9)
Dividend payout ratio (%)	(783.6)	(85.2)	40.0	40.0	40.0
Operating performance					
Gross margin (%)	25.6	19.0	44.8	47.8	44.2
Operating margin (%)	1.1	(5.0)	24.9	28.5	24.3
EBITDA margin (%)	13.4	14.0	38.9	43.1	41.1
Net margin (%)	(2.3)	(10.0)	11.5	14.5	11.9
D/E (incl. minor) (x)	1.7	1.9	1.2	1.0	0.6
Net D/E (incl. minor) (x)	1.5	1.6	1.1	0.9	0.5
Interest coverage - EBIT (x)	0.2	na	3.8	5.6	4.6
Interest coverage - EBITDA (x)	2.0	1.8	5.9	8.5	7.8
ROA - using norm profit (%)	1.0	na	4.5	5.4	4.6
ROE - using norm profit (%)	3.6	na	18.1	18.7	13.2
DuPont					
ROE - using after tax profit (%)	na	na	18.0	19.6	12.3
- asset turnover (x)	0.3	0.3	0.4	0.4	0.4
- operating margin (%)	7.1	na	25.8	29.3	25.1
- leverage (x)	3.6	4.3	4.0	3.4	2.9
- interest burden (%)	7.6	472.7	74.4	82.7	78.9
- tax burden (%)	na	na	60.0	60.0	60.0
WACC (%)	7.9	7.9	7.9	7.9	7.9
ROIC (%)	(2.0)	(2.0)	8.3	10.5	7.8
NOPAT (Bt m)	(3,927)	(3,564)	16,647	20,768	16,712
invested capital (Bt m)	178,661	200,502	197,529	215,309	205,046

Sources: Company data, Thanachart estimates

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