

BUY (Unchanged)

TP: Bt 12.70

(From: Bt 13.50)

Change in Numbers

Upside : 14.4%

2 NOVEMBER 2021

# BG Container Glass Pcl. (BGC TB)

## Cost pressure



SIRIPORN ARUNOTHAI

662 – 779 9113

siriporn.aru@thanachartsec.co.th

We cut our 2021-23F earnings for BGC by 10-12% to reflect higher-than-expected soda ash and energy costs. But with a 13% earnings CAGR over 2021-23F vs. an inexpensive PE of 13.2x in 2022F and 4-5% dividend yields in 2021-22F, we reaffirm our BUY with a TP of Bt12.7.

### Cutting our earnings but still a BUY

We cut our earnings for BGC by 10-12% over 2021-23F and trim our DCF-based 12-month TP (2022F base year) to Bt12.7 (from Bt13.5) to reflect higher-than-expected soda ash and natural gas prices. But we reaffirm our BUY call on BGC. *First*, we expect BGC's earnings to turn around with 12% and 14% y-y growth in 2022-23F (from flat in 2020-21F) with drivers of improving domestic consumption, export growth and the full-year consolidation of 100%-owned Bangkok Visypak (BVP) and 100%-owned BG Packaging (BGP). *Second*, we regard its PE of 13.2x in 2022F as inexpensive and 4-5% p.a. dividend yields over 2021-22F as attractive. *Lastly*, we see potential upside from new acquisitions.

### Rising raw material prices

Natural gas, cullet and soda ash are key raw materials that accounted for 57% of BGC's glass packaging production costs in 2019. Rising oil prices have resulted in higher natural gas costs for BGC. The soda ash price also increased to c. Bt8,000/tonne in October 2021 from an average of Bt7,800 in 2020 and Bt7,000 in 1H21. The cullet price remains unchanged from an average price in 2020 of c. Bt3.3-3.4/kg. Due to the higher raw material prices, we estimate BGC's gross margin to fall from 18.7% in 2020 to 17.0%, 17.0% and 17.3% over 2021-23F, respectively.

### Organic demand growth

BGC's revenue breakdown in 2020 was 96% glass packaging (92% domestic and 8% exports) and 4% from its solar power business in Vietnam. Some 42% of glass packaging sales in 2020 were for beer bottles and the rest was for soft drink, food, insecticide and drug containers. BGC's sales were hit by the country lockdown in July and August this year. We expect its sales to gradually return to normal after the easing of the lockdown in September and the country's November reopening. Meanwhile, its export sales have grown strongly this year, mainly to the US. We estimate BGC's glass packaging sales growth at 3.8%, 5.1% and 5.0% in 2021-23F.

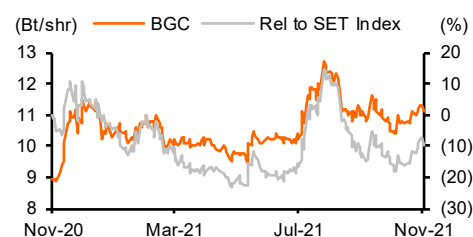
### Still seeking inorganic growth

BGC has announced a power business restructuring plan whereby it would swap its 100%-owned Solar Power Management (SPM) for a 27.3% stake in BG Energy (BGE). Then, BGC would reduce its stake in BGE to 19.9% by selling a 7.35% stake to its parent company "Bangkok Glass". The deal is targeted to be completed by the end of this year or early next year. BGC would have more cash on hand with a slight drop in its net gearing to 1.7x. BGC then expects to expand further via four packaging business deals, two of which are targeted to be completed next year. As for the power business, BGE also has plans to acquire new power projects.

### COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	10,968	13,007	13,212	13,911
Net profit	516	552	584	667
Consensus NP	—	577	624	579
Diff frm cons (%)	—	(4.3)	(6.3)	15.1
Norm profit	516	523	584	667
Prev. Norm profit	—	583	663	739
Chg frm prev (%)	—	(10.2)	(12.0)	(9.8)
Norm EPS (Bt)	0.7	0.8	0.8	1.0
Norm EPS grw (%)	0.9	1.3	11.6	14.1
Norm PE (x)	14.9	14.7	13.2	11.6
EV/EBITDA (x)	6.7	6.4	6.1	5.4
P/BV (x)	1.5	1.4	1.4	1.3
Div yield (%)	4.1	4.3	4.5	5.2
ROE (%)	10.3	10.0	10.7	11.6
Net D/E (%)	151.4	145.1	129.5	109.9

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 2-Nov-21 (Bt)	11.10
Market Cap (US\$ m)	231.9
Listed Shares (m shares)	694.4
Free Float (%)	27.4
Avg Daily Turnover (US\$ m)	1.2
12M Price H/L (Bt)	12.70/8.85
Sector	Packaging
Major Shareholder	Bangkok Glass Pcl. 72.03%

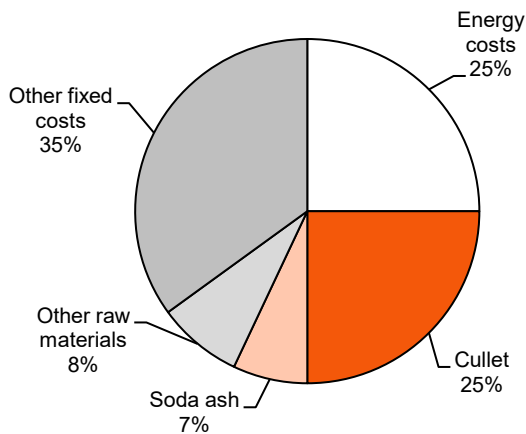
Sources: Bloomberg, Company data, Thanachart estimates

**Ex 1: Changes In Our Key Assumptions And Earnings Revisions**

	2019A	2020A	2021F	2022F	2023F	2024F
<b>Natural gas (Bt/MMBTU)</b>						
- New	276	215	278	288	288	291
- Old			237	246	249	253
- Change (%)			17.5	17.1	15.6	15.0
<b>Cullet (Bt/kg.)</b>						
- New	3.2	3.4	3.5	3.6	3.6	3.6
- Old			3.5	3.6	3.6	3.6
- Change (%)			—	—	—	—
<b>Soda ash (Bt/tonne)</b>						
- New	9,377	7,825	7,229	8,074	8,344	8,236
- Old			6,998	7,367	7,269	7,193
- Change (%)			3.3	9.6	14.8	14.5
<b>Domestic sales (Bt m)</b>						
- New	10,143	9,671	9,984	10,406	10,718	10,932
- Old			9,909	10,315	10,617	10,830
- Change (%)			0.8	0.9	0.9	0.9
<b>Exports (Bt m)</b>						
- New	1,105	841	925	1,064	1,330	1,596
- Old			908	1,044	1,306	1,567
- Change (%)			1.9	1.9	1.9	1.9
<b>Gross margin (%)</b>						
- New	15.3	18.7	17.0	17.0	17.3	17.7
- Old			17.7	17.4	17.7	18.1
- Change (pp)			(0.7)	(0.4)	(0.4)	(0.4)
<b>SG&amp;A to sales (%)</b>						
- New	8.7	11.2	10.2	9.9	9.7	9.5
- Old			10.2	9.9	9.7	9.5
- Change (pp)			—	—	—	—
<b>Normalized profit (Bt m)</b>						
- New	512	516	523	584	667	799
- Old			583	663	739	846
- Change (%)			(10.2)	(12.0)	(9.8)	(5.5)

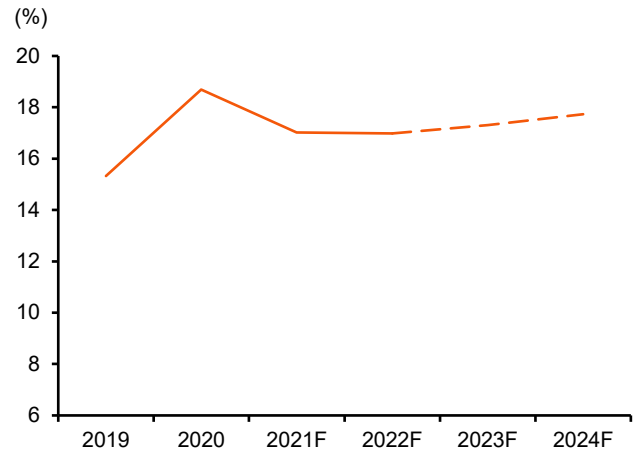
Sources: Company data, Thanachart estimates

**Ex 2: Production Cost Breakdown**



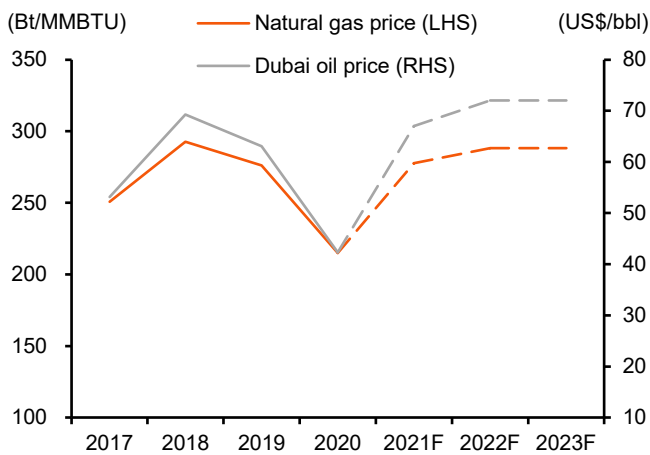
Source: Company data

**Ex 3: BGC's Average Gross Margin**



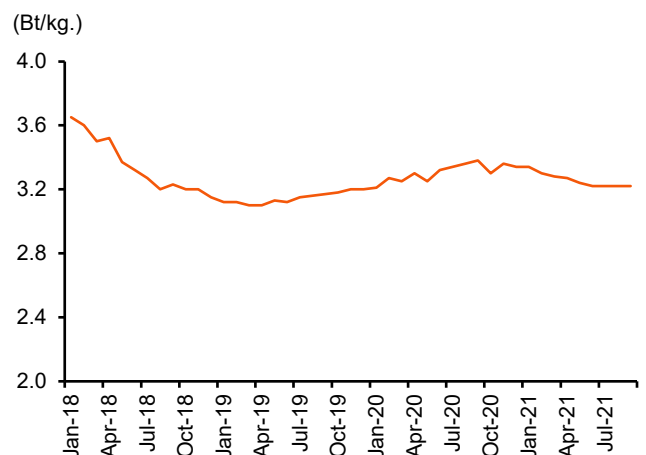
Sources: Company data, Thanachart estimates

**Ex 4: Dubai Oil Price Vs. Natural Gas Price**



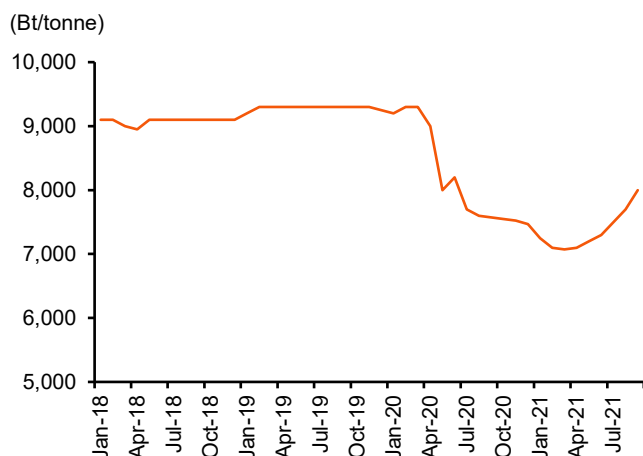
Sources: Bloomberg, Thanachart estimates

**Ex 5: Cullet Price**



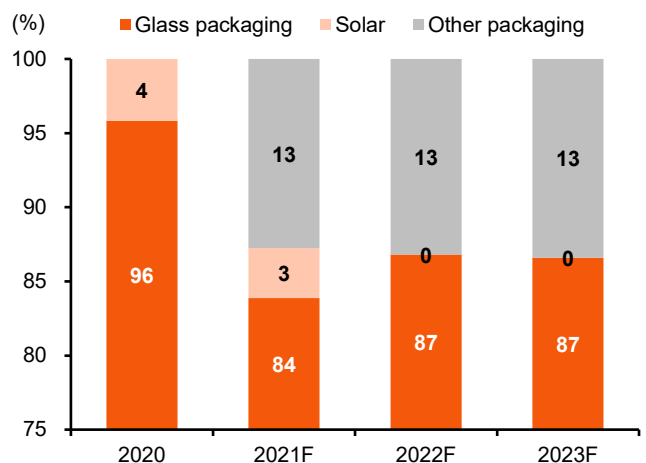
Source: Company data

**Ex 6: Soda Ash Price**



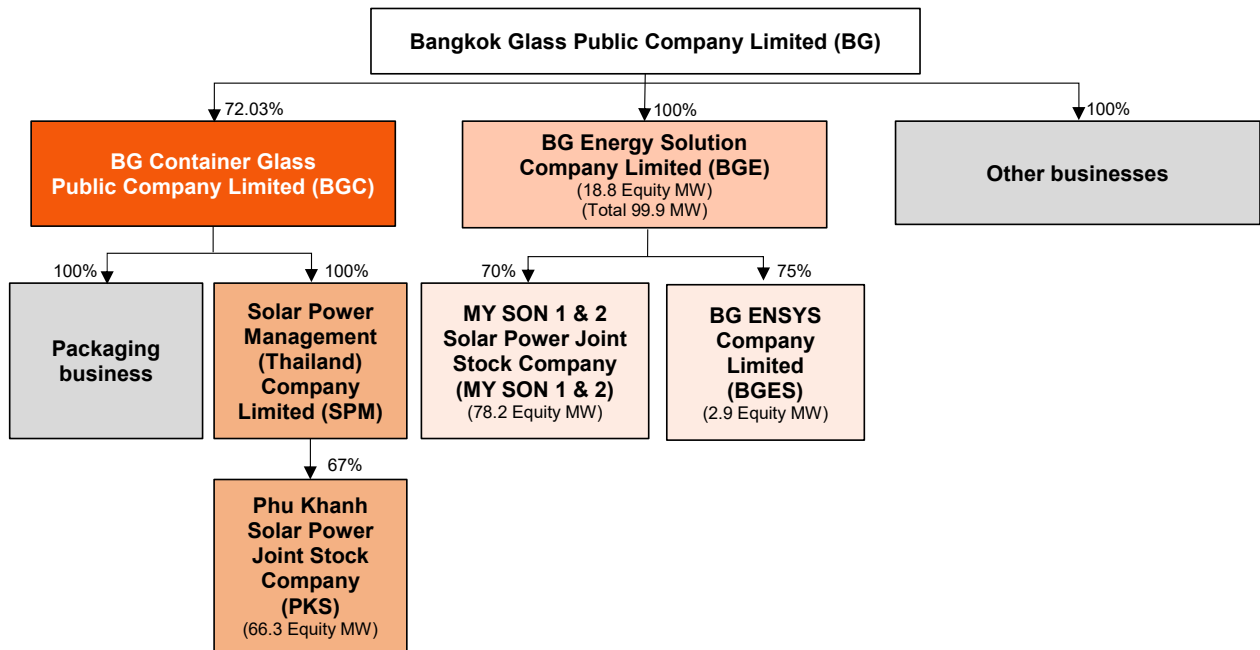
Source: Company data

**Ex 7: Revenue Breakdown**



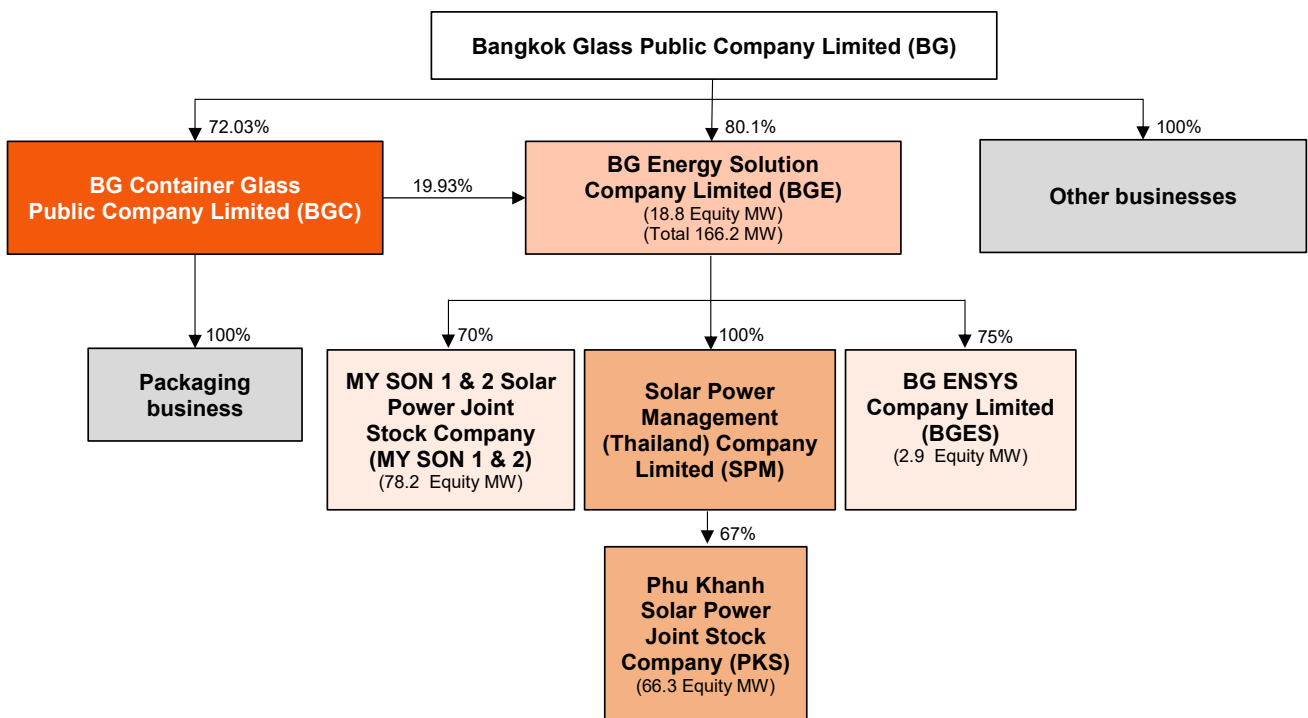
Sources: Company data, Thanachart estimates

**Ex 8: Shareholding Structure Before The Transaction**



Source: Company data

**Ex 9: Shareholding Structure Post Transaction**



Source: Company data

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

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal value
EBITDA excl. depre from right of use	2,620	2,802	2,976	3,068	3,195	3,309	3,376	3,425	3,450	3,461	3,521	—
Free cash flow	1,219	1,569	2,353	2,441	2,046	2,639	2,705	2,258	2,753	2,761	818	12,044
PV of free cash flow	1,215	1,346	1,869	1,764	1,364	1,622	1,533	1,180	1,326	1,174	319	4,700
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.1											
WACC (%)	8.0											
Terminal growth (%)	2.0											
Enterprise value - add investments	19,412											
Net debt (end 2021F)	9,421											
Minority interest	1,158											
Equity value	8,833											
# of shares (m)	694											
<b>Equity value / share (Bt)</b>	<b>12.7</b>											

Sources: Company data, Thanachart estimates

**Valuation Comparison****Ex 11: Valuation Comparison With Regional Peers**

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			21F (%)	22F (%)	21F (x)	22F (x)	21F (x)	22F (x)	21F (x)	22F (x)	21F (%)	22F (%)
Vetropack Holding AG	VETN SW	Switzerland	15.5	11.7	16.0	14.3	1.5	1.4	6.5	6.0	2.2	2.4
Zignago Vetro SpA	ZV IM	Italy	36.2	14.9	27.0	23.5	6.7	5.9	13.6	12.4	2.5	2.9
O-I Glass Inc	OI US	US	55.4	7.5	7.1	6.6	3.5	2.8	5.8	5.6	0.0	0.4
Gerresheimer AG	GRRMF US	US	4.8	19.0	na	na	na	na	na	na	na	na
Vidrala SA	VID SM	Spain	14.2	5.3	16.0	15.2	2.7	2.4	9.4	9.0	1.5	1.7
Verallia SA	VRLA FP	France	50.3	9.7	14.3	13.0	6.2	5.0	7.7	7.1	3.3	3.7
BG Container Glass *	BGC TB	Thailand	1.3	11.6	14.7	13.2	1.4	1.4	6.4	6.1	4.3	4.5
Polyplex Thailand	PTL TB	Thailand	na	29.0	8.6	6.7	1.4	1.2	5.7	4.7	4.7	6.0
Starflex	SFLEX TB	Thailand	13.9	24.4	26.8	21.6	4.5	3.3	19.7	15.4	1.8	2.0
Sahamitr Pressure Container	SMPC TB	Thailand	(12.2)	18.1	10.9	9.2	2.6	2.3	8.0	6.9	6.4	7.2
<b>Average</b>			<b>25.4</b>	<b>11.4</b>	<b>15.8</b>	<b>14.3</b>	<b>3.7</b>	<b>3.2</b>	<b>8.2</b>	<b>7.7</b>	<b>2.3</b>	<b>2.6</b>

Source: Bloomberg

Note: \* Thanachart estimates, using Thanachart normalized EPS

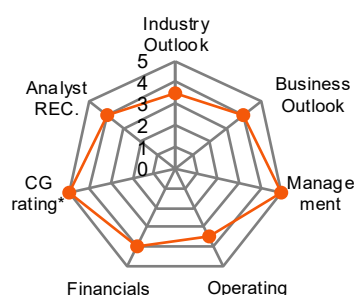
Based on 2 Nov 2021 closing prices

## COMPANY DESCRIPTION

BG Container Glass Pcl (BGC) is the largest glass bottle manufacturer in Thailand. It was set up in 1974. The company presently has 11 plants in five provinces (Ayutthaya, Khon Kaen, Pathumthani, Prachinburi and Ratchaburi) in Thailand with a total capacity of Bt3,495 metric tonnes per day. BGC's glass bottle products are distributed in Thailand and overseas markets such as CLMV, US, Europe, etc.

Source: Thanachart

## COMPANY RATING



### Rating Scale

<b>Excellent</b>	<b>5</b>
<b>Good</b>	<b>4</b>
<b>Fair</b>	<b>3</b>
<b>Weak</b>	<b>2</b>
<b>Very Weak</b>	<b>1</b>
<b>None</b>	<b>0</b>

Source: Thanachart; \* CG Rating

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Being the largest manufacturer in Thailand. It thus has scale benefits.
- Its parent is the biggest beer producer "Boon Rawd Brewery".
- Owners and the company executives have lots of experience in the spirit industry and glass bottle industry.

### O — Opportunity

- Rising consumption and health consciousness.
- Developed countries' rising concerns on environment (greenhouse gas emission and plastics usage).
- Economic expansion in CLMV markets.

### W — Weakness

- Around 55% of glass bottle sales rely on its parent's business.

### T — Threat

- Thailand and global economic slowdowns.
- Oil price hike.
- Regulatory risk.
- COVID-19 outbreak.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
<b>Target price (Bt)</b>	12.73	12.70	0%
<b>Net profit 21F (Bt m)</b>	577	552	-4%
<b>Net profit 22F (Bt m)</b>	624	584	-6%
<b>Consensus REC</b>	<b>BUY: 4</b>	<b>HOLD: 1</b>	<b>SELL: 0</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F earnings are slightly lower than the Bloomberg consensus numbers, which we attribute to us having a more aggressive view on rising raw material costs.

## RISKS TO OUR INVESTMENT CASE

- If domestic or global consumption recovers more slowly than our current expectation, this would be the key downside risk to our earnings forecasts.
- If raw material prices or labour costs increase by more than we currently expect, this would represent a secondary downside risk to our earnings forecasts.
- If existing manufacturers increase their capacity or newcomers enter the market, this would lead to downside risk to our numbers.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

## INCOME STATEMENT

2021-22F revenue driven by new acquisitions and a consumption recovery

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	11,252	10,968	13,007	13,212	13,911
Cost of sales	9,527	8,919	10,794	10,968	11,503
<b>Gross profit</b>	<b>1,724</b>	<b>2,049</b>	<b>2,213</b>	<b>2,244</b>	<b>2,408</b>
% gross margin	15.3%	18.7%	17.0%	17.0%	17.3%
Selling & administration expenses	978	1,223	1,325	1,312	1,348
<b>Operating profit</b>	<b>746</b>	<b>826</b>	<b>888</b>	<b>932</b>	<b>1,060</b>
% operating margin	6.6%	7.5%	6.8%	7.1%	7.6%
Depreciation & amortization	1,386	1,700	1,794	1,770	1,824
<b>EBITDA</b>	<b>2,132</b>	<b>2,526</b>	<b>2,682</b>	<b>2,702</b>	<b>2,884</b>
% EBITDA margin	19.0%	23.0%	20.6%	20.5%	20.7%
Non-operating income	67	57	98	128	134
Non-operating expenses	(30)	(60)	(50)	(50)	(50)
Interest expense	(183)	(259)	(250)	(243)	(252)
<b>Pre-tax profit</b>	<b>601</b>	<b>564</b>	<b>686</b>	<b>767</b>	<b>892</b>
Income tax	68	(15)	60	90	129
<b>After-tax profit</b>	<b>533</b>	<b>579</b>	<b>626</b>	<b>677</b>	<b>764</b>
% net margin	4.7%	5.3%	4.8%	5.1%	5.5%
Shares in affiliates' Earnings	(4)	5	6	7	8
Minority interests	(17)	(68)	(109)	(100)	(105)
Extraordinary items	0	0	29	0	0
<b>NET PROFIT</b>	<b>512</b>	<b>516</b>	<b>552</b>	<b>584</b>	<b>667</b>
<b>Normalized profit</b>	<b>512</b>	<b>516</b>	<b>523</b>	<b>584</b>	<b>667</b>
EPS (Bt)	0.7	0.7	0.8	0.8	1.0
Normalized EPS (Bt)	0.7	0.7	0.8	0.8	1.0

## BALANCE SHEET

New furnace scheduled to be operational in 2023

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
<b>ASSETS:</b>					
Current assets:	3,725	4,271	4,510	4,489	4,707
Cash & cash equivalent	262	212	200	200	200
Account receivables	1,379	1,395	1,604	1,629	1,715
Inventories	1,844	2,178	2,129	2,073	2,175
Others	239	487	577	586	617
Investments & loans	131	144	1,794	1,794	1,794
Net fixed assets	12,940	11,996	10,884	10,673	10,031
Other assets	1,136	1,538	1,491	1,445	1,401
<b>Total assets</b>	<b>17,932</b>	<b>17,949</b>	<b>18,679</b>	<b>18,402</b>	<b>17,933</b>
<b>LIABILITIES:</b>					
Current liabilities:	6,650	7,701	8,071	7,684	7,127
Account payables	1,336	1,117	1,331	1,352	1,418
Bank overdraft & ST loans	4,089	4,631	4,810	4,526	4,075
Current LT debt	1,105	1,785	1,751	1,648	1,483
Others current liabilities	119	168	179	157	151
<b>Total LT debt</b>	<b>4,626</b>	<b>3,118</b>	<b>3,059</b>	<b>2,879</b>	<b>2,591</b>
Others LT liabilities	714	971	1,054	1,002	981
<b>Total liabilities</b>	<b>11,990</b>	<b>11,790</b>	<b>12,185</b>	<b>11,564</b>	<b>10,699</b>
Minority interest	1,009	1,049	1,158	1,259	1,364
Preferred shares	0	0	0	0	0
Paid-up capital	3,472	3,472	3,472	3,472	3,472
Share premium	979	979	979	979	979
Warrants	0	0	0	0	0
Surplus	9	4	4	4	4
<b>Retained earnings</b>	<b>472</b>	<b>654</b>	<b>880</b>	<b>1,124</b>	<b>1,415</b>
Shareholders' equity	4,933	5,109	5,336	5,579	5,870
<b>Liabilities &amp; equity</b>	<b>17,932</b>	<b>17,949</b>	<b>18,679</b>	<b>18,402</b>	<b>17,933</b>

Sources: Company data, Thanachart estimates

## CASH FLOW STATEMENT

Spending Bt2.5bn in  
2021-23 to build a new  
furnace and maintenance

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	601	564	686	767	892
Tax paid	(53)	(9)	(41)	(96)	(123)
Depreciation & amortization	1,386	1,700	1,794	1,770	1,824
Chg In working capital	550	(569)	53	52	(121)
Chg In other CA & CL / minorities	562	(196)	(106)	(45)	(49)
<b>Cash flow from operations</b>	<b>3,044</b>	<b>1,489</b>	<b>2,387</b>	<b>2,449</b>	<b>2,424</b>
Capex	(3,475)	(673)	(600)	(1,478)	(1,100)
Right of use	(1)	(453)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(131)	(14)	(1,650)	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(782)	226	68	(61)	(45)
<b>Cash flow from investments</b>	<b>(4,389)</b>	<b>(914)</b>	<b>(2,182)</b>	<b>(1,539)</b>	<b>(1,145)</b>
Debt financing	1,835	(286)	108	(568)	(904)
Capital increase	0	0	(0)	0	0
Dividends paid	(292)	(335)	(325)	(341)	(375)
Warrants & other surplus	(81)	(5)	0	0	0
<b>Cash flow from financing</b>	<b>1,462</b>	<b>(626)</b>	<b>(217)</b>	<b>(909)</b>	<b>(1,279)</b>
<b>Free cash flow</b>	<b>(430)</b>	<b>816</b>	<b>1,787</b>	<b>971</b>	<b>1,324</b>

## VALUATION

Inexpensive valuation, in  
our view

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	15.1	14.9	14.7	13.2	11.6
Normalized PE - at target price (x)	17.2	17.1	16.9	15.1	13.2
PE (x)	15.1	14.9	14.0	13.2	11.6
PE - at target price (x)	17.2	17.1	16.0	15.1	13.2
EV/EBITDA (x)	8.1	6.7	6.4	6.1	5.4
EV/EBITDA - at target price (x)	8.6	7.2	6.8	6.5	5.8
P/BV (x)	1.6	1.5	1.4	1.4	1.3
P/BV - at target price (x)	1.8	1.7	1.7	1.6	1.5
P/CFO (x)	2.5	5.2	3.2	3.1	3.2
Price/sales (x)	0.7	0.7	0.6	0.6	0.6
Dividend yield (%)	4.0	4.1	4.3	4.5	5.2
FCF Yield (%)	(5.6)	10.6	23.2	12.6	17.2
<b>(Bt)</b>					
Normalized EPS	0.7	0.7	0.8	0.8	1.0
EPS	0.7	0.7	0.8	0.8	1.0
DPS	0.4	0.5	0.5	0.5	0.6
BV/share	7.1	7.4	7.7	8.0	8.5
CFO/share	4.4	2.1	3.4	3.5	3.5
FCF/share	(0.6)	1.2	2.6	1.4	1.9

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

*Rising raw material and energy costs put pressure on gross margin*

FY ending Dec	2019A	2020A	2021F	2022F	2023F
<b>Growth Rate</b>					
Sales (%)	8.2	(2.5)	18.6	1.6	5.3
Net profit (%)	3.1	0.9	7.0	5.7	14.1
EPS (%)	(19.4)	0.9	7.0	5.7	14.1
Normalized profit (%)	3.1	0.9	1.3	11.6	14.1
Normalized EPS (%)	(19.4)	0.9	1.3	11.6	14.1
Dividend payout ratio (%)	60.0	61.9	60.0	60.0	60.0
<b>Operating performance</b>					
Gross margin (%)	15.3	18.7	17.0	17.0	17.3
Operating margin (%)	6.6	7.5	6.8	7.1	7.6
EBITDA margin (%)	19.0	23.0	20.6	20.5	20.7
Net margin (%)	4.7	5.3	4.8	5.1	5.5
D/E (incl. minor) (x)	1.7	1.5	1.5	1.3	1.1
Net D/E (incl. minor) (x)	1.6	1.5	1.5	1.3	1.1
Interest coverage - EBIT (x)	4.1	3.2	3.5	3.8	4.2
Interest coverage - EBITDA (x)	11.7	9.8	10.7	11.1	11.5
ROA - using norm profit (%)	3.1	2.9	2.9	3.2	3.7
ROE - using norm profit (%)	10.5	10.3	10.0	10.7	11.6
<b>DuPont</b>					
ROE - using after tax profit (%)	10.9	11.5	12.0	12.4	13.3
- asset turnover (x)	0.7	0.6	0.7	0.7	0.8
- operating margin (%)	7.0	7.5	7.2	7.6	8.2
- leverage (x)	3.4	3.6	3.5	3.4	3.2
- interest burden (%)	76.7	68.6	73.2	75.9	78.0
- tax burden (%)	88.7	102.6	91.3	88.3	85.6
WACC (%)	8.0	8.0	8.0	8.0	8.0
ROIC (%)	5.2	5.8	5.6	5.6	6.3
NOPAT (Bt m)	662	848	811	823	907
invested capital (Bt m)	14,491	14,432	14,757	14,432	13,820

Sources: Company data, Thanachart estimates

### General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 138 Derivative Warrants which are ACE16C2111A, ACE16C2201A, ACE16C2202A, ADVA16C2110A, ADVA16C2201A, ADVA16C2202A, AEON16C2201A, AEON16C2201B, AMAT16C2112A, AOT16C2112A, AOT16C2202A, BAM16C2110A, BAM16C2112A, BANP16C2110A, BANP16C2112A, BANP16C2201A, BBL16C2201A, BCH16C2111A, BCH16C2111B, BCH16C2201A, BCPG16C2111A, BEC16C2202A, BGRI16C2110A, BGRI16C2112A, CBG16C2201A, CBG16C2202A, CHG16C2111A, CHG16C2112A, CHG16C2202A, COM716C2110A, COM716C2112A, CPAL16C2111A, CPAL16C2112A, CPF16C2112A, CPN16C2202A, DELT16C2112A, DELT16C2202A, DOHO16C2111A, DOHO16C2112A, DOHO16C2202A, DTAC16C2112A, EA16C2110A, EA16C2201A, EGCO16C2110A, ESSO16C2202A, GLOB16C2201A, GPSC16C2110A, GPSC16C2201A, GPSC16C2201B, GULF16C2112A, GULF16C2202A, GUNK16C2110A, GUNK16C2112A, GUNK16C2201A, HANA16C2112A, HANA16C2202A, HMPR16C2202A, INTU16C2201A, INTU16C2202A, IRPC16C2110A, IRPC16C2112A, IVL16C2110A, IVL16C2111A, IVL16C2202A, JAS16C2202A, JMAR16C2111A, JMAR16C2201A, JMT16C2110A, JMT16C2201A, KBAN16C2111A, KBAN16C2111B, KBAN16C2201A, KBAN16C2202A, KCE16C2110A, KCE16C2201A, KTC16C2110A, KTC16C2110B, KTC16C2112A, KTC16C2202A, LH16C2202A, MAJO16C2201A, MEGA16C2112A, MINT16C2112A, MTC16C2112A, MTC16C2202A, OR16C2112A, OR16C2202A, PTG16C2201A, PTG16C2202A, PTL16C2201A, PTL16C2202A, PTL16C2202B, PTT16C2112A, PTT16C2201A, PTTE16C2112A, PTTG16C2110A, PTTG16C2111A, RBF16C2110A, RBF16C2112A, RBF16C2202A, RS16C2112A, RS16C2201A, S5016C2112A, S5016C2112A, S5016C2112B, S5016C2112C, S5016P2112C, S5016P2112A, S5016P2112B, S5016P2112B, S5016C2203A, S5016P2203A, S5016C2112D, S5016P2112D, SAWA16C2112A, SAWA16C2202A, SCB16C2111A, SCB16C2112A, SCB16C2201A, SCB16C2202A, SCC16C2112A, SCGP16C2202A, SCGP16C2201A, SPAL16C2202A, SPRC16C2201A, STA16C2112A, STA16C2201A, STEC16C2110A, STEC16C2201A, STGT16C2111A, STGT16C2202A, SYNE16C2202A, TASC16C2201A, TOP16C2112A, TOP16C2202A, TRUE16C2202A, TU16C2110A, TU16C2111A, TU16C2202A, WHA16C2202A (underlying securities are ACE, ADVANC, AEONTS, AMATA, AOT, BAM, BANPU, BBL, BCH, BCPG, BEC, BGRIM, CBG, CHG, COM7, CPALL, CPF, CPN, DELTA, DOHOME, DTAC, EA, EGCO, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KTC, LH, MAJOR, MEGA, MINT, MTC, OR, PTG, PTL, PTT, PTTEP, PTTGC, RBF, RS, SAWAD, SCB, SCC, SCGP, SPALI, SPRC, SET50, STA, STEC, STGT, SYNTEC, TASC, TOP, TRUE, TU, WHA). . Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

**Note:** Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

**Note:** Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 20.1% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG ) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

### Disclosure of Interest of Thanachart Securities

#### Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)

### Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

### Thanachart Securities Pcl.

Research Team

19 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

#### Pimpaka Nichgaroon, CFA

Head of Research

Tel: 662-779-9199

pimpaka.nic@thanachartsec.co.th

#### Pattarawan Wangmingmat

Senior Technical Analyst

Tel: 662-779-9105

pattarawan.wan@thanachartsec.co.th

#### Phannarai Tiyapittayarut

Property, Retail

Tel: 662-779-9109

phannarai.von@thanachartsec.co.th

#### Sarachada Sornsong

Bank, Finance, Insurance

Tel: 662-779-9106

sarachada.sor@thanachartsec.co.th

#### Sittichet Rungrassameephat

Analyst, Quantitative

Tel: 662-483-8303

sittichet.run@thanachartsec.co.th

#### Adisak Phupiphathirungul, CFA

Retail Market Strategy

Tel: 662-779-9120

adisak.phu@thanachartsec.co.th

#### Nuttapop Prasitsuksant

Telecom, Utilities

Tel: 662-483-8296

nuttapop.pra@thanachartsec.co.th

#### Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund

Tel: 662-483-8297

rata.lim@thanachartsec.co.th

#### Siriporn Arunothai

Small Cap, Healthcare, Hotel

Tel: 662-779-9113

siriporn.aru@thanachartsec.co.th

#### Thaloengsak Kucharoenpaisan

Analyst, Retail Market

Tel: 662-483-8304

thaloengsak.kuc@thanachartsec.co.th

#### Chak Reungsinpinya

Energy, Petrochemical, Paper

Tel: 662-779-9104

chak.reu@thanachartsec.co.th

#### Pattadol Bunnak

Electronics, Food & Beverage, Shipping

Tel: 662-483-8298

pattadol.bun@thanachartsec.co.th

#### Saksid Phadthananarak

Construction, Transportation

Tel: 662-779-9112

saksid.pha@thanachartsec.co.th

#### Witchanan Tambamroong

Technical Analyst

Tel: 662-779-9123

witchanan.tam@thanachartsec.co.th