

BUY (From: HOLD)**TP: Bt 24.00**

(From: Bt 19.00)

Change in Recommendation

Upside : 11.6%

5 NOVEMBER 2021

CPN Retail Growth Leasehold (CPNREIT TB)

Post-lockdown REIT play

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We upgrade CPNREIT to BUY from Hold on its post-lockdown business turnaround, dividend yield swinging back up and its higher spread vs. the 10Y government bond. Our TP is Bt24 while potential upside could come from its planned new asset acquisition next year.

Upgrading to BUY

We upgrade CPNREIT to BUY (from Hold). *First*, CPNREIT's business is turning around fast post-lockdown. CPNREIT owns leasehold shopping malls under the "Central" brand (80% of 2022F revenue), offices (15%) and hotels (5%). *Second*, we expect its swift earnings turnaround to allow cash dividend (dividend plus capital reduction) to recover to 6.4/8.0% in 2022-23F from 2.8% in 2021F. The stock traded at an average yield of 5.2% in 2019. *Lastly*, we see CPNREIT as inexpensive trading at a yield spread of 4.5% over the 10Y government bond vs. the five-year historical average of only 3.5%.

Boosting our TP to Bt24

Given the worse-than-expected COVID impact and lockdowns this year, we cut our 2021F normalized EPS by 40%. However, because of the swifter-than-expected mall traffic recovery after the lockdown ended in August which has led to a rapid drop in rent discounts, we boost our earnings estimates by 2/9/17% over 2022-24F and our DDM-based 12-month TP (2022F base year) to Bt24 (from Bt19). The reason we don't expect CPNREIT's share price to rise back to 2019's level is because: 1) the leasehold contract of Central Pinklao (20% of revenue) is closer to its expiry in 2024; 2) its cash flow base in 2022-24F has come down from what it would be without COVID.

Swift drop in rent discounts

CPNREIT's shopping malls have shifted towards lifestyle and being more service-based, so are much less threatened by e-commerce. Spending time at shopping malls seems to be a way of life for Thais as reflected in the swift turnaround of mall traffic, which rebounded to 60-70% of 2019's level now vs. 10-20% in the July-August 2021 lockdown. We expect traffic to return to normal when tourism recovers in 2023F. Some 18% of CPNREIT's 2022F revenue is expected to come from tourist-destination provinces. We project its average rent discount to fall from 49% in 2021F to only 15% in 2022F and return to the 2019 level in 2023F. That is based on occupancy rate assumptions of 91/93/94% in 2021-23F.

More asset injections in the pipeline

CPNREIT plans to acquire two leasehold assets (Central Surat thani and Central Ubonratchathani malls) worth up to Bt17bn from its parent company Central Pattana (CPN, BUY, Bt58) next year. We expect the financing to be a mix of a capital increase and debt. We estimate its debt/asset ratio at 40% in 2021F vs. its target of 35%. We still leave this acquisition plan as potential upside to our numbers.

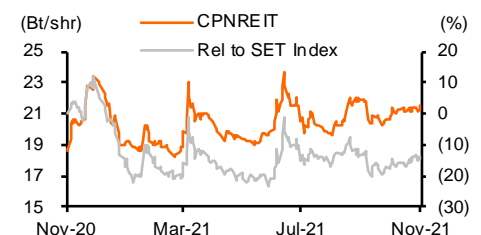
COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	4,041	3,288	5,713	6,879
Net profit	345	27	4,050	3,188
Consensus NP	—	1,053	2,583	2,697
Diff frm cons (%)	—	(97.4)	56.8	18.2
Norm profit	2,659	1,820	3,941	4,925
Prev. Norm profit	—	1,418	2,166	2,643
Chg frm prev (%)	—	28.3	81.9	86.3
Norm EPS (Bt)	1.2	0.7	1.5	1.9
Norm EPS grw (%)	(29.2)	(39.9)	112.4	25.0
Norm PE (x)	17.9	29.8	14.0	11.2
EV/EBITDA (x)	21.5	31.8	17.0	14.3
P/NAV (x)	1.7	1.6	1.6	1.6
Cash div yield (%)*	3.4	2.8	6.4	8.0
Effective yield (%)**	1.3	0.0	6.4	5.8
ROE (%)	9.2	5.9	11.5	14.3
Net D/E (%)	78.0	70.1	66.8	73.5

Note: * Dividend from operations and capital reduction

**Dividend from operations

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 5-Nov-21 (Bt)	21.50
Market Cap (US\$ m)	1,657.0
Listed Shares (m shares)	2,568.0
Free Float (%)	74.1
Avg Daily Turnover (US\$ m)	1.0
12M Price H/L (Bt)	23.70/18.20
Sector	Property Fund
Major Shareholder	CPN 26.7%

Sources: Bloomberg, Company data, Thanachart estimates

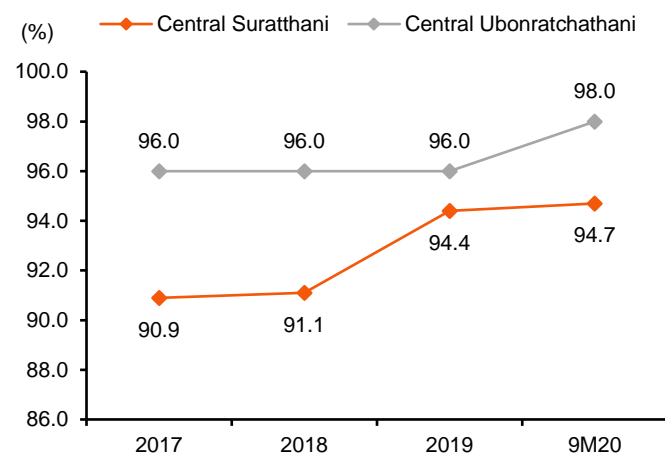
Plans to acquire two leasehold shopping malls next year

CPN Retail Growth Leasehold (CPNREIT) plans to acquire two leasehold shopping malls worth up to Bt17bn (22% of CPNREIT’s current asset portfolio value) from its parent Central Pattana (CPN TB, BUY, Bt58) next year. The first mall is Central Suratthani, in the South of the country. This mall focuses on local residents. Mall traffic post-COVID lockdown last year rebounded swiftly from 56% of 2019’s level in March 2020 to 76% in June and fully recovered in September 2020. The occupancy rate was at 91-95% in 2017-9M20. The other asset is Central Ubonratchathani, in the Northeast, which also focuses on local demand. Its occupancy rate stood at 96-98% in 2017-9M20. These two assets would add leasable area of 60,165 sqm, or 17% of CPNREIT’s current portfolio, and contribute Bt1.1bn revenue, or 16% of CPNREIT’s in a normal year in 2023F. We consider the assets to be of good quality with resilient cash flows, but they generate lower operating margins at 76-77% in 2018 than CPNREIT’s existing portfolio with an operating margin of 81% in 2023F. We expect the financing to be a mix of a capital increase and debt. We estimate its debt/asset ratio at 40% in 2021F vs. its target of 35%. We still leave this acquisition plan as potential upside to our numbers.

We expect a series of asset injections from its parent CPN

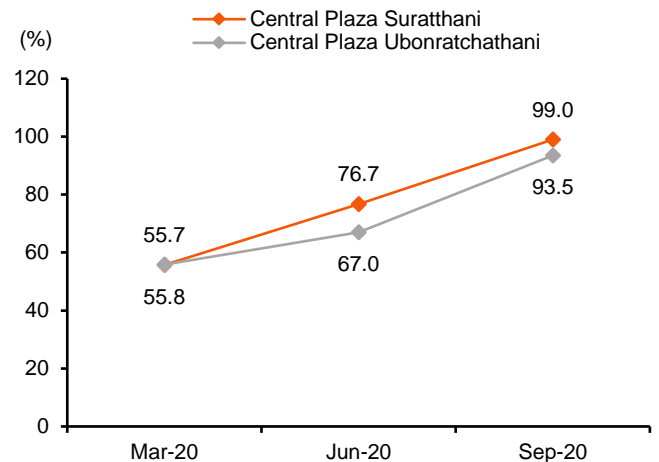
The parent Central Pattana (CPN), a retail-led (shopping malls) mixed-use developer (offices, hotels, residential projects), is aggressively growing its portfolio. As Thailand’s urbanization rate is still at 52%, CPN sees room to expand. CPNREIT is one of CPN’s financing vehicles. With 33 shopping malls under operation in Thailand (15 in the Bangkok metropolitan area and 18 in the provinces), we expect CPN to continue to sell assets to CPNREIT. Another asset injection looks likely before 2024F along with the renewal of the lease contract of its existing Central Pinklao before it expires in 2024.

Ex 1: Occupancy Rate Of Potential New Assets...



Source: Thanachart estimates

Ex 2: ...And Their Mall Traffic Recovery Post-COVID



Source: Company data

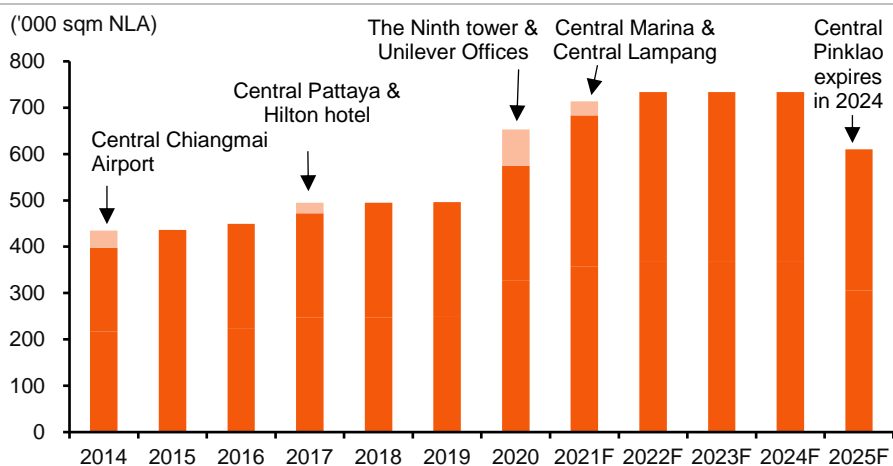
Ex 3: Asset Details

Asset	Type	Province	Net Leasable Area		Year Acquired	Lease Expiry
			(sqm)			
Existing Assets						
Central Plaza Rama 2	Shopping mall	Bangkok	83,281		2005	Aug 2055
Central Plaza Rama 3	Shopping mall	Bangkok	36,476		2005	Aug 2095
Central Plaza Pinklao	Shopping mall	Bangkok	27,689		2009	Dec 2024
Pinklao Tower	Office buildings	Bangkok	34,389		2009	Dec 2024
Central Plaza Chiangmai Airport	Shopping mall	Chiang Mai	37,463		2014	Apr 2044
Central Festival Pattaya Beach	Shopping mall	Chonburi	29,388		2017	Aug 2037
Hilton Pattaya*	Hotel	Chonburi	325*		2017	Aug 2037
Unilever House	Office building	Bangkok	18,527		2020	Nov 2034
The Ninth Tower	Office building	Bangkok	59,437		2020	Apr 2047
Central Plaza Marina	Shopping mall	Chonburi	15,176		2009	Aug 2035
Central Plaza Lampang	Shopping mall	Lampang	16,080		2021	Dec 2041
Total			357,539			
Potential Assets To Be Added						
Central Plaza Suratthani	Shopping mall	Suratthani	31,021		2022F	30 years
Central Plaza Ubonratchathani	Shopping mall	Ubonratchathani	29,144		2022F	30 years
Total			60,165			

Source: Company data

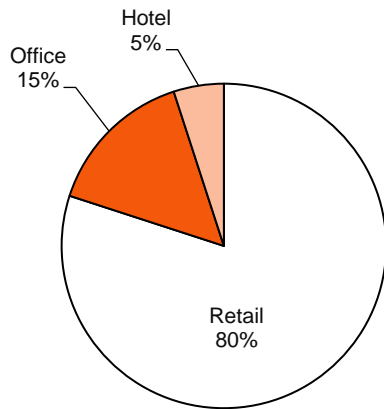
Note: *This asset is a hotel with 325 rooms

Ex 4: Our Forecasts For CPNREIT's Net Leasable Area (NLA)



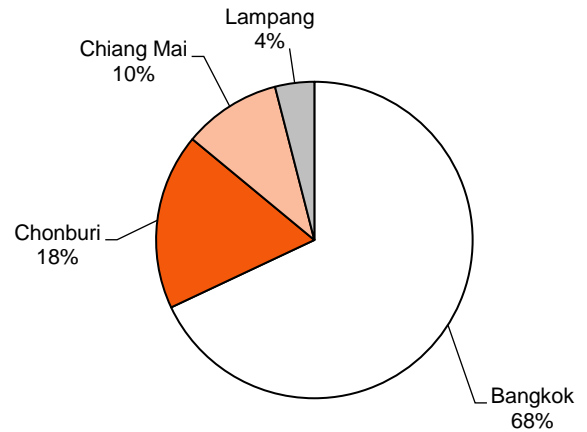
Sources: Company data, Thanachart estimates

Ex 5: 2022F Revenue Breakdown By Asset



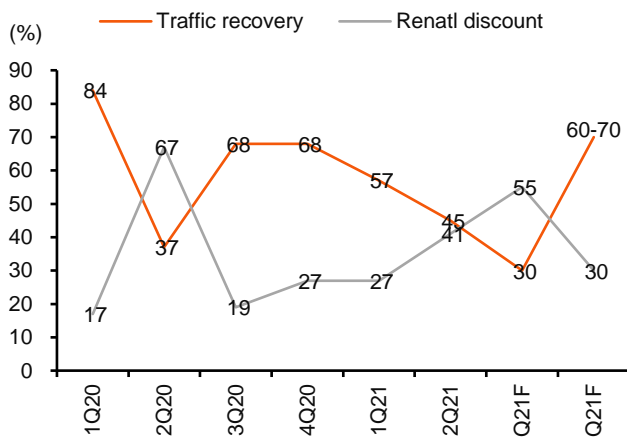
Sources: Company data; Thanachart estimates

Ex 6: 2022F Revenue Breakdown By Location



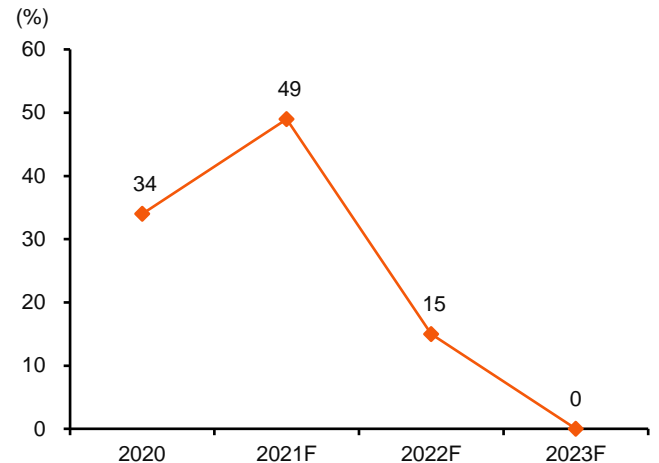
Sources: Company data; Thanachart estimates

Ex 7: Swift Mall Traffic Recovery Post-COVID



Sources: Company data; Thanachart estimates

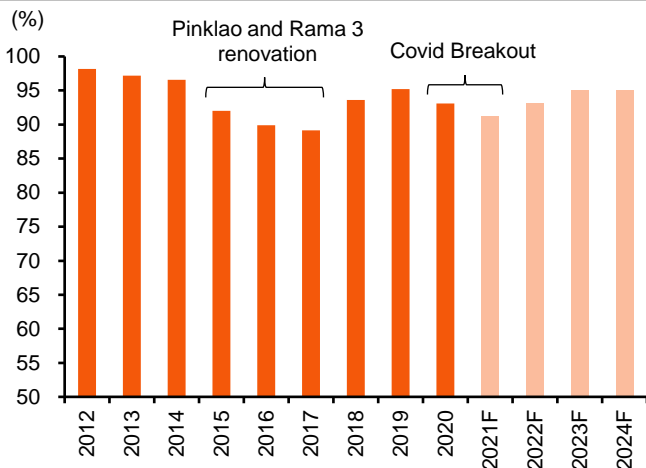
Ex 8: We Forecast Falling Rental Discounts



Source: Thanachart estimates

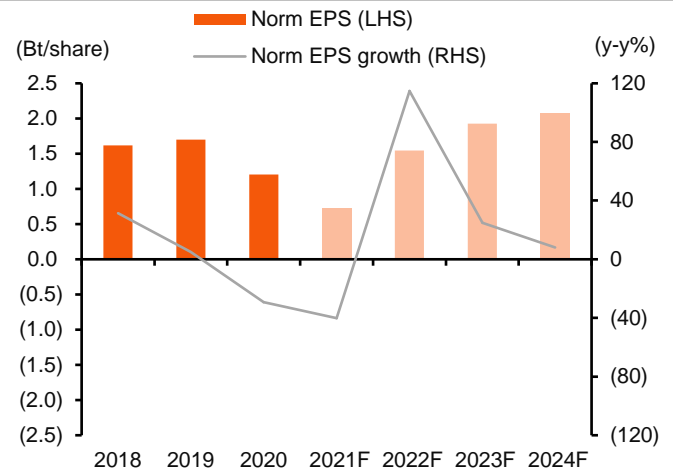
Note: our rental discount assumption is based on 2019 rental rate

Ex 9: Occupancy Rate To Rebound

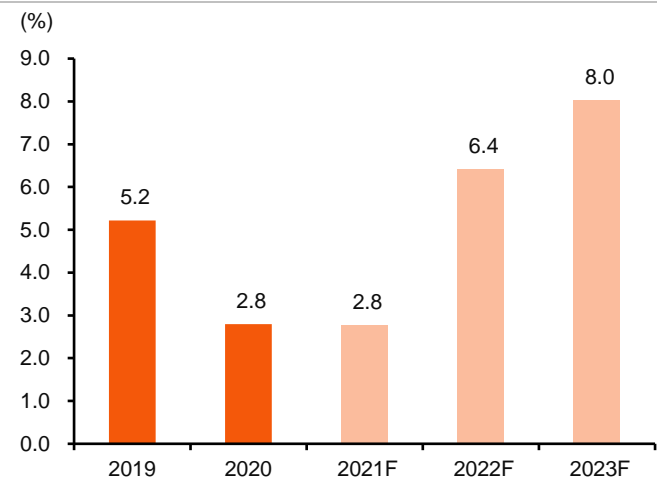


Sources: Company data, Thanachart estimates

Ex 10: Earnings Turnaround

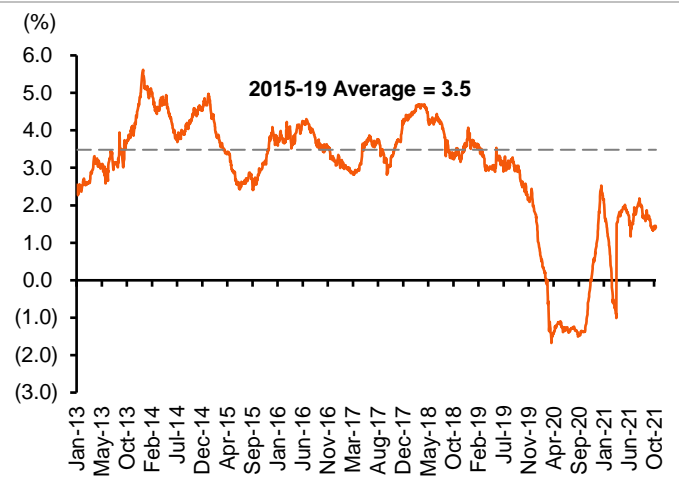


Sources: Company data, Thanachart estimates

Ex 11: Cash Dividend Yield Swings Back Up

Sources: Company data; Thanachart estimates

Note: Our cash dividend yield (dividend plus capital reduction) calculation is based on the average price in that year except for 2021-23F when we use the closing price of Bt21.5

Ex 12: Widened Dividend Yield Gap

Sources: Bloomberg, Company data

Ex 13: Key Assumption Changes

	2019	2020	2021F	2022F	2023F	2024F
SS rental revenue growth (%)						
New	10	(35)	(25)	72	23	11
Old			1	29	13	3
Normalized EPS (Bt/share)						
New	1.70	1.20	0.72	1.53	1.92	2.08
Old			1.21	1.51	1.76	1.77
<i>Change (%)</i>			<i>(40.1)</i>	<i>1.6</i>	<i>9.2</i>	<i>17.0</i>

Sources: Company data, Thanachart estimates

Note: in this report, we now classify the non-cash finance cost as an extraordinary item under the new TFRS-16 accounting standard for the renewal of Central Rama 2, instead of an interest expense previously. For like-for-like comparison, we therefore adjust our previous normalised EPS to the same basis as our new forecasts.

Ex 14: 12-month DDM-based Valuation Using A 2022F Base Year

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
Dividend of common shares	2,660	3,278	2,575	1,504	3,042	4,018	4,161	4,747	5,061	5,237	5,417
Dividend from capital reduction	0	1,244	2,425	2,758	771	458	628	0	99	290	483
Dividend payment	2,660	4,522	5,000	4,262	3,812	4,476	4,788	4,747	5,160	5,527	5,900
Cost of equity (%)	5.3										
Terminal growth (%)	2.0										
PV of dividend	2,653	4,079	4,283	3,467	2,876	3,191	3,226	3,023	3,106	3,145	3,012
Equity value (m)	75,513										
No. of shares (m)*	3,118										
Equity value / share (Bt)	24										

Sources: Company data, Thanachart estimates

*Note: Share count includes potential new shares issued to acquire Central Rama 2 in 2025

Ex 15: Valuation Comparison With Regional Peers

Name	BBG Code	Country	EPU growth		— PE —		— P/NAV —		EV/EBITDA		Div yield	
			21F (%)	22F (%)	21F (x)	22F (x)	21F (x)	22F (x)	21F (x)	22F (x)	21F (%)	22F (%)
Link REIT/The	823 HK	Hong Kong	na	4.0	22.8	21.9	0.9	0.9	21.1	20.5	4.5	4.6
Yuexiu Real Estate	405 HK	Hong Kong	na	11.8	16.8	15.8	0.7	0.7	19.2	17.8	8.3	8.4
Fortune Real Estate	778 HK	Hong Kong	na	12.5	17.7	17.4	0.6	0.6	20.1	20.1	6.0	6.1
CapitaLand Integrated	CICT SP	Singapore	na	18.3	20.0	17.3	1.1	1.1	26.2	24.0	4.9	5.4
Frasers Centrepoint Trust	FCT SP	Singapore	na	4.3	19.6	19.4	1.0	1.0	26.3	24.8	5.1	5.4
Mapletree Commercial	MCT SP	Singapore	na	25.0	24.8	21.6	1.3	1.3	28.3	25.5	4.3	4.6
Suntec Real Estate	SUN SP	Singapore	na	11.1	22.0	20.0	0.7	0.7	41.7	35.7	5.5	5.9
Starhill Global REIT	SGREIT SP	Singapore	8.6	2.5	15.6	14.9	0.8	0.8	18.1	17.8	6.4	6.7
CapitaLand Commercial	CCT SP	Singapore	(6.1)	4.4	na	na	na	na	na	na	na	na
Keppel REIT	KREIT SP	Singapore	27.4	3.8	23.5	22.2	0.9	0.8	63.7	49.9	5.2	5.3
Ascendas Real Estate	AREIT SP	Singapore	na	4.9	20.7	17.8	1.4	1.4	24.3	22.6	2.0	5.3
Mapletree Industrial Trust	MINT SP	Singapore	na	3.7	19.9	19.1	1.5	1.5	24.5	21.9	5.0	5.2
Mapletree Logistics Trust	MLT SP	Singapore	na	4.7	22.7	22.5	1.5	1.5	25.8	24.8	4.4	4.5
Ascott Residence Trust	ART SP	Singapore	na	50.0	30.3	22.6	0.9	0.8	40.3	29.6	3.9	5.7
CDL Hospitality Trusts	CDREIT SP	Singapore	na	47.1	46.5	25.7	0.9	0.9	41.9	29.6	3.8	5.0
Axis Real Estate	AXRB MK	Malaysia	na	6.2	20.2	18.4	1.3	1.3	20.8	19.3	4.8	5.3
Sunway Real Estate	SREIT MK	Malaysia	na	11.1	19.5	17.6	1.0	1.0	20.4	18.6	4.6	5.3
KLCCP Stapled Group	KLCCSS MK	Malaysia	38.1	13.5	20.3	17.9	0.9	0.9	27.4	23.8	4.6	5.3
IGB Real Estate	IGBREIT MK	Malaysia	na	33.3	29.5	21.3	1.5	1.5	27.4	21.1	3.6	4.7
Pavilion Real Estate	PREIT MK	Malaysia	(8.9)	16.3	38.9	21.5	1.1	1.1	29.8	21.2	2.6	4.7
BTS Rail Mass Transit **	BTSGIF TB	Thailand	(24.4)	138.8	16.8	7.1	0.6	0.6	16.8	7.0	5.9	14.2
Digital Telecom Int. *	DIF TB	Thailand	1.3	1.0	11.5	11.3	0.8	0.8	12.3	12.1	7.7	7.8
Jasmine Broadband Int. *	JASIF TB	Thailand	(0.3)	0.8	9.6	9.5	0.9	0.9	9.7	9.7	9.6	9.6
CPN Retail Growth *	CPNREIT TB	Thailand	(39.9)	112.4	29.8	14.0	1.6	1.6	31.8	17.0	2.8	6.4
Frasers Property Thailand *	FTREIT TB	Thailand	3.6	(3.3)	17.2	17.8	1.3	1.2	19.3	20.2	5.3	5.2
IMPACT Growth REIT **	IMPACT TB	Thailand	(1.2)	154.1	67.1	26.4	1.8	1.8	59.1	26.6	1.4	3.7
WHA Premium Growth *	WHART TB	Thailand	(1.3)	(1.6)	18.7	19.0	1.3	1.2	21.1	21.1	4.9	4.9
Lotus's Retail Growth **	LPF TB	Thailand	4.1	10.2	19.4	17.6	1.2	1.2	19.5	17.7	4.6	5.1
Average			0.1	25.0	23.8	18.4	1.1	1.1	27.3	22.2	4.9	5.9

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS,

** Fiscal year ends in February for TLGF, March for IMPACT and BTSGIF; and we use one-year forward numbers for 21-22F for IMPACT BTSGIF and TLGF.

Based on 5 November 2021 closing prices

FUND DETAILS

Name	: CPN Retail Growth Leasehold Property Fund
Ticker	: CPNREIT TB
Listed date	: 23 August 2005
Fund size	: Bt30bn (2,212m units)
Type	: Closed-end property fund
Investment A/S	: Shopping malls
Project life	: One shopping complex has leasehold rights ending in 2095
Sponsor	: Central Pattana (CPN TB)
Fund manager	: SCB Asset Management
Dividend policy	: No less than 90% of distributable income
Payment date	: Four times a year
Foreign limit	: No limit

Source: SET

COMPANY RATING



Rating Scale

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

Source: Thanachart; * No CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Strong sponsor with CPN, the shopping mall market leader.
- Good locations in areas with growing populations in Bangkok and Chiang Mai province.

O — Opportunity

- Potential new asset injections after conversion to a REIT which CPN plans at the earliest by next year.

W — Weakness

- Long payback period.
- Highly capital-intensive business.

T — Threat

- Indirect competition from hypermarkets, especially upcountry.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	21.27	24.00	13%
Net profit 21F (Bt m)	1,053	27	-97%
Net profit 22F (Bt m)	2,583	4,050	57%
Consensus REC	BUY: 3	HOLD: 4	SELL: 2

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F net profits differ sharply from the Bloomberg consensus numbers, likely as we factor in the COVID impact and a non-cash loss from an asset revaluation in 2021F and a stronger recovery from 2022F.
- Our TP is above the Street's given our much higher profit estimate in 2022F.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- An unexpected period of economic weakness would negatively affect purchasing power, CPNREIT's average occupancy rate and its ability to raise rents.
- Higher-than-expected mall rental discounts to tenants would negatively affect revenue assumptions.
- Lower-than-expected operating leverage benefits would negatively affect our gross margin and SG&A/sales assumptions.

Source: Thanachart

*We expect a swift recovery
for shopping malls*

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Revenue	5,111	4,041	3,288	5,713	6,879
Selling & administration expenses	761	694	677	867	1,007
Operating profit	4,228	3,222	2,447	4,617	5,598
% operating margin	82.7%	79.7%	74.4%	80.8%	81.4%
Depreciation & amortization	0	0	0	0	0
EBITDA	4,228	3,222	2,447	4,617	5,598
% EBITDA margin	82.7%	79.7%	74.4%	80.8%	81.4%
Non-operating income	30	28	21	28	33
Non-operating expenses	0	0	0	0	0
Interest expense	(502)	(592)	(649)	(704)	(706)
Pre-tax profit	3,756	2,659	1,820	3,941	4,925
Income tax	0	0	0	0	0
After-tax profit	3,756	2,659	1,820	3,941	4,925
% net margin	73.5%	65.8%	55.3%	69.0%	71.6%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	(436)	(2,314)	(1,792)	109	(1,736)
NET INVESTMENT INCOME	3,320	345	27	4,050	3,188
Normalized Net Invest. Income	3,756	2,659	1,820	3,941	4,925
EPS (Bt)	1.5	0.2	0.0	1.6	1.2
Normalized EPS (Bt)	1.7	1.2	0.7	1.5	1.9

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	714	1,807	1,311	1,126	877
Cash & cash equivalent	510	1,162	500	500	500
Account receivables	204	644	811	626	377
Inventories	0	0	0	0	0
Others	0	0	0	0	0
Investments & loans	45,374	52,630	58,869	60,690	60,829
Net fixed assets	0	0	0	0	0
Other assets	599	17,141	18,618	20,344	22,230
Total assets	46,687	71,577	78,797	82,160	83,936
LIABILITIES:					
Current liabilities:	2,223	2,524	2,676	3,042	2,936
Account payables	151	167	158	219	264
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	0	0	0	0	0
Others current liabilities	2,073	2,357	2,519	2,823	2,672
Total LT debt	14,524	23,035	24,082	23,902	25,259
Others LT liabilities	238	17,974	18,418	20,206	22,065
Total liabilities	16,986	43,533	45,177	47,150	50,259
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	29,016	28,552	32,120	32,120	30,876
Share premium	0	0	2,131	2,131	2,131
Warrants	0	0	0	0	0
Surplus	216	216	216	216	216
Retained earnings	469	(724)	(846)	544	454
Net Assets	29,701	28,044	33,620	35,010	33,677

Sources: Company data, Thanachart estimates

*Dividend yield to swing
back up*

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	3,756	2,659	1,820	3,941	4,925
Tax paid	(6)	(68)	(0)	1	0
Depreciation & amortization	0	0	0	0	0
Chg In working capital	(62)	(424)	(176)	246	294
Chg In other CA & CL / minorities	90	(880)	162	303	(151)
Cash flow from operations	3,778	1,286	1,805	4,491	5,068
Capex	0	0	0	0	0
Right of use	0	(16,713)	(1,504)	(1,640)	(1,787)
ST loans & investments	0	0	0	0	0
LT loans & investments	376	(7,256)	(6,239)	(1,822)	(139)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(397)	16,786	(1,651)	1,809	30
Cash flow from investments	(21)	(7,183)	(9,395)	(1,652)	(1,896)
Debt financing	25	8,551	1,378	(180)	1,350
Capital increase	0	(465)	5,699	0	(1,244)
Dividends paid	(3,591)	(1,497)	(150)	(2,660)	(3,278)
Warrants & other surplus	(23)	(40)	0	0	0
Cash flow from financing	(3,589)	6,549	6,927	(2,839)	(3,172)
Free cash flow	3,778	1,286	1,805	4,491	5,068

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	12.7	17.9	29.8	14.0	11.2
Normalized PE - at target price (x)	14.1	20.0	33.2	15.6	12.5
PE (x)	14.3	138.0	1,970.1	13.6	17.3
PE - at target price (x)	16.0	154.1	2,199.1	15.2	19.3
EV/EBITDA (x)	14.6	21.5	31.8	17.0	14.3
EV/EBITDA - at target price (x)	15.9	23.3	34.3	18.4	15.4
P/NAV (x)	1.6	1.7	1.6	1.6	1.6
P/NAV - at target price (x)	1.8	1.9	1.8	1.8	1.8
P/CFO (x)	12.6	37.0	30.0	12.3	10.9
Price/sales (x)	10.8	13.7	16.8	9.7	8.0
Effective dividend yield (%)	7.5	1.3	0.0	6.4	5.8
Capital reduction yield (%)	0.0	2.2	2.8	0.0	2.3
Cash dividend yield (%)	7.5	3.4	2.8	6.4	8.0
FCF Yield (%)	7.9	2.7	3.3	8.1	9.2
(Bt)					
Normalized EPS	1.7	1.2	0.7	1.5	1.9
EPS	1.5	0.2	0.0	1.6	1.2
Effective dividend *	1.6	0.3	0.0	1.4	1.2
Capital reduction dividend	0.0	0.5	0.6	0.0	0.5
Cash dividend **	1.6	0.7	0.6	1.4	1.7
NAV/unit	13.4	12.7	13.1	13.6	13.1
CFO/unit	1.7	0.6	0.7	1.7	2.0
FCF/unit	1.7	0.6	0.7	1.7	2.0

Sources: Company data, Thanachart estimates

Falling rental discounts and occupancy rate recovery to support earnings rebound

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	4.1	(20.9)	(18.6)	73.8	20.4
Net profit (%)	(13.2)	(89.6)	(92.0)	14,634.2	(21.3)
EPS (%)	(13.2)	(89.6)	(93.0)	14,350.1	(21.3)
Normalized profit (%)	5.0	(29.2)	(31.6)	116.5	25.0
Normalized EPS (%)	5.0	(29.2)	(39.9)	112.4	25.0
Dividend payout ratio (%)***	108.2	173.8	0.0	87.6	100.0
Operating performance					
Gross margin (%)	97.6	96.9	95.0	96.0	96.0
Operating margin (%)	82.7	79.7	74.4	80.8	81.4
EBITDA margin (%)	82.7	79.7	74.4	80.8	81.4
Net margin (%)	73.5	65.8	55.3	69.0	71.6
Interest bearing debt to NAV (%)	48.9	82.1	71.6	68.3	75.0
D/E (incl. minor) (x)	0.5	0.8	0.7	0.7	0.8
Net D/E (incl. minor) (x)	0.5	0.8	0.7	0.7	0.7
Interest coverage - EBIT (x)	8.4	5.4	3.8	6.6	7.9
Interest coverage - EBITDA (x)	8.4	5.4	3.8	6.6	7.9
Interest bearing debt to total asset (31.1	32.2	30.6	29.1	30.1
ROA - using norm profit (%)	8.0	4.5	2.4	4.9	5.9
ROE - using norm profit (%)	12.6	9.2	5.9	11.5	14.3
DuPont					
ROE - using after tax profit (%)	12.6	9.2	5.9	11.5	14.3
- asset turnover (x)	0.1	0.1	0.0	0.1	0.1
- operating margin (%)	83.3	80.4	75.1	81.3	81.8
- leverage (x)	1.6	2.0	2.4	2.3	2.4
- interest burden (%)	88.2	81.8	73.7	84.8	87.5
- tax burden (%)	100.0	100.0	100.0	100.0	100.0
Cost of equity (%)	7.7	7.7	7.7	7.7	7.7
ROIC (%)	9.6	7.4	4.9	8.1	9.6
NOPAT (Bt m)	4,228	3,222	2,447	4,617	5,598

Sources: Company data, Thanachart estimates

Note: * Dividend from operations

** Dividend from operations and capital reduction

*** Dividend payout ratio is based on distributable income

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