

**BUY** (Unchanged)

Change in Numbers

**TP: Bt 11.00** (From: Bt 10.50)**Upside : 25.0%****24 NOVEMBER 2021**

# Land & Houses Pcl (LH TB)

## Recovery in all businesses

Achieving new highs in property presales and sales next year, a recovery in mall and hotel income and higher profit contribution from HMPRO should drive strong EPS growth of 20% in 2022F and 13% in 2023F. We reaffirm BUY on LH as a top sector pick with a new Bt11 TP. LH's dividend yield is the sector's highest at 6.8% in 2022F.

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### A top sector pick

We reaffirm our BUY call on LH as a top pick in the property sector for its solid fundamentals. Its well-diversified businesses of real estate (62% of 2021F profit), rental (2%) and equity income from five associates (36%) have helped cushioned profit. Real estate was hit by the stricter LTV in 2019 while COVID and the country lockdown in 2020-21 hurt mall and hotel income as well as equity income from its 30%-owned HMPRO. We expect LH to post 7% normalized EPS growth this year but with all businesses recovering from next year we estimate strong EPS growth of 20% in 2022F and 13% in 2023F. Dividend yield is the highest in the sector at 5.7-6.8% in 2021-22F. With our earnings hikes of 4% p.a. in 2021-32F on its stronger-than-expected property business, we raise our SOTP-based 12-month TP to Bt11 from Bt10.5.

### A new high for the property business

Known as a quality developer with a focus on low-rise housing development (low condo exposure at 9% of 2021F property revenues) targeting the mid-to-high-end segment (average selling price of Bt7.6m/unit), LH has gained further market share with 5% presales growth and 9% property sales growth last year. This year it looks likely to beat its target with 13% presales growth and 10% sales growth to Bt30bn for both. October presales jumped 70% y-y to Bt2.8bn, giving a combined Bt24.8bn for 10M21F. We forecast a new high for presales and sales of Bt33bn in 2022F given its plan to launch 50% more new projects next year from Bt19.7bn to Bt30bn. Inventory is not a concern and 9M21 property gross margin improved to 31.8% vs. 31.3% in 9M20.

### Rental business on recovery path

LH operates five hotels, one mall (Terminal Pattaya) and three serviced apartments in the US. We expect operations to improve with the COVID crisis and lockdown easing from September. Its Grande Centre Point (GCP) hotel in Pattaya saw its occupancy rate increase to 50% in October with 90% occupancy on weekends in November as domestic tourism recovered.

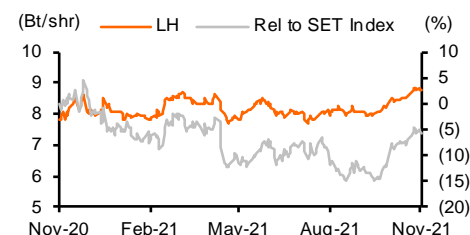
### Rental asset investments/divestments

LH usually sells rental assets to its REITs (LHHOTEL, LHSC) or to third parties once a year. The most recent sale was Mode Residence USA in 4Q20. The earlier plan to divest the Terminal 21 Pattaya mall and GCP Pattaya hotel in 4Q21 has been delayed until their performance returns to normal. New projects under development are the Terminal 21 Rama 3 mall (scheduled to open in mid-2022), the GCP Pattaya hotel (2<sup>nd</sup> phase – 2H22), the GCP Surawongse hotel (4Q23) and the GCP Lumpini mixed-use project (2024).

### COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	29,898	31,909	36,755	39,616
Net profit	7,145	7,054	8,460	9,582
Consensus NP	—	6,876	7,996	8,586
Diff frm cons (%)	—	2.6	5.8	11.6
Norm profit	6,597	7,054	8,460	9,582
Prev. Norm profit	—	7,420	8,318	9,341
Chg frm prev (%)	—	(4.9)	1.7	2.6
Norm EPS (Bt)	0.6	0.6	0.7	0.8
Norm EPS grw (%)	(15.7)	6.9	19.9	13.3
Norm PE (x)	15.9	14.9	12.4	11.0
EV/EBITDA (x)	24.8	21.3	19.0	17.0
P/BV (x)	2.1	2.1	2.0	1.9
Div yield (%)	5.7	5.7	6.8	7.4
ROE (%)	12.9	14.0	16.1	17.5
Net D/E (%)	95.5	86.0	97.1	92.4

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 24-Nov-21 (Bt)	8.80
Market Cap (US\$ m)	3,154.5
Listed Shares (m shares)	11,949.7
Free Float (%)	69.4
Avg Daily Turnover (US\$ m)	10.0
12M Price H/L (Bt)	8.85/7.70
Sector	PROP
Major Shareholder	Asavabhokhin Family 23.9%

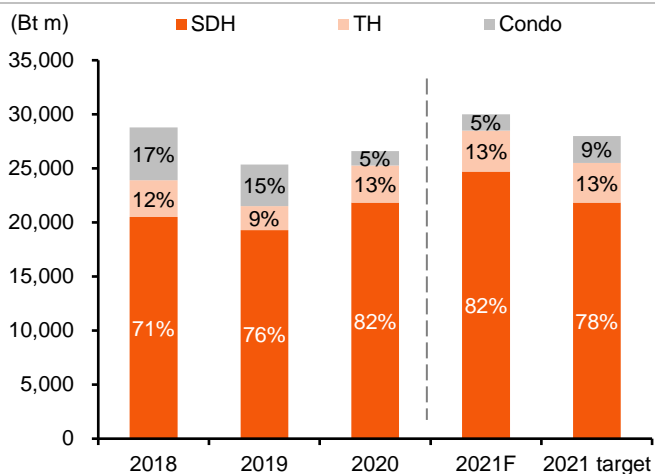
Sources: Bloomberg, Company data, Thanachart estimates

## Ex 1: Key Assumption Changes

	2019	2020	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F
<b>Presales (Bt m)</b>														
- New	25,356	26,602	30,007	33,568	35,523	37,577	39,341	40,776	41,842	42,932	44,046	45,183	46,345	47,532
- Old	25,356	26,602	28,399	30,135	31,691	33,313	34,659	35,698	36,403	37,117	37,841	38,575	39,320	40,074
Change (%)	0	0	6	11	12	13	14	14	15	16	16	17	18	19
<b>Property sales (Bt m)</b>														
- New	25,151	27,481	30,097	32,804	35,010	37,067	38,886	40,390	41,535	42,625	43,730	44,859	46,012	47,190
- Old	25,151	27,481	29,176	29,765	31,314	32,921	34,318	35,419	36,190	36,903	37,622	38,351	39,090	39,838
Change (%)	0	0	3	10	12	13	13	14	15	16	16	17	18	18
<b>Equity income (Bt m)</b>														
- New	3,383	2,588	2,579	3,013	3,500	3,967	4,476	4,991	5,593	6,222	6,898	7,620	8,358	9,097
- Old	3,383	2,588	2,786	3,127	3,594	4,045	4,551	5,069	5,670	6,307	6,990	7,732	8,468	9,205
Change (%)	0	0	(7)	(4)	(3)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)
<b>Revenues from hotel operations (Bt m)</b>														
- New	2,970	976	755	2,278	2,766	3,043	3,195	3,355	3,522	3,698	3,883	4,078	4,281	4,495
- Old	2,970	976	1,627	2,278	2,766	3,043	3,195	3,355	3,522	3,698	3,883	4,078	4,281	4,495
Change (%)	0	0	(54)	0	0	0	0	0	0	0	0	0	0	0
<b>Rental income (Bt m)</b>														
- New	1,640	1,211	850	1,445	1,590	1,669	1,752	1,840	1,932	2,029	2,130	2,237	2,348	2,466
- Old	1,640	1,211	1,453	1,598	1,678	1,762	1,850	1,943	2,040	2,142	2,249	2,362	2,480	2,604
Change (%)	0	0	(42)	(10)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
<b>Normalized profit (Bt m)</b>														
- New	7,822	6,597	7,054	8,460	9,582	10,522	11,543	12,350	13,368	14,344	15,373	16,488	17,583	18,660
- Old	7,822	6,597	7,420	8,318	9,341	10,198	11,108	11,853	12,765	13,662	14,609	15,642	16,645	17,634
Change (%)	0	0	(5)	2	3	3	4	4	5	5	5	5	6	6

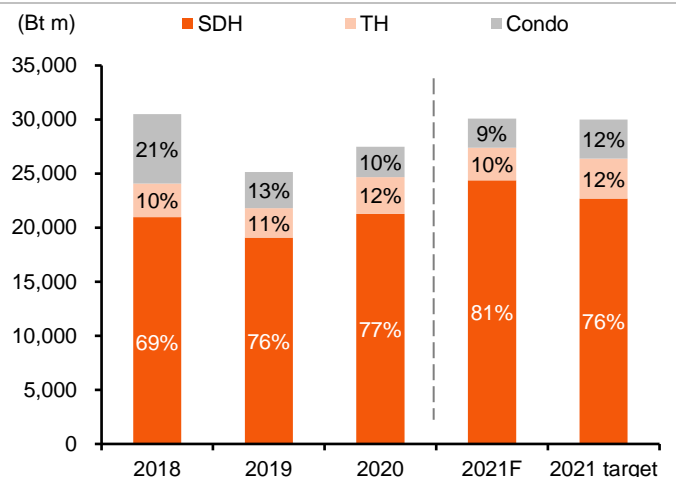
Source: Thanachart estimates

## Ex 2: Property Presales



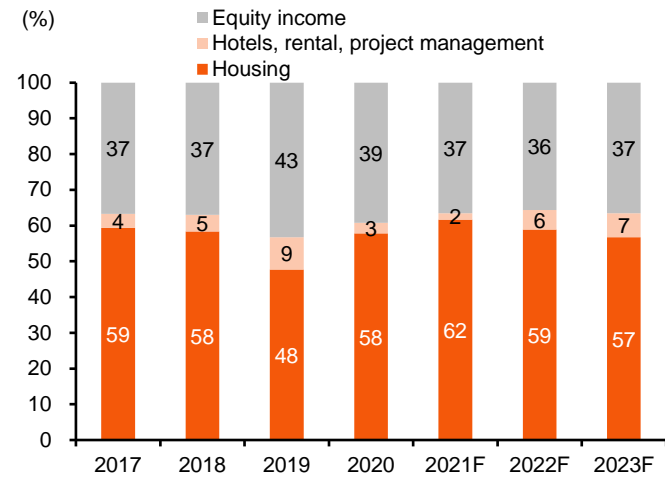
Sources: Company data, Thanachart estimates

## Ex 3: Property Sales



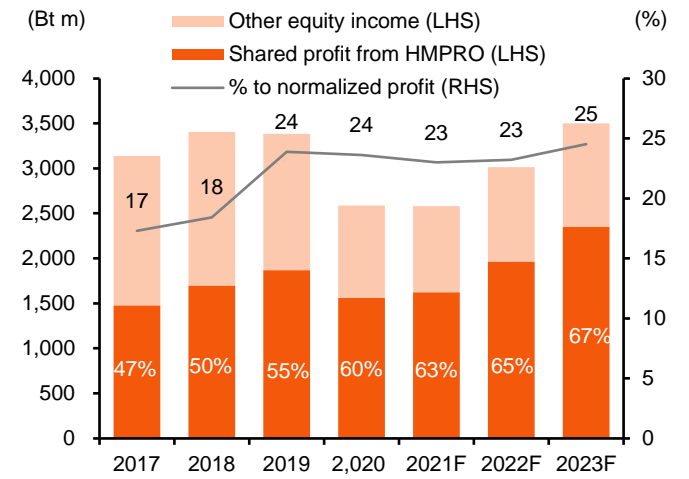
Sources: Company data, Thanachart estimates

**Ex 4: Profit Breakdown**



Sources: Company data, Thanachart estimates

**Ex 5: HMPRO's Profit Contribution To LH**



Sources: Company data, Thanachart estimates

**Ex 6: Asset Investments/Divestments**

Investment		Divestment
Centre Point Residence Phrom Phong	1999	
Centre Point Wireless (Grande Centre Point Ploenchit Hotel: 2014)	2003	Centre Point Wireless (to LHPF II - Type 4)
Centre Point Serviced Apartment Thonglor	2005	
Villa Sathorn	2007	
Grande Centre Point Ratchadamri Hotel	2008	
Terminal 21 Asoke mall Grande Centre Point Terminal 21 Hotel Verona serviced apartment (US)	2012	Centre Point Phrom Phong (to LHPF) Centre Point Thonglor (to LHPF) Villa Sathorn (to LHPF)
Domain serviced apartment (US)	2013	
	2014	Terminal 21 Asoke mall (to LHSC)
Mode serviced apartment (US)	2015	Grande Centre Point Terminal 21 hotel (to LHHOTEL) Verona, US (to 3rd party)
Grande Centre Point Sukhumvit 55 Hotel Parc serviced apartment (US) Yard serviced apartment (US)	2016	
Revere serviced apartment (US)	2017	Grande Centre Point Ratchadamri Hotel (to LHHOTEL)
Terminal 21 Pattaya mall Grande Centre Point Pattaya Hotel	2018	Domain, USA (to 3rd party)
	2019	Grande Centre Point Sukhumvit 55 Hotel (to LHHOTEL)
	2020	Mode, USA (to 3rd party)
	2021F	
Terminal 21 Rama 3 mall Grande Centre Point Pattaya Hotel (extension)	2022F	
Grande Centre Point Surawongse Hotel	2023F	Terminal 21 Pattaya mall Grande Centre Point Pattaya Hotel
Grande Centre Point Lumpini mixed-use project	2024F	
<b>2022-24: Parc, Yard, Revere (USA)</b>		

Sources: Company data, Thanachart estimates

## Ex 7: Our DCF Calculation For LH's Property Development Business

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA	7,580	8,512	9,124	9,561	9,930	10,228	10,518	10,813	11,113	11,415	11,721	
Free cash flow	(3,885)	4,803	10,787	14,401	12,484	10,895	6,936	11,766	10,545	8,221	10,939	166,699
PV of free cash flow	(3,874)	4,136	8,618	10,676	8,406	6,778	3,986	6,247	5,173	3,727	4,371	66,605
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.1											
WACC (%)	7.8											
Terminal growth (%)	2.0											
<b>Enterprise value – property development business</b>	<b>124,850</b>											
<b>SOTP Calculation</b>							<b>% holding</b>					<b>(Bt m)</b>
<b>Enterprise value - property development business (plus rental business)</b>												<b>124,850</b>
Rental properties								0				0
Investment in property fund/REITs								0				1,907
Investment in associates - at a 30% discount								0				49,990
- Quality Construction Products Plc (QCON)								21				332
- LH Financial Group Plc (LHBANK)								22				4,477
- Home Product Center Plc (HMPRO)								30				40,910
- Quality Houses Plc (QH)								25				4,272
<b>Total enterprise value</b>								<b>0</b>				<b>176,748</b>
Less Net debt (end-2021F)								0				44,577
Less Minority interest								0				672
<b>Equity value</b>								<b>0</b>				<b>131,499</b>
# of shares (m)								0				11,950
<b>Equity value/share (Bt)</b>								<b>0</b>				<b>11.00</b>

Sources: Company data, Thanachart estimates

## Valuation Comparison

### Ex 8: 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 (%)
Poly Real Estate Group	600048 CH	China	(0.2)	7.7	5.7	5.3	0.9	0.8	9.1	8.6	5.1	5.5
Agile Property Holdings	3383 HK	China	3.1	4.3	2.4	2.3	0.3	0.3	4.7	4.4	15.8	16.7
Country Garden Holdings	2007 HK	China	(12.1)	9.4	4.4	4.0	0.8	0.7	4.6	4.3	6.8	7.4
China Overseas Land & Invest	688 HK	Hong Kong	5.9	7.8	5.1	4.8	0.6	0.6	5.1	4.7	5.9	6.3
China Resources Land	1109 HK	Hong Kong	10.3	14.4	9.2	8.1	1.1	1.0	6.6	5.9	3.9	4.4
Hang Lung Properties	101 HK	Hong Kong	13.5	13.1	15.1	13.3	0.5	0.5	16.7	15.0	4.8	4.9
Henderson Land Development	12 HK	Hong Kong	(1.6)	1.9	11.5	11.3	0.5	0.5	21.1	20.2	5.3	5.4
Shimao Property Holdings	813 HK	Hong Kong	5.5	6.4	2.6	2.4	0.3	0.3	5.8	5.4	14.0	15.5
Sun Hung Kai Properties	16 HK	Hong Kong	0.0	5.8	9.5	9.0	0.5	0.5	9.7	9.0	5.0	5.0
Sino Land	83 HK	Hong Kong	105.8	(25.1)	7.4	9.9	0.5	0.4	3.5	4.7	6.5	5.7
CapitaLand	CAPL SP	Singapore	30.5	11.2	na	na	na	na	na	na	na	na
City Developments	CIT SP	Singapore	34.7	113.5	31.2	14.6	0.8	0.7	27.1	19.4	1.8	2.2
Guocoland	GUOL SP	Singapore	na	na	na	na	na	na	na	na	na	na
Asian Property Devt *	AP TB	Thailand	(10.3)	3.6	7.7	7.4	0.9	0.8	12.8	12.6	4.6	4.7
Land and Houses *	LH TB	Thailand	6.9	19.9	14.9	12.4	2.1	2.0	21.3	19.0	5.7	6.8
LPN Development *	LPN TB	Thailand	(11.9)	15.2	11.5	9.9	0.7	0.7	14.4	12.3	5.2	6.0
Pruksa Holding *	PSH TB	Thailand	0.4	13.0	10.4	9.2	0.7	0.6	11.4	10.1	5.8	6.5
Quality Houses *	QH TB	Thailand	(10.6)	17.0	12.9	11.0	0.9	0.8	47.6	47.9	4.7	5.5
Sansiri *	SIRI TB	Thailand	(11.6)	12.3	15.0	13.3	0.6	0.5	22.7	22.5	2.7	3.0
Supalai *	SPALI TB	Thailand	36.2	13.3	8.4	7.4	1.2	1.1	10.1	8.8	4.8	5.4
<b>Average</b>			<b>10.2</b>	<b>13.9</b>	<b>10.3</b>	<b>8.6</b>	<b>0.8</b>	<b>0.7</b>	<b>14.1</b>	<b>13.0</b>	<b>6.0</b>	<b>6.5</b>

Sources: Bloomberg consensus, \*Thanachart estimates

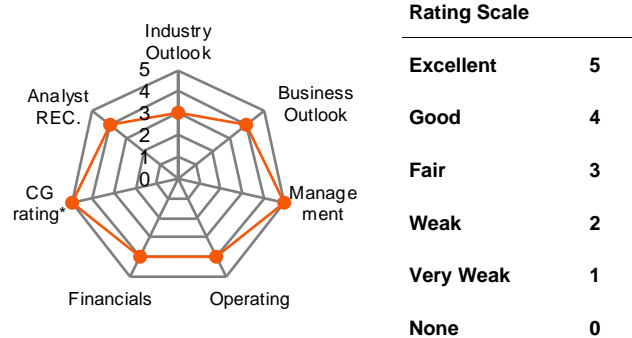
Based on 24 November 2021 closing prices

## COMPANY DESCRIPTION

Land & Houses Pcl (LH) develops real-estate projects, i.e. single-detached houses, townhouses and condominiums. To date almost all its developments have been in Greater Bangkok and its vicinity and in other major cities in Thailand: Chiang Mai, Nakorn Ratchasima, Khon Kaen and Phuket. It also earns rental income from Grande Centre Point hotels and serviced apartments in the US. The company receives equity income from four associates: HMPRO (30.23%), LHBANK (22.16%), QH (24.98%), and QCON (21.16%).

Source: Thanachart

## COMPANY RATING



Source: Thanachart; \*CG Rating

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Very strong product franchise.
- Leader in the SDH market.
- High housing quality standards.
- High volume gives good economies of scale.

### O — Opportunity

- Expanding beyond core products into the condo segment and the mid-to-low end SDH and TH segments.
- Growing rental income from rental properties in its portfolio.
- Hidden value from investments in affiliates.

### W — Weakness

- High proportion of prebuilt houses which requires substantial capital.

### T — Threat

- Rising land prices.
- Fierce competition in the low-end segment.
- Imposition of new land and building tax.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
<b>Target price (Bt)</b>	9.92	11.00	11%
<b>Net profit 21F (Bt m)</b>	6,876	7,054	3%
<b>Net profit 22F (Bt m)</b>	7,996	8,460	6%
<b>Consensus REC</b>	<b>BUY: 23</b>	<b>HOLD: 1</b>	<b>SELL: 0</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F net profit estimates are 3-6% above the Bloomberg consensus numbers, which we attribute to us factoring in higher presales assumptions.
- Meanwhile, our SOTP-based TP is 11% above other brokers', which we believe is mainly a result of us having higher long-term presales and sales assumptions.

Sources: Bloomberg consensus, Thanachart estimates

## RISKS TO OUR INVESTMENT CASE

- Weaker-than-expected economic growth would impact housing demand, so our sales and presales assumptions might not be met. This is the key downside risk to our call.
- There would be downside risk to our earnings if new products are not successful, as opposed to our current expectations.

Source: Thanachart

## INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	30,058	29,898	31,909	36,755	39,616
Cost of sales	20,356	20,744	22,016	25,072	26,713
<b>Gross profit</b>	<b>9,702</b>	<b>9,154</b>	<b>9,893</b>	<b>11,683</b>	<b>12,903</b>
% gross margin	32.3%	30.6%	31.0%	31.8%	32.6%
Selling & administration expenses	4,071	3,904	4,052	4,668	5,031
<b>Operating profit</b>	<b>5,631</b>	<b>5,250</b>	<b>5,841</b>	<b>7,015</b>	<b>7,872</b>
% operating margin	18.7%	17.6%	18.3%	19.1%	19.9%
Depreciation & amortization	739	951	1,187	1,302	1,378
<b>EBITDA</b>	<b>6,370</b>	<b>6,202</b>	<b>7,027</b>	<b>8,317</b>	<b>9,250</b>
% EBITDA margin	21.2%	20.7%	22.0%	22.6%	23.3%
Non-operating income	831	718	824	917	983
Non-operating expenses	0	0	0	0	0
Interest expense	(835)	(888)	(1,103)	(1,159)	(1,291)
<b>Pre-tax profit</b>	<b>5,627</b>	<b>5,080</b>	<b>5,562</b>	<b>6,773</b>	<b>7,564</b>
Income tax	1,165	1,095	1,112	1,355	1,513
<b>After-tax profit</b>	<b>4,462</b>	<b>3,985</b>	<b>4,450</b>	<b>5,419</b>	<b>6,051</b>
% net margin	14.8%	13.3%	13.9%	14.7%	15.3%
Shares in affiliates' Earnings	3,383	2,588	2,579	3,013	3,500
Minority interests	(23)	23	25	28	31
Extraordinary items	2,203	548	0	0	0
<b>NET PROFIT</b>	<b>10,025</b>	<b>7,145</b>	<b>7,054</b>	<b>8,460</b>	<b>9,582</b>
<b>Normalized profit</b>	<b>7,822</b>	<b>6,597</b>	<b>7,054</b>	<b>8,460</b>	<b>9,582</b>
EPS (Bt)	0.8	0.6	0.6	0.7	0.8
Normalized EPS (Bt)	0.7	0.6	0.6	0.7	0.8

*A well-diversified business (property development, rental income and equity income)*

*We project a 14% three-year EPS CAGR over 2021-24F*

## BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
<b>ASSETS:</b>					
Current assets:	60,510	63,355	63,173	70,813	71,261
Cash & cash equivalent	4,570	7,113	5,312	4,875	4,615
Account receivables	224	187	200	230	248
Inventories	53,374	52,893	54,287	61,821	62,208
Others	2,342	3,162	3,375	3,887	4,190
Investments & loans	30,442	23,964	23,964	23,964	23,964
Net fixed assets	14,312	11,562	15,102	17,537	18,897
Other assets	7,875	23,690	24,002	24,701	24,817
<b>Total assets</b>	<b>113,139</b>	<b>122,571</b>	<b>126,240</b>	<b>137,014</b>	<b>138,938</b>
<b>LIABILITIES:</b>					
Current liabilities:	22,838	25,091	26,485	30,133	30,455
Account payables	3,806	3,140	3,619	4,121	4,391
Bank overdraft & ST loans	470	6,845	9,978	11,513	11,393
Current LT debt	15,207	11,226	7,982	9,211	9,115
Others current liabilities	3,355	3,880	4,906	5,288	5,556
<b>Total LT debt</b>	<b>34,218</b>	<b>37,384</b>	<b>31,929</b>	<b>36,842</b>	<b>36,458</b>
Others LT liabilities	2,899	9,495	15,982	15,758	15,359
<b>Total liabilities</b>	<b>59,956</b>	<b>71,970</b>	<b>74,396</b>	<b>82,734</b>	<b>82,272</b>
Minority interest	720	697	672	644	613
Preferred shares	0	0	0	0	0
Paid-up capital	11,950	11,950	11,950	11,950	11,950
Share premium	15,453	15,453	15,453	15,453	15,453
Warrants	0	0	0	0	0
Surplus	2,211	(189)	0	0	0
<b>Retained earnings</b>	<b>22,850</b>	<b>22,690</b>	<b>23,769</b>	<b>26,234</b>	<b>28,650</b>
Shareholders' equity	52,463	49,904	51,172	53,636	56,052
<b>Liabilities &amp; equity</b>	<b>113,139</b>	<b>122,571</b>	<b>126,240</b>	<b>137,014</b>	<b>138,938</b>

Sources: Company data, Thanachart estimates

**CASH FLOW STATEMENT**

<b>FY ending Dec (Bt m)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
Earnings before tax	5,627	5,080	5,562	6,773	7,564
Tax paid	(1,251)	(1,092)	(1,082)	(1,273)	(1,466)
Depreciation & amortization	739	951	1,187	1,302	1,378
Chg In working capital	(5,021)	(148)	(927)	(7,062)	(135)
Chg In other CA & CL / minorities	554	1,072	1,840	1,063	1,482
<b>Cash flow from operations</b>	<b>648</b>	<b>5,863</b>	<b>6,580</b>	<b>803</b>	<b>8,823</b>
Capex	219	1,798	(4,000)	(3,000)	(2,000)
Right of use	0	(14,911)	(447)	(13)	(13)
ST loans & investments	0	0	0	0	0
LT loans & investments	(1,162)	6,479	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	5,305	7,456	7,419	92	697
<b>Cash flow from investments</b>	<b>4,362</b>	<b>823</b>	<b>2,972</b>	<b>(2,922)</b>	<b>(1,316)</b>
Debt financing	(785)	5,562	(5,567)	7,678	(600)
Capital increase	0	0	0	0	0
Dividends paid	(7,766)	(7,170)	(5,975)	(5,996)	(7,166)
Warrants & other surplus	222	(2,535)	189	0	0
<b>Cash flow from financing</b>	<b>(8,329)</b>	<b>(4,143)</b>	<b>(11,353)</b>	<b>1,682</b>	<b>(7,766)</b>
<b>Free cash flow</b>	<b>867</b>	<b>7,662</b>	<b>2,580</b>	<b>(2,197)</b>	<b>6,823</b>

*LH has consistently paid dividends at 83-89% payout ratios*

**VALUATION**

<b>FY ending Dec</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
Normalized PE (x)	13.4	15.9	14.9	12.4	11.0
Normalized PE - at target price (x)	16.8	19.9	18.6	15.5	13.7
PE (x)	10.5	14.7	14.9	12.4	11.0
PE - at target price (x)	13.1	18.4	18.6	15.5	13.7
EV/EBITDA (x)	23.6	24.8	21.3	19.0	17.0
EV/EBITDA - at target price (x)	27.7	29.0	25.0	22.1	19.9
P/BV (x)	2.0	2.1	2.1	2.0	1.9
P/BV - at target price (x)	2.5	2.6	2.6	2.5	2.3
P/CFO (x)	162.3	17.9	16.0	131.0	11.9
Price/sales (x)	3.5	3.5	3.3	2.9	2.7
Dividend yield (%)	8.0	5.7	5.7	6.8	7.4
FCF Yield (%)	0.8	7.3	2.5	(2.1)	6.5
<b>(Bt)</b>					
Normalized EPS	0.7	0.6	0.6	0.7	0.8
EPS	0.8	0.6	0.6	0.7	0.8
DPS	0.7	0.5	0.5	0.6	0.7
BV/share	4.4	4.2	4.3	4.5	4.7
CFO/share	0.1	0.5	0.6	0.1	0.7
FCF/share	0.1	0.6	0.2	(0.2)	0.6

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
<b>Growth Rate</b>					
Sales (%)	(12.2)	(0.5)	6.7	15.2	7.8
Net profit (%)	(4.3)	(28.7)	(1.3)	19.9	13.3
EPS (%)	(4.3)	(28.7)	(1.3)	19.9	13.3
Normalized profit (%)	(15.1)	(15.7)	6.9	19.9	13.3
Normalized EPS (%)	(15.1)	(15.7)	6.9	19.9	13.3
Dividend payout ratio (%)	83.4	83.6	85.0	84.7	81.1
<b>Operating performance</b>					
Gross margin (%)	32.3	30.6	31.0	31.8	32.6
Operating margin (%)	18.7	17.6	18.3	19.1	19.9
EBITDA margin (%)	21.2	20.7	22.0	22.6	23.3
Net margin (%)	14.8	13.3	13.9	14.7	15.3
D/E (incl. minor) (x)	0.9	1.1	1.0	1.1	1.0
Net D/E (incl. minor) (x)	0.9	1.0	0.9	1.0	0.9
Interest coverage - EBIT (x)	6.7	5.9	5.3	6.1	6.1
Interest coverage - EBITDA (x)	7.6	7.0	6.4	7.2	7.2
ROA - using norm profit (%)	7.0	5.6	5.7	6.4	6.9
ROE - using norm profit (%)	15.3	12.9	14.0	16.1	17.5
<b>DuPont</b>					
ROE - using after tax profit (%)	8.7	7.8	8.8	10.3	11.0
- asset turnover (x)	0.3	0.3	0.3	0.3	0.3
- operating margin (%)	21.5	20.0	20.9	21.6	22.4
- leverage (x)	2.2	2.3	2.5	2.5	2.5
- interest burden (%)	87.1	85.1	83.5	85.4	85.4
- tax burden (%)	79.3	78.5	80.0	80.0	80.0
WACC (%)	7.8	7.8	7.8	7.8	7.8
ROIC (%)	4.8	4.2	4.8	5.9	5.9
NOPAT (Bt m)	4,466	4,119	4,672	5,612	6,297
invested capital (Bt m)	97,789	98,246	95,748	106,328	108,403

Sources: Company data, Thanachart estimates

*ROE is the sector's best  
and we foresee it  
trending up*

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