BUY (From: HOLD)	TP: Bt 11.00 (From: Bt 10.00)
Change in Recommendation	Upside : 17.0%

1 NOVEMBER 2021

Small Cap Research

MC GROUP Pcl (MC TB)

Turning around

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We upgrade MC to BUY from Hold. While we expect a surprise profit in 1Q FY22F, we like its strategy of launching a new store format, Mc Outlet. We also expect MC to turn around after the lockdown while it is also a beneficiary of the government's stimulus packages.

Upgrading to BUY

We upgrade MC to BUY (from Hold) with a higher DCF-based 12-month TP, using an FY22F base year) of Bt11 (from Bt10). *First*, 1Q FY22F results (July-September 2021) will likely see a surprise profit despite the lockdown impact. *Second*, we like MC's new "Mc Outlet" store concept. The first two were opened in October with one that opened in early October seeing sales 3x higher than average sales per store *Third*, we believe the worst has passed for MC with earnings likely to bottom in 1Q FY22F and estimate a 21% EPS CAGR over FY23-25F. Its FY23F (ending June 2023F) PE of 14.4x is already at a hefty discount to its peers' 24.3x. Dividend yield also looks attractive at 5.3-6.9% for FY22-23F.

New store format called 'Mc Outlet'

MC slowed down store openings during the COVID outbreak from last year. It is however proceeding with a new store format called "Mc Outlet". The plan is to open 15 new Mc Outlets and convert 55 "mcmc" shops (9% of total sales) in PTT gas stations into "Mc Outlet" stores in FY22 (year ending June 2022). The first Mc Outlet was opened in October in Wangnoi, Ayutthaya, the gateway to the northeastern and northern provinces and it saw sales at 3x of the firm's average sales per store. Another one was opened in mid-October in Saraburi. There are also plans for exclusive products only for this shop format.

July-September 2021F results likely a surprise

MC looks set to post 1Q FY22F (ending September 2021) profit of Bt26m (Exhibit 9), down 76% y-y but up 45% q-q. We consider this as a surprise given the lockdown impact during the quarter with 40% of its shops (246 out of a total of 621) closed for around two months. We believe MC was able to manage cost savings well while the gross margin is not expected to contract due to a greater mix of e-commerce and high-margin sales. Cost savings were on store personnel, rental fees and marketing expenses.

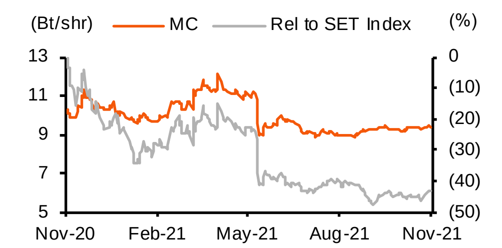
Turning around

We expect the worst to be over for MC with the bottom for earnings in 4Q FY21 (April-June 2021) and 1Q FY22F (July-September 2021). As all its stores have already reopened, we expect operations to have started to improve from October or 2Q FY22F. We estimate EPS growth of -12/32/15% for FY22-24F. Drivers are shop re-openings, new Mc Outlet stores, the economic recovery, government stimulus schemes, growing e-commerce sales and rising EBIT margins. Note that e-commerce sales earn a higher gross margin and 2x higher EBIT margin than offline sales. We project e-commerce sales at 14.1/13.3/13.5% of total sales in FY22-24F, vs. 7.2% in FY19. We estimate EBIT margins to rise from 14.1% in FY19 to 17.5% in FY23F.

COMPANY VALUATION

Y/E Jun (Bt m)	2021A	2022F	2023F	2024F
Sales	3,220	3,008	3,672	3,944
Net profit	446	394	521	599
Consensus NP	—	412	482	524
Diff frm cons (%)	—	*(4.3)*	*7.9*	*14.4*
Norm profit	446	394	521	599
Prev. Norm profit	—	354	458	533
Chg frm prev (%)	—	*11.4*	*13.6*	*12.4*
Norm EPS (Bt)	0.6	0.5	0.7	0.7
Norm EPS grw (%)	0.4	(11.5)	32.0	15.1
Norm PE (x)	16.9	19.1	14.4	12.5
EV/EBITDA (x)	7.5	8.0	7.1	6.6
P/BV (x)	2.1	2.1	2.1	2.1
Div yield (%)	5.9	5.3	6.9	8.0
ROE (%)	12.4	11.0	14.5	16.4
Net D/E (%)	(17.2)	(18.0)	(10.5)	(8.7)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 1-Nov-21 (Bt)	9.40
Market Cap (US$ m)	224.8
Listed Shares (m shares)	800.0
Free Float (%)	42.8
Avg Daily Turnover (US$ m)	0.3
12M Price H/L (Bt)	12.10/8.85
Sector	Commerce
Major Shareholder	Miss Sunee Seripanu (43.01%)

Sources: Bloomberg, Company data, Thanachart estimates

Thanachart Securities

New store format, Mc Outlet

We expect its store format rebranding to Mc Outlet to lift sales/store

MC Group Pcl (MC) has launched a new store concept called Mc Outlet in PTT gas stations. The first one, located at PTT Wangnoi in Ayutthaya province, opened on October 1, on the highway to the northeastern and northern provinces while the second one was launched in mid-October at a gas station in Saraburi.

The first branch at Wangnoi received decent customer acceptance in the first month of launch with sales at 3x of the firm's average sales per store. The company has set a Bt26m capex budget for FY22 to open 15 Mc Outlet stores and convert 55 existing mcmc shops to Mc Outlets by June 2022.

We like this idea of store rebranding. The new "Mc Outlet" name should help draw more traffic to stores while suiting Thais' habit of spending in outlets on value-for-money products when travelling to other provinces. They consider PTT gas stations as good locations to stop and shop at. MC targets 30% of shoppers from the local populace and 70% travellers. On completion of store conversions with adjustments to product offerings including adding outlet-exclusive products, we believe sales/store will rise leading to higher profitability as rental fees are on a fixed basis. Note that 55 mcmc shops currently contribute 9% of total sales and MC targets a total of 70 Mc Outlet stores by FY22.

Ex 1: First Mc Outlet At PTT Wangnoi

Source: Company data

Ex 2: Inside The Store

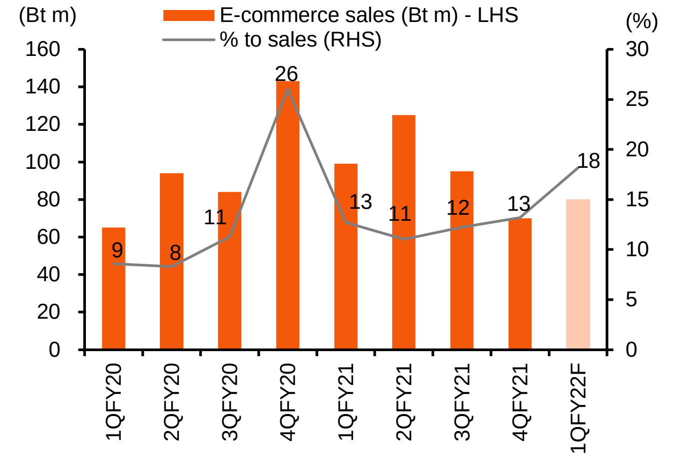
Source: Company data

Growing e-commerce sales

Online sales have 2x higher EBIT margin vs. offline

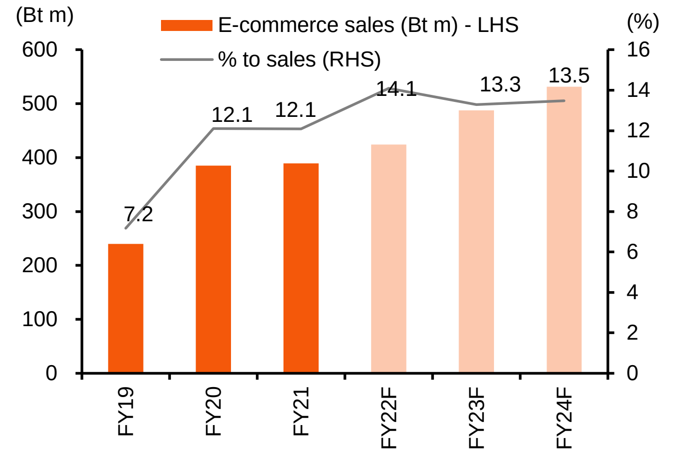
The COVID crisis has driven MC to speed up its e-commerce sales channel through its mcshop.com and marketplaces such as Shopee and LazMall. Online sales grew impressively by 60% in FY20 when Thailand underwent a nationwide lockdown from March to May. We estimate online sales to double from Bt240m in FY19 to Bt488m in FY23F, with the sales mix rising from 7.2% to 13.3%. As it pays lower revenue sharing via the online channel vs. physical stores and there are no store expenses, e-commerce sales yield higher gross margin than average and provide double the EBIT margin compared to offline sales. This has boosted MC's EBIT margin.

Ex 3: E-commerce Sales Mix – Quarterly



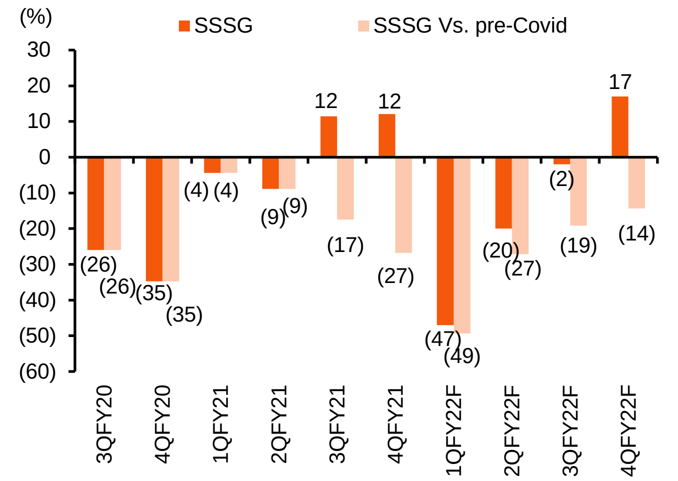
Sources: Company data, Thanachart estimates

Ex 4: E-commerce Sales Mix – Yearly



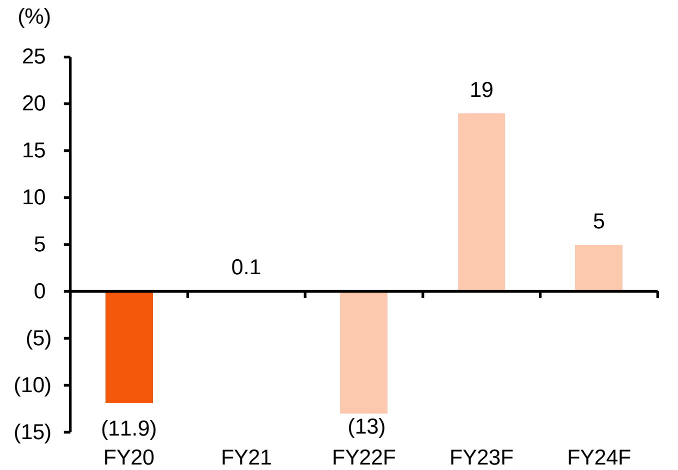
Sources: Company data, Thanachart estimates

Ex 5: SSSG – Quarterly



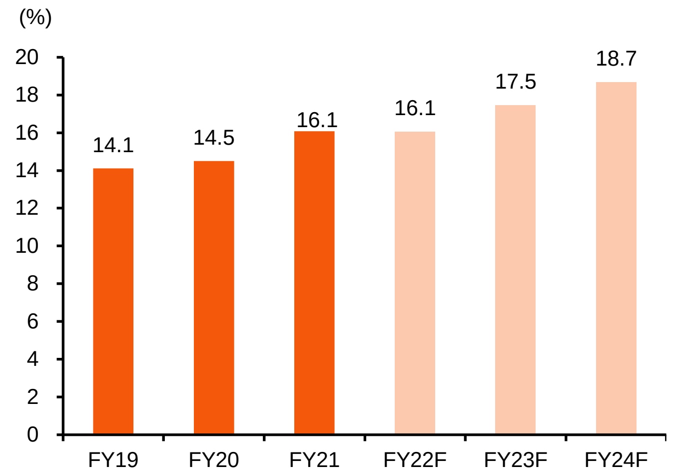
Sources: Company data, Thanachart estimates

Ex 6: SSSG – Yearly



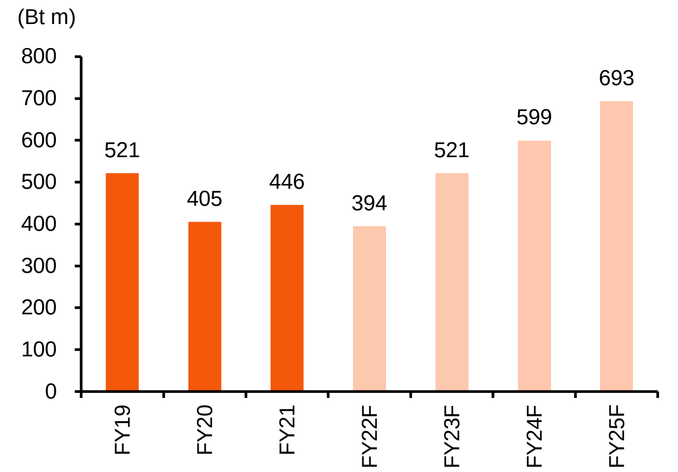
Sources: Company data, Thanachart estimates

Ex 7: EBIT Margin



Sources: Company data, Thanachart estimates

Ex 8: Net Profit Returning To FY19 in FY23F



Sources: Company data, Thanachart estimates

Ex 9: 1QFY22F Earnings Preview

Yr-end Dec (Bt m)	Income Statement					*Change*	
	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22F	q-q%	y-y%
Revenue	779	1,134	776	531	440	*(17)*	*(43)*
Gross profit	**473**	**686**	**471**	**289**	**267**	***(8)***	***(43)***
SG&A	341	409	361	290	235	*(19)*	*(31)*
Operating profit	132	276	110	(1)	32	*na*	*(75)*
EBITDA	**183**	**445**	**194**	**96**	**132**	***38***	***(28)***
Other income	6	9	5	8	8	*(0)*	*24*
Other expense	0	0	0	0	0		
Interest expense	6	6	9	7	7	*5*	*11*
Profit before tax	**132**	**279**	**107**	**1**	**33**	***4,274***	***(75)***
Income tax	22	51	19	(15)	7	*na*	*(70)*
Equity & invest. income	(0)	(1)	6	0	0		
Minority interests	(1)	(1)	(1)	2	(1)	*na*	*na*
Extraordinary items	0	0	0	0	0		
Net profit	**109**	**226**	**93**	**18**	**26**	***45***	***(76)***
Normalized profit	**109**	**226**	**93**	**18**	**26**	***45***	***(76)***

Sources: Company data, Thanachart estimates

Ex 10: Key Assumption Changes

	FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	FY33F
SSSG (%)												
- New	(13)	19	5	5	3	3	3	3	3	3	3	3
- Old	(16)	19	5	3	3	3	3	3	3	3	3	3
Gross margin (%)												
- New	60.6	60.8	61.1	61.4	61.7	62.0	62.3	62.5	62.7	62.9	63.1	63.3
- Old	59.8	60.0	60.3	60.6	60.9	61.2	61.5	61.7	61.9	62.1	62.3	62.5
Norm profit (Bt m)												
- New	394	521	599	693	778	855	958	1,022	1,134	1,255	1,337	1,422
- Old	354	458	533	607	687	760	857	917	1,022	1,134	1,207	1,283
Change (%)	*11.4*	*13.6*	*12.4*	*14.2*	*13.2*	*12.5*	*11.8*	*11.5*	*11.0*	*10.7*	*10.8*	*10.8*

Source: Thanachart estimates

Ex 11: 12-month DCF-based TP Calculation Using A Base Year Of FY22F

(Bt m)		FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	Terminal value
EBITDA		555	711	804	916	1,018	1,133	1,258	1,336	1,474	1,623	1,724	
Free cash flow		419	563	629	699	759	847	973	1,006	1,115	1,322	1,316	13,388
PV of free cash flow		418	451	452	449	437	426	436	402	397	420	372	3,200
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	1.1												
WACC (%)	11.7												
Terminal growth (%)	2.0												
Enterprise value	8,193												
Net debt (end FY2021)	(621)												
Minority interest	11												
Equity value	8,804												
# of shares (m)	800												
Equity value / share (Bt)	**11.00**												

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 12: Valuation Comparison With Regional Peers

Name	BBG 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 (%)
Marks & Spencer	MKS LN	Britain	(86.7)	na	76.5	11.1	1.0	1.4	8.8	6.2	0.0	0.7
J Sainsbury PLC	SBRY LN	Britain	(44.4)	99.1	24.4	12.3	0.8	0.9	6.4	5.6	5.4	4.3
Tesco	TSCO LN	Britain	(53.0)	98.0	24.2	12.2	1.2	1.5	8.7	7.2	3.3	4.1
Carrefour SA	CA FP	France	12.8	13.3	11.2	9.8	1.2	1.1	6.4	6.0	3.5	3.9
Casino Guichard	CO FP	France	23.0	17.9	11.1	9.4	0.7	0.7	7.2	6.9	4.9	5.3
L'Oreal SA	OR FP	France	21.5	10.1	45.8	41.6	7.3	6.8	28.0	25.9	1.1	1.3
Alimentation Couche	ATD/B CN	Canada	22.7	2.1	19.7	19.3	4.3	4.0	9.5	9.4	0.6	0.7
Aeon	8267 JP	Japan	na	na	na	85.6	2.2	2.4	9.8	8.4	1.3	1.4
Kao Corporation	4452 JP	Japan	0.8	11.3	24.7	22.2	3.3	3.1	12.2	11.2	2.2	2.3
Lion Corporation	4912 JP	Japan	(25.7)	4.2	25.5	24.5	2.3	2.1	11.2	10.6	1.2	1.3
Shiseido Co. Ltd	4911 JP	Japan	na	24.9	64.3	51.5	5.9	5.5	28.2	19.8	0.6	0.7
Lawson	2651 JP	Japan	(56.6)	99.0	63.1	31.7	2.1	2.1	5.2	4.6	2.7	2.7
Seven & I Holdings	3382 JP	Japan	(25.7)	31.9	27.8	21.1	1.6	1.6	10.4	8.6	2.0	2.1
Lotte Corp	004990 KS	South Korea	152.4	22.8	11.2	9.1	0.5	0.4	8.9	8.6	3.6	3.9
Shinsegae	004170 KS	South Korea	na	34.9	10.9	8.1	0.6	0.6	7.7	7.3	0.8	0.8
Amore Pacific Group	002790 KS	South Korea	na	(4.6)	20.6	21.5	1.3	1.3	5.7	4.9	1.1	0.7
Best Buy Co Inc	BBY US	USA	25.5	(5.3)	12.3	13.0	7.4	7.3	6.8	7.1	1.8	2.3
Wal-Mart Stores	WMT US	USA	13.9	4.7	23.5	22.4	4.9	4.6	12.0	11.6	1.4	1.5
Home Depot Inc	HD US	USA	21.1	4.7	25.6	24.4	283.3	592.9	17.6	17.2	1.6	1.8
Yonghui Superstores	601933 CH	China	na	na	na	40.8	2.1	2.1	64.3	23.1	1.5	0.5
Sa International	178 HK	Hong Kong	na	na	na	na	3.6	3.3	na	116.1	0.0	1.9
Dairy Farm Intl Hldgs	DFI SP	Hong Kong	(29.9)	62.3	29.1	17.9	3.8	3.5	12.7	14.4	3.0	4.3
President Chain Store	2912 TT	Taiwan	(5.1)	17.6	30.2	25.7	8.4	7.4	12.2	11.3	2.9	3.4
7-Eleven Malaysia	SEM MK	Malaysia	(20.8)	63.2	39.7	24.4	19.6	20.7	9.8	8.3	1.9	2.9
Berli Jucker *	BJC TB	Thailand	(0.5)	25.7	34.6	27.5	1.2	1.1	13.9	13.4	1.4	1.8
COM7 *	COM7 TB	Thailand	44.3	39.6	41.5	29.7	19.3	16.1	27.6	20.6	1.9	2.8
CP All *	CPALL TB	Thailand	(37.9)	84.8	62.5	33.8	5.8	5.2	17.9	15.2	0.8	1.5
Central Pattana *	CPN TB	Thailand	(49.9)	163.1	97.9	37.2	3.5	3.3	24.0	16.7	0.9	1.3
Central Retail Corp. *	CRC TB	Thailand	na	na	na	48.5	4.1	3.8	14.8	10.6	0.0	0.8
Siam Global House *	GLOBAL TB	Thailand	63.1	18.6	29.6	25.0	4.9	4.4	22.8	19.3	1.3	1.6
Home Product*	HMPRO TB	Thailand	(1.0)	19.8	37.6	31.4	8.8	8.2	19.8	17.3	2.1	2.5
Siam Makro *	MAKRO TB	Thailand	(5.0)	16.4	42.1	36.2	1.7	1.7	27.7	43.4	1.0	2.2
Mc Group *	MC TB**	Thailand	(11.5)	32.0	19.1	14.4	2.1	2.1	8.0	7.1	5.3	6.9
Average			**(2.0)**	**36.2**	**34.0**	**26.4**	**12.8**	**21.9**	**15.2**	**15.9**	**1.9**	**2.3**

Sources: Bloomberg, Thanachart estimates

Note: * Thanachart estimates using normalized EPS growth, ** MC's fiscal year ends in June. The figures shown in the table are for FY22F and FY23F

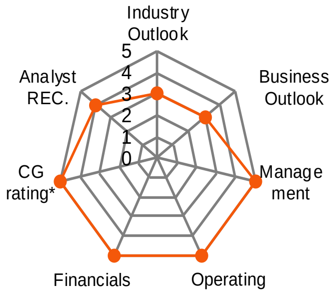
Based on 1 November 2021 closing price

COMPANY DESCRIPTION

MC GROUP PCL (MC) started its jeans business in Thailand under its own "Mc" brand in 1975. Over the years, MC has developed a wide range of products under the Mc, Mc Lady, the Blue Brothers premium jeanswear, Mc mini kidswear and U-P activewear brands and it distributes them mostly via free-standing shops and modern-trade outlets nationwide. It has also established an e-commerce platform, which has become a key earnings growth driver.

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

- Management has lots of experience in the jeans market in Thailand.
- It has the strong "Mc" brand with its own product designs.
- Good coverage of distribution channels nationwide.
- MC's product quality is high with reasonable prices.
- With its large market share and in-house production, MC is very cost competitive.

W — Weakness

- MC has high stock and inventory days, but they are on a declining trend.
- High operating expenses, mainly personnel and rental cost comprising of 76% to total SG&A.

O — Opportunity

- Penetrating fast-growing ASEAN markets.
- Penetrating lifestyle markets.
- Expansion of product lines and customer group.
- Some small apparel manufacturers have exited the market.

T — Threat

- Competition from existing peers in the jeans market including Levi's, Wrangler, Lee and other brands.
- Competition from new international brands such as H&M, UNIQLO and ZARA is on the rise.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	9.90	11.00	11%
Net profit 22F (Bt m)	418	394	-6%
Net profit 23F (Bt m)	486	521	7%
Consensus REC	**BUY: 0**	**HOLD: 5**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our net profits for FY22F are 6% lower than the Bloomberg consensus, which we attribute to the lockdown impact in 1Q FY22, but our FY23F number is 7% higher, likely as we have factored in a faster sales recovery post lockdown and new Mc Outlets.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If growth in people's spending were to come in below our current expectations, this would be the key downside risk to our SSS growth assumptions.
- If MC's omni-channel and international sales strategy is not as successful as planned, this would have a negative impact on the company's earnings-growth prospects.
- Increased competition from existing and new rivals in the jeans and apparel markets would pressure MC's sales volume and prices.

Source: Thanachart

We expect FY22F normalized profit to drop from the partial lockdown

EPS growth resumes at 32% in FY23F and 15% in FY24F

Inventory is well under control, on our forecasts

INCOME STATEMENT

FY ending Jun (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	3,182	3,220	3,008	3,672	3,944
Cost of sales	1,344	1,301	1,185	1,439	1,534
Gross profit	**1,839**	**1,919**	**1,823**	**2,233**	**2,410**
% gross margin	57.8%	59.6%	60.6%	60.8%	61.1%
Selling & administration expenses	1,377	1,401	1,340	1,591	1,673
Operating profit	**461**	**518**	**483**	**641**	**737**
% operating margin	14.5%	16.1%	16.1%	17.5%	18.7%
Depreciation & amortization	99	400	377	371	357
EBITDA	**560**	**918**	**860**	**1,012**	**1,094**
% EBITDA margin	17.6%	28.5%	28.6%	27.6%	27.8%
Non-operating income	35	29	32	40	44
Non-operating expenses	0	0	0	0	0
Interest expense	(0)	(28)	(29)	(30)	(32)
Pre-tax profit	**496**	**519**	**487**	**651**	**749**
Income tax	50	78	92	130	150
After-tax profit	**446**	**441**	**394**	**521**	**599**
% net margin	14.0%	13.7%	13.1%	14.2%	15.2%
Shares in affiliates' Earnings	(1)	5	0	0	0
Minority interests	(2)	(0)	0	0	0
Extraordinary items	(39)	0	0	0	0
NET PROFIT	**405**	**446**	**394**	**521**	**599**
Normalized profit	**444**	**446**	**394**	**521**	**599**
EPS (Bt)	0.5	0.6	0.5	0.7	0.7
Normalized EPS (Bt)	0.6	0.6	0.5	0.7	0.7

BALANCE SHEET

FY ending Jun (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	3,192	3,324	3,519	3,912	4,137
Cash & cash equivalent	1,481	728	893	950	1,030
Account receivables	266	202	231	282	303
Inventories	1,408	1,250	1,218	1,242	1,261
Others	37	1,144	1,178	1,438	1,544
Investments & loans	25	25	25	25	25
Net fixed assets	404	343	321	281	254
Other assets	463	1,522	1,336	1,263	1,151
Total assets	**4,084**	**5,214**	**5,202**	**5,480**	**5,567**
LIABILITIES:					
Current liabilities:	412	721	601	955	1,138
Account payables	283	283	260	315	336
Bank overdraft & ST loans	0	0	248	561	705
Current LT debt	0	106	2	5	6
Others current liabilities	129	332	92	74	92
Total LT debt	**0**	**0**	**1**	**1**	**1**
Others LT liabilities	79	891	1,024	888	753
Total liabilities	**492**	**1,612**	**1,625**	**1,844**	**1,893**
Minority interest	11	11	11	11	11
Preferreds shares	0	0	0	0	0
Paid-up capital	400	400	400	400	400
Share premium	2,825	2,825	2,825	2,825	2,825
Warrants	0	0	0	0	0
Surplus	(90)	(90)	(90)	(90)	(90)
Retained earnings	**446**	**456**	**430**	**490**	**528**
Shareholders' equity	3,581	3,591	3,565	3,625	3,663
Liabilities & equity	**4,084**	**5,214**	**5,202**	**5,480**	**5,567**

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Jun (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	496	519	487	651	749
Tax paid	(59)	(78)	(93)	(130)	(150)
Depreciation & amortization	99	400	377	371	357
Chg In working capital	212	221	(18)	(20)	(19)
Chg In other CA & CL / minorities	(44)	(871)	(283)	(286)	(98)
Cash flow from operations	**705**	**190**	**471**	**585**	**840**
Capex	(86)	(13)	(50)	(30)	(40)
Right of use	0	(1,452)	(145)	(145)	(145)
ST loans & investments	0	0	0	0	0
LT loans & investments	22	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	6	851	167	(208)	(160)
Cash flow from investments	**(59)**	**(614)**	**(29)**	**(384)**	**(345)**
Debt financing	0	106	144	316	145
Capital increase	0	0	0	0	0
Dividends paid	(515)	(433)	(421)	(461)	(561)
Warrants & other surplus	6	(2)	0	0	0
Cash flow from financing	**(509)**	**(330)**	**(276)**	**(145)**	**(415)**
Free cash flow	**619**	**177**	**421**	**555**	**800**

VALUATION

Decent dividend yields, based on our forecasts

FY ending Jun	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	16.9	16.9	19.1	14.4	12.5
Normalized PE - at target price (x)	19.8	19.7	22.3	16.9	14.7
PE (x)	18.6	16.9	19.1	14.4	12.5
PE - at target price (x)	21.7	19.7	22.3	16.9	14.7
EV/EBITDA (x)	10.8	7.5	8.0	7.1	6.6
EV/EBITDA - at target price (x)	13.1	8.9	9.5	8.3	7.8
P/BV (x)	2.1	2.1	2.1	2.1	2.1
P/BV - at target price (x)	2.5	2.5	2.5	2.4	2.4
P/CFO (x)	10.7	39.5	16.0	12.8	8.9
Price/sales (x)	2.4	2.3	2.5	2.0	1.9
Dividend yield (%)	5.9	5.9	5.3	6.9	8.0
FCF Yield (%)	8.2	2.4	5.6	7.4	10.6
(Bt)					
Normalized EPS	0.6	0.6	0.5	0.7	0.7
EPS	0.5	0.6	0.5	0.7	0.7
DPS	0.6	0.6	0.5	0.7	0.8
BV/share	4.5	4.5	4.5	4.5	4.6
CFO/share	0.9	0.2	0.6	0.7	1.1
FCF/share	0.8	0.2	0.5	0.7	1.0

Sources: Company data, Thanachart estimates

Improving operating margin trend

FINANCIAL RATIOS

FY ending Jun	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	(4.8)	1.2	(6.6)	22.1	7.4
Net profit (%)	(22.3)	10.0	(11.5)	32.0	15.1
EPS (%)	(22.3)	10.0	(11.5)	32.0	15.1
Normalized profit (%)	(18.8)	0.4	(11.5)	32.0	15.1
Normalized EPS (%)	(18.8)	0.4	(11.5)	32.0	15.1
Dividend payout ratio (%)	108.6	98.7	101.8	100.0	100.2
Operating performance					
Gross margin (%)	57.8	59.6	60.6	60.8	61.1
Operating margin (%)	14.5	16.1	16.1	17.5	18.7
EBITDA margin (%)	17.6	28.5	28.6	27.6	27.8
Net margin (%)	14.0	13.7	13.1	14.2	15.2
D/E (incl. minor) (x)	0.0	0.0	0.1	0.2	0.2
Net D/E (incl. minor) (x)	(0.4)	(0.2)	(0.2)	(0.1)	(0.1)
Interest coverage - EBIT (x)	na	18.4	17.0	21.1	22.9
Interest coverage - EBITDA (x)	na	32.7	30.2	33.3	33.9
ROA - using norm profit (%)	10.6	9.6	7.6	9.7	10.9
ROE - using norm profit (%)	12.2	12.4	11.0	14.5	16.4
DuPont					
ROE - using after tax profit (%)	12.3	12.3	11.0	14.5	16.4
- asset turnover (x)	0.8	0.7	0.6	0.7	0.7
- operating margin (%)	15.6	17.0	17.1	18.6	19.8
- leverage (x)	1.2	1.3	1.5	1.5	1.5
- interest burden (%)	100.0	94.9	94.5	95.5	95.9
- tax burden (%)	89.9	84.9	81.0	80.0	80.0
WACC (%)	na	na	11.7	11.7	11.7
ROIC (%)	17.7	20.9	13.2	17.6	18.2
NOPAT (Bt m)	415	440	391	513	590
invested capital (Bt m)	2,101	2,970	2,922	3,241	3,345

Sources: Company data, Thanachart estimates

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