Small Cap Research

SELL (Unchanged) | **TP: Bt 3.60** (From: Bt 3.90)

Change in Numbers | **Downside : 25.3%** | **16 DECEMBER 2021**

L.P.N. Development Pcl (LPN TB)

Double whammy

Confronted with falling presales and high backlog cancellations as a budget-condo developer, we expect LPN's earnings to hit bottom this year. Despite 12-24% EPS growth in 2022-23F, the stock looks pricey at 18.0x/14.5x 2022-23F PE. Reaffirm SELL with a lower TP of Bt3.6.

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Thanachart Securities

Cutting our earnings and TP

As 9M21 profit represented a big miss on low sales revenues because of higher backlog cancellations and disappointing property gross margin, particularly in 3Q21 with a record low of 20.9%, we slash our earnings estimates by 40-46% in 2021-23F. But with rising net debt in 2021F, our DCF-based 12-month TP (2022F base year) is lowered by 8% to Bt3.6 (from Bt3.9). We reaffirm our SELL call on LPN as its main product, budget condos, is still experiencing very soft demand while the cancellation rate has climbed to 50%. Though we project double-digit EPS growth of 12% in 2022F and 24% in 2023F on improving sales and gross margin from the very low base this year, we see LPN as expensive at 18.0x/14.5x PE in 2022-23F with a lower dividend yield than the sector average.

Budget-condo demand remains subdued

We expect LPN to see a slower presales recovery than peers given its 70% exposure to the budget condo segment (priced at Bt1m-2m/unit), which is highly sensitive to the economy and high household debt. The remaining 30% comprises low-rise housing developments which the company has diversified into in recent years. Note that its presales peaked at Bt25bn in 2013 when demand for affordable condos not too far from mass-transit lines in Bangkok was very strong. As land prices have been increasing, LPN's projects have been pushed further away from stations to keep prices below Bt2m/unit. Later, it tried to shift up to tap the mid-end segment with a price point of over Bt3m/unit, but it hasn't been so successful. We project this year's presales at Bt8.4bn, half of the Bt15.5bn in 2018, with 3-5% growth in 2022-24F.

Rising backlog cancellations

Besides falling presales, LPN is facing difficulties in turning backlog into revenues. YTD, the total backlog cancellation rate has climbed to 50% for condos – 40% bank rejections and 10% customer cancellations, and to over 30% for low-rise houses (all were bank rejections). We forecast this year's property revenues at Bt4.0bn, the lowest since 2005. Condo backlog for 2022-23F sales recognition is low at Bt1,521m and Bt141m.

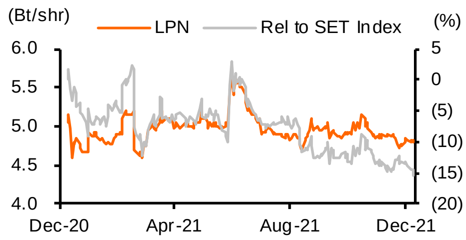
Inventory clearance continues

Since revenue visibility is low based on backlog on hand, we expect inventory clearance to continue and property gross margin to remain under pressure. We expect property gross margin to remain at 23.9% next year, flat from 2021F, before improving gradually to 25% in 2023F and 28% in 2024F. The company guided that its backlog of four condos, construction of which is scheduled to finish next year, has a 25% gross margin while its gross margin on inventories is less than 20%.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	7,363	5,507	6,072	6,513
Net profit	716	354	396	490
Consensus NP	—	402	668	732
Diff frm cons (%)	—	*(11.7)*	*(40.8)*	*(33.0)*
Norm profit	716	354	396	490
Prev. Norm profit	—	631	727	822
Chg frm prev (%)	—	*(43.9)*	*(45.6)*	*(40.3)*
Norm EPS (Bt)	0.5	0.2	0.3	0.3
Norm EPS grw (%)	(43.0)	(50.5)	11.7	23.9
Norm PE (x)	9.9	20.1	18.0	14.5
EV/EBITDA (x)	14.4	23.4	19.5	15.6
P/BV (x)	0.6	0.7	0.7	0.7
Div yield (%)	29.0	3.0	3.3	4.1
ROE (%)	5.7	3.2	3.9	4.7
Net D/E (%)	66.3	98.2	82.2	65.6

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 16-Dec-21 (Bt)	4.82
Market Cap (US$ m)	212.8
Listed Shares (m shares)	1,475.7
Free Float (%)	92.1
Avg Daily Turnover (US$ m)	0.9
12M Price H/L (Bt)	5.65/4.60
Sector	PROP
Major Shareholder	Varunya Chatphiriyaphan 5.40%

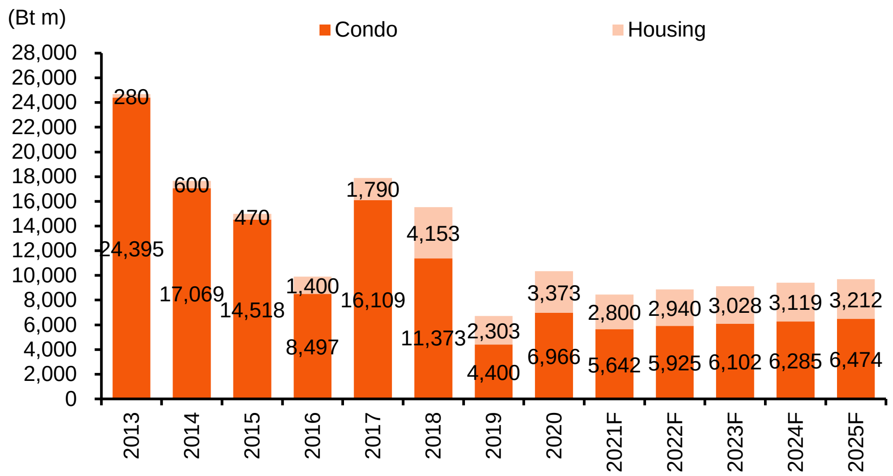
Sources: Bloomberg, Company data, Thanachart estimates

Ex 1: Key Assumption Changes

	2021F	2022F	2023F
Property sales (Bt m)			
New	3,998	4,518	4,912
Old	6,071	6,237	6,553
Change (%)	*(34)*	*(28)*	*(25)*
GP - property sales (%)			
New	23.9	23.9	25.0
Old	26.3	27.7	28.7
Change (bp)	*(241)*	*(379)*	*(369)*
Normalized profit (Bt m)			
New	354	396	490
Old	631	727	822
Change (%)	*(44)*	*(46)*	*(40)*

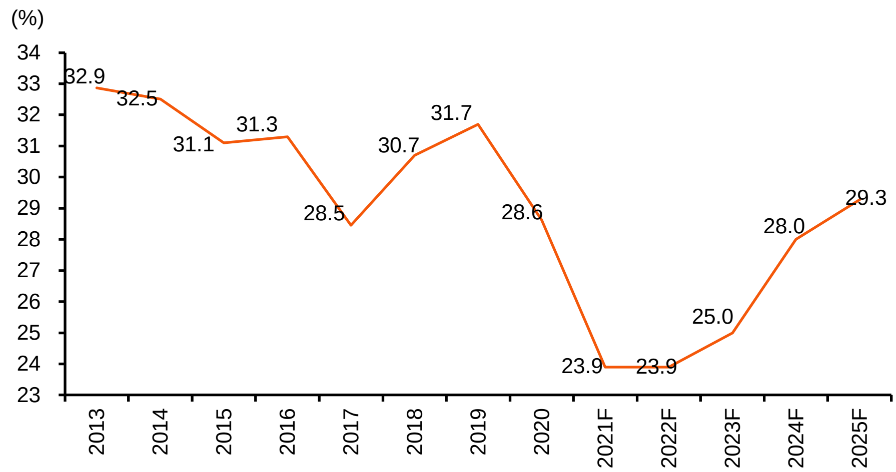
Source: Thanachart estimates

Ex 2: Presales



Sources: Company data, Thanachart estimates

Ex 3: Property Gross Margin



Sources: Company data, Thanachart estimates

Ex 4: Condo Inventories (As Of 3Q21)

Project	Value (Bt m)	Units	Sold (%)	Transferred (%)	Launch	Finish
1. Lumpini Park Beach Jomtien	4,254	1,846	100	99	4Q11	2Q13-3Q13
2. Lumpini Ville Naklua-Wongamat	2,914	2,168	99	99	4Q11	3Q13-1Q14
3. Lumpini Place Udon-Posri	2,114	1,370	90	90	1Q13	4Q14
4. Lumpini Township Rangsit-Klong 1 (P1)	2,400	3,472	98	98	4Q13	3Q15
5. Lumpini Township Rangsit-Klong 1 (P2)	2,600	3,674	78	76	1Q16	1Q16
6. Lumpini ParkBeach Chaam 2	430	124	30	28	1Q17	1Q18
7. Lumpini Park Petchakasem 98 (P2)	1,850	1,354	61	60	2Q16	1Q18
8. Lumpini Ville Phranangklao-Riverview	1,000	909	62	61	1Q17	2Q18
9. Lumpini SeaView Chaam (A)	700	536	35	33	1Q18	3Q18
10. Lumpini Suite Dindaeng-Ratchaprarop	1,750	491	80	80	2Q17	4Q18
11. Lumpini Place Ratchada-Sathu	1,640	543	73	72	4Q17	4Q19
12. Lumpini Park Phahol 32	2,000	546	20	15	3Q17	4Q19
13. Lumpini Selected Sutthisan-Saphankhwai	1,200	389	57	56	2Q18	4Q19
14. Lumpini Park Vibhavadi-Chatuchak	2,000	736	87	84	2Q18	4Q19
15. Lumpini Ville Suksawat-Rama 2	700	377	65	64	3Q18	4Q19
Total	**27,552**	**18,535**				

Source: Company data

Ex 5: Schedule For Condo Completions

Project	Value (Bt m)	Units	Sold (%)	Transferred (%)	Launch	Finish
Finished in 2020						
1. Lumpini Place Rama 3-River Rine	1,640	719	37	35	4Q17	1Q20
2. Lumpini Park Boromratchachonni-Sirindhorn	1,550	649	41	37	2Q18	4Q20
3. Lumpini Ville Pattanakarn-Srinakarin	1,460	795	73	70	3Q18	4Q20
4. Lumpini Ville Sukhumvit 101/1-Punnavithi	700	328	44	40	2Q19	4Q20
Total	**5,350**	**2,491**				
To finish in 2022						
1. Lumpini Place Taopoon Interchange	1,700	710	53	-	1Q20	1Q22
2. Lumpini Selected Charan 65-Sirindhorn Station	1,100	514	18	-	4Q20	2Q22
3. Lumpini Ville Chaeng Wattana 10	540	476	10	-	4Q20	4Q22
4. Lumpini Ville Chaeng Wattana Pakkret Station	1,065	647	28	-	4Q20	4Q22
Total	**4,405**	**2,347**				
To finish in 2023						
1. Lumpini Ville Charan Fai Chai	960	526	14	-	3Q21	1Q23
2. Lumpini Condotown Ekachai 48 (Phase 1)	1,130	1,085	8	-	4Q20	2Q23
Total	**2,090**	**1,611**				
Housing						
1. BAAN 365 Rama 3	3,200	99	77	76	3Q18	4Q18
2. BAAN 365 Muangthong	2,600	190	3	-	2Q21	2022
Total	**5,800**	**289**				

Source: Company data

Ex 6: Housing Projects By Baan Lumpini

Project	Value (Bt m)	Units	Sold (%)	Transferred (%)	Launch	Finish
1. Baan Lumpini Town Ville Permsin-Wacharapon	680	255	100	100	4Q15	2Q16
2. Baan Lumpini Town Ville Ratpladuk-Bangpai Station	395	200	91	82	2Q17	4Q17
3. Baan Lumpini Town Ville Ratchaphruek-Pinklao	1,000	349	84	70	2Q17	4Q17
4. Baan Lumpini Town Place Rama 2-Thakham	650	108	28	21	3Q19	4Q19
5. Baan Lumpini Town Place Sukhumvit-Srinakarin	750	133	38	22	1Q20	3Q20
6. Baan Lumpini Town Ville Phaholyothin-Saphanmai	900	262	98	63	1Q20	2Q20
7. Baan Lumpini Town Ville Latkrabang-Suvarnabhumi	1,250	334	33	27	1Q20	3Q20
8. Latkrabang-Suvarnabhumi (commercial building)	110	14	100	-	2Q21	1Q22
9. Lumpini Town Place Lat Phrao 101-Pho Kaeo	620	95	5	-	3Q21	1Q22
Total	**6,355**	**1,750**				

Source: Company data

Ex 7: New Project Launches In 2021-22

Project	Value (Bt m)	Units	Launch	Finish
Condominium				
1. Lumpini Ville Charan Fai Chai (Phase 1)	960	526	3Q21	2023
2. Lumpini Charan Fai Chai (Phase 2)	2,250	956	2022	2023
3. Lumpini Place Chaeng Wattana Pakkret Station	1,220	566	2022	2024
4. Lumpini Mixx Narathiwat-Ratchada	2,500	967	2022	2023
5. Lumpini Condotown Ekachai 48 (Phase 2)	1,150	1,110	2022	2024
6. Lumpini Town Rangsit-Klong 2	80	-	2022	2022
Housing				
1. BAAN 365 Muangthong	2,600	190	2Q21	2022
2. Lumpini Town Place Lat Phrao 101-Pho Kaeo	620	95	3Q21	2022
3. Lumpini Town Ville Sai Mai 18-Phahonyothin	580	184	4Q21	2022
4. BAAN 365 Ratchaphruek Inthrawat	760	18	2022	2022
5. Villa 168 @ Westgate	355	49	2022	2022
6. Lumpini Ratchaphruek Bangplub	890	295	2022	2022
7. Lumpini Ratpladuk	1,000	-	2022	2022
8. Lumpini Lam Luk Ka-Klong 3	1,200	-	2022	2022

Source: Company data

Ex 8: 12-month DCF-based TP Calculation Using A Base Year Of 2021F

(Bt m)		2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA		798	898	1,105	1,241	1,308	1,343	1,379	1,414	1,449	1,483	1,528	
Free cash flow		1,714	1,825	1,797	1,893	967	1,033	1,101	1,170	1,239	482	517	10,412
PV of free cash flow		1,710	1,620	1,502	1,491	702	704	703	701	697	254	244	4,912
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	0.8												
WACC (%)	6.2												
Terminal growth (%)	2.0												
Enterprise value -	15,239												
add investments													
Net debt (end-2021F)	9,932												
Minority interest	1												
Equity value	5,306												
# of shares (m)	1,476												
Equity value/share (Bt)	**3.60**												

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 9: Valuation Comparison With Regional Peers

			EPS growth		PE		P/BV		EV/EBITDA		Div yield	
Name	**BBG Code**	**Country**	**21F (%)**	**22F (%)**	**21F (x)**	**22F (x)**	**21F (x)**	**22F (x)**	**21F (x)**	**22F (x)**	**21F (%)**	**22F (%)**
Poly Real Estate Group	600048 CH	China	0.5	8.6	5.6	5.1	0.9	0.8	9.4	8.9	5.1	5.4
Agile Property Holdings	3383 HK	China	4.6	4.7	1.8	1.7	0.3	0.2	4.5	4.2	21.0	22.2
Country Garden Holdings	2007 HK	China	(12.1)	9.4	4.4	4.0	0.8	0.7	4.8	4.4	6.8	7.4
China Overseas Land & Invest	688 HK	Hong Kong	7.1	7.2	5.0	4.7	0.6	0.6	5.1	4.7	6.0	11.5
China Resources Land	1109 HK	Hong Kong	10.4	14.8	8.6	7.5	1.1	1.0	6.3	5.7	4.2	4.7
Hang Lung Properties	101 HK	Hong Kong	13.5	13.0	14.3	12.7	0.5	0.5	16.2	14.5	5.0	5.1
Henderson Land Development	12 HK	Hong Kong	(1.2)	1.5	11.1	10.9	0.5	0.5	20.4	19.6	5.5	5.6
Shimao Property Holdings	813 HK	Hong Kong	4.6	5.0	1.5	1.4	0.2	0.2	5.3	5.1	22.0	25.1
Sun Hung Kai Properties	16 HK	Hong Kong	0.0	5.7	8.9	8.5	0.5	0.4	9.2	8.7	5.3	5.4
Sino Land	83 HK	Hong Kong	105.8	(25.3)	7.0	9.4	0.4	0.4	3.3	4.5	6.8	5.9
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	30.0	14.1	0.7	0.7	26.7	19.1	1.9	2.2
Asian Property Devt *	AP TB	Thailand	4.7	10.4	6.8	6.1	0.9	0.8	10.9	11.0	5.2	5.7
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	(50.5)	11.7	20.1	18.0	0.7	0.7	23.4	19.5	3.0	3.3
Pruksa Holding *	PSH TB	Thailand	(17.5)	11.8	12.6	11.3	0.7	0.6	12.9	11.0	4.8	5.3
Quality Houses *	QH TB	Thailand	(10.6)	17.0	12.4	10.6	0.8	0.8	46.5	46.9	4.8	5.7
Sansiri *	SIRI TB	Thailand	(11.6)	12.3	14.4	12.8	0.5	0.5	22.5	22.3	2.8	3.1
Supalai *	SPALI TB	Thailand	36.2	13.3	8.2	7.2	1.2	1.1	9.9	8.6	4.9	5.6
Average			**8.2**	**14.0**	**10.4**	**8.8**	**0.7**	**0.7**	**14.4**	**13.2**	**6.7**	**7.6**

Sources: Bloomberg consensus, *Thanachart estimates

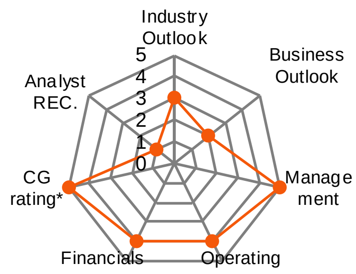
Based on 16 December 2021 closing prices

COMPANY DESCRIPTION

L.P.N. Development Pcl (LPN) and its affiliated companies develop real estate projects for sale. It holds the leading position in the residential condominium development segment targeting the middle-to-lower-middle income group. It diversified away from high-risk budget condos to penetrate the low-rise housing segment from 2016. Later in 2017, it started to launch condo projects in the middle-income segment and above, which are closer to the CBD (central business district).

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

- The leading condo developer in the low-end segment.
- Huge economies of scale on condo product.
- Short construction periods due to a high level of expertise.

W — Weakness

- Lack of product diversification.
- Targeted customers, low-to-middle income, are highly sensitive to economic conditions.

O — Opportunity

- Product expansion to townhouses and single-detached houses.
- Moving into the mid-to-upper condo segment.
- Expanding recurring income.

T — Threat

- Competition from listed and non-listed developers.
- Increasing land prices.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	4.13	3.60	-13%
Net profit 21F (Bt m)	402	354	-12%
Net profit 22F (Bt m)	668	396	-41%
Consensus REC	**BUY: 2**	**HOLD: 3**	**SELL: 14**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our net profit estimates in 2021-22F are 12-41% lower than the Bloomberg consensus numbers, which we attribute to us factoring in a higher backlog cancellation rate and lower property sales revenues.
- Consequently, our DCF-based TP is 13% below the Street's.

Source: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- A stronger domestic economy than we currently expect would positively impact condominium demand and people's purchasing power, leading to upside risk to our earnings forecasts.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	9,954	7,363	5,507	6,072	6,513
Cost of sales	6,754	5,158	3,880	4,301	4,572
Gross profit	**3,200**	**2,205**	**1,627**	**1,771**	**1,940**
% gross margin	32.2%	29.9%	29.5%	29.2%	29.8%
Selling & administration expenses	1,695	1,259	1,008	1,093	1,172
Operating profit	**1,505**	**946**	**619**	**678**	**768**
% operating margin	15.1%	12.8%	11.2%	11.2%	11.8%
Depreciation & amortization	84	93	110	120	130
EBITDA	**1,589**	**1,039**	**729**	**798**	**898**
% EBITDA margin	16.0%	14.1%	13.2%	13.2%	13.8%
Non-operating income	86	95	24	25	28
Non-operating expenses	0	0	0	0	0
Interest expense	(4)	(98)	(197)	(205)	(179)
Pre-tax profit	**1,587**	**943**	**446**	**498**	**617**
Income tax	321	217	91	101	125
After-tax profit	**1,266**	**726**	**355**	**397**	**491**
% net margin	12.7%	9.9%	6.5%	6.5%	7.5%
Shares in affiliates' Earnings	(6)	(8)	0	0	0
Minority interests	(4)	(1)	(1)	(1)	(1)
Extraordinary items	0	0	0	0	0
NET PROFIT	**1,256**	**716**	**354**	**396**	**490**
Normalized profit	**1,256**	**716**	**354**	**396**	**490**
EPS (Bt)	0.9	0.5	0.2	0.3	0.3
Normalized EPS (Bt)	0.9	0.5	0.2	0.3	0.3

Earnings hit hard this year from weak presales and a high rejection rate

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	19,940	18,564	17,836	16,537	15,220
Cash & cash equivalent	501	917	650	800	1,000
Account receivables	326	357	267	294	316
Inventories	19,044	17,166	16,794	15,317	13,780
Others	69	125	125	125	125
Investments & loans	90	61	61	61	61
Net fixed assets	2,863	4,395	4,785	5,165	5,535
Other assets	580	599	524	575	619
Total assets	**23,473**	**23,619**	**23,206**	**22,337**	**21,435**
LIABILITIES:					
Current liabilities:	5,444	7,947	9,056	8,185	7,249
Account payables	1,845	1,267	957	1,060	1,127
Bank overdraft & ST loans	3,468	4,601	5,565	4,874	4,164
Current LT debt	0	1,980	2,395	2,097	1,792
Others current liabilities	131	99	140	153	165
Total LT debt	**4,165**	**2,168**	**2,622**	**2,297**	**1,962**
Others LT liabilities	705	1,682	1,416	1,559	1,674
Total liabilities	**10,314**	**11,797**	**13,094**	**12,041**	**10,885**
Minority interest	24	0	1	2	4
Preferreds shares	0	0	0	0	0
Paid-up capital	1,476	1,476	1,476	1,476	1,476
Share premium	442	442	442	442	442
Warrants	0	0	0	0	0
Surplus	(93)	(104)	(104)	(104)	(104)
Retained earnings	**11,311**	**10,008**	**8,297**	**8,480**	**8,733**
Shareholders' equity	13,135	11,822	10,110	10,293	10,546
Liabilities & equity	**23,473**	**23,619**	**23,206**	**22,337**	**21,435**

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	1,587	943	446	498	617
Tax paid	(321)	(217)	(91)	(101)	(125)
Depreciation & amortization	84	93	110	120	130
Chg In w orking capital	(2,485)	1,269	151	1,553	1,583
Chg In other CA & CL / minorities	(295)	(295)	(80)	(112)	(98)
Cash flow from operations	**(1,430)**	**1,793**	**537**	**1,958**	**2,107**
Capex	(121)	(1,626)	(500)	(500)	(500)
Right of use	0	(215)	(22)	(22)	(22)
ST loans & investments	(35)	(56)	0	0	0
LT loans & investments	(41)	29	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	344	1,405	(49)	240	202
Cash flow from investments	**148**	**(463)**	**(570)**	**(282)**	**(320)**
Debt financing	2,383	1,115	1,833	(1,314)	(1,350)
Capital increase	0	0	0	0	0
Dividends paid	(877)	(2,035)	(2,066)	(213)	(237)
Warrants & other surplus	(145)	5	0	0	0
Cash flow from financing	**1,362**	**(914)**	**(233)**	**(1,527)**	**(1,587)**
Free cash flow	**(1,551)**	**167**	**37**	**1,458**	**1,607**

High PE of 18.0x in 2022F with a lower dividend yield than the sector

LPN paid a Bt1 special dividend from retained earnings in 2020

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	5.7	9.9	20.1	18.0	14.5
Normalized PE - at target price (x)	4.2	7.4	15.0	13.4	10.8
PE (x)	5.7	9.9	20.1	18.0	14.5
PE - at target price (x)	4.2	7.4	15.0	13.4	10.8
EV/EBITDA (x)	9.0	14.4	23.4	19.5	15.6
EV/EBITDA - at target price (x)	7.8	12.7	20.9	17.3	13.6
P/BV (x)	0.5	0.6	0.7	0.7	0.7
P/BV - at target price (x)	0.4	0.4	0.5	0.5	0.5
P/CFO (x)	(5.0)	4.0	13.2	3.6	3.4
Price/sales (x)	0.7	1.0	1.3	1.2	1.1
Dividend yield (%)	12.4	29.0	3.0	3.3	4.1
FCF Yield (%)	(21.8)	2.3	0.5	20.5	22.6
(Bt)					
Normalized EPS	0.9	0.5	0.2	0.3	0.3
EPS	0.9	0.5	0.2	0.3	0.3
DPS	0.6	1.4	0.1	0.2	0.2
BV/share	8.9	8.0	6.9	7.0	7.1
CFO/share	(1.0)	1.2	0.4	1.3	1.4
FCF/share	(1.1)	0.1	0.0	1.0	1.1

Sources: Company data, Thanachart estimates

We expect gross margin to remain under pressure…

…owing to weak condo demand and the need to sell inventory

Low ROE

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	(11.5)	(26.0)	(25.2)	10.3	7.3
Net profit (%)	(8.1)	(43.0)	(50.5)	11.7	23.9
EPS (%)	(8.1)	(43.0)	(50.5)	11.7	23.9
Normalized profit (%)	(8.1)	(43.0)	(50.5)	11.7	23.9
Normalized EPS (%)	(8.1)	(43.0)	(50.5)	11.7	23.9
Dividend payout ratio (%)	70.5	288.4	60.0	60.0	60.0
Operating performance					
Gross margin (%)	32.2	29.9	29.5	29.2	29.8
Operating margin (%)	15.1	12.8	11.2	11.2	11.8
EBITDA margin (%)	16.0	14.1	13.2	13.2	13.8
Net margin (%)	12.7	9.9	6.5	6.5	7.5
D/E (incl. minor) (x)	0.6	0.7	1.0	0.9	0.8
Net D/E (incl. minor) (x)	0.5	0.7	1.0	0.8	0.7
Interest coverage - EBIT (x)	348.7	9.7	3.1	3.3	4.3
Interest coverage - EBITDA (x)	368.1	10.6	3.7	3.9	5.0
ROA - using norm profit (%)	5.6	3.0	1.5	1.7	2.2
ROE - using norm profit (%)	9.6	5.7	3.2	3.9	4.7
DuPont					
ROE - using after tax profit (%)	9.7	5.8	3.2	3.9	4.7
- asset turnover (x)	0.4	0.3	0.2	0.3	0.3
- operating margin (%)	16.0	14.1	11.7	11.6	12.2
- leverage (x)	1.7	1.9	2.1	2.2	2.1
- interest burden (%)	99.7	90.6	69.3	70.8	77.5
- tax burden (%)	79.8	76.9	79.7	79.7	79.7
WACC (%)	6.2	6.2	6.2	6.2	6.2
ROIC (%)	6.8	3.6	2.5	2.7	3.3
NOPAT (Bt m)	1,201	728	493	541	612
invested capital (Bt m)	20,268	19,654	20,042	18,761	17,464

Sources: Company data, Thanachart estimates

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