

BUY (Unchanged)

TP: Bt 29.00 (Unchanged)

Company Update

Upside : 37.4%

30 NOVEMBER 2021

RS Public Co Ltd (RS TB)

Restarting after a setback

After major earnings hiccups from substantial marketing expenses for new products, sales of which were hit by COVID outbreaks after their launch, and call center COVID disruption, we expect a strong earnings turnaround next year. The product launch timeline is being restarted with petfood products. Reaffirm BUY.



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No change in business direction

RS has faced major earnings hiccups since late 2Q21 on 1) marketing expenses for two new product lines, its Camu C functional drink and Well U health-beauty supplement, while COVID hit sales after their launch; and 2) call center work disruption during the high COVID infection period that hit its existing commerce business. The hiccups do not change RS's business direction for three new branded product lines, i.e. functional drinks, health supplements, and pet food. From a bigger picture view, RS still has three key business pillars, i.e., a commerce (market place) platform, a product brand owner and its entertainment business.

New product launches resume

Of the new product lines, the "Camu C" vitamin C drink was relaunched in convenience stores (CVS) (mainly 7-11) nationwide in October with more SKUs, including hemp, in late 1Q22. Having launched the Well U collagen drink in 2Q21, RS is looking to consolidate other health/beauty supplement product brands into Well U to strengthen the brand. Pet food under the "Lifemate" brand with a holistic wellness premium mass-market position is due to be launched in traditional trade pet shops next month. Starting with dry food, RS plans to launch wet food, snacks, and pet-related products in 2Q-3Q22 and targets revenue of Bt320m in 2022, only a 1% market share of a Bt40bn market. We estimate three new products to generate sales of Bt400/600m in 2022-23F from Bt200m in 2021F.

Utility tokens for additional income source

RS has launched the "Popcoin" utility token to use in its entertainment application, where the token's ecosystem will be built. This is intended to be an additional income source in the digital era. Initially, the main income source for this business model is revenue from advertisers buying Popcoin tokens to get space and time to show their ads in this application. RS hopes to get some ad spend share in the category of online and digital ad spending which is worth around Bt21bn of the total Bt101bn ad spend pool. We like the Popcoin idea but still prefer to wait and see how the ecosystem jigsaw will be put together in the application before we factor this into our numbers.

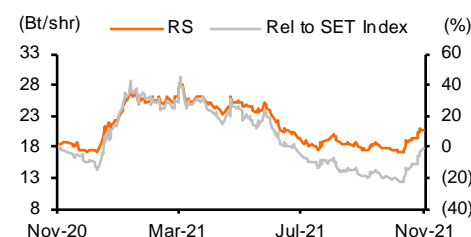
Earnings turnaround has started

We expect an earnings turnaround from 4Q21F, when we project a Bt58m profit, turning from a loss Bt0.3m in 3Q21, but still down 44% y-y. Sales from both the existing commerce business and new products have improved post lockdown while front-loaded marketing expenses of new products have subsided. We project 154/38% EPS growth in 2022-23F on 1) 10% p.a. commerce sales growth, 2) falling marketing costs for new products with higher revenue, 3) equity income growth from Chase Asia and Specialty Group, and 4) a turnaround of its radio and event businesses.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	3,774	3,746	4,542	5,193
Net profit	528	251	639	880
Consensus NP	—	297	606	791
Diff frm cons (%)	—	(15.5)	5.5	11.3
Norm profit	528	251	639	880
Prev. Norm profit	—	260	639	875
Chg frm prev (%)	—	(3.2)	0.0	0.6
Norm EPS (Bt)	0.5	0.3	0.7	0.9
Norm EPS grw (%)	37.4	(52.4)	154.2	37.8
Norm PE (x)	38.8	81.7	32.1	23.3
EV/EBITDA (x)	17.2	29.9	17.7	13.2
P/BV (x)	10.2	9.5	8.4	7.6
Div yield (%)	0.0	1.0	2.5	3.4
ROE (%)	28.4	12.1	27.8	34.2
Net D/E (%)	28.7	92.2	76.7	59.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 30-Nov-21 (Bt)	21.10
Market Cap (US\$ m)	608.9
Listed Shares (m shares)	972.5
Free Float (%)	60.5
Avg Daily Turnover (US\$ m)	5.9
12M Price H/L (Bt)	29.00/17.00
Sector	Commerce
Major Shareholder	Chetchotisak Family 23.6%

Sources: Bloomberg, Company data, Thanachart estimates



Utility token details

An additional income source in the digital era

Under the join-to-earn concept, RS Pcl (RS) has launched the so-called “Popcoin” utility token to use in its entertainmerce (a.k.a. entertainment and commerce) application, where the token’s ecosystem will be built. This is intended to be an additional income source in the digital era where RS hopes to capture some ad spend share in online media. Despite the COVID crisis, online media spending in Thailand has grown impressively at a 12% CAGR over 2018-20 with a 20% contribution to total ad spending, and this is an untapped area for RS.

How it works

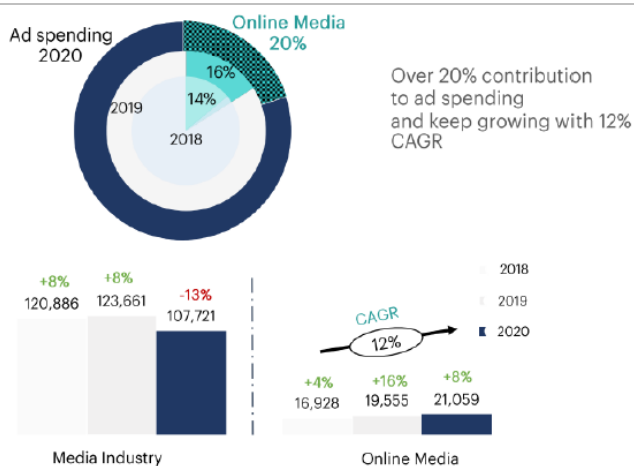
RS, via its 70%-held subsidiary Fourth Apple, which specializes in online media and marketing, plans to use Popcoin to generate interest and induce participation in its online media and commerce in its application. The main income for the initial stage is from advertisers/content sponsors buying Popcoin tokens to get space and time to show their ads in this application. When audiences watch their ads, engage in marketing campaigns and activities, or buy products, they would receive tokens which can be used 1) on a platform to redeem a particular product or obtain preferential treatment provided by RS group in the initial stage. The token redemption price could be under a fixed or at a bidding price (top offers get the products); 2) sold on the secondary market; 3) participate in a staking program in which holders deposit tokens and lock in holdings to earn 5% interest. The staking program could help increase the value of the tokens by limiting the supply.

Small investment costs

RS plans to issue a total of 10,000m coins in four years in the primary market only with supply inflation of 4% a year afterwards. Popcoin is developed on Bitkub Chain. RS has discussed with the Office of the Securities and Exchange Commission and is preparing to get Popcoin listed on the board of Bitkub, a leading digital asset exchange, likely at the beginning of 2022. The cash cost for development is therefore small and would be amortized over five years as these are expenses mainly for application and consultant fees. As for content and redeemable products, RS plans to use tokens (at no more than 30% of the tokens issued) to barter. RS targets to have over 1m registered users in the initial phase. The first target group is the young generation, especially RS’s “young gen” fan base (i.e., Kamikaze, Food Truck Battle with 0.4m YouTube subscribers) and K-pop (Korean pop music and series) fans. It opened for early registration in mid-November and 70,000 users have registered so far.

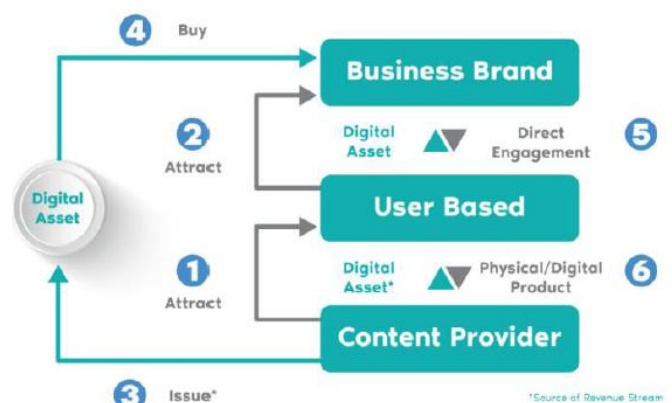
Revenue from Popcoin can be recognized when the tokens are redeemed, and we estimate potential revenue of Bt244m in the first year if all tokens are redeemed, or a total of Bt975m for the total 10,000m tokens issued over four years. We like the Popcoin idea but still prefer to wait and see how the ecosystem jigsaw will be put together in the application before we factor this into our numbers.

Ex 1: Online Media Is An Untapped Area For RS



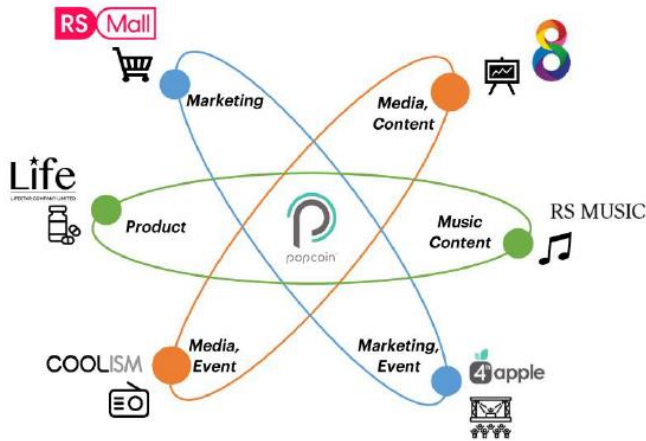
Source: Company data

Ex 2: Popcoin Business Model



Source: Company data

Ex 3: Integrating RS's Ecosystem Entertainmerce



Source: Company data

Ex 4: Redemption of Popcoin Products



Source: Company data. Note: more detail to be announced in January

Ex 5: Example Of RS's Intellectual Property



Build new demand from activities based on foundation of Entertainmerce; fan meeting, mini concert, etc.

Generate value on digital content and KOLs from 42 million subscribers base of RS group

Create new digital assets (NFT) from large pool of RS' intellectual property

Source: Company data

Ex 6: Popcoin Tokenomics: Primary Market

1. Sales to Business/Brand



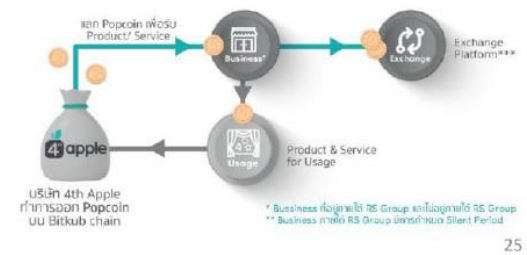
Content Sponsor can create their event & activity to distribute Popcoin



2. Airdrops by 4th Apple



3. Barter for content



Source: Company data

Ex 7: Popcoin Tokenomics: Secondary Market

Exchange in the secondary market



Staking Pool

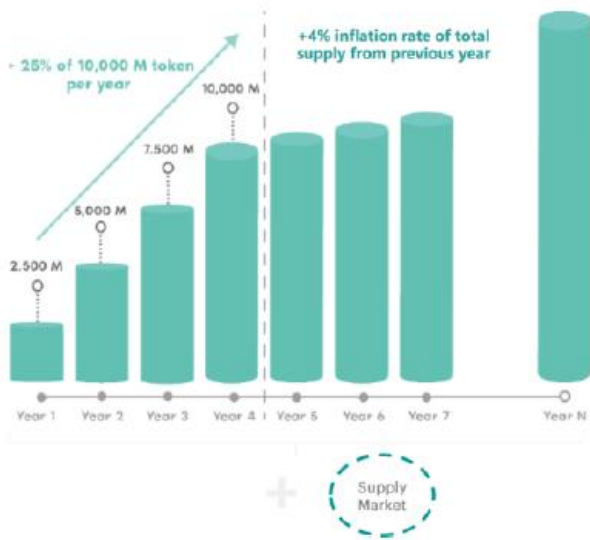


Rewarded Pool



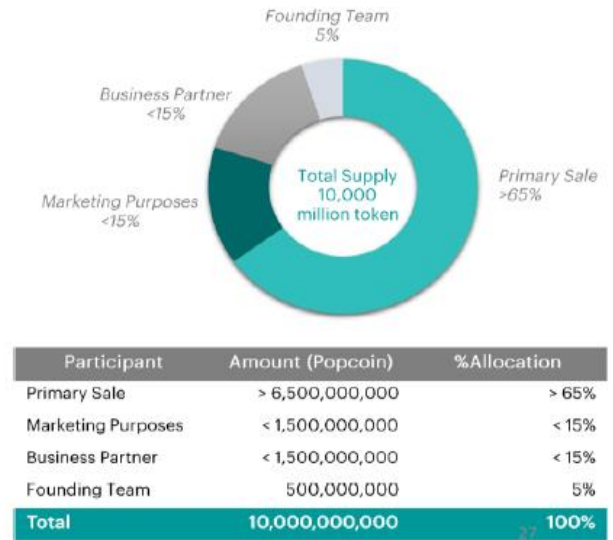
Source: Company data

Ex 8: Total Popcoin Supply



Source: Company data

Ex 9: Popcoin Distribution Per Year



Source: Company data

Ex 10: Popcoin Launch Timeline



Source: Company data

Earnings turnaround has begun

We expect an earnings turnaround from 4Q21F

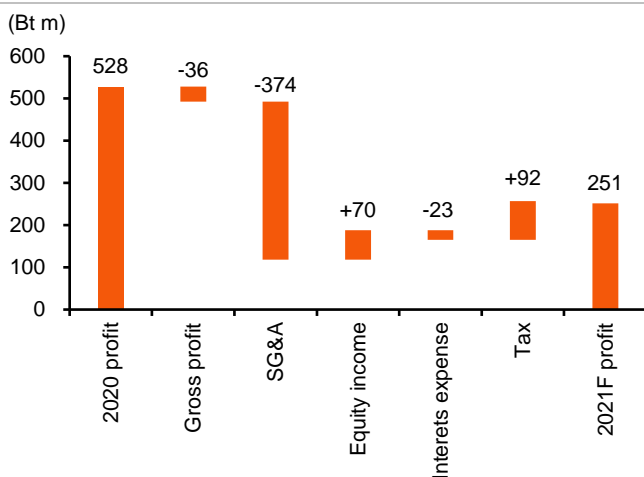
RS has experienced major earnings hiccups since late 2Q21 on 1) market expenses committed for two new product lines, its Camu C functional drink and the Well U health-beauty food supplement, while COVID hit sales since their launch; 2) call center work disruption during the high COVID infection period that hit its existing commerce business; and 3) the COVID lockdown also weakening its media business. All these factors hit RS so that it posted a loss of Bt0.3m in 3Q21 on the back of total revenue falling by 9% y-y and 14% q-q with SG&A-to-sales ratio rising to 51% in 3Q21 vs. 35% in 3Q20.

We expect an earnings turnaround from 4Q21F, when we estimate a Bt58m profit (still down 44% y-y) driven by improving commerce sales post-lockdown and SG&A-to-sales ratio improving to 48% in 4Q21F (from 51% in 3Q21) due to lower front-loaded market expenses for new products.

We estimate 154/38% EPS growth in 2022-23F on:

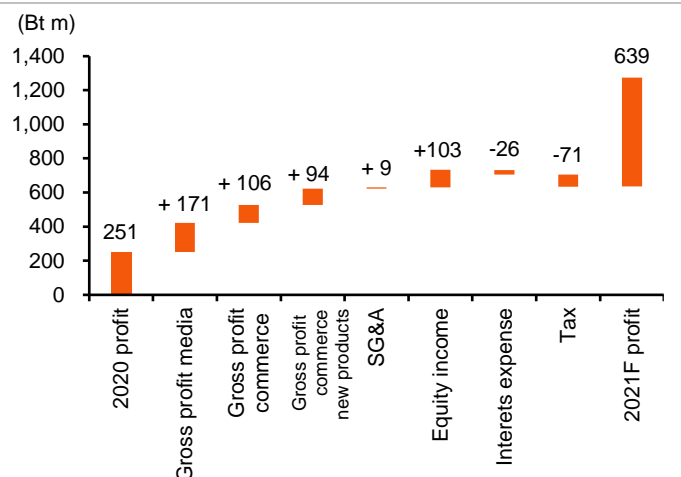
- 1) Commerce sales via existing platforms (52% of 2022F revenue) grew 7% CAGR in 2019-20. Hit by the weak domestic economy and higher call center inefficiency during the COVID lockdown, we estimate revenue to fall by 10% in 2021F before recovering by 10% p.a. in 2022-23F post-lockdown.
- 2) Rising revenue of new products, i.e., functional drinks, food supplements, pet food (9% of 2022F revenue). These products were hit by COVID since their launch and we expect only Bt200m in revenue from them this year before rising to Bt400m/600m in 2022/23F on improving consumption, more SKUs to be launched and the full-year impact. Note that functional drink and food supplement were launched in late 2Q21 and the plan is to launch pet food in December.
- 3) Falling marketing costs from new products with improving revenue in 2022-23F. Due to expenses for new product launches, we project RS's 2021F SG&A to increase by 25% y-y, or an additional of Bt100m per quarter. We believe up to half of this is mainly committed marketing expenses. As sales were hit by COVID, SG&A-to-sales ratio increased to 45% in 2021F vs. 30/35% in 2019/20. Going forward, RS plans to gear itself towards sales-related marketing expenses such as promotional campaigns to drive sales. As such, despite its plans to launch more products next year, we expect relatively flat SG&A expenses in 2022/23F. We estimate SG&A-to-sales ratio to decrease from 45% this year to 37% in 2022F and 34% in 2023F.
- 4) Equity income growth from debt collection and asset management company (AMC) Chase Asia that was acquired in March 2021 and Specialty Group, a food supplement OEM company that is expanding into the hemp supply chain, including hemp extraction, that will be acquired late this year.
- 5) We forecast media business revenue (39% of the total) to increase by 27/12% on a recovery in radio advertising spending and a turnaround of the event businesses, as they were hit badly by COVID and the lockdown this year.

Ex 11: 2021F Earnings Fall Breakdown



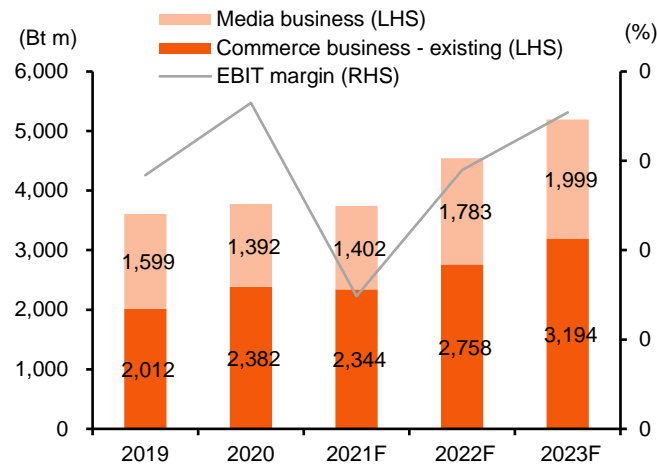
Sources: Company data, Thanachart estimates

Ex 12: 2022F Earnings Turnaround Breakdown



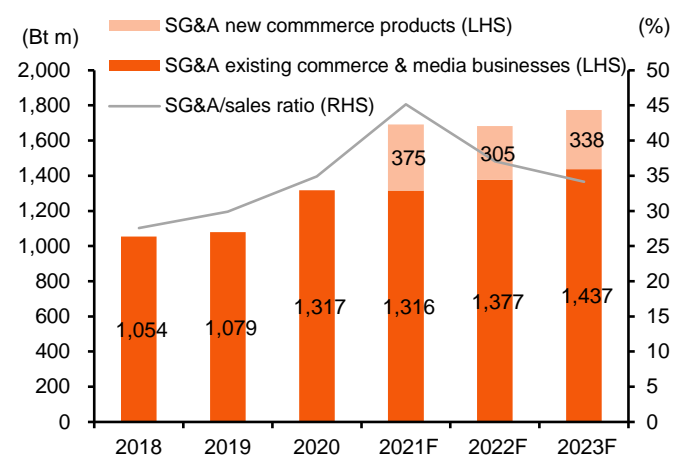
Sources: Company data, Thanachart estimates

Ex 13: Revenue And Margin Forecasts



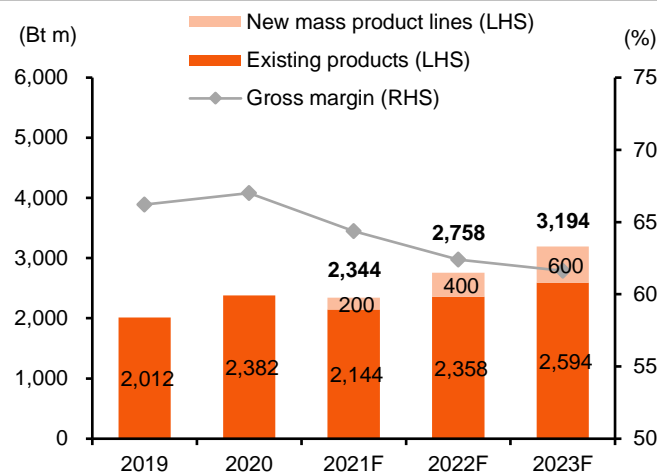
Sources: Company data, Thanachart estimates

Ex 14: SG&A Expense Ratio To Fall



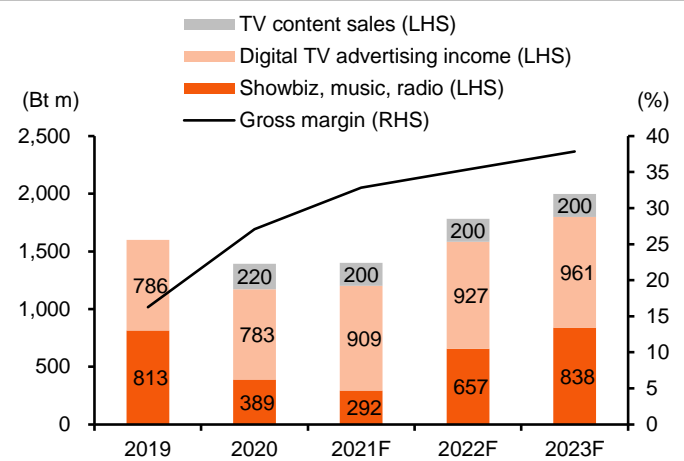
Sources: Company data, Thanachart estimates

Ex 15: Commerce Revenue And Margin Forecasts



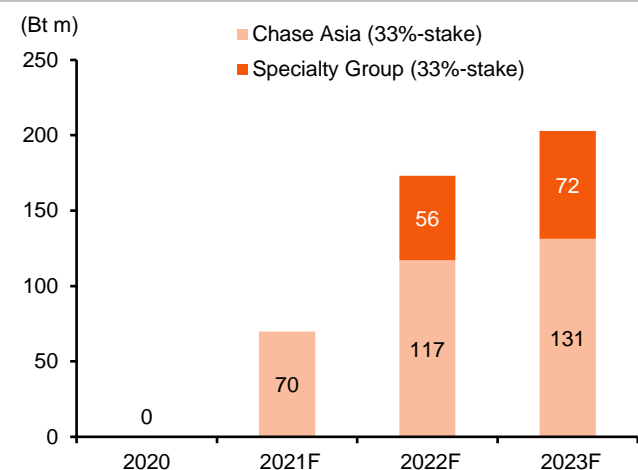
Sources: Company data, Thanachart estimates

Ex 16: Media Revenue And Margin Forecasts



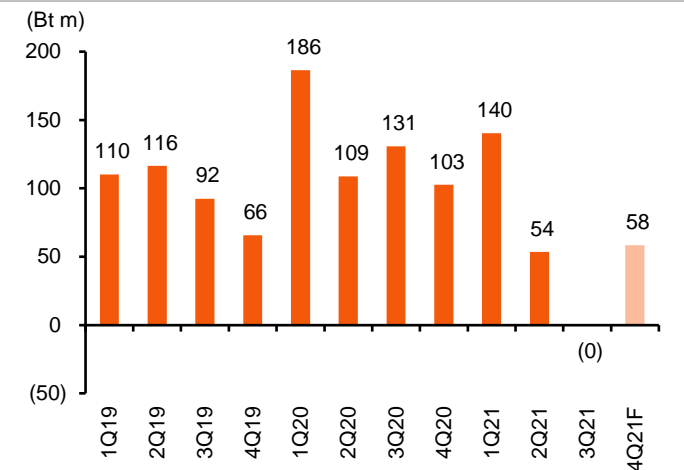
Sources: Company data, Thanachart estimates

Ex 17: Equity Income Forecasts



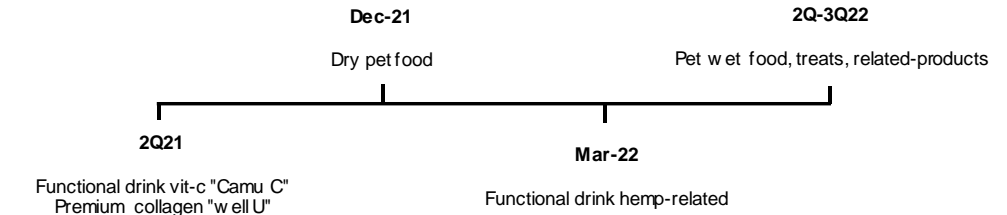
Sources: Company data, Thanachart estimates

Ex 18: 4Q21F Earnings Turnaround



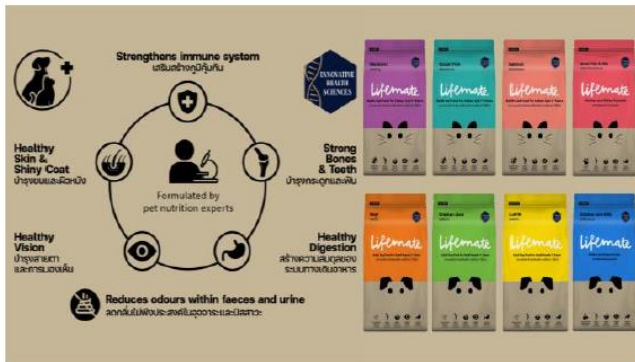
Sources: Company data, Thanachart estimates

Ex 19: RS's Timeline For New Product Lines



Source: Company data

Ex 20: RS's Dry Pet Food



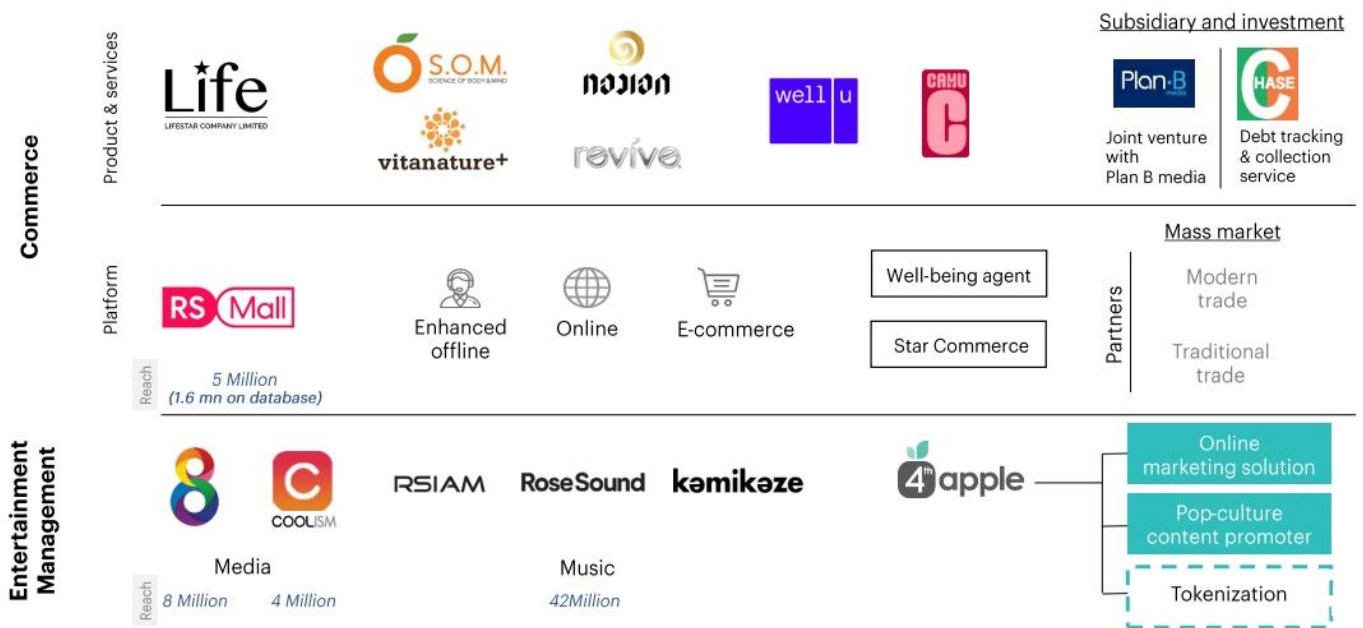
Source: Company data

Ex 21: RS's Dry Pet Food



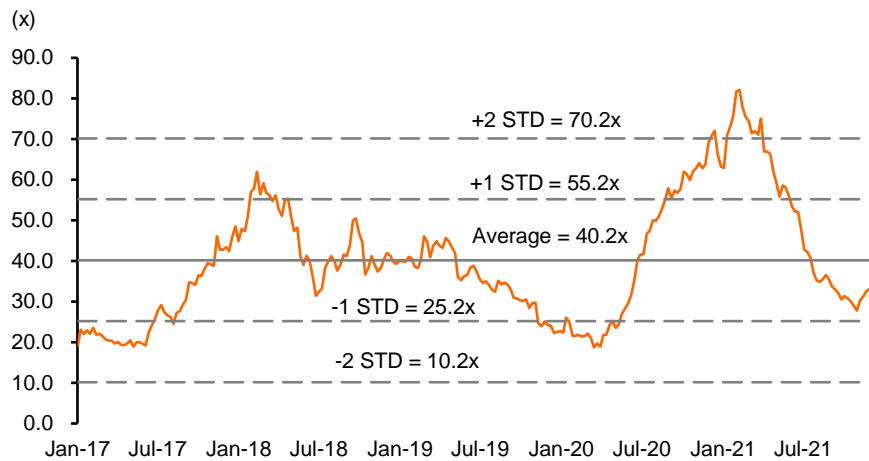
Source: Thanachart

Ex 22: RS's Entertainmerce Model



Source: Company data

Ex 23: RS's PE Standard Deviation



Sources: Bloomberg, Thanachart estimates

Ex 24: 12-month SOTP-derived DCF-based TP Calculation, Using A 2022F Base Year

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA	1,183	1,590	1,618	1,667	1,763	1,970	2,245	2,499	2,831	3,134	3,457	—
Free cash flow	576	901	908	945	1,068	1,170	1,402	1,603	1,877	2,115	2,381	37,184
PV of free cash flow	574	779	729	705	725	735	815	862	935	975	967	15,103
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.8											
WACC (%)	7.6											
Terminal growth (%)	2.0											
Enterprise value - add investments	23,905											
Net debt (2021F)	1,986											
Minority interest	2											
Equity value	21,916											
# of shares (m)	972											
Equity Value / Share	23.0											
Investment:												
Chase Asia	4.2											
Specialty group	2.0											
DCF-derived SOTP-based TP (Bt/share)	29											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 25: 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 (%)
Entertainment Ne	ENIL IN	India	na	na	na	21.8	1.1	1.1	12.2	6.5	0.7	1.5
Sun TV Network	SUNTV IN	India	9.2	10.3	12.4	11.3	2.7	2.5	7.4	6.6	4.3	4.9
Zee Entertainment	Z IN	India	58.8	25.0	24.9	19.9	2.9	2.6	15.9	13.1	1.0	1.2
Surya Citra Media	SCMA IJ	Indonesia	21.1	12.3	17.5	15.5	5.0	4.1	13.2	11.9	3.5	2.4
Media Nusantara	MNCN IJ	Indonesia	15.6	15.6	6.0	5.2	0.8	0.7	4.2	3.9	2.0	3.6
Beijing Gehua	600037 CH	China	(15.3)	140.0	76.0	31.7	0.8	0.8	4.8	3.6	0.4	1.1
Media Prima Bhd	MPR MK	Malaysia	na	40.3	13.5	9.6	0.8	0.8	2.6	2.5	0.4	0.7
BEC World*	BEC TB	Thailand	na	43.8	44.4	30.9	4.9	4.7	9.6	8.6	2.0	2.9
MAJOR Cineplex*	MAJOR TB	Thailand	na	34.1	20.9	15.5	2.3	2.2	12.0	9.4	2.9	5.1
Plan B Media*	PLANB TB	Thailand	na	na	na	56.7	4.0	3.8	10.7	8.7	0.0	0.9
RS Pcl*	RS TB	Thailand	(52.4)	154.2	81.7	32.1	9.5	8.4	29.9	17.7	1.0	2.5
VGI Global Media**	VGI TB	Thailand	144.5	113.3	128.4	60.2	3.4	3.3	100.1	53.7	0.2	0.3
Workpoint Ent**	WORK TB	Thailand	Na	na	na	271.9	2.2	2.2	15.4	13.0	0.0	0.2
Bangkok Com. Asset*	BAM TB	Thailand	30.2	19.6	27.2	22.8	1.5	1.5			2.5	2.6
JMT Network Services	JMT TB	Thailand	14.8	31.6	46.4	35.2	7.0	5.6	36.8	28.5	1.2	1.5
Chayo Group	CHAYO TB	Thailand	21.1	41.3	48.8	34.6	4.5	3.6	29.3	18.9	0.4	0.6
Beauty Community	BEAUTY TB	Thailand	25.1	na	na	50.3	6.0	5.8	na	28.6	na	2.0
Do Day Dream	DDD TB	Thailand	na	na	na	60.4	1.2	1.2	na	22.5	5.1	1.5
Karmarts	KAMART TB	Thailand	(27.1)	54.6	33.6	21.8	3.4	3.3	19.6	14.2	3.0	4.3
Average			20.5	52.6	41.6	42.5	3.4	3.1	20.2	15.1	1.7	2.1

Source: Bloomberg

Note: * Thanachart estimates using normalized EPS growth

** VGI's fiscal year ends in March.

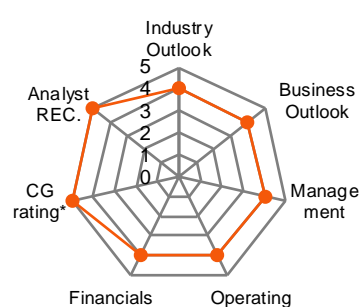
Based on 30-Nov-21 closing prices

COMPANY DESCRIPTION

RS Public Company Limited (RS) operates a diversified media and entertainment business. The company and its subsidiaries produce recorded music on CDs, digital music, digital TV and satellite TV shows and dramas, radio programs, concerts and events, as well as sports programs.

Source: Thanachart

COMPANY RATING



Rating Scale

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

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Integrated entertainment network and commerce businesses.
- Swift adjustments in response to changes in consumer demand.
- Targeting customers nationwide.

O — Opportunity

- Exposure to its multi-platform commerce business.
- Capitalizing on its audience base on media with its on-air marketplace business.
- The opportunity to expand its product line to new target group clients that buy some products on credit.

W — Weakness

- Dependent on domestic consumption momentum.
- Dependent on superstar artists.

T — Threat

- Liberalization of broadcasting regulations.
- Technology and consumer preferences have shifted.
- Piracy of the company's products.
- Regulatory risks from the government agencies.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	21.33	29.00	36%
Net profit 21F (Bt m)	297	251	-15%
Net profit 22F (Bt m)	606	639	5%
Consensus REC	BUY: 4	HOLD: 5	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021F net profit is 15% below the Bloomberg consensus estimate, which we attribute to us factoring in the new COVID wave and a more gradual consumption recovery.
- However, our DCF-based TP is 36% higher, likely reflecting us having a more positive view on the growth of the commerce business and Chase Asia and Specialty Group's performance over the longer term.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- The key downside risk to our call would be if RS's retail revenue were to come in lower than we currently assume and higher-than-expected marketing expenses.
- A secondary downside risk would be if new regulations were to be imposed on beauty and health-business commercials appearing on media channels.
- A further downside risk would be if the digital-TV business performance does not reach our expectations because of sluggish domestic consumption or fierce competition.
- Another downside risk would be if the performance of Chase Asia and Specialty Group do not reach our expectations.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	3,611	3,774	3,746	4,542	5,193
Cost of sales	2,020	1,769	1,776	2,202	2,499
Gross profit	1,591	2,006	1,969	2,340	2,694
% gross margin	44.1%	53.1%	52.6%	51.5%	51.9%
Selling & administration expenses	1,079	1,317	1,691	1,682	1,774
Operating profit	513	689	278	658	920
% operating margin	14.2%	18.3%	7.4%	14.5%	17.7%
Depreciation & amortization	577	534	473	607	754
EBITDA	1,089	1,223	752	1,265	1,674
% EBITDA margin	30.2%	32.4%	20.1%	27.8%	32.2%
Non-operating income	11	17	7	9	10
Non-operating expenses	(6)	(4)	0	0	0
Interest expense	(35)	(36)	(59)	(85)	(84)
Pre-tax profit	483	666	227	582	846
Income tax	97	137	45	116	169
After-tax profit	385	528	181	466	677
% net margin	10.7%	14.0%	4.8%	10.3%	13.0%
Shares in affiliates' Earnings	0	0	70	173	203
Minority interests	(1)	0	0	0	0
Extraordinary items	(21)	0	0	0	0
NET PROFIT	363	528	251	639	880
Normalized profit	384	528	251	639	880
EPS (Bt)	0.4	0.5	0.3	0.7	0.9
Normalized EPS (Bt)	0.4	0.5	0.3	0.7	0.9

*We expect earnings
turnaround from 4Q21F*

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	1,117	1,174	1,397	1,660	1,966
Cash & cash equivalent	328	200	200	200	300
Account receivables	516	711	872	1,058	1,209
Inventories	259	229	292	362	411
Others	13	33	33	40	46
Investments & loans	4	4	1,643	1,643	1,643
Net fixed assets	504	642	647	622	451
Other assets	1,782	2,697	2,491	2,701	2,846
Total assets	3,407	4,516	6,179	6,625	6,906
LIABILITIES:					
Current liabilities:	1,266	1,814	2,851	3,063	3,144
Account payables	651	1,016	1,168	1,448	1,643
Bank overdraft & ST loans	530	620	1,530	1,449	1,334
Current LT debt	0	0	0	0	0
Others current liabilities	84	178	152	166	167
Total LT debt	236	156	656	621	572
Others LT liabilities	178	543	517	503	481
Total liabilities	1,680	2,512	4,024	4,188	4,196
Minority interest	2	2	2	2	2
Preferreds shares	0	0	0	0	0
Paid-up capital	972	972	972	972	972
Share premium	322	322	322	322	322
Warrants	0	0	0	0	0
Surplus	0	(160)	(160)	(160)	(160)
Retained earnings	430	867	1,018	1,301	1,574
Shareholders' equity	1,725	2,002	2,153	2,435	2,708
Liabilities & equity	3,407	4,516	6,179	6,625	6,906

Sources: Company data, Thanachart estimates

Chase Asia investment, specialty investment and normal capex planned for commerce business

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	483	666	227	582	846
Tax paid	(97)	(137)	(45)	(116)	(169)
Depreciation & amortization	577	534	473	607	754
Chg In working capital	(19)	200	(72)	24	(5)
Chg In other CA & CL / minorities	(0)	69	44	179	197
Cash flow from operations	943	1,331	627	1,276	1,623
Capex	(749)	(593)	(400)	(500)	(500)
Right of use	0	(551)	(20)	(20)	(20)
ST loans & investments	0	0	0	0	0
LT loans & investments	(0)	0	(1,639)	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(3)	(74)	123	(284)	(231)
Cash flow from investments	(752)	(1,218)	(1,936)	(804)	(751)
Debt financing	108	10	1,410	(116)	(165)
Capital increase	26	0	(0)	0	0
Dividends paid	(388)	(96)	(101)	(356)	(608)
Warrants & other surplus	52	(155)	0	0	0
Cash flow from financing	(201)	(241)	1,310	(472)	(773)
Free cash flow	194	738	227	776	1,123

We expect RS's PE to fall in 2022F, backed by strong earnings growth

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	53.4	38.8	81.7	32.1	23.3
Normalized PE - at target price (x)	73.4	53.4	112.2	44.2	32.0
PE (x)	56.5	38.8	81.7	32.1	23.3
PE - at target price (x)	77.6	53.4	112.2	44.2	32.0
EV/EBITDA (x)	19.2	17.2	29.9	17.7	13.2
EV/EBITDA - at target price (x)	26.3	23.5	40.2	23.8	17.8
P/BV (x)	11.9	10.2	9.5	8.4	7.6
P/BV - at target price (x)	16.4	14.1	13.1	11.6	10.4
P/CFO (x)	21.8	15.4	32.7	16.1	12.6
Price/sales (x)	5.7	5.4	5.5	4.5	4.0
Dividend yield (%)	1.4	0.0	1.0	2.5	3.4
FCF Yield (%)	0.9	3.6	1.1	3.8	5.5
(Bt)					
Normalized EPS	0.4	0.5	0.3	0.7	0.9
EPS	0.4	0.5	0.3	0.7	0.9
DPS	0.3	0.0	0.2	0.5	0.7
BV/share	1.8	2.1	2.2	2.5	2.8
CFO/share	1.0	1.4	0.6	1.3	1.7
FCF/share	0.2	0.8	0.2	0.8	1.2

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	(5.6)	4.5	(0.8)	21.3	14.3
Net profit (%)	(29.6)	45.4	(52.4)	154.2	37.8
EPS (%)	(35.1)	45.4	(52.4)	154.2	37.8
Normalized profit (%)	(12.7)	37.4	(52.4)	154.2	37.8
Normalized EPS (%)	(19.6)	37.4	(52.4)	154.2	37.8
Dividend payout ratio (%)	80.3	0.0	80.0	80.0	80.0
Operating performance					
Gross margin (%)	44.1	53.1	52.6	51.5	51.9
Operating margin (%)	14.2	18.3	7.4	14.5	17.7
EBITDA margin (%)	30.2	32.4	20.1	27.8	32.2
Net margin (%)	10.7	14.0	4.8	10.3	13.0
D/E (incl. minor) (x)	0.4	0.4	1.0	0.8	0.7
Net D/E (incl. minor) (x)	0.3	0.3	0.9	0.8	0.6
Interest coverage - EBIT (x)	14.8	19.1	4.7	7.7	11.0
Interest coverage - EBITDA (x)	31.5	33.9	12.8	14.9	20.0
ROA - using norm profit (%)	10.3	13.3	4.7	10.0	13.0
ROE - using norm profit (%)	22.6	28.4	12.1	27.8	34.2
DuPont					
ROE - using after tax profit (%)	22.7	28.3	8.7	20.3	26.3
- asset turnover (x)	1.0	1.0	0.7	0.7	0.8
- operating margin (%)	14.3	18.6	7.6	14.7	17.9
- leverage (x)	2.2	2.1	2.6	2.8	2.6
- interest burden (%)	93.3	94.9	79.4	87.3	91.0
- tax burden (%)	79.8	79.4	80.0	80.0	80.0
WACC (%)	7.6	7.6	7.6	7.6	7.6
ROIC (%)	20.6	25.3	8.6	12.7	17.1
NOPAT (Bt m)	409	547	223	526	736
invested capital (Bt m)	2,163	2,578	4,139	4,306	4,314

Improving operating margin due to better sales and lower SG&A/sales ratio

Sources: Company data, Thanachart estimates

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