BUY (Unchanged)

Company Update

TP: Bt 147.00 (Unchanged)

Upside : 28.9%

11 JANUARY 2022

Carabao Group Pcl (CBG TB)

Expecting a good start

Aside from the turnaround in 4Q21F after the major setback in 3Q21, we expect a good start for CBG in 2022F from a continued existing business recovery, new product launches and expansion of its distribution business. After its 26% share price fall from last year's peak, we believe it's time to pick up the pieces.

PATTADOL BUNNAK

662 – 483 8298

pattadol.bun@thanachartsec.co.th

Reaffirming BUY

We reaffirm BUY on CBG with an unchanged DCF-based 12-month TP, using a 2022F base year, of Bt147/share. *First*, CBG's earnings have already recovered from its lows in 3Q21. We estimate 4Q21F earnings at Bt640m, still down 27% y-y but up 18% q-q. *Second*, we not only foresee CBG's earnings getting back to normal, say, in 2020, before a 19% setback in 2021F, but we expect new beverage products and distribution business expansion to be new drivers this year. *Third*, after its 26% share price fall from last year's peak, we believe now is a good time to get into CBG at a 26x PE vs. 55% EPS growth in 2022F and its average historical PE since listing in 2014 of 36x.

55% earnings growth in 2022F

We project CBG's EPS to grow by 55% in 2022F after a 19% fall in 2021F. One factor is a turnaround after lockdowns in its main markets, i.e., Thailand, Cambodia, Myanmar and China in 3Q21. Other factors are lower sugar costs from a new sugar formula since 3Q21, seven to eight new beverages, including a hemp-based one, still fast-growing white spirit distribution and new product lines for its distribution business. We estimate sales to grow 26% in 2022F after falling by 2% in 2021F. We also expect a turnaround of EBIT margin from a setback to 20% in 2021F from 24% in 2020 to 24/27% in 2022-23F.

Improving margin factors

CBG suffered an EBIT margin contraction last year from rising aluminum costs, and the leverage effect from a 9% drop in high-margin beverage sales. Total sales fell only 2% because there was 37% growth in low-margin distribution revenue. This year, we do not expect further margin downside from aluminum prices, which are already at a very high level. A recovery in beverage sales (43% gross margin) should help shore up overall margin though we also expect distribution revenue (7% gross margin) to continue to grow. We estimate EBIT margin to turn around to 24/27% in 2022-23F.

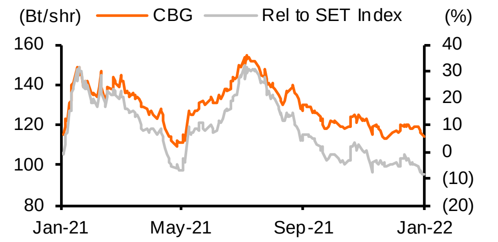
New growth drivers

CBG plans to introduce seven to eight new beverage products this year, starting with a hemp-based one in 1Q22. The new beverages will be in the categories of hemp-based, herb-based, and functional drinks. Moreover, CBG plans to expand product lines for its distribution business. Due to limited information at this stage, we still leave this as potential upside to our numbers. Note that CBG owns a nationwide cash van distribution business which also enjoys captive demand from its family businesses, which range from alcoholic drinks to convenience stores.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	17,231	16,876	21,226	23,742
Net profit	3,525	2,859	4,441	5,578
Consensus NP	—	3,063	3,764	4,467
Diff frm cons (%)	—	*(6.7)*	*18.0*	*24.9*
Norm profit	3,525	2,859	4,441	5,578
Prev. Norm profit	—	2,859	4,441	5,578
Chg frm prev (%)	—	*0.0*	*0.0*	*0.0*
Norm EPS (Bt)	3.5	2.9	4.4	5.6
Norm EPS grw (%)	40.0	(18.9)	55.3	25.6
Norm PE (x)	32.3	39.9	25.7	20.4
EV/EBITDA (x)	24.3	28.7	19.3	15.5
P/BV (x)	11.5	10.7	9.0	7.8
Div yield (%)	2.1	1.7	2.7	3.7
ROE (%)	38.1	27.8	38.2	41.1
Net D/E (%)	34.9	23.4	4.9	(10.8)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 11-Jan-22 (Bt)	114.00
Market Cap (US$ m)	3,411.8
Listed Shares (m shares)	1,000.0
Free Float (%)	28.9
Avg Daily Turnover (US$ m)	24.2
12M Price H/L (Bt)	154.50/109.50
Sector	FOOD
Major Shareholder	Sathientham Holding 25%

Sources: Bloomberg, Company data, Thanachart estimates

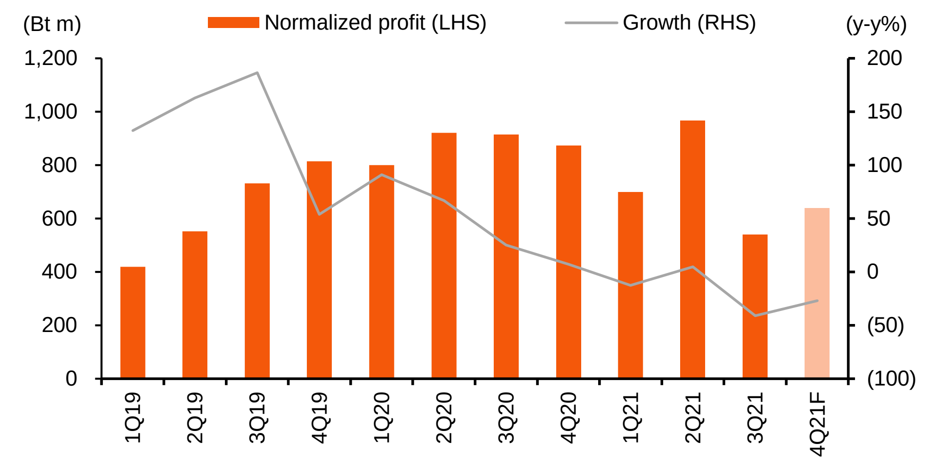
Thanachart Securities

Strong growth factors

Business recovery has taken place since 4Q21F

After a major setback in 3Q21 when earnings fell by 41% y-y, Carabao Group Pcl (CBG) is now seeing its businesses recover across its main markets and we expect it to post earnings of Bt640m in 4Q21F. Though still down 27% y-y, we expect a 18% q-q earnings increase.

Ex 1: Quarterly Earnings Trend

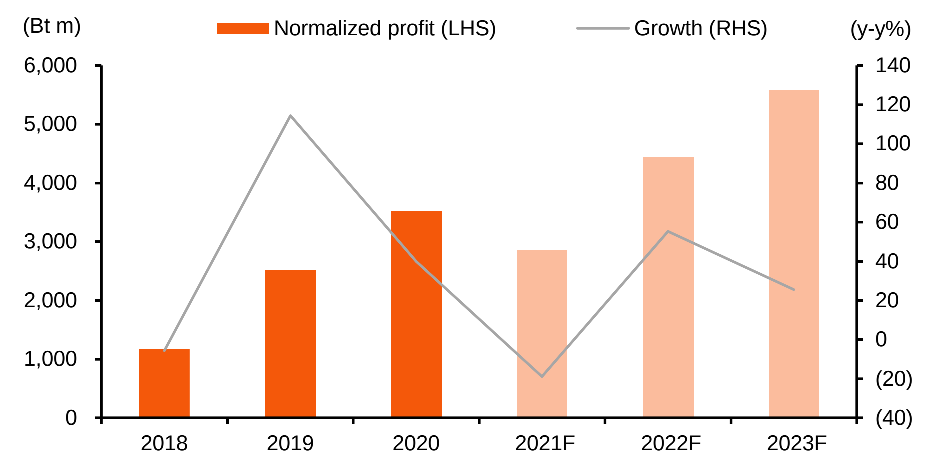


Sources: Company data, Thanachart estimates

Several earnings drivers in 2022F

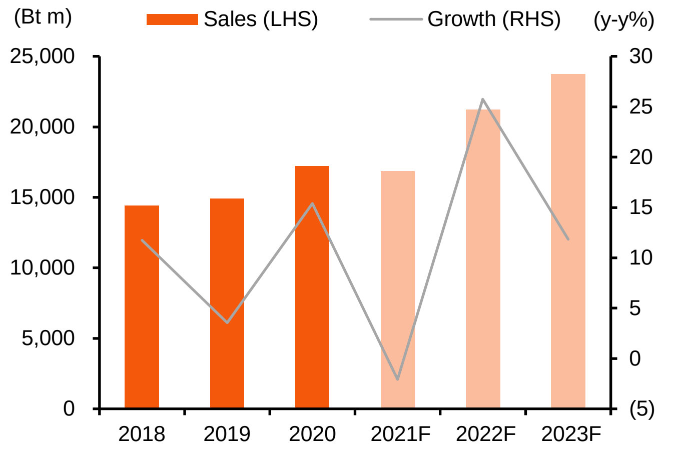
Looking to 2022, CBG is confident of stronger earnings momentum with drivers coming from both its existing business, new product launches and the potential expansion of its distribution business. Factoring these in, we project 55% EPS growth this year after a 19% decline in 2021F.

Ex 2: Annual Earnings Growth Driven By Both…



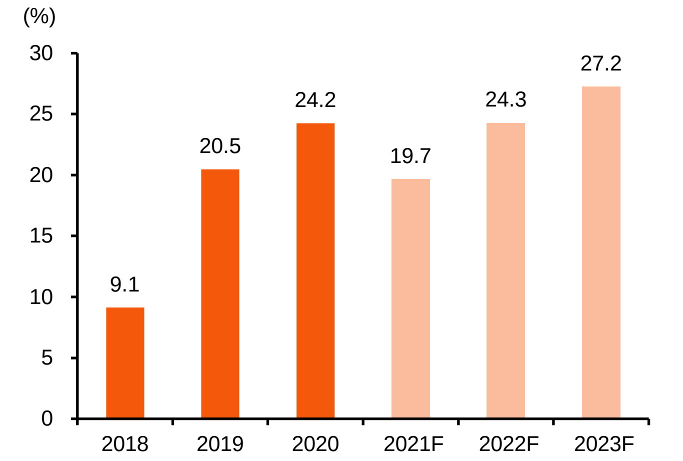
Sources: Company data, Thanachart estimates

Ex 3: …Sales Growth…



Sources: Company data, Thanachart estimates

Ex 4: …And EBIT Margin Expansion



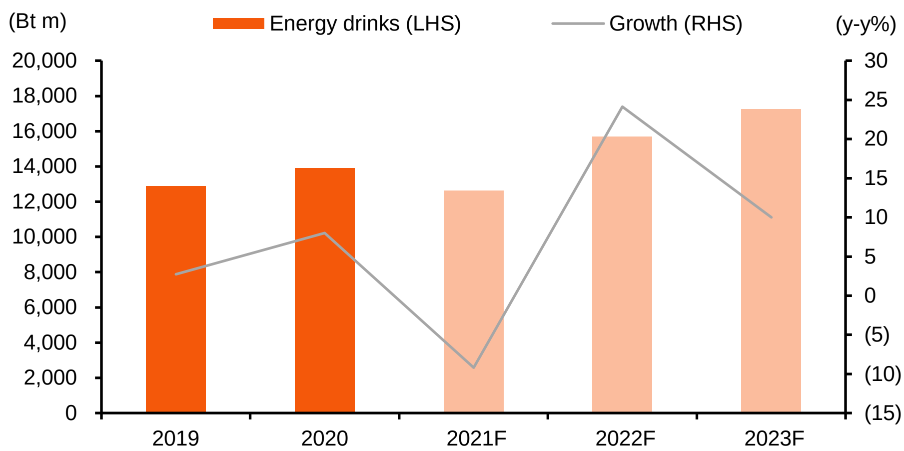
Sources: Company data, Thanachart estimates

We discuss about CBG's key growth drivers below.

1) Energy drink business recovery across its main markets

Energy drink business (70% of sales and 87% of gross profits in 2021F): Energy drink sales in Thailand and in its main markets of Myanmar, Cambodia and China fell sharply by an average of 26% y-y in 3Q21 amid COVID lockdowns which hit both demand and product distribution. The weak 3Q21 was the key drag causing a 9% fall in energy drink sales in 2021F. The recovery, however, started in 4Q21. In Thailand, CBG saw a strong recovery in orders to almost match the normal level seen in 4Q20. Decent orders materialized from both a demand recovery from the country reopening and also from restocking by its distributors after inventories were depleted during the COVID disruption period in 3Q21. As for exports, sales in 4Q21F only recovered from the low base in 3Q21, but were still not back to the level in 4Q20. Though CBG believes there is no change in its business position in the market and that the COVID outbreak has started to subside, its distributors are still not confident this is the case and therefore they still have yet to restock their inventories despite having reached low levels already. CBG expects its distributors to restock in 1Q22 and therefore anticipates strong orders.

Ex 5: Energy Drink Sales Momentum

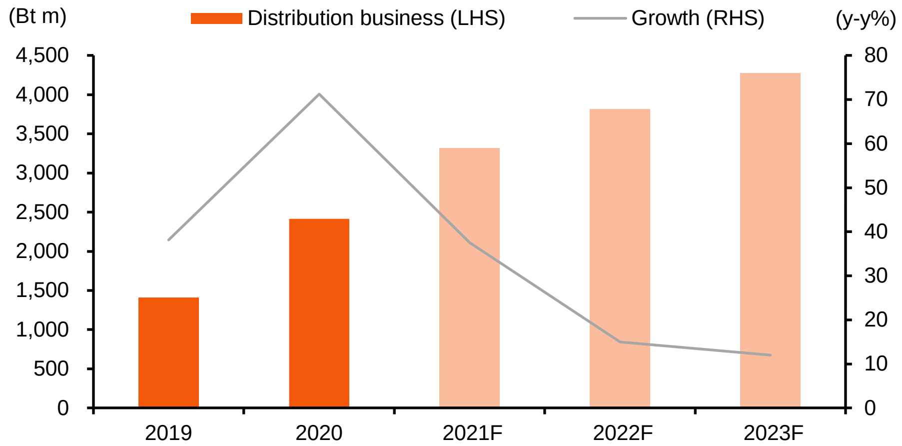


Sources: Company data, Thanachart estimates

2) Distribution business continues to expand

Distribution business (21% of sales and 6% of gross profits in 2021): CBG's distribution business mainly involves spirit-related products which are owned by CBG's major shareholders. Spirit sales have been growing well because of the family business's market share gains. CBG's nationwide distribution network has also helped contribute to the growth. With improving market share and market penetration so far, there have been more spirit product launches, including premium spirits that would yield higher profit per unit to CBG. With only around a single-digit market share, CBG expects the family business to continue to gain market share. Note that though the distribution business generates only around an 8% gross margin to CBG, it helps to drive growth anyway thanks to rising volume. The spirit business grew 46% y-y in 3Q21 despite the COVID difficulties in Thailand.

Ex 6: Growing Distribution Business



Sources: Company data, Thanachart estimates

3) New product launches

New product launches: On top of its existing businesses, CBG is confident in generating growth from new products. After the success of its new vitamin drink, C-Lock, which now has around a 10% market share, the second largest in the Bt3.5bn market, CBG is planning to launch seven or eight new products. The first one is likely be a hemp-based beverage during 1Q22. Others are herb-based energy drinks and other functional drinks. We factor some success into our model. In our view, the keys to success in the beverage industry lie more with distribution and marketing and promotion than with product innovations. Also, CBG's strength is that it is the only beverage player with in-house distribution vans and its own sales team. On top of this, CBG's major shareholder also owns CJ Express (the leading minimart chain in Thailand) and Tookdee shops (semi-traditional, low-priced convenience stores). Both are growing and should benefit CBG's product penetration.

Aside from new products, CBG is also looking to expand its distributed product lines by leveraging on vacant space in its distribution vans. Due to the limited information available at this stage, we leave this as potential upside.

4) Margin expansion

Margin expansion: CBG suffered an EBIT margin contraction last year from rising aluminum costs, and the leverage effect from falling sales especially from high-margin beverage products. Note that though sales fell only 2%, this was only because of the strong growth of its low-margin distribution business. This year, we don't expect further margin downside to aluminum prices which are already at a very high level. We also expect a recovery from high-margin energy drinks and some success from new beverage launches to lift margin further while we continue to forecast a decent performance for distribution business.

Ex 7: Aluminium Price

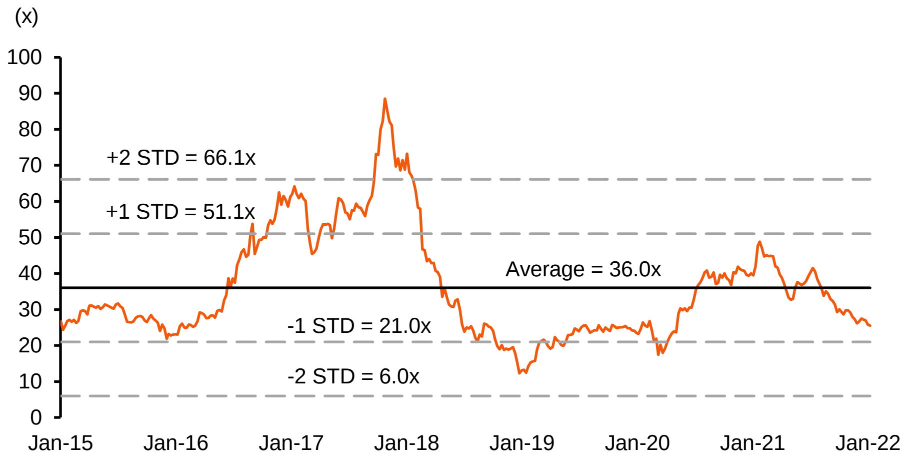
Source: Bloomberg

Attractive valuation in our view

Valuation also looks attractive in our view

CBG's valuation also looks attractive to us. Its share price has fallen by 26% from its peak last year and is now trading at 26x PE vs. its 36x average since listing. We expect the start of the recovery in 4Q21F to be a share price catalyst.

Ex 8: Attractive Valuation In Our Opinion



Sources: Company data, Thanachart estimates

Ex 9: 12-month DCF-based TP Calculation Using A Base Year Of 2022F

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA	5,887	7,219	7,897	8,729	9,617	10,986	11,781	12,623	13,517	14,464	15,469	—
Free cash flow	4,550	5,944	5,552	7,528	8,307	9,502	10,243	10,984	11,769	12,601	13,483	216,542
PV of free cash flow	4,537	5,083	4,389	5,502	5,647	5,979	5,965	5,921	5,873	5,822	5,577	89,575

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.0
WACC (%)	8.2
Terminal growth (%)	2.0
Enterprise value - add investments	149,871
Net debt (2021F)	2,535
Minority interest	182
Equity value	147,154
# of shares (m)	1,000
Equity value/share (Bt)	**147.00**

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 10: 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 (%)
Yakult Honsha	2267 JP	Japan	7.9	4.0	22.4	21.6	2.2	2.0	12.4	11.8	1.2	1.2
Coca-Cola	KO US	US	17.5	6.2	26.4	24.8	11.6	10.9	23.0	21.2	2.8	2.9
PepsiCo	PEP US	US	13.1	7.8	27.9	25.9	13.8	12.9	19.2	17.9	2.4	2.6
Monster Beverage	MNST US	US	9.2	13.3	35.8	31.6	8.0	7.3	24.6	22.1	0.0	0.0
Sappe PCL	SAPPE TB	Thailand	14.1	11.2	18.3	16.5	2.6	2.4	8.6	7.9	2.4	2.9
Carabao Group PCL*	CBG TB	Thailand	(18.9)	55.3	39.9	25.7	10.7	9.0	28.7	19.3	1.7	2.7
Osotspa PCL*	OSP TB	Thailand	4.3	10.0	27.7	25.2	5.2	5.1	20.8	18.7	3.4	4.0
Average			**6.7**	**15.4**	**28.3**	**24.5**	**7.7**	**7.1**	**19.6**	**17.0**	**2.0**	**2.3**

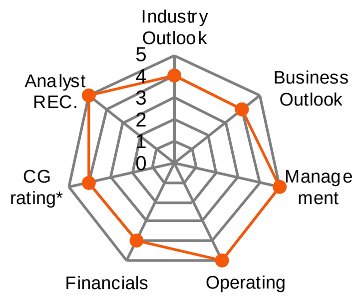
Sources: Company data, Thanachart estimates
Note: * Thanachart estimates, using normalized EPS.
Based on 11-Jan-22 closing prices

COMPANY DESCRIPTION

Carabao Group Pcl (CBG) is Thailand's second-largest energy drinks producer with a 22% market share. The company holds 100% stake in three subsidiaries: CBD (energy drinks manufacturing company), APG (glass bottle production and procurement company), and DCM (distribution company). CBG started producing energy drinks in 2002 and now sells its products both domestically and abroad.

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

- Strong presence in the domestic beverage market.
- Robust balance sheet and net-cash company.
- Proactive management team.

W — Weakness

- Only organic growth in a mature beverage market.
- Lack of pricing power.
- Heavily reliant on brand ambassador.

O — Opportunity

- Expansions abroad.
- Mergers and acquisitions.

T — Threat

- Domestic consumption and economic conditions.
- New competition in the beverage segment.
- Natural disasters.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	136.02	147.00	8%
Net profit 21F (Bt m)	3,063	2,859	-7%
Net profit 22F (Bt m)	3,764	4,441	18%
Consensus REC	**BUY: 8**	**HOLD: 6**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2022F earnings are ahead of the Bloomberg consensus number, which we attribute to us having a more aggressive view on its growth in China and a decent recovery in the Cambodia and Myanmar markets.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Lower-than-expected growth in domestic sales and exports would represent the key downside risks to our earnings forecasts and TP.
- Lower-than-expected sales growth in the Myanmar and Vietnam markets would pose a secondary downside risk to our earnings forecasts.

Source: Thanachart

We project gross margin to rise over 2022-23F

We expect 55% EPS growth in 2022F

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	14,933	17,231	16,876	21,226	23,742
Cost of sales	9,123	10,173	10,568	12,850	14,092
Gross profit	**5,810**	**7,058**	**6,308**	**8,375**	**9,650**
% gross margin	38.9%	41.0%	37.4%	39.5%	40.6%
Selling & administration expenses	2,753	2,880	2,990	3,222	3,181
Operating profit	**3,058**	**4,178**	**3,318**	**5,153**	**6,469**
% operating margin	20.5%	24.2%	19.7%	24.3%	27.2%
Depreciation & amortization	534	668	743	771	790
EBITDA	**3,592**	**4,846**	**4,061**	**5,924**	**7,259**
% EBITDA margin	24.1%	28.1%	24.1%	27.9%	30.6%
Non-operating income	119	156	148	187	209
Non-operating expenses	0	0	0	0	0
Interest expense	(133)	(107)	(89)	(82)	(67)
Pre-tax profit	**3,044**	**4,227**	**3,377**	**5,257**	**6,610**
Income tax	564	667	537	836	1,051
After-tax profit	**2,480**	**3,559**	**2,840**	**4,422**	**5,559**
% net margin	16.6%	20.7%	16.8%	20.8%	23.4%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	38	(34)	19	19	19
Extraordinary items	(12)	0	0	0	0
NET PROFIT	**2,506**	**3,525**	**2,859**	**4,441**	**5,578**
Normalized profit	**2,518**	**3,525**	**2,859**	**4,441**	**5,578**
EPS (Bt)	2.5	3.5	2.9	4.4	5.6
Normalized EPS (Bt)	2.5	3.5	2.9	4.4	5.6

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	3,197	3,992	4,072	4,963	7,130
Cash & cash equivalent	962	947	1,000	1,200	3,000
Account receivables	1,140	1,420	1,391	1,750	1,957
Inventories	992	1,489	1,547	1,846	1,986
Others	104	136	133	167	187
Investments & loans	103	107	107	107	107
Net fixed assets	10,872	12,032	11,717	11,384	10,933
Other assets	607	956	1,244	1,421	1,526
Total assets	**14,780**	**17,087**	**17,140**	**17,875**	**19,697**
LIABILITIES:					
Current liabilities:	3,777	5,655	4,863	3,950	3,866
Account payables	1,447	1,573	1,634	1,987	2,179
Bank overdraft & ST loans	298	2,504	1,973	1,017	786
Current LT debt	1,699	1,090	858	443	342
Others current liabilities	333	488	398	504	559
Total LT debt	**2,131**	**894**	**704**	**363**	**281**
Others LT liabilities	153	380	749	801	834
Total liabilities	**6,062**	**6,929**	**6,316**	**5,114**	**4,980**
Minority interest	153	201	182	163	144
Preferreds shares	0	0	0	0	0
Paid-up capital	1,000	1,000	1,000	1,000	1,000
Share premium	0	0	0	0	0
Warrants	0	0	0	0	0
Surplus	3,929	3,905	3,905	3,905	3,905
Retained earnings	**3,637**	**5,051**	**5,737**	**7,692**	**9,667**
Shareholders' equity	8,566	9,956	10,642	12,597	14,572
Liabilities & equity	**14,780**	**17,087**	**17,140**	**17,875**	**19,697**

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	3,044	4,227	3,377	5,257	6,610
Tax paid	(509)	(592)	(558)	(731)	(999)
Depreciation & amortization	534	668	743	771	790
Chg In w orking capital	(701)	(652)	32	(305)	(155)
Chg In other CA & CL / minorities	451	40	(67)	(33)	(17)
Cash flow from operations	**2,818**	**3,691**	**3,528**	**4,959**	**6,230**
Capex	(316)	(1,828)	(400)	(400)	(300)
Right of use	0	(304)	(330)	(50)	(50)
ST loans & investments	0	0	0	0	0
LT loans & investments	(3)	(4)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	67	205	382	(112)	(62)
Cash flow from investments	**(252)**	**(1,930)**	**(348)**	**(562)**	**(412)**
Debt financing	(624)	359	(953)	(1,712)	(414)
Capital increase	0	0	0	0	0
Dividends paid	(1,100)	(2,100)	(2,173)	(2,485)	(3,604)
Warrants & other surplus	(17)	(35)	0	0	0
Cash flow from financing	**(1,741)**	**(1,776)**	**(3,126)**	**(4,197)**	**(4,018)**
Free cash flow	**2,502**	**1,863**	**3,128**	**4,559**	**5,930**

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	45.3	32.3	39.9	25.7	20.4
Normalized PE - at target price (x)	58.4	41.7	51.4	33.1	26.4
PE (x)	45.5	32.3	39.9	25.7	20.4
PE - at target price (x)	58.6	41.7	51.4	33.1	26.4
EV/EBITDA (x)	32.6	24.3	28.7	19.3	15.5
EV/EBITDA - at target price (x)	41.8	31.1	36.8	24.9	20.0
P/BV (x)	13.3	11.5	10.7	9.0	7.8
P/BV - at target price (x)	17.2	14.8	13.8	11.7	10.1
P/CFO (x)	40.5	30.9	32.3	23.0	18.3
Price/sales (x)	7.6	6.6	6.8	5.4	4.8
Dividend yield (%)	1.5	2.1	1.7	2.7	3.7
FCF Yield (%)	2.2	1.6	2.7	4.0	5.2
(Bt)					
Normalized EPS	2.5	3.5	2.9	4.4	5.6
EPS	2.5	3.5	2.9	4.4	5.6
DPS	1.7	2.4	1.9	3.0	4.2
BV/share	8.6	10.0	10.6	12.6	14.6
CFO/share	2.8	3.7	3.5	5.0	6.2
FCF/share	2.5	1.9	3.1	4.6	5.9

Sources: Company data, Thanachart estimates

ROE looks attractive to us at 39% in 2021F

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	3.5	15.4	(2.1)	25.8	11.9
Net profit (%)	116.3	40.6	(18.9)	55.3	25.6
EPS (%)	116.3	40.6	(18.9)	55.3	25.6
Normalized profit (%)	114.4	40.0	(18.9)	55.3	25.6
Normalized EPS (%)	114.4	40.0	(18.9)	55.3	25.6
Dividend payout ratio (%)	67.8	68.1	68.1	68.1	75.0
Operating performance					
Gross margin (%)	38.9	41.0	37.4	39.5	40.6
Operating margin (%)	20.5	24.2	19.7	24.3	27.2
EBITDA margin (%)	24.1	28.1	24.1	27.9	30.6
Net margin (%)	16.6	20.7	16.8	20.8	23.4
D/E (incl. minor) (x)	0.5	0.4	0.3	0.1	0.1
Net D/E (incl. minor) (x)	0.4	0.3	0.2	0.0	(0.1)
Interest coverage - EBIT (x)	23.0	39.1	37.1	62.6	96.3
Interest coverage - EBITDA (x)	27.1	45.4	45.4	72.0	108.1
ROA - using norm profit (%)	17.3	22.1	16.7	25.4	29.7
ROE - using norm profit (%)	32.0	38.1	27.8	38.2	41.1
DuPont					
ROE - using after tax profit (%)	31.5	38.4	27.6	38.1	40.9
- asset turnover (x)	1.0	1.1	1.0	1.2	1.3
- operating margin (%)	21.3	25.1	20.5	25.2	28.1
- leverage (x)	1.8	1.7	1.7	1.5	1.4
- interest burden (%)	95.8	97.5	97.4	98.5	99.0
- tax burden (%)	81.5	84.2	84.1	84.1	84.1
WACC (%)	8.2	8.2	8.2	8.2	8.2
ROIC (%)	21.1	30.0	20.7	32.9	41.2
NOPAT (Bt m)	2,491	3,518	2,790	4,334	5,440
invested capital (Bt m)	11,732	13,497	13,177	13,220	12,981

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 116 Derivative Warrants which are ACE16C2201A, ACE16C2202A, ADVA16C2201A, ADVA16C2202A, AEON16C2201A, AEON16C2201B, AOT16C2204A, AOT16C2202A, BAM16C2204A, BANP16C2204A, BANP16C2201A, BANP16C2202A, BBL16C2204A, BBL16C2201A, BBL16C2203A, BCH16C2201A, BCH16C2203A, BEC16C2202A, BGRI16C2205A, CBG16C2204A, CBG16C2201A, CBG16C2202A, CHG16C2202A, COM716C2203A, CPAL16C2204A, CPAL16C2203A, CPF16C2205A, CPN16C2202A, CRC16C2204A, DELT16C2202A, DELT16C2203A, DOHO16C2202A, EA16C2205A, EA16C2201A, ESSO16C2202A, GLOB16C2201A, GLOB16C2203A, GPSC16C2205A, GPSC16C2201A, GPSC16C2201B, GPSC16C2203A, GULF16C2202A, GUNK16C2205A, GUNK16C2201A, GUNK16C2203A, HANA16C2204A, HANA16C2202A, HMPR16C2202A, INTU16C2201A, INTU16C2202A, IVL16C2202A, JAS16C2202A, JMAR16C2205A, JMAR16C2201A, JMAR16C2202A, JMT16C2205A, JMT16C2201A, JMT16C2203A, KBAN16C2201A, KBAN16C2202A, KCE16C2205A, KCE16C2201A, KTC16C2202A, LH16C2202A, MAJO16C2201A, MINT16C2204A, MINT16C2203A, MTC16C2204A, MTC16C2202A, OR16C2202A, OR16C2203A, PTG16C2201A, PTG16C2202A, PTG16C2203A, PTL16C2201A, PTL16C2202A, PTL16C2202B, PTT16C2201A, PTT16C2203A, PTTE16C2203A, RBF16C2202A, RS16C2205A, RS16C2201A, S5016P2203B, S5016C2112A, S5016C2112B, S5016C2112C, S5016C2112D, S5016C2203A, S5016P2112A, S5016P2112B, S5016P2112C, S5016P2112D, S5016P2203A, SAWA16C2204A, SAWA16C2202A, SCB16C2201A, SCB16C2202A, SCC16C2204A, SCGP16C2201A, SCGP16C2202A, SPAL16C2202A, SPRC16C2201A, STA16C2203A, STA16C2201A, STEC16C2204A, STEC16C2201A, STGT16C2202A, SYNE16C2202A, TASC16C2201A, TOP16C2202A, TRUE16C2202A, TRUE16C2203A, TU16C2204A, TU16C2202A, WHA16C2202A (underlying securities are ACE, ADVANC, AEONTS, AMATA, AOT, BAM, BANPU, BBL, BCH, BEC, BGRIM, CBG, CHG, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KTC, LH, MAJOR, MEGA, MINT, MTC, OR, PTG, PTL, PTT, PTTEP, RBF, RS, SAWAD, SCB, SCC, SCGP, SPALI, SPRC, SET50, STA, STEC, STGT, SYNTEC, TASCO, TOP, TRUE, TU, WHA). Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

Note: Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 20.1% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMTED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team
19 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA
Head of Research
Tel: 662-779-9199
pimpaka.nic@thanachartsec.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
Tel: 662-779-9105
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut
Property, Retail
Tel: 662-779-9109
phannarai.von@thanachartsec.co.th

Sarachada Sornsong
Bank, Finance, Insurance
Tel: 662-779-9106
sarachada.sor@thanachartsec.co.th

Witchanan Tambamroong
Technical Analyst
Tel: 662-779-9123
witchanan.tam@thanachartsec.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
Tel: 662-779-9120
adisak.phu@thanachartsec.co.th

Nuttapop Prasitsuksant
Telecom, Utilities
Tel: 662-483-8296
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Prop. Fund
Tel: 662-483-8297
rata.lim@thanachartsec.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
Tel: 662-779-9113
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat
Analyst, Quantitative
Tel: 662-483-8303
sittichet.run@thanachartsec.co.th

Chak Reungsinpinya
Thematic Research, Paper
Tel: 662-779-9104
chak.reu@thanachartsec.co.th

Pattadol Bunnak
Electronics, Food & Beverage, Shipping
Tel: 662-483-8298
pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak
Construction, Transportation
Tel: 662-779-9112
saksid.pha@thanachartsec.co.th

Yupapan Polpornprasert
Energy, Petrochemical
Tel: 662-779-9110
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market
Tel: 662-483-8304
thaloengsak.kuc@thanachartsec.co.th