

BUY (Unchanged)

Change in Numbers

TP: Bt 28.00

Upside : 32.1%

From (Bt 18.00)

11 JANUARY 2022

Small Cap Research

WICE Logistics Pcl (WICE TB)

One thing leads to another

Given its larger customer base and successful cross-border service (CBS), WICE is extending its growth outlook further with a new sea-freight route and continued aggressive CBS expansion. We reaffirm our BUY call on WICE with a higher TP of Bt28.



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BUY with a higher TP of Bt28

We reaffirm our BUY call on WICE with a new DCF-based 12-month TP (2022F base year) of Bt28 (from Bt18). **First**, WICE is expanding into a new China-US sea-freight route, expecting to leverage on its enlarged customer base from its existing Thai-US route. **Second**, WICE is adding 40% of container capacity this year to its cross-border service (CBS) business and expecting 7-10% cost savings by using the high-speed Laos-China rail link for its CBS business. **Third**, with the new Omicron COVID wave, the supply chain issue is extended and it continues to raise air and sea freight rates. **Lastly**, WICE looks inexpensive to us as a growth stock trading at 20x PE vs. 41/17% EPS growth in 2022-23F. Note that we raise our normalized earnings estimates by 4/22/31% in 2021-23F to reflect the new factors above.

One thing leads to another

COVID and supply chain disruptions over the past two years have created growth opportunities for WICE. That is, it has gained many new customers who couldn't obtain space with other smaller freight forwarders. With its bigger customer base, WICE is adding a China-US route, which is a far larger traffic route than the Thai-US one. China accounts for 18% of total US imports vs. 1.5% for Thailand. Tight supply and high air-freight rates have helped grow its CBS business over the past three years. And now WICE expects CBS cost savings from using the China-Laos high-speed rail route as trains are cheaper than trucks. If business scale is large enough in the future, WICE may consider operating a pure high-speed train freight forwarder business.

Supply-chain disruptions continue

One market concern for WICE is the normalization of air and sea-freight rates which are 3x and 5x, respectively, higher than in 2019. We expect the current elevated rates to continue well into this year as COVID and supply chain disruptions have yet to subside. We believe our 41/17% EPS growth estimates in 2022-23F are still achievable with 31/24% volume growth forecasts and a 19% p.a. drop in air-freight rates and +15/-20% changes in sea-freight rates. We expect complete normalization to occur in 2024F, when we forecast a 17% fall in WICE's EPS growth.

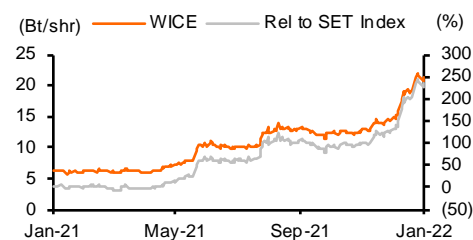
Another new high for earnings in 4Q21F

We expect WICE to report a new high in normalized earnings of Bt164m in 4Q21F, up 135% y-y and 7% q-q. The company also still foresees very strong business flows into 1Q22 for most of its business lines e.g. sea-freight (60% of EBIT), air-freight (19%) and its 51%-owned CBS (16%).

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	3,996	7,647	9,895	10,799
Net profit	201	519	703	822
Consensus NP	—	467	535	577
Diff frm cons (%)	—	11.3	31.3	42.6
Norm profit	192	500	703	822
Prev. Norm profit	—	482	578	629
Chg frm prev (%)	—	3.7	21.6	30.8
Norm EPS (Bt)	0.29	0.77	1.08	1.26
Norm EPS grw (%)	269.5	160.6	40.5	16.9
Norm PE (x)	72.0	27.6	19.7	16.8
EV/EBITDA (x)	35.1	16.2	11.2	8.8
P/BV (x)	15.8	11.2	8.3	6.5
Div yield (%)	0.7	1.7	2.3	2.7
ROE (%)	23.0	47.4	48.6	43.2
Net D/E (%)	(26.7)	(36.5)	(48.9)	(59.1)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 11-Jan-22 (Bt)	21.20
Market Cap (US\$ m)	413.6
Listed Shares (m shares)	651.9
Free Float (%)	41.3
Avg Daily Turnover (US\$ m)	4.8
12M Price H/L (Bt)	22.00/5.75
Sector	Transportation
Major Shareholder	Kongsoonthorn Family 41.6%

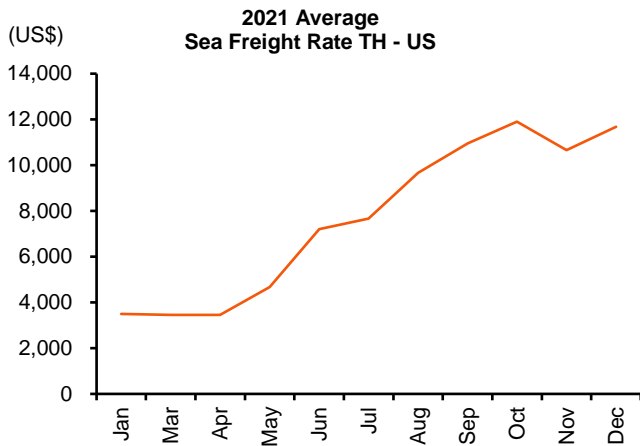
Sources: Bloomberg, Company data, Thanachart estimates

A freight forwarder with multi-model transport

WICE Logistics Pcl (WICE) started out as a sea-freight forwarder on US routes in 1993, before adding its air-freight business in Asia. Then, its cross-border service (CBS) business was established in 2018 under a joint venture with WICE holding a 51% stake, to capture an expanding share of inland transport in the growing intra-Asean and China markets.

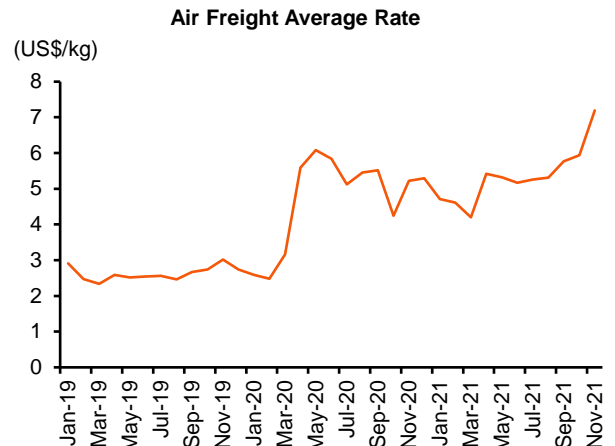
Outlook remains robust for WICE. With the new Omicron COVID wave, the supply chain issue is extended and it continues to raise air and sea freight rates.

Ex 1: Container Freight Rate Monthly



Source: Thai National Shippers' Council

Ex 2: Air Freight Rate Monthly



Source: Bloomberg

This year, WICE plans to add to its sea-freight service with a China-US and add a rail service to its inland truck CBS.

Tapping China-US sea-freight route

Adding a China-US sea-freight service, which is the world's busiest route

WICE's key sea-freight concentration is currently to export from Thailand to the US, and the US import value from Thailand is at only 1.5% of the total (see Exhibit 2). Given that its customer base has enlarged during the COVID crisis, WICE is adding China-US, Vietnam-US and Malaysia-US routes, which are far larger traffic routes than the Thai-US one, as importers normally import from these countries.

The China-US route is one of the biggest markets for sea freight. Ranking after intra-Asia (excluding Oceania), Asia-North America was second in terms of container freight volume at 14% of the total 158m containers moved globally in 2021. Of this, the China-US route accounts for most of the amount, as China is the biggest exporter of goods to the US ranging from computers, electronics items and machinery to textiles and household goods. China is the US's No.1 one import country accounting for 18% of total US imports in 2020, followed by Mexico (14%), Canada (13%), Japan (5%), Germany 5% and Vietnam (4%).

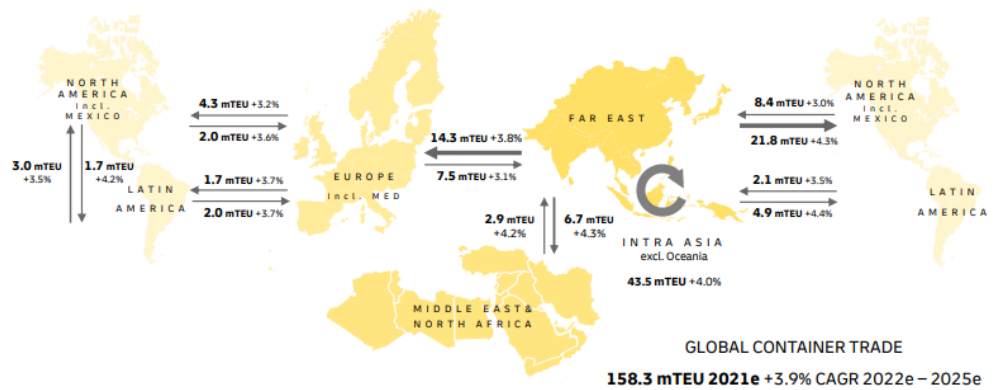
Overall sea-freight market remains strong this year

On the overall sea-freight market, we maintain our view that freight rates and demand will remain high into 2022F. The Thailand-US container freight rate climbed from USD1,500/TEU (twenty-foot equivalent unit) in early 2020 to USD8,900 average in 3Q21 and edged up by another 20% in 4Q21. The new Omicron COVID outbreak has led to a continued shortage of containers and port congestion, likely elevating already high freight rates into 2022F, amid the continued strong demand recovery. Key factors supporting demand are high consumer demand and the need to rebuild retail inventories in the US and EU from their lowest points.

We expect WICE to continue to enjoy volume and some price growth. We assume sea-freight rates rise sharply by 210% in 2021F and 15% in 2022F (extending elevated high rates from 2H21) before dropping by 20/58% p.a. along with a recovery in active containers in 2023-24F. We estimate the sea-freight business' gross profit to grow 358/43/4% during 2021-23F on volume growth of 87/30/25%. We project volume from China to US to account for 4/9% of the total in 2022-23F.

Ex 3: Ocean Container Volume From Asia To North America Ranks the Second Highest

Market volume 2021 – 2025



Source: Seabury

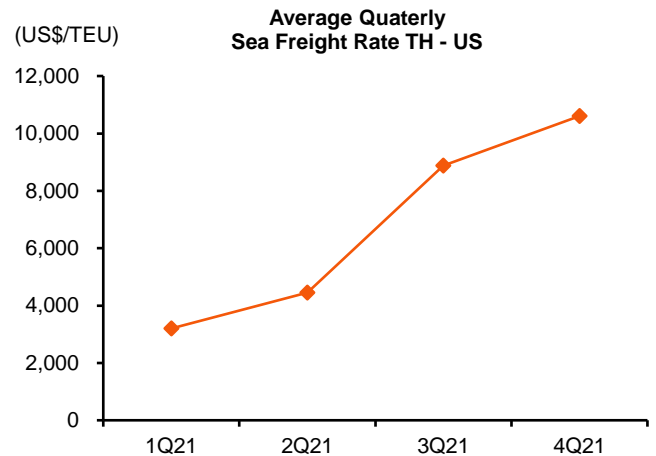
Note: A TEU (twenty-foot equivalent unit) is a measure of volume in units of twenty-foot long containers

Ex 4: Top US Top Trading Partners in 11M21 – Imports

Country	Import value (USDbn)	% of total
Total, all countries	2,575	100.0
Total, top 10 countries	1,762	68.4
1 China	457	17.7
2 Mexico	352	13.7
3 Canada	324	12.6
4 Japan	124	4.8
5 Germany	124	4.8
6 Vietnam	92	3.6
7 South Korea	86	3.3
8 Taiwan	70	2.7
9 Ireland	68	2.6
10 India	66	2.6
... Thailand	38	1.5

Sources: The U.S. Census Bureau, Bank of Thailand

Ex 5: Container Freight Rates



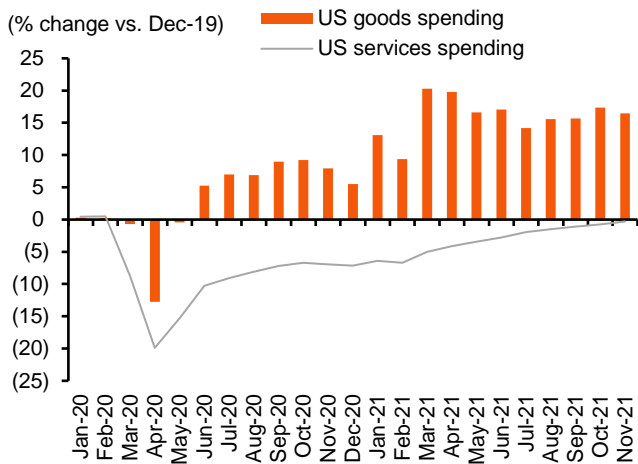
Source: Thai National Shippers' Council

Ex 6: US Key Container Ports Breakdown By Country Of Imported Origin And Product

Los Angeles		Seattle & Tacoma	
#1 port, 18% market share		#4 port, 9% market share	
Top Trading Partners	% of cargo value	Top Trading Partners	% of volume
China/HK	44%	China	53%
Japan	14%	Vietnam	10%
Vietnam	9%	Japan	6%
Top Containerized Imports	% of volume	Top Containerized Imports	% of volume
Furniture	15%	Furniture	15%
Auto parts	7%	Apparel, textiles, footwear	12%
Apparel	6%	Other machineries	8%
Electronics	5%	Auto parts	6%
Plastic	5%	Toys & games	5%

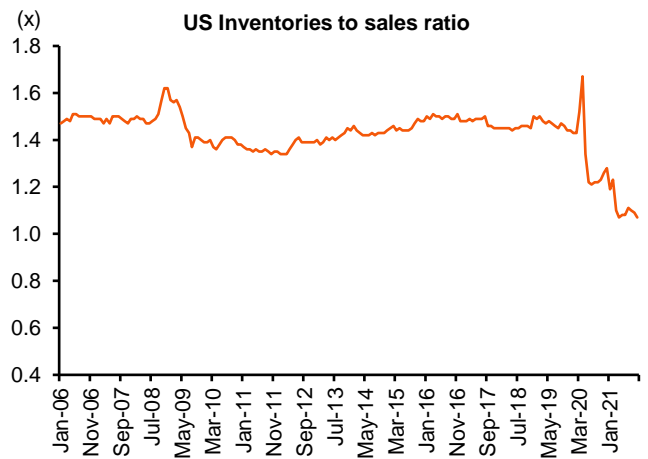
Source: Thanachart Compilation

Ex 7: Strong US Consumption Driving Goods Trade



Source: U.S. Bureau of Economic Analysis

Ex 8: US Retail Inventories Have Remained Low



Source: Federal Reserve Economic Data

Adding railway to its cross-border service

Demand for inland freight remains strong as well

WICE entered the intra-region cross-border service (CBS) business, offering long-route cross-border inland door-to-door services running from Singapore and passing through Malaysia, Thailand, Laos and Vietnam to China, with the main focus being on transporting electronics products, in late 2018. Thailand’s inland transit trade value for electronics and equipment with Singapore, Vietnam and southern China grew by a 16% CAGR during 2017-20 and another 25% in 5M21, due partly to tight air and sea-freight supply. Further tightness will likely allow WICE to strengthen its CBS network value.

Adding China-Laos railway would cut transit time and boost margin

WICE plans to add the China-Laos high-speed rail service to its CBS in 1H22, which currently uses trucks. The China-Laos high speed rail service was just inaugurated on 2 December 2021. This rail route connects Kunming (China) to Boten, on the northern border of Laos with China, to Vientiane in the south, on its border with Thailand.

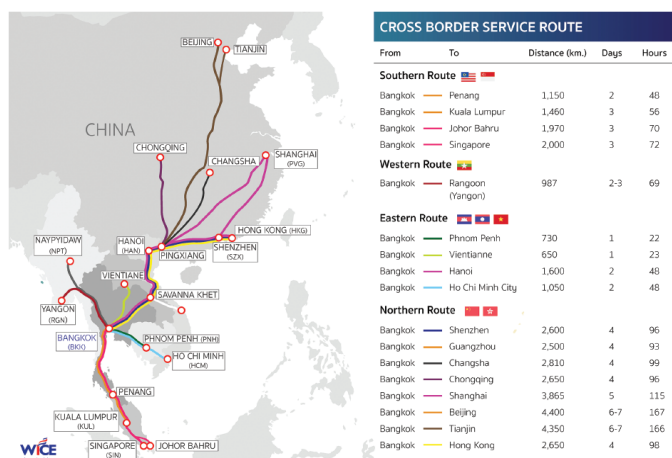
By using the rail service for its CBS from 1Q22, transit times should improve and WICE expects 7-10% cost savings. In a normal situation, rail/road services make inland freight more competitive, as transit times would be shortened by about one day from two to three days using only roads on the Bangkok-China route, for instance. Amid COVID when checkpoints are highly congested because of China’s stricter controls causing trucks to be stuck at Vietnam’s border with China, rail service will help solve this as the number of checkpoints would only be two for rail/roads that cut straight to China via Laos, from six checkpoints at each of the borders Thailand has with Vietnam and China.

More growth opportunities lie ahead with rail service

WICE plans to add 40% of container capacity this year (see Exhibit 12). We estimate full-year CBS revenue growth of 100/50/30% in 2021-23F with gross margin of 13.9/15.6/17.3% in 2021F.

The newly launched China-Laos railway comes under the six economic corridors in China’s Belt and Road initiatives that are planned to connect ASEAN to China and Europe. ASEAN has a combined GDP of USD2.55tn and is projected to be the fourth-largest single market globally by 2030, while China is ASEAN’s largest trading partner, growing by up to 40% p.a. If business scale is large enough in the future, WICE may consider operating a pure hi-speed train freight forwarder business.

Ex 9: WICE’s Cross-Border Service Routes



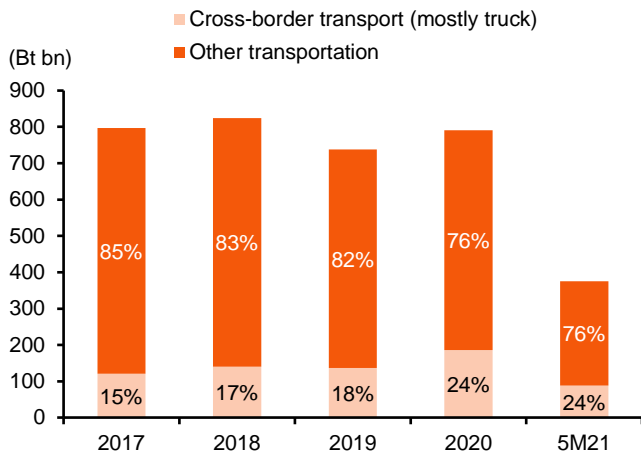
Source: Company data,

Ex 10: Plans To Use China-Laos Railway Service



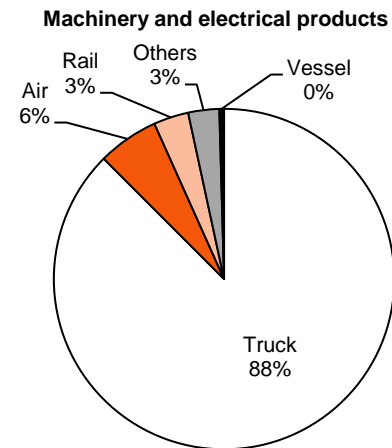
Source: China Daily

Ex 11: Thailand Cross-Border Trade Transport Share



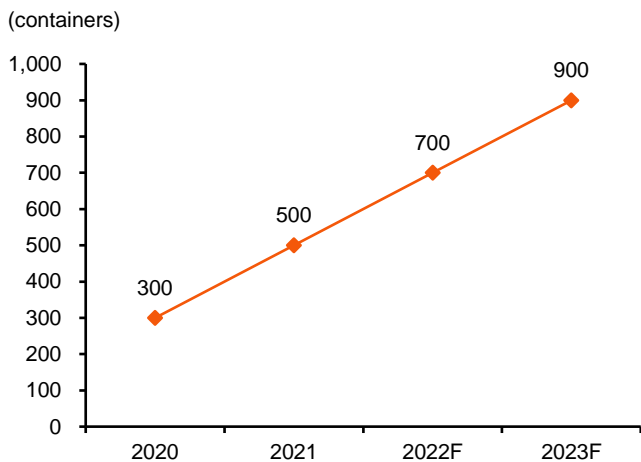
Sources: Thailand Department of Foreign Trade, Ministry of Commerce
 Note: Cross-border to Singapore, Vietnam and South China

Ex 12: US Truck Share For Cross-Border Trade



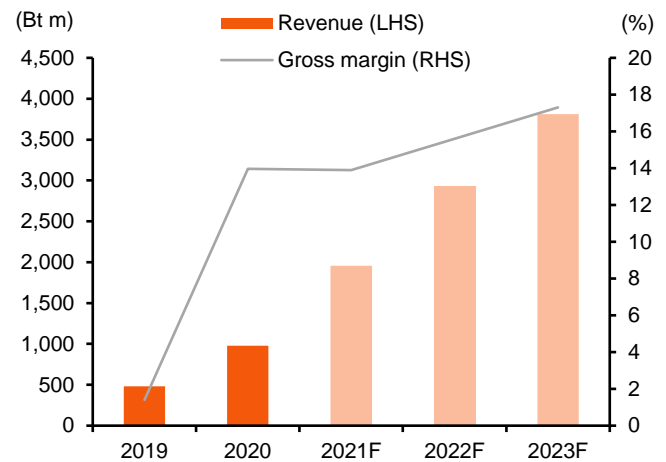
Source: US Department of Transport
 Note: Cross-border to Mexico and Canada

Ex 13: WICE Continues To Add New Containers



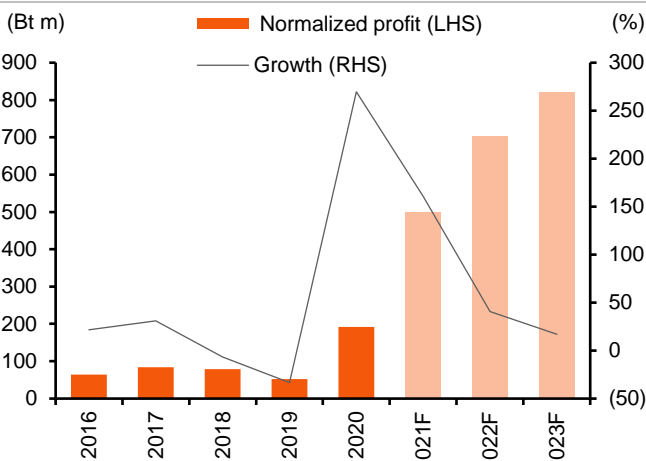
Sources: Company data, Thanachart estimates

Ex 14: Cross-Border Service Revenue And Gross Margin



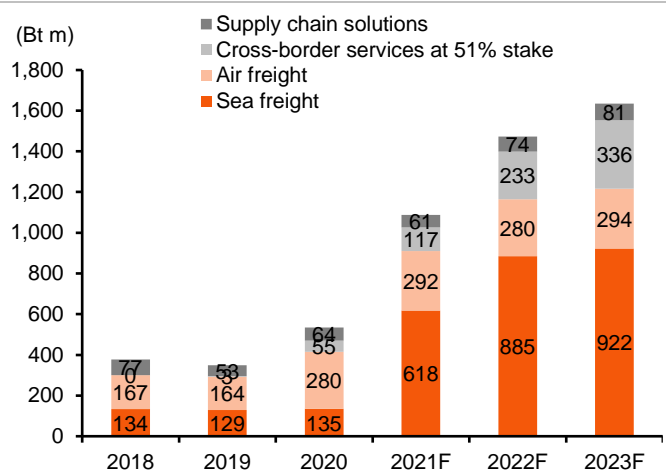
Sources: Company data, Thanachart estimates

Ex 15: Strong Earnings Growth



Sources: Company data, Thanachart estimates

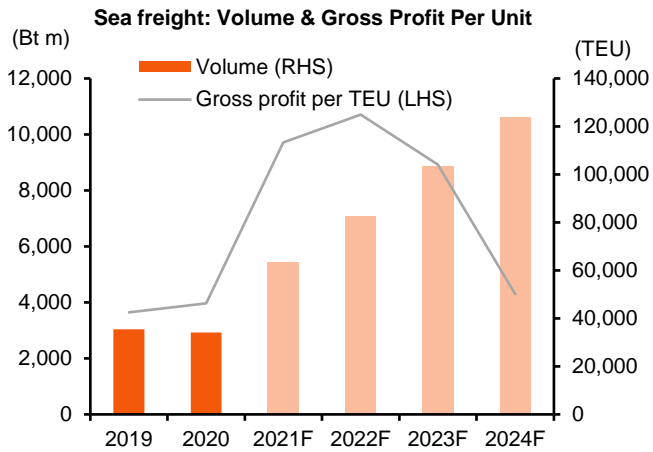
Ex 16: Gross Profit Breakdown



Sources: Company data, Thanachart estimates

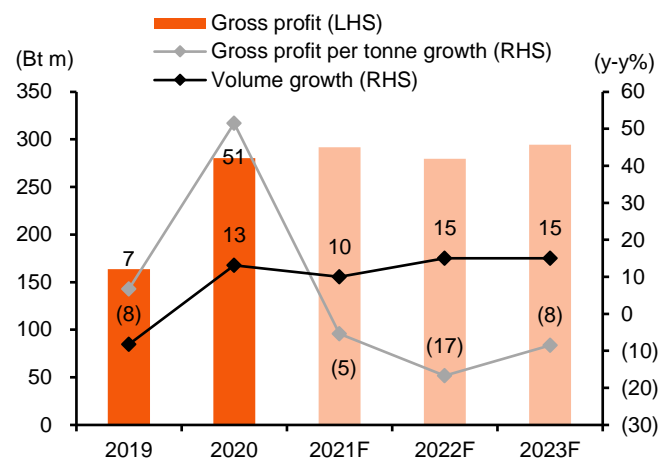
Note: *Supply chain solutions cover customs brokers, domestic transport and warehouse services.

Ex 17: Sea-Freight Forecasts



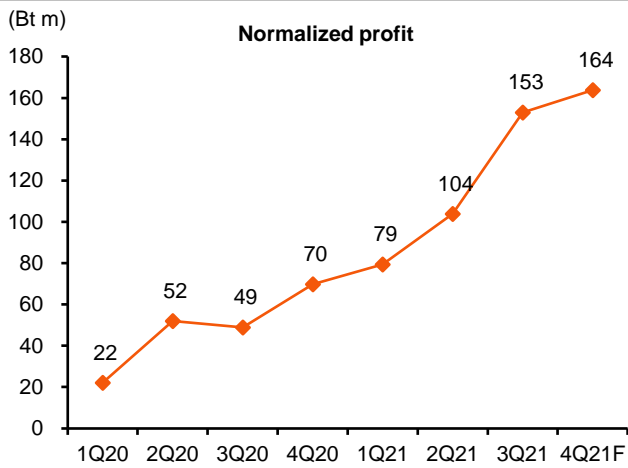
Sources: Company data, Thanachart estimates

Ex 18: We Estimate Relatively Flat Air-Freight Earnings



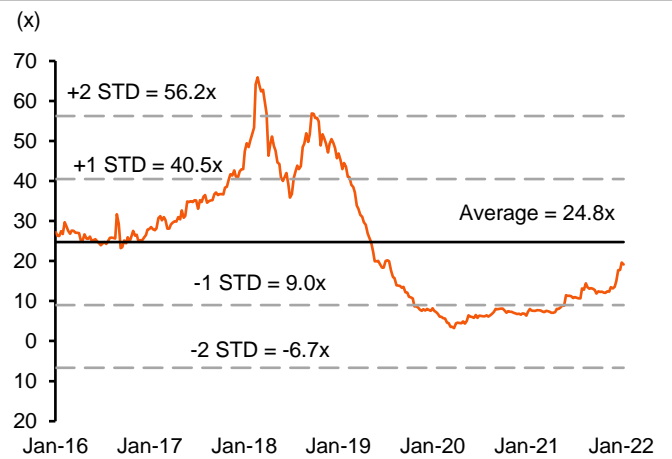
Sources: Bloomberg, Thanachart estimates

Ex 19: Record Earnings Continue



Sources: Company data, Thanachart estimates

Ex 20: WICE's STD PE



Sources: Bloomberg, Thanachart estimates

Ex 21: Key Assumption Changes

	2019	2020	2021F	2022F	2023F
Sea-freight volume growth (%)					
- New	29.7	(3.9)	86.5	30.0	25.0
- Old			55.0	15.0	15.0
Sea -freight gross profit per unit (Bt/TEU)					
- New	3,645	3,957	9,714	10,705	8,921
- Old			10,965	10,965	9,252
- Change (%)			(11.4)	(2.4)	(3.6)
Cross-border revenue (Bt m)					
- New	479	979	1,855	2,932	3,812
- Old			2,406	2,887	3,465
- Change (%)			(22.9)	1.5	10.0
Cross-border gross margin (%)					
- New	1.4	14.0	13.9	15.6	17.3
- Old			11.9	13.0	14.5
- Change (pp)			2.0	2.6	2.8
Normalized profit (Bt m)					
- New	52	192	500	703	822
- Old			482	578	629
- Change (%)			3.7	21.6	30.8

Sources: Company data, Thanachart estimates

Ex 22: 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	1,155	1,405	1,329	1,655	1,974	2,281	2,563	2,886	3,235	3,605	4,003	—
Free cash flow	621	882	933	1,170	1,431	1,685	1,922	2,173	2,449	2,743	3,057	30,593
PV of free cash flow	620	713	678	765	823	868	886	897	905	907	862	8,624
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.2											
WACC (%)	11.2											
Terminal growth (%)	2.0											
Enterprise value - add investments	17,548											
Net debt (2021F)	(468)											
Minority interest	48											
Equity value	17,968											
# of shares (m)	652											
Equity value/share (Bt)	28											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 23: 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 (%)
Expeditors Int'l	EXPD US	US	88.1	(15.2)	16.3	19.2	6.0	5.1	10.7	12.8	0.9	0.9
CH Robinson Worldwide	CHRW US	US	71.6	(2.5)	16.9	17.3	7.0	6.1	13.0	13.2	1.9	2.1
Echo Global Logistics	ECHO US	US	106.0	(17.9)	na	na	na	na	na	na	na	na
Eastern Air Logistics	601156 CH	China	na	3.1	11.0	10.7	3.4	2.7	6.6	6.3	2.1	2.2
LEO Global Logistics	LEO TB	Thailand	105.8	26.5	29.9	23.7	7.3	6.3	25.4	20.3	1.6	2.0
Triple I Logistics	III TB	Thailand	101.3	12.0	30.7	27.4	6.4	5.5	34.9	30.2	1.5	1.6
Sonic Interfreight	SONIC TB	Thailand	147.7	37.0	18.0	13.1	na	na	16.8	10.4	2.7	3.7
Wice Logistics	WICE TB	Thailand	160.6	40.5	27.6	19.7	11.2	8.3	16.2	11.2	1.7	2.3
Average			111.6	10.4	21.5	18.7	6.9	5.7	17.7	14.9	1.8	2.1

Sources: Company data, Thanachart estimates

Note: * Thanachart estimates, using normalized EPS

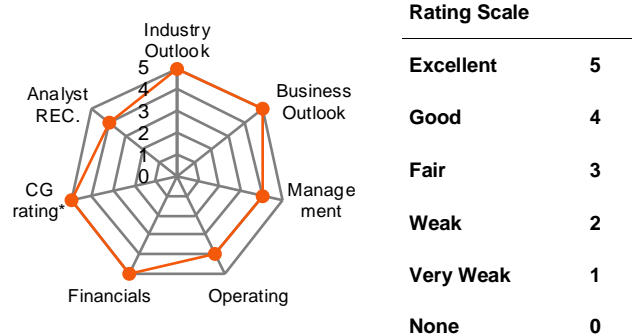
Based on 11-Jan-22 closing prices

COMPANY DESCRIPTION

WICE Logistics Pcl (WICE) and its subsidiary are international freight forwarders (non-vessel operation common carriers) for both imports and exports by sea freight (full and less container loading) and offer air-freight and cross-border businesses. WICE's main focus is electronics-related products in Asia.

Source: Thanachart

COMPANY RATING



Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Lengthy experience in the freight-forwarding business with its main focus in Asia.
- Its niche position in intra-region road cross-border between southeast Asia and China

O — Opportunity

- Growing intra-ASEAN and China trade.
- Regional expansion with strong partners

W — Weakness

- Highly sensitive to economic conditions.

T — Threat

- A weakening global economy and sluggish growth in global trade
- Competition from other freight forwarders

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	19.37	28.00	45%
Net profit 21F (Bt m)	467	519	11%
Net profit 22F (Bt m)	535	703	31%
Consensus REC	BUY: 4	HOLD: 1	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F earnings are 11-31% higher than the Bloomberg consensus numbers which we believe is due to us having a more bullish view on its sea-freight and cross-border services.
- Our DCF-based TP is therefore 45% above the Street's.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If the global economy were to recover slower than our expectations, this would result in the key downside risk to demand for transportation.
- If air and sea-freight rates were to fall sharper than we presently expect, this would represent a secondary downside risk.
- If revenue and gross margin expansion for cross-border service were to come in lower than we currently anticipate, this would represent another downside risk.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	2,221	3,996	7,647	9,895	10,799
Cost of sales	1,869	3,378	6,404	8,199	8,842
Gross profit	352	617	1,243	1,696	1,957
% gross margin	15.9%	15.5%	16.3%	17.1%	18.1%
Selling & administration expenses	291	293	494	646	687
Operating profit	62	325	749	1,050	1,271
% operating margin	2.8%	8.1%	9.8%	10.6%	11.8%
Depreciation & amortization	42	61	75	105	135
EBITDA	104	386	823	1,155	1,405
% EBITDA margin	4.7%	9.7%	10.8%	11.7%	13.0%
Non-operating income	0	0	0	0	0
Non-operating expenses	0	0	0	0	0
Interest expense	(7)	(10)	(13)	(14)	(14)
Pre-tax profit	55	315	736	1,036	1,256
Income tax	21	48	147	207	251
After-tax profit	34	267	589	829	1,005
% net margin	1.5%	6.7%	7.7%	8.4%	9.3%
Shares in affiliates' Earnings	(0)	(1)	0	0	0
Minority interests	18	(74)	(88)	(126)	(183)
Extraordinary items	10	9	19	0	0
NET PROFIT	62	201	519	703	822
Normalized profit	52	192	500	703	822
EPS (Bt)	0.1	0.3	0.8	1.1	1.3
Normalized EPS (Bt)	0.1	0.3	0.8	1.1	1.3

Sea-freight and cross-border services are key earnings-growth drivers

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	934	1,402	2,468	3,464	4,249
Cash & cash equivalent	302	408	609	1,059	1,624
Account receivables	596	953	1,781	2,304	2,515
Inventories	0	0	0	0	0
Others	36	41	78	101	110
Investments & loans	0	0	0	0	0
Net fixed assets	230	208	333	428	494
Other assets	410	436	443	451	459
Total assets	1,574	2,046	3,244	4,344	5,202
LIABILITIES:					
Current liabilities:	528	845	1,581	2,024	2,179
Account payables	464	727	1,439	1,842	1,986
Bank overdraft & ST loans	12	14	13	15	14
Current LT debt	14	32	0	0	0
Others current liabilities	38	72	130	167	179
Total LT debt	48	102	128	146	135
Others LT liabilities	111	123	253	338	391
Total liabilities	687	1,070	1,962	2,508	2,705
Minority interest	93	99	48	173	356
Preferreds shares	0	0	0	0	0
Paid-up capital	326	326	326	326	326
Share premium	348	348	348	348	348
Warrants	0	0	0	0	0
Surplus	(8)	(68)	(68)	(68)	(68)
Retained earnings	128	271	628	1,056	1,536
Shareholders' equity	794	877	1,234	1,662	2,141
Liabilities & equity	1,574	2,046	3,244	4,344	5,202

Net cash position

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

	FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
<i>We forecast sustainable cash inflow streams</i>	Earnings before tax	55	315	736	1,036	1,256
	Tax paid	(17)	(20)	(117)	(176)	(246)
	Depreciation & amortization	42	61	75	105	135
	Chg In working capital	(16)	(94)	(116)	(120)	(66)
	Chg In other CA & CL / minorities	(9)	(70)	(149)	(17)	(2)
	Cash flow from operations	55	193	429	827	1,077
<i>We assume rising capex to finance growing cross-border business</i>	Capex	(48)	(39)	(200)	(200)	(200)
	Right of use	0	(40)	0	0	0
	ST loans & investments	6	3	0	0	0
	LT loans & investments	0	0	0	0	0
	Adj for asset revaluation	0	0	0	0	0
	Chg In other assets & liabilities	(12)	24	120	78	44
	Cash flow from investments	(54)	(52)	(80)	(122)	(156)
	Debt financing	84	83	14	20	(13)
	Capital increase	0	0	0	0	0
	Dividends paid	(99)	(77)	(163)	(275)	(343)
	Warrants & other surplus	7	(40)	0	0	0
	Cash flow from financing	(8)	(34)	(148)	(255)	(356)
	Free cash flow	6	153	229	627	877

VALUATION

	FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	265.9	72.0	27.6	19.7	16.8	
Normalized PE - at target price (x)	351.2	95.0	36.5	26.0	22.2	
PE (x)	223.0	68.7	26.6	19.7	16.8	
PE - at target price (x)	294.5	90.8	35.1	26.0	22.2	
EV/EBITDA (x)	130.9	35.1	16.2	11.2	8.8	
EV/EBITDA - at target price (x)	173.6	46.6	21.6	15.0	11.9	
P/BV (x)	17.4	15.8	11.2	8.3	6.5	
P/BV - at target price (x)	23.0	20.8	14.8	11.0	8.5	
P/CFO (x)	253.4	71.7	32.2	16.7	12.8	
Price/sales (x)	6.2	3.5	1.8	1.4	1.3	
Dividend yield (%)	0.4	0.7	1.7	2.3	2.7	
FCF Yield (%)	0.0	1.1	1.7	4.5	6.3	
(Bt)						
Normalized EPS	0.1	0.3	0.8	1.1	1.3	
EPS	0.1	0.3	0.8	1.1	1.3	
DPS	0.1	0.1	0.4	0.5	0.6	
BV/share	1.2	1.3	1.9	2.5	3.3	
CFO/share	0.1	0.3	0.7	1.3	1.7	
FCF/share	0.0	0.2	0.4	1.0	1.3	

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	21.2	79.9	91.4	29.4	9.1
Net profit (%)	(35.6)	224.5	158.3	35.4	16.9
EPS (%)	(35.6)	224.5	158.3	35.4	16.9
Normalized profit (%)	(33.5)	269.5	160.6	40.5	16.9
Normalized EPS (%)	(33.5)	269.5	160.6	40.5	16.9
Dividend payout ratio (%)	94.7	45.4	45.0	45.0	45.0
Operating performance					
Gross margin (%)	15.9	15.5	16.3	17.1	18.1
Operating margin (%)	2.8	8.1	9.8	10.6	11.8
EBITDA margin (%)	4.7	9.7	10.8	11.7	13.0
Net margin (%)	1.5	6.7	7.7	8.4	9.3
D/E (incl. minor) (x)	0.1	0.2	0.1	0.1	0.1
Net D/E (incl. minor) (x)	(0.3)	(0.3)	(0.4)	(0.5)	(0.6)
Interest coverage - EBIT (x)	9.2	33.1	58.2	75.4	88.9
Interest coverage - EBITDA (x)	15.4	39.4	64.0	82.9	98.3
ROA - using norm profit (%)	3.5	10.6	18.9	18.5	17.2
ROE - using norm profit (%)	6.4	23.0	47.4	48.6	43.2
DuPont					
ROE - using after tax profit (%)	4.2	32.0	55.8	57.2	52.8
- asset turnover (x)	1.5	2.2	2.9	2.6	2.3
- operating margin (%)	2.8	8.1	9.8	10.6	11.8
- leverage (x)	1.9	2.2	2.5	2.6	2.5
- interest burden (%)	89.1	97.0	98.3	98.7	98.9
- tax burden (%)	62.2	84.6	80.0	80.0	80.0
WACC (%)	11.2	11.2	11.2	11.2	11.2
ROIC (%)	7.5	48.6	97.1	109.6	133.1
NOPAT (Bt m)	38	275	599	840	1,016
invested capital (Bt m)	566	617	766	764	665

Sources: Company data, Thanachart estimates

High ROE, based on our forecasts

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