

BUY (Unchanged)

Transfer of Coverage

TP: Bt 60.00 (From: Bt 52.00)

Upside : 25.0%

4 FEBRUARY 2022

Indorama Ventures Pcl (IVL TB)

Solid turnaround story

We reaffirm our BUY call on IVL, our new top sector pick. We see IVL's turnaround story as sustainable arising from both sides of its business chains of PET and Huntsman. We also view IVL as the most resilient company in the sector with its products linked closely to end consumers and positioned in the more consolidated PET market.



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IVL is our sector top pick

We reaffirm our BUY call on IVL with a new DCF-based 12-month TP (2022F base year) of Bt60 (from Bt52) and assign it as our top sector pick. **First**, we see a strong earnings growth turnaround trend of 23/5% in 2022-23F. **Second**, we expect the turnaround to be a sustainable one from an improving PET demand-supply balance and an end to depressed oil prices normalizing Huntsman's business. We raise our earnings by 66/80% in 2022-23F. **Third**, we like it that IVL's products are more resilient being closely linked to end-consumer products and that its core PET business is in a more consolidated market which should result in better supply outlook. **Lastly**, IVL looks inexpensive to us at 7x EV/EBITDA and 9.5x PE vs. 10-year averages of 10x and 15x, respectively. This report is a part of *Energy Sector – Lifeline stretched out*, dated 4th February 2022 and it marks a coverage transfer.

PET turnaround

Given the better demand outlook and the supply chain disruption, the Asian PET spread started to improve since the end of 2021. Meanwhile, we expect IVL to benefit this year from the full-year impact of the West PET spread rising since last year. For IVL, US production accounted for 23% of total PET EBITDA in 2Q21, Europe 17% and Asia 13% vs. the volume breakdown of approximately one-third from each market. Note that PET EBITDA accounted for 54% of total EBITDA in 2021F.

IOD, the key turnaround factor

IVL took over Huntsman's surfactant and integrated oxide (IOD) business in 2019. This was supposed to add 30% in growth to IVL's EBITDA in 2020 but it only added 2% due to the COVID crisis depressing oil prices. The business is now turning around. **First**, recovering oil prices have lifted IOD spreads (Exhibit 13). **Secondly**, recovering demand, especially for the gasoline additive MTBE, and less weather-induced supply disruption should drive volume growth by 18% this year. **Thirdly**, contribution from its newly acquired Oxiteno, a leading global surfactant producer, should further lift EBITDA growth by 6% in 2022F.

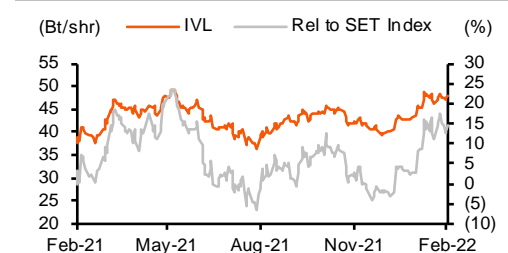
Long-term drivers

We see a few long-term volume growth drivers. The first is its new surfactant factory under Oxiteno. That should be seen in 2022F. It also plans to expand its IOD derivatives portfolio of EO and surfactant both horizontally and vertically to new applications. IVL also plans to double its higher-margin recycling PET (rPET) capacity to 750k tpa in 2025. As for its existing core PET, we expect organic demand growth of 4% p.a.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	331,513	490,610	545,124	538,287
Net profit	2,414	27,707	28,510	29,995
Consensus NP	—	26,811	27,227	28,756
Diff frm cons (%)	—	3.3	4.7	4.3
Norm profit	6,433	23,202	28,510	29,995
Prev. Norm profit	—	17,307	17,156	16,672
Chg frm prev (%)	—	34.1	66.2	79.9
Norm EPS (Bt)	1.1	4.1	5.1	5.3
Norm EPS grw (%)	22.8	260.7	22.9	5.2
Norm PE (x)	41.9	11.6	9.5	9.0
EV/EBITDA (x)	14.9	7.7	6.9	6.6
P/BV (x)	2.1	1.9	1.7	1.5
Div yield (%)	1.5	5.1	5.3	5.6
ROE (%)	5.0	17.1	18.7	17.9
Net D/E (%)	134.1	117.7	126.7	108.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 3-Feb-22 (Bt)	48.00
Market Cap (US\$ m)	8,126.7
Listed Shares (m shares)	5,614.6
Free Float (%)	35.1
Avg Daily Turnover (US\$ m)	27.8
12M Price H/L (Bt)	49.25/36.25
Sector	PETRO
Major Shareholder	Indorama Resources 62.43%

Sources: Bloomberg, Company data, Thanachart estimates

Strong West PET spreads continue

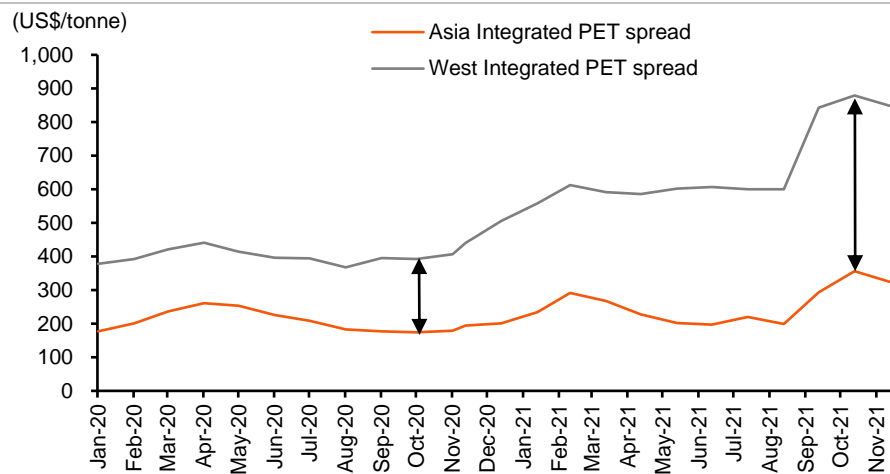
High container rate puts IVL in a favorable position

The gap between Asia and West PET spreads surged to a historical high of USD524/tonne in December last year. The global container shortage has led to a surge in container freight rates which limits the flow of cargoes from Asia to the West. Additionally, severe weather conditions have led to supply disruption in both the US and Europe. These factors pushed up the integrated West PET spread to US\$829/tonne in December 2021, double the average of USD424/tonne during 2016-20. We expect this trend to continue given that the container shortage looks set to be prolonged into this year.

Strong West PET spread will be realized in 2022F.

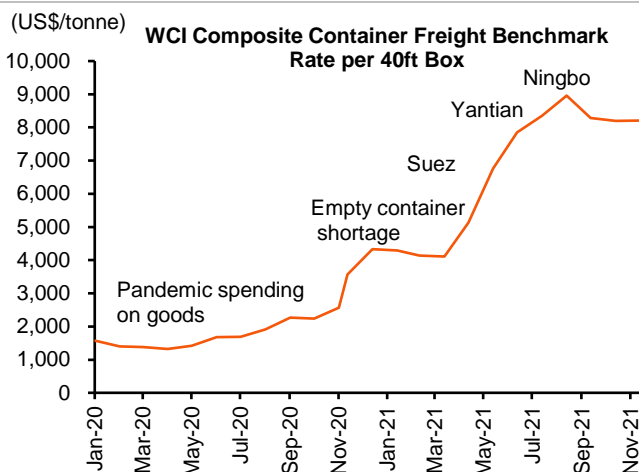
For IVL, West PET is the largest segment, making up 40% of total EBITDA or 75% of PET EBITDA. The strong West PET margin has put IVL in a favorable position for ongoing 2022 contract negotiations. The company didn't fully capture the West PET margin surge in 2021 as 60-70% of West PET volume is based on fixed contract prices. Based on IVL's 3Q21 MDA, the company has been able to secure new contract prices for 2022F where PTA margins in the US will increase by USD88 per tonne. We expect PET EBITDA growth from the new West contract price of around USD200m (after taking into account higher energy costs) in 2022F, or 12% growth from 2021F.

Ex 1: West PET Premium Surged Due To Supply Disruption And High Freight Rates



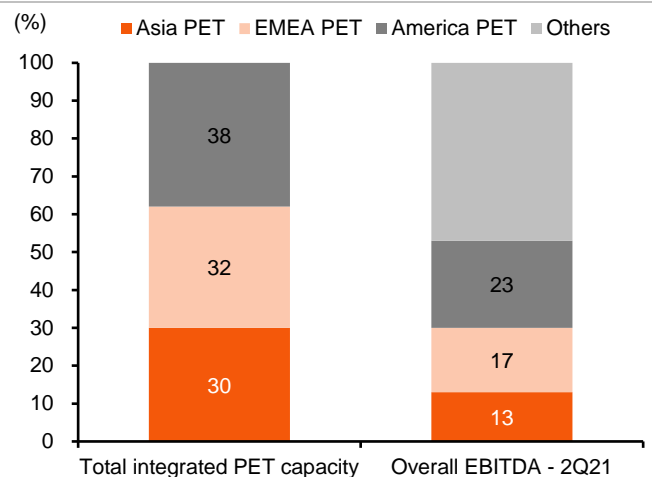
Source: Company Data

Ex 2: Freight Rate Likely To Remain High In 2022F



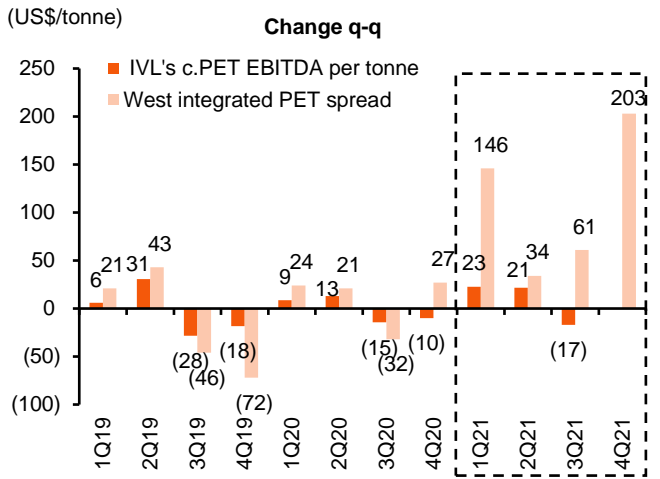
Source: Bloomberg

Ex 3: West PET Is The Largest Contributor



Source: Company data

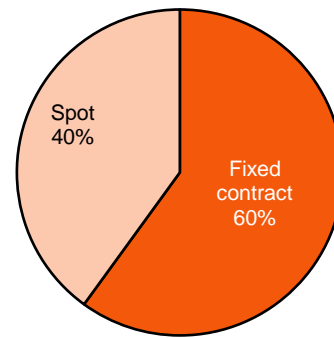
Ex 4: Yet To Fully Benefit From Strong West PET...



Source: Company data

Ex 5: ...As 60-70% Is Based On Fixed Contract Prices

West PET volume breakdown



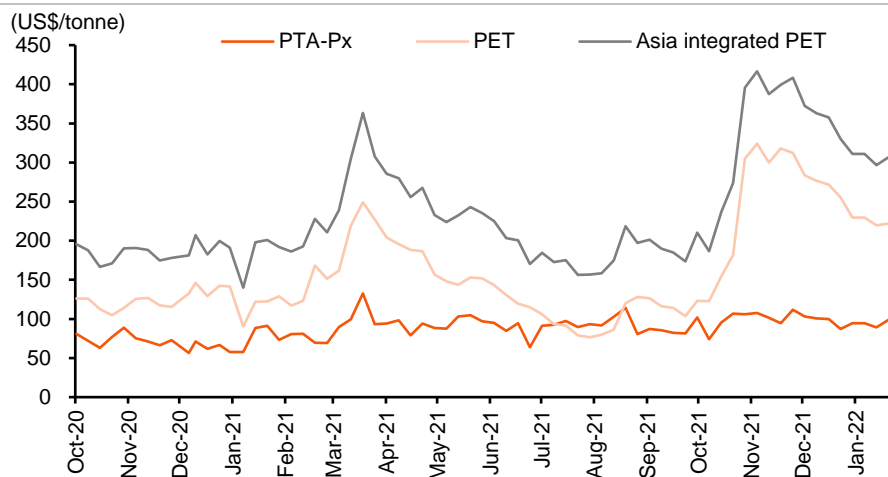
Source: Company data

Asia PET spread strengthens despite seasonal weakness

Strong demand and China dual policy led Asia PET spread to surge

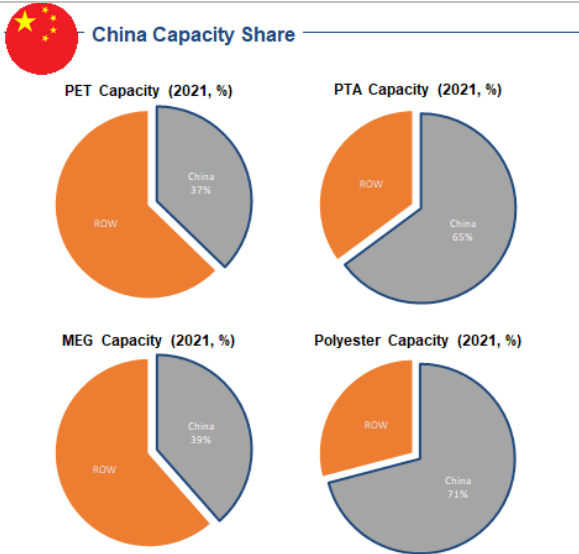
China's dual-control policy coupled with strong demand/supply fundamentals has translated into enhanced PET spreads in Asia in 4Q21-1Q22. This is contrary to the typical seasonal weakness seen in 4Q. We expect spreads to remain high in 1H22 as we are approaching the high summer season in 2Q22. Spreads could normalize once supply disruption and summer demand pass their peak in 2H22F but they should remain high due to limited PET capacity additions. Despite our expectation for the Asia PET spread to trend down, we see the impact as limited given locked-in contract prices for West PET margin while the contribution from Asia is now at only 13% of total EBITDA in 2Q21, vs. 19-20% in 2019-20.

Ex 6: High Asia Integrated PET Spread Despite 4Q Low Season



Source: Bloomberg

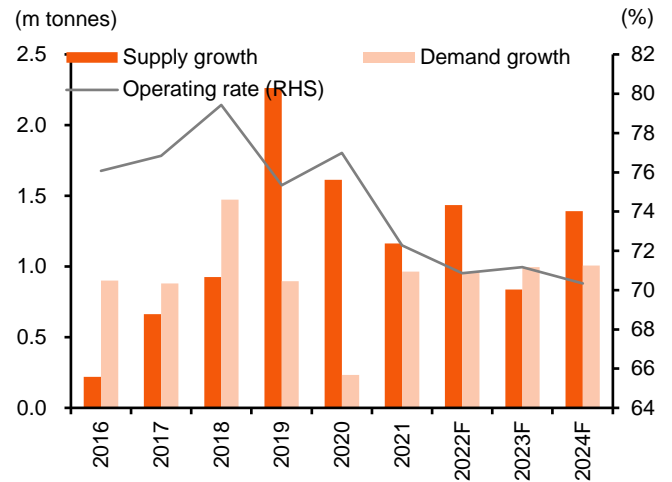
Ex 7: China's Dual Control Policy Has Its Say



10-15% of China's petrochemical industry is currently shut down or running at reduced rates. Jiangsu and Zhejiang which host 75% of China polyester capacity have also been impacted

Source: Company data

Ex 8: Limited PET New Capacity



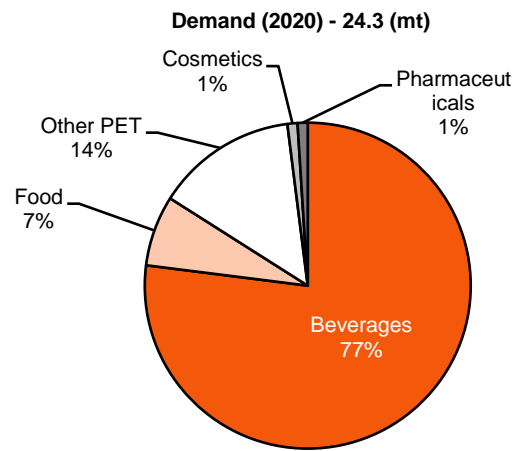
Source: Company data

Ex 9: China Retail Beverage Sales Trending Up...



Source: Bloomberg

Ex 10: ...A Key Factor For Strong PET Demand



Source: Bloomberg

IOD turnaround

Huntsman and Oxiteno are key growth contributors

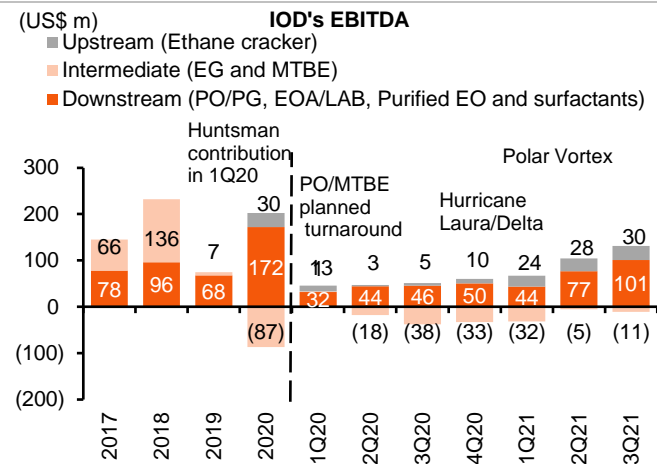
After the disappointing performance with the Huntsman acquisition since 2020, we expect the business to show its full potential this year. The acquisition was hit by the COVID-19 crisis which led to a substantial decline in oil prices and demand, not to mention severe weather conditions which caused unplanned shutdowns in 2020-21.

Key spreads for integrated oxides, such as Monoethylene Glycol (MEG) and Methyl tert-butyl ether (MTBE), have continued to improve from the lows seen in 2020. This has been supported by improved demand and higher oil prices which sent spreads trending higher since the company uses gas as a feedstock.

IVL is further strengthening its integrated oxide value chain, announcing its acquisition of Oxiteno, a leading integrated surfactant producer in Latin America, and we expect contributions from 2022F. We see the acquisition as strategic and financially sound. Strategically, it would help IVL expand its downstream surfactants portfolio in terms of end markets, technology and raw material integration. Oxiteno is the biggest surfactant producer in Latin America, a big and growing market but where IVL has so far had a limited presence. Surfactants are in the ethylene oxide (EO) chain, with main uses as detergents, wetting agents and emulsifiers. The price tag of US\$1.3bn equates to about 9x the current year's adjusted EBITDA, which is attractive, in our view. We see this deal as value accretive to IVL. There could also be potential upside risks to our forecasts if IVL can realize the targeted US\$100m in annual synergies by 2025, with US\$30m to be captured by 2023.

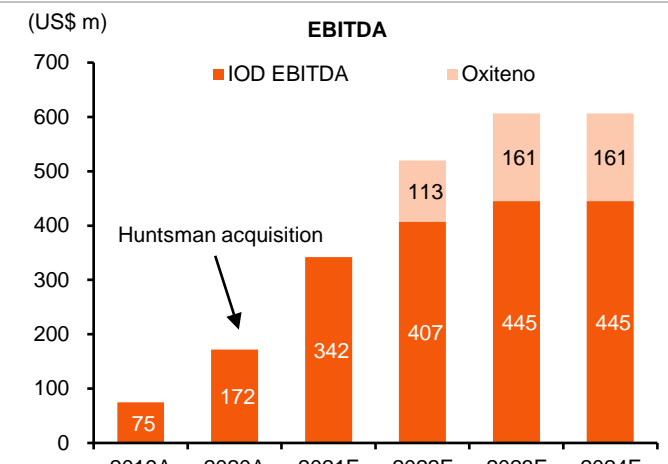
With the soon-to-be-completed acquisition of Oxiteno's IOD assets in Brazil and the recent commercial operation date (COD) of its ethane cracker after more than a year's delay, we project IVL's EBITDA from the IOD segment to grow by 26% YoY from US\$0.4bn in 2021F to US\$0.5bn in 2022F, accounting for 23% of IVL's total 2022F EBITDA.

Ex 11: IOD's EBITDA Suffered During COVID Years



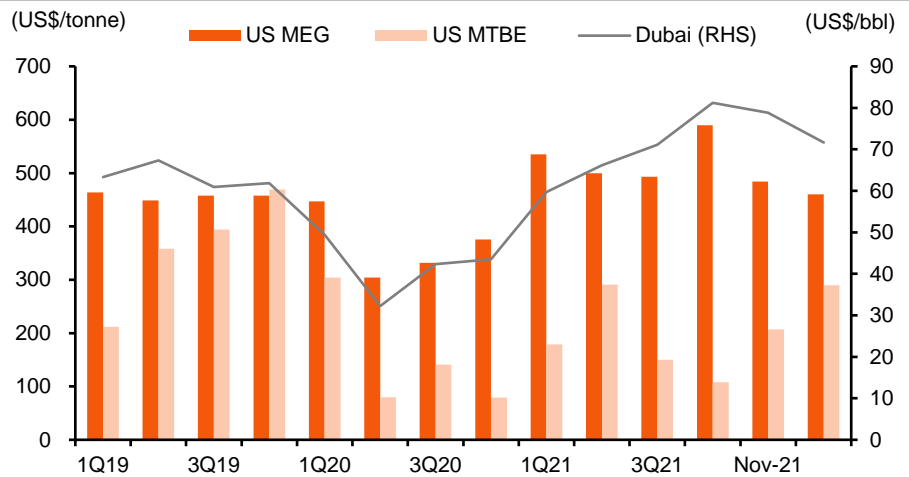
Source: Company data

Ex 12: IOD's And Oxiteno's EBITDA Contribution



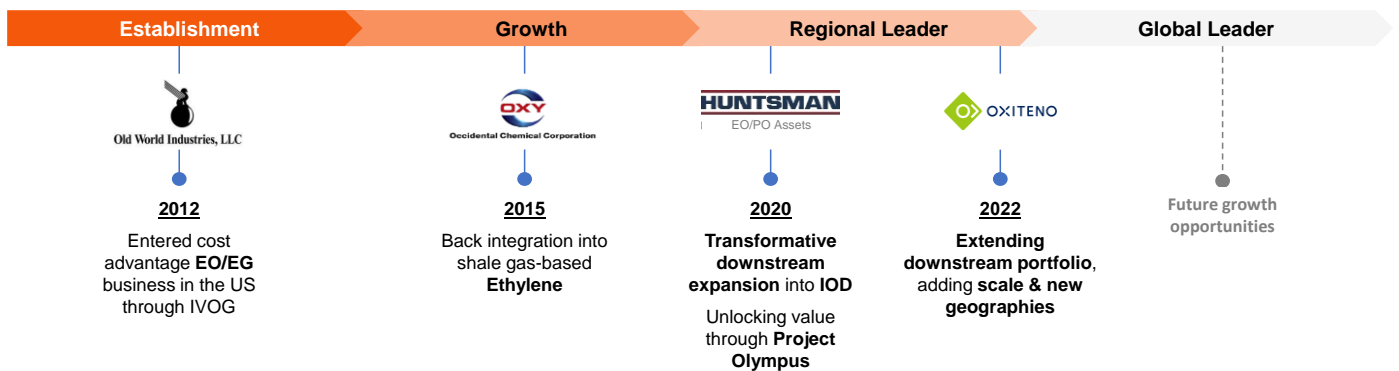
Sources: Company data, Thanachart estimates

Ex 13: MTBE And MEG Spreads Up With Oil Prices



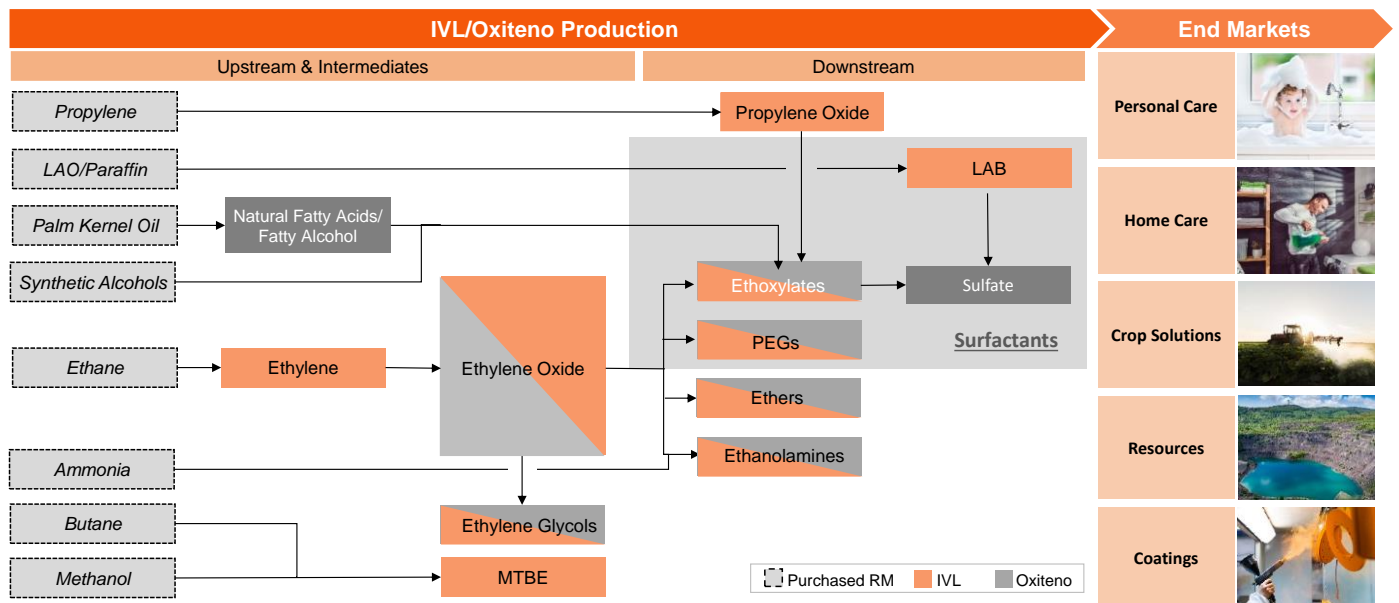
Source: Company data

Ex 14: Evolution Of IOD Segment



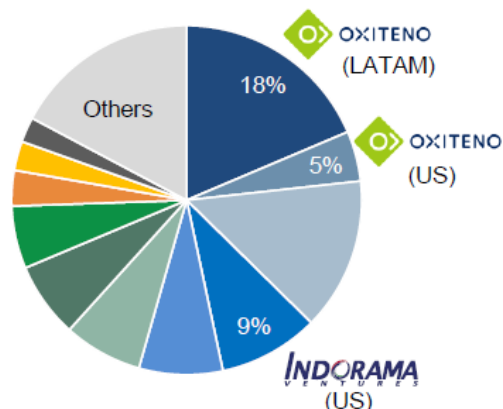
Source: Company data

Ex 15: IVL's Integrated Oxide (IOD) Value Chain



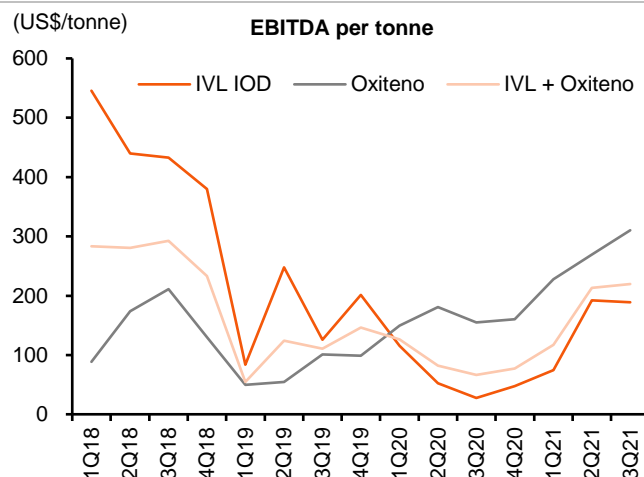
Source: Company data

Ex 16: Americas' Nonionic Surfactants Capacity



Source: Company data

Ex 17: Oxiteno Will Likely Enhance IVL's Margin



Sources: Company data, Thanachart estimates

Ex 18: IVL's IOD Capacity Breakdown

Kta	IVL's existing	Huntsman	Oxiteno	Total
Upstream (gas based)				
Ethylene	420	218		638
Propylene	20	25		45
Intermediate				
MEG	350	400	325	1,075
MTBE		740		740
Downstream				
Surfactants		360	1,200	1,560
Purified EO (PEO)	170	100		270
PO		250		250
Ethanolamine (EOA, MEA, DEA, TEA, LAB)		180		180
Lab		180	100	280
Total	990	3,147	1,625	4,577
Crude EO capacity*	420	690	440	1,550

Sources: Company data, Thanachart estimates

Note: *Ethylene Oxide is produced from ethylene and it is a feedstock used to produce downstream and intermediate products such as surfactant, EOA, MEA, DEA, TEA, LAB, and MEG.

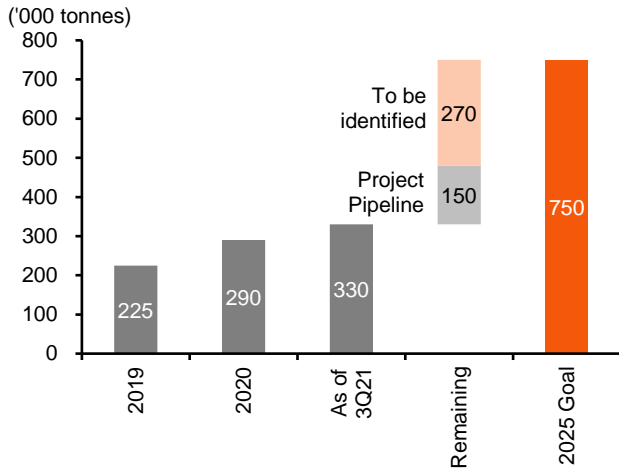
Recycled PET offers extra growth

On track to ride rising rPET demand

IVL looks to be on the road to realizing the benefits of its recycled PET (rPET) business in the wake of higher pricing power and rising demand for rPET products after the COP26 meeting. IVL achieved 330kt of rPET production in 3Q21 (3% of total capacity) and it looks to be on track to meet its 2025 target of 750kta with a capex budget of US\$1.5bn. Recycled PET prices are commanding a significant premium to virgin PET in all regions, showing the commitment from brand owners. Many of IVL's clients, mostly in the food & beverage and FMCG industries, have already mandated several requirements. Hence, we think IVL is ahead of the industry curve by not only complying with greener mega-trends but also by benefitting from the rising premiums of recycled PET.

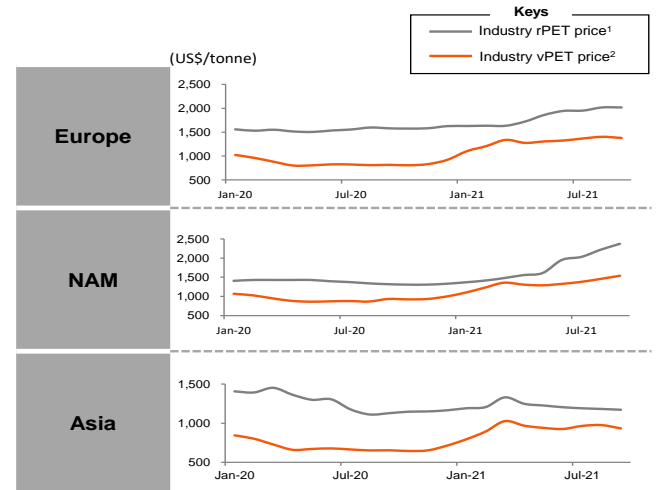
Meanwhile, we still think the virgin PET business is growing with expected industry demand growth of 4% p.a. Unlike other plastics and packaging materials such as aluminum, paper and glass, PET has some unique advantages over its substitutable materials, including 1) its lowest price per bottle compared to aluminum and glass bottles; 2) its lowest greenhouse gas emission ratio; 3) its highest recyclability of up to 100%; and 4) its lightest weight for cost savings.

Ex 19: IVL's rPET capacity



Source: Company data

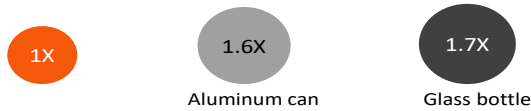
Ex 20: rPET's Price Premium To Virgin PET's



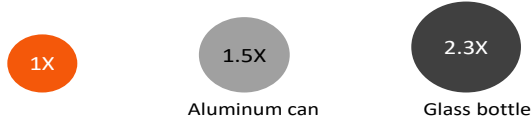
Source: Company data

Ex 21: PET Is The Preferred Choice In The Packaging Sector

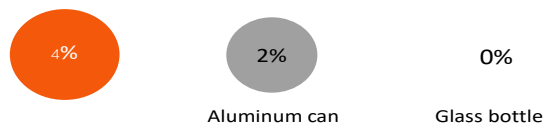
Price ratio (cents per bottle, PET = 1X)



GHG ratio (GHG per 100 Koz liquid, PET = 1X)



Demand growth (2010-2020 CAGR)

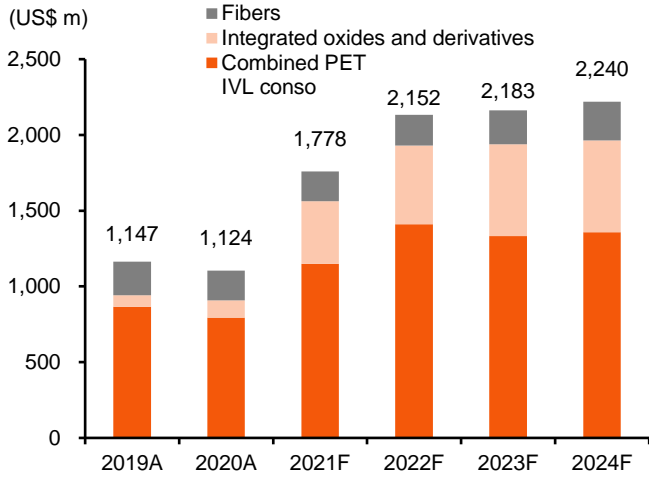


Sources: Company data, Thanachart
 Note: GHG is greenhouse gas

Valuations still attractive, in our view

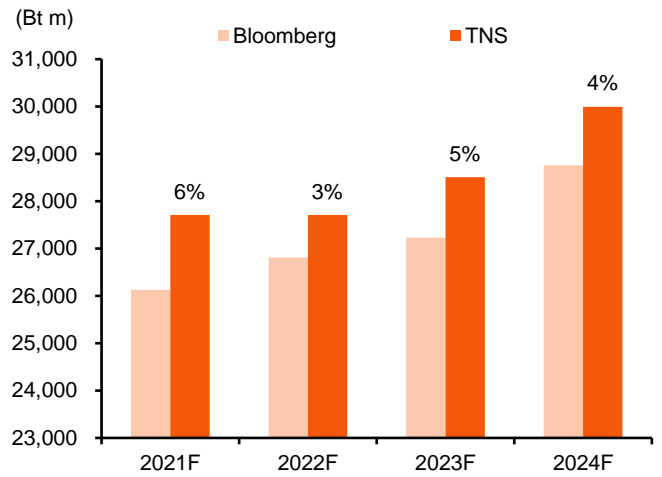
We expect IVL to deliver core profit growth of 23% in 2022F, mainly due to its IOD business turnaround and the higher West PET margin contract price. It is trading at 7x EV/EBITDA and at 9x PE, which is below its historical averages of 10x and 15x, respectively. IVL is the only company in the sector where we see potential earnings upside to the Street's forecasts.

Ex 22: Core EBITDA Breakdown



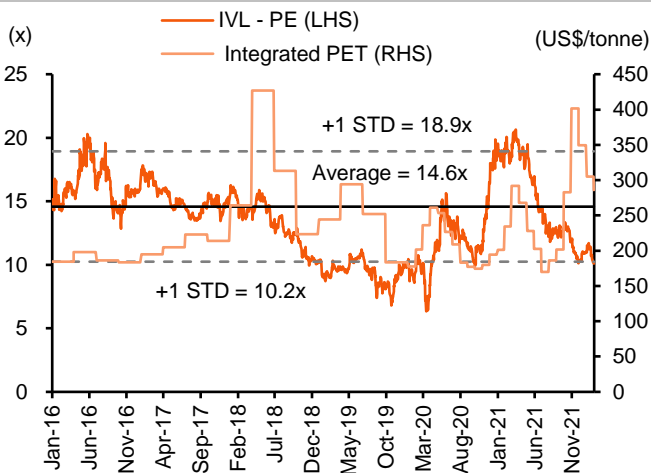
Sources: Company data, Thanachart estimates

Ex 23: TNS's Profit Forecasts Vs. Consensus



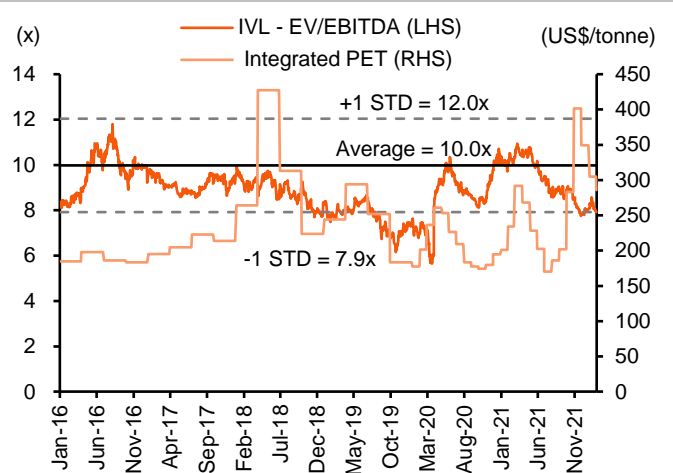
Sources: Bloomberg, Thanachart estimates

Ex 24: PE STD Chart



Sources: Bloomberg, Thanachart estimates

Ex 25: EV/EBITDA STD Chart



Sources: Bloomberg, Thanachart estimates

Ex 26: Our Key Spread Assumptions

	2019A	2020A	2021F	2022F	2023F	2024F
Combined PET	866	794	1,149	1,411	1,333	1,357
Integrated oxides and derivatives	75	115	414	520	606	606
Fibers	222	195	195	201	224	257
Holdings	(16)	20	20	20	20	20
IVL conso	1,147	1,124	1,778	2,152	2,183	2,240
Key assumptions						
EBITDA per tonne (US\$/t)	93	82	117	135	133	133
Industry margin (US\$/t)						
Asia PTA	137	80	100	90	90	90
Asia PET	126	137	137	150	150	150
Industry spread: Asia Integrated PET	243	206	223	227	227	227
West PTA	238	191	376	350	300	250
West PET	234	233	320	300	280	280
Industry spread: West Integrated PET	439	397	643	601	538	495
US MEG Over Ethane	457	365	500	460	460	460
US MTBE (C-Factor)	358	151	200	230	300	300

Sources: Company data, Thanachart estimates

Ex 27: 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	71,011	72,047	73,911	75,927	78,020	80,194	82,451	84,794	87,228	89,754	92,378	
Free cash flow	(17,866)	35,852	43,786	45,534	47,345	49,219	51,156	53,161	55,234	57,380	59,601	767,098
PV of free cash flow	(16,392)	30,175	33,797	31,707	30,116	28,600	27,147	25,770	24,459	22,268	21,036	270,748
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.5											
WACC (%)	9.0											
Terminal growth (%)	2.0											
Enterprise value - add investments	529,431											
Net debt	183,550											
Minority interest	10,442											
Equity value	335,439											
# of shares	5,615											
Equity value/share (Bt)	60											

Sources: Company data, Thanachart estimates

COMPANY DESCRIPTION

Indorama Ventures Pcl (IVL) manufactures and distributes polyethylene terephthalate (PET), polyester fibers and yarns, purified terephthalic acid (PTA) and monoethylene glycol (MEG). It is one of the largest vertically integrated polyester chain producers in the world. Its global sales and manufacturing presence can be seen in major markets such as the US, Europe and Asia, serving major players in diversified end-user markets, including food, beverages, personal and home care, health care, automotive, textiles and industrial. We believe IVL is now at an inflection point for its third growth phase, via expanding into a packaging, olefin-integrated company.

Source: Thanachart

THANACHART'S SWOT ANALYSIS

S — Strength

- Large scale and efficient facilities are helping IVL to become one of the lowest-cost producers in the world.
- Large scale and good relationships with customers help IVL to keep its utilization rate high and improve economies of scale.
- Setting up plants in many major markets helps IVL to save on transportation costs and avoid trade barriers.

O — Opportunity

- IVL still has room for further growth potential from expanding its IOD portfolio via horizontal and vertical integration.
- Potential upside from rPET business.
- Market consolidation in the US and Europe is helping to sustain product spreads.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	56.61	60.00	6%
Net profit 21F (Bt m)	26,811	27,707	3%
Net profit 22F (Bt m)	27,227	28,510	5%
Consensus REC	BUY: 20	HOLD: 2	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F net profits are above consensus as we assume higher West PET margin.
- Therefore, our target price is higher than the Bloomberg consensus.

Sources: Bloomberg consensus, Thanachart forecasts

COMPANY RATING



Rating Scale

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

Source: Thanachart; *CG Rating

W — Weakness

- IVL relies heavily on the PET/polyester product value chain and its investment US ethane crackers make its vulnerable to oil price fluctuation.
- For PET, IVL's customers are major food & beverage companies, and they could have very strong bargaining power.

T — Threat

- Threat on higher environmental awareness that would lead to lower virgin PET demand.
- New technology to lower production costs would require existing players to invest more capex to improve efficiency.
- Overpaying for acquisitions and limited synergies

RISKS TO OUR INVESTMENT CASE

- Lower-than-expected spreads and/or poor cost controls represent the key downside risks to our view.
- Collapse in oil price that would lead to lower MTBE and MEG spreads is a secondary downside risk to our call.
- Unsuccessful integration of the recent acquisitions would be a secondary downside risk.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	352,692	331,513	490,610	545,124	538,287
Cost of sales	309,345	282,538	396,164	435,448	427,139
Gross profit	43,348	48,975	94,446	109,676	111,148
% gross margin	12.3%	14.8%	19.3%	20.1%	20.6%
Selling & administration expenses	34,221	39,092	57,853	64,281	63,475
Operating profit	9,127	9,883	36,593	45,395	47,672
% operating margin	2.6%	3.0%	7.5%	8.3%	8.9%
Depreciation & amortization	17,040	20,487	22,080	25,616	24,375
EBITDA	26,168	30,370	58,673	71,011	72,047
% EBITDA margin	7.4%	9.2%	12.0%	13.0%	13.4%
Non-operating income	2,367	3,224	0	0	0
Non-operating expenses	0	0	0	0	0
Interest expense	(5,615)	(7,674)	(7,234)	(7,840)	(8,287)
Pre-tax profit	5,879	5,432	29,359	37,555	39,385
Income tax	1,534	(1,243)	4,819	7,541	7,907
After-tax profit	4,345	6,676	24,540	30,014	31,478
% net margin	1.2%	2.0%	5.0%	5.5%	5.8%
Shares in affiliates' Earnings	5	143	151	151	151
Minority interests	888	(386)	(1,489)	(1,654)	(1,634)
Extraordinary items	14	(4,018)	4,506	0	0
NET PROFIT	5,252	2,414	27,707	28,510	29,995
Normalized profit	5,239	6,433	23,202	28,510	29,995
EPS (Bt)	0.9	0.4	4.9	5.1	5.3
Normalized EPS (Bt)	0.9	1.1	4.1	5.1	5.3

We foresee a sharp earnings turnaround in 2022F

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	118,757	119,835	159,709	179,835	177,293
Cash & cash equivalent	10,454	19,390	15,442	20,442	20,442
Account receivables	34,305	33,422	49,461	54,957	54,268
Inventories	62,165	53,938	75,631	83,130	81,544
Others	11,833	13,084	19,176	21,307	21,039
Investments & loans	2,548	3,229	3,229	3,229	3,229
Net fixed assets	212,423	264,291	272,811	321,995	324,820
Other assets	46,840	65,817	76,720	80,457	79,988
Total assets	380,568	453,172	512,470	585,516	585,330
LIABILITIES:					
Current liabilities:	112,991	117,161	145,297	181,211	188,399
Account payables	57,173	57,783	81,021	89,055	87,355
Bank overdraft & ST loans	30,379	20,726	20,488	24,549	23,196
Current LT debt	10,271	16,503	19,635	38,500	50,526
Others current liabilities	15,167	22,150	24,154	29,108	27,322
Total LT debt	105,611	164,073	158,869	175,388	151,577
Others LT liabilities	23,799	36,329	52,392	56,895	56,330
Total liabilities	242,401	317,564	356,558	413,494	396,306
Minority interest	8,455	8,953	10,442	12,096	13,730
Preferreds shares	0	0	0	0	0
Paid-up capital	5,615	5,615	5,615	5,615	5,615
Share premium	60,331	60,331	60,331	60,331	60,331
Warrants	0	0	0	0	0
Surplus	(6,731)	(6,852)	(6,852)	(6,852)	(6,852)
Retained earnings	70,497	67,561	86,376	100,832	116,201
Shareholders' equity	129,712	126,655	145,470	159,926	175,295
Liabilities & equity	380,568	453,172	512,470	585,516	585,330

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	5,879	5,432	29,359	37,555	39,385
Tax paid	(3,459)	1,643	(4,466)	(7,151)	(8,029)
Depreciation & amortization	17,040	20,487	22,080	25,616	24,375
Chg In working capital	13,860	9,719	(14,493)	(4,961)	576
Chg In other CA & CL / minorities	4,748	9,035	(4,417)	2,584	(1,247)
Cash flow from operations	38,069	46,317	28,062	53,643	55,061
Capex	(21,584)	(69,625)	(30,600)	(74,800)	(27,200)
Right of use	0	(11,865)	0	0	0
ST loans & investments	(3)	48	127	0	0
LT loans & investments	2,789	(682)	0	0	0
Adj for asset revaluation	(9,796)	(141)	0	0	0
Chg In other assets & liabilities	(3,850)	(4,945)	9,665	767	(96)
Cash flow from investments	(32,444)	(87,210)	(20,808)	(74,033)	(27,296)
Debt financing	9,700	55,160	(2,310)	39,445	(13,138)
Capital increase	0	0	(0)	0	0
Dividends paid	(7,860)	(3,930)	(8,892)	(14,054)	(14,626)
Warrants & other surplus	(2,722)	(1,400)	0	0	0
Cash flow from financing	(883)	49,830	(11,202)	25,390	(27,764)
Free cash flow	16,485	(23,309)	(2,538)	(21,157)	27,861

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	51.4	41.9	11.6	9.5	9.0
Normalized PE - at target price (x)	64.3	52.4	14.5	11.8	11.2
PE (x)	51.3	111.6	9.7	9.5	9.0
PE - at target price (x)	64.1	139.5	12.2	11.8	11.2
EV/EBITDA (x)	15.5	14.9	7.7	6.9	6.6
EV/EBITDA - at target price (x)	18.1	17.1	8.9	7.8	7.5
P/BV (x)	2.1	2.1	1.9	1.7	1.5
P/BV - at target price (x)	2.6	2.7	2.3	2.1	1.9
P/CFO (x)	7.1	5.8	9.6	5.0	4.9
Price/sales (x)	0.8	0.8	0.5	0.5	0.5
Dividend yield (%)	2.6	1.5	5.1	5.3	5.6
FCF Yield (%)	6.1	(8.6)	(0.9)	(7.9)	10.3
(Bt)					
Normalized EPS	0.9	1.1	4.1	5.1	5.3
EPS	0.9	0.4	4.9	5.1	5.3
DPS	1.2	0.7	2.5	2.5	2.7
BV/share	23.1	22.6	25.9	28.5	31.2
CFO/share	6.8	8.2	5.0	9.6	9.8
FCF/share	2.9	(4.2)	(0.5)	(3.8)	5.0

Sources: Company data, Thanachart estimates

IVL trades well below its long-term average PE multiple

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	1.6	(6.0)	48.0	11.1	(1.3)
Net profit (%)	(80.2)	(54.0)	1,047.7	2.9	5.2
EPS (%)	(80.7)	(54.0)	1,047.7	2.9	5.2
Normalized profit (%)	(78.2)	22.8	260.7	22.9	5.2
Normalized EPS (%)	(78.8)	22.8	260.7	22.9	5.2
Dividend payout ratio (%)	131.0	162.8	50.0	50.0	50.0
Operating performance					
Gross margin (%)	12.3	14.8	19.3	20.1	20.6
Operating margin (%)	2.6	3.0	7.5	8.3	8.9
EBITDA margin (%)	7.4	9.2	12.0	13.0	13.4
Net margin (%)	1.2	2.0	5.0	5.5	5.8
D/E (incl. minor) (x)	1.1	1.5	1.3	1.4	1.2
Net D/E (incl. minor) (x)	1.0	1.3	1.2	1.3	1.1
Interest coverage - EBIT (x)	1.6	1.3	5.1	5.8	5.8
Interest coverage - EBITDA (x)	4.7	4.0	8.1	9.1	8.7
ROA - using norm profit (%)	1.4	1.5	4.8	5.2	5.1
ROE - using norm profit (%)	3.8	5.0	17.1	18.7	17.9
DuPont					
ROE - using after tax profit (%)	3.2	5.2	18.0	19.7	18.8
- asset turnover (x)	0.9	0.8	1.0	1.0	0.9
- operating margin (%)	3.3	4.0	7.5	8.3	8.9
- leverage (x)	2.8	3.3	3.5	3.6	3.5
- interest burden (%)	51.1	41.4	80.2	82.7	82.6
- tax burden (%)	73.9	122.9	83.6	79.9	79.9
WACC (%)	9.0	9.0	9.0	9.0	9.0
ROIC (%)	2.4	4.6	9.9	11.0	10.1
NOPAT (Bt m)	6,745	12,144	30,586	36,279	38,101
invested capital (Bt m)	265,520	308,567	329,021	377,921	380,152

Sources: Company data, Thanachart estimates

Leverage remains manageable despite a major acquisition

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