

BUY (Unchanged)

Change in Numbers

TP: Bt 5.30

Upside : 19.9%

(Unchanged)

11 FEBRUARY 2022

Small Cap Research

Namyong Terminal Pcl (NYT TB)

Inexpensive turnaround play

We reaffirm our BUY call on NYT seeing it as an inexpensive turnaround play at 16.6x 2022F PE, vs. 31/29% EPS growth in 2022-23F and 6-8% yields. The business turnaround started in 4Q21F and momentum will likely continue this year from recovering auto exports.

**SIRIPORN ARUNOTHAI**

662 – 779 9113

siriporn.aru@thanachartsec.co.th

Turnaround happening now

We reaffirm our BUY call on NYT with a DCF-based 12-month TP, using a 2022F base year, of Bt5.3. One reason is that we see its valuation as inexpensive with the shares trading at a 2022F PE of 16.6x, vs. 31/29% EPS growth in 2022-23F and offering 6-8% yields. Another reason is the decent momentum of the car export turnaround with car makers ramping up production after the severe chip shortage that caused production cuts in 3Q21. Its 51%-owned marine cargo operator Seahorse Ferries and 49%-owned NYKT International Terminal (NYKT) that operates the C0 terminal are also generating lower losses.

Auto export recovery

Thailand's auto exports have improved each month from a low of 59,571 units in August to 101,307 in December 2021. The chip shortage isn't completely over but the situation has improved, resulting in car makers ramping up their production. Toyota, with a 30% market share of Thai auto exports, targets its export growth this year at 27%. We are more conservative as we factor in the Omicron risk and estimate Thai auto export growth at 12/2% in 2022-23F. NYT is a direct beneficiary of the auto export turnaround having a 76% market share of the Roll-on/Roll-off auto terminal service in Thailand. We estimate NYT's terminal revenue growth at 14/6% in 2022-23F. The stronger earnings growth is because of the operating leverage effect.

Soft launch of marine cargo business

Seahorse Ferries' marine cargo business had its soft launch in late 2021 with "THE BLUE DOLPHIN" vessel on its first Sattahip-Songkhla route. No exact opening timeline has been given for its second Sattahip-Prachuap Khiri Khan route. Both routes are for transport between the South and the East of Thailand. "THE BLUE DOLPHIN" vessel can carry 80 trailers and trucks, 20 passenger cars and 580 passengers. With a lot of traffic from the South to the East of c.7,326 10-wheel and more trucks per day while marine cargo offers a time and total cost-saving alternative, we estimate Seahorse to turn a profit of Bt22/52m in 2023-24F from a loss of Bt74/28m in 2021-22F.

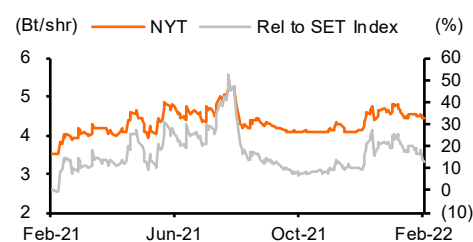
4Q21F likely a beat

We now estimate NYT's 4Q21F profit at Bt70m, still down by 23% y-y but turning around nicely by 32% q-q. Thailand's auto exports in 4Q21 grew 31% y-y and 38% q-q to 281,713 units. Our new 4Q21F estimate is higher than our previous forecast and we raise our 2021F earnings by 7%. However, we fine-tune down our 2022F earnings by 3% to reflect the Omicron risk but that doesn't change our view on the strong earnings turnaround trend.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	1,195	1,336	1,623	1,796
Net profit	229	252	331	426
Consensus NP	—	224	320	389
Diff frm cons (%)	—	12.4	3.4	9.5
Norm profit	234	252	331	426
Prev. Norm profit	—	235	340	426
Chg frm prev (%)	—	7.3	(2.7)	(0.1)
Norm EPS (Bt)	0.2	0.2	0.3	0.3
Norm EPS grw (%)	(37.8)	7.5	31.4	28.8
Norm PE (x)	23.4	21.8	16.6	12.9
EV/EBITDA (x)	5.1	5.3	4.4	3.8
P/BV (x)	1.7	1.7	1.7	1.6
Div yield (%)	4.5	4.6	6.0	7.8
ROE (%)	6.6	7.7	10.1	12.8
Net D/E (%)	(34.6)	(31.8)	(36.7)	(41.6)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 11-Feb-22 (Bt)	4.42
Market Cap (US\$ m)	167.6
Listed Shares (m shares)	1,240.0
Free Float (%)	40.9
Avg Daily Turnover (US\$ m)	0.8
12M Price H/L (Bt)	5.45/3.50
Sector	Transportation
Major Shareholder	Nam Yuen Yong Shipping 25.2%

Sources: Bloomberg, Company data, Thanachart estimates

Turnaround happening now

Inexpensive valuation, in our view, with strong earnings growth

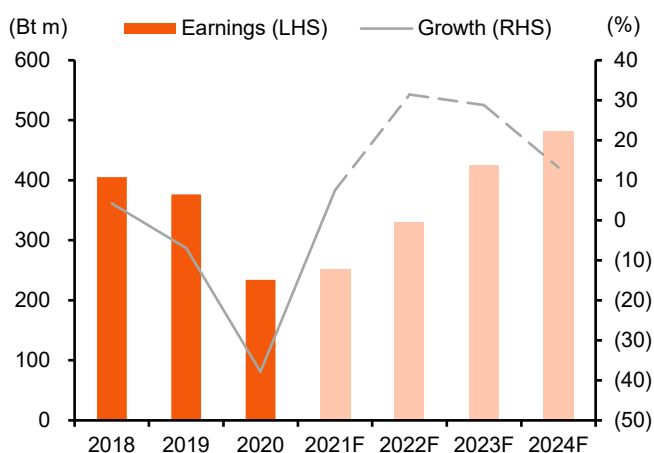
We see Namyong Terminal Pcl (NYT) as an inexpensive turnaround play. We reaffirm our BUY rating on NYT with a DCF-based 12-month TP, using a 2022F base year, of Bt5.30.

First, NYT's PE of 16.6x in 2022F compared with its EPS growth of 31% in 2022F and 29% in 2023F and its dividend yields of 6-8% in those two years is attractive, in our view.

Second, we foresee a decent auto export turnaround momentum from car makers ramping up production after the severe chip shortage that caused production cuts in 3Q21.

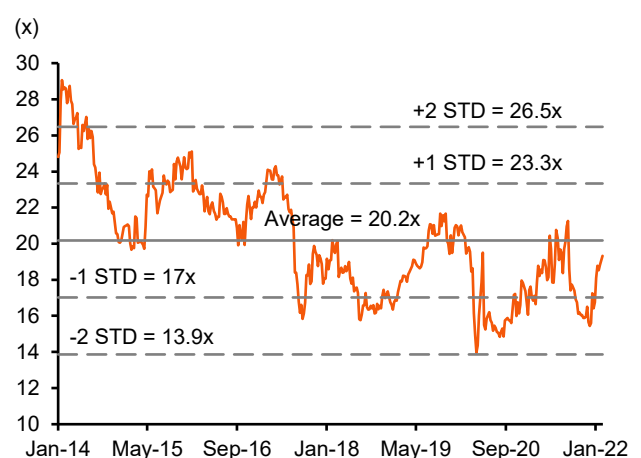
We also expect its 51%-owned marine cargo operator Seahorse Ferries and 49%-owned NYKT International Terminal (NYKT) that operates the C0 terminal to generate lower losses from this year onwards.

Ex 1: Earnings Growth Turnaround



Sources: Company data, Thanachart estimates

Ex 2: Inexpensive Valuation In Our View



Sources: Company data, Bloomberg, Thanachart estimates

Auto export recovery

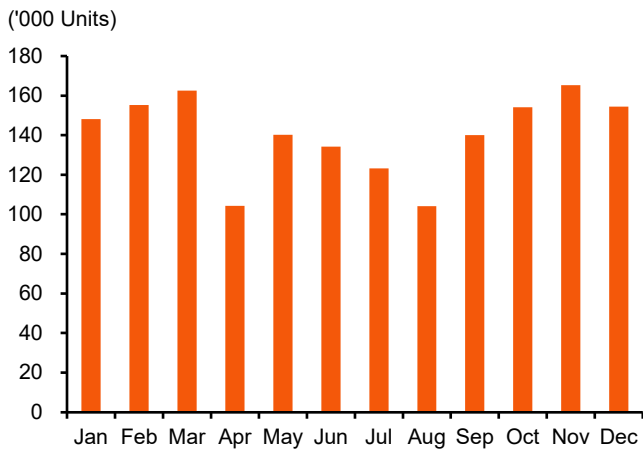
Car makers' production ramp-up drives export growth

Thailand's auto production and exports have faced supply chain disruptions since last year. The global semiconductor chip shortage and the temporary shutdown of factories due to the severity of the COVID-19 pandemic caused car makers to cut production.

Though the chip shortage problem is not entirely over, the situation improved in 4Q21. With car production ramping up, Thailand's auto exports improved each month from a low of 59,571 units in August to 101,307 in December 2021. We expect the semiconductor supply chain to show some improvement this year due to less of an impact from COVID-19. Together with automakers also working through supply-chain headwinds, we therefore expect them to continue ramping up their production this year to satisfy pent-up demand. Toyota, which has 30/30% market shares of Thai auto production and exports, targets its car production and export growth at 26/27% this year.

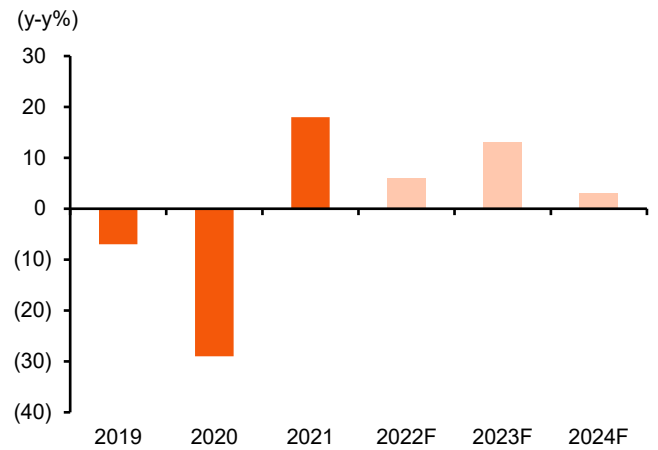
We are more conservative as we factor in the Omicron risk and estimate Thai auto export growth at 12/2% in 2022-23F. NYT is a direct beneficiary of the auto export turnaround having a 76% market share of the Roll-on/Roll-off auto terminal service in Thailand. We estimate NYT's terminal revenue growth at 14/6% y-y in 2022-23F. The stronger earnings growth is a result of the operating leverage effect due to depreciation and amortization costs accounting for 53% of 2020's total costs.

Ex 3: Thailand’s Monthly Auto Production In 2021



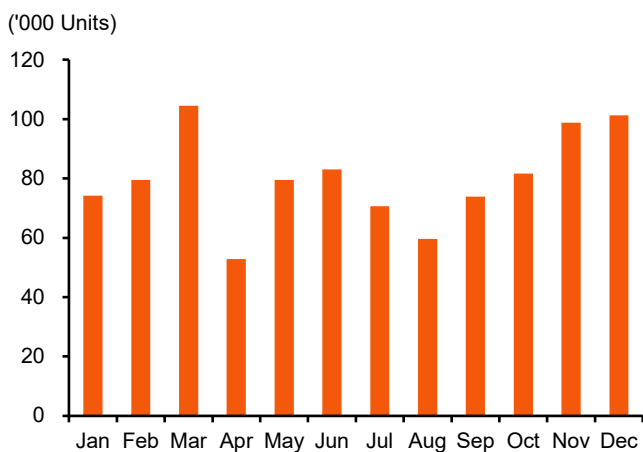
Source: Thailand Automotive Institute

Ex 4: Thailand’s Yearly Auto Production Growth



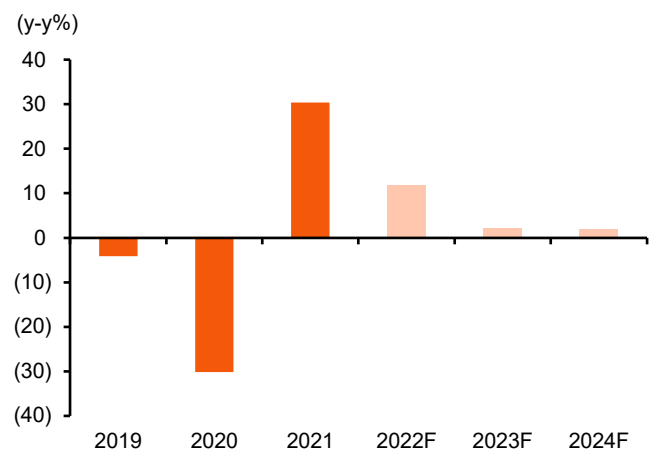
Sources: Thailand Automotive Institute; Thanachart estimates

Ex 5: Thailand’s Monthly Auto Exports In 2021



Source: Thailand Automotive Institute

Ex 6: Thailand’s Yearly Auto Export Growth



Sources: Thailand Automotive Institute; Thanachart estimates

Soft launch of marine cargo business

Seahorse’s business had its soft launch in late 2021

After almost a year’s delay for Seahorse Ferries’ marine cargo business because of the COVID-19 pandemic in Thailand, it finally received the green light from the Marine Department for the soft launch of its business in late 2021. The ferry is named “THE BLUE DOLPHIN”. The first route is from Chuk Samet Pier in Chonburi’s Sattahip district in the East to Sawat Development Pier in Songkhla’s Muang district in the South. The 600km journey takes 20 hours.

Note that the company also plans to extend the ferry service to a pier in Prachuap Khiri Khan’s Bang Saphan district (Sattahip-Prachuap Khiri Khan) but no opening timeline for its second route has been provided yet.

“THE BLUE DOLPHIN” can accommodate up to 80 trailers and trucks, 20 passenger cars and 580 passengers. According to the Department of Highways’ statistics in 2018, the number of 10-wheel and more trucks transported from the South to the East was 7,326 trucks per day.

Another good option for transport between the East and the South

Given the traffic congestion on roads to the South and increasing trading and travel demand between the Eastern and Southern Economic Corridors, we see Seahorse’s marine cargo business as another good option for transport between the East and the South due to time and total cost savings (such as driver costs and maintenance costs).

The ferry’s service has received good feedback from passengers, manufacturers and distributors. Management expects the business to reach break-even level in 3Q22. We estimate Seahorse to turn a profit of Bt22/52m in 2023-24F from a loss of Bt74/28m in 2021-22F.

Ex 7: “THE BLUE DOLPHIN” Vessel



Source: Company data

Ex 8: Parking Zone



Source: Company data

Ex 9: Capacity And Target Customers

Routes	Details	Target customers
	<p>Capacity Passenger : 586 people Trucks : 80 units Cars : 20 units</p> <p>Sattahip-Prachuap Inland: Distance 530km, Time 11-12 hrs. Sea transport: Distance 221km, Time 7-8 hrs.</p> <p>Sattahip-Songkhla Inland: Distance 1,130km, Time 23-24 hrs. Sea transport: Distance 607km., Time 19-20 hrs.</p> <p>Benefits Faster, cheaper (transportation, labor and O&M) and better (environmental benefits, reduced accident risk and cutting traffic)</p>	

Source: Company data

Ex 10: Routes & Schedules

Route: Sattahip - Songkhla
Departure time: 14:00 pm Arrival time: 11:00 am

Monday January 31, Tuesday February 8
Tuesday February 15, Tuesday February 22

Route: Songkhla - Sattahip
Departure time: 16:00 pm Arrival time: 12:00 am

Tuesday February 1, Wednesday February 9
Wednesday February 16, Wednesday February 23

Vessel Schedule February 2022

THE BLUE DOLPHIN

Source: Company data

Ex 11: Fare Rates

Passenger
One-way 1,000 THB | Round-trip 1,900 THB

4 wheels (Passenger car) ** with Driver + 1 Passenger.
One-way 5,000 THB | Round-trip 9,000 THB

Motorcycle (Over 500 CC)
One-way 2,500 THB | Round-trip 4,500 THB

Motorcycle (Not over 500 CC)
One-way 1,500 THB | Round-trip 2,500 THB

Trailer: Length not over 5 meters.
(for Boat, jet ski, and Motorcycle)
One-way 3,000 THB | Round-trip 5,400 THB

Source: Company data

Ex 12: Reception Zone



Source: Company data

Ex 13: Pet Zone



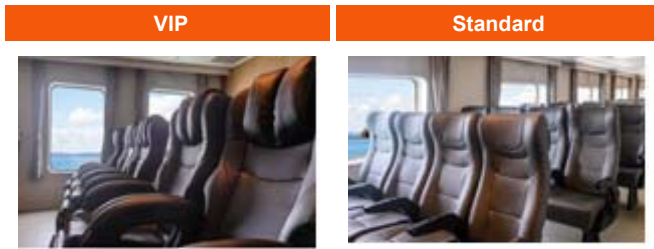
Source: Company data

Ex 14: Five Types Of Guest Rooms On “THE BLUE DOLPHIN”

1 Premier Room	2 Suite Rooms	8 First Class Rooms	4 Comfort Rooms	74 Capsules
One-way trip - Bt6,000 Round trip - Bt11,000	One-way trip - Bt4,500 Round trip - Bt8,000	One-way trip - Bt3,500 Round trip - Bt6,000	One-way trip - Bt3,500 Round trip - Bt6,000	One way trip - Bt700 Round trip - Bt1,200

Source: Company data

Ex 15: Two Types Of Seat



Source: Company data

Note: Add Bt150/seat to upgrade from standard to VIP seat

Ex 16: Dining Zone



Source: Company data

4Q21F likely a beat

4Q21F is likely to beat our expectations due to strong auto exports

We now estimate NYT's 4Q21F profit to check in at Bt70m, down 23% y-y but turning around nicely by 32% q-q. We expect the q-q earnings growth to be a result of the strong auto export recovery in 4Q21. Meanwhile, the y-y earnings decline will likely be a result of the new loss incurred by Seahorse Ferries. Thailand's auto exports in 4Q21 grew by 31% y-y and 38% q-q to 281,713 units.

Our new 4Q21F estimate is higher than our previous forecast and we raise our 2021F earnings by 7%. However, we fine-tune down our 2022F earnings by 3% to reflect the Omicron risk but that doesn't change our view on the strong earnings turnaround trend.

Ex 17: Thailand Auto Export Assumptions

	2019A	2020A	2021A	2022F	2023F	2024F
Thailand's auto export (units)						
- New	1,054,103	735,842	959,194	1,072,202	1,095,014	1,116,915
- Old			927,161	1,072,202	1,095,014	1,116,915
- Change (%)			3.5	—	—	—

Sources: Company data, Thanachart estimates

Ex 18: 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 excl. depre from right of use	971	1,075	1,136	1,181	1,203	1,224	1,248	1,272	1,297	1,323	1,363	–
Free cash flow	626	749	827	875	836	789	819	1,002	1,023	1,045	281	2,686
PV of free cash flow	624	601	594	552	471	396	366	400	364	317	76	723
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.2											
WACC (%)	11.7											
Terminal growth (%)	2.0											
Enterprise value - add investments	5,484											
Net debt (end-2021F)	(1,035)											
Minority interest	3											
Equity value	6,516											
# of shares (m)	1,240											
Target price/share (Bt)	5.30											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 19: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			21F	22F	21F	22F	21F	22F	21F	22F	21F	22F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
China Merchants Port Holding	144 HK	Hong Kong	41.5	(5.9)	7.7	8.2	0.6	0.6	11.0	11.5	5.6	5.3
Cosco Shipping Ports Ltd.	1199 HK	Hong Kong	0.8	12.8	64.0	56.7	4.0	3.8	15.7	13.6	0.6	0.7
Port of Tauranga Ltd.	POT NZ	New Zealand	(6.6)	14.1	45.1	39.5	3.7	3.1	28.6	26.1	2.0	2.2
Hutchison Port Holdings TR-U	HPHT SP	Singapore	109.6	(18.5)	1.3	1.6	0.1	0.1	6.8	7.2	51.9	58.8
Namyong Terminal Pcl *	NYT TB	Thailand	7.5	31.4	21.8	16.6	1.7	1.7	5.3	4.4	4.6	6.0
Precious Shipping *	PSL TB	Thailand	na	2.8	7.5	7.3	2.0	1.6	6.0	5.0	0.0	0.0
Average			30.6	6.8	28.0	24.5	2.0	1.8	13.5	12.6	13.0	14.6

Sources: Company data, Thanachart estimates

Note: * Thanachart estimates, using normalized EPS.

Based on 11 Feb 2022 closing prices

COMPANY DESCRIPTION

Namyong Terminal Pcl (NYT) is the largest, most fully integrated Roll-on-Roll-off (Ro-Ro) terminal operator in Thailand, located at Laem Chabang Port, Sriracha, Chonburi province. The firm began operating as a Ro-Ro terminal service provider for cars and general cargo exports and imports in 2002. NYT now holds a near monopoly position with around a 76% auto export market share each year.

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

- Holds a near-monopoly position as a terminal operator for auto exports/imports.
- Net-cash company with a strong financial position.
- Low-risk business model given its concession with the Port Authority of Thailand (PAT).
- Expanding its supporting area and warehouse businesses to further diversify its portfolio.
- Expanding to high-growth potential logistics business.

O — Opportunity

- Government's investment policy.
- Strong demand for logistics business in Thailand.
- Thailand's auto export recovery

W — Weakness

- Very dependent on Thailand's auto export industry.
- Under the direct control of the PAT.

T — Threat

- A new concession not being granted by the PAT.
- New Ro-Ro terminals capturing NYT's market share.
- Natural disaster / Disease outbreak.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	5.40	5.30	-2%
Net profit 21F (Bt m)	224	252	12%
Net profit 22F (Bt m)	320	331	3%
Consensus REC	BUY: 3	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our TP is lower than the Bloomberg consensus number although our 2022F earnings are slightly above the Street's forecast, which we attribute to us having a more conservative assumption for an auto export recovery over the longer term.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If NYT fails to win a new concession for Terminal A5 after the existing concession expires in 2026, its terminal service earnings and our call would be subject to downside risks.
- If Thailand's auto exports grow at a slower pace than we currently anticipate, this would represent another downside risk to our earnings forecasts and TP.
- Lower occupancy rates and rental prices for NYT's warehouse business would present a secondary downside risk to our earnings forecasts and TP.
- If NYT's new marine transportation business turns around slower than we currently expect, this would present another secondary downside risk to our numbers.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	1,419	1,195	1,336	1,623	1,796
Cost of sales	782	621	741	931	993
Gross profit	637	574	595	692	803
% gross margin	44.9%	48.0%	44.6%	42.7%	44.7%
Selling & administration expenses	161	160	206	182	186
Operating profit	476	414	389	510	616
% operating margin	33.6%	34.7%	29.1%	31.4%	34.3%
Depreciation & amortization	207	429	456	461	459
EBITDA	683	843	845	971	1,075
% EBITDA margin	48.2%	70.6%	63.2%	59.8%	59.9%
Non-operating income	34	27	20	25	33
Non-operating expenses	9	(9)	15	0	0
Interest expense	(5)	(75)	(94)	(101)	(91)
Pre-tax profit	515	357	331	434	558
Income tax	102	69	86	100	106
After-tax profit	412	288	245	334	453
% net margin	29.1%	24.1%	18.3%	20.6%	25.2%
Shares in affiliates' Earnings	(36)	(55)	(30)	(17)	(16)
Minority interests	0	1	36	14	(11)
Extraordinary items	0	(6)	0	0	0
NET PROFIT	377	229	252	331	426
Normalized profit	377	234	252	331	426
EPS (Bt)	0.3	0.2	0.2	0.3	0.3
Normalized EPS (Bt)	0.3	0.2	0.2	0.3	0.3

2022-23F earnings are still on a turnaround trend

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	1,737	1,420	1,336	1,566	1,783
Cash & cash equivalent	1,583	1,302	1,200	1,400	1,600
Account receivables	124	95	110	133	148
Inventories	0	3	4	5	5
Others	30	20	23	27	30
Investments & loans	1,321	1,260	1,260	1,260	1,260
Net fixed assets	1,155	1,238	1,122	1,006	893
Other assets	142	1,775	2,296	2,072	1,839
Total assets	4,355	5,693	6,015	5,905	5,776
LIABILITIES:					
Current liabilities:	286	382	435	453	449
Account payables	25	24	30	33	30
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	0	7	3	4	4
Others current liabilities	260	352	401	416	415
Total LT debt	10	156	162	190	204
Others LT liabilities	267	1,862	2,159	1,978	1,780
Total liabilities	563	2,400	2,756	2,620	2,433
Minority interest	0	40	3	(11)	0
Preferreds shares	0	0	0	0	0
Paid-up capital	620	620	620	620	620
Share premium	2,178	2,178	2,178	2,178	2,178
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	993	455	457	497	544
Shareholders' equity	3,792	3,254	3,256	3,295	3,343
Liabilities & equity	4,355	5,693	6,015	5,905	5,776

No significant new investments in 2022-23F

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

Strong cash inflow streams, on our forecasts

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	515	357	331	434	558
Tax paid	(102)	(72)	(84)	(94)	(102)
Depreciation & amortization	207	429	456	461	459
Chg In working capital	(42)	25	(10)	(22)	(18)
Chg In other CA & CL / minorities	(9)	90	15	(13)	(23)
Cash flow from operations	568	829	709	766	874
Capex	(65)	(295)	(100)	(100)	(100)
Right of use	0	(1,903)	(750)	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(634)	60	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	8	1,642	287	(203)	(210)
Cash flow from investments	(691)	(496)	(563)	(303)	(310)
Debt financing	(45)	152	2	29	14
Capital increase	0	0	0	0	0
Dividends paid	(372)	(620)	(250)	(291)	(378)
Warrants & other surplus	0	(147)	0	0	0
Cash flow from financing	(417)	(614)	(248)	(263)	(364)
Free cash flow	502	534	609	666	774

VALUATION

Inexpensive valuation, in our view

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	14.6	23.4	21.8	16.6	12.9
Normalized PE - at target price (x)	17.5	28.1	26.1	19.9	15.4
PE (x)	14.6	24.0	21.8	16.6	12.9
PE - at target price (x)	17.5	28.8	26.1	19.9	15.4
EV/EBITDA (x)	5.7	5.1	5.3	4.4	3.8
EV/EBITDA - at target price (x)	7.3	6.4	6.6	5.5	4.8
P/BV (x)	1.4	1.7	1.7	1.7	1.6
P/BV - at target price (x)	1.7	2.0	2.0	2.0	2.0
P/CFO (x)	9.7	6.6	7.7	7.2	6.3
Price/sales (x)	3.9	4.6	4.1	3.4	3.1
Dividend yield (%)	11.3	4.5	4.6	6.0	7.8
FCF Yield (%)	9.2	9.7	11.1	12.1	14.1
(Bt)					
Normalized EPS	0.3	0.2	0.2	0.3	0.3
EPS	0.3	0.2	0.2	0.3	0.3
DPS	0.5	0.2	0.2	0.3	0.3
BV/share	3.1	2.6	2.6	2.7	2.7
CFO/share	0.5	0.7	0.6	0.6	0.7
FCF/share	0.4	0.4	0.5	0.5	0.6

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	(0.6)	(15.8)	11.9	21.5	10.6
Net profit (%)	(7.0)	(39.3)	10.1	31.4	28.8
EPS (%)	(7.0)	(39.3)	10.1	31.4	28.8
Normalized profit (%)	(7.0)	(37.8)	7.5	31.4	28.8
Normalized EPS (%)	(7.0)	(37.8)	7.5	31.4	28.8
Dividend payout ratio (%)	164.7	108.5	100.0	100.0	100.0
Operating performance					
Gross margin (%)	44.9	48.0	44.6	42.7	44.7
Operating margin (%)	33.6	34.7	29.1	31.4	34.3
EBITDA margin (%)	48.2	70.6	63.2	59.8	59.9
Net margin (%)	29.1	24.1	18.3	20.6	25.2
D/E (incl. minor) (x)	0.0	0.0	0.1	0.1	0.1
Net D/E (incl. minor) (x)	(0.4)	(0.3)	(0.3)	(0.4)	(0.4)
Interest coverage - EBIT (x)	100.7	5.6	4.2	5.0	6.7
Interest coverage - EBITDA (x)	144.4	11.3	9.0	9.6	11.8
ROA - using norm profit (%)	8.6	4.7	4.3	5.5	7.3
ROE - using norm profit (%)	9.9	6.6	7.7	10.1	12.8
DuPont					
ROE - using after tax profit (%)	10.9	8.2	7.5	10.2	13.6
- asset turnover (x)	0.3	0.2	0.2	0.3	0.3
- operating margin (%)	36.6	36.1	31.8	33.0	36.2
- leverage (x)	1.2	1.4	1.8	1.8	1.8
- interest burden (%)	99.1	82.7	77.9	81.1	85.9
- tax burden (%)	80.1	80.7	74.0	77.0	81.1
WACC (%)	11.7	11.7	11.7	11.7	11.7
ROIC (%)	22.2	15.1	13.6	17.7	23.9
NOPAT (Bt m)	382	334	288	393	500
invested capital (Bt m)	2,219	2,115	2,221	2,089	1,951

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

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 115 Derivative Warrants which are ACE16C2202A, ADVA16C2202A, ADVA16C2203A, AMAT16C2206A, AOT16C2202A, AOT16C2204A, BAM16C2204A, BANP16C2205A, BANP16C2202A, BANP16C2204A, BBL16C2203A, BBL16C2204A, BCH16C2203A, BEC16C2202A, BEC16C2204A, BGRI16C2203A, BGRI16C2205A, BLA16C2205A, CBG16C2202A, CBG16C2204A, CBG16C2205A, CHG16C2202A, COM716C2203A, COM716C2205A, CPAL16C2203A, CPAL16C2204A, CPF16C2205A, CPN16C2202A, CRC16C2204A, DELT16C2202A, DELT16C2203A, DOHO16C2202A, DTAC16C2203A, EA16C2206A, EA16C2203A, EA16C2205A, ESSO16C2202A, GLOB16C2203A, GPSC16C2206A, GPSC16C2203A, GPSC16C2205A, GULF16C2202A, GULF16C2203A, GULF16C2205A, GUNK16C2206A, GUNK16C2203A, GUNK16C2205A, HANA16C2202A, HANA16C2204A, HANA16C2205A, HMPR16C2202A, INTU16C2202A, INTU16C2205A, IRPC16C2205A, IVL16C2202A, IVL16C2203A, JAS16C2202A, JMAR16C2206A, JMAR16C2202A, JMAR16C2205A, JMT16C2203A, JMT16C2205A, KBAN16C2206A, KBAN16C2202A, KBAN16C2204A, KCE16C2204A, KCE16C2205A, KCE16C2205B, KTC16C2202A, LH16C2202A, MINT16C2203A, MINT16C2204A, MTC16C2202A, MTC16C2204A, OR16C2202A, OR16C2203A, OR16C2205A, PTG16C2202A, PTG16C2203A, PTL16C2202A, PTL16C2202B, PTT16C2203A, PTT16C2205A, PTTE16C2203A, RBF16C2202A, RCL16C2205A, RS16C2205A, S5016P2206B, S5016C2203A, S5016C2203B, S5016C2206A, S5016P2203A, S5016P2203B, S5016P2206A, SAWA16C2202A, SAWA16C2204A, SAWA16C2205A, SCB16C2202A, SCC16C2204A, SCGP16C2202A, SPAL16C2202A, STA16C2203A, STEC16C2204A, STGT16C2202A, SYNE16C2202A, TOP16C2206A, TOP16C2202A, TRUE16C2205A, TRUE16C2202A, TRUE16C2203A, TRUE16C2203B, TU16C2202A, TU16C2204A, WHA16C2202A, WHA16C2204A (underlying securities are ACE, ADVANC, AMATA, AOT, BAM, BANPU, BBL, BCH, BEC, BGRIM, BLA, 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, MINT, MTC, OR, PTG, PTL, PTT, PTTEP, RBF, RCL, RS, SAWAD, SCB, SCC, SCGP, SET50, SPALI, STA, STEC, STGT, SYNEX, TOP, TU, WHA, TRUE).. 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 21.2% 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 LIMITED (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 Rungrassameeaphat

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