

BUY (Unchanged)

TP: Bt 5.20

(From: Bt 4.80)

Change in Numbers

Upside : 35.4%

10 FEBRUARY 2022

SUSCO Public Co Ltd (SUSCO TB)

An overlooked recovery play

We maintain our BUY call on SUSCO and raise our TP to Bt5.2 from Bt4.8 on higher rental income, improving margins and good cost control. We believe SUSCO has been overlooked as a recovery play with the stock trading at 14x forward P/E while offering 26%/30% EPS growth in 2022/23F. Recovery in jet-fuel demand is a key catalyst.



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Valuation remains attractive, in our view

We believe SUSCO remains attractively valued, trading at 14x and 11x 2022-23F PE while offering 26% and 30% y-y normalized EPS growth in these two years. This growth is driven by a recovery in sales volume (+16%/19% in 2022/23F) and improved domestic retail operation (higher rental income, good cost control). We see a potential new share buyback program as a near-term catalyst.

Strong rebound in jet fuel demand

We expect SUSCO to be a key beneficiary of the strong rebound in jet fuel demand as this category made up over 30% of SUSCO's volume pre-pandemic — the highest ratio among all oil retailers in Thailand. Thailand's jet-fuel demand has recovered strongly from the low in August 2021, growing by over 15% m-m for the past three months with December demand at the highest level since the pandemic began. With the resumption of the "Test & Go" scheme by the government and easing border-control measures, we expect foreign tourism growth to help drive a further recovery in jet-fuel demand in 2022F. We forecast 90% jet-fuel sales growth p.a. over 2022-23F for SUSCO following a 76% cumulative decline in 2020/2021F.

Improving retail volume, good cost control

Demand for gasoline and diesel in Thailand grew by 11-13% m-m during October-December, recovering from the lows seen in August and September when lockdown measures were put in place. We believe demand growth will remain strong in 2022F. In the meantime, SUSCO has been able to keep costs under control despite new station openings. Additionally, retail marketing margin has held up much better than we had anticipated. Like other private operators, the company now prices its products above those of PTT (PTT TB, Bt40.50, BUY) and Bangchak Corp (BCP TB, Bt29.25, BUY), which helps to alleviate margin pressure from rising oil prices.

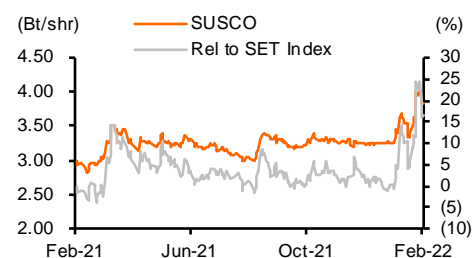
A strong record of shareholder's returns

We believe SUSCO's management could opt for another share buyback program after the 2021 results announcement. The company has completed two share buyback programs in the past three years and, given its strong balance sheet and cash flows, we believe management could opt to return cash to shareholders in a similar fashion. Shareholders' returns (dividends plus buybacks as a percentage of net profit) were at 93% and 109% in 2019 and 2020, respectively.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	16,673	18,691	22,127	26,603
Net profit	218	217	267	347
Consensus NP	—	271	351	381
Diff frm cons (%)	—	(19.9)	(24.0)	(8.8)
Norm profit	218	217	267	347
Prev. Norm profit	—	219	264	302
Chg frm prev (%)	—	(0.8)	1.2	15.0
Norm EPS (Bt)	0.2	0.2	0.3	0.3
Norm EPS grw (%)	(42.6)	2.2	26.0	30.1
Norm PE (x)	18.5	18.1	14.4	11.1
EV/EBITDA (x)	7.2	7.3	5.9	4.9
P/BV (x)	1.1	1.1	1.0	1.0
Div yield (%)	2.9	2.8	3.5	4.5
ROE (%)	5.8	5.9	7.2	8.9
Net D/E (%)	4.2	26.3	19.7	12.0

PRICE PERFORMANCE



COMPANY INFORMATION

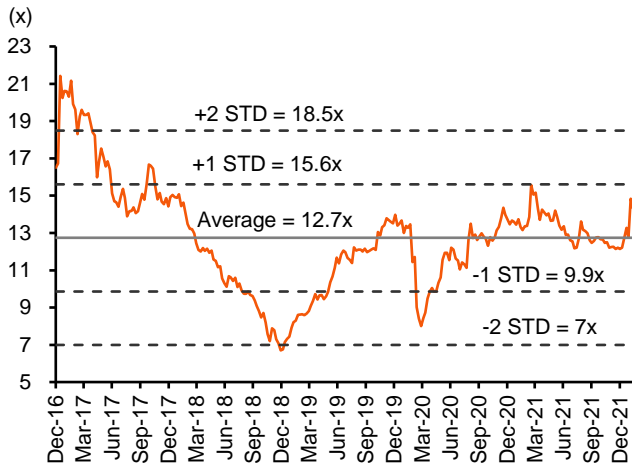
Price: (Bt) as of 10-Feb-22	3.84
Market Cap (US\$ m)	129.4
Listed Shares (m shares)	1,100.0
Free Float (%)	54.9
Avg. Daily Turnover (US\$ m)	0.3
12M Price H/L (Bt)	4.02/2.82
Sector	Energy
Major Shareholder	Simaraj Family 22.62%

Sources: Bloomberg, Company data, Thanachart estimates

Valuation remains attractive

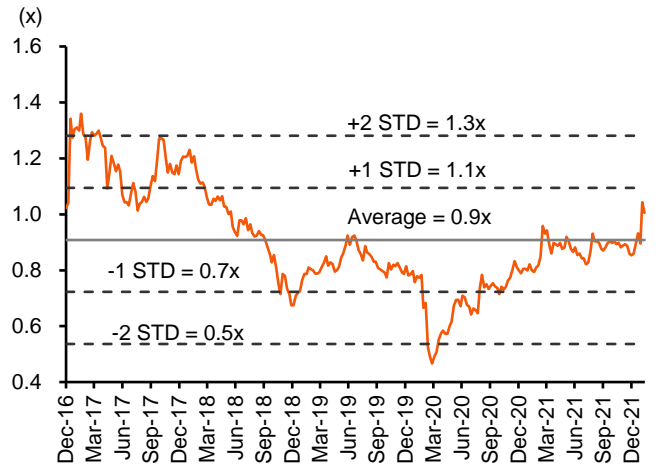
We believe SUSCO Public Co Ltd (SUSCO) remains attractively valued, trading at 14x and 11x 2022-23F PE while offering 26% and 30% y-y normalized EPS growth in these two years. Its current valuation is just marginally higher than the average of the past five years even though SUSCO looks poised to deliver strong growth in 2022-23F. We also expect its dividend payout to remain high while a potential new share buyback program could be a key near-term catalyst.

Ex 1: Forward PE



Sources: Bloomberg; Thanachart estimates

Ex 2: Forward P/BV



Sources: Bloomberg; Thanachart estimates

Strong margins and good cost control have helped to shore up earnings

We have cut our volume estimates for 2021F and 2022F to reflect lockdowns and a potentially slower recovery in air travel demand due to the Omicron variant outbreak. We do not expect SUSCO's total volume to reach pre-pandemic levels until the end of 2023F. Our forecasts now imply 16% and 19% volume growth in 2022-23F. Offsetting lower volume growth are higher non-oil income, improved blended margins and good cost control. We forecast 10% y-y non-oil income growth in 2022-23F, driven by higher rental income as the company continues to expand its partnership with international brands such as KFC and Starbucks. Blended margins have held up much better than we had expected, reflecting relatively resilient retail marketing margins. We have also trimmed our SG&A forecasts to reflect good cost control.

Ex 3: Key Assumption Changes

Assumption	Unit	2019	2020	2021F	2022F	2023F	2024F
New/Actual							
Volume	(m liters)	1,394	1,048	969	1,128	1,339	1,438
Blended margin	(Bt/liter)	1.01	1.20	1.34	1.24	1.13	1.09
SG&A	(Bt m)	1,318	1,228	1,237	1,275	1,316	1,359
Old							
Volume	(m liters)			1,110	1,287	1,406	1,457
Blended margin	(Bt/liter)			1.21	1.12	1.08	1.07
SG&A	(Bt m)			1,291	1,330	1,366	1,403
Change							
Volume	(%)			(12.7)	(12.4)	(4.8)	(1.3)
Blended margin	(%)			10.9	10.4	4.7	1.8
SG&A	(%)			(4.1)	(4.2)	(3.6)	(3.1)

Sources: Company data, Thanachart estimates

Given these changes, we have largely kept our earnings in 2021F intact while raising our forecasts for 2022-24F. We have also raised our DCF-based 12-month TP, using a 2023F base year, to Bt5.2/share from Bt4.8 previously on our higher earnings forecasts and as we roll forward our valuation basis.

We expect 26% and 30% normalized EPS growth in 2022-23F

Ex 4: Earnings And TP Revisions

(Bt/shr)	Norm EPS						TP
	2019	2020	2021F	2022F	2023F	2024F	
New/Actual	0.36	0.21	0.21	0.27	0.35	0.37	5.20
Old			0.21	0.26	0.30	0.32	4.80
Change (%)			(0.8)	1.2	15.0	16.1	8.3

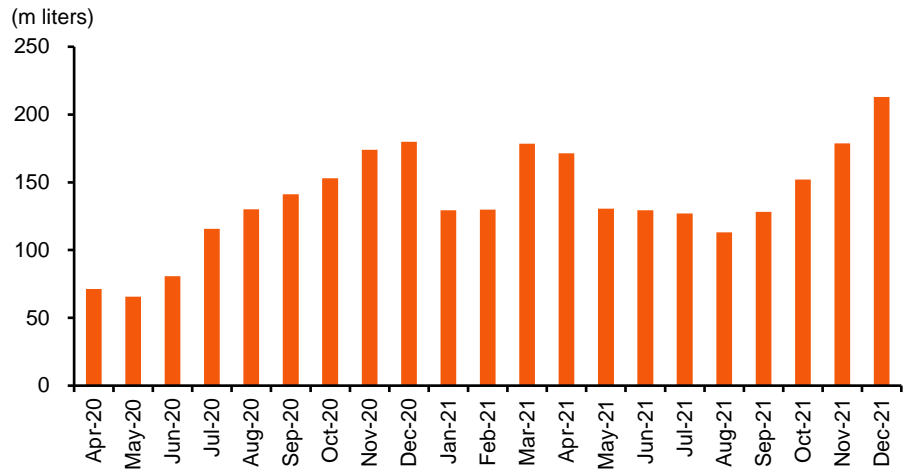
Sources: Company data, Thanachart estimates

Strong rebound in jet-fuel demand

Thailand's jet fuel demand has recovered strongly from the low in August 2021, growing by double-digit rates m-m for the past three months. Demand in November (latest available data) was at the second-highest level since the pandemic began and we believe December 2021 demand already hit a new post-pandemic high. With the resumption of the "Test & Go" scheme by the government and the easing of border control measures, we expect foreign tourism growth to help drive a further recovery in jet-fuel demand in 2022F.

Thailand's jet-fuel demand has rebounded strongly after the reopening in 4Q21

Ex 5: Thailand Jet Fuel Demand Improving Though It's Still 70% Below Pre-COVID Level

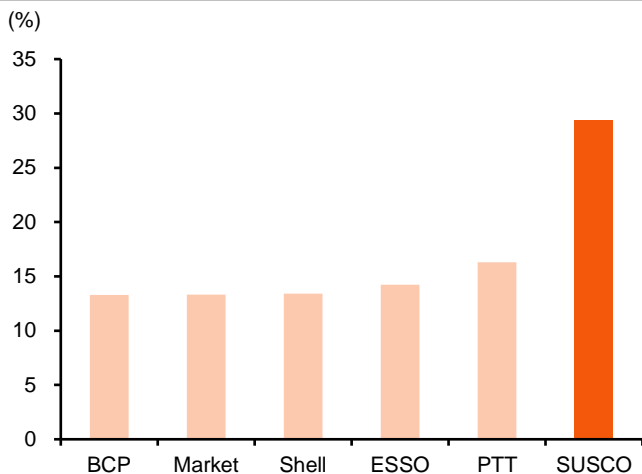


Sources: Company data, Thanachart

SUSCO gained jet-fuel market share pre-COVID; we expect the trend to continue

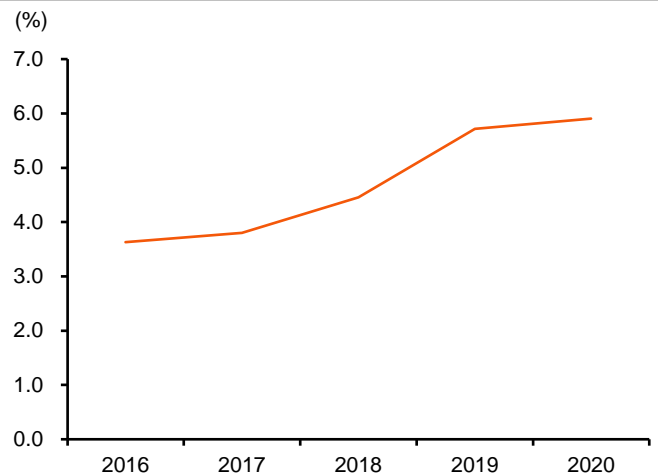
The recovery in jet fuel demand is particularly important for SUSCO. Among oil retailers, the company has by far the highest exposure to the aviation segment with jet fuel making up almost 30% of SUSCO's sales volume in 2019 compared to 13-16% for most other oil retailers and 0% for PTG Energy Pcl (PTG TB, Bt14.80, BUY). Moreover, before the pandemic decimated air travel, SUSCO had consistently gained market share from rivals. Back in 2016, the company had just a 3.6% jet fuel market share and by 2019, its share had jumped to almost 6%. We believe SUSCO will regain its market share as international flights to and from Bangkok's airports gradually resume. We estimate 90% jet-fuel sales growth p.a. in 2022-23F following a cumulative 76% collapse in 2020-21F. Essentially, we do not believe jet-fuel sales will reach pre-COVID levels until the end of 2023F.

Ex 6: Jet Fuel As % Of Sales Mix In 2019



Sources: Company data; Thanachart

Ex 7: SUSCO's Jet-Fuel Market Share



Sources: Company data; Thanachart

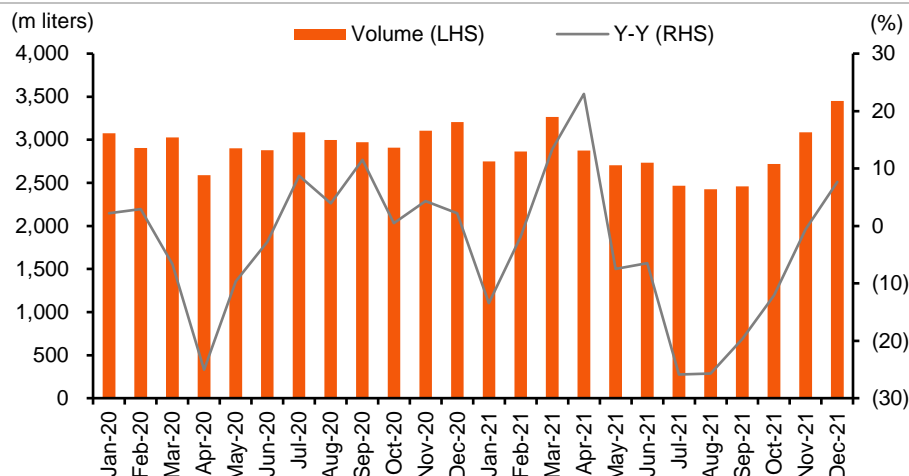
SUSCO also has additional exposure to air travel via its stake in Bangkok Air Fuel Services (BAFS TB, not rated), which provides refueling services to aircraft at Bangkok's Suvarnabhumi Airport and Don Mueang Airport. Pre-pandemic, BAFS' dividend contributed about 4-5% of SUSCO's annual profit. However, this profit has been absent since 2020. We believe that the resumption of air travel will bring back BAFS' profitability and therefore its dividend contribution to SUSCO's bottom line.

Improving gasoline and diesel demand

Thailand gasoline, diesel demand have rebounded to pre-pandemic levels

Demand for gasoline and diesel in Thailand grew by 11-13% m-m during October-December, recovering from the lows seen in August and September when lockdown measures were put in place. We believe demand recovery is likely to continue in 2022F.

Ex 8: Thailand Gasoline And Diesel Demand Starting To Show Positive Y-Y Growth



Sources: Company data, Thanachart

A strong record of shareholders' returns

A potential new round of share buybacks would be a near-term catalyst

We believe SUSCO's management could opt for another share buyback program after the 2021 results announcement. The company completed two share buyback programs in the past three years. Given the capital market rules in Thailand, this is essentially the most often that any company could buy back its own shares during this period. The required minimum interval from the end of the previous buyback program to any new buyback program will expire in March 2022. We believe SUSCO's management may opt for another buyback program given its strong balance sheet and high cash flows.

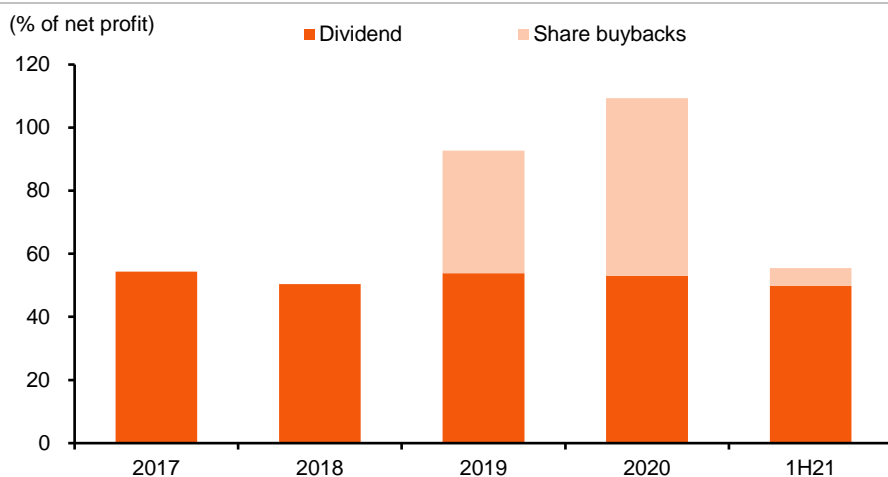
Ex 9: SUSCO's Share Buyback Programs In The Past Three Years

Buyback period		No. of shares	% of shares	Amount paid	Avg price paid
Start	End	bought (m)	outstanding	(Bt m)	(Bt/sh)
15-Mar-19	13-Sep-19	50	4.5%	150.60	3.01
14-Sep-20	12-Mar-21	50	4.8%	138.96	2.78

Sources: Company data, Thanachart estimates

Shareholders' returns have always been high

Given these buybacks, SUSCO offers some of the highest shareholders' returns (dividends plus buybacks as a percentage of net profit) within our coverage. Shareholders' returns were at 93% and 109% in 2019 and 2020, respectively.

Ex 10: Strong Record Of Shareholders' Returns; More Buybacks Could Be Forthcoming

Sources: Company data, Thanachart

Ex 11: 12-month DCF-based Valuation, Using a Base Year Of 2023F

(Bt m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA	869	905	930	965	997	1,029	1,058	1,086	1,113	1,137	
Free cash flow	384	418	435	457	477	496	512	527	540	551	6,443
PV of free cash flow	350	345	324	309	292	275	257	240	216	199	2,851
Risk-free rate (%)	2.5										
Market risk premium (%)	8.0										
Beta	1.1										
WACC (%)	9.9										
Terminal growth (%)	2.0										
Enterprise value - add investments	5,658										
Net debt	692										
Minority interest	(281)										
Equity value	5,247										
# of shares (m)	1,000										
Equity value/share (Bt)	5.2										

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 12: Comparison With Regional Peers

Company	Code	Country	EPS Growth		PE		P/BV		EV/EBITDA		Div. Yield		ROE	
			21F (%)	22F (%)	21F (x)	22F (x)	21F (x)	22F (x)	21F (x)	22F (x)	21F (%)	22F (%)	21F (%)	22F (%)
Refining & Marketing														
Caltex Australia	CTX AU	Australia	79.4	31.0	na	na	na	na	na	na	na	na	12.0	14.9
BPCL	BPCL IN	India	121.2	(0.1)	7.9	7.9	1.7	1.4	7.2	7.2	5.7	5.8	24.7	18.9
HPCL	HPCL IN	India	160.5	(11.3)	5.6	6.4	1.3	1.1	5.7	6.6	6.2	5.8	24.1	17.5
IOCL	IOCL IN	India	129.5	35.4	7.4	5.5	1.1	0.9	6.6	5.3	6.8	9.2	14.6	17.5
Reliance Industries	RIL IN	India	(0.6)	27.7	34.3	26.9	2.6	2.1	22.1	16.4	0.3	0.3	8.6	7.9
SK Energy	096770 KS	S.Korea	na	85.2	27.4	14.8	1.1	1.0	8.2	7.6	0.9	1.5	4.4	7.4
S-OIL	010950 KS	S.Korea	na	(12.2)	6.8	7.8	1.5	1.3	5.2	5.9	4.4	4.1	23.5	18.1
Petron	PCOR PM	Philippines	na	200.0	20.7	6.9	0.6	0.5	10.9	7.6	na	na	1.9	5.5
Formosa Petrochemical	6505 TT	Taiwan	na	(8.7)	18.2	19.9	2.7	2.6	11.5	12.0	4.2	3.4	15.3	13.2
Bangchak *	BCP TB	Thailand	na	169.0	23.9	8.9	0.8	0.8	6.5	6.6	6.8	6.8	na	na
ESSO (Thailand) *	ESSO TB	Thailand	na	na	na	11.3	1.4	1.3	18.6	8.7	0.0	0.0	na	na
IRPC Pcl *	IRPC TB	Thailand	na	9.7	16.2	14.8	0.9	0.9	7.7	8.9	2.5	3.4	na	na
PTG Pcl *	PTG TB	Thailand	(39.4)	34.8	22.0	16.3	3.0	2.7	7.7	7.1	2.3	3.1	13.9	17.4
PTT Global Chemicals *	PTTGC TB	Thailand	286.2	(20.5)	8.8	11.1	0.8	0.8	8.7	8.8	6.9	4.5	9.9	7.3
Star Petroleum Refining *	SPRC TB	Thailand	na	na	na	13.1	1.4	1.3	16.3	7.1	5.1	3.0	na	na
SUSCO Pcl	SUSCO TB	Thailand	2.2	26.0	18.1	14.4	1.1	1.0	7.3	5.9	2.8	3.5	5.9	7.2
Thai Oil *	TOP TB	Thailand	na	65.3	28.3	17.2	0.9	0.9	15.8	17.1	4.1	2.3	3.3	5.3
Average			92.4	42.1	17.6	12.7	1.4	1.3	10.4	8.7	3.9	3.8	12.5	12.1
Integrated oils														
PetroChina	857 HK	China	na	(5.0)	8.2	8.6	0.6	0.6	3.7	3.6	6.0	5.7	7.2	6.5
Sinopec	386 HK	China	112.7	(9.7)	6.7	7.5	0.6	0.6	3.6	3.6	8.7	8.1	9.7	8.4
Total	FP	France	na	10.3	na	na	na	na	na	na	na	na	15.3	16.0
Eni	ENI IM	Italy	na	30.9	11.2	8.6	1.2	1.1	3.9	3.3	6.5	6.9	10.6	13.3
RD/Shell A	RDSA NA	Netherlands	na	41.3	na	na	na	na	4.7	4.3	na	na	11.2	15.3
Repsol	REP SM	Spain	na	20.7	7.8	6.5	0.8	0.8	4.1	3.7	5.2	5.4	11.1	12.6
Chevron Texaco	CVX US	USA	na	20.9	16.1	13.3	1.9	1.8	6.9	6.1	3.9	4.1	11.7	13.4
Exxon Mobil	XOM US	USA	na	26.8	15.1	11.9	2.0	1.9	7.3	6.2	4.4	4.5	13.5	16.0
Conoco Philips	COP US	USA	na	46.8	15.4	10.5	2.7	2.4	6.7	5.2	1.9	2.2	20.8	23.1
PTT Pcl *	PTT TB	Thailand	206.6	(13.2)	9.9	11.4	1.1	1.1	4.2	4.3	4.9	4.9	12.3	9.7
Average			159.6	17.0	11.3	9.8	1.4	1.3	5.0	4.5	5.2	5.2	12.3	13.4
Exploration and Production														
Santos	STO AU	Australia	168.2	51.1	18.3	12.1	2.0	1.7	7.6	4.6	1.5	2.1	11.0	17.8
Woodside	WPL AU	Australia	194.3	46.0	17.2	11.8	1.8	1.8	5.4	4.0	4.0	5.1	11.2	15.8
Suncor Energy	SU US	Canada	na	76.6	11.1	6.3	1.2	1.1	5.4	4.6	3.6	5.9	10.9	16.5
ONGC	ONGC IN	India	(46.2)	na	17.2	5.7	1.0	0.9	6.6	4.4	1.8	5.9	6.1	15.3
RIL	RIL IN	India	(0.6)	27.7	34.3	26.9	2.6	2.1	22.1	16.4	0.3	0.3	8.6	7.9
Cairn India	CAIR IN	India	na	na	na	na	na	na	na	na	na	na	na	na
Apache	APA US	USA	na	50.6	8.2	5.5	na	na	4.5	3.8	0.5	1.4	(104.9)	(174.8)
Devon Energy	DVN US	USA	na	63.6	15.4	9.4	3.7	2.6	7.2	5.3	1.9	2.8	38.1	40.6
PTTEP *	PTTEP TB	Thailand	105.6	32.0	11.9	9.0	1.3	1.1	3.5	2.8	3.8	4.6	11.4	13.2
Average			84.3	49.7	16.7	10.8	1.9	1.6	7.8	5.7	2.2	3.5	(1.0)	(6.0)

Sources: Bloomberg, * Thanachart estimates
Based on 10 February 2022 closing prices

COMPANY DESCRIPTION

SUSCO Pcl (SUSCO) distributes petroleum products including unleaded and regular gasoline and diesel oil through its petrol stations under the brand "SUSCO". The company also sells directly to large end-users in the aviation, construction and industrial sectors, including oil traders in Cambodia, Laos, China and Myanmar. SUSCO is currently the seventh-largest petrol-station operator in Thailand both by sales volume and number of stations.

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

- Large concentration of service stations in the Bangkok metropolitan area.
- Diversified sales mix (retail, wholesale, exports, jet oil, etc.).
- High percentage of recurring non-oil income.

O — Opportunity

- Improving throughput per station.
- High demand in export markets (i.e., CLMV).
- More retail rental spaces and new partnerships with retail brands.

W — Weakness

- Low gas station coverage.
- The SUSCO brand is not as well-known as those of other oil majors.

T — Threat

- A sudden rise in global oil prices.
- Government intervention to lower the oil retail margin.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	3.70	5.20	41%
Net profit 21F (Bt m)	271	217	-20%
Net profit 22F (Bt m)	351	267	-24%
Consensus REC	BUY: 3	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F EPS are below the Bloomberg consensus numbers, likely as we are more conservative on the pace of a recovery in tourism.
- However, our TP is much higher, which we attribute to us having a more positive long-term view on SUSCO's growth potential and hidden asset value.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- A sharp rise in global oil prices would significantly decrease fuel demand, presenting the key downside risk to our earnings forecasts.
- A lower domestic marketing margin than we currently expect represents a secondary downside risk to our call.
- Lower-than-expected volume growth in export markets (Cambodia, Myanmar, Laos and China) and changes of related regulations in those countries would also present a secondary downside risk to our earnings forecasts.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	27,952	16,673	18,691	22,127	26,603
Cost of sales	26,318	15,220	17,195	20,514	24,856
Gross profit	1,634	1,452	1,496	1,613	1,747
% gross margin	5.8%	8.7%	8.0%	7.3%	6.6%
Selling & administration expenses	1,318	1,228	1,237	1,275	1,316
Operating profit	316	225	259	338	430
% operating margin	1.1%	1.3%	1.4%	1.5%	1.6%
Depreciation & amortization	240	352	398	424	439
EBITDA	556	577	657	762	869
% EBITDA margin	2.0%	3.5%	3.5%	3.4%	3.3%
Non-operating income	193	105	89	93	95
Non-operating expenses	0	0	0	0	0
Interest expense	(15)	(52)	(77)	(97)	(91)
Pre-tax profit	494	278	271	334	434
Income tax	101	55	54	67	87
After-tax profit	393	222	217	267	347
% net margin	1.4%	1.3%	1.2%	1.2%	1.3%
Shares in affiliates' Earnings	(4)	(5)	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	0	0	0	0	0
NET PROFIT	388	218	217	267	347
Normalized profit	388	218	217	267	347
EPS (Bt)	0.4	0.2	0.2	0.3	0.3
Normalized EPS (Bt)	0.4	0.2	0.2	0.3	0.3

We expect 26% and 30%
EPS growth in 2022-23F

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	2,072	1,365	1,365	1,598	1,894
Cash & cash equivalent	284	302	339	379	425
Account receivables	801	594	614	727	875
Inventories	639	416	353	422	511
Others	348	53	59	70	84
Investments & loans	1,251	1,150	1,150	1,150	1,150
Net fixed assets	1,605	1,675	1,812	1,772	1,725
Other assets	746	1,811	3,032	3,046	3,060
Total assets	5,674	6,001	7,361	7,567	7,830
LIABILITIES:					
Current liabilities:	1,675	1,176	2,168	2,188	2,205
Account payables	1,334	770	848	1,012	1,226
Bank overdraft & ST loans	172	100	1,224	1,071	868
Current LT debt	99	114	0	0	0
Others current liabilities	70	192	96	105	111
Total LT debt	149	234	0	0	0
Others LT liabilities	237	1,137	1,823	1,863	1,915
Total liabilities	2,061	2,547	3,990	4,051	4,120
Minority interest	(151)	(281)	(281)	(281)	(281)
Preferreds shares	0	0	0	0	0
Paid-up capital	1,100	1,100	1,000	1,000	1,000
Share premium	289	249	160	160	160
Warrants	27	27	27	27	27
Surplus	125	102	102	102	102
Retained earnings	2,222	2,256	2,361	2,507	2,701
Shareholders' equity	3,764	3,735	3,651	3,797	3,991
Liabilities & equity	5,674	6,001	7,361	7,567	7,830

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	494	278	271	334	434
Tax paid	(84)	(55)	(54)	(67)	(87)
Depreciation & amortization	240	352	398	424	439
Chg In working capital	142	(134)	120	(17)	(22)
Chg In other CA & CL / minorities	(534)	315	(103)	(1)	(8)
Cash flow from operations	258	757	632	672	756
Capex	(193)	(412)	(520)	(369)	(377)
Right of use	0	(1,637)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	57	101	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	21	1,428	(551)	11	23
Cash flow from investments	(115)	(520)	(1,071)	(357)	(354)
Debt financing	(112)	28	776	(153)	(203)
Capital increase	0	(40)	(189)	0	0
Dividends paid	(172)	(136)	(112)	(121)	(153)
Warrants & other surplus	(28)	(70)	0	0	0
Cash flow from financing	(312)	(218)	475	(274)	(356)
Free cash flow	66	345	112	304	379

FCF generation to remain high

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	10.6	18.5	18.1	14.4	11.1
Normalized PE - at target price (x)	14.4	25.1	24.5	19.5	15.0
PE (x)	10.6	18.5	18.1	14.4	11.1
PE - at target price (x)	14.4	25.1	24.5	19.5	15.0
EV/EBITDA (x)	7.7	7.2	7.3	5.9	4.9
EV/EBITDA - at target price (x)	10.3	9.7	9.5	7.7	6.5
P/BV (x)	1.1	1.1	1.1	1.0	1.0
P/BV - at target price (x)	1.5	1.5	1.4	1.4	1.3
P/CFO (x)	16.0	5.3	6.2	5.7	5.1
Price/sales (x)	0.2	0.3	0.2	0.2	0.2
Dividend yield (%)	4.9	2.9	2.8	3.5	4.5
FCF Yield (%)	1.6	8.6	2.8	7.9	9.9
(Bt)					
Normalized EPS	0.4	0.2	0.2	0.3	0.3
EPS	0.4	0.2	0.2	0.3	0.3
DPS	0.2	0.1	0.1	0.1	0.2
BV/share	3.6	3.6	3.7	3.8	4.0
CFO/share	0.2	0.7	0.6	0.7	0.8
FCF/share	0.1	0.3	0.1	0.3	0.4

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	(0.5)	(40.4)	12.1	18.4	20.2
Net profit (%)	36.8	(43.9)	(0.3)	22.9	30.1
EPS (%)	40.0	(42.6)	2.2	26.0	30.1
Normalized profit (%)	36.8	(43.9)	(0.3)	22.9	30.1
Normalized EPS (%)	40.0	(42.6)	2.2	26.0	30.1
Dividend payout ratio (%)	51.4	53.1	50.0	50.0	50.0
Operating performance					
Gross margin (%)	5.8	8.7	8.0	7.3	6.6
Operating margin (%)	1.1	1.3	1.4	1.5	1.6
EBITDA margin (%)	2.0	3.5	3.5	3.4	3.3
Net margin (%)	1.4	1.3	1.2	1.2	1.3
D/E (incl. minor) (x)	0.1	0.1	0.4	0.3	0.2
Net D/E (incl. minor) (x)	0.0	0.0	0.3	0.2	0.1
Interest coverage - EBIT (x)	21.7	4.4	3.4	3.5	4.7
Interest coverage - EBITDA (x)	38.2	11.2	8.6	7.8	9.5
ROA - using norm profit (%)	6.7	3.7	3.2	3.6	4.5
ROE - using norm profit (%)	10.6	5.8	5.9	7.2	8.9
DuPont					
ROE - using after tax profit (%)	10.7	5.9	5.9	7.2	8.9
- asset turnover (x)	4.8	2.9	2.8	3.0	3.5
- operating margin (%)	1.8	2.0	1.9	1.9	2.0
- leverage (x)	1.6	1.6	1.8	2.0	2.0
- interest burden (%)	97.1	84.3	78.0	77.4	82.6
- tax burden (%)	79.5	80.0	80.0	80.0	80.0
WACC (%)	9.9	9.9	9.9	9.9	9.9
ROIC (%)	6.9	4.6	5.3	6.0	7.7
NOPAT (Bt m)	251	180	207	270	344
invested capital (Bt m)	3,900	3,881	4,537	4,489	4,434

ROE set to improve along with earnings

Sources: Company data, Thanachart estimates

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