BUY (Unchanged) | **TP: Bt 110.00** (From: Bt 120.00) | **29 MARCH 2022**

Change in Numbers | **Upside : 13.4%**

Energy Absolute Pcl (EA TB)

More solid foundations

Thanachart Securities

EA is expanding down the commercial-EV value chain to public transport. It is profitable and helps secure E-bus demand for EA. This bolsters our assumption of 2.0/2.5/3.0k E-bus sales for EA over 2022-24F. However, after factoring in the new business, we trim our TP to Bt110 on the hit from higher rare-metal prices on its battery margin.

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Expanding downstream

EA is going downstream in the commercial-EV (CEV) supply chain by acquiring Smart Bus (SMB), an operator of 37 public bus routes in Bangkok. EA targets to convert SMB's operating fleet from NGVs (gas) to 800 E-buses this year, with the potential to expand to 1,250 units when travel demand fully recovers post COVID. Even though we estimate only Bt240m in annual profit from this new business starting in 2023F and Bt0.8/share addition to EA's value, expanding downstream to public transport should help secure demand for EA's new S-curve businesses in CEV supply chain, CEV manufacturing plant (AAB) and battery plant (Amita). We reaffirm our BUY call on EA for its solid foundation in the Li-ion battery and CEV business, but we trim our DCF-derived SOTP-based 12-month TP to Bt110 (from Bt120) as we assume higher rare-metal prices hit its Li-ion battery margin.

E-bus sales driving growth

We assume EA delivers 2,000 E-buses in 2022F, rising to 3,000 in 2024F. On top of captive demand from its own public transport business, we also expect external demand to be strong on pent-up demand from 2 years of under-investment in the Thai transport service industry (Ex 6). In 2H22, EA aims to launch E-trucks as its new CEV product, and we assume 2022F sales of 500 units to the logistics and delivery service industries. Nex Point Pcl (NEX TB, Bt18.80, BUY) is another beneficiary of the CEV demand boom as it owns a 45% stake in AAB and gains a distribution margin on EA's CEV products (see *Jewel in the crown*).

Ramping up battery production capacity

EA is expanding its battery plant capacity to 2GWh this year (from 1GWh now). We maintain our projection that capacity will grow to 4GWh in 2023F, and 30GWh in 2030F. However, we cut the potential value from this Li-ion battery business down by 15% to Bt56/share since we take the view that the rise in lithium and nickel prices (two major materials in Li-ion batteries) will be structural, and thus assume lower margins for EA's battery sales. We expect EA to continue producing NMC-532 Li-ion batteries in its first 4GWh facility, despite it already having NMC-622 and solid-state designs ready for potential technology changes.

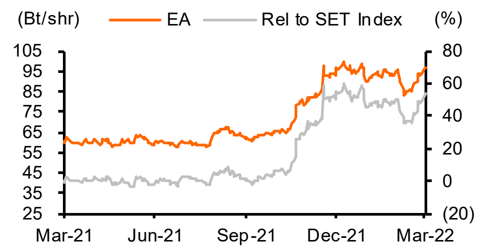
Windfall from tariff hikes

Increasing national electricity tariff prices over 2022-23 are positive for EA's renewable plants (278MW of solar and 386MW of wind farms) since their selling prices are partially linked to the Ft (fuel-costs adjustment value). Based on our assumption of a Bt0.55/kWh Ft hike in 2022F, we forecast 3% and 5% higher ASP for its solar and wind farms to directly lift EA's earnings by 5% this year as they don't have to bear the burden of higher fuel costs.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	20,174	35,398	48,310	61,493
Net profit	6,100	8,726	10,527	11,803
Consensus NP	—	8,622	10,036	12,848
Diff frm cons (%)	—	*1.2*	*4.9*	*(8.1)*
Norm profit	6,021	8,726	10,527	11,803
Prev. Norm profit	—	9,483	11,060	12,492
Chg frm prev (%)	—	*(8.0)*	*(4.8)*	*(5.5)*
Norm EPS (Bt)	1.6	2.3	2.8	3.2
Norm EPS grw (%)	17.4	44.9	20.6	12.1
Norm PE (x)	60.1	41.5	34.4	30.7
EV/EBITDA (x)	41.3	29.1	24.8	21.8
P/BV (x)	11.1	9.2	7.7	6.6
Div yield (%)	0.3	0.7	0.9	1.3
ROE (%)	20.0	24.3	24.4	23.2
Net D/E (%)	114.8	82.4	63.0	52.6

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 29-Mar-22 (Bt)	97.00
Market Cap (US$ m)	10,754.7
Listed Shares (m shares)	3,730.0
Free Float (%)	40.4
Avg Daily Turnover (US$ m)	48.9
12M Price H/L (Bt)	99.25/57.50
Sector	Utilities
Major Shareholder	Ahunai family 43.49%

Sources: Bloomberg, Company data, Thanachart estimates

Expanding downstream

Bt8.0bn investment to expand downstream into the bus service business

Energy Absolute Pcl (EA) is expanding down the commercial-EV (CEV) value chain to the public transport service business. It has spent Bt3.3bn to acquire a 100% stake in Smart Bus Co., Ltd. (SMB), which holds licenses to operate 37 public bus service routes in Bangkok. EA plans to dispense SMB's existing fleet of 350 NGV (natural gas fueled) buses and expand it to 800 units of electric buses (E-buses) produced by its own manufacturing plant (55%-owned Absolute Assembly, AAB) this year. The company foresees the potential to expand the fleet further to 1,250 E-buses when travel demand in Bangkok recovers from the COVID situation. The acquisition cost is funded by its internal cash flow, but we believe upcoming investment costs of Bt4.5bn for the E-buses will use some of the proceeds from its upcoming issuance of up to 900m Euro convertible bonds.

We project it to generate Bt350m of profit in 2025F

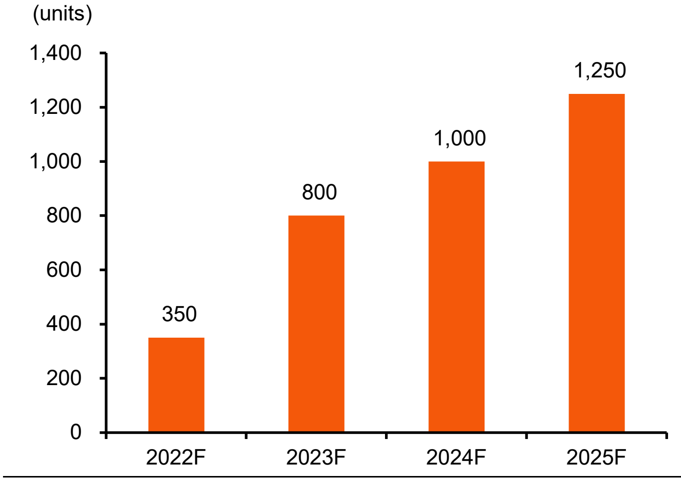
We estimate annual profit from the public service at Bt0.3m per bus, based on historical operating data from the Bangkok Mass Transit Authority (BMTA), plus cost-saving benefits from 60% lower fuel costs and 50% lower maintenance costs for E-buses (compared to diesel and NGV buses). Assuming EA operates 800 units in the first phase, we project Bt240m in profit from the bus service business in 2023F, ramping up to Bt350m when EA expands its fleet to 1,250 units in 2025F.

Ex 1: Projected Performance From Bus Service Business

(Bt m)	2023F	2024F	2025F
Fare revenue	**1,382**	**1,718**	**2,140**
Fuel costs	268	335	419
Staff costs	288	360	450
Maintenance costs	229	286	358
Depreciation	360	450	563
Total expenses	**1,145**	**1,431**	**1,789**
Profit	**237**	**287**	**351**
EBITDA	597	737	913

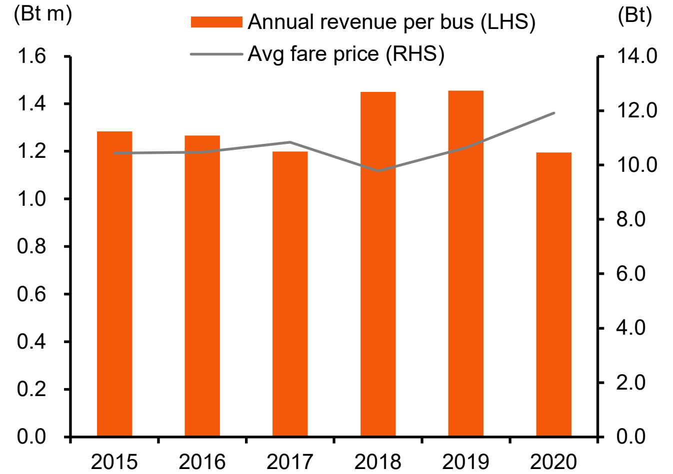
Source: Thanachart estimates

Ex 2: Fleet Expansion Assumptions



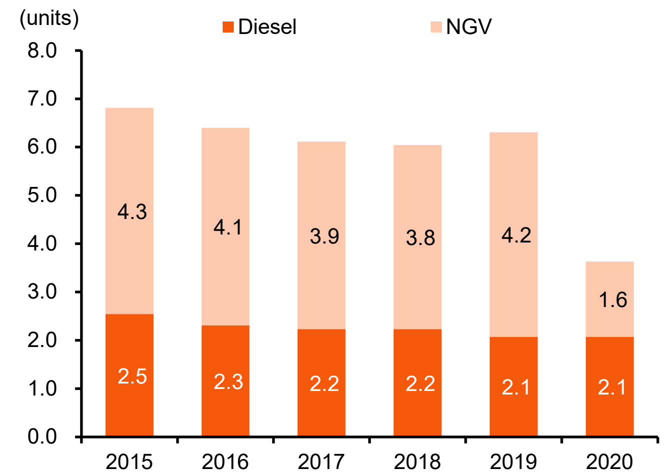
Source: Thanachart estimates

Ex 3: Public Bus Service In Bangkok



Sources: Bangkok Mass Transit Authority (BMTA)

Ex 4: Number Of Public Buses In Bangkok



Sources: Department of Land Transport

E-bus sales driving growth

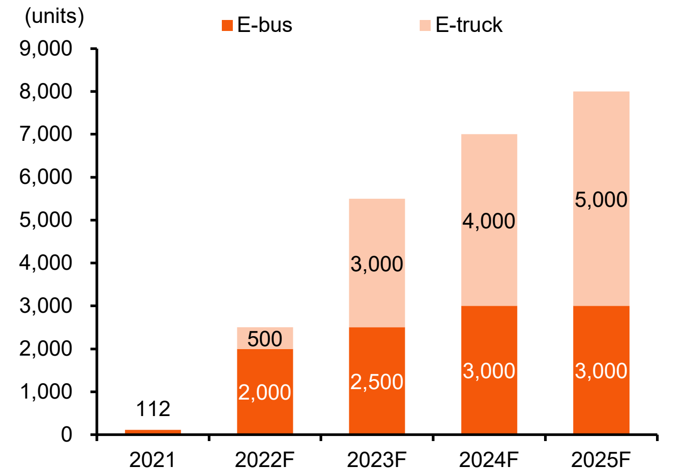
E-bus sales drive earnings growth in 2022F …

We expect the beginning of E-bus sales to be the key earnings growth driver for EA in 2022F. We assume EA delivers 2,000 E-buses this year, 2,500 in 2023F, and 3,000 units in 2024F. We recap that EA recognizes profit from the E-bus business in three portions: 1) production margin from its Li-ion battery factory (71%-owned Amita Technology Thailand, AMITA), 2) manufacturing margin from its CEV assembly plant (55%-owned Absolute Assembly, AAB), and 3) distribution margin and profits from after-sales services (from its 40%-owned Nex Point Pcl [NEX TB, Bt18.80, BUY]).

… driven mainly by two years of pent-up demand

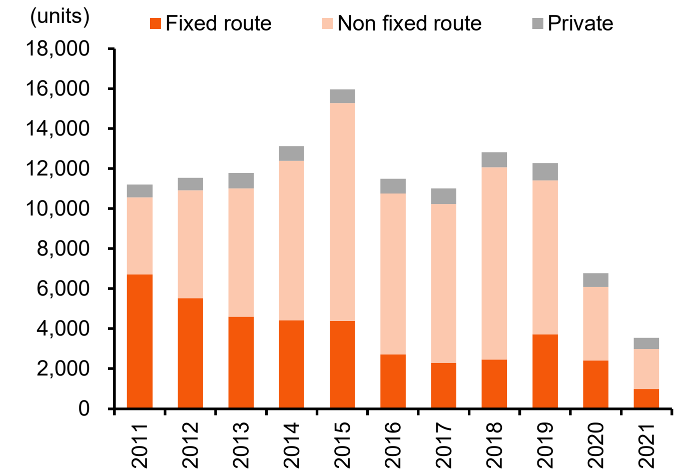
Our sales assumptions are supported by our expectation for strong pent-up demand for buses from the transport service sector after two years of under-investment during the COVID-19 pandemic in 2020-21, because of weak travel demand from locals and the muted tourism industry. As the Thai government is planning to fully reopen the country to tourists in 2H22F and locals are going back to work, we believe bus operators will start to revamp or upgrade their fleets to be ready for the resumption of those activities. EA looks set to strongly benefit from the recovery in new bus sales as the only E-bus manufacturer in Thailand, given that E-buses have been proven to offer 30-50% lower operating costs than diesel and NGV (natural gas-fueled) buses currently used in the market.

Ex 5: Our Forecasts For EA's Commercial EV Sales



Sources: Company data, Thanachart estimates

Ex 6: Weak New Bus Sales During COVID Years

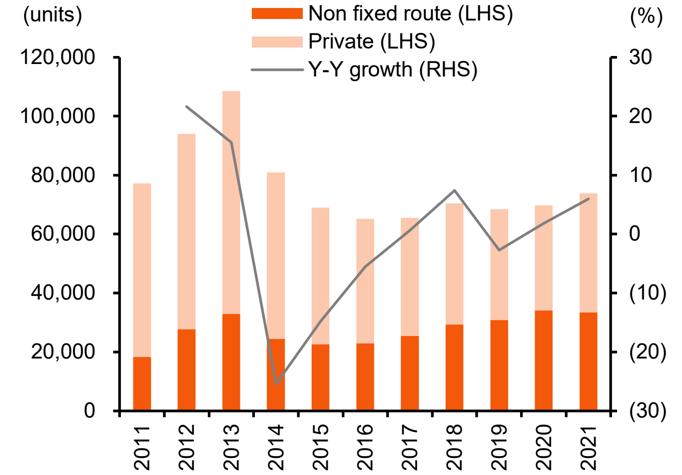


Sources: Department of Land Transport

E-trucks to drive growth further beyond 2023F

EA targets to launch E-trucks as its second CEV product in 2H22, and we expect them to be EA's growth driver in 2023F. EA has successfully developed and produced E-truck prototypes, which are now being sent out for tests among its potential clients. The truck market in Thailand is much larger with annual registrations of 70-80k units, compared to 10-12k for buses. We thus assume higher sales volume for EA's E-trucks at 2.0k units in 2023F, ramping to 5.0k in 2025F, from just 500 units in this first year of production. Having said that, due to its lower unit value and the more competitive landscape in the market (vs. buses), we project lower profit/unit at Bt0.4m per E-truck sold, vs. Bt1.2m per E-bus.

Ex 7: Growing Truck Demand In Thailand



Sources: Department of Land Transport

Ex 8: EA's E-Truck Product

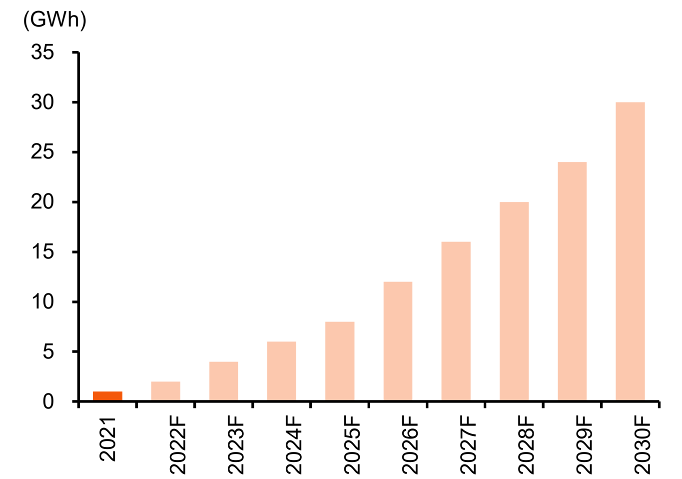
Sources: Company data

Ramping up battery production capacity

Expanding battery capacity to 2GWh and 4GWh in 2022F and 2023F

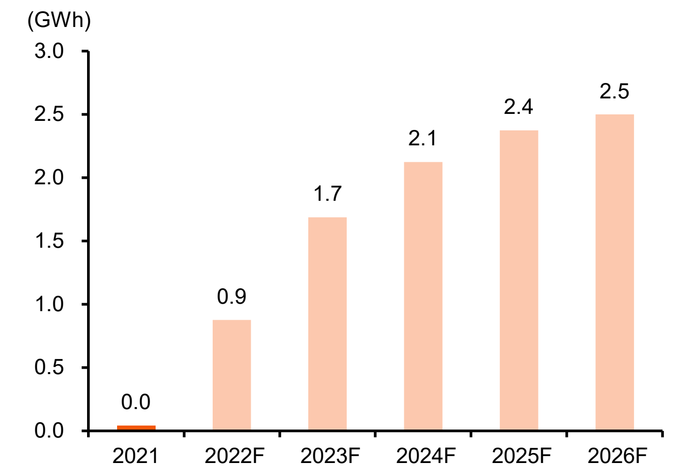
EA has started installing more machinery to lift battery production capacity to 2GWh by the end of this year. This is more like a de-bottlenecking process in its current production line, and thus capex requirements are low. EA targets to build its second production line to expand total capacity to 4GWh next year (2023F). We project that output from this 4GWh capacity to be captively used in its CEV manufacturing business of E-buses and E-trucks (see Exhibit 10). We assume EA gradually raises its plant capacity to 30GWh in 2030F to serve demand from foreign EV makers setting up EV production hubs in Thailand. We don't think our projection is too aggressive since 1) 25GWh battery output can serve 300k units of annual EV production, which is only 15% of Thailand's total car production currently, 2) EA will have the strongest scale benefits and better track record over newcomers as the first battery producer in Thailand to secure partnerships with those foreign makers, and 3) there is also potential upside from battery demand for energy storage systems (ESS) either in renewable power plants or national/localized electricity grid applications.

Ex 9: Expanding Battery Plant For Growing EV Demand



Sources: Thanachart estimates

Ex 10: Captive Battery Demand From CEV Business

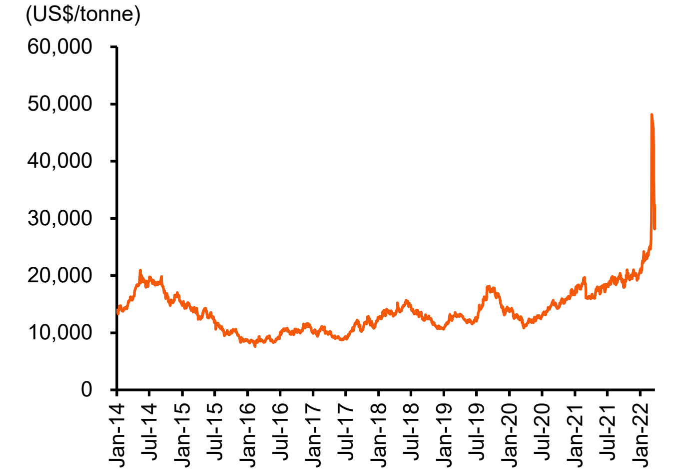


Sources: Thanachart estimates

We cut the value from the battery production segment 15% on higher metal prices

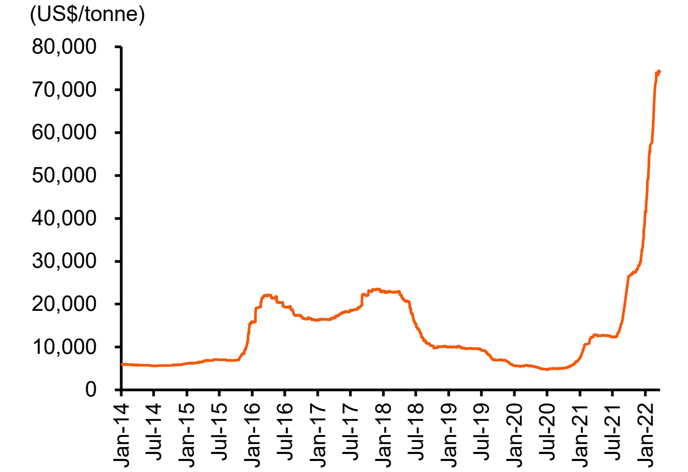
Having said that, we cut the contribution from the Li-ion battery business in our valuation for EA by 15% to Bt56/share (from Bt65), since we assume higher lithium and nickel prices in our projections given that the tight supply situation looks set to be prolonged, therefore making it a structurally increasing price trend in our view. We expect its impact on EA's earnings to be minimal during the next few years, since we believe EA can pass on higher material costs for its batteries to buyers of its CEV products via the bundling of charging stations, maintenance services, and offering a production guarantee with its vehicle sales. The impact may be greater over the long term when EA has to provide OEM services to external carmakers, thereby making it more difficult to pass on higher material costs.

Ex 11: LME Nickel Price



Sources: Bloomberg

Ex 12: China 99% Lithium Carbonate Price Index



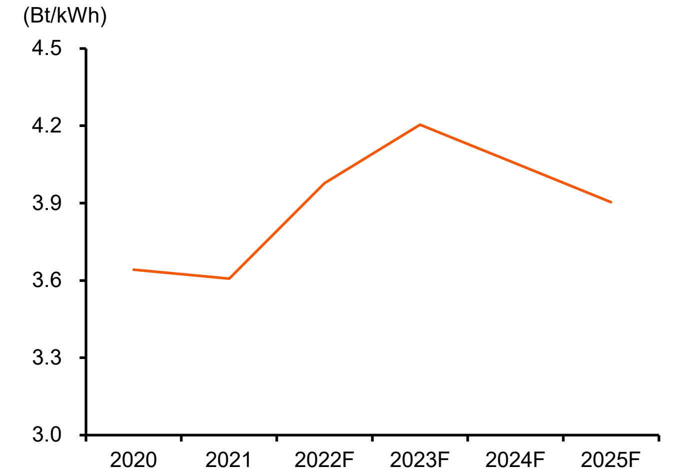
Sources: Bloomberg

Windfall from tariff hikes

Higher ASP at renewable plants from tariff hikes

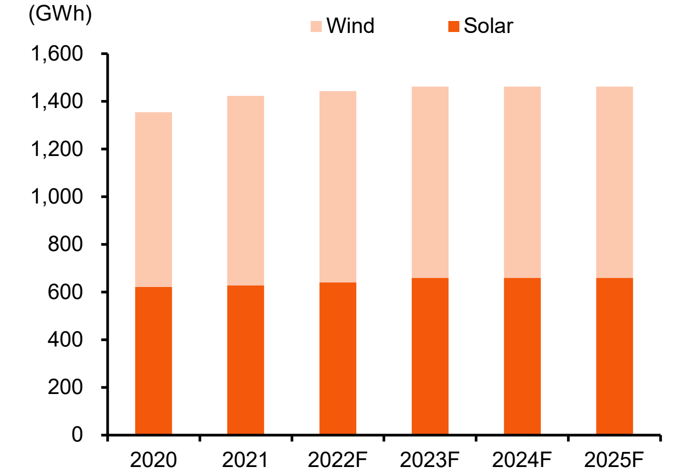
EA's renewable power plants are benefiting from the increasing trend in national electricity prices. EA operates 278MW of solar farms and 386MW of wind farms in Thailand, and their contracted selling prices are partially linked to the Ft (fuel-costs adjustment value). The government has already announced two rounds of Ft hikes this year, Bt0.17/kWh in January and Bt0.23 more in May, and we expect another Bt0.15 rise in September. Based on the increasing national electricity tariff, we project selling prices for EA's renewable plants to rise by 3-5%, or provide a 5% earnings boost, in 2022F.

Ex 13: Higher National Electricity Tariff In Next Few Years



Sources: Energy Regulatory Commission (ERC), Thanachart estimates

Ex 14: Electricity Output From EA's Renewable Plants



Sources: Company data, Thanachart estimates

Ex 15: Sum-Of-The-Parts Valuation

	Value (Bt/Share)
Renewables & Green energy	
Biodiesel	8.0
Solar farms	7.0
Wind farms	4.6
Subtotal	**19.6**
E-Vehicle Solutions	
EA Anywhere	3.5
AAB	6.2
NEX	4.6
E-transport	0.8
Subtotal	**15.2**
Battery and Energy Storage	
Battery plant business	55.8
Energy storage system (ESS) business	17.9
Subtotal	**73.7**
Potential projects	
3,000MW hydropower	1.6
Subtotal	**1.6**
+ Cash and parent company	**(0.1)**
Grand total	**110.0**

Source: Thanachart estimates

Valuation Comparison

Ex 16: Comparison With Regional Peers

Name	BBG code	Country	EPS growth 22F (%)	EPS growth 23F (%)	PE 22F (x)	PE 23F (x)	P/BV 22F (x)	P/BV 23F (x)	EV/EBITDA 22F (x)	EV/EBITDA 23F (x)	Div yield 22F (%)	Div yield 23F (%)
Sungrow	300274 CH	China	51.5	34.0	40.3	30.1	9.3	7.3	33.2	24.9	0.2	0.3
China Longyuan	916 HK	Hong Kong	18.3	17.9	18.9	16.0	2.0	1.8	11.5	9.8	0.9	1.1
China Suntien Green energy	956 HK	Hong Kong	0.0	11.1	7.9	7.1	0.9	0.8	10.7	9.2	4.5	4.2
China Resources Power	836 HK	Hong Kong	87.8	21.6	6.2	5.1	0.7	0.7	5.6	4.8	3.6	6.3
CATL	300750 CH	China	72.5	42.8	49.2	34.5	11.1	8.4	28.9	20.5	0.1	0.2
GEM - A	002340 CH	China	68.8	34.4	22.2	16.5	2.5	2.3	13.3	10.7	0.4	0.7
Gotion High-Tech - A	002074 CH	China	137.8	38.5	64.4	46.5	3.1	2.9	36.7	23.1	0.0	0.1
BYD	1211 HK	Hong Kong	72.5	48.6	79.9	53.8	7.1	6.2	22.7	18.4	0.1	0.1
LG Chem	051910 KS	S. Korea	(33.6)	29.1	15.3	11.9	1.5	1.4	6.8	5.6	2.1	2.1
SK Innovation	096770 KS	S. Korea	82.4	11.3	15.0	13.5	1.0	1.0	7.8	6.9	0.9	1.5
Panasonic	6752 JP	Japan	54.7	4.7	11.6	11.1	1.0	1.0	5.9	5.4	1.9	2.5
Tesla	TSLA US	USA	62.5	30.6	102.8	78.7	27.6	19.7	58.3	42.7	0.0	0.0
BCPG Pcl *	BCPG TB	Thailand	16.6	(19.7)	13.9	17.3	1.3	1.3	10.9	13.7	2.6	2.6
CK Power Pcl *	CKP TB	Thailand	10.7	(0.1)	18.3	18.3	1.5	1.5	17.6	17.5	2.7	3.3
Energy Absolute Pcl *	EA TB	Thailand	44.9	20.6	41.5	34.4	9.2	7.7	29.1	24.8	0.7	0.9
Electricity Generating *	EGCO TB	Thailand	3.9	1.7	8.4	8.3	0.7	0.7	19.0	18.1	3.8	4.1
Global Power Synergy *	GPSC TB	Thailand	(4.1)	18.6	30.5	25.7	1.8	1.7	17.6	16.7	1.8	2.1
Gulf Energy Dev. Pcl *	GULF TB	Thailand	22.2	37.4	54.2	39.5	4.6	3.7	39.6	31.3	1.1	1.5
Gunkul Engineering *	GUNKUL TB	Thailand	46.3	34.1	18.2	13.5	3.7	3.2	18.7	13.0	3.3	4.4
RATCH Group Pcl *	RATCH TB	Thailand	49.7	(19.9)	6.9	8.6	0.9	0.9	20.2	19.7	8.0	4.4
Average			**43.3**	**19.9**	**31.3**	**24.5**	**4.6**	**3.7**	**20.7**	**16.8**	**1.9**	**2.1**

Sources: Bloomberg, * Thanachart estimates

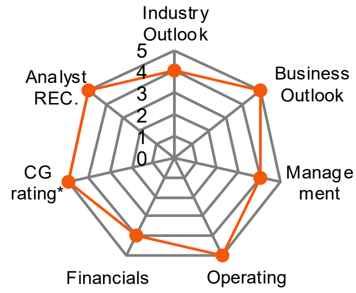
Based on 29 March 2022 closing prices

COMPANY DESCRIPTION

Established in 2006 as a biodiesel business operator, Energy Absolute Pcl (EA) has become one among Thailand's major renewable plant operators with 784MW installed capacity of solar and wind farms fully operated since 2019. EA started investing in li-ion battery production business by acquiring stakes in Taiwan-based Amita Technologies during 2016-18 with plans to build a 50GWh li-ion battery factory in Thailand to serve the electric vehicle (EV) and energy storage system (ESS) markets.

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

- Management has a strong financial background with what we regard as well-thought-out plans for expansion.

W — Weakness

- In a heavy capex cycle due to scheduled new capacity expansion but gearing is still below its threshold.

O — Opportunity

- Electricity industry gearing towards renewable energy.
- Huge potential capacity expansion planned.
- Energy storage (ES) could be part of the requirements for the government grid and private off-grid systems.

T — Threat

- New capacity tendered through power purchase contracts by the government will likely see lower returns.
- Regulations from both domestic and overseas power markets on both electricity generation and EV businesses.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	96.07	110.00	14%
Net profit 22F (Bt m)	8,622	8,726	1%
Net profit 23F (Bt m)	10,036	10,527	5%
Consensus REC	**BUY: 6**	**HOLD: 2**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates for 2022-23F are relatively in line with the Bloomberg consensus figures.
- However, our SOTP-based TP is 14% higher, likely because we foresee stronger growth potential for its battery plant and related businesses.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If investment costs required for its new S-curve businesses are higher than we presently anticipate, this would represent the key downside risk to our valuation.
- If EA cannot secure enough orders, for either battery or e-vehicle sales, to match our expectations, that would present another major downside risk to our numbers.
- Unfavourable weather conditions for its wind and solar power plants would represent a secondary downside risk to our earnings projections.
- Swift changes in Li-ion battery or e-vehicle technologies are also a risk to our earnings growth projections for EA.

Source: Thanachart

Emerging CEV business likely the key earnings driver over 2022-24F

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	17,080	20,174	35,398	48,310	61,493
Cost of sales	9,271	11,893	22,998	33,436	44,508
Gross profit	**7,808**	**8,280**	**12,400**	**14,874**	**16,985**
% gross margin	45.7%	41.0%	35.0%	30.8%	27.6%
Selling & administration expenses	1,278	1,437	2,091	2,639	2,970
Operating profit	**6,530**	**6,843**	**10,308**	**12,235**	**14,016**
% operating margin	38.2%	33.9%	29.1%	25.3%	22.8%
Depreciation & amortization	2,844	2,896	3,351	3,669	4,087
EBITDA	**9,373**	**9,739**	**13,659**	**15,904**	**18,103**
% EBITDA margin	54.9%	48.3%	38.6%	32.9%	29.4%
Non-operating income	120	384	177	242	307
Non-operating expenses	0	0	0	0	0
Interest expense	(1,637)	(1,388)	(1,342)	(1,250)	(1,236)
Pre-tax profit	**5,013**	**5,840**	**9,143**	**11,227**	**13,087**
Income tax	(18)	3	46	56	65
After-tax profit	**5,031**	**5,837**	**9,098**	**11,170**	**13,022**
% net margin	29.5%	28.9%	25.7%	23.1%	21.2%
Shares in affiliates' Earnings	(61)	14	654	969	1,220
Minority interests	157	171	(1,025)	(1,612)	(2,439)
Extraordinary items	78	79	0	0	0
NET PROFIT	**5,205**	**6,100**	**8,726**	**10,527**	**11,803**
Normalized profit	**5,127**	**6,021**	**8,726**	**10,527**	**11,803**
EPS (Bt)	1.4	1.6	2.3	2.8	3.2
Normalized EPS (Bt)	1.4	1.6	2.3	2.8	3.2

Healthy balance sheet despite a swift business expansion plan

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	7,389	11,650	17,554	23,081	28,770
Cash & cash equivalent	2,962	2,944	3,017	3,017	3,017
Account receivables	2,750	3,690	5,819	7,941	10,109
Inventories	833	1,483	2,520	3,664	4,878
Others	843	3,532	6,198	8,459	10,767
Investments & loans	0	0	0	0	0
Net fixed assets	55,857	58,421	59,320	63,340	69,519
Other assets	15,238	15,406	14,649	14,834	15,023
Total assets	**78,484**	**85,476**	**91,523**	**101,255**	**113,313**
LIABILITIES:					
Current liabilities:	13,564	12,676	13,828	15,875	17,320
Account payables	373	358	945	1,374	1,829
Bank overdraft & ST loans	2,674	1,877	1,922	1,797	1,796
Current LT debt	9,342	7,580	7,302	6,828	6,825
Others current liabilities	1,176	2,860	3,659	5,876	6,870
Total LT debt	**31,090**	**33,777**	**29,209**	**27,312**	**27,299**
Others LT liabilities	4,203	3,921	5,502	5,833	6,155
Total liabilities	**48,857**	**50,375**	**48,538**	**49,019**	**50,775**
Minority interest	1,815	2,601	3,626	5,238	7,676
Preferreds shares	0	0	0	0	0
Paid-up capital	373	373	373	373	373
Share premium	3,681	3,681	3,681	3,681	3,681
Warrants	0	0	0	0	0
Surplus	(428)	(720)	(720)	(720)	(720)
Retained earnings	**24,186**	**29,167**	**36,025**	**43,664**	**51,528**
Shareholders' equity	27,812	32,501	39,359	46,998	54,861
Liabilities & equity	**78,484**	**85,476**	**91,523**	**101,255**	**113,313**

Sources: Company data, Thanachart estimates

Capex plan is supported mainly by hefty cash from renewable plants

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	5,013	5,840	9,143	11,227	13,087
Tax paid	18	(3)	(46)	(56)	(65)
Depreciation & amortization	2,844	2,896	3,351	3,669	4,087
Chg In working capital	(73)	(1,604)	(2,579)	(2,837)	(2,926)
Chg In other CA & CL / minorities	449	(326)	(1,214)	925	(94)
Cash flow from operations	**8,251**	**6,802**	**8,656**	**12,927**	**14,090**
Capex	(7,216)	(5,332)	(4,157)	(7,594)	(10,172)
Right of use	(1,892)	(83)	(20)	(20)	(20)
ST loans & investments	(4)	7	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	(6,631)	(196)	2,264	71	57
Cash flow from investments	**(15,743)**	**(5,604)**	**(1,912)**	**(7,543)**	**(10,134)**
Debt financing	1,171	194	(4,802)	(2,496)	(16)
Capital increase	0	0	0	0	0
Dividends paid	(1,119)	(1,119)	(1,868)	(2,888)	(3,940)
Warrants & other surplus	361	(292)	0	0	0
Cash flow from financing	**414**	**(1,216)**	**(6,670)**	**(5,384)**	**(3,956)**
Free cash flow	**1,035**	**1,470**	**4,499**	**5,333**	**3,918**

High valuation is justified by its strong EPS growth potential, in our view

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	70.6	60.1	41.5	34.4	30.7
Normalized PE - at target price (x)	80.0	68.1	47.0	39.0	34.8
PE (x)	69.5	59.3	41.5	34.4	30.7
PE - at target price (x)	78.8	67.3	47.0	39.0	34.8
EV/EBITDA (x)	42.9	41.3	29.1	24.8	21.8
EV/EBITDA - at target price (x)	48.1	46.3	32.6	27.9	24.5
P/BV (x)	13.0	11.1	9.2	7.7	6.6
P/BV - at target price (x)	14.8	12.6	10.4	8.7	7.5
P/CFO (x)	43.9	53.2	41.8	28.0	25.7
Price/sales (x)	21.2	17.9	10.2	7.5	5.9
Dividend yield (%)	0.3	0.3	0.7	0.9	1.3
FCF Yield (%)	0.3	0.4	1.2	1.5	1.1
(Bt)					
Normalized EPS	1.4	1.6	2.3	2.8	3.2
EPS	1.4	1.6	2.3	2.8	3.2
DPS	0.3	0.3	0.7	0.8	1.3
BV/share	7.5	8.7	10.6	12.6	14.7
CFO/share	2.2	1.8	2.3	3.5	3.8
FCF/share	0.3	0.4	1.2	1.4	1.1

Sources: Company data, Thanachart estimates

Profitability trending up as new businesses achieve scale

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	14.7	18.1	75.5	36.5	27.3
Net profit (%)	(14.4)	17.2	43.1	20.6	12.1
EPS (%)	(14.4)	17.2	43.1	20.6	12.1
Normalized profit (%)	(13.4)	17.4	44.9	20.6	12.1
Normalized EPS (%)	(13.4)	17.4	44.9	20.6	12.1
Dividend payout ratio (%)	21.5	18.3	30.0	30.0	40.0
Operating performance					
Gross margin (%)	45.7	41.0	35.0	30.8	27.6
Operating margin (%)	38.2	33.9	29.1	25.3	22.8
EBITDA margin (%)	54.9	48.3	38.6	32.9	29.4
Net margin (%)	29.5	28.9	25.7	23.1	21.2
D/E (incl. minor) (x)	1.5	1.2	0.9	0.7	0.6
Net D/E (incl. minor) (x)	1.4	1.1	0.8	0.6	0.5
Interest coverage - EBIT (x)	na	na	na	na	na
Interest coverage - EBITDA (x)	na	na	na	na	na
ROA - using norm profit (%)	6.9	7.3	9.9	10.9	11.0
ROE - using norm profit (%)	20.0	20.0	24.3	24.4	23.2
DuPont					
ROE - using after tax profit (%)	19.7	19.4	25.3	25.9	25.6
- asset turnover (x)	0.2	0.2	0.4	0.5	0.6
- operating margin (%)	38.9	35.8	29.6	25.8	23.3
- leverage (x)	2.9	2.7	2.5	2.2	2.1
- interest burden (%)	75.4	80.8	87.2	90.0	91.4
- tax burden (%)	100.4	99.9	99.5	99.5	99.5
WACC (%)	5.0	5.0	5.0	5.0	5.0
ROIC (%)	11.9	10.1	14.1	16.3	17.5
NOPAT (Bt m)	6,553	6,839	10,257	12,173	13,946
invested capital (Bt m)	67,955	72,792	74,774	79,917	87,765

Sources: Company data, Thanachart estimates

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