BUY (Unchanged)

Change in Numbers

TP: Bt 48.00 (From: Bt 40.00)

Upside : 11.6% **22 APRIL 2022**

Small Cap Research

Central Plaza Hotel (CENTEL TB)

Another good choice

We see CENTEL as another good choice in the Thai hotel sector. Its share price has outperformed peers YTD, but we see further upside. Possible catalysts include an earnings turnaround and Thailand potentially reopening fully, while CENTEL also has the strongest balance sheet in the sector. Reiterating BUY and lifting TP to Bt48.

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Thanachart Securities

Reopening play

We reiterate our BUY call and lift our DCF-based 12-month TP to Bt48 (from Bt40). We see CENTEL as another good choice in the hotel sector after Minor International (MINT TB, Bt35.25, BUY). *First*, we consider it a play on the government's potentially full reopening policy from June 2022. *Second*, it looks cushioned by an already-strong turnaround in domestic tourism and its food business. Despite a still-low base of foreign tourist arrivals, we forecast CENTEL to turn a profit of Bt313m this year, from a loss of Bt1,733m in 2021. *Third*, we raise our earnings by 14/9% for 2023-24F to reflect better-than-expected hotel and food businesses. *Lastly,* CENTEL looks inexpensive, with a 25.4x PE for 2024F, when earnings should surpass pre-COVID levels, vs. 28.0x in 2019.

Solid domestic travel turnaround

CENTEL's 2019 revenue breakdown was 41% hotel (38% Thailand, 3% Maldives) and 59% food. While the Maldives turned around last year, its Thai hotel business started to turn around in 4Q21 amid a recovery in domestic tourism. In pre-COVID years, Thais accounted for 20% of its total hotel revenue. We expect CENTEL's hotel loss to fall to Bt140m in 2022 and move to profits of Bt1.0/1.5bn in 2023-24F, vs. Bt1.4/1.9bn of normalized losses in 2020-21 and a Bt1.1bn profit in 2019. The turnaround since 4Q21 has been supported by pent-up demand after many COVID waves over the past two years and the "We Travel Together 4th phase" stimulus package in February-May 2022 (see our occupancy and room rate assumptions in Exhibit 1). We expect foreign tourists to return to pre-COVID levels in 2025.

Strong food business

CENTEL's food business has recovered since 4Q21 due to the easing of lockdown, with same-store-sales growth (SSSG) of -2% y-y. From Bt49/211m profits for its food business in 2020/21, we forecast a turnaround to Bt454/711/836m in 2022-24F vs. Bt650m in 2019. Our SSSG assumptions are 15/7/3% in 2022-24F, vs. -22/-14% in 2020-21. Having factored in inflationary impact, we expect CENTEL's food business gross margin to be flat from last year at 44.2% in 2022F, and expand to 44.6/45.0% in 2023/24F from cost control, managed marketing expense and scale effects.

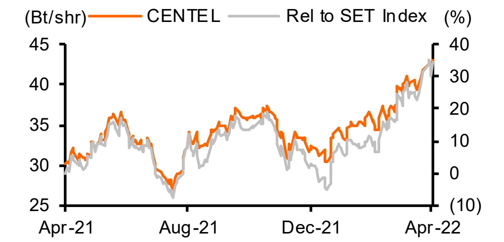
Likely robust 1Q22F

We estimate CENTEL's 1Q22F earnings at Bt141m, up from a Bt476m loss in 1Q21 but down by 8% q-q. Both hotel and food businesses turned around. Its 1Q22 hotel occupancy rate was 29% vs.14/30% in 1Q21/4Q21. Average room rate (ARR) rose by 15% y-y and 14% q-q to Bt5,639/night. RevPar grew by 150% y-y and 12% q-q to Bt1,650. Food business SSSG was 9% in 1Q22.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	11,211	16,379	20,761	22,939
Net profit	(1,733)	313	1,671	2,288
Consensus NP	—	296	1,678	2,230
Diff frm cons (%)	—	*6.0*	*(0.5)*	*2.6*
Norm profit	(1,733)	313	1,671	2,288
Prev. Norm profit	—	(208)	1,468	2,093
Chg frm prev (%)	—	*na*	*13.8*	*9.3*
Norm EPS (Bt)	(1.3)	0.2	1.2	1.7
Norm EPS grw (%)	na	na	433.0	37.0
Norm PE (x)	na	185.2	34.7	25.4
EV/EBITDA (x)	41.3	18.0	13.3	11.7
P/BV (x)	3.2	3.2	2.9	2.6
Div yield (%)	0.0	0.0	0.0	0.8
ROE (%)	na	1.7	8.7	10.8
Net D/E (%)	64.1	84.2	78.4	70.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 22-Apr-22 (Bt)	43.00
Market Cap (US$ m)	1,709.5
Listed Shares (m shares)	1,350.0
Free Float (%)	72.4
Avg Daily Turnover (US$ m)	3.3
12M Price H/L (Bt)	43.00/27.00
Sector	Tourism
Major Shareholder	Chirathivat family 63.3%

Sources: Bloomberg, Company data, Thanachart estimates

Upgrading earnings

We forecast CENTEL's earnings to turn to profit in 2022-24F

We upgrade our forecast of CENTEL's earnings from a Bt208m loss to a Bt313m profit in 2022F, and revise up our earnings by 14% and 9% for 2023-24F to reflect its stronger-than-expected hotel and food businesses. See Exhibit 1 for details of our new assumptions.

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

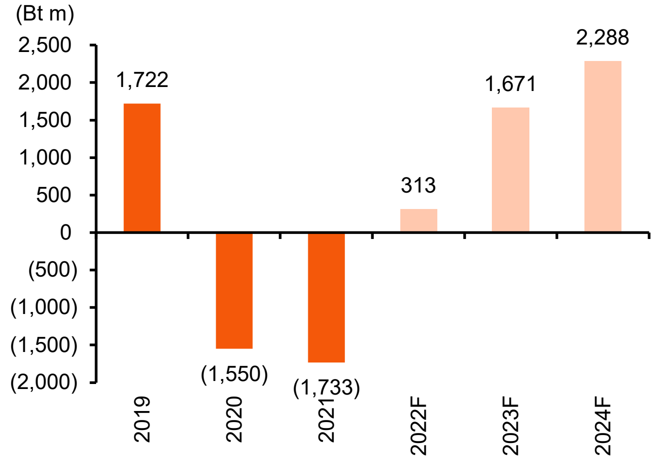
	2020	2021	2022F	2023F	2024F
Occupancy rate (%)					
- New	27.0	18.0	42.0	67.4	76.4
- Old			37.0	62.9	73.3
- Change (pp)			*5.0*	*4.5*	*3.1*
ARR growth (%)					
- New	(10.9)	(21.6)	27.0	13.0	3.0
- Old			14.0	10.0	5.7
- Change (pp)			*13.0*	*3.0*	*(2.7)*
# food stores					
- New	1,164	1,362	1,542	1,675	1,774
- Old			1,255	1,295	1,327
- Change (%)			*22.9*	*29.3*	*33.7*
% SSSG					
- New	(22.0)	(14.0)	15.0	7.0	3.0
- Old			7.3	7.8	3.4
- Change (pp)			*7.7*	*(0.8)*	*(0.4)*
Gross margin (%)					
- New	31.5	32.1	40.5	44.9	46.1
- Old			39.1	41.4	42.1
- Change (pp)			*1.3*	*3.6*	*4.0*
Norm profit (Bt m)					
- New	(1,550)	(1,733)	313	1,671	2,288
- Old			(208)	1,468	2,093
- Change (%)			*n.a.*	*13.8*	*9.3*

Sources: Company data, Thanachart estimates

Reiterating BUY with new TP of Bt48.0

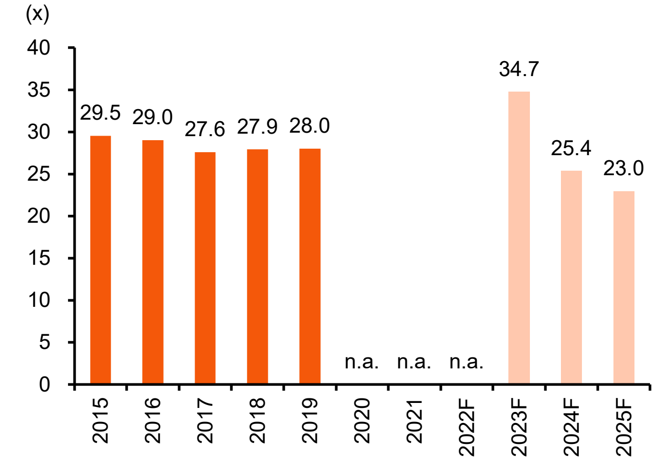
Given our earnings revisions, we lift our DCF-based 12-month TP to Bt48.0/share from Bt40.0. We reiterate our BUY rating on CENTEL as another good choice in the hotel sector. We believe the stock is not yet fully valued, trading at 25.4x PE for 2024F vs. 28.0x in 2019. Meanwhile, on our forecasts, its 2024F earnings of Bt2.3bn will surpass the pre-COVID level of Bt1.7bn in 2019.

Ex 2: Earnings Turnaround



Sources: Company data, Thanachart estimates

Ex 3: CENTEL's PE Multiple



Sources: Bloomberg, Thanachart estimates

Strong domestic travel turnaround

Thai tourists accounted for 20% of hotel revenue in 2019

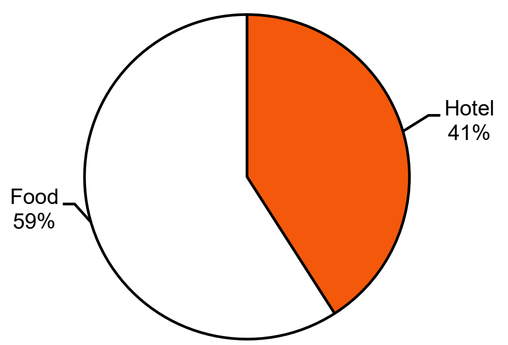
In 2019, CENTEL derived 41% of its revenue from the hotel business (38% from Thailand, 3% from the Maldives) and 59% from the food business. While the Maldives turned around last year following the easing of lockdown in 4Q20, its Thai hotel business started to turn around in 4Q21 amid a recovery in domestic tourism driven by pent-up demand and the "We Travel Together 4th phase" domestic tourism stimulus package. In pre-COVID 2019, Thai tourists accounted for 20% of total hotel revenue. We forecast CENTEL's hotel loss to fall to Bt140m in 2022 and then turn to profit at Bt1.0/1.5bn for 2023-24F, vs. Bt1.4/1.9bn normalized losses in 2020-21 and a Bt1.1bn profit in 2019. We estimate the number of foreign tourists at 4.5/20/35m people in 2022-24, with a rise to 43m in 2025 to surpass the pre-COVID level.

Ex 4: Thai And Foreign Tourist Assumptions

	2019	2020	2021	2022F	2023F	2024F
Thai tourists (visits)	229,748,960	123,214,821	71,858,377	176,469,667	211,369,043	236,641,429
Foreign tourists (people)	39,856,997	6,702,396	427,869	4,500,000	20,000,000	35,000,000

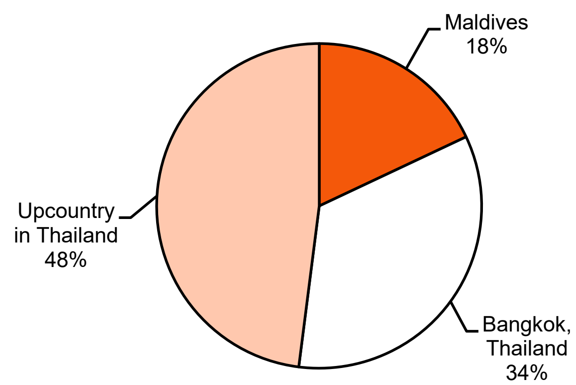
Sources: TAT, Thanachart estimates

Ex 5: Revenue Breakdown By Business In 2019



Source: Thanachart estimates

Ex 6: Hotel Revenue Breakdown By Location In 2019



Source: Thanachart estimates

Note that we see the Russia-Ukraine conflict having a limited negative impact on CENTEL, for which Russian tourists contributed around 7% of hotel revenue (or 3% of total revenue) in 2019.

On 1 April 2022, the Thai government lifted the requirement for arrivals to take a pre-travel RT-PCR test, though they are still subject to a RT-PCR test upon arrival. Details are shown in Exhibit 7. The Center for COVID-19 Situation Administration (CCSA) just announced last Friday that entry rules to Thailand would ease from 1 May 2022. Details are shown in Exhibit 8. These moves will help to support the number of foreign tourists visiting Thailand.

Ex 7: Thailand's Reopening Measures Before 1 May 2022

	March 2022	1-30 April 2022
Registration	▪ Thailand Pass	▪ Thailand Pass
Test & Go (For fully vaccinated travelers)	▪ Pre-Departure RT-PCR test ▪ RT-PCR test upon arrival ▪ Antigen self-test (ATK) on Day 5 ▪ Travel all over Thailand ▪ Insurance coverage ≥ USD20,000	▪ RT-PCR test upon arrival ▪ Antigen self-test (ATK) on Day 5 ▪ Travel all over Thailand ▪ Insurance coverage ≥ USD20,000
Sandbox (For fully vaccinated travelers)	▪ Pre-Departure RT-PCR test ▪ RT-PCR test upon arrival ▪ Antigen self-test (ATK) on Day 5 ▪ Require 7 nights stay in Sandbox area ▪ Insurance coverage ≥ USD20,000	▪ RT-PCR test upon arrival ▪ Antigen self-test (ATK) on Day 5 ▪ Require 5 nights stay in Sandbox area ▪ Insurance coverage ≥ USD20,000
Quarantine (For partially vaccinated and unvaccinated travelers)	▪ Pre-Departure RT-PCR test ▪ RT-PCR test upon arrival ▪ RT-PCR test Day 5 ▪ Mandatory quarantine of 10 nights in a quarantine hotel ▪ Insurance coverage ≥ USD20,000	▪ RT-PCR test upon arrival ▪ RT-PCR test on Day 5 ▪ Mandatory quarantine of 5 nights in a quarantine hotel ▪ Insurance coverage ≥ USD20,000

Source: CCSA

Ex 8: The New Entry Rules

	From 1 May 2022
Registration	▪ Thailand Pass ▪ Test & Go and Sandbox programs are cancelled
Fully-vaccinated travelers	▪ Show vaccine certificate ▪ No RT-PCR or ATK testing requirement ▪ Have insurance coverage ≥ USD10,000
Unvaccinated travelers:	
Group 1: Unvaccinated travelers have pre-departure RT-PCR test (≤ 72 hours)	▪ Show pre-departure RT-PCR test with negative results ▪ No RT-PCR or ATK testing requirement ▪ Have insurance coverage ≥ USD10,000
Group 2: Unvaccinated traveler do not have pre-departure RT-PCR test	▪ Mandatory quarantine of 5 nights in a quarantine hotel ▪ RT-PCR test on Day 4-5 ▪ Have insurance coverage ≥ USD10,000

Source: CCSA

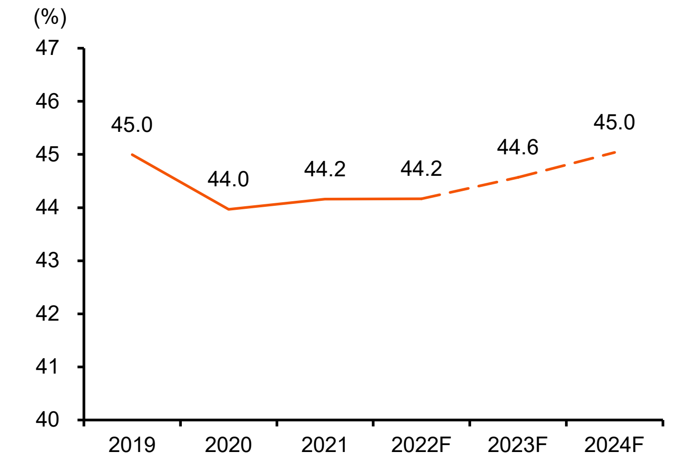
Strong food business

We look for SSSG to turn positive in 2022-24F

CENTEL's food business has recovered since 4Q21 due to the easing of lockdown, with same-store-sales growth (SSSG) of -2% y-y. From Bt49/211m profits for the food business in 2020/21, we forecast a turnaround to Bt454/711/836m in 2022-24F, vs. Bt650m in 2019. Our SSSG assumptions are 15/7/3% in 2022-24F, vs. -22/-14% in 2020-21. Having factored in inflationary impact, we expect CENTEL's food business gross margin to be flat from last year at 44.2% in 2022F, and expand to 44.6/45.0% in 2023-24F from cost control, managed marketing expense, and scale effects.

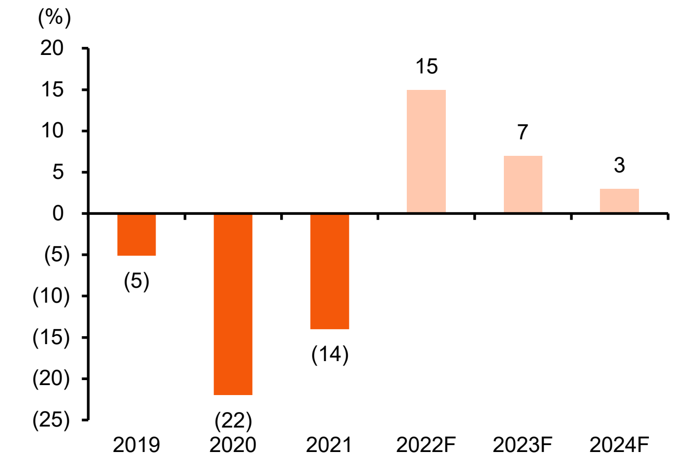
Besides sales growth at its existing stores, c.200 new store openings, and 15-20% growth in delivery sales, management also targets to add 2-3 brands to its portfolio via M&A this year. We have not yet factored such acquisitions into our projections.

Ex 9: Food Business' Gross Margin Is Flat This Year



Sources: Company data, Thanachart estimates

Ex 10: CENTEL's SSSG Turns Positive In 2022-24F



Sources: Company data, Thanachart estimates

Ex 11: 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	2033F	Terminal Value
EBITDA excl. depre from right of use	2,379	3,787	4,532	5,114	5,530	5,873	6,150	6,399	6,645	6,894	7,151	7,416	—
Free cash flow	(1,450)	376	974	1,829	3,110	3,995	4,759	5,497	5,733	5,972	6,218	6,466	124,298
PV of free cash flow	(1,446)	331	804	1,402	2,231	2,683	2,989	3,231	3,154	2,950	2,862	2,773	53,309

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.0
WACC (%)	6.6
Terminal growth (%)	2.0
Enterprise value - add investments	77,271
Net debt (2021)	11,816
Minority interest	355
Equity value	65,100
# of shares	1,350
Target price/share (Bt)	**48.00**

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 12: Valuation Comparison With Regional Peers

			EPS growth		—— PE ——		— P/BV —		EV/EBITDA		— Div yield—	
Name	**BBG code**	**Country**	**22F**	**23F**	**22F**	**23F**	**22F**	**23F**	**22F**	**23F**	**22F**	**23F**
			(%)	**(%)**	**(x)**	**(x)**	**(x)**	**(x)**	**(x)**	**(x)**	**(%)**	**(%)**
Accor SA	AC FP	France	2.8	228.7	92.6	28.2	2.0	2.0	18.9	12.7	1.0	2.3
Indian Hotels	IH IN	India	na	na	na	61.9	6.3	5.9	80.5	30.3	0.1	0.3
Resorttrust	4681 JP	Japan	na	14.1	33.4	29.3	2.0	1.9	13.7	11.9	1.4	1.5
Hotel Shilla	008770 KS	S. Korea	208.2	84.3	37.4	20.3	4.5	3.7	14.3	11.4	0.3	0.3
NH Hotel Group	NHH SM	Spain	na	na	na	19.6	2.0	1.8	10.4	8.0	0.0	0.3
Shanghai Jin Jiang Capital	2006 HK	Hong Kong	na	(20.0)	34.0	42.5	1.8	1.7	10.6	na	1.3	na
Hongkong & Shanghai	45 HK	Hong Kong	na	na	na	35.1	na	na	35.9	23.9	0.5	0.7
Shangri-La Asia	69 HK	Hong Kong	na	na	na	220.7	3.6	3.5	37.0	19.1	0.0	0.0
InterContinental Hotels	IHG US	US	na	27.3	25.8	20.2	na	na	16.5	14.0	1.6	1.9
Marriott International	MAR US	US	62.6	28.9	33.7	26.1	20.4	19.0	20.3	17.0	0.3	0.8
Hilton Worldwide Holdings	HLT US	US	178.8	34.9	38.3	28.4	na	na	21.9	18.1	0.3	0.4
Asset World Corp	AWC TB	Thailand	na	na	na	116.3	2.1	2.1	67.9	39.2	0.0	0.3
Central Plaza Hotel	CENTEL TB*	Thailand	na	433.0	185.2	34.7	3.2	2.9	18.0	13.3	0.0	0.0
Erawan Group	ERW TB*	Thailand	na	na	na	71.8	3.2	3.1	44.1	14.3	0.0	0.3
Minor International	MINT TB*	Thailand	na	na	na	36.5	2.5	2.6	14.9	11.2	0.0	0.5
Average			**113.1**	**103.9**	**60.0**	**52.8**	**4.5**	**4.2**	**28.3**	**17.5**	**0.4**	**0.7**

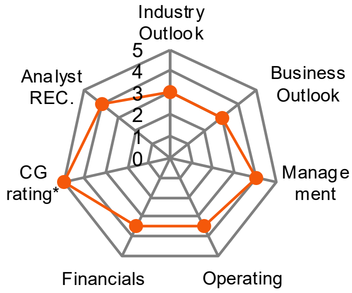
Sources: Company data, Thanachart estimates
Note: * Thanachart estimates, using normalized EPS
Based on 22-Apr-22 closing prices

COMPANY DESCRIPTION

Central Plaza Hotel Plc (CENTEL) owns and operates hotels in Thailand and abroad with its owned brands – Centara Grand, Centara, Centra, and COSI. CENTEL also manages hotels across Thailand and abroad. The company runs restaurant franchises including key brands such as KFC, Mister Donut, Auntie Anne's and Ootoya.

Source: Thanachart

COMPANY RATING



Rating Scale	
Very Strong	**5**
Strong	**4**
Good	**3**
Fair	**2**
Weak	**1**
None	**0**

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Well-received owned hotel brands in Thailand such as Centara Grand, Centara and COSI.
- Well-balanced risk profile of hotel and food businesses.
- Strong financial position.

W — Weakness

- Heavy exposure to Thailand's tourism industry.
- Thailand's upscale hotel oversupply.
- Dependent on domestic consumption.

O — Opportunity

- Strategic investments and acquisitions locally and globally.
- Robust growth in the booming tourism and consumption areas, particularly in Thailand and some high-growth tourist destinations globally.

T — Threat

- Fierce competition among hotel operators leading to obstacles to unlocking its profitability.
- Competition among restaurant operators.
- Natural disaster and pestilence

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	41.47	48.00	16%
Net profit 22F (Bt m)	296	313	6%
Net profit 23F (Bt m)	1,678	1,671	0%
Consensus REC	**BUY: 13**	**HOLD: 5**	**SELL: 2**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our TP is higher than the street's forecast given our more bullish view on CENTEL's hotel and food business prospects in the longer term.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Thailand's political situation and natural disasters are the key downside risks to our call.
- Slower-than-expected Thai and international tourist demand recovery is the key downside risk to our numbers.
- Weaker-than-expected domestic and global economic and consumption growth present a secondary downside risk to our numbers.
- More intense competition in Thai and global tourism would have a negative impact on our numbers.

Source: Thanachart

Earnings turn positive in 2022F

Healthy balance sheet

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	12,907	11,211	16,379	20,761	22,939
Cost of sales	8,837	7,613	9,750	11,435	12,359
Gross profit	**4,070**	**3,598**	**6,629**	**9,326**	**10,580**
% gross margin	31.5%	32.1%	40.5%	44.9%	46.1%
Selling & administration expenses	5,831	5,075	6,027	7,443	8,086
Operating profit	**(1,761)**	**(1,477)**	**602**	**1,883**	**2,494**
% operating margin	-13.6%	-13.2%	3.7%	9.1%	10.9%
Depreciation & amortization	3,421	3,167	3,498	3,666	3,824
EBITDA	**1,660**	**1,690**	**4,100**	**5,550**	**6,317**
% EBITDA margin	12.9%	15.1%	25.0%	26.7%	27.5%
Non-operating income	342	424	461	489	556
Non-operating expenses	0	0	0	0	0
Interest expense	(669)	(718)	(714)	(698)	(702)
Pre-tax profit	**(2,087)**	**(1,771)**	**349**	**1,675**	**2,348**
Income tax	(435)	(78)	0	0	0
After-tax profit	**(1,652)**	**(1,693)**	**349**	**1,675**	**2,348**
% net margin	-12.8%	-15.1%	2.1%	8.1%	10.2%
Shares in affiliates' Earnings	(21)	(64)	(36)	16	40
Minority interests	123	24	0	(20)	(100)
Extraordinary items	(1,225)	0	0	0	0
NET PROFIT	**(2,775)**	**(1,733)**	**313**	**1,671**	**2,288**
Normalized profit	**(1,550)**	**(1,733)**	**313**	**1,671**	**2,288**
EPS (Bt)	(2.1)	(1.3)	0.2	1.2	1.7
Normalized EPS (Bt)	(1.1)	(1.3)	0.2	1.2	1.7

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	4,406	5,732	3,903	3,923	3,495
Cash & cash equivalent	2,824	3,855	1,500	1,300	1,000
Account receivables	514	801	1,122	1,138	943
Inventories	782	748	801	877	880
Others	286	328	480	608	672
Investments & loans	513	500	500	500	500
Net fixed assets	17,368	29,875	31,598	33,395	35,357
Other assets	13,063	12,484	11,919	11,315	10,694
Total assets	**35,350**	**48,593**	**47,921**	**49,134**	**50,047**
LIABILITIES:					
Current liabilities:	7,798	9,664	9,216	9,254	8,874
Account payables	1,873	2,669	2,671	2,820	2,709
Bank overdraft & ST loans	1,725	1,970	2,173	2,176	2,119
Current LT debt	2,024	3,114	3,023	3,027	2,949
Others current liabilities	2,176	1,911	1,350	1,231	1,097
Total LT debt	**7,740**	**10,587**	**12,090**	**12,110**	**11,795**
Others LT liabilities	9,597	9,910	7,869	7,334	6,783
Total liabilities	**25,135**	**30,161**	**29,175**	**28,698**	**27,452**
Minority interest	293	355	355	375	475
Preferreds shares	0	0	0	0	0
Paid-up capital	1,350	1,350	1,350	1,350	1,350
Share premium	970	970	970	970	970
Warrants	0	0	0	0	0
Surplus	62	9,949	9,949	9,949	9,949
Retained earnings	**7,541**	**5,808**	**6,121**	**7,792**	**9,851**
Shareholders' equity	9,923	18,076	18,390	20,060	22,120
Liabilities & equity	**35,350**	**48,593**	**47,921**	**49,134**	**50,047**

Sources: Company data, Thanachart estimates

Improving cash flow from operations over 2022-24F

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	(2,087)	(1,771)	349	1,675	2,348
Tax paid	336	94	(4)	11	(2)
Depreciation & amortization	3,421	3,167	3,498	3,666	3,824
Chg In w orking capital	(436)	543	(372)	57	81
Chg In other CA & CL / minorities	1,756	(301)	(744)	(242)	(157)
Cash flow from operations	**2,991**	**1,732**	**2,726**	**5,167**	**6,094**
Capex	(1,071)	(13,950)	(3,500)	(3,700)	(4,000)
Right of use	(10,397)	281	(1,000)	(1,000)	(1,000)
ST loans & investments	0	0	0	0	0
LT loans & investments	11	13	0	0	0
Adj for asset revaluation	29	9,887	0	0	0
Chg In other assets & liabilities	5,825	(1,114)	(2,196)	(695)	(715)
Cash flow from investments	**(5,602)**	**(4,884)**	**(6,696)**	**(5,395)**	**(5,715)**
Debt financing	3,625	4,182	1,615	28	(450)
Capital increase	0	0	0	0	0
Dividends paid	0	0	0	0	(229)
Warrants & other surplus	(1,002)	0	0	0	0
Cash flow from financing	**2,623**	**4,182**	**1,615**	**28**	**(679)**
Free cash flow	**1,920**	**(12,218)**	**(774)**	**1,467**	**2,094**

Inexpensive valuation, in our view

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	na	na	185.2	34.7	25.4
Normalized PE - at target price (x)	na	na	206.7	38.8	28.3
PE (x)	na	na	185.2	34.7	25.4
PE - at target price (x)	na	na	206.7	38.8	28.3
EV/EBITDA (x)	40.2	41.3	18.0	13.3	11.7
EV/EBITDA - at target price (x)	44.2	45.3	19.7	14.6	12.8
P/BV (x)	5.9	3.2	3.2	2.9	2.6
P/BV - at target price (x)	6.5	3.6	3.5	3.2	2.9
P/CFO (x)	19.4	33.5	21.3	11.2	9.5
Price/sales (x)	4.5	5.2	3.5	2.8	2.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.8
FCF Yield (%)	3.3	(21.0)	(1.3)	2.5	3.6
(Bt)					
Normalized EPS	(1.1)	(1.3)	0.2	1.2	1.7
EPS	(2.1)	(1.3)	0.2	1.2	1.7
DPS	0.0	0.0	0.0	0.0	0.3
BV/share	7.4	13.4	13.6	14.9	16.4
CFO/share	2.2	1.3	2.0	3.8	4.5
FCF/share	1.4	(9.1)	(0.6)	1.1	1.6

Sources: Company data, Thanachart estimates

Improving margins due to scale benefits and cost control

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	(37.8)	(13.1)	46.1	26.8	10.5
Net profit (%)	na	na	na	433.0	37.0
EPS (%)	na	na	na	433.0	37.0
Normalized profit (%)	na	na	na	433.0	37.0
Normalized EPS (%)	na	na	na	433.0	37.0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0	20.0
Operating performance					
Gross margin (%)	31.5	32.1	40.5	44.9	46.1
Operating margin (%)	(13.6)	(13.2)	3.7	9.1	10.9
EBITDA margin (%)	12.9	15.1	25.0	26.7	27.5
Net margin (%)	(12.8)	(15.1)	2.1	8.1	10.2
D/E (incl. minor) (x)	1.1	0.9	0.9	0.8	0.7
Net D/E (incl. minor) (x)	0.8	0.6	0.8	0.8	0.7
Interest coverage - EBIT (x)	na	na	0.84	2.70	3.6
Interest coverage - EBITDA (x)	2.5	2.4	5.7	8.0	9.0
ROA - using norm profit (%)	na	na	0.6	3.4	4.6
ROE - using norm profit (%)	na	na	1.7	8.7	10.8
DuPont					
ROE - using after tax profit (%)	na	na	1.9	8.7	11.1
- asset turnover (x)	0.4	0.3	0.3	0.4	0.5
- operating margin (%)	na	na	6.5	11.4	13.3
- leverage (x)	2.7	3.0	2.6	2.5	2.4
- interest burden (%)	147.1	168.2	32.8	70.6	77.0
- tax burden (%)	na	na	100.0	100.0	100.0
WACC (%)	6.6	6.6	6.6	6.6	6.6
ROIC (%)	(9.4)	(7.9)	2.0	5.5	6.9
NOPAT (Bt m)	(1,761)	(1,477)	602	1,883	2,494
invested capital (Bt m)	18,587	29,892	34,175	36,074	37,983

Sources: Company data, Thanachart estimates

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