BUY (Unchanged)

Change in Numbers

TP: Bt 48.00 (Unchanged)

Upside : 19.3%

24 MAY 2022

Small Cap Research

Central Plaza Hotel (CENTEL TB)

Accelerating recovery

With 93% of its revenues coming from its businesses in Thailand, CENTEL is a direct beneficiary of the country's reopening. We expect earnings to turn a profit this year with a full turnaround in 2024F. We reaffirm our BUY call given what we see as an inexpensive PE of 23.9x in 2024F vs. its pre-COVID level of 28.0x.

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Thanachart Securities

Recovery has begun and it's speeding up

We reaffirm our BUY call on CENTEL. With 93% of 2019 revenues coming from its Thai businesses, CENTEL started to turn around from 4Q21 and momentum is gathering pace with the country's reopening. The turnaround is both from domestic and foreign tourism and CENTEL is benefiting both from its hotel and food businesses. Despite foreign tourists recovering from a very low base, we expect CENTEL to be able to turn a profit from this year of Bt205m with a jump to Bt1.6/2.3bn in 2023-24F. This is despite us cutting earnings by 35/4% in 2022-23F to reflect higher-than-expected costs. We maintain our DCF-based 12-month TP, using a 2022F base year, of Bt48.0. CENTEL looks inexpensive to us at trading a 23.9x 2024F PE multiple, when earnings should surpass pre-COVID level, vs. 28.0x in 2019.

Return of tourists gathering pace

CENTEL's business turnaround started when the lockdown ended in 4Q21. The turnaround was mainly because of a swift recovery in domestic tourism. Note that in 2019, domestic tourism accounted for nearly 7% of GDP with foreign tourism at 11%. Domestic trips in 4Q21 and 1Q22 were at 52% and 80% of the same periods in 2019. On a y-y basis, domestic trips grew by 74% y-y in 1Q22. Foreign tourist arrivals were at 40m in 2019. The number was only 428K people in 2021 but rose to 498K in 1Q22, 300K in April 2022 and 300K from 1-19 May after more arrival restrictions were eased.

Higher-than-expected costs

CENTEL's 1Q22 revenue grew q-q but costs increased more than we'd expected at both its hotel and food businesses. Hotel costs increased due to a resumption of hiring to prepare itself for a future recovery. The food business's costs increased as a result of re-hiring and the inflationary impact of higher raw material and utilities costs. To mitigate the impact, hotel room rates are already back to the normal level while on the food side, the company is in the process of improving its procurement and inventory management. It is also reviewing its sales promotions and looking at increasing prices for its food business.

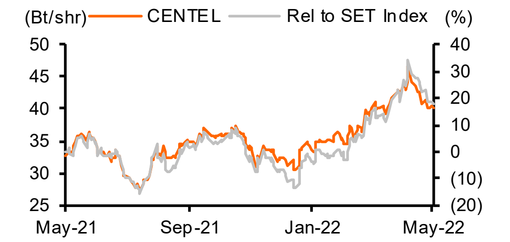
Seeking inorganic growth

CENTEL is still looking for M&As for its food business. It recently acquired a 51% stake in The Food Selection Group (TFSG) for Bt520m. TFSG runs Japanese restaurants under the "Shinkanzen Sushi" and "Senma Sushi" brands. CENTEL targets to increase its food outlets from 38 to 60-70 within three years. We estimate profit contribution from TFSG to CENTEL of Bt29/37/47m in 2022-24F. CENTEL is now in talks to acquire one more new food business but negotiations are still in the early stages.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	11,211	16,379	20,761	22,939
Net profit	(1,733)	205	1,597	2,278
Consensus NP	—	353	1,673	2,258
Diff frm cons (%)	—	*(42.0)*	*(4.5)*	*0.9*
Norm profit	(1,733)	205	1,597	2,278
Prev. Norm profit	—	313	1,671	2,288
Chg frm prev (%)	—	*(34.6)*	*(4.4)*	*(0.4)*
Norm EPS (Bt)	(1.3)	0.2	1.2	1.7
Norm EPS grw (%)	na	na	678.6	42.6
Norm PE (x)	na	264.9	34.0	23.9
EV/EBITDA (x)	39.1	17.7	12.9	11.2
P/BV (x)	3.0	3.0	2.7	2.5
Div yield (%)	0.0	0.0	0.0	0.8
ROE (%)	na	1.1	8.4	10.9
Net D/E (%)	64.1	87.7	81.9	73.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 24-May-22 (Bt)	40.25
Market Cap (US$ m)	1,591.2
Listed Shares (m shares)	1,350.0
Free Float (%)	72.0
Avg Daily Turnover (US$ m)	4.1
12M Price H/L (Bt)	46.50/27.00
Sector	Tourism
Major Shareholder	Chirathivat family 63.3%

Sources: Bloomberg, Company data, Thanachart estimates

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Recovery has begun and it's speeding up

Reaffirm BUY…

We reaffirm our BUY rating on shares of Central Plaza Hotel (CENTEL) for the following reasons:

Benefiting from the country's reopening

First, we consider CENTEL to be a beneficiary of the country's reopening. Given that 93% of 2019 revenues came from its Thai businesses, it started to turn around from 4Q21 and momentum has been gathering pace with the country's reopening. The turnaround has come from domestic and foreign tourism and CENTEL has been benefiting both from its hotel and food businesses.

Earnings turnaround on the way

Second, despite foreign tourists still recovering from a very low base, we expect CENTEL to be able to turn a profit since this year at Bt205m with a jump to Bt1.6/2.3bn in 2023-24F. This is despite us cutting our earnings estimates by 35/4% in 2022-23F to reflect its higher-than-expected costs. We maintain our DCF-based 12-month TP, using a 2022F base year, of Bt48.0. Note that in our earnings revisions, we also factor its recent acquisition of a 51% stake in The Food Selection Group (TFSG) into our projections. CENTEL said it will use the equity method in recognizing revenue from TFSG.

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

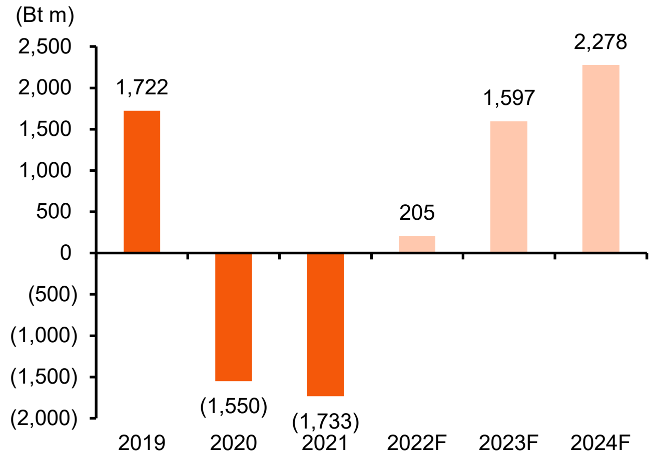
	2020	2021	2022F	2023F	2024F
Equity income (Bt m)					
- New	(21)	(64)	(23)	46	80
- Old			(36)	16	40
- Change (%)			*n.a.*	*192.7*	*99.9*
Gross margin (%)					
- New	31.5	32.1	39.3	44.4	45.7
- Old			40.5	44.9	46.1
- Change (pp)			*(1.1)*	*(0.5)*	*(0.4)*
Norm profit (Btm)					
- New	(1,550)	(1,733)	205	1,597	2,278
- Old			313	1,671	2,288
- Change (%)			*(34.6)*	*(4.4)*	*(0.4)*

Sources: Company data, Thanachart estimates

Inexpensive valuation in our view

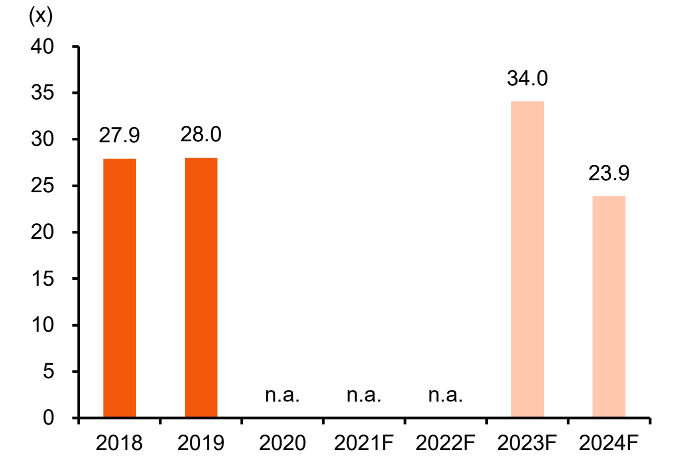
Lastly, CENTEL looks inexpensive to us, trading on a 23.9x PE multiple in 2024F, when earnings look set to surpass pre-COVID levels, vs. 28.0x in 2019.

Ex 2: Earnings Turnaround



Sources: Company data, Thanachart estimates

Ex 3: Inexpensive Valuation In Our View



Sources: Company data, Bloomberg, Thanachart estimates

Ex 4: 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	2,283	3,746	4,517	5,094	5,508	5,849	6,125	6,373	6,618	6,867	7,122	7,386	—
Free cash flow	(2,017)	349	995	1,860	3,141	4,028	4,792	5,531	5,768	6,008	6,255	6,504	125,032
PV of free cash flow	(2,012)	307	820	1,426	2,254	2,704	3,010	3,251	3,173	2,968	2,879	2,790	53,623

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.0
WACC (%)	6.6
Terminal growth (%)	2.0
Enterprise value - add investments	77,192
Net debt (2021)	11,816
Minority interest	355
Equity value	65,021
# of shares	1,350
Target price/share (Bt)	**48.00**

Sources: Company data, Thanachart estimates

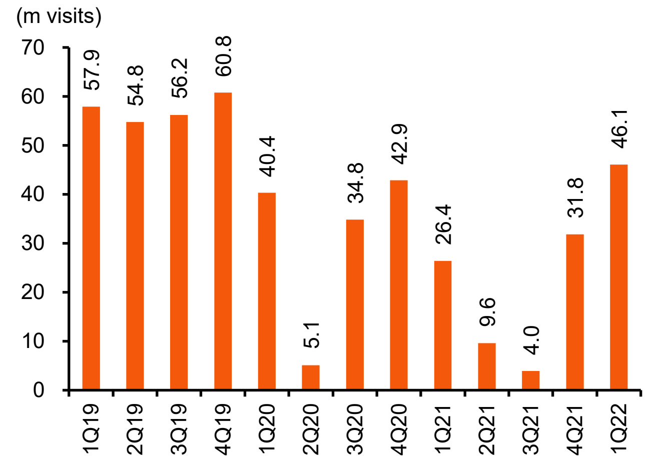
Return of tourists gathering pace

Thai and foreign tourist numbers are turning around

CENTEL's business turnaround started when the lockdown ended in 4Q21. The turnaround was mainly a result of a swift recovery in domestic tourism. Note that in 2019, domestic tourism accounted for nearly 7% of GDP while foreign tourism made up 11%. Domestic trips in 4Q21 and 1Q21 stood at 31.8/46.1m, accounting for 52/80% of the same periods in 2019. On a y-y basis, domestic trips grew by 74% y-y in 1Q22.

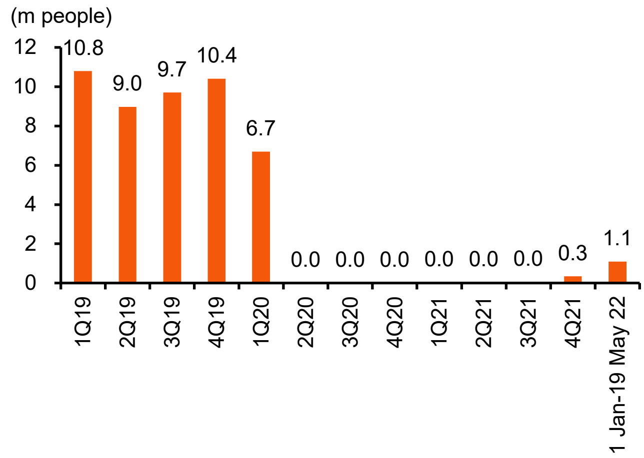
For foreign tourist arrivals, the figure was 40m people in 2019. The number was only 428K people in 2021 but it rose significantly to 498K in 1Q22, 300K in April 2022 and 300K during 1-19 May 2022 after more arrival restrictions were eased. Details of Thailand's entry rule requirements are shown in Exhibit 7.

Ex 5: # Of Trips For Thai Tourists



Source: TAT

Ex 6: # Of International Tourists



Source: TAT

Ex 7: Thailand's Entry Rules

	From 1 May 2022	From 1 June 2022
Registration	▪ Thailand Pass	▪ Thailand Pass (except for Thai people) ▪ Reduce data requirements in Thailand Pass for foreign tourists (vaccine/test, insurance [US$10,000] and passport)
Fully vaccinated travelers	▪ Show vaccine certificate ▪ No need to do RT-PCR or ATK test ▪ Have insurance coverage ≥ US$10,000	▪ Show vaccine certificate ▪ No need to do RT-PCR or ATK test ▪ Have insurance coverage ≥ US$10,000
Unvaccinated travelers:		
Group 1: Unvaccinated travelers have pre-departure RT-PCR test (≤ 72 hours)	▪ Show pre-departure RT-PCR test with a negative result ▪ No need to do RT-PCR or ATK test ▪ Have insurance coverage ≥ US$10,000	▪ No mandatory quarantine ▪ Show pre-departure RT-PCR or professional ATK test with a negative result or do a professional ATK test at the airport
Group 2: Unvaccinated travelers 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 ≥ US$10,000	▪ Have insurance coverage ≥ US$10,000

Source: CCSA

Thanks to the easing of Thailand's entry rule requirements, we estimate the number of foreign tourists at 4.5/20/35m people in 2022-24, before rising to 43m in 2025 to surpass the pre-COVID level. Meanwhile, we expect number of Thai visitors to increase to 177/211/237m trips in 2022-24F, supported by domestic tourism stimulus package "We Travel Together 4th phase (from 1 February – 31 May 2022) and the 4th phase extension (likely to start from mid-June 2022 – 31 October 2022)".

Ex 8: Thai And Foreign Tourist Assumptions

	2019	2020	2021	2022F	2023F	2024F
Thai tourists (m visits)	229.7	123.2	71.9	176.5	211.4	236.6
Foreign tourists (m people)	39.9	6.7	0.4	4.5	20.0	35.0

Sources: TAT, Thanachart estimates

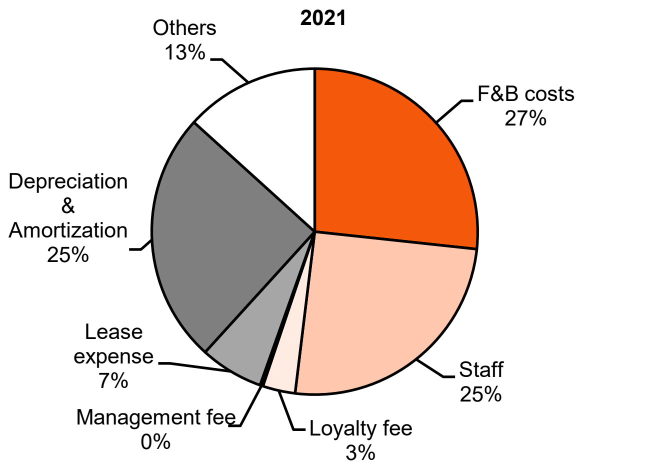
Higher-than-expected costs

We revise down our margin assumptions to reflect rising costs

CENTEL's 1Q22 revenue expanded q-q but costs increased more than we'd expected for both its hotel and food businesses. Given increasing operating activity along with the travel demand recovery, CENTEL re-hired staff to prepare for a recovery. Its hotel costs therefore increased in 1Q22. For its food business, its costs rose because of re-hiring and the inflationary impact of higher raw material and utilities costs. To mitigate the impact, the CENTEL portfolio hotel room rate is already back at its normal level while on the food side, the company is in the process of improving its procurement and inventory management by sourcing its raw materials from many suppliers to generate more bargaining power and stocking up on some raw materials and packaging to delay the impact of higher prices. It is also reviewing its sales promotions and looking to increase prices for certain menus.

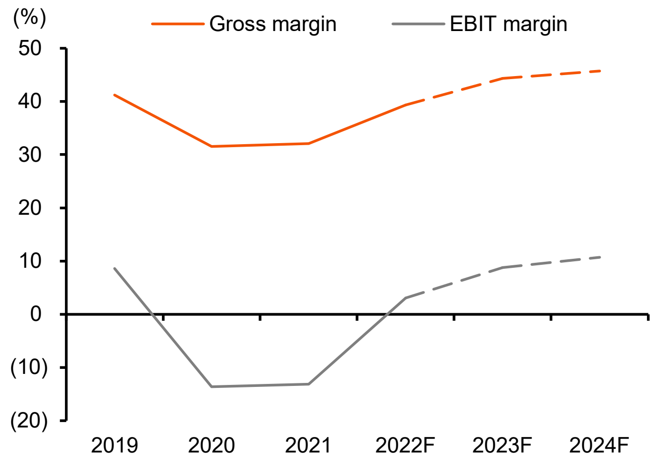
We assign more conservative assumptions in our model during this period of cost inflation. We expect CENTEL's operating margin to be at 3.0/8.8/10.7% in 2022-24F compared to our previous forecasts of 3.7/9.1/10.9% in those years.

Ex 9: Cost Breakdown



Source: Company data

Ex 10: Gross Margin And Operating Margin



Sources: Company data, Thanachart estimates

Seeking inorganic growth

TFSG adds to CENTEL's equity income from 2022F onwards

CENTEL is still looking for M&As for its food business. It recently acquired a 51% stake in The Food Selection Group (TFSG) for Bt520m. TFSG operates Japanese restaurants under the "Shinkanzen Sushi" and "Senma Sushi" brands. CENTEL targets to increase the number of its food outlets from 38 to 60-70 within three years (5 to 9 new food outlets will be added by the end of this year). We estimate profit contribution from TFSG to CENTEL of Bt29/37/47m in 2022-24F.

CENTEL can acquire more food businesses without the need for a capital call

CENTEL is now in talks to acquire a new food business but negotiations are still in their early stages. Management mentioned that a conclusion on the deal is expected to be reached by the end of this year or early next year. However, while the deal is under negotiation, CENTEL is also eyeing opportunities to acquire another new food business in Thailand. With CENTEL's gross interest-bearing debt (GIBD/E) at 0.9x at end 2022F compared to its GIBD/E covenant at 2.0x, we believe the company can acquire more food businesses without the need for a capital call.

Ex 11: Shinkanzen Sushi Outlets

Source: Company data

Ex 12: Senma Sushi Outlets

Source: Company data

Valuation Comparison

Ex 13: Valuation 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 (%)
Accor SA	AC FP	France	12.3	211.8	82.7	26.5	2.0	1.9	18.2	12.6	1.1	2.4
Indian Hotels	IH IN	India	na	na	na	53.0	5.4	4.2	64.1	25.1	0.2	0.2
Resorttrust	4681 JP	Japan	20.9	26.7	32.0	25.2	1.9	2.0	12.9	11.1	1.4	1.7
Hotel Shilla	008770 KS	S. Korea	114.4	146.9	48.0	19.4	4.5	3.7	15.8	11.5	0.3	0.4
NH Hotel Group	NHH SM	Spain	na	na	na	17.7	2.1	1.8	10.6	7.9	0.0	0.4
Shanghai Jin Jiang Capital	2006 HK	Hong Kong	na	278.9	162.6	42.9	1.8	1.8	na	na	0.0	na
Hongkong & Shanghai	45 HK	Hong Kong	na	na	na	na	na	na	na	na	na	na
Shangri-La Asia	69 HK	Hong Kong	na	na	na	205.6	3.4	3.3	34.1	18.7	0.0	0.0
InterContinental Hotels	IHG US	US	na	25.8	22.6	18.0	na	na	14.7	12.6	1.8	2.1
Marriott International	MAR US	US	74.1	25.1	27.0	21.6	18.7	16.8	17.0	14.5	0.6	1.0
Hilton Worldwide Holdings	HLT US	US	174.0	41.0	32.9	23.3	na	na	19.1	15.5	0.3	0.4
Asset World Corp	AWC TB	Thailand	na	na	na	113.5	2.0	2.0	71.3	39.2	0.1	0.3
Central Plaza Hotel	CENTEL TB*	Thailand	na	678.6	264.9	34.0	3.0	2.7	17.7	12.9	0.0	0.0
Erawan Group	ERW TB*	Thailand	na	na	na	70.2	3.2	3.0	43.5	14.0	0.0	0.3
Minor International	MINT TB*	Thailand	na	na	na	34.9	2.4	2.5	14.5	10.9	0.0	0.6
Average			**79.2**	**179.4**	**84.1**	**50.4**	**4.2**	**3.8**	**27.2**	**15.9**	**0.4**	**0.8**

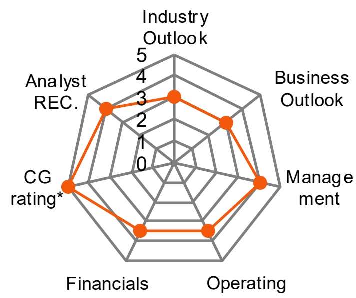
Sources: Company data, Thanachart estimates
Note: * Thanachart estimates, using normalized EPS
Based on 24-May-22 closing prices

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)	42.98	48.00	12%
Net profit 22F (Bt m)	353	205	-42%
Net profit 23F (Bt m)	1,673	1,597	-5%
Consensus REC	**BUY: 11**	**HOLD: 6**	**SELL: 3**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our DCF-based TP is higher than the Bloomberg consensus number, which we attribute to us having a more bullish view on CENTEL's long-term earnings growth trajectory.

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

Hotel and food business turnaround in 2022-24F

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	9,936	11,545	12,449
Gross profit	**4,070**	**3,598**	**6,443**	**9,216**	**10,490**
% gross margin	31.5%	32.1%	39.3%	44.4%	45.7%
Selling & administration expenses	5,831	5,075	5,946	7,391	8,029
Operating profit	**(1,761)**	**(1,477)**	**497**	**1,825**	**2,461**
% operating margin	-13.6%	-13.2%	3.0%	8.8%	10.7%
Depreciation & amortization	3,421	3,167	3,507	3,685	3,842
EBITDA	**1,660**	**1,690**	**4,004**	**5,509**	**6,303**
% EBITDA margin	12.9%	15.1%	24.4%	26.5%	27.5%
Non-operating income	342	424	461	489	556
Non-operating expenses	0	0	0	0	0
Interest expense	(669)	(718)	(720)	(713)	(720)
Pre-tax profit	**(2,087)**	**(1,771)**	**238**	**1,601**	**2,298**
Income tax	(435)	(78)	0	0	0
After-tax profit	**(1,652)**	**(1,693)**	**238**	**1,601**	**2,298**
% net margin	-12.8%	-15.1%	1.5%	7.7%	10.0%
Shares in affiliates' Earnings	(21)	(64)	(23)	46	80
Minority interests	123	24	(10)	(50)	(100)
Extraordinary items	(1,225)	0	0	0	0
NET PROFIT	**(2,775)**	**(1,733)**	**205**	**1,597**	**2,278**
Normalized profit	**(1,550)**	**(1,733)**	**205**	**1,597**	**2,278**
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

Strongest balance sheet in the sector

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	4,406	5,732	3,918	3,932	3,502
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	817	886	887
Others	286	328	480	608	672
Investments & loans	513	500	500	500	500
Net fixed assets	17,368	29,875	32,109	33,888	35,832
Other assets	13,063	12,484	11,919	11,315	10,694
Total assets	**35,350**	**48,593**	**48,447**	**49,635**	**50,528**
LIABILITIES:					
Current liabilities:	7,798	9,664	9,439	9,467	9,078
Account payables	1,873	2,669	2,722	2,847	2,729
Bank overdraft & ST loans	1,725	1,970	2,245	2,253	2,196
Current LT debt	2,024	3,114	3,123	3,135	3,056
Others current liabilities	2,176	1,911	1,350	1,231	1,097
Total LT debt	**7,740**	**10,587**	**12,492**	**12,541**	**12,224**
Others LT liabilities	9,597	9,910	7,869	7,334	6,783
Total liabilities	**25,135**	**30,161**	**29,800**	**29,341**	**28,084**
Minority interest	293	355	365	415	515
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**	**6,013**	**7,610**	**9,660**
Shareholders' equity	9,923	18,076	18,282	19,878	21,928
Liabilities & equity	**35,350**	**48,593**	**48,447**	**49,635**	**50,528**

Sources: Company data, Thanachart estimates

Improving cash inflow stream

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	(2,087)	(1,771)	238	1,601	2,298
Tax paid	336	94	(4)	11	(2)
Depreciation & amortization	3,421	3,167	3,507	3,685	3,842
Chg In w orking capital	(436)	543	(336)	40	76
Chg In other CA & CL / minorities	1,756	(301)	(732)	(211)	(117)
Cash flow from operations	**2,991**	**1,732**	**2,673**	**5,125**	**6,097**
Capex	(1,071)	(13,950)	(4,020)	(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)**	**(7,216)**	**(5,395)**	**(5,715)**
Debt financing	3,625	4,182	2,189	70	(453)
Capital increase	0	0	0	0	0
Dividends paid	0	0	0	0	(228)
Warrants & other surplus	(1,002)	0	0	0	0
Cash flow from financing	**2,623**	**4,182**	**2,189**	**70**	**(681)**
Free cash flow	**1,920**	**(12,218)**	**(1,347)**	**1,425**	**2,097**

Inexpensive valuation, in our view

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	na	na	264.9	34.0	23.9
Normalized PE - at target price (x)	na	na	316.0	40.6	28.4
PE (x)	na	na	264.9	34.0	23.9
PE - at target price (x)	na	na	316.0	40.6	28.4
EV/EBITDA (x)	37.9	39.1	17.7	12.9	11.2
EV/EBITDA - at target price (x)	44.2	45.3	20.3	14.8	12.9
P/BV (x)	5.5	3.0	3.0	2.7	2.5
P/BV - at target price (x)	6.5	3.6	3.5	3.3	3.0
P/CFO (x)	18.2	31.4	20.3	10.6	8.9
Price/sales (x)	4.2	4.8	3.3	2.6	2.4
Dividend yield (%)	0.0	0.0	0.0	0.0	0.8
FCF Yield (%)	3.5	(22.5)	(2.5)	2.6	3.9
(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	13.5	14.7	16.2
CFO/share	2.2	1.3	2.0	3.8	4.5
FCF/share	1.4	(9.1)	(1.0)	1.1	1.6

Sources: Company data, Thanachart estimates

Earnings turnaround from 2022F onwards

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	678.6	42.6
EPS (%)	na	na	na	678.6	42.6
Normalized profit (%)	na	na	na	678.6	42.6
Normalized EPS (%)	na	na	na	678.6	42.6
Dividend payout ratio (%)	0.0	0.0	0.0	0.0	20.0
Operating performance					
Gross margin (%)	31.5	32.1	39.3	44.4	45.7
Operating margin (%)	(13.6)	(13.2)	3.0	8.8	10.7
EBITDA margin (%)	12.9	15.1	24.4	26.5	27.5
Net margin (%)	(12.8)	(15.1)	1.5	7.7	10.0
D/E (incl. minor) (x)	1.1	0.9	1.0	0.9	0.8
Net D/E (incl. minor) (x)	0.8	0.6	0.9	0.8	0.7
Interest coverage - EBIT (x)	na	na	0.7	2.6	3.4
Interest coverage - EBITDA (x)	2.5	2.4	5.6	7.7	8.8
ROA - using norm profit (%)	na	na	0.4	3.3	4.5
ROE - using norm profit (%)	na	na	1.1	8.4	10.9
DuPont					
ROE - using after tax profit (%)	na	na	1.3	8.4	11.0
- asset turnover (x)	0.4	0.3	0.3	0.4	0.5
- operating margin (%)	na	na	5.9	11.1	13.2
- leverage (x)	2.7	3.0	2.7	2.6	2.4
- interest burden (%)	147.1	168.2	24.8	69.2	76.1
- 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)	1.7	5.3	6.7
NOPAT (Bt m)	(1,761)	(1,477)	497	1,825	2,461
invested capital (Bt m)	18,587	29,892	34,640	36,507	38,404

Sources: Company data, Thanachart estimates

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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.

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