Small Cap Research

BUY (Unchanged) | **TP: Bt 29.00** (From: Bt 27.00)

Change in Numbers | **Upside : 79.0%** | **27 MAY 2022**

United Paper Pcl (UTP TB)

A bullish outlook

We reaffirm our BUY call on UTP and lift our TP to Bt29 from Bt27. We see a bullish outlook for UTP, driven by strong domestic demand for packaging paper and easing cost pressure. Valuation is attractive at 9x 2022F PE considering a 22% EPS CAGR over 2021-23F. Earnings growth and potential dividend hikes are key near-term catalysts.

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Thanachart Securities

Strong domestic demand

UTP is seeing very strong demand for its packaging paper, particularly its linerboard products. This is in part due to the tightening domestic market and UTP's ability to improve its product quality. The tight market has enabled UTP (and its industry peers) to continue increasing prices even as cost pressure eases. It has also improved UTP's sales mix with the linerboard to corrugating medium ratio at 40:60 currently, up from 32:68 in 2021. Management believes it can push the linerboard sales mix to 50% by year-end. This would further lift UTP's margin as linerboard commands a much higher margin than corrugating medium. The combination of ASP increases and a better product mix led to a strong earnings recovery in 1Q22 and we expect this trend to continue for the rest of 2022F.

Easing cost pressure

OCC (old corrugating medium) cost increases have been one of the key drags on UTP's profitability since early 2021. However, prices peaked in late 2021 at about USD300/tonne and have since gradually declined. While we have again raised our OCC price assumptions by USD50/tonne to USD270/tonne in 2022F and USD250/tonne in 2023-24F, we now see limited upside risk from these levels. For energy, low-CV coal price has stabilized at sub-USD100/tonne based on the ICI4 (4,200 kcal/kg) benchmark. UTP also supplements its own generation with power purchases from the grid in off-peak hours when grid prices become cheaper than UTP's generating costs. As such, we think the worst of the cost pressure is over and expect margin expansion going forward.

Capacity expansion under way

UTP is in the process of installing new machinery that would increase its production capacity by about 20%. However, due to COVID-19 and logistics issues, there has been a construction delay. This means the new capacity is now scheduled to start up in 4Q22 instead of the earlier planned 3Q22, and we have reflected this in our assumptions. Still, the capacity addition would add to strong volume growth in 4Q22F and 2023F.

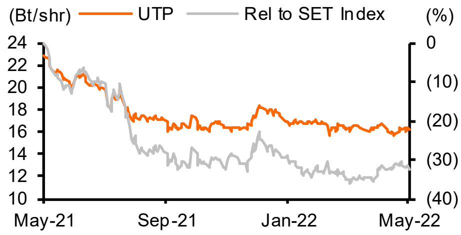
Attractive valuation in our view

UTP remains attractively valued, in our view, trading at 9x 2022F and 8x 2023F PE multiples despite offering a 22% earnings CAGR over 2021-23F. We also see the potential for a higher dividend payout ratio of 65% (vs. the 50% normal level) as the company maintains a large net cash position and has limited capex plans. This translates into 7% and 8.5% potential dividend yields in 2022-23F, respectively.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	4,601	5,880	6,899	7,028
Net profit	917	1,133	1,376	1,420
Consensus NP	—	*998*	*1,125*	*1,242*
Diff frm cons (%)	—	*13.6*	*22.3*	*14.3*
Norm profit	917	1,133	1,376	1,420
Prev. Norm profit	—	1,169	1,339	1,345
Chg frm prev (%)	—	*(3.1)*	*2.8*	*5.6*
Norm EPS (Bt)	1.4	1.7	2.1	2.2
Norm EPS grw (%)	(9.3)	23.5	21.4	3.2
Norm PE (x)	11.5	9.3	7.7	7.4
EV/EBITDA (x)	8.0	6.6	5.4	4.9
P/BV (x)	2.7	2.4	2.1	1.9
Div yield (%)	4.4	7.0	8.5	8.8
ROE (%)	25.1	27.4	29.4	27.2
Net D/E (%)	(16.6)	(18.4)	(22.2)	(30.5)

PRICE PERFORMANCE



COMPANY INFORMATION

Price: (Bt) *as of* 27-May-22	16.20
Market Cap (US$ m)	308.2
Listed Shares (m shares)	650.0
Free Float (%)	39.7
Avg. Daily Turnover (US$ m)	0.6
12M Price H/L (Bt)	22.80/15.60
Sector	PAPER
Major Shareholder	Chinsettawong Family 31.01%

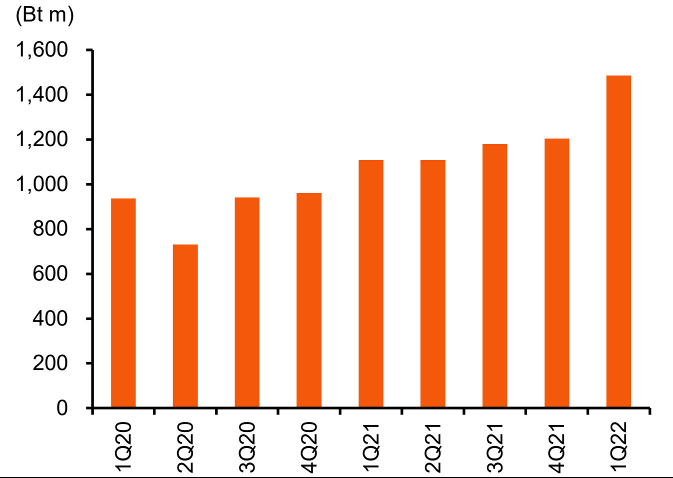
Sources: Bloomberg, Company data, Thanachart estimates

Strong domestic demand

Management expects strong demand to continue

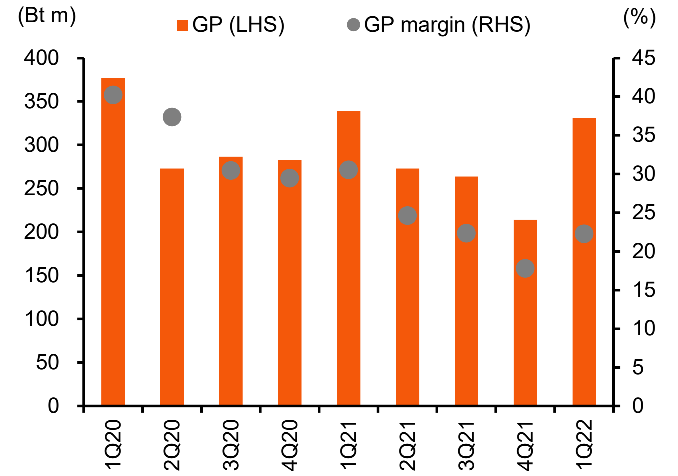
United Paper Pcl (UTP) is seeing very strong demand for its packaging paper, particularly its linerboard products. This is in part due to the tightening domestic market and UTP's ability to improve its product quality. The tight market has enabled UTP (and its industry peers) to continue increasing prices even as cost pressure eases. This is reflected in UTP's constant sales growth over the past two years. By 1Q22, sales revenue was close to Bt1.5bn, up from just under Bt940m in 1Q20. We believe this was by and large driven by price increases and an improved sales mix as the company has not undertaken any capacity expansion during this period.

Ex 1: Sales Revenue



Source: Company data

Ex 2: Gross Profit And Gross Profit Margin

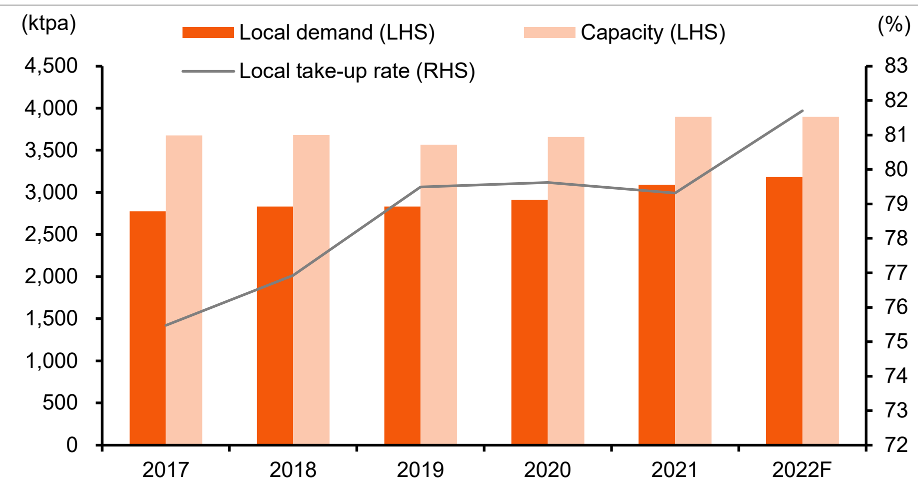


Source: Company data

We believe Thailand's kraft paper market will continue to tighten in 2022F and beyond. Over the past five years, cumulative capacity growth has been about 6% whereas local demand has grown by about 15%. Looking forward, we see no significant capacity additions across the industry. At the same time, demand is likely to continue growing at least in line with GDP growth. This means the market should continue to tighten and domestic players would command strong pricing power. We note that packaging paper has essentially no substitute and packaging costs typically make up only 3% or less of total product value. This means even a 10% packaging paper price increase would not meaningfully lift overall product costs.

Supply-demand outlook is favorable in Thailand

Ex 3: Thailand Kraft Paper Supply-Demand Balance Continues To Tighten

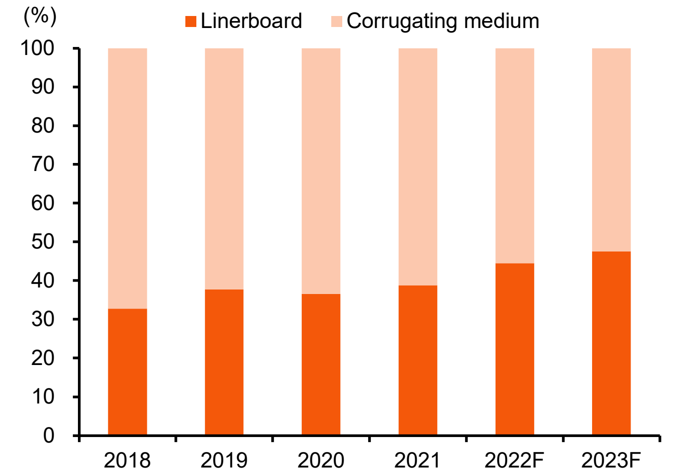


Sources: Company data, Thanachart estimates

Improved product mix and sales channels should help lift ASP and profit margins

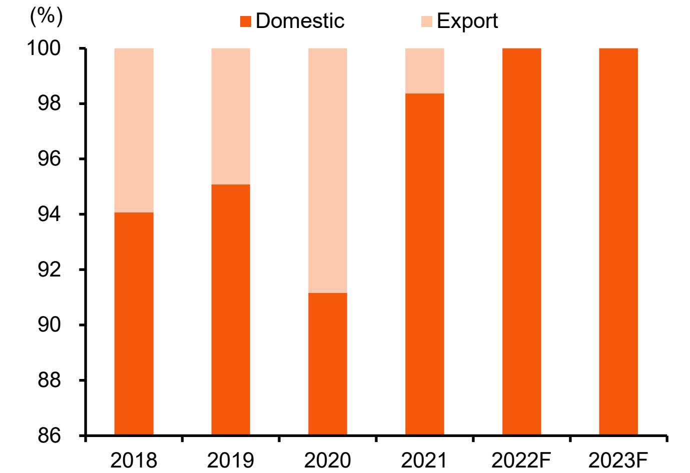
Over the past two years, UTP has meaningfully improved its sales mix with the linerboard to corrugating medium ratio at 40:60 currently, up from 32:68 in 2021 and less than 30:70 in 2020. Management believes it can push the linerboard sales mix to 50% by year-end. The company is also selling all its products locally, thereby avoiding the low-margin export market. These improvements in product mix and sales channels would further lift UTP's ASP and margin as linerboard commands a much higher margin than corrugating medium. The combination of ASP increases and a better product mix has led to a strong earnings recovery in 1Q22 and we expect this trend to continue for the rest of 2022F.

Ex 4: Product Mix By Value



Sources: Company data; Thanachart estimates

Ex 5: Sales Mix By Location



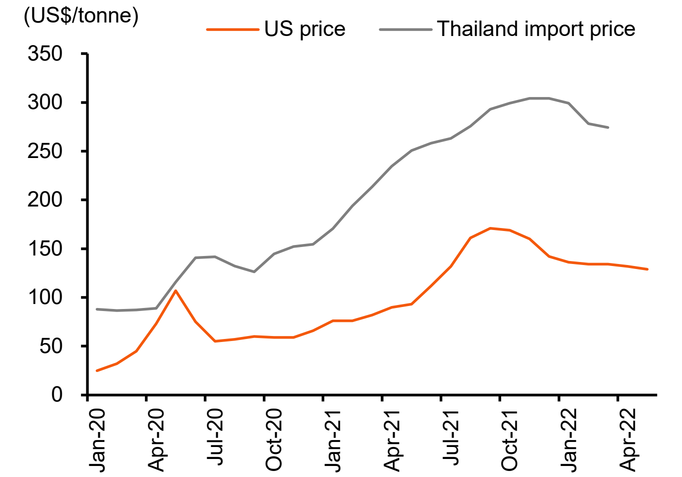
Sources: Company data; Thanachart estimates

Easing cost pressure

OCC cost has been trending downwards

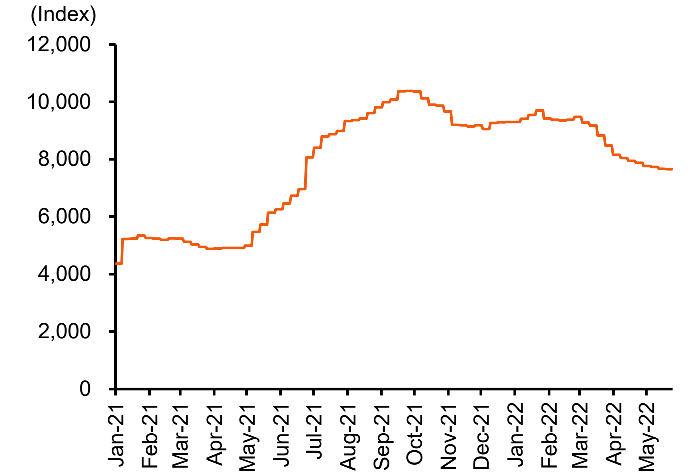
OCC (old corrugating medium) cost increases have been one of the key drags on UTP's profitability since early 2021. However, prices peaked in late 2021 at about $300/tonne and have since gradually declined. While we have again raised our OCC price assumptions by $50/tonne to $270/tonne in 2022F and $250/tonne in 2023-24F, we now see limited upside risk from these levels. We note that the OCC price in the US (which accounts for c.60% of Thailand's OCC imports) has continued to trend downward while shipping costs have also eased off. This points to a potential further decline in the OCC price from current levels.

Ex 6: OCC Price Trending Downwards



Sources: Company data; Thanachart estimates

Ex 7: Container Freight Rate Based On WCI



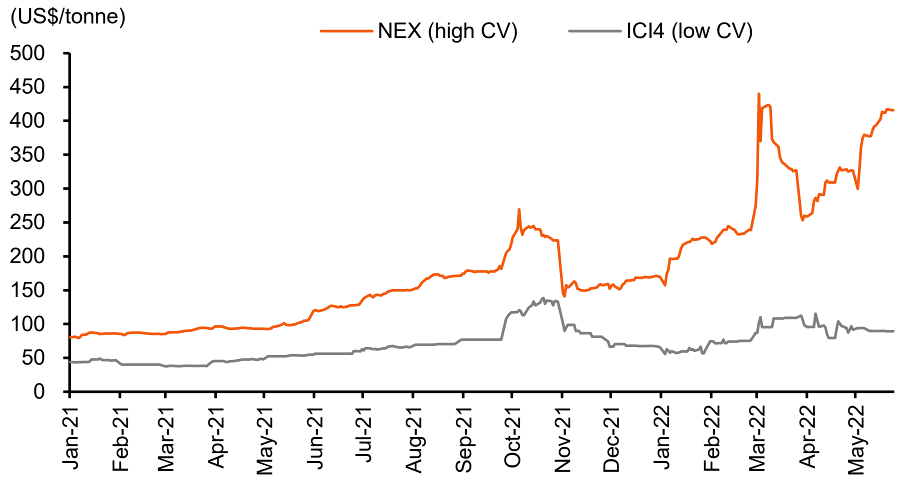
Sources: Company data; Thanachart estimates

We also believe energy cost pressure has peaked for UTP. The company mostly uses low-CV coal to generate electricity and steam for its internal use. The price of such coal, based on Indonesia's ICI4 benchmark (4,200 kcal/kg), peaked at USD130/tonne in October 2021. Since then, the price has come down and recently stabilized at under USD100/tonne. The market for seaborne low CV coal has weakened recently due to lower import demand by China. Also, unlike high-CV coal, the low rank coal does not benefit from the conflict in Ukraine which has pushed countries in Europe and North Asia to seek alternatives to Russian coal (mostly high CV).

Elevated coal price is a minor drag

UTP also supplements its own generation with power purchases from the grid during off-peak hours when the grid price becomes cheaper than UTP's generating costs. This provides a backstop for energy costs since UTP can always buy power from the grid, whose price is mostly based on low-cost domestic natural gas.

Ex 8: Low CV Coal Price (Which UTP Uses) Has Stabilized



Source: Bloomberg

Capacity expansion under way

The 20% capacity expansion is delayed by one quarter to 4Q22

UTP is in the process of installing new machinery that would increase its production capacity by about 20%. However, due to COVID-19 and logistics issues, there has been a construction delay. This means the new capacity is now scheduled to start up in 4Q22 instead of the earlier planned 3Q22, and we have reflected this in our assumptions. Still, the capacity addition would add to strong volume growth in 4Q22F and 2023F.

Attractive valuation, in our view

We are trimming our 2022F earnings by 3% due to the delayed capacity expansion, partially offset by higher margin. For 2023-25F, we are raising our earnings by 3-7% to reflect strong ASP hikes and limited cost increases. As such, we are lifting our DCF-based 12-month TP, using a 2023F base year, to Bt29/share from Bt27.

Ex 9: Earnings And TP Revisions

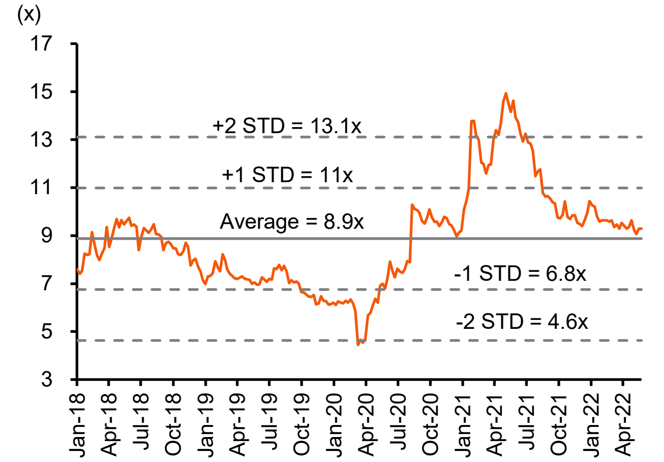
(Bt/shr)	EPS				TP
	2022F	2023F	2024F	2025F	
New	1.74	2.12	2.18	2.24	29.00
Old	1.80	2.06	2.07	2.09	27.00
Change (%)	*(3.1)*	*2.8*	*5.6*	*6.9*	*7.4*

Source: Thanachart estimates

Valuation looks attractive at 9x 2022F and 8x 2023F PE in light of 22% EPS CAGR over 2021-23F

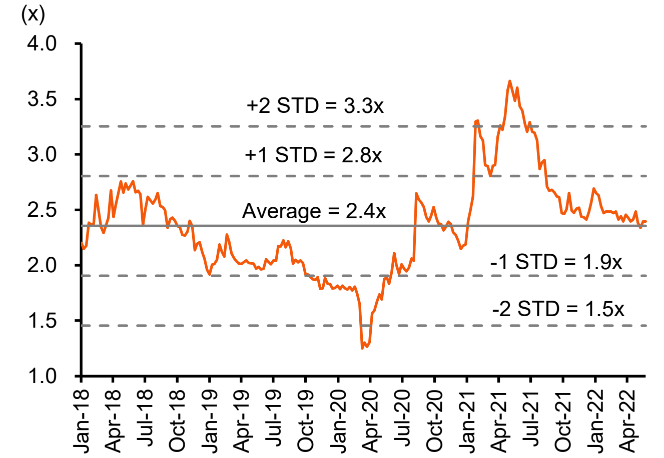
We believe UTP remains attractively valued, trading at 9x 2022F and 8x 2023F PE multiples despite offering a 22% earnings CAGR over 2021-23F. We also see the potential for a higher dividend payout ratio of 65% (vs. the 50% normal level) as the company maintains a large net cash position and has limited capex plans. This translates into 7% and 8.5% potential dividend yields in 2022-23F, respectively.

Ex 10: Forward PE



Sources: Bloomberg; Thanachart estimates

Ex 11: Forward P/BV



Sources: Bloomberg; Thanachart estimates

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

(Bt m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal Value
EBITDA	1,744	1,793	1,830	1,867	1,904	1,906	1,907	1,907	1,907	1,907	1,906	
Free cash flow	1,130	1,474	1,522	1,563	1,536	1,554	1,561	1,568	1,575	1,492	1,497	19,323
PV of free cash flow	1,083	1,296	1,215	1,140	1,024	947	870	799	705	608	555	7,163

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.8
WACC (%)	8.9
Terminal growth (%)	2.0
Enterprise value - add investments	17,406
Net debt / (cash)	1,102
Minority interest	0
Equity value	18,508
# of shares (m)	650
Equity value/share (Bt)	**29**

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 13: 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 (%)
Intl Paper Co	IP US	USA	15.3	2.8	10.4	10.1	2.0	1.9	7.5	7.2	4.1	3.9
Westrock Co	WRK US	USA	52.2	12.0	9.4	8.4	1.0	0.9	5.6	5.4	1.8	2.1
Packaging Corp	PKG US	USA	31.3	2.8	13.7	13.3	3.4	2.9	8.4	8.3	2.6	2.7
Domtar Corp	UFS US	USA	na	na	na	na	na	na	na	na	na	na
Graphic Packaging	GPK US	USA	82.9	11.7	10.4	9.3	2.8	2.2	8.2	7.7	1.4	1.6
Mondi Plc	MNDI LN	Europe	44.1	(7.5)	7.4	8.0	1.4	1.3	5.9	6.2	4.3	5.1
Stora Enso Oyj-R	STERV FH	Europe	18.1	(14.5)	11.6	13.6	1.3	1.2	7.3	8.3	2.6	3.2
Smurfit Kappa Gr	SKG LN	Europe	27.6	4.4	9.5	9.1	1.7	1.5	6.4	6.2	3.7	4.3
Ds Smith Plc	SMDS LN	Europe	27.7	18.0	10.2	8.7	1.2	1.1	6.4	5.9	3.9	4.8
Billerudkorsnas	BILL SS	Europe	104.3	(9.8)	8.4	9.3	1.2	1.1	5.4	5.6	3.4	4.0
Holmen Ab-B Shs	HOLMB SS	Europe	38.1	(28.0)	20.1	27.9	1.7	1.7	13.3	16.9	1.8	1.8
Reno De Medici Spa	RM IM	Europe	25.4	16.6	na	na	na	na	na	na	na	na
Mayr-Melnhof Karton Ag	MMK AV	Europe	16.5	12.7	13.5	12.0	1.7	1.6	8.0	7.3	2.1	2.5
Oji Holdings Cor	3861 JP	Japan	4.7	5.0	7.0	6.7	0.6	0.6	6.2	6.1	2.5	2.5
Nippon Paper Ind	3863 JP	Japan	na	87.4	15.5	8.3	0.3	0.3	10.8	10.1	4.2	4.2
Hokuetsu Corp	3865 JP	Japan	na	4.9	8.1	7.7	0.4	0.4	6.5	6.3	2.3	4.0
Rengo Co Ltd	3941 JP	Japan	17.7	7.5	5.2	4.9	0.5	0.4	5.6	5.3	3.5	3.5
Nine Dragons Paper	2689 HK	Hong Kong	(28.1)	7.2	6.2	5.8	0.6	0.6	6.0	5.2	7.6	4.3
Lee & Man Paper	2314 HK	Hong Kong	(29.3)	8.5	5.5	5.1	0.5	0.4	5.7	5.3	8.8	6.9
Shandong Chen - A	000488 CH	China	(50.2)	12.4	11.6	10.3	0.8	0.7	9.4	9.3	4.7	2.1
Shandong Sun - A	002078 CH	China	(4.6)	10.8	10.6	9.5	1.5	1.3	8.2	7.4	1.5	1.5
Shanying Intl – A	600567 CH	China	(16.1)	19.8	8.3	6.9	0.7	0.6	10.7	9.3	1.5	2.1
SCG Packaging Pcl	SCGP TB *	Thailand	8.2	29.3	27.5	21.2	2.3	2.2	12.4	10.2	1.8	2.4
United Paper Pcl	UTP TB*	Thailand	23.5	21.4	9.3	7.7	2.4	2.1	6.6	5.4	7.0	8.5
Average			**19.5**	**10.2**	**10.9**	**10.2**	**1.4**	**1.2**	**7.7**	**7.5**	**3.5**	**3.5**

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

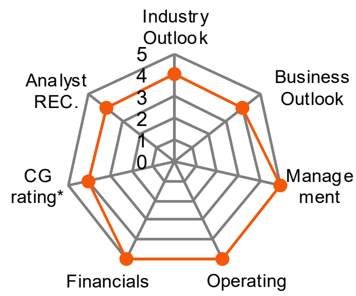
Based on 27 May 2022 closing prices

COMPANY DESCRIPTION

United Paper Pcl (UTP TB) manufactures kraft paper for the production of corrugated cardboard boxes. It produces both linerboard and corrugating medium. It sells most of its products locally in Thailand with the export portion normally making up less than 15%. The vast majority of its feedstock is old corrugated cardboard (OCC) imported from Europe, the US, Japan and Australia.

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

- Industry leading profitability and returns
- Strong focus on kraft paper production in Thailand
- Sister company provides c.40% captive demand

W — Weakness

- Heavy reliance on the Thai market
- Heavy reliance on imported feedstock with limited gathering and recycling capability to secure local feedstock

O — Opportunity

- Riding megatrends including e-commerce growth in Thailand
- Room to further improve product mix and increase volume via capacity debottlenecking
- Potential expansion under study. This could more than double UTP's capacity by 2024F

T — Threat

- Changing government policies in Thailand and China could impact its feedstock procurement and pricing
- Potential for intensifying local competition which has been benign

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	20.33	29.00	43%
Net profit 22F (Bt m)	998	1,133	14%
Net profit 23F (Bt m)	1,125	1,376	22%
Consensus REC	**BUY: 2**	**HOLD: 2**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2022-23F profit are much higher than the Bloomberg consensus estimates, which we attribute to us seeing a strong outlook for demand and ASP increases.
- Our DCF-based TP is also much higher, likely as we expect a stronger long-term growth outlook.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- A slower-than-expected demand recovery due to an economic contraction would be the key downside risk to our call.
- Changes in government policies, which may impact its feedstock procurement and prices, represent a secondary downside risk.

Source: Thanachart

We expect a profit CAGR of 22% over 2021-23F

UTP has a high net cash position, supporting our view that it could pay higher dividend

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	3,569	4,601	5,880	6,899	7,028
Cost of sales	2,384	3,511	4,556	5,297	5,371
Gross profit	**1,185**	**1,089**	**1,325**	**1,602**	**1,657**
% gross margin	33.2%	23.7%	22.5%	23.2%	23.6%
Selling & administration expenses	63	64	79	85	88
Operating profit	**1,122**	**1,026**	**1,245**	**1,517**	**1,570**
% operating margin	31.4%	22.3%	21.2%	22.0%	22.3%
Depreciation & amortization	210	212	225	227	223
EBITDA	**1,331**	**1,238**	**1,470**	**1,744**	**1,793**
% EBITDA margin	37.3%	26.9%	25.0%	25.3%	25.5%
Non-operating income	37	22	28	33	34
Non-operating expenses	0	0	0	0	0
Interest expense	(0)	(0)	(0)	(4)	(8)
Pre-tax profit	**1,159**	**1,048**	**1,273**	**1,546**	**1,595**
Income tax	148	130	140	170	175
After-tax profit	**1,011**	**917**	**1,133**	**1,376**	**1,420**
% net margin	28.3%	19.9%	19.3%	19.9%	20.2%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	0	0	0	0	0
NET PROFIT	**1,011**	**917**	**1,133**	**1,376**	**1,420**
Normalized profit	**1,011**	**917**	**1,133**	**1,376**	**1,420**
EPS (Bt)	1.6	1.4	1.7	2.1	2.2
Normalized EPS (Bt)	1.6	1.4	1.7	2.1	2.2

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	2,123	2,594	3,504	4,429	5,279
Cash & cash equivalent	668	644	1,000	1,500	2,300
Account receivables	951	1,204	1,540	1,806	1,840
Inventories	370	621	806	937	950
Others	133	124	158	186	189
Investments & loans	0	0	0	0	0
Net fixed assets	1,732	1,633	1,594	1,511	1,425
Other assets	49	51	51	51	51
Total assets	**3,904**	**4,277**	**5,148**	**5,991**	**6,755**
LIABILITIES:					
Current liabilities:	406	370	615	805	963
Account payables	328	308	400	465	472
Bank overdraft & ST loans	0	0	96	199	317
Current LT debt	3	4	19	40	63
Others current liabilities	75	58	99	101	111
Total LT debt	**0**	**0**	**77**	**159**	**253**
Others LT liabilities	42	47	62	71	72
Total liabilities	**449**	**416**	**754**	**1,036**	**1,288**
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	650	650	650	650	650
Share premium	174	174	174	174	174
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	**2,631**	**3,036**	**3,570**	**4,131**	**4,642**
Shareholders' equity	3,456	3,861	4,395	4,955	5,466
Liabilities & equity	**3,904**	**4,277**	**5,148**	**5,991**	**6,755**

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

UTP generates high FCF

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	1,159	1,048	1,273	1,546	1,595
Tax paid	(130)	(148)	(99)	(168)	(166)
Depreciation & amortization	210	212	225	227	223
Chg In w orking capital	(151)	(525)	(428)	(333)	(40)
Chg In other CA & CL / minorities	(4)	10	(34)	(27)	(3)
Cash flow from operations	**1,084**	**597**	**937**	**1,246**	**1,608**
Capex	(130)	(113)	(186)	(145)	(137)
Right of use	(4)	(4)	0	0	0
ST loans & investments	40	0	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	12	7	15	9	1
Cash flow from investments	**(82)**	**(110)**	**(171)**	**(135)**	**(135)**
Debt financing	3	1	189	205	236
Capital increase	0	0	0	0	0
Dividends paid	(702)	(513)	(599)	(815)	(909)
Warrants & other surplus	(4)	1	0	0	0
Cash flow from financing	**(703)**	**(511)**	**(410)**	**(610)**	**(673)**
Free cash flow	**954**	**484**	**750**	**1,101**	**1,472**

VALUATION

Valuation looks attractive to us at sub-10x PE in light of strong growth potential

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	10.4	11.5	9.3	7.7	7.4
Normalized PE - at target price (x)	18.6	20.5	16.6	13.7	13.3
PE (x)	10.4	11.5	9.3	7.7	7.4
PE - at target price (x)	18.6	20.5	16.6	13.7	13.3
EV/EBITDA (x)	7.4	8.0	6.6	5.4	4.9
EV/EBITDA - at target price (x)	13.7	14.7	12.3	10.2	9.6
P/BV (x)	3.0	2.7	2.4	2.1	1.9
P/BV - at target price (x)	5.5	4.9	4.3	3.8	3.4
P/CFO (x)	9.7	17.6	11.2	8.5	6.5
Price/sales (x)	3.0	2.3	1.8	1.5	1.5
Dividend yield (%)	4.9	4.4	7.0	8.5	8.8
FCF Yield (%)	9.1	4.6	7.1	10.5	14.0
(Bt)					
Normalized EPS	1.6	1.4	1.7	2.1	2.2
EPS	1.6	1.4	1.7	2.1	2.2
DPS	0.8	0.7	1.1	1.4	1.4
BV/share	5.3	5.9	6.8	7.6	8.4
CFO/share	1.7	0.9	1.4	1.9	2.5
FCF/share	1.5	0.7	1.2	1.7	2.3

Sources: Company data, Thanachart estimates

UTP continues to generate very high ROE of almost 30% despite its net cash balance sheet

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	4.9	28.9	27.8	17.3	1.9
Net profit (%)	17.2	(9.3)	23.5	21.4	3.2
EPS (%)	17.2	(9.3)	23.5	21.4	3.2
Normalized profit (%)	17.2	(9.3)	23.5	21.4	3.2
Normalized EPS (%)	17.2	(9.3)	23.5	21.4	3.2
Dividend payout ratio (%)	51.4	50.3	65.0	65.0	65.0
Operating performance					
Gross margin (%)	33.2	23.7	22.5	23.2	23.6
Operating margin (%)	31.4	22.3	21.2	22.0	22.3
EBITDA margin (%)	37.3	26.9	25.0	25.3	25.5
Net margin (%)	28.3	19.9	19.3	19.9	20.2
D/E (incl. minor) (x)	0.0	0.0	0.0	0.1	0.1
Net D/E (incl. minor) (x)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Interest coverage - EBIT (x)	na	na	na	377.5	193.3
Interest coverage - EBITDA (x)	na	na	na	434.0	220.7
ROA - using norm profit (%)	27.4	22.4	24.0	24.7	22.3
ROE - using norm profit (%)	30.6	25.1	27.4	29.4	27.2
DuPont					
ROE - using after tax profit (%)	30.6	25.1	27.4	29.4	27.2
- asset turnover (x)	1.0	1.1	1.2	1.2	1.1
- operating margin (%)	32.5	22.8	21.7	22.5	22.8
- leverage (x)	1.1	1.1	1.1	1.2	1.2
- interest burden (%)	100.0	100.0	100.0	99.7	99.5
- tax burden (%)	87.3	87.6	89.0	89.0	89.0
WACC (%)	8.9	8.9	8.9	8.9	8.9
ROIC (%)	35.2	32.2	34.4	37.6	36.3
NOPAT (Bt m)	979	898	1,108	1,350	1,397
invested capital (Bt m)	2,790	3,220	3,587	3,853	3,800

Sources: Company data, Thanachart estimates

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