Small Cap Research

Thanachart Securities

HOLD (Unchanged) | **TP: Bt 54.00** (From: Bt 47.00)

Change in Numbers | **Upside: 6.9%** | **3 JUNE 2022**

Mega Lifesciences Pcl (MEGA TB)

Peaking out

We maintain HOLD on MEGA expecting its earnings to peak out this year. After enjoying abnormally strong demand during COVID period, we expect MEGA's earnings to peak out this year with a 7% drop in 2023F. At 21x 2023F PE, we see MEGA as fairly priced.

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Extra demand from COVID

MEGA has been a COVID beneficiary with its earnings growing by 16/29% in 2020-21 and 77% y-y in 1Q22. The main driver was branded food supplement and pharmaceuticals (78% of gross profits). MEGA doesn't sell COVID drugs, but its products especially immunity-based ones like vitamins, saw abnormally high health-consciousness demand amid COVID fears. Sales rose by 7/18% in 2020-21 and 33% y-y in 1Q22. Also, the leverage effect helped branded gross margin to increase to 69% in 1Q22 from 63% in 2019. MEGA's other drug-and-FMCG-related distribution business (20% of gross profits, 18% margin) grew 20/6% in 2010-21. So far in 2Q22, branded segment remains very strong, while distribution is flat.

Normalization may start as soon as 2H22F

Historically, MEGA's business has grown by high single digits. And we expect its sales after the COVID years to normalize back to the same growth level. 2Q22 momentum so far remains very strong but we expect normalization to happen in 2H22F. Exhibit 5 shows that its sales have moved along with COVID rates. Now, cases are falling in MEGA's markets in Thailand, Myanmar and Vietnam, while vaccination rates are rising. Exhibit 6 shows falling supplement sales in more developed markets, e.g., US and Germany, since 2H21 when vaccination rates improved meaningfully.

Some cost pressure

Raw materials, e.g., natural substances, make up 20% of MEGA's costs and prices have risen from early 2Q22 along with the global inflation trend. That said, thanks to the weak baht vs. the US$ (MEGA's main selling currency), its gross margin should remain intact in 2Q22F from 1Q22. MEGA has yet to pass on costs to its clients but it said it can do so if costs rise more.

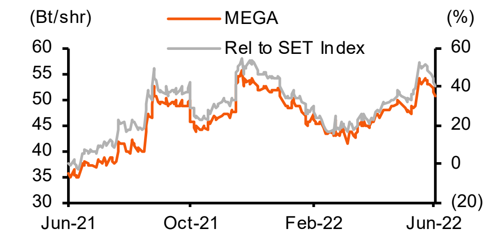
Maintaining HOLD

We maintain our HOLD call on MEGA with a new DCF-based 12-month TP of Bt54/share (from Bt47). 1) We expect MEGA's earnings to peak this year before normalizing with -7% growth in 2023F. 2) MEGA looks fairly valued to us trading on 21x PE in 2023F. 3) We continue to like MEGA's strong fundamentals, growth-oriented management team and its robust business position in the markets it is exposed to. In this report, we raise our TP as we revise up our earnings by 18/4/4% in 2022-24F after stronger-than-expected 1Q22 results. We also roll over our base year to 2023F from 2022F.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	14,136	14,951	14,941	15,915
Net profit	1,947	2,256	2,100	2,261
Consensus NP	—	2,003	2,217	2,399
Diff frm cons (%)	—	*12.6*	*(5.3)*	*(5.7)*
Norm profit	1,828	2,256	2,100	2,261
Prev. Norm profit	—	1,919	2,038	2,165
Chg frm prev (%)	—	*17.5*	*3.1*	*4.4*
Norm EPS (Bt)	2.1	2.6	2.4	2.6
Norm EPS grw (%)	29.2	23.4	(6.9)	7.7
Norm PE (x)	24.1	19.5	21.0	19.5
EV/EBITDA (x)	17.2	13.9	14.4	13.2
P/BV (x)	5.5	4.9	4.5	4.1
Div yield (%)	2.7	3.2	2.9	3.3
ROE (%)	24.4	26.6	22.5	22.2
Net D/E (%)	(29.5)	(35.5)	(40.3)	(46.0)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 2-Jun-22(Bt)	50.50
Market Cap (US$ m)	1,282.7
Listed Shares (m shares)	871.9
Free Float (%)	39.54
Avg Daily Turnover (US$ m)	5.78
12M Price H/L (Bt)	55.50/35.00
Sector	Commerce
Major Shareholder	Shah Family 50.1%

Sources: Bloomberg, Company data, Thanachart estimates

Peaking out

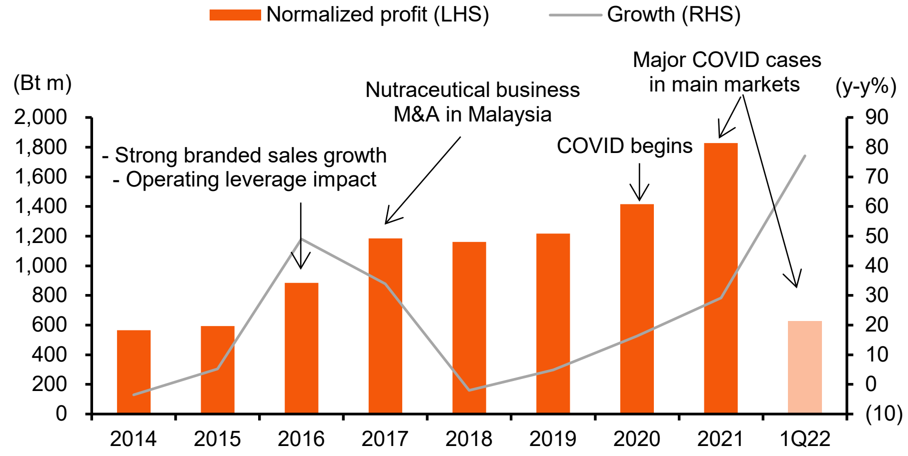
We expect MEGA's earnings to peak in 2H22F

We expect Mega Lifesciences Pcl's (MEGA) earnings to start returning to normal level as soon as 2H22F after the COVID-led abnormally strong period since 2020.

MEGA has been a COVID beneficiary

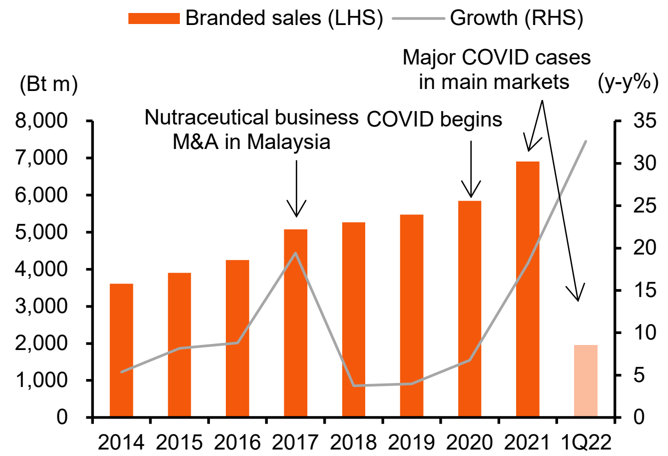
MEGA's earnings grew by 16/29% in 2020-21 and another 77% y-y in 1Q22. All its businesses grew strongly, with the main growth driver being branded food supplements and pharmaceuticals (78% of gross profits). Sales rose by 7/18% in 2020-21 and 33% y-y in 1Q22. MEGA doesn't sell COVID drugs but the fear of COVID caused high demand for its products, especially immunity-based ones such as vitamins. MEGA's lower-margin drug-and-FMCG-related distribution business also grew 20/6% and 2% y-y in 1Q22. The leverage impact also helped EBIT margin to rise nicely (see Exhibit 4).

Ex 1: Normalized Profits



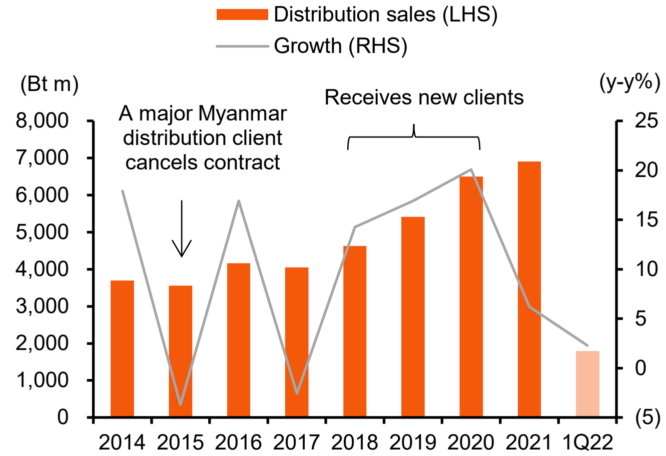
Sources: Company data, Thanachart estimates

Ex 2: Branded Sales



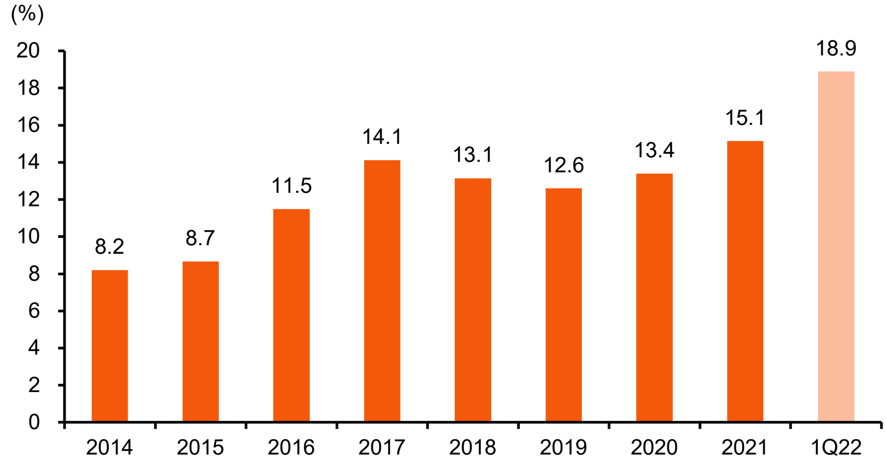
Sources: Company data; Thanachart estimates

Ex 3: Distribution Sales



Sources: Company data; Thanachart estimates

Ex 4: Rising EBIT Margin



Source: Company data

Falling COVID cases likely to lead to lower demand for MEGA's products

So far in 2Q22, branded sales remain very strong while distribution is flat. We, however, expect a normalization of sales to begin in 2H22F. Exhibit 5 shows MEGA's branded sales moved in line with the COVID rate trends in its main markets in Thailand, Myanmar and Vietnam. The recent spike in Omicron infections in 1Q22 in its markets also resulted in strong demand during the quarter. However, COVID cases are falling now, while vaccination rates are improving and people are becoming less fearful of the disease and returning to their normal lifestyles. Therefore, we don't expect the abnormally strong health-consciousness trend to continue.

Exhibit 6 shows sales of MEGA's food-supplement peers in more developed markets, e.g., the US and Germany, rose during the COVID period. However, their sales started to fall from 2H21 along with the surge in vaccination rates, regardless of case numbers. The two-dose vaccination level in MEGA's markets was much lower during 2021 but has increased to a similar level to that of more developed markets. The latest two-dose vaccination average for the US and Germany averaged 70%. The figures for people in MEGA's markets are also standing at 70% of their total population currently. This, together with falling COVID infections, leads us to expect MEGA's food supplement sales to soften in 2H22F.

Ex 5: MEGA's Sales Vs. COVID Cases And Vaccination Level

	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	May-22
MEGA's total sales (q-q%)	29	4	(6)	9	12	(18)	17	
Change in quarterly COVID cases in MEGA's markets (q-q%)	6,225	13	(74)	1,731	364	(33)	512	(77)
2 vaccination doses vs. total population (%)	0	0	0	2	13	59	68	70

Sources: Company data, Our World In Data, Bloomberg
Note: MEGA's main markets are Thailand, Myanmar and Vietnam

Ex 6: Developed Markets' Supplement Sales Vs. COVID Cases And Vaccination Level

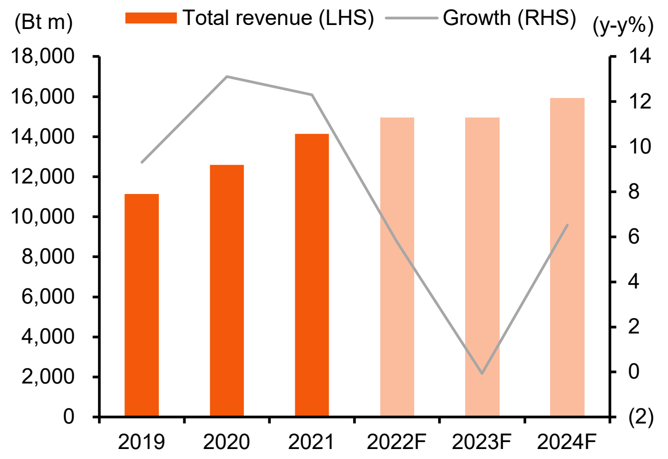
	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	May-22
Peers' total sales (q-q%)	11	(3)	4	5	(10)	(5)	0	
Change in quarterly COVID cases in developed markets (q-q%)	83	200	(14)	(65)	143	36	197	(46)
2 vaccination doses vs. total population (%)	0	0	17	47	59	65	68	70

Sources: Company data, Our World In Data, Bloomberg
Note: Peers include Biotest AG, USANA Health Science and Herbalife nutrition

Our earnings forecasts

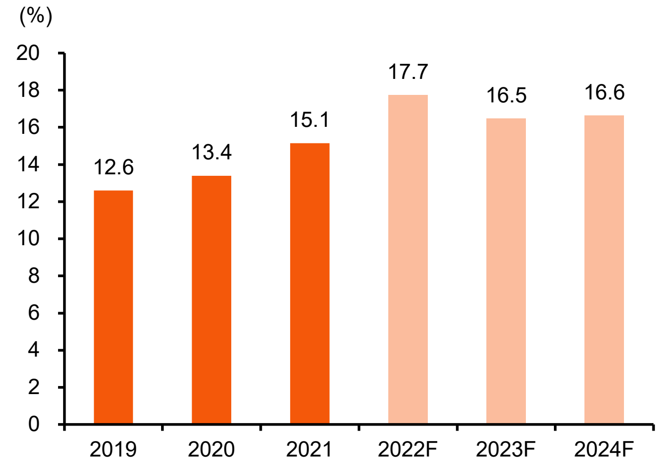
After the abnormally strong period from 2020, we expect a normalization from 2H22 with a full year's normalization in 2023F. We forecast -20/-7% earnings growth during these periods. We expect MEGA to resume its normal high-single-digit growth from 2024F.

Ex 7: We Expect A Normalization In Sales…



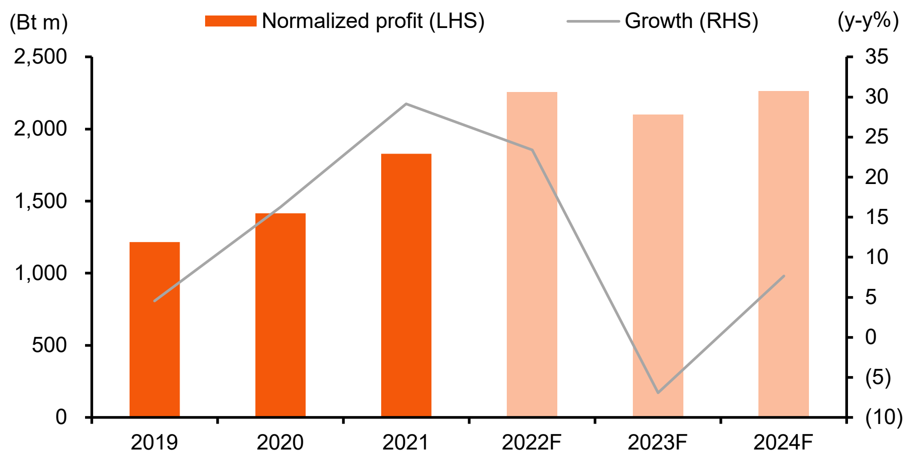
Sources: Company data; Thanachart estimates

Ex 8: …In EBIT Margin…



Sources: Company data; Thanachart estimates

Ex 9: …And In Profits

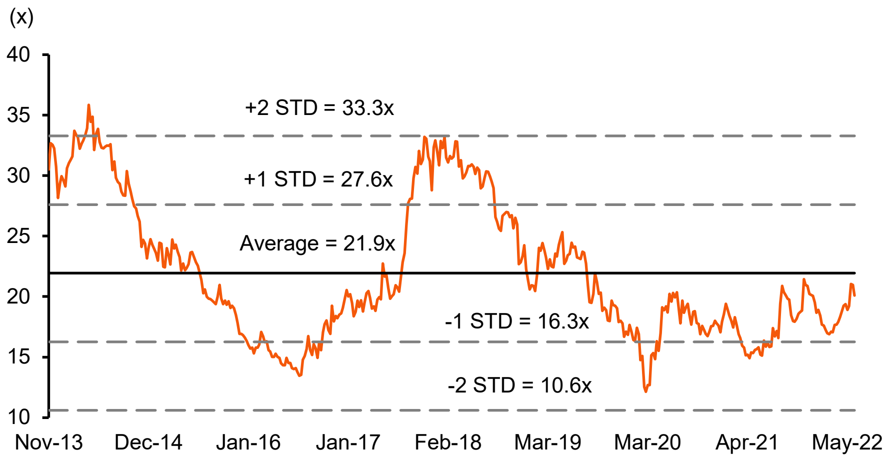


Sources: Company data, Thanachart estimates

Valuation looks fair to us

Valuation wise, MEGA is trading on 20x PE this year, before increasing to 21x in 2023F, vs. its 22x 8-year historical average.

Ex 10: Historical PE



Sources: Bloomberg, Thanachart estimates

Ex 11: Key Assumption Revisions

	2020	2021	2022F	2023F	2024F
Sales (Bt m)					
New	12,589	14,136	14,951	14,941	15,915
Old			14,667	15,547	16,526
Change (%)			*1.9*	*(3.9)*	*(3.7)*
Gross margin (%)					
New	39.6	41.8	43.6	42.7	42.8
Old			42.0	41.9	41.9
Change (pp)			*1.6*	*0.8*	*0.9*
SG&A to sales (%)					
New	26.2	26.7	25.9	26.2	26.2
Old			26.7	26.6	26.5
Change (pp)			*(0.8)*	*(0.3)*	*(0.3)*
Normalized profit (Bt m)					
New	1,416	1,828	2,256	2,100	2,261
Old			1,919	2,038	2,165
Change (%)			*17.5*	*3.1*	*4.4*

Sources: Company data, Thanachart estimates

Ex 12: 12-month DCF-based TP Calculation Using A Base Year Of 2023F

(Bt m)		2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal Value
EBITDA		2,777	2,976	3,293	3,733	4,148	4,565	5,005	5,386	5,867	6,373	6,804	—
Free cash flow		2,170	2,346	2,594	3,050	3,445	3,787	4,004	4,411	4,837	5,247	5,513	65,287
PV of free cash flow		2,164	1,952	1,969	2,112	2,127	2,123	2,038	2,040	2,031	2,000	1,817	21,514
Risk-free rate (%)	3.5												
Market risk premium (%)	8.0												
Beta	0.9												
WACC (%)	10.7												
Terminal growth (%)	2.0												
Enterprise value - add investments	43,887												
Net debt (2022F)	(3,183)												
Minority interest	17												
Equity value	47,053												
# of shares (m)	872												
Equity value/share (Bt)	**54.00**												

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 13: Valuation Comparison With 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 (%)
Bristol-Myers Squibb	BMY US	US	1.2	6.9	9.9	9.2	4.0	3.5	8.7	8.4	2.8	3.0
Eli Lilly & Co	LLY US	US	2.8	13.4	37.1	32.7	23.7	18.4	30.4	27.2	1.2	1.4
Johnson & Johnson	JNJ US	US	5.2	4.5	17.3	16.5	5.8	5.2	13.5	12.6	2.5	2.6
Merck & Co Inc	MRK US	US	21.2	0.8	12.5	12.4	4.9	4.1	10.5	10.4	3.1	3.3
Pfizer Inc	PFE US	US	55.7	(23.1)	7.6	9.9	2.9	2.6	6.4	8.3	3.1	3.2
Abbott Laboratories	ABT US	US	(6.5)	0.6	23.6	23.5	5.1	4.4	18.0	18.2	1.6	1.7
Astellas Pharma Inc	4503 JP	Japan	80.2	18.5	16.7	14.1	2.4	2.2	9.6	8.7	2.9	3.2
Chugai Pharmaceutical	4519 JP	Japan	11.3	(7.1)	17.1	18.4	4.0	3.5	10.8	11.7	2.2	2.4
Daiichi Sankyo Co Ltd	4568 JP	Japan	29.8	39.4	72.0	51.6	4.6	4.4	34.5	25.7	0.9	1.0
Eisai Co Ltd	4523 JP	Japan	34.0	(16.7)	14.5	33.7	2.0	2.0	12.1	13.2	3.1	3.2
Otsuka Holdings Co Ltd	4578 JP	Japan	15.4	6.1	16.2	15.2	1.1	1.1	7.9	7.6	2.3	2.3
Taisho Pharmaceutical	4581 JP	Japan	1.1	5.7	29.8	28.1	0.5	0.5	5.6	5.0	2.1	2.1
AstraZeneca	AZN LN	UK	26.7	16.1	19.6	16.8	5.2	4.8	15.4	12.8	2.2	2.4
GlaxoSmithKline	GSK LN	UK	8.2	22.7	13.9	11.4	5.3	4.5	10.7	9.9	3.1	3.2
Novartis AG	NOVN SW	Switzerland	(2.0)	10.7	14.6	13.2	3.1	3.0	12.5	11.6	3.7	3.8
Roche Holding AG	ROG SW	Switzerland	4.8	4.1	15.7	15.0	7.1	5.9	11.5	11.2	3.0	3.1
Blackmores Ltd	BKL AU	Australia	20.1	48.4	43.5	29.3	3.5	3.2	15.3	12.1	1.3	1.9
Novo Nordisk A/S	NOVOB DC	Denmark	12.9	20.6	33.2	27.5	23.0	19.8	23.3	20.7	1.5	1.7
Sanofi	SAN FP	France	17.4	4.2	13.0	12.5	1.8	1.7	10.0	9.8	3.5	3.6
Apex Healthcare	APEX MK	Malaysia	16.4	2.3	20.2	19.8	2.5	2.3	12.9	12.4	1.8	1.9
Kalbe Farma	KLBF IJ	Indonesia	7.5	9.1	22.0	20.2	3.5	3.2	14.1	13.1	2.2	2.4
Mega Lifesciences	MEGA TB*	Thailand	23.4	(6.9)	19.5	21.0	4.9	4.5	13.9	14.4	3.2	2.9
Average			**18.4**	**8.2**	**22.3**	**20.5**	**5.5**	**4.8**	**14.0**	**13.0**	**2.4**	**2.6**

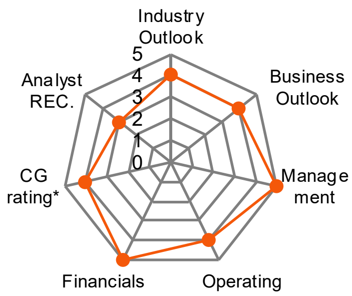
Sources: Bloomberg, Thanachart estimates
Note: * Thanachart estimates, using normalized EPS
Based on 2-Jun-22 closing price

COMPANY DESCRIPTION

Mega Lifesciences PCL manufactures, markets and distributes nutritional and herbal supplement, OTC and ethical drugs. The company produces products that range from treating internal issues to overall general health. MEGA's operates in 33 countries globally.

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

- Products have strong brand recognition.
- Has its own distribution networks.
- Strong market knowledge and business connections.

W — Weakness

- No exposure to large-value pharmaceutical markets in developed countries.
- Not keen on big-molecule medicines which are popular and offer high margins.

O — Opportunity

- Growing business along with decent GDP growth in its main markets.
- Penetrating untapped developing and less developed markets.
- New customers for its distribution services.

T — Threat

- Global pharmaceutical players entering MEGA's markets.
- Distribution customers can terminate contracts.
- Strong baht trend against other currencies, especially the US dollar.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	57.53	54.00	-6%
Net profit 22F (Bt m)	2,003	2,256	13%
Net profit 23F (Bt m)	2,217	2,100	-5%
Consensus REC	**BUY: 7**	**HOLD: 5**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimate in 2022F is higher than the Bloomberg consensus, which we attribute to us having a more bullish view on abnormally strong demand for MEGA's products.
- Our TP is lower than the consensus number, which we attribute to us having a more bearish view on MEGA's earnings growth after the high base.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Failure to receive drug-license approval for new pharmaceutical, nutraceutical and over-the-counter products would be the key downside risk to our call.
- Distribution clients terminating contracts represents a secondary downside risk.
- A lower baht than our current expectation is a key upside risk.

Source: Thanachart

We expect profits to peak in 2022F

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	12,589	14,136	14,951	14,941	15,915
Cost of sales	7,603	8,225	8,432	8,564	9,102
Gross profit	**4,986**	**5,911**	**6,519**	**6,377**	**6,812**
% gross margin	39.6%	41.8%	43.6%	42.7%	42.8%
Selling & administration expenses	3,299	3,769	3,869	3,916	4,167
Operating profit	**1,687**	**2,141**	**2,650**	**2,461**	**2,645**
% operating margin	13.4%	15.1%	17.7%	16.5%	16.6%
Depreciation & amortization	256	274	291	316	331
EBITDA	**1,943**	**2,416**	**2,941**	**2,777**	**2,976**
% EBITDA margin	15.4%	17.1%	19.7%	18.6%	18.7%
Non-operating income	24	37	34	34	37
Non-operating expenses	0	0	0	0	0
Interest expense	(72)	(28)	(29)	(28)	(33)
Pre-tax profit	**1,638**	**2,150**	**2,656**	**2,468**	**2,648**
Income tax	234	336	415	386	414
After-tax profit	**1,404**	**1,814**	**2,241**	**2,082**	**2,234**
% net margin	11.2%	12.8%	15.0%	13.9%	14.0%
Shares in affiliates' Earnings	7	9	10	13	22
Minority interests	4	6	5	5	5
Extraordinary items	(23)	119	0	0	0
NET PROFIT	**1,393**	**1,947**	**2,256**	**2,100**	**2,261**
Normalized profit	**1,416**	**1,828**	**2,256**	**2,100**	**2,261**
EPS (Bt)	1.6	2.2	2.6	2.4	2.6
Normalized EPS (Bt)	1.6	2.1	2.6	2.4	2.6

Plenty of cash on hand

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	7,587	9,301	10,124	10,907	12,290
Cash & cash equivalent	1,221	2,536	3,200	3,990	5,000
Account receivables	2,684	2,808	2,970	2,927	3,074
Inventories	3,489	3,823	3,812	3,848	4,065
Others	193	134	142	142	151
Investments & loans	194	215	235	255	276
Net fixed assets	1,951	1,837	1,946	1,930	1,699
Other assets	1,824	1,919	2,004	2,093	2,187
Total assets	**11,557**	**13,272**	**14,309**	**15,185**	**16,452**
LIABILITIES:					
Current liabilities:	4,229	4,853	4,867	4,969	5,325
Account payables	2,794	3,533	3,622	3,678	3,910
Bank overdraft & ST loans	499	168	17	56	108
Current LT debt	0	0	0	0	0
Others current liabilities	936	1,152	1,229	1,234	1,307
Total LT debt	**0**	**0**	**0**	**0**	**0**
Others LT liabilities	349	393	464	466	486
Total liabilities	**4,578**	**5,247**	**5,332**	**5,435**	**5,810**
Minority interest	21	22	17	17	12
Preferreds shares	0	0	0	0	0
Paid-up capital	436	436	436	436	436
Share premium	2,305	2,305	2,305	2,305	2,305
Warrants	2	2	2	2	2
Surplus	(536)	(506)	(506)	(506)	(506)
Retained earnings	**4,752**	**5,766**	**6,723**	**7,497**	**8,393**
Shareholders' equity	6,958	8,003	8,960	9,733	10,629
Liabilities & equity	**11,557**	**13,272**	**14,309**	**15,185**	**16,452**

Sources: Company data, Thanachart estimates

Strong cash flows, based on our estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	1,638	2,150	2,656	2,468	2,648
Tax paid	(183)	(311)	(407)	(384)	(402)
Depreciation & amortization	256	274	291	316	331
Chg In working capital	(315)	281	(62)	63	(133)
Chg In other CA & CL / minorities	159	275	71	22	74
Cash flow from operations	**1,557**	**2,670**	**2,549**	**2,485**	**2,518**
Capex	(437)	(161)	(400)	(300)	(100)
Right of use	(263)	(3)	(3)	(3)	(3)
ST loans & investments	0	0	0	0	0
LT loans & investments	46	(20)	(20)	(20)	(20)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(168)	(57)	(12)	(85)	(71)
Cash flow from investments	**(822)**	**(241)**	**(435)**	**(408)**	**(194)**
Debt financing	(371)	(213)	(152)	40	51
Capital increase	0	0	(0)	0	0
Dividends paid	(670)	(923)	(1,299)	(1,327)	(1,365)
Warrants & other surplus	60	21	0	0	0
Cash flow from financing	**(981)**	**(1,114)**	**(1,450)**	**(1,287)**	**(1,314)**
Free cash flow	**1,120**	**2,509**	**2,149**	**2,185**	**2,418**

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	31.1	24.1	19.5	21.0	19.5
Normalized PE - at target price (x)	33.3	25.8	20.9	22.4	20.8
PE (x)	31.6	22.6	19.5	21.0	19.5
PE - at target price (x)	33.8	24.2	20.9	22.4	20.8
EV/EBITDA (x)	22.3	17.2	13.9	14.4	13.2
EV/EBITDA - at target price (x)	23.9	18.5	14.9	15.5	14.2
P/BV (x)	6.3	5.5	4.9	4.5	4.1
P/BV - at target price (x)	6.8	5.9	5.3	4.8	4.4
P/CFO (x)	28.3	16.5	17.3	17.7	17.5
Price/sales (x)	3.5	3.1	2.9	2.9	2.8
Dividend yield (%)	1.8	2.7	3.2	2.9	3.3
FCF Yield (%)	2.5	5.7	4.9	5.0	5.5
(Bt)					
Normalized EPS	1.6	2.1	2.6	2.4	2.6
EPS	1.6	2.2	2.6	2.4	2.6
DPS	0.9	1.4	1.6	1.4	1.7
BV/share	8.0	9.2	10.3	11.2	12.2
CFO/share	1.8	3.1	2.9	2.9	2.9
FCF/share	1.3	2.9	2.5	2.5	2.8

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	13.1	12.3	5.8	(0.1)	6.5
Net profit (%)	22.3	39.8	15.9	(6.9)	7.7
EPS (%)	22.2	39.8	15.9	(6.9)	7.7
Normalized profit (%)	16.3	29.2	23.4	(6.9)	7.7
Normalized EPS (%)	16.3	29.2	23.4	(6.9)	7.7
Dividend payout ratio (%)	56.3	61.8	61.8	60.0	65.0
Operating performance					
Gross margin (%)	39.6	41.8	43.6	42.7	42.8
Operating margin (%)	13.4	15.1	17.7	16.5	16.6
EBITDA margin (%)	15.4	17.1	19.7	18.6	18.7
Net margin (%)	11.2	12.8	15.0	13.9	14.0
D/E (incl. minor) (x)	0.1	0.0	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.1)	(0.3)	(0.4)	(0.4)	(0.5)
Interest coverage - EBIT (x)	23.3	75.7	91.9	89.4	79.5
Interest coverage - EBITDA (x)	26.9	85.4	102.0	100.9	89.4
ROA - using norm profit (%)	12.8	14.7	16.4	14.2	14.3
ROE - using norm profit (%)	21.6	24.4	26.6	22.5	22.2
DuPont					
ROE - using after tax profit (%)	21.4	24.2	26.4	22.3	21.9
- asset turnover (x)	1.1	1.1	1.1	1.0	1.0
- operating margin (%)	13.6	15.4	18.0	16.7	16.8
- leverage (x)	1.7	1.7	1.6	1.6	1.6
- interest burden (%)	95.8	98.7	98.9	98.9	98.8
- tax burden (%)	85.7	84.4	84.4	84.4	84.4
WACC (%)	9.6	9.6	9.6	9.6	9.6
ROIC (%)	25.8	29.0	39.7	35.9	38.5
NOPAT (Bt m)	1,446	1,807	2,236	2,076	2,231
invested capital (Bt m)	6,236	5,635	5,777	5,799	5,737

We expect ROIC to surpass WACC

Sources: Company data, Thanachart estimates

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