BUY (Unchanged) | **TP: Bt 440.00** (Unchanged) | **27 JUNE 2022**

Company Update | **Upside : 15.5%**

Thanachart Securities

The Siam Cement Pcl (SCC TB)

Not as bad as it seems

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We reaffirm our BUY call on SCC with a 2023F TP of Bt440. Despite a further rise in oil prices, cost pressure in 2Q22F is not as bad as it seems. There is also no change to our expectation of a synchronized recovery across all business lines in 2023F.

Profit not bad in 2Q22F

We estimate SCC's 2Q22F core earnings at Bt8bn, relatively flat from 1Q22. We consider this decent given concerns over higher oil and coal prices and softer petrochemical demand from lockdowns in China. *First,* high oil prices haven't pushed up the naphtha price because naphtha supply has increased with the refinery sector's higher run rate. *Second*, the cement price has been adjusted up to partially offset higher coal costs. *Finally,* OCC cost (the key raw material for packaging paper) has been gradually coming down from its peak in 3Q21. We expect SCC's profit to bottom out in 2Q22F with a strong recovery in 2023F driven by improving petrochemical spreads, petrochemical capacity expansion, and a turnaround of its paper business.

Weak naphtha price helps

China is a net importer of petrochemical products and it is Thailand's key petrochemical export destination. China lockdowns have led to concern over weak demand pressuring product spreads. However, spreads actually rose in 2Q22 from the previous quarter with the help of low naphtha costs. For SCC, the HDPE-naphtha spread in 2Q22 was at US$470/tonne vs. US$453 in 1Q22. Higher crude oil prices didn't translate into higher costs for naphtha, SCC's key petrochemical feedstock. The naphtha discount to Dubai so far in 2Q22 has widened to a record low of US$27/bbl vs. its five-year average of US$2.8/bbl due to a higher refinery run rate resulting in more naphtha supply.

Cement prices to continue to increase

Coal accounts for 30% of SCC's cement production costs. The coal price hike impact however looks manageable for SCC. The average 8% cement price increase in 4M22 partially helped offset the 20% coal cost hike and we expect another 8% price increase in 2H22F. Note that SCC uses lower calorific value (CV) or lower heating value coal than the Newcastle (NEX) benchmark. The low CV Indonesian coal price has risen by only US$20/tonne YTD vs. a US$227 increase in the NEX price. SCC purchases coal on six- to nine-month contracts rather than at the spot rate. This gives time for SCC to gradually adjust cement prices and to implement cost measures to mitigate the impact.

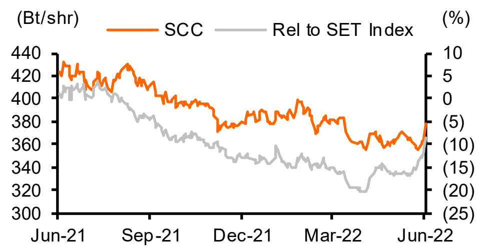
A strong turnaround in 2023F

We reaffirm our BUY call on SCC for its 35% earnings turnaround in 2023F from most of its business lines. The strongest driver should be its petrochemical business' 47% capacity increase and a spread recovery. We expect its packaging paper business to turn around as a result of falling raw material OCC costs. Meanwhile, we foresee its cement and building business growing on a recovering economy after the easing of the COVID crisis.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	530,112	529,641	558,767	633,566
Net profit	47,174	35,615	48,090	57,198
Consensus NP	—	39,892	46,549	55,956
Diff frm cons (%)	—	*(10.7)*	*3.3*	*2.2*
Norm profit	46,967	35,615	48,090	57,198
Prev. Norm profit	—	35,615	48,090	57,198
Chg frm prev (%)	—	*0.0*	*0.0*	*(0.0)*
Norm EPS (Bt)	39.1	29.7	40.1	47.7
Norm EPS grw (%)	24.0	(24.2)	35.0	18.9
Norm PE (x)	9.7	12.8	9.5	8.0
EV/EBITDA (x)	9.0	12.3	8.6	7.3
P/BV (x)	1.3	1.2	1.1	1.0
Div yield (%)	4.9	3.9	5.3	6.3
ROE (%)	13.7	9.5	12.2	13.5
Net D/E (%)	49.4	55.7	48.1	40.6

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 27-Jun-22 (Bt)	381.00
Market Cap (US$ m)	12,948.9
Listed Shares (m shares)	1,200.0
Free Float (%)	66.2
Avg Daily Turnover (US$ m)	32.1
12M Price H/L (Bt)	432.00/355.00
Sector	CONMAT
Major Shareholder	HM King Maha Vajiralongkorn Bodindradebayavarangkun 33.64%

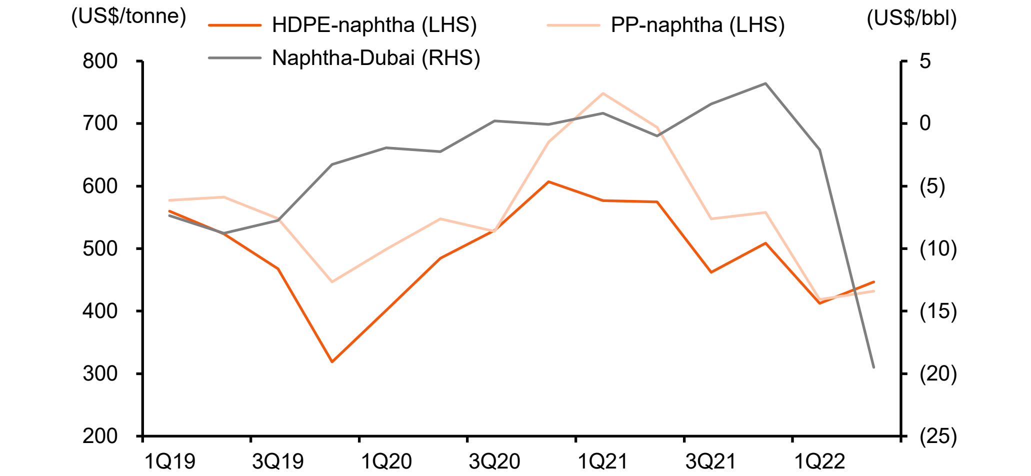
Sources: Bloomberg, Company data, Thanachart estimates

Weak naphtha price helps

Chemical spreads rebound as naphtha price weakens

Petrochemical spreads haven't been weaker in 2Q22 despite lockdowns in China and this has been because of support from low naphtha prices. The naphtha price has recently been weaker than the crude oil price and the naphtha over Dubai spread fell to a discount of US$19.5/bbl in 2Q22 vs. the 2021 premium average of US$1.1 This was a result of an increased supply of naphtha because of higher run rates of refineries in the region.

Ex 1: Low Naphtha Cost Supports Petrochemical Spreads



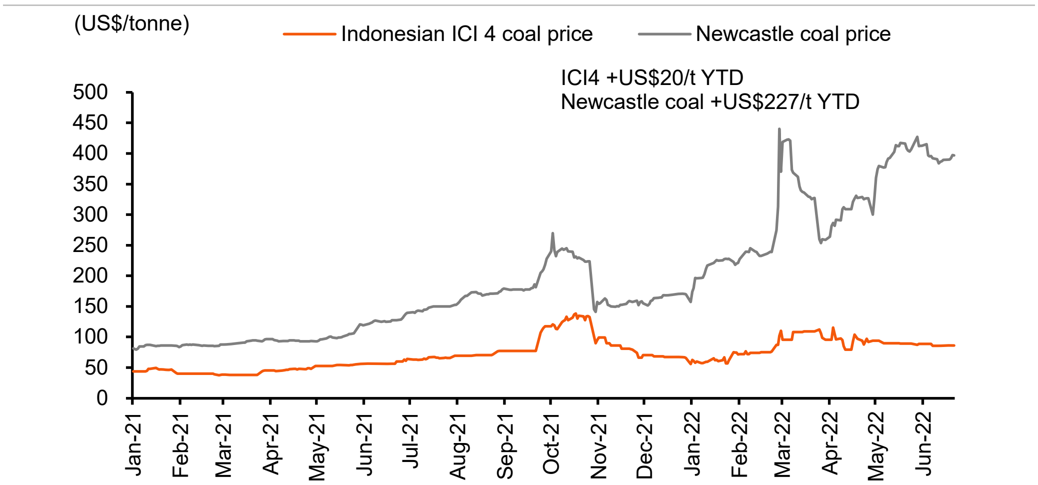
Source: Bloomberg

SCC uses low heat value coal

SCC uses much lower CV coal than NEX coal

The Newcastle (NEX) coal benchmark has a calorific value (CV) value of 6,200-6,300kcal, which is not a good proxy for SCC's coal costs. SCC uses much lower CV or lower heating value coal and lower CV coal prices haven't increased by the same degree as the NEX price. The price of low CV Indonesian coal price, e.g., ICI 4 (CV of 4,200kcal) has risen by only US$20/tonne YTD vs. the US$227 increase in the NEX price.

Ex 2: Price Of Low CV Coal Has Increased Far Less Than The NEX Benchmark



Sources: Bloomberg, Investing.com

Cement price hikes

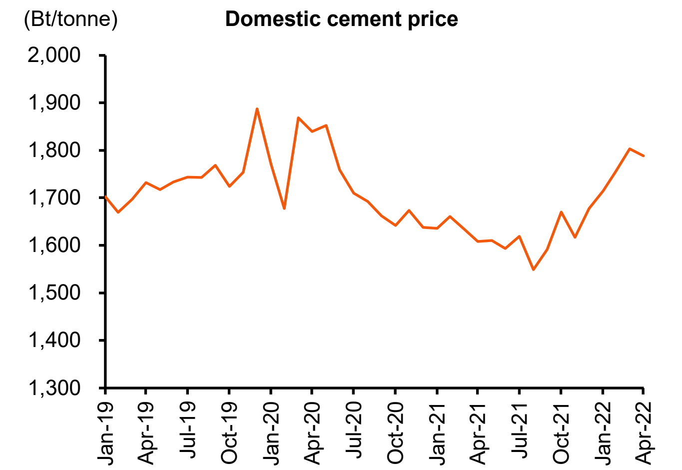
We expect a 13% cement price rise in 2022F

Cement producers started to hike prices from 4Q21 with more increases this year. Based on data from the Office of Industrial Economics (OIE), Thailand's domestic cement price stood at Bt1,788/tonne in April, up by 11% y-y and 8% YTD. Though not in official reports yet, we expect more increases this month. The price hikes help alleviate the impact from rising coal and production costs. We estimate a 13% cement price increase in 2022F.

Domestic cement demand back to pre-COVID level in April 2022

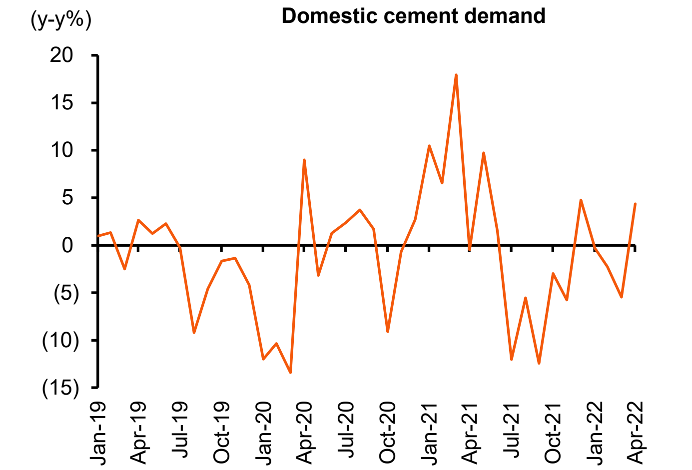
Although we are not bullish on the cement demand outlook because of the organic growth nature of the industry, demand in April recovered to above pre-COVID level. We project SCC's domestic cement volume sales to be flat this year and recover by 3%/1% in 2023-24F vs. -1/-3% contractions in 2020-21. We expect a recovery for building material products overall and not just cement. We estimate cement to account for 8% of SCC's total EBITDA in 2022F and total building material products, which include cement, to make up 36%.

Ex 3: Domestic Cement Price Rise Reflects Higher Costs



Sources: The Office of Industrial Economics (OIE)

Ex 4: Recovering Domestic Cement Demand

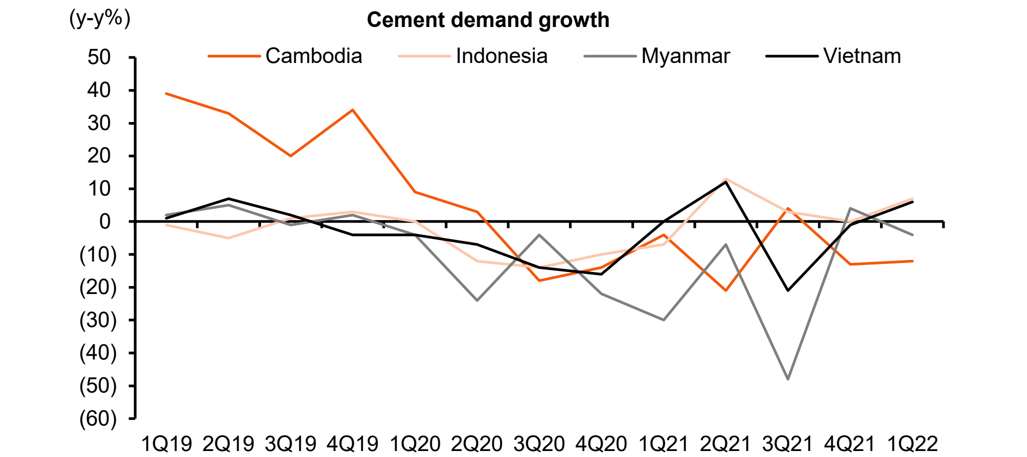


Sources: The Office of Industrial Economics (OIE)

ASEAN cement demand is also recovering

SCC has cement production plants in ASEAN with a combined capacity of 10.5mt, or 31% of its total capacity and this accounted for 29% of 2019 total cement sales. The cement demand trend has seen a similar pattern across the region since the COVID crisis started. Demand this year has been in recovery mode. One exception is Myanmar which has seen a slower recovery because of continued political instability.

Ex 5: Cement Demand In ASEAN



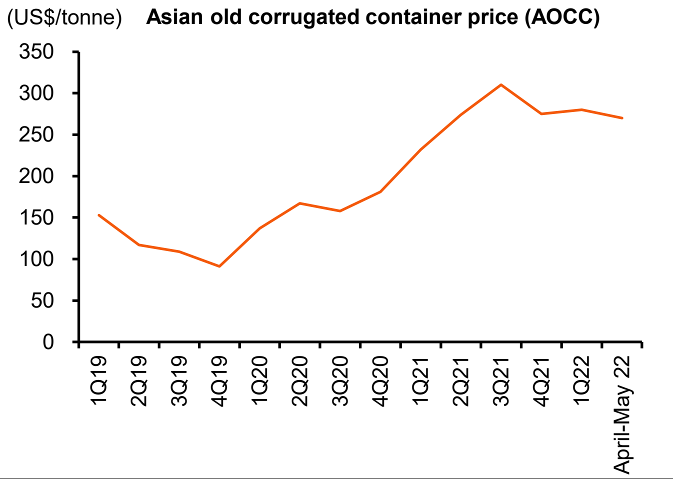
Source: Company data

Packaging paper costs are falling

Raw material OCC costs falling along with reopening of economies

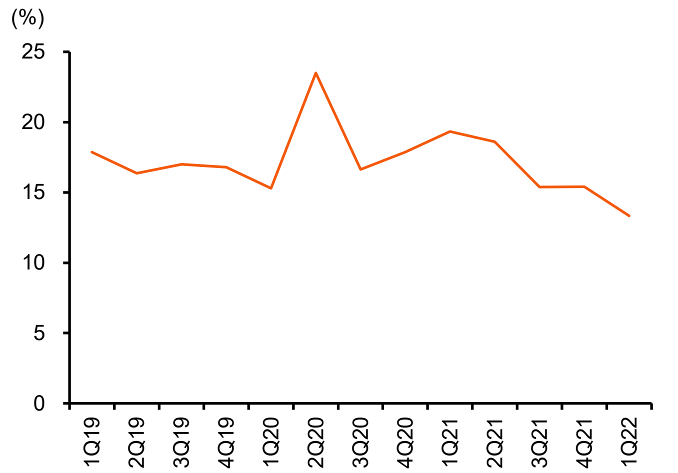
SCC's packaging business is under its 72%-owned listed SCG Packaging (SCGP TB, HOLD, Bt56.25). SCGP accounted for 13% of SCC's profit in 2021 and 1Q22. The business faced COVID hiccups in 2021 from lockdowns in Thailand and in ASEAN markets that reduced demand and increased wastepaper raw material or old corrugated container (OCC) costs. Lockdowns caused more difficulties in collecting OCC material. The OCC price rose from US$118/161 per tonne in 2019-20 to US$273 in 2021. The peak point was at US$310 in 3Q21 but this fell to US$280 in 1Q22 and further to US$270 so far in 2Q22. We expect the falling raw material costs to lead to a recovery in EBITDA margin for SCGP.

Ex 6: OCC Cost Is Trending Back Down



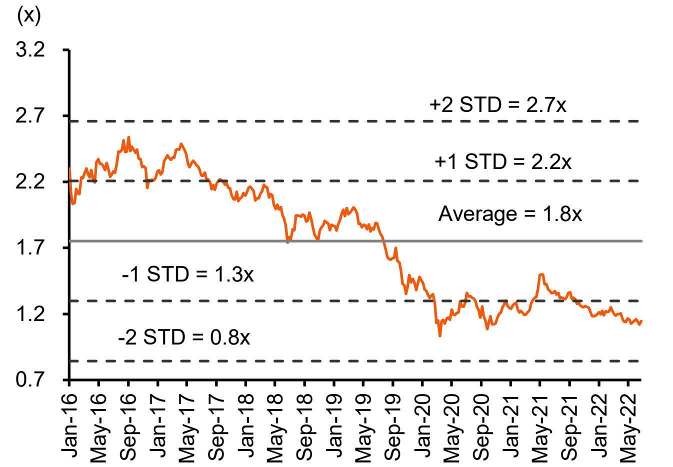
Source: SCGP

Ex 7: SCGP's EBITDA Margin



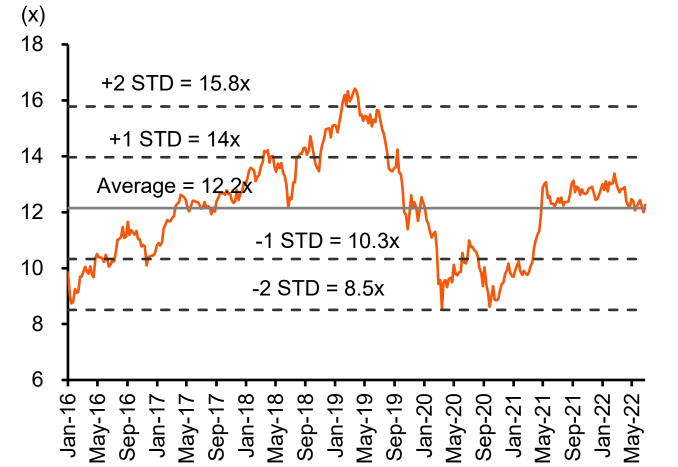
Source: SCGP

Ex 8: P/BV



Sources: Bloomberg, Thanachart estimates

Ex 9: PE



Sources: Bloomberg, Thanachart estimates

Ex 10: 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 + other income		80,913	92,296	103,194	96,576	90,919	93,393	95,505	97,632	99,775	101,935	103,842	
Free cash flow		40,757	53,211	71,852	69,657	64,824	65,525	68,047	69,990	71,924	73,875	76,114	1,203,666
PV of free cash flow		35,269	42,821	53,783	47,452	40,895	38,275	36,810	35,063	33,370	30,254	28,742	454,525
Risk Free (%)	2.5												
Market Risk Premium (%)	8.0												
Beta	0.9												
Wacc (%)	7.5												
Terminal Growth (%)	2.0												
Enterprise Value	877,259												
Net Debt	261,327												
Minority Interest	87,890												
Equity Value	528,042												
# of Shares	1,200												
Equity Value / Share	**440**												

Sources: Company data, Thanachart estimate

Note: *Includes liquid assets held under current and non-current assets

Valuation Comparison

Ex 11: 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)**	**(%)**	**(%)**
Chemical peers												
Petronas Chemicals Group	PCHEM MK	Malaysia	15.2	(12.0)	9.8	11.1	1.9	1.8	6.4	7.1	5.1	5.5
LG Chem	051910 KS	South Korea	(34.3)	27.0	16.1	12.7	1.5	1.3	6.0	4.9	2.0	1.9
Kumho Petrochemical	011780 KS	South Korea	(43.0)	(18.4)	3.9	4.7	0.7	0.7	2.0	2.4	8.5	5.2
Lotte Chemical	011170 KS	South Korea	(60.2)	52.5	11.0	7.2	0.4	0.4	4.7	3.5	5.4	3.2
Formosa Chemicals & Fibre	1326 TT	Taiwan	(25.1)	(7.0)	15.7	16.9	1.2	1.2	13.1	13.9	6.3	5.1
Formosa Plastics	1301 TT	Taiwan	(10.5)	(7.5)	11.1	12.0	1.7	1.7	10.8	11.2	7.5	6.7
Nan Ya Plastics	1303 TT	Taiwan	(23.5)	(1.9)	10.9	11.2	1.6	1.6	8.7	8.8	9.0	7.1
Formosa Petrochemical	6505 TT	Taiwan	0.5	(14.2)	17.5	20.3	2.5	2.4	10.9	12.4	4.3	3.9
Siam Cement	SCC TB *	Thailand	(24.2)	35.0	12.8	9.5	1.2	1.1	12.3	8.6	3.9	5.3
Indorama Ventures	IVL TB *	Thailand	96.4	(18.9)	6.6	8.2	1.4	1.2	6.6	7.2	4.2	3.2
PTT Global Chemical	PTTGC TB *	Thailand	(19.4)	5.4	9.0	8.6	0.6	0.6	7.3	6.8	5.5	5.2
IRPC	IRPC TB *	Thailand	(70.7)	489.1	57.8	9.8	0.7	0.7	12.4	7.2	4.7	5.1
Average			**(16.6)**	**44.1**	**15.2**	**11.0**	**1.3**	**1.2**	**8.4**	**7.8**	**5.5**	**4.8**
Cement peers												
Indocement	INTP IJ	Indonesia	(1.2)	36.0	22.5	16.5	1.7	1.6	9.9	8.1	4.9	4.5
Semen Indonesia	SMGR IJ	Indonesia	15.3	23.3	16.1	13.1	1.1	1.1	7.2	6.7	2.5	2.1
Asia Cement	1102 TT	Taiwan	(18.3)	6.4	11.4	10.7	1.0	0.9	10.4	9.1	8.1	6.9
Taiwan Cement	1101 TT	Taiwan	(32.4)	48.8	17.5	11.8	1.1	1.1	13.1	9.9	6.7	2.5
Siam City Cement	SCCC TB	Thailand	(4.5)	11.9	12.5	11.1	1.2	1.1	7.8	7.3	6.3	5.6
TPI Polene	TPIPL TB	Thailand	(37.0)	0.0	9.2	9.2	0.6	0.6	9.5	9.8	na	5.1
Average			**(13.0)**	**21.0**	**14.9**	**12.1**	**1.1**	**1.1**	**9.7**	**8.5**	**5.7**	**4.5**
Packaging paper peers												
Amcor	AMC AU	Britain	8.6	4.4	22.2	21.2	6.0	5.7	11.9	11.5	2.6	2.7
Huhtamaki	HUH1V FH	Finland	17.6	5.2	15.6	14.8	2.4	2.2	10.1	9.6	2.5	2.7
Mondi	MNDI LN	EU	44.1	(7.5)	7.1	7.7	1.4	1.3	5.7	5.9	4.4	5.3
Leeman	2314 HK	Hong Kong	(31.3)	11.6	5.2	4.7	0.4	0.4	5.5	5.1	9.6	7.5
Nine Dragon Paper	2689 HK	Hong Kong	(29.7)	8.6	6.4	5.9	0.6	0.6	6.2	5.2	7.6	4.1
BillerudKorsnas	BILL SS	EU	119.2	(12.3)	7.4	8.5	1.1	1.1	4.8	5.1	3.5	4.4
Int. Paper	IP US	US	15.0	3.4	9.2	8.9	1.7	1.6	6.2	6.0	4.7	4.4
PCA	PKG US	US	32.2	2.8	12.2	11.9	3.1	2.6	7.6	7.5	2.9	3.0
Mondi	MNDI LN	EU	44.1	(7.5)	7.1	7.7	1.4	1.3	5.7	5.9	4.4	5.3
SCG Packaging	SCGP TB *	Thailand	8.2	29.3	28.0	21.6	2.4	2.2	12.6	10.4	1.8	2.3
United Paper	UTP TB *	Thailand	23.5	21.4	9.4	7.7	2.4	2.2	6.7	5.5	6.9	8.4
Average			**22.9**	**5.4**	**11.8**	**11.0**	**2.1**	**1.9**	**7.5**	**7.1**	**4.6**	**4.6**
Average			**(0.9)**	**24.6**	**13.8**	**11.2**	**1.6**	**1.5**	**8.3**	**7.7**	**5.2**	**4.6**

Sources: Bloomberg, * Thanachart estimates

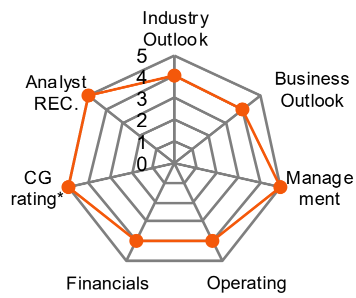
Based on 27 June 2022 closing prices

COMPANY DESCRIPTION

The Siam Cement Pcl (SCC) is one of Thailand's largest industrial conglomerates. The company's operations comprise three main divisions: cement and building materials, petrochemicals, and packaging. Approximately two-thirds of earnings are now derived from chemicals, although the company is focusing on growing its cement and building material businesses in ASEAN.

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

- Very strong market position in most of its businesses and products.
- Strong track record of operational and distribution excellence.
- Robust financial position.
- Experienced and prudent management team.

W — Weakness

- Still heavily reliant on Thailand as its key market.
- Petrochemical is a highly cyclical business that can cause high earnings volatility for the company.

O — Opportunity

- M&A opportunities, especially for its construction materials businesses in ASEAN.
- Significant potential to expand its chemical businesses, especially in Vietnam and Indonesia.

T — Threat

- Threat from competition in the local cement market.
- Potential holding discount post Chemical IPO.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	427.45	440.00	3%
Net profit 22F (Bt m)	39,892	35,615	-11%
Net profit 23F (Bt m)	46,549	48,090	3%
Consensus REC	**BUY: 15**	**HOLD: 7**	**SELL: 3**

HOW ARE WE DIFFERENT FROM THE STREET?

- We are 11% below the Bloomberg consensus in terms of our 2022F net profit, likely as we factor in lower chemical spreads.
- Our DCF-based TP is slightly higher than the consensus number, which we attribute to us expecting a stronger chemical recovery from 2023F onwards.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- The key downside risk to our call would be a collapse in chemical spreads due to a sudden demand shock or influx of new supply.
- A secondary downside risk would be prolonged high energy costs which would pressure margin.

Source: Thanachart

We expect lower profit in 2022F due to a lower chemical margin, but a rebound in 2023F

Asset growth to continue with investment in Vietnam petrochemical complex

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	399,939	530,112	529,641	558,767	633,566
Cost of sales	309,947	420,793	431,011	432,150	489,318
Gross profit	**89,992**	**109,319**	**98,630**	**126,617**	**144,248**
% gross margin	22.5%	20.6%	18.6%	22.7%	22.8%
Selling & administration expenses	52,815	62,797	70,663	78,141	85,648
Operating profit	**37,177**	**46,522**	**27,967**	**48,476**	**58,600**
% operating margin	9.3%	8.8%	5.3%	8.7%	9.2%
Depreciation & amortization	27,377	28,835	30,404	32,436	33,696
EBITDA	**64,555**	**75,357**	**58,371**	**80,913**	**92,296**
% EBITDA margin	16.1%	14.2%	11.0%	14.5%	14.6%
Non-operating income	7,278	10,594	12,858	12,917	15,281
Non-operating expenses	0	(4,472)	0	0	0
Interest expense	(7,082)	(6,757)	(7,410)	(9,353)	(8,810)
Pre-tax profit	**37,373**	**45,886**	**33,415**	**52,040**	**65,071**
Income tax	5,809	8,900	6,094	9,353	11,245
After-tax profit	**31,564**	**36,986**	**27,321**	**42,687**	**53,826**
% net margin	7.9%	7.0%	5.2%	7.6%	8.5%
Shares in affiliates' Earnings	9,456	17,543	11,866	12,156	11,761
Minority interests	(3,156)	(7,562)	(3,572)	(6,753)	(8,389)
Extraordinary items	(3,720)	207	0	0	0
NET PROFIT	**34,144**	**47,174**	**35,615**	**48,090**	**57,198**
Normalized profit	**37,864**	**46,967**	**35,615**	**48,090**	**57,198**
EPS (Bt)	28.5	39.3	29.7	40.1	47.7
Normalized EPS (Bt)	31.6	39.1	29.7	40.1	47.7

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	214,017	233,016	227,151	231,886	259,761
Cash & cash equivalent	102,981	67,610	60,000	60,000	65,000
Account receivables	54,842	78,951	78,881	83,219	94,359
Inventories	54,654	83,121	85,139	85,364	96,657
Others	1,540	3,334	3,131	3,303	3,745
Investments & loans	117,009	139,808	139,808	139,808	139,808
Net fixed assets	363,425	410,708	456,421	463,985	462,289
Other assets	54,930	77,569	77,500	81,762	92,707
Total assets	**749,381**	**861,101**	**900,881**	**917,442**	**954,565**
LIABILITIES:					
Current liabilities:	161,420	168,386	177,234	172,037	178,377
Account payables	65,273	75,026	76,847	77,050	87,243
Bank overdraft & ST loans	21,510	39,262	43,488	40,902	38,590
Current LT debt	68,908	44,550	49,345	46,411	43,788
Others current liabilities	5,729	9,549	7,554	7,674	8,757
Total LT debt	**160,553**	**206,291**	**228,495**	**214,908**	**202,761**
Others LT liabilities	31,281	36,415	25,960	27,388	31,054
Total liabilities	**353,255**	**411,093**	**431,689**	**414,333**	**412,192**
Minority interest	75,154	84,318	87,890	94,643	103,032
Preferreds shares	0	0	0	0	0
Paid-up capital	1,200	1,200	1,200	1,200	1,200
Share premium	0	3,467	3,467	3,467	3,467
Warrants	0	0	0	0	0
Surplus	(12,001)	1,790	1,790	1,790	1,790
Retained earnings	**331,773**	**359,234**	**374,845**	**402,009**	**432,884**
Shareholders' equity	320,972	365,691	381,302	408,466	439,341
Liabilities & equity	**749,381**	**861,101**	**900,881**	**917,442**	**954,565**

Sources: Company data, Thanachart estimates

Cash flow likely to remain strong and capex cycle is passing

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	37,373	45,886	33,415	52,040	65,071
Tax paid	(4,072)	(10,069)	(4,874)	(9,779)	(10,404)
Depreciation & amortization	27,377	28,835	30,404	32,436	33,696
Chg In working capital	18,467	(42,824)	(126)	(4,360)	(12,240)
Chg In other CA & CL / minorities	37,490	25,030	8,654	12,529	11,560
Cash flow from operations	**116,635**	**46,859**	**67,473**	**82,867**	**87,683**
Capex	(84,817)	(76,117)	(76,117)	(40,000)	(32,000)
Right of use	0	0	0	0	0
ST loans & investments	42	(90)	200	0	0
LT loans & investments	(15,260)	(22,799)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	11,344	(19,899)	(10,386)	(2,834)	(7,279)
Cash flow from investments	**(88,690)**	**(118,906)**	**(86,304)**	**(42,834)**	**(39,279)**
Debt financing	24,202	39,132	31,224	(19,106)	(17,083)
Capital increase	0	3,467	0	0	0
Dividends paid	(14,998)	(20,398)	(20,004)	(20,926)	(26,322)
Warrants & other surplus	21,611	14,475	0	0	0
Cash flow from financing	**30,815**	**36,677**	**11,221**	**(40,032)**	**(43,405)**
Free cash flow	**31,818**	**(29,259)**	**(8,644)**	**42,867**	**55,683**

We see SCC's valuation as attractive given a 2023F recovery

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	12.1	9.7	12.8	9.5	8.0
Normalized PE - at target price (x)	13.9	11.2	14.8	11.0	9.2
PE (x)	13.4	9.7	12.8	9.5	8.0
PE - at target price (x)	15.5	11.2	14.8	11.0	9.2
EV/EBITDA (x)	9.4	9.0	12.3	8.6	7.3
EV/EBITDA - at target price (x)	10.5	10.0	13.5	9.5	8.1
P/BV (x)	1.4	1.3	1.2	1.1	1.0
P/BV - at target price (x)	1.6	1.4	1.4	1.3	1.2
P/CFO (x)	3.9	9.8	6.8	5.5	5.2
Price/sales (x)	1.1	0.9	0.9	0.8	0.7
Dividend yield (%)	3.7	4.9	3.9	5.3	6.3
FCF Yield (%)	7.0	(6.4)	(1.9)	9.4	12.2
(Bt)					
Normalized EPS	31.6	39.1	29.7	40.1	47.7
EPS	28.5	39.3	29.7	40.1	47.7
DPS	14.0	18.5	14.8	20.0	23.8
BV/share	267.5	304.7	317.8	340.4	366.1
CFO/share	97.2	39.0	56.2	69.1	73.1
FCF/share	26.5	(24.4)	(7.2)	35.7	46.4

Sources: Company data, Thanachart estimates

We expect leverage to come down in the coming few years

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	(8.7)	32.5	(0.1)	5.5	13.4
Net profit (%)	6.7	38.2	(24.5)	35.0	18.9
EPS (%)	6.7	38.2	(24.5)	35.0	18.9
Normalized profit (%)	9.4	24.0	(24.2)	35.0	18.9
Normalized EPS (%)	9.4	24.0	(24.2)	35.0	18.9
Dividend payout ratio (%)	49.2	47.1	50.0	50.0	50.0
Operating performance					
Gross margin (%)	22.5	20.6	18.6	22.7	22.8
Operating margin (%)	9.3	8.8	5.3	8.7	9.2
EBITDA margin (%)	16.1	14.2	11.0	14.5	14.6
Net margin (%)	7.9	7.0	5.2	7.6	8.5
D/E (incl. minor) (x)	0.6	0.6	0.7	0.6	0.5
Net D/E (incl. minor) (x)	0.4	0.5	0.6	0.5	0.4
Interest coverage - EBIT (x)	5.2	6.9	3.8	5.2	6.7
Interest coverage - EBITDA (x)	9.1	11.2	7.9	8.7	10.5
ROA - using norm profit (%)	5.5	5.8	4.0	5.3	6.1
ROE - using norm profit (%)	12.6	13.7	9.5	12.2	13.5
DuPont					
ROE - using after tax profit (%)	10.5	10.8	7.3	10.8	12.7
- asset turnover (x)	0.6	0.7	0.6	0.6	0.7
- operating margin (%)	11.1	9.9	7.7	11.0	11.7
- leverage (x)	2.3	2.3	2.4	2.3	2.2
- interest burden (%)	84.1	87.2	81.8	84.8	88.1
- tax burden (%)	84.5	80.6	81.8	82.0	82.7
WACC (%)	7.5	7.5	7.5	7.5	7.5
ROIC (%)	6.8	8.0	3.9	6.2	7.4
NOPAT (Bt m)	31,399	37,498	22,867	39,764	48,473
invested capital (Bt m)	468,962	588,184	642,629	650,687	659,480

Sources: Company data, Thanachart estimates

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