

**SELL** (Unchanged)

Change in Numbers

**TP: Bt 30.00**

(From: Bt 31.00)

**18 JULY 2022**

**Downside : 11.1%**

# Osotspa Pcl (OSP TB)

## New strategy bites

We expect OSP to start feeling the pain from its price increase strategy with an estimated 24% y-y and 17% q-q drop in its 2Q22F earnings. We believe the company has lost volume market share. We reaffirm our SELL call on the stock.



**PATTADOL BUNNAK**

662 – 483 8298

pattadol.bun@thanachartsec.co.th

### Likely weak 2Q22F results

We estimate OSP's 2Q22F norm earnings to come in at Bt620m, down 24% y-y and 17% q-q. The key drag should be domestic energy drink (51% of sales) which we estimate to fall 14% y-y and 15% q-q. The drop in sales despite its 20% price hike in April implies OSP has lost significant volume market share. However, note that the average price increase should be below 20% in 2Q22F since prices were not raised in all areas at the same time. Areas of growth were energy drink exports (16% of sales) which grew over 10% y-y and C-Vitt functional drink (16%), which grew over 10% in 2Q22F, on our estimate. There was some impact on the cost side from rising raw material and utilities costs.

### Losing market share

Being the largest energy drink producer in Thailand, OSP raised the selling price of its main M-150 energy drink product by 20% to Bt12/bottle in April 2022, hoping to end its decades-long flat pricing of Bt10/bottle. It hoped that peers would follow suit amid the rising cost environment. However, its rivals maintained their prices and adopted more aggressive promotional campaigns to gain market share. We estimate OSP's volume market share to have fallen from 54% in 1Q22 to 47% in 2Q22F.

### What's next?

Please refer to our view on OSP's price hike strategy in Energy Drink Sector – *Game theory*, dated 21 March, where we outlined our expectation for OSP to lose some market share. However, as the magnitude of the market share loss has been faster than we'd expected with no sign of other players following suit in raising prices but implementing even more aggressive promotional campaigns, we see a good chance of OSP lowering its product price back to Bt10/bottle. The longer OSP lets its market share fall, the more difficult it will be to regain it as consumers develop a loyalty for other brands. Examples of its peers' new campaigns are Carabao Group Pcl's (CBG TB, BUY, Bt111) plan to launch a cheaper energy drink with more vitamins than OSP's and Reb Bull's Bt500m budget for marketing expenses.

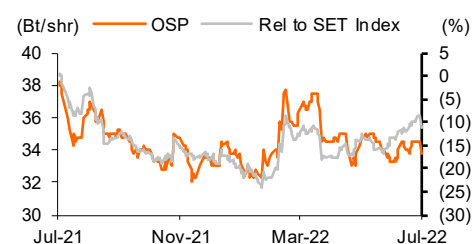
### Cutting our earnings

OSP's 2Q22F earnings are likely to be below our previous expectation given its higher-than-expected market share loss, so we cut our earnings estimates by 18/15/14% in 2022-24F. Note that we assume OSP eventually brings down its domestic energy drink price back to Bt10/bottle. Also note that after our cuts, the Street's 2022F earnings are still 19% above our number. Given the downward earnings revisions, we trim our DCF-based 12-month TP, using a rolled-over-to-2023F base year, to Bt30 (from Bt31). We reaffirm SELL as we see its valuation as expensive on 30x 2023F PE vs. -11/+13/+13% EPS growth in 2022-24F.

### COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	26,762	27,736	29,875	32,464
Net profit	3,255	3,015	3,407	3,867
Norm profit	3,383	3,015	3,407	3,867
Consensus NP	—	3,578	3,959	4,392
Diff frm cons (%)	—	(15.7)	(13.9)	(12.0)
Prev. Norm profit	—	3,691	4,010	4,474
Chg frm prev (%)	—	(18.3)	(15.0)	(13.6)
Norm EPS (Bt)	1.1	1.0	1.1	1.3
Norm EPS grw (%)	(3.5)	(10.9)	13.0	13.5
Norm PE (x)	30.0	33.6	29.8	26.2
EV/EBITDA (x)	21.1	23.2	20.2	18.2
P/BV (x)	5.1	5.1	5.1	5.0
Div yield (%)	3.3	3.0	3.4	3.8
ROE (%)	17.3	15.2	17.2	19.3
Net D/E (%)	(8.6)	0.7	(3.8)	(9.0)

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 18-Jul-22 (Bt)	33.75
Market Cap (US\$ m)	2,768.9
Listed Shares (m shares)	3,003.8
Free Float (%)	50.5
Avg Daily Turnover (US\$ m)	14.3
12M Price H/L (Bt)	38.25/32.00
Sector	Food
Major Shareholder	Osathanugrah family 58%

Sources: Bloomberg, Company data, Thanachart estimates

## Losing market share

*OSP has lost more volume market share than we'd expected because:*

*1) Consumers are highly sensitive to prices*

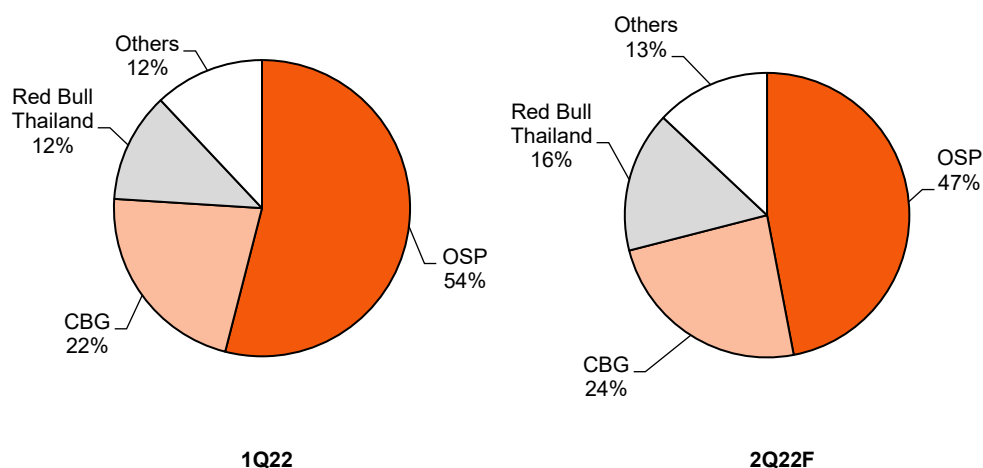
*2) OSP's main competitors didn't copy OSP's move*

Osotspa Pcl (OSP), Thailand's largest energy drink maker, raised its selling price by 20% in April to Bt12/bottle from Bt10 for its main M-150 product. The magnitude of market share loss has been significant with its volume market share falling to 47% in 2Q22F from 54% in 1Q22, on our estimate. The drop in volume more than offsets the benefit from the higher unit price. Two factors leading to the disappointment in our view were:

- 1) It has been more difficult than OSP had anticipated to maintain demand from consumers with its higher price. Energy drink prices in Thailand have stayed at Bt10/bottle for 30-plus years despite rising wages and inflation over time. Also, most consumers are low-income earners who are being hit hard by the current inflationary environment, and hence they have much lower affordability.
- 2) Other large players, Carabao Daeng by Carabao Group Pcl (CBG TB, BUY, Bt111) and Red Bull Thailand didn't raise their prices as OSP had expected despite also facing rising costs. As for CBG, its management team said its main goal is to gain market share even though lifting prices could make it easier to boost sales. In CBG's view, having a higher market share offers long-term benefits. For instance, it could introduce better, more expensive marketing strategies due to higher sales volume. Also, having a larger client base helps when CBG launches new products. Launching new products is one of CBG's new strategies. Another reason is that CBG already generates a higher EBIT margin than OSP thanks to its much higher export sales while CBG's factories are also much newer and therefore more efficient.

As for Red Bull Thailand, it has not been so active in Thailand over the past few years but the company also see OSP's higher price strategy as a chance to gain market share. It has announced a plan to spend Bt500m on marketing expenses to gain market share.

**Ex 1: Market Share Movement**



Sources: Company data, Thanachart estimates

### What's next?

*We expect OSP to put its price back down*

We had anticipated OSP to lose market share with its price hike strategy but the momentum has been worse than our expectation. We believe OSP will lower its main product's price back to Bt10/bottle while it may leave the Bt12/bottle version as a premium, niche product. In our view, the longer OSP loses market share, the more difficult it will be for it to regain it as consumers develop a loyalty to other brands.

Competition wise, there is no sign of other players lowering their prices, while they are planning to gain more market share. We discussed Red Bull Thailand's aggressive marketing spending plan above. As for CBG, it is planning to launch a cheaper energy drink that contains more vitamin B than OSP's new products. Also, CBG may launch a new, premium product to compete with OSP's. Aside from higher sales volume enabling CBG to be more aggressive in marketing and promotional strategies, falling costs, e.g., aluminum coming from its peak during the early stages of the Russia-Ukraine conflict in March-April has helped to lift its margins.

### Ex 2: Aluminum Price



Source: Bloomberg

## Cutting our earnings

**We cut our earnings estimates by 18/15/14% in 2022-24F**

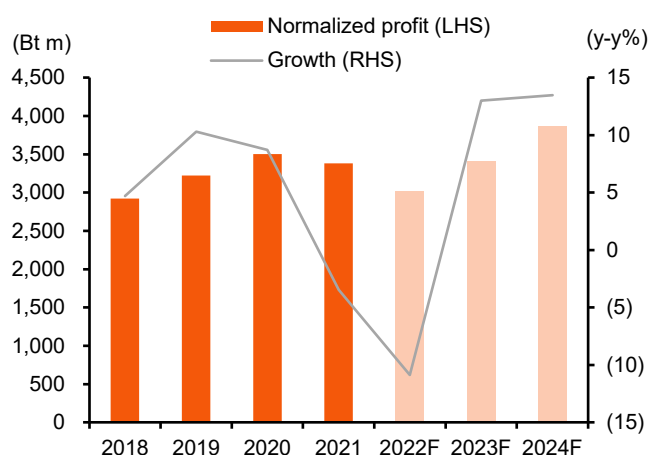
We lower our earnings estimates for OSP by 18/15/14% in 2022-24F as its 2Q22F results look set to come in weaker than our expectation on the back of lower demand as mentioned earlier. Note that after our cuts, the Bloomberg consensus' numbers for 2022F are 19% above ours as we believe other brokers do not factor in OSP losing market share despite it raising its selling price. We therefore expect downward earnings revisions from the Street.

### Ex 3: Key Assumption Revisions

	2019	2020	2021	2022F	2023F	2024F
<b>Sales (Bt m)</b>						
New	25,610	25,583	26,762	27,736	29,875	32,464
Old				28,708	30,883	33,487
Change (%)				(3.4)	(3.3)	(3.1)
<b>Gross margin (%)</b>						
New	34.9	35.3	34.5	32.2	32.9	33.0
Old				34.6	34.8	34.8
Change (pp)				(2.4)	(1.9)	(1.8)
<b>SG&amp;A (%)</b>						
New	22.2	22.3	22.3	22.2	22.0	21.7
Old				22.2	22.0	21.7
Change (pp)				(0.0)	(0.0)	(0.0)
<b>Normalized profit (Bt m)</b>						
New	3,224	3,504	3,383	3,015	3,407	3,867
Old				3,691	4,010	4,474
Change (%)				(18.3)	(15.0)	(13.6)

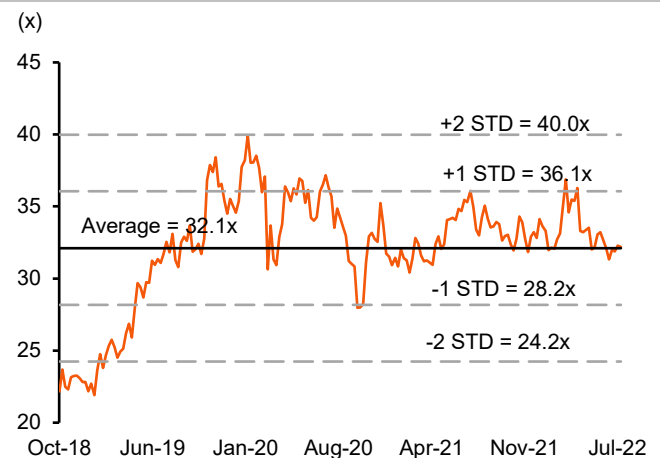
Sources: Company data, Thanachart estimates

### Ex 4: OSP's Earnings Trajectory



Sources: Company data, Thanachart estimates

### Ex 5: OSP's PE Since Listing



Sources: Company data, Thanachart estimates

## Ex 6: 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	4,993	5,481	5,924	6,430	6,988	7,593	8,154	8,666	9,343	10,079	10,918	—
Free cash flow	4,280	4,782	5,261	5,782	6,383	7,027	7,647	8,236	8,973	9,739	9,258	125,465
PV of free cash flow	4,268	4,059	4,058	4,090	4,142	4,181	4,172	4,121	4,118	4,098	3,401	46,088
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.8											
WACC (%)	8.5											
Terminal growth (%)	2.0											
Enterprise value - add investments	90,796											
Net debt (2022F)	142											
Minority interest	19											
Equity value	90,635											
# of shares (m)	3,004											
Equity value/share (Bt)	30											

Sources: Company data, Thanachart estimates

## Valuation Comparison

## Ex 7: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div yield—	
			22F	23F	22F	23F	22F	23F	22F	23F	22F	23F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
<b>Beverage</b>												
Suntory Beverage & Food	2587 JP	Japan	9.8	8.1	21.2	19.6	1.8	1.7	8.3	7.9	1.5	1.6
Coca-Cola	KO US	US	6.2	7.4	25.4	23.6	9.9	9.7	22.4	21.0	2.8	2.9
PepsiCo	PEP US	US	6.3	8.7	25.7	23.7	12.3	11.2	18.1	16.7	2.6	2.8
Sappe PCLs	SAPPE TB	Thailand	31.6	16.9	20.5	17.5	3.6	3.4	10.6	9.9	3.1	3.5
Carabao Group PCL*	CBG TB	Thailand	44.1	30.0	27.4	21.0	9.3	7.8	20.7	16.2	2.4	3.1
Osotspa PCL*	OSP TB	Thailand	(10.9)	13.0	33.6	29.8	5.1	5.1	23.2	20.2	3.0	3.4
<b>Average</b>			<b>14.5</b>	<b>14.0</b>	<b>25.6</b>	<b>22.5</b>	<b>7.0</b>	<b>6.5</b>	<b>17.2</b>	<b>15.3</b>	<b>2.6</b>	<b>2.9</b>
<b>Supply Chain Management</b>												
Indofood CBP Sukses	ICBP IJ	Indonesia	10.0	13.1	15.8	13.9	2.9	2.6	10.8	9.7	2.7	3.2
<b>Average</b>			<b>10.0</b>	<b>13.1</b>	<b>15.8</b>	<b>13.9</b>	<b>2.9</b>	<b>2.6</b>	<b>10.8</b>	<b>9.7</b>	<b>2.7</b>	<b>3.2</b>
<b>Personal Care</b>												
Johnson & Johnson	JNJ US	US	3.9	4.9	17.5	16.7	5.8	5.2	13.9	12.8	2.4	2.5
Colgate-Palmolive	CL US	US	(5.4)	9.8	25.7	23.4	na	40.4	16.7	15.6	2.4	2.5
Procter & Gamble	PG US	US	3.1	5.3	24.9	23.6	8.0	8.1	17.9	17.1	2.4	2.6
Unilever NV	UNA NA	Netherlands	na	9.4	18.8	17.2	7.1	6.9	13.1	12.3	3.8	3.9
<b>Average</b>			<b>0.5</b>	<b>7.4</b>	<b>21.7</b>	<b>20.2</b>	<b>7.0</b>	<b>15.2</b>	<b>15.4</b>	<b>14.5</b>	<b>2.8</b>	<b>2.9</b>
<b>Average - All</b>			<b>9.9</b>	<b>11.5</b>	<b>23.3</b>	<b>20.9</b>	<b>6.6</b>	<b>9.3</b>	<b>16.0</b>	<b>14.5</b>	<b>2.6</b>	<b>2.9</b>

Sources: Bloomberg, Thanachart estimates

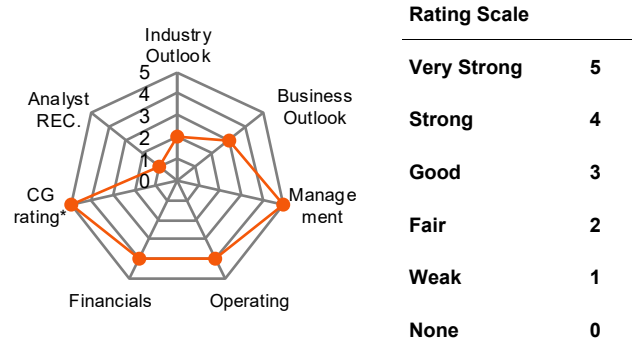
Note: \* Thanachart estimates, using normalized EPS

## COMPANY DESCRIPTION

Osotspa Public Company Limited produces and distributes non-alcoholic beverages. The company offers energy drinks and other beverages such as ready-to-drink coffee, sport drinks and functional drinks. Osotspa also provides personal-care products in the baby care and women's beauty product categories. The company also has an OEM business. OSP sells its products in Thailand and abroad.

Source: Thanachart

## COMPANY RATING



Source: Thanachart; \*CG Rating

## THANACHART'S SWOT ANALYSIS

## S — Strength

- Solid brands in the domestic energy-drink and personal-care product markets.
- Strong and experienced management team.
- Very healthy balance sheet.

## O — Opportunity

- Overseas expansion.
- Mergers and acquisitions.
- Health-conscious trend emerging in Thailand.

## W — Weakness

- The energy-drink and personal-care markets are saturated with only low organic growth.
- Lack of pricing power for key products.

## T — Threat

- Currency fluctuations.
- Fierce competition in Thailand's energy-drink market.
- Rising sugar tax for energy drinks and other sweet beverage products.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	37.64	30.00	-20%
Norm profit 22F (Bt m)	3,578	3,015	-16%
Norm profit 23F (Bt m)	3,959	3,407	-14%
Consensus REC	BUY: 17	HOLD: 4	SELL: 1

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2022-23F earnings and TP are lower than the Bloomberg consensus numbers, which we attribute to us having a less bullish view on OSP's earnings growth.

## RISKS TO OUR INVESTMENT CASE

- Higher-than-expected growth of the company's domestic energy drinks and personal-care product businesses.
- Further relaxation in COVID-19 restrictions would be an upside risk to our numbers.
- Successful expansion into new business lines poses potential upside risk to our earnings.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

## INCOME STATEMENT

Improving margin mainly  
on cost-savings plan

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	25,583	26,762	27,736	29,875	32,464
Cost of sales	16,554	17,527	18,814	20,049	21,742
<b>Gross profit</b>	<b>9,029</b>	<b>9,236</b>	<b>8,922</b>	<b>9,827</b>	<b>10,722</b>
% gross margin	35.3%	34.5%	32.2%	32.9%	33.0%
Selling & administration expenses	5,710	5,978	6,165	6,565	7,031
<b>Operating profit</b>	<b>3,319</b>	<b>3,257</b>	<b>2,757</b>	<b>3,262</b>	<b>3,691</b>
% operating margin	13.0%	12.2%	9.9%	10.9%	11.4%
Depreciation & amortization	1,244	1,471	1,616	1,731	1,789
<b>EBITDA</b>	<b>4,563</b>	<b>4,728</b>	<b>4,373</b>	<b>4,993</b>	<b>5,481</b>
% EBITDA margin	17.8%	17.7%	15.8%	16.7%	16.9%
Non-operating income	546	505	541	583	633
Non-operating expenses	0	0	0	0	0
Interest expense	(65)	(96)	(85)	(105)	(78)
<b>Pre-tax profit</b>	<b>3,799</b>	<b>3,666</b>	<b>3,213</b>	<b>3,739</b>	<b>4,247</b>
Income tax	587	664	563	655	744
<b>After-tax profit</b>	<b>3,212</b>	<b>3,002</b>	<b>2,650</b>	<b>3,084</b>	<b>3,503</b>
% net margin	12.6%	11.2%	9.6%	10.3%	10.8%
Shares in affiliates' Earnings	225	310	297	353	389
Minority interests	67	70	68	(30)	(25)
Extraordinary items	0	(128)	0	0	0
<b>NET PROFIT</b>	<b>3,504</b>	<b>3,255</b>	<b>3,015</b>	<b>3,407</b>	<b>3,867</b>
<b>Normalized profit</b>	<b>3,504</b>	<b>3,383</b>	<b>3,015</b>	<b>3,407</b>	<b>3,867</b>
EPS (Bt)	1.2	1.1	1.0	1.1	1.3
Normalized EPS (Bt)	1.2	1.1	1.0	1.1	1.3

## BALANCE SHEET

Strong balance sheet

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
<b>ASSETS:</b>					
Current assets:	9,179	8,827	8,063	9,589	10,137
Cash & cash equivalent	3,531	2,493	1,400	2,500	2,500
Account receivables	3,505	3,660	3,793	4,086	4,440
Inventories	2,077	2,658	2,853	2,985	3,178
Others	67	16	17	18	20
Investments & loans	2,782	3,817	3,810	3,802	3,795
Net fixed assets	12,845	13,730	15,115	14,383	13,594
Other assets	1,050	767	844	886	931
<b>Total assets</b>	<b>25,855</b>	<b>27,142</b>	<b>27,831</b>	<b>28,661</b>	<b>28,457</b>
<b>LIABILITIES:</b>					
Current liabilities:	4,557	5,530	6,054	6,478	6,558
Account payables	4,094	4,822	5,176	5,516	5,982
Bank overdraft & ST loans	0	207	410	461	180
Current LT debt	66	100	198	223	87
Others current liabilities	397	400	271	279	310
<b>Total LT debt</b>	<b>851</b>	<b>473</b>	<b>934</b>	<b>1,051</b>	<b>410</b>
Others LT liabilities	1,119	1,236	1,106	1,192	1,295
<b>Total liabilities</b>	<b>6,526</b>	<b>7,238</b>	<b>8,095</b>	<b>8,721</b>	<b>8,263</b>
Minority interest	105	19	19	49	74
Preferreds shares	0	0	0	0	0
Paid-up capital	3,004	3,004	3,004	3,004	3,004
Share premium	0	0	0	0	0
Warrants	0	0	0	0	0
Surplus	12,575	13,284	13,284	13,284	13,284
<b>Retained earnings</b>	<b>3,645</b>	<b>3,596</b>	<b>3,429</b>	<b>3,602</b>	<b>3,832</b>
Shareholders' equity	19,224	19,884	19,717	19,890	20,120
<b>Liabilities &amp; equity</b>	<b>25,855</b>	<b>27,142</b>	<b>27,831</b>	<b>28,661</b>	<b>28,457</b>

Sources: Company data, Thanachart estimates

## CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	3,799	3,666	3,213	3,739	4,247
Tax paid	(671)	(667)	(547)	(639)	(718)
Depreciation & amortization	1,244	1,471	1,616	1,731	1,789
Chg In working capital	(1,166)	(8)	26	(85)	(81)
Chg In other CA & CL / minorities	351	422	218	343	392
<b>Cash flow from operations</b>	<b>3,558</b>	<b>4,884</b>	<b>4,525</b>	<b>5,089</b>	<b>5,629</b>
Capex	(5,164)	(2,357)	(3,000)	(1,000)	(1,000)
Right of use	0	0	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	1,105	(1,035)	7	7	7
Adj for asset revaluation	(294)	0	0	0	0
Chg In other assets & liabilities	1,268	330	(205)	44	60
<b>Cash flow from investments</b>	<b>(3,085)</b>	<b>(3,062)</b>	<b>(3,198)</b>	<b>(949)</b>	<b>(933)</b>
Debt financing	796	(264)	762	193	(1,059)
Capital increase	0	0	0	0	0
Dividends paid	(3,304)	(3,303)	(3,182)	(3,234)	(3,637)
Warrants & other surplus	1,447	709	0	0	0
<b>Cash flow from financing</b>	<b>(1,061)</b>	<b>(2,859)</b>	<b>(2,421)</b>	<b>(3,041)</b>	<b>(4,696)</b>
<b>Free cash flow</b>	<b>(1,605)</b>	<b>2,527</b>	<b>1,525</b>	<b>4,089</b>	<b>4,629</b>

## VALUATION

Expensive PE in our view

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	28.9	30.0	33.6	29.8	26.2
Normalized PE - at target price (x)	25.7	26.6	29.9	26.4	23.3
PE (x)	28.9	31.1	33.6	29.8	26.2
PE - at target price (x)	25.7	27.7	29.9	26.4	23.3
EV/EBITDA (x)	21.6	21.1	23.2	20.2	18.2
EV/EBITDA - at target price (x)	19.2	18.7	20.6	17.9	16.1
P/BV (x)	5.3	5.1	5.1	5.1	5.0
P/BV - at target price (x)	4.7	4.5	4.6	4.5	4.5
P/CFO (x)	28.5	20.8	22.4	19.9	18.0
Price/sales (x)	4.0	3.8	3.7	3.4	3.1
Dividend yield (%)	3.3	3.3	3.0	3.4	3.8
FCF Yield (%)	(1.6)	2.5	1.5	4.0	4.6
<b>(Bt)</b>					
Normalized EPS	1.2	1.1	1.0	1.1	1.3
EPS	1.2	1.1	1.0	1.1	1.3
DPS	1.1	1.1	1.0	1.1	1.3
BV/share	6.4	6.6	6.6	6.6	6.7
CFO/share	1.2	1.6	1.5	1.7	1.9
FCF/share	(0.5)	0.8	0.5	1.4	1.5

Sources: Company data, Thanachart estimates



## FINANCIAL RATIOS

*EPS growth trend doesn't  
look exciting*

FY ending Dec	2020A	2021A	2022F	2023F	2024F
<b>Growth Rate</b>					
Sales (%)	(0.1)	4.6	3.6	7.7	8.7
Net profit (%)	7.5	(7.1)	(7.4)	13.0	13.5
EPS (%)	7.5	(7.1)	(7.4)	13.0	13.5
Normalized profit (%)	8.7	(3.5)	(10.9)	13.0	13.5
Normalized EPS (%)	8.7	(3.5)	(10.9)	13.0	13.5
Dividend payout ratio (%)	94.3	101.5	101.5	100.0	100.0
<b>Operating performance</b>					
Gross margin (%)	35.3	34.5	32.2	32.9	33.0
Operating margin (%)	13.0	12.2	9.9	10.9	11.4
EBITDA margin (%)	17.8	17.7	15.8	16.7	16.9
Net margin (%)	12.6	11.2	9.6	10.3	10.8
D/E (incl. minor) (x)	0.0	0.0	0.1	0.1	0.0
Net D/E (incl. minor) (x)	(0.1)	(0.1)	0.0	(0.0)	(0.1)
Interest coverage - EBIT (x)	50.8	34.1	32.3	30.9	47.6
Interest coverage - EBITDA (x)	69.8	49.5	51.3	47.4	70.7
ROA - using norm profit (%)	14.0	12.8	11.0	12.1	13.5
ROE - using norm profit (%)	18.9	17.3	15.2	17.2	19.3
<b>DuPont</b>					
ROE - using after tax profit (%)	17.3	15.4	13.4	15.6	17.5
- asset turnover (x)	1.0	1.0	1.0	1.1	1.1
- operating margin (%)	15.1	14.1	11.9	12.9	13.3
- leverage (x)	1.4	1.4	1.4	1.4	1.4
- interest burden (%)	98.3	97.5	97.4	97.3	98.2
- tax burden (%)	84.5	81.9	82.5	82.5	82.5
WACC (%)	8.5	8.5	8.5	8.5	8.5
ROIC (%)	20.2	16.1	12.5	13.5	15.9
NOPAT (Bt m)	2,806	2,667	2,274	2,691	3,045
invested capital (Bt m)	16,610	18,171	19,859	19,125	18,296

Sources: Company data, Thanachart estimates

### General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 66 Derivative Warrants which are ADVANC16C2211A, ADVANC16C2210A, AMAT16C2209A, AOT16C2209A, AWC16C2207A, BAM16C2207A, BANP16C2207A, BANPU16C2210A, BCH16C2211A, BCH16C2207A, BEC16C2207A, BGRI16C2209A, BLA16C2208A, BLA16C2209A, CBG16C2207A, CBG16C2210A, CENTEL16C2209A, CHG16C2207A, COM716C2211B, COM716C2208A, COM716C2209A, COM716C2211A, DOHO16C2207A, EA16C2207A, EA16C2209A, ESSO16C2209A, ESSO16C2209B, GPSC16C2207A, GPSC16C2209A, GULF16C2207A, GULF16C2210A, GUNK16C2207A, GUNK16C2209A, HANA16C2207A, HANA16C2209A, IVL16C2209A, JMART16C2210A, JMT16C2207A, JMT16C2210A, KBAN16C2208A, KBAN16C2209A, KCE16C2208A, KCE16C2209A, KTC16C2209A, MEGA16C2207A, MINT16C2207A, MINT16C2211A, MTC16C2209A, PTG16C2209A, PTTE16C2209A, PTTG16C2207A, RBF16C2209A, RCL16C2208A, S5016C2209A, S5016P2209A, SAWA16C2209A, SCB16C2208A, SET5016P2209B, SPRC16C2209A, STEC16C2209A, TOP16C2211A, TTA16C2207A, TTA16C2208A, TTA16C2211A, TU16C2210A, WHA16C2209A (underlying securities are ADVANC, AMATA, AOT, AWC, BAM, BANPU, BCH, BEC, BGRIM, BLA, CBG, CENTEL, CHG, COM7, DOHOME, EA, ESSO, GPSC, GULF, GUNKUL, HANA, IVL, JMART, JMT, KBANK, KCE, KTC, MEGA, MINT, MTC, PTG, PTTEP, PTTGC, RBF, RCL, SAWAD, SCB, SET50, SPRC, STEC, TOP, TTA, TU, WHA). before making investment decisions.

**Note:** Our major shareholder TCAP (Thanachart Capital Pcl) which holding 50.96% of Thanachart Securities and also TCAP holding 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 Co. Ltd has stake in THANI for 60% and being the major shareholder of THANI.

**Note:** Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 23% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG ) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

### Disclosure of Interest of Thanachart Securities

#### Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: The One Enterprise Pcl. (ONEE TB)

### Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

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.

### Thanachart Securities Pcl.

Research Team

19 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: [thanachart.res@thanachartsec.co.th](mailto:thanachart.res@thanachartsec.co.th)

#### Pimpaka Nichgaroon, CFA

Head of Research

Tel: 662-779-9199

[pimpaka.nic@thanachartsec.co.th](mailto:pimpaka.nic@thanachartsec.co.th)

#### Pattarawan Wangmingmat

Senior Technical Analyst

Tel: 662-779-9105

[pattarawan.wan@thanachartsec.co.th](mailto:pattarawan.wan@thanachartsec.co.th)

#### Phannarai Tiypittayarut

Property, Retail

Tel: 662-779-9109

[phannarai.von@thanachartsec.co.th](mailto:phannarai.von@thanachartsec.co.th)

#### Sarachada Sornsong

Bank, Finance

Tel: 662-779-9106

[sarachada.sor@thanachartsec.co.th](mailto:sarachada.sor@thanachartsec.co.th)

#### Witchanan Tambamroong

Technical Analyst

Tel: 662-779-9123

[witchanan.tam@thanachartsec.co.th](mailto:witchanan.tam@thanachartsec.co.th)

#### Adisak Phupiphathirungul, CFA

Retail Market Strategy

Tel: 662-779-9120

[adisak.phu@thanachartsec.co.th](mailto:adisak.phu@thanachartsec.co.th)

#### Nuttapop Prasitsuksant

Telecom, Utilities

Tel: 662-483-8296

[nuttapop.pra@thanachartsec.co.th](mailto:nuttapop.pra@thanachartsec.co.th)

#### Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund

Tel: 662-483-8297

[rata.lim@thanachartsec.co.th](mailto:rata.lim@thanachartsec.co.th)

#### Siriporn Arunothai

Small Cap, Healthcare, Hotel

Tel: 662-779-9113

[siriporn.aru@thanachartsec.co.th](mailto:siriporn.aru@thanachartsec.co.th)

#### Sittichet Rungrassameeaphat

Analyst, Quantitative

Tel: 662-483-8303

[sittichet.run@thanachartsec.co.th](mailto:sittichet.run@thanachartsec.co.th)

#### Chak Reungsinpinya

Strategy, Insurance, Paper

Tel: 662-779-9104

[chak.reu@thanachartsec.co.th](mailto:chak.reu@thanachartsec.co.th)

#### Pattadol Bunnak

Electronics, Food & Beverage, Shipping

Tel: 662-483-8298

[pattadol.bun@thanachartsec.co.th](mailto:pattadol.bun@thanachartsec.co.th)

#### Saksid Phadthanarak

Construction, Transportation

Tel: 662-779-9112

[saksid.pha@thanachartsec.co.th](mailto:saksid.pha@thanachartsec.co.th)

#### Yupapan Polpornprasert

Energy, Petrochemical

Tel: 662-779-9110

[yupapan.pol@thanachartsec.co.th](mailto:yupapan.pol@thanachartsec.co.th)

#### Thaloengsak Kucharoenpaisan

Analyst, Retail Market

Tel: 662-483-8304

[thaloengsak.kuc@thanachartsec.co.th](mailto:thaloengsak.kuc@thanachartsec.co.th)