

BUY (From: HOLD)**TP: Bt 48.00** (From: Bt 46.00)**19 JANUARY 2023**

Change in Recommendation

Upside : 15.0%

Indorama Ventures Pcl (IVL TB)

Back to a good base

We upgrade IVL to BUY with a higher Bt48 TP. We see its share price already reflecting weak product spreads while gas costs are easing. We see its 2023F valuations of 8.4x PE and 1.1x P/BV as inexpensive for its business outlook and improving quality of product portfolio.

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Upgrading to BUY

We upgrade our rating on shares of IVL to BUY (from Hold), and lift our DCF-based 12-month TP (2023F base year) to Bt48 from Bt46 as we lower gas cost assumptions and raise our profit forecasts for its integrated oxides and derivatives (IOD) business.

First, we see IVL as inexpensive trading at 8.4x PE and 1.1x P/BV in 2023F, which is -1STD below its five-year average. We also forecast its ROE to recover to the pre-COVID level of 13.7% vs. 5-9% in COVID years. **Second**, concerns over falling spreads from their peaks last year have played out with PET spreads having come down to normalized levels. **Third**, gas costs have rapidly normalized, which should relieve cost pressures for IVL. **Finally**, continued downstream surfactant business expansion should help improve IVL's earning quality over the long term.

PET spreads have normalized

PET accounted for 52% of IVL's 2022F EBITDA and PET spreads have fallen to very low levels now. The Asia integrated PET spread fell to a seven-year low of US\$187/tonne in 4Q22 vs. US\$292 in 9M22. We expect the spread to improve to US\$212/222 in 2023-24F, which is what we see as a normalized level after China's reopening. The West PET spread also fell to US\$448/tonne in 4Q22 vs. US\$783 in 9M22, which was abnormally high due to the freight rate jump that pushed up the parity price in the net-importing Western markets. We estimate the West PET spread to normalize at US\$465/492 in 2023-24F. See our spread assumptions in Exhibit 11.

Gas cost pullback

IVL suffered high gas costs in 2022 but we believe the worst is over. The Dutch Title Transfer Facility (TTF) benchmark gas price has rapidly fallen from its 2022 peak of EUR339/MWh and 2022 average of EUR132 to EUR61/MWh at present, which is the level before the Russia-Ukraine war started. The rapid fall follows a warmer-than-usual winter and higher-than-expected European gas inventories. We cut our Dutch TTF gas price assumptions by 52/32/25% to EUR80/70/50 per MWh over 2023-25F.

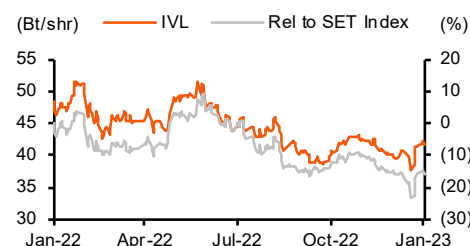
Improving quality of product portfolio

IVL has completed the major expansion, both horizontal and vertical, of its PET business. It is entering a new growth phase, albeit a more gradual one, via the expansion of its IOD business. We see this move improving its product portfolio and earnings quality. The key IOD product, surfactant, earns twice the EBITDA margin than the average PET product. Surfactant is a chemical compound mainly used in liquid soaps and shampoos. We estimate the IOD business contribution to rise from 6% of EBITDA in 2019 to 33% in 2022F and 34% by 2025F.

COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	468,108	551,052	514,057	528,199
Net profit	26,288	43,359	27,789	32,134
Consensus NP	—	46,765	34,870	31,856
Diff frm cons (%)	—	(7.3)	(20.3)	0.9
Norm profit	20,420	40,865	27,789	32,134
Prev. Norm profit	—	39,416	28,948	28,371
Chg frm prev (%)	—	3.7	(4.0)	13.3
Norm EPS (Bt)	3.6	7.3	4.9	5.7
Norm EPS grw (%)	203.1	100.1	(32.0)	15.6
Norm PE (x)	11.5	5.7	8.4	7.3
EV/EBITDA (x)	7.7	5.2	6.2	5.4
P/BV (x)	1.5	1.2	1.1	1.0
Div yield (%)	2.4	4.8	3.6	5.5
ROE (%)	14.3	23.2	13.7	14.4
Net D/E (%)	115.5	105.5	92.2	74.3

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 19-Jan-23 (Bt)	41.75
Market Cap (US\$ m)	7,095.3
Listed Shares (m shares)	5,614.6
Free Float (%)	35.1
Avg Daily Turnover (US\$ m)	23.5
12M Price H/L (Bt)	51.50/37.75
Sector	PETRO
Major Shareholder	Indorama Resources 64.74%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P8

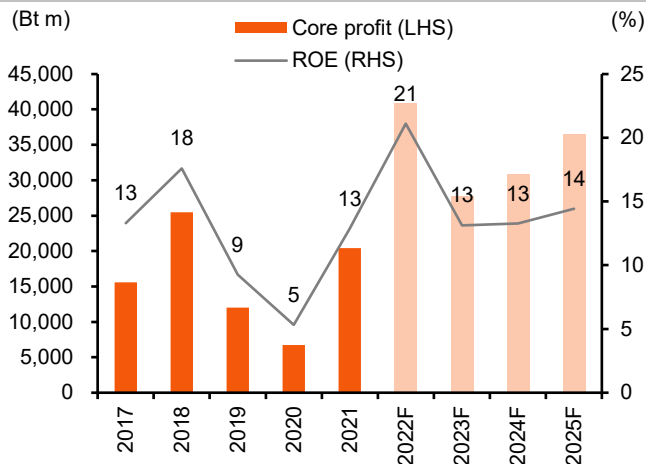


Back to a good base

Weaker 2023F profit already looks priced in

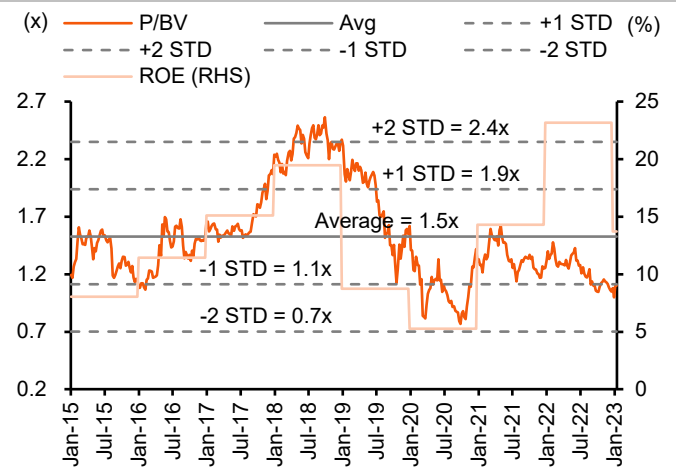
Indorama Ventures Pcl (IVL) enjoyed decent profits in 2022 given the abnormally high West PET premium, which was driven by a surge in freight costs, and we expect that benefit to normalize in 2023F. On top of that, the surge in gas costs and weaker global demand prospects have caused the market to turn more cautious on IVL's 2023F prospects. However, we think those factors have been played out with IVL's share price already falling by 18% from its peak. We see IVL as inexpensive trading at 8.4x PE and 1.1x P/BV in 2023F, which is -1STD below its five-year historical average. While its valuations are lower, we project its ROE to recover to the pre-COVID level of 13.7% vs. the COVID years' 5-9%.

Ex 1: IVL's Profit



Sources: Company data, Thanachart estimates

Ex 2: IVL's P/BV Vs. ROE



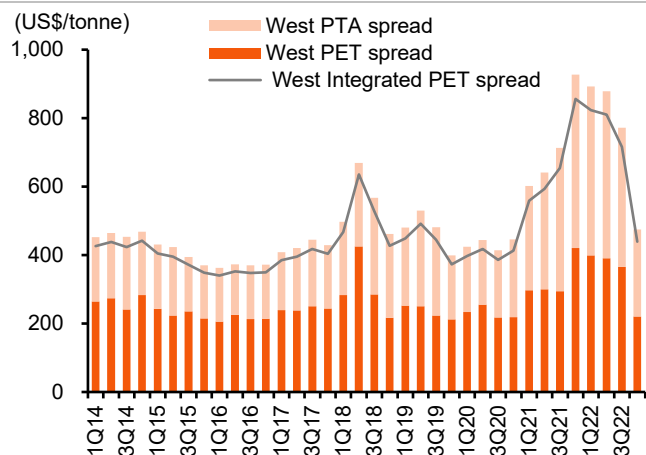
Sources: Company data, Thanachart estimates

PET spreads have normalized

PET spreads have normalized in all regions

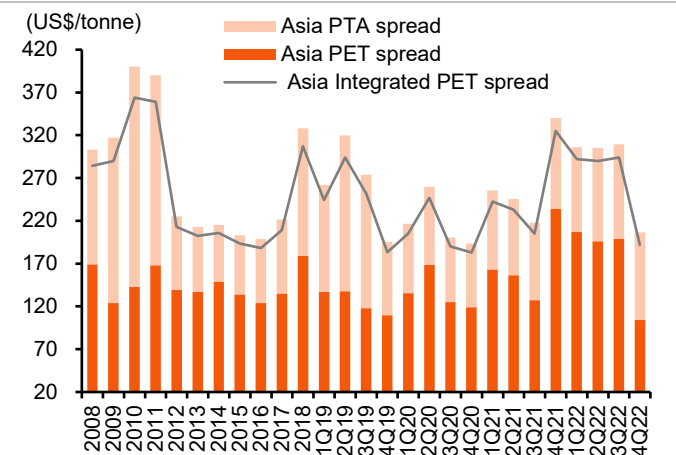
IVL's core PET products spreads have already reached normalized levels in all regions. The Asia integrated PET spread fell to a seven-year low of US\$187/tonne in 4Q22 vs. US\$292 in 9M22 due to inventory destocking and weak China demand. We estimate the spread to improve to US\$212/222 in 2023-24F to what we see as normalized levels after China's reopening. The West PET spread also fell to US\$448/tonne in 4Q22 vs. US\$783 in 9M22, which was abnormally high due to the freight rate jump that pushed up the parity price in the net-importing Western markets. We expect the West PET spread to normalize at US\$465/492 in 2023-24F. See our spread assumptions in Exhibit 11.

Ex 3: West PET Spread



Source: Company data

Ex 4: Asia PET Spread



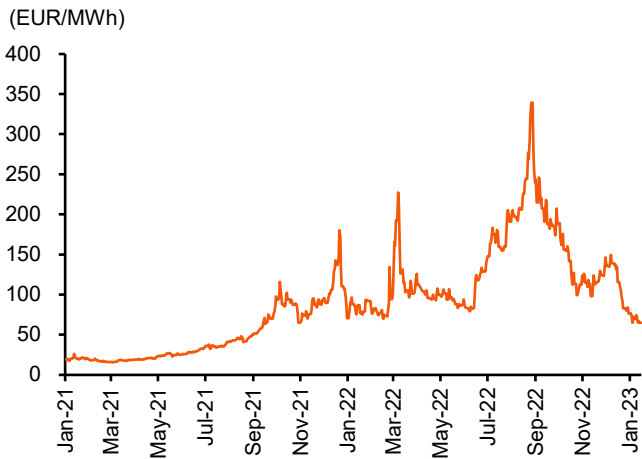
Source: Company data

Gas costs pull back

Pain from high gas costs looks to be over

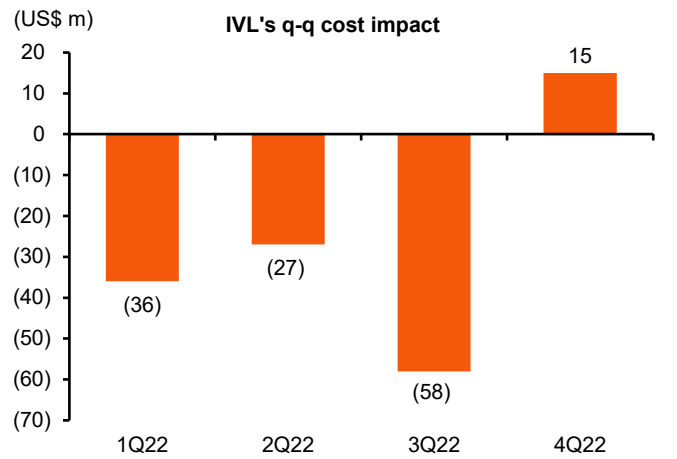
IVL suffered high gas costs in 2022 but we believe the worst is over. The Dutch Title Transfer Facility (TTF) benchmark gas price has rapidly fallen from its 2022 peak of EUR339/MWh and 2022 average of EUR132 to EUR61/MWh at present, which is the level before the Russia-Ukraine war started. The rapid decline follows a warmer-than-usual winter and higher-than-expected European gas inventories. We cut our Dutch TTF gas price assumptions by 52/32/25% to EUR80/70/50 per MWh over 2023-25F.

Ex 5: Dutch TTF Gas Costs



Source: Bloomberg

Ex 6: Gas Cost Impact On IVL



Source: Company data

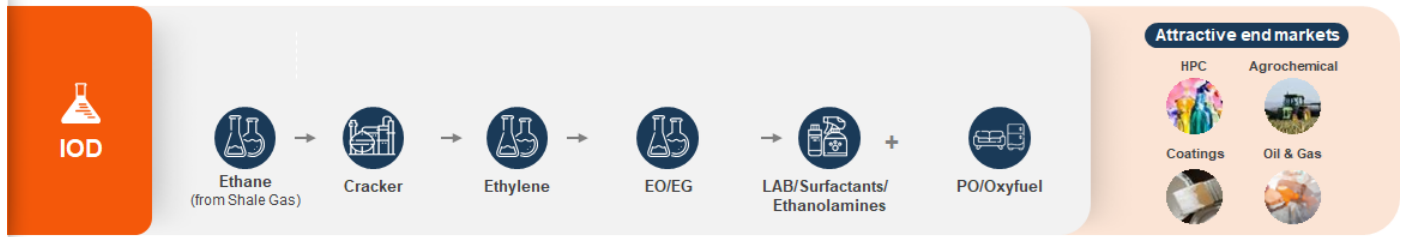
Improving quality of product portfolio

With higher IOD contribution, we see IVL's earnings quality improving

IVL has completed its major expansion cycle, horizontally and vertically, of its PET business. It is now entering a new growth phase, though a more gradual one, via the expansion of its downstream integrated oxides and derivatives (IOD) business. We see this move improving its product portfolio and earnings quality. The key IOD product, surfactant, earns twice the EBITDA margin of the average PET product. Surfactant is in the ethylene oxide (EO) chain, which is mainly used for detergents, wetting agents, and emulsifiers.

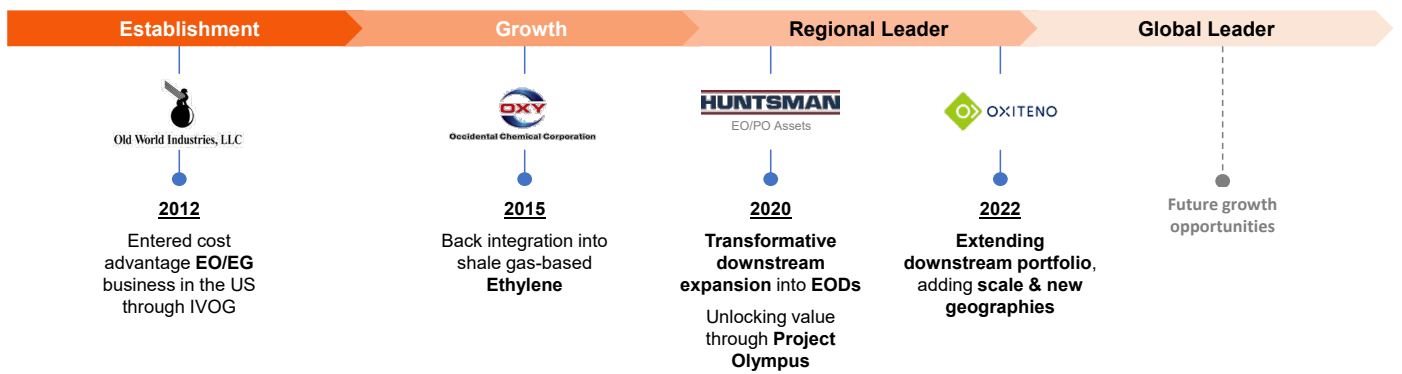
This business segment has become a large contributor to IVL's EBITDA given the Huntsman acquisition in 1Q20 and that of Oxiteno in 2Q22. We estimate the IOD contribution to rise from 6% of EBITDA in 2019 to 33% in 2022F before increasing further to 34% by 2025F. In this note, we also raise our IOD EBITDA assumptions by 19/25% over 2023-25F given the much stronger-than-expected contribution from Oxiteno. We also factor in potential synergies with Oxiteno amounting to US\$100m, which we expect to be fully realized in 2025F.

Ex 7: IOD Value Chain



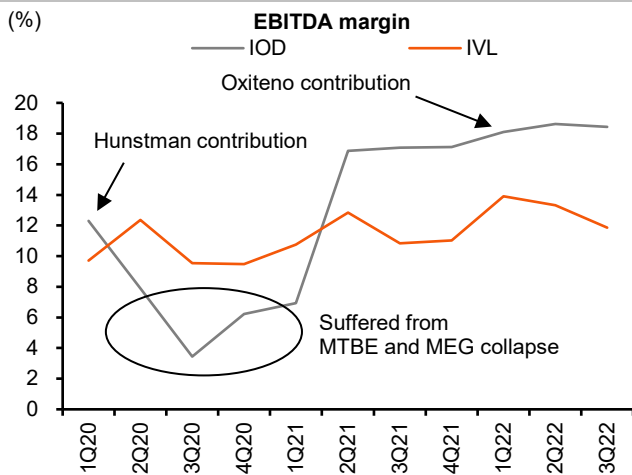
Sources: Company data

Ex 8: Evolution Of IOD Segment



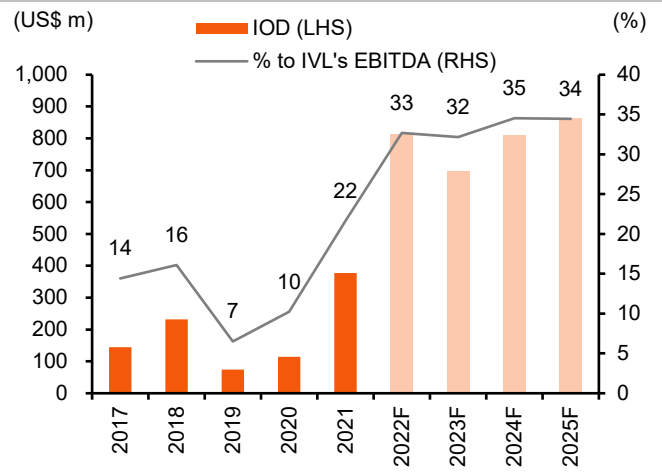
Sources: Company data

Ex 9: IOD'S EBITDA Margin Vs. IVL



Sources: Company data

Ex 10: % Of IOD To Total EBITDA



Sources: Company data, Thanachart estimates

Earnings revisions

We factor in lower gas costs and higher IOD profit

We cut our profit estimate for IVL in 2023F by 4% as our lower PET spread assumption is offset by lower gas costs and a higher MTBE margin. For 2024F, we raise our profit projection by 13% on the back of lower gas costs and higher IOD profit. IOD EBITDA came in stronger than we'd expected in 2022 because of higher demand in Brazil's agricultural industry. We expect the benefit to normalize in 2023F and estimate IOD's EBITDA to drop by 14%, but still come in 85% higher than the level in 2021. Consequently, we lift our DCF-based 12-month TP (2023F base year) to Bt48/share from Bt46.

Ex 11: Earnings Revisions

	2019	2020	2021	2022F	2023F	2024F
Reported profit (Bt m)						
- New	5,252	2,414	26,288	43,359	27,789	32,134
- Old				42,914	28,948	28,371
- Change (%)				1.0	(4.0)	13.3
Normalized profit (Bt m)						
- New	12,002	6,738	20,420	40,865	27,789	32,134
- Old				39,416	28,948	28,371
- Change (%)				3.7	(4.0)	13.3
Asia integrated PET spread (US\$/tonne)						
- New	243	206	252	265	212	222
- Old				282	267	249
- Change (%)				(6.0)	(20.6)	(10.8)
West integrated PET spread (US\$/tonne)						
- New	439	397	666	699	465	492
- Old				767	601	528
- Change (%)				(8.9)	(22.6)	(6.8)
Dutch TTF gas cost (EUR/MWh)						
- New	15	9.6	46.7	131.9	80	60
- Old				170	166.2	103.4
- Change (%)				(22.4)	(51.9)	(42.0)
IOD EBITDA (US\$ m)						
- New	75	115	377	813	696	771
- Old				556	585	618
- Change (%)				46.2	19.0	24.8
MTBE (US\$/tonne)						
- New	358	151	206	643	400	400
- Old				500	350	350
- Change (%)				28.6	14.3	14.3

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	71,444	77,544	82,770	84,416	84,246	86,399	95,260	97,548	99,907	102,340	104,847	
Free cash flow	26,865	39,450	55,755	32,239	26,851	34,570	42,008	44,230	46,487	48,801	51,175	670,931
PV of free cash flow	24,684	33,290	42,676	22,572	17,197	20,249	22,507	20,962	20,068	19,186	18,327	240,270
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.3											
WACC (%)	8.9											
Terminal growth (%)	2.0											
Enterprise value - add investments	501,988											
Net debt	219,576											
Minority interest	14,385											
Equity value	268,027											
# of shares	5,615											
Equity value/share (Bt)	48											

Sources: Company data, Thanachart estimates

Valuation Comparison**Ex 13: Comparison With Regional Peers**

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		– Div yield –	
			22F (%)	23F (%)	22F (x)	23F (x)	22F (x)	23F (x)	22F (x)	23F (x)	22F (%)	23F (%)
Sinopec Shanghai	338 HK	Hong Kong	(136.1)	na	na	11.5	0.5	0.5	na	7.4	2.6	5.8
Sinopec Yizheng	1033 HK	Hong Kong	(46.7)	43.8	35.6	24.8	1.3	1.2	9.3	8.8	0.0	0.0
AKR Corporindo	AKRA IJ	Indonesia	92.7	6.1	12.7	12.0	2.5	2.3	9.2	8.6	3.3	3.9
Reliance Industries Ltd	RIL IN	India	31.2	18.6	27.1	22.9	2.1	1.9	17.8	13.9	0.3	0.4
LG Chem	051910 KS	South Korea	(38.1)	22.6	19.5	15.9	1.5	1.4	8.4	6.8	1.6	1.8
SK Energy	096770 KS	South Korea	na	(24.6)	5.8	7.7	0.7	0.6	4.4	5.7	2.5	2.2
Petronas Chemicals Group	PCHEM MK	Malaysia	16.6	(10.4)	8.9	10.0	1.8	1.6	5.6	6.0	5.8	5.2
Formosa Chemical	1326 TT	Taiwan	(57.5)	0.5	24.6	24.5	1.2	1.2	21.8	18.3	2.9	3.1
Far Eastern New Century	1402 TT	Taiwan	(7.2)	6.3	16.0	15.0	0.8	0.8	11.0	10.6	5.2	5.9
IRPC Pcl *	IRPC TB *	Thailand	(70.7)	489.1	56.0	9.5	0.7	0.7	12.2	7.0	4.8	5.3
Indorama Ventures *	IVL TB *	Thailand	100.1	(32.0)	5.7	8.4	1.2	1.1	5.2	6.2	4.8	3.6
PTT Global Chemical *	PTTGC TB *	Thailand	(25.3)	(17.5)	10.9	13.3	0.8	0.7	9.1	8.7	1.5	3.6
Siam Cement *	SCC TB *	Thailand	(37.1)	(2.0)	14.5	14.8	1.1	1.1	13.6	11.7	3.5	3.4
TPI Polene	TPIPL TB	Thailand	39.6	(25.7)	4.9	6.6	0.7	0.6	8.2	9.3	5.4	5.1
Average			(10.7)	36.5	18.6	14.1	1.2	1.1	10.5	9.2	3.2	3.5

Sources: Bloomberg, * Thanachart estimates

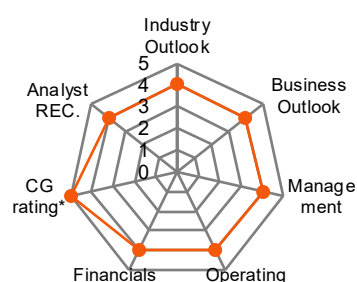
Based on 19 January 2023 closing prices

COMPANY DESCRIPTION

Inorama Ventures Pcl (IVL) manufactures and distributes polyethylene terephthalate (PET), polyester fibers and yarns, purified terephthalic acid (PTA) and monoethylene glycol (MEG). It is one of the largest vertically integrated polyester chain producers in the world. Its global sales and manufacturing presence can be seen in major markets such as the US, Europe and Asia, serving major players in diversified end-user markets, including food, beverages, personal and home care, health care, automotive, textiles and industrial. We believe IVL is now at an inflection point for its third growth phase, via expanding into a packaging, olefin-integrated company.

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

- Large scale and efficient facilities are helping IVL to become one of the lowest-cost producers in the world.
- Large scale and good relationships with customers help IVL to keep its utilization rate high and improve economies of scale.
- Setting up plants in many major markets helps IVL to save on transportation costs and avoid trade barriers.

O — Opportunity

- IVL still has room for further growth potential from expanding its IOD portfolio via horizontal and vertical integration.
- Potential upside from the rPET business.
- Market consolidation in the US and Europe is helping to sustain product spreads.

W — Weakness

- IVL's heavy reliance on the PET/polyester product value chain and its investment in US ethane crackers make it vulnerable to oil price fluctuations.
- For PET, IVL's customers are major food & beverage companies, and they could have very strong bargaining power.

T — Threat

- Threat from higher environmental awareness that would lead to lower virgin PET demand.
- New technology to lower production costs would require existing players to invest more capex to improve efficiency.
- Overpaying for acquisitions and limited synergies.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	54.16	48.00	-11%
Net profit 22F (Bt m)	46,765	43,359	-7%
Net profit 23F (Bt m)	34,870	27,789	-20%
Consensus REC	BUY: 16	HOLD: 4	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2023F net profit is lower than the Bloomberg consensus estimate, which we attribute to us having a lower West PET spread assumption.
- Therefore, our DCF-based TP is lower than the Street's.

Sources: Bloomberg consensus, Thanachart forecasts

RISKS TO OUR INVESTMENT CASE

- Lower-than-expected spreads and/or poor cost controls represent the key downside risks to our view.
- A collapse in oil prices that would lead to lower MTBE and MEG spreads is a secondary downside risk to our call.
- Unsuccessful integration of recent acquisitions would be another downside risk.
- Lower-than-expected gas costs could lead to lower-than-expected costs.
- A sudden renewed spike in freight rates leading to a wider West PET premium.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	331,513	468,108	551,052	514,057	528,199
Cost of sales	277,729	386,738	426,058	408,033	415,548
Gross profit	53,784	81,370	124,994	106,024	112,651
% gross margin	16.2%	17.4%	22.7%	20.6%	21.3%
Selling & administration expenses	39,092	47,343	64,980	60,618	62,286
Operating profit	14,692	34,027	60,013	45,406	50,366
% operating margin	4.4%	7.3%	10.9%	8.8%	9.5%
Depreciation & amortization	20,469	21,736	27,130	26,038	27,178
EBITDA	35,161	55,763	87,143	71,444	77,544
% EBITDA margin	10.6%	11.9%	15.8%	13.9%	14.7%
Non-operating income	(1,318)	1,978	0	0	0
Non-operating expenses	0	0	0	0	0
Interest expense	(7,482)	(6,905)	(7,199)	(8,300)	(7,830)
Pre-tax profit	5,892	29,100	52,814	37,105	42,536
Income tax	(1,095)	6,703	9,974	7,454	8,540
After-tax profit	6,987	22,397	42,840	29,651	33,996
% net margin	2.1%	4.8%	7.8%	5.8%	6.4%
Shares in affiliates' Earnings	143	160	175	165	165
Minority interests	(392)	(2,137)	(2,150)	(2,027)	(2,027)
Extraordinary items	(4,324)	5,868	2,494	0	0
NET PROFIT	2,414	26,288	43,359	27,789	32,134
Normalized profit	6,738	20,420	40,865	27,789	32,134
EPS (Bt)	0.4	4.7	7.7	4.9	5.7
Normalized EPS (Bt)	1.2	3.6	7.3	4.9	5.7

IVL's profit set to drop from 2022F as West PET premium eases

BALANCE SHEET

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
ASSETS:					
Current assets:	119,835	176,859	197,310	192,521	196,407
Cash & cash equivalent	19,390	16,456	15,241	20,241	20,241
Account receivables	33,422	53,172	62,593	58,391	59,998
Inventories	53,938	88,979	98,026	93,878	95,607
Others	13,084	18,252	21,451	20,011	20,561
Investments & loans	3,229	3,603	3,603	3,603	3,603
Net fixed assets	264,291	291,677	345,397	358,959	358,181
Other assets	65,817	69,689	74,007	72,081	72,817
Total assets	453,172	541,828	620,318	627,164	631,008
LIABILITIES:					
Current liabilities:	117,161	161,121	180,954	187,703	196,538
Account payables	57,783	90,265	99,442	95,235	96,989
Bank overdraft & ST loans	20,726	26,619	29,224	28,692	25,778
Current LT debt	16,503	17,371	22,615	36,333	45,338
Others current liabilities	22,150	26,866	29,672	27,443	28,433
Total LT debt	164,073	169,893	182,978	165,515	136,013
Others LT liabilities	36,329	39,811	48,295	45,822	46,767
Total liabilities	317,564	370,825	412,227	399,040	379,318
Minority interest	8,953	12,235	14,385	16,412	18,439
Preferreds shares	0	0	0	0	0
Paid-up capital	5,615	5,615	5,615	5,615	5,615
Share premium	60,331	60,331	60,331	60,331	60,331
Warrants	0	0	0	0	0
Surplus	(6,852)	4,330	4,330	4,330	4,330
Retained earnings	67,561	88,492	123,430	141,436	162,975
Shareholders' equity	126,655	158,769	193,706	211,712	233,251
Liabilities & equity	453,172	541,828	620,318	627,164	631,008

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	5,892	29,100	52,814	37,105	42,536
Tax paid	1,495	(5,123)	(10,017)	(7,385)	(8,595)
Depreciation & amortization	20,469	21,736	27,130	26,038	27,178
Chg In working capital	9,719	(22,308)	(9,291)	4,142	(1,581)
Chg In other CA & CL / minorities	8,645	727	(204)	(693)	660
Cash flow from operations	46,220	24,133	60,432	59,208	60,197
Capex	(72,337)	(49,122)	(80,850)	(39,600)	(26,400)
Right of use	(11,865)	415	0	0	0
ST loans & investments	48	96	30	0	0
LT loans & investments	(682)	(374)	0	0	0
Adj for asset revaluation	(141)	11,539	0	0	0
Chg In other assets & liabilities	(2,017)	3,511	6,660	(548)	209
Cash flow from investments	(86,994)	(33,934)	(74,160)	(40,148)	(26,191)
Debt financing	55,040	12,581	20,934	(4,277)	(23,411)
Capital increase	0	0	(0)	0	0
Dividends paid	(3,930)	(5,193)	(8,422)	(9,783)	(10,595)
Warrants & other surplus	(1,400)	(520)	0	0	0
Cash flow from financing	49,710	6,867	12,512	(14,060)	(34,006)
Free cash flow	(26,117)	(24,989)	(20,418)	19,608	33,797

VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	34.8	11.5	5.7	8.4	7.3
Normalized PE - at target price (x)	40.0	13.2	6.6	9.7	8.4
PE (x)	97.1	8.9	5.4	8.4	7.3
PE - at target price (x)	111.6	10.3	6.2	9.7	8.4
EV/EBITDA (x)	11.8	7.7	5.2	6.2	5.4
EV/EBITDA - at target price (x)	12.8	8.4	5.6	6.7	5.9
P/BV (x)	1.9	1.5	1.2	1.1	1.0
P/BV - at target price (x)	2.1	1.7	1.4	1.3	1.2
P/CFO (x)	5.1	9.7	3.9	4.0	3.9
Price/sales (x)	0.7	0.5	0.4	0.5	0.4
Dividend yield (%)	1.7	2.4	4.8	3.6	5.5
FCF Yield (%)	(11.1)	(10.7)	(8.7)	8.4	14.4
(Bt)					
Normalized EPS	1.2	3.6	7.3	4.9	5.7
EPS	0.4	4.7	7.7	4.9	5.7
DPS	0.7	1.0	2.0	1.5	2.3
BV/share	22.6	28.3	34.5	37.7	41.5
CFO/share	8.2	4.3	10.8	10.5	10.7
FCF/share	(4.7)	(4.5)	(3.6)	3.5	6.0

Sources: Company data, Thanachart estimates

*We see IVL's 8.4x 2023F
PE as already pricing in
2023F normalized profit*

FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Growth Rate					
Sales (%)	(6.0)	41.2	17.7	(6.7)	2.8
Net profit (%)	(54.0)	988.9	64.9	(35.9)	15.6
EPS (%)	(54.0)	988.9	64.9	(35.9)	15.6
Normalized profit (%)	(43.9)	203.1	100.1	(32.0)	15.6
Normalized EPS (%)	(43.9)	203.1	100.1	(32.0)	15.6
Dividend payout ratio (%)	162.8	21.4	25.9	30.0	40.0
Operating performance					
Gross margin (%)	16.2	17.4	22.7	20.6	21.3
Operating margin (%)	4.4	7.3	10.9	8.8	9.5
EBITDA margin (%)	10.6	11.9	15.8	13.9	14.7
Net margin (%)	2.1	4.8	7.8	5.8	6.4
D/E (incl. minor) (x)	1.5	1.3	1.1	1.0	0.8
Net D/E (incl. minor) (x)	1.3	1.2	1.1	0.9	0.7
Interest coverage - EBIT (x)	2.0	4.9	8.3	5.5	6.4
Interest coverage - EBITDA (x)	4.7	8.1	12.1	8.6	9.9
ROA - using norm profit (%)	1.6	4.1	7.0	4.5	5.1
ROE - using norm profit (%)	5.3	14.3	23.2	13.7	14.4
DuPont					
ROE - using after tax profit (%)	5.5	15.7	24.3	14.6	15.3
- asset turnover (x)	0.8	0.9	0.9	0.8	0.8
- operating margin (%)	4.0	7.7	10.9	8.8	9.5
- leverage (x)	3.3	3.5	3.3	3.1	2.8
- interest burden (%)	44.1	80.8	88.0	81.7	84.5
- tax burden (%)	118.6	77.0	81.1	79.9	79.9
WACC (%)	8.9	8.9	8.9	8.9	8.9
ROIC (%)	6.6	8.5	13.7	8.8	9.5
NOPAT (Bt m)	17,422	26,189	48,679	36,284	40,253
invested capital (Bt m)	308,567	356,196	413,282	422,011	420,139

Sources: Company data, Thanachart estimates

Leverage on a declining trend with lower capex

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As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

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80-89	▲▲▲▲	Very Good
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