

Siam Senses

Riding China's reopening

We turn more positive on the SET and lift our year-end target to 1,750 from 1,650 on the back of a potential uplift from China's early reopening. We still like plays on domestic consumption, sectors that are heavily exposed to China, and energy.



CHAK REUNGSINPINYA

662-779-9104

chak.reu@thanachartsec.co.th

A more bullish outlook for the SET

Given China's earlier-than-expected reopening, we see a better outlook for the Thai economy and SET Index. We upgrade our year-end index target to 1,750 based on a potential re-rating to 16.4x (10-year average for current-year PE) from 15.7x now (and our prior target of 15x). Going forward, we think sectors that will continue to do well are consumption- and tourism-related as well as specific segments of energy. This time, we are adding consumer-finance names to our top picks, given a potential improvement in asset quality and falling funding cost pressure.

Early China reopening to provide a big boost

The pace and the manner with which China is reopening its borders took us by surprise but we believe this is a positive tailwind for Thailand since China is Thailand's biggest trading partner and source of tourists. We forecast 28m tourist arrivals this year and 40m next year (matching 2019 levels), much of that driven by an influx of tourists from China. **AOT** and **CENTEL** remain key beneficiaries of this trend. We also keep **PSL** as one of our top picks as we think dry bulk demand will pick up materially after the Lunar New Year. Lastly, **LH** benefits from strong domestic housing demand and potential foreign buying.

Consumer finance vs. consumption plays

We remain bullish on the domestic consumption story and keep **CPALL** and **COM7** as our top picks. However, from a stock-selection perspective, we believe most other retail stocks have largely priced in the expected recovery and may no longer offer significant upside potential. As such, we choose a different tack and prefer to play this theme via consumer-finance names **TIDLOR** and **SAWAD**, which replace **BEC** (slow recovery) on our top BUY list. Given a continued decline in unemployment and falling household debt, we think consumers' financial health is in much better shape now than it has been since the pandemic struck. As such, we believe the NPL issues that have plagued the sector will soon hit a peak and start to decline later this year. We also expect funding cost pressure to ease as the Bank of Thailand (BOT) is unlikely to be as aggressive as the Fed.

Energy run-ups delayed, not derailed

We remain bullish on the outlook for coal and gas as well as refining margins. We think the extremely warm winter in Europe and the US are not permanent factors that could reverse the supply crunch. Energy stocks have been sold down despite attractive valuations (low single-digit PEs) and a very strong price environment for coal (NEX coal price still almost USD400/tonne) and refining margins (Singapore GRM in the USD8-10/bbl range vs. its USD4-7/bbl historical range). We see the recent share price pullbacks for our top picks **BANPU** and **TOP** as entry opportunities. However, we remove **ESSO** from the list following the announcement of its acquisition by **BCP**.

Top Picks

Ticker	EPS growth-		PE		Yield
	23F	24F	23F	24F	
	(%)	(%)	(x)	(x)	(%)
AOT	na	233.1	114.3	34.3	0.0
BANPU	(20.0)	(33.4)	2.2	3.3	11.9
CENTEL	681.3	42.8	42.9	30.0	0.5
COM7	19.3	24.3	21.5	17.3	3.8
CPALL	60.3	38.9	31.0	22.3	1.6
LH	15.3	11.1	11.9	10.7	7.2
PSL	(22.3)	6.1	6.8	6.4	7.7
SAWAD *	21.0	19.6	13.5	11.3	3.7
TIDLOR *	27.8	23.2	15.8	12.8	1.3
TOP	(48.3)	(9.5)	7.8	8.6	5.4

Stocks taken out

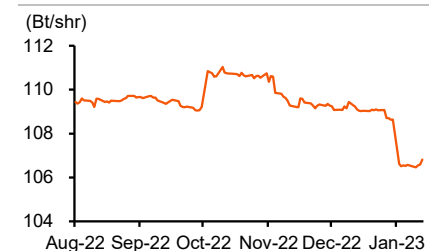
BEC	45.2	20.5	29.3	24.3	3.1
ESSO	(48.4)	0.0	6.0	6.0	8.3

Source: Thanachart estimates

Note: *New addition.

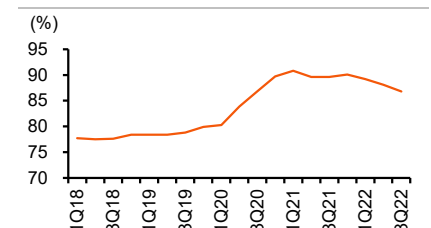
Based on 16 January 2023 closing prices

Earnings Downgrades Have Stopped



Source: Bloomberg

Household Debt-to-GDP



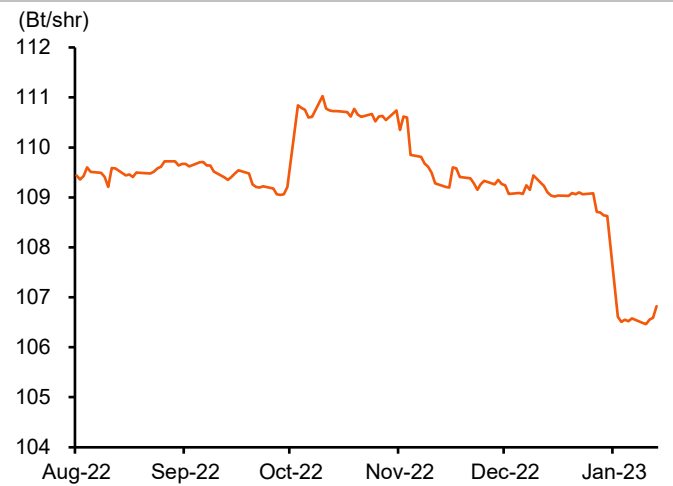
Source: BOT

A more bullish outlook for the SET

We upgrade our SET Index target to 1,750 from 1,650 on China's early reopening

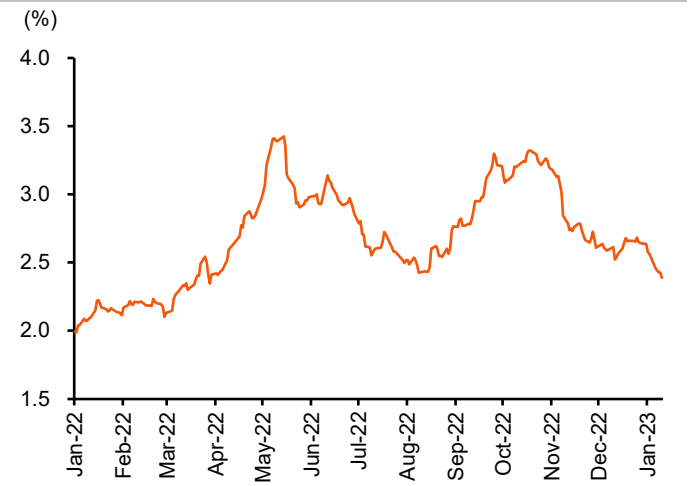
We turn more positive on the SET given China's earlier-than-expected reopening and its potential uplift to the Thai economy. As such, we lift our year-end SET Index target to 1,750 from 1,650 previously. We think the recent earnings downgrades for 2023F EPS will likely slow as the positive boost to the economy and corporate profits come through. At the same time, the bond yield has pulled back significantly. The Thailand 10-year government bond yield has fallen below 2.4% compared to its peak of nearly 3.5% last year. We think this has reduced the significant pressure on the market multiple.

Ex 1: Earnings Downgrades Have Stopped



Source: Bloomberg

Ex 2: Falling Bond Yield Reduces Pressure On Multiples

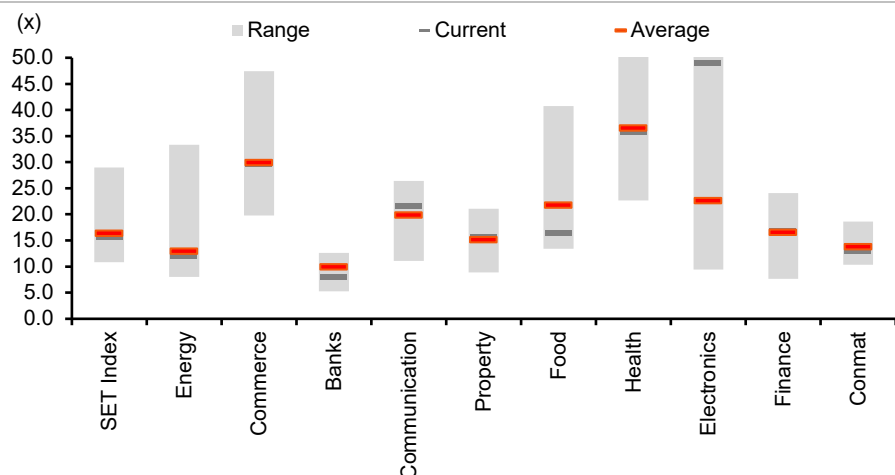


Source: TBMA

Note: Thailand 10Y government bond yield

We also think the market has been somewhat too negative on some sectors, such as energy and commerce whereas upgrades for major sectors such as banks have been quite muted. This leaves room for a potential upside surprise later in the year, in our view. In terms of valuation, many sectors are still trading at below their long-term averages. These include major sectors such as energy, banks, commerce, and even healthcare. As such, we think these remain as opportunities for outperformance.

Ex 3: Many Sectors Are Trading At Multiples Below Their Long-term Average*



Sources: Bloomberg, Thanachart estimates

Note: Range and average based on data over the past 10 years

Early China reopening to provide a big boost

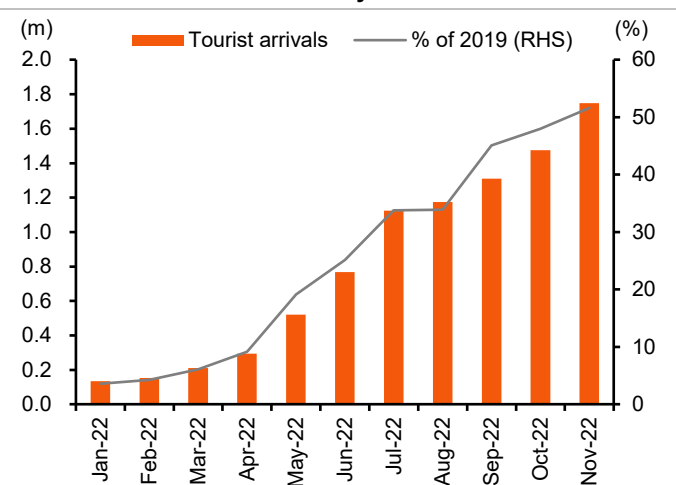
Chinese tourism, trade and FDI to help drive Thai economy

We believe China's reopening will have an outsized impact on the Thai economy in terms of trade, tourism, and FDI.

Tourism recovery to accelerate

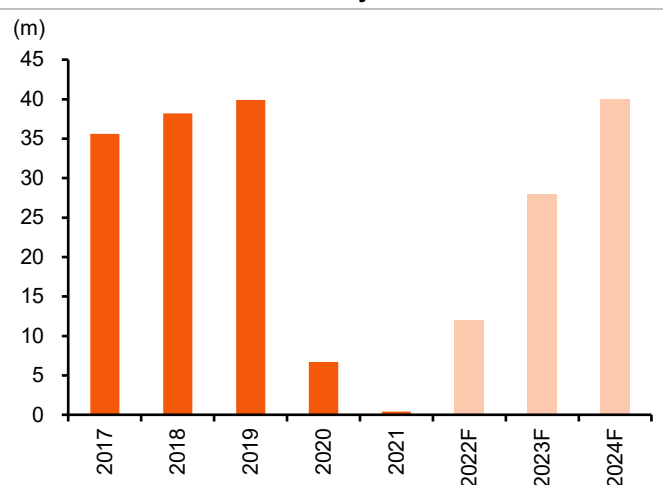
We previously upgraded our view on tourist arrivals for 2023F from 26m to 28m and correspondingly raised our earnings for AOT (see *AOT – The time has come*, 11 January 2022 by Saksid Phadthanarak). This is because arrivals in 2022 had been stronger than we had expected, and we believe China's early reopening in 2023 will enable the more than 100% y-y growth in arrivals that we forecast.

Ex 4: Tourist Arrivals – Monthly



Sources: MOTS; Thanachart estimates

Ex 5: Tourist Arrivals – Annually

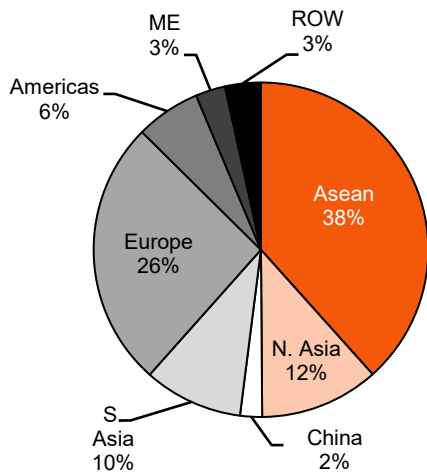


Sources: MOTS; Thanachart estimates

The latest data for November 2022 shows tourist arrivals hitting over 50% of pre-COVID levels (which implies an annualized rate of about 20m). This was achieved with very few Chinese tourists who made up just 2% of total arrivals vs. almost 30% back in 2019. Tourist numbers from the Middle East already surpassed the pre-COVID level while South Asia (chiefly India), Europe, ASEAN, and the Americas have already seen a recovery to 60-80% of pre-COVID levels. North Asia remains a laggard, with tourist numbers at less than 50% of the 2019 level.

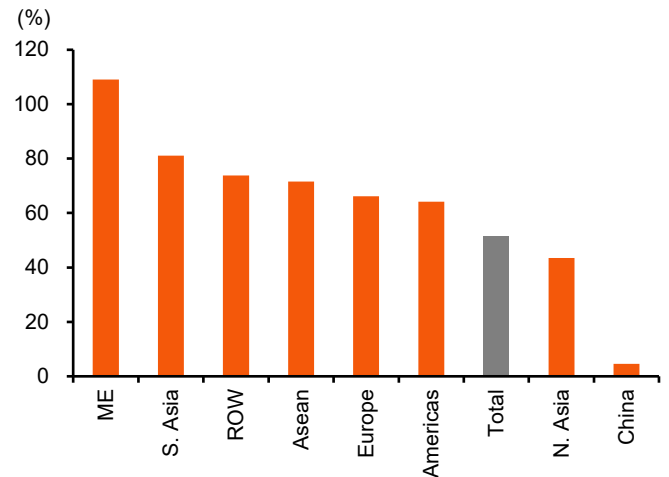
Looking forward to 2023-24F, we expect China to be the biggest driver of tourist arrival growth. This is likely to be followed by India, which is one of the fastest-growing major markets for Thailand. Given its large population and proximity to Thailand, we think India has the potential to rival China in terms of tourist arrivals. We also think that the Middle East, with the restoration of Thailand's diplomatic relationship with Saudi Arabia, could be another major driver of growth.

Ex 6: November 2022 Tourist Arrivals Breakdown



Sources: MOTS; Thanachart estimates
 Note: N. Asia excludes China

Ex 7: November 2022 Arrivals As % Of Pre-COVID Level

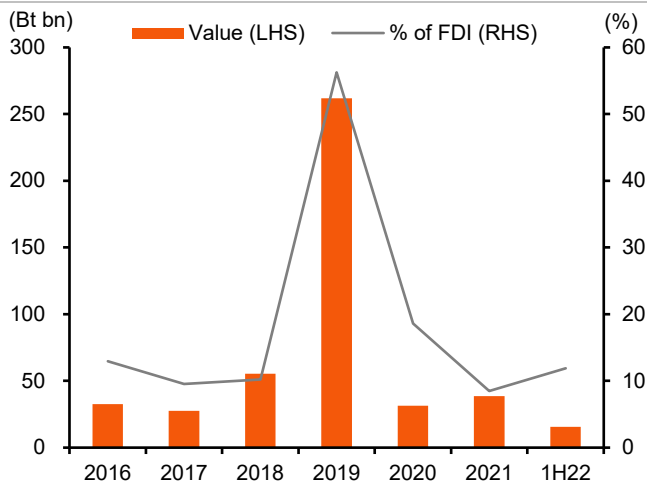


Sources: MOTS; Thanachart estimates
 Note: N. Asia excludes China

Potential uplift to FDI from China

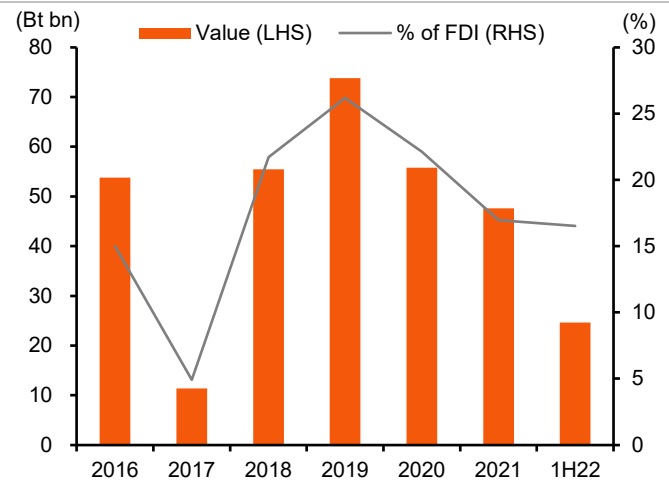
We expect foreign direct investment (FDI) from China to resume after having been interrupted during 2020-22. According to data from Thailand’s Board of Investment (BOI), China was one of the biggest potential investors in Thailand. In 2018-19, the value of investment projects approved by the BOI for Chinese investors reached Bt55bn and Bt74bn, respectively. These accounted for 22-26% of total FDI projects approved in those years and represented an increase from just 5-15% in 2016-17. The proportion of Chinese FDI fell after COVID but we believe this will once again recover as China opens up.

Ex 8: BOI Project Applications By Chinese Investors



Sources: BOI; Thanachart estimates

Ex 9: BOI Projects Approved For Chinese Investors



Sources: BOI; Thanachart estimates

Consumer finance vs. consumption plays

We are adding two consumer-finance names, TIDLOR and SAWAD, to our top picks list. These replace BEC (media) as our exposure to the broad-based improvement in domestic consumption. We have several reasons to go with consumer finance rather than retail names. Firstly, we believe the consumption story is broad-based rather than segment-specific and is driven by strong consumers rather than just by tourists. Secondly, specific concerns over consumer finance such as a funding cost headwind is likely to be over soon. Lastly, valuation looks significantly more attractive (mid-teens PE) compared to retail names (PEs in the high 20s to low 30s x). We discuss each of these issues below.

Broad-based consumer improvement

We think overall consumption will see continued growth this year, driven by strength on the consumer side. In turn, consumers are able to spend more because we are seeing an improvement in the jobs market and less inflationary pressure.

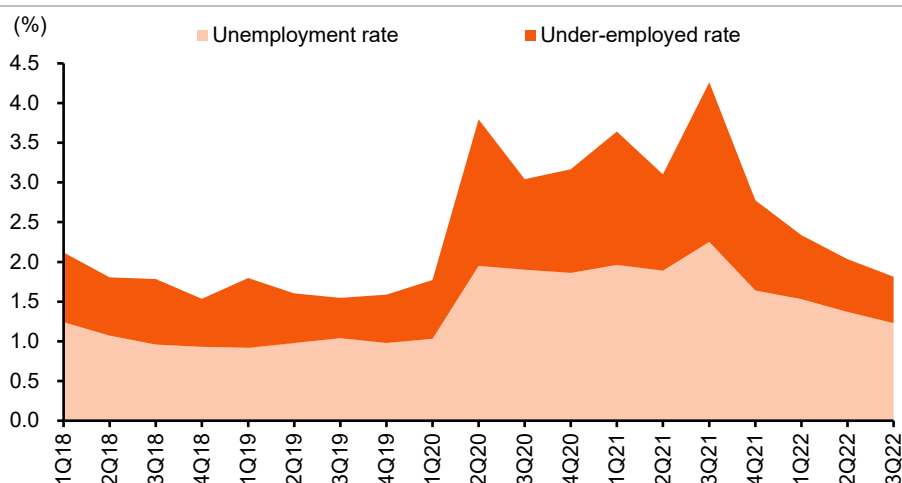
The jobs market has improved significantly over the past four quarters. The weakest quarter was 3Q21 when the unemployment rate hit 2.25% (vs. the pre-COVID level of 1%). On top of that, the under-employed rate (defined as people working less than 35 hours per week and looking for additional employment) added another 2% on top compared to 0.5-0.6% pre-COVID. This meant at its weakest point, Thailand's unemployment and under-employed rates together reached over 4.25% compared to 1.5-1.6% in 2019.

The unemployment rate in Thailand fell to about 1.23% in 3Q22. At the same time, the under-employed rate has also fallen back below 0.6%, matching the pre-COVID level. We believe there is further scope for improvement as these two figures altogether still add up to over 1.8% vs. 1.5-1.6% pre-COVID. In any case, we think the strength in the labor market is clear and this will likely continue to support domestic consumption as well as improve the financial health of consumers.

Lower unemployment rate, faster wage growth and reduced inflation to support domestic consumption

Unemployment and under-employed rates have fallen by half since peaking in 3Q21

Ex 10: Unemployment Rate And Under-employed Rate

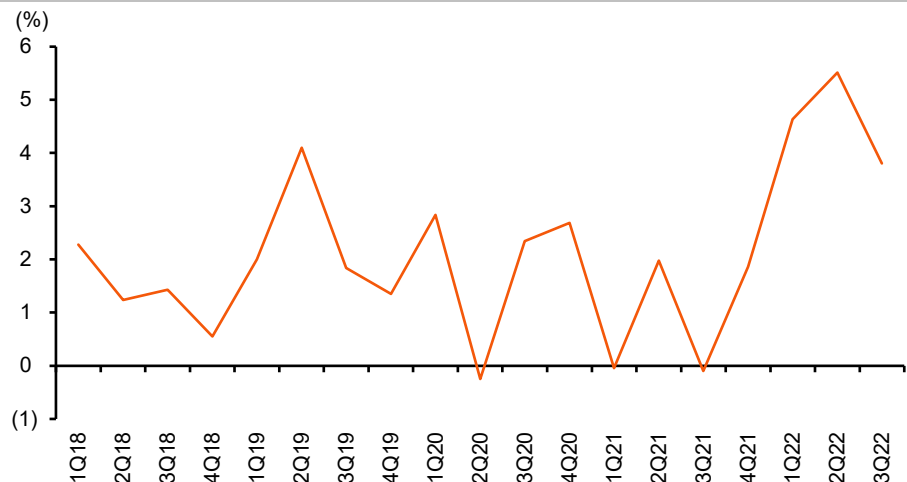


Sources: BOT, Thanachart estimates

Besides the falling unemployment rate, wage growth has also accelerated with the tightening labour market. After stagnating for much of 2021 and with very little growth in 2019-20, wage growth accelerated to about 4-6% y-y in the first three quarters of 2022 (latest available data was 3Q22). This means that not only are more people getting employed, but those that are employed are seeing significantly faster income growth than they used to in the past.

Wage growth is at the fastest pace in years

Ex 11: Thailand Is Seeing Accelerating Wage Growth

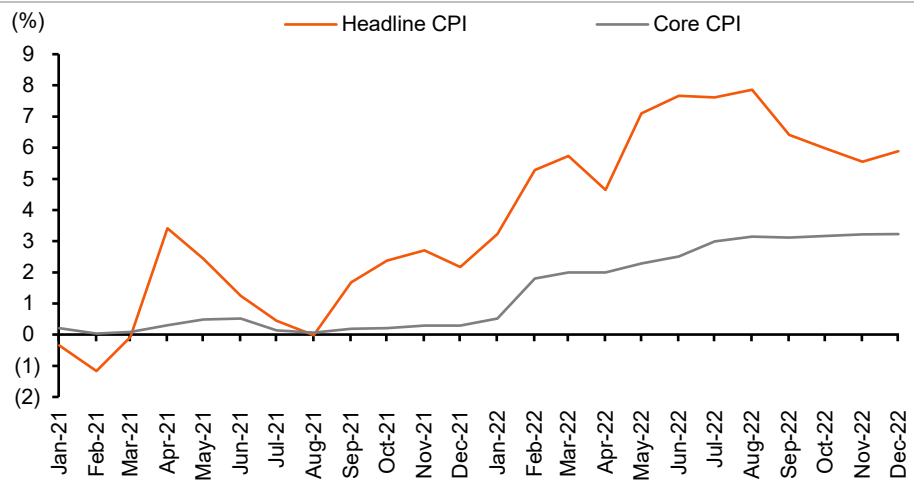


Sources: BOT, Thanachart estimates

Last, but not least, we think lower inflationary pressure means consumers won't be feeling as pressured as they were during much of 2022. Headline CPI has fallen to under 6% from a peak of 8% whereas core CPI is only slightly above 3%. We think as energy prices have plateaued, the base effect will help bring down inflation rates starting in 2Q23F.

Headline CPI has started falling while core CPI has plateaued

Ex 12: Thailand's Inflation Is Easing

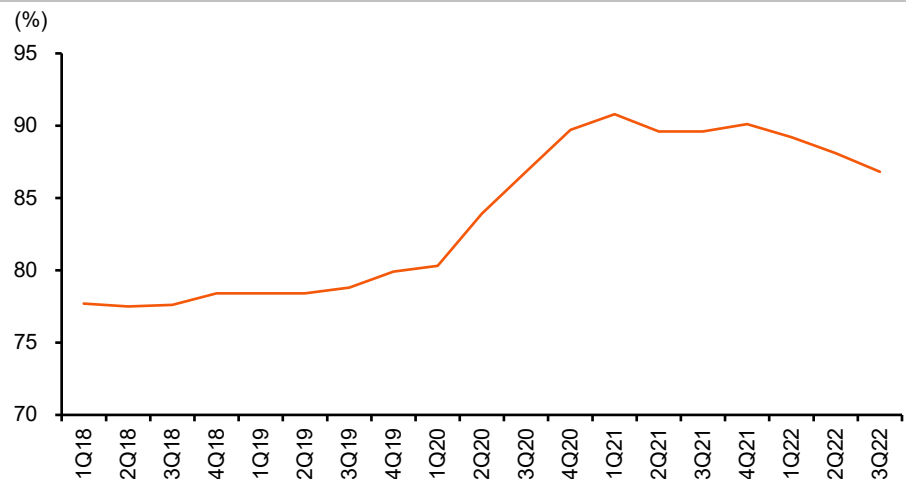


Source: MOC

Adding up all of the above, it means that, financially, Thai consumers are in better shape than at any time since the pandemic struck. Household debt to GDP, arguably one of the most important measures of consumers' financial health, has fallen steadily for many quarters now. The ratio peaked at 91% in 1Q21 and plateaued at around 90% for much of 2021. However, it has been falling steadily in 2022 and reached just under 87% by the end of 3Q22 (latest available data). While this is still much higher than the pre-pandemic level of under 80%, the significant improvement in recent quarters bodes well for the future. We think with unemployment falling, wages rising, and accelerated economic growth, the ratio will continue to fall for the rest of 2023F and into 2024F.

Household debt-to-GDP has been falling steadily, pointing to improved consumers' financial health

Ex 13: Household Debt-to-GDP Ratio



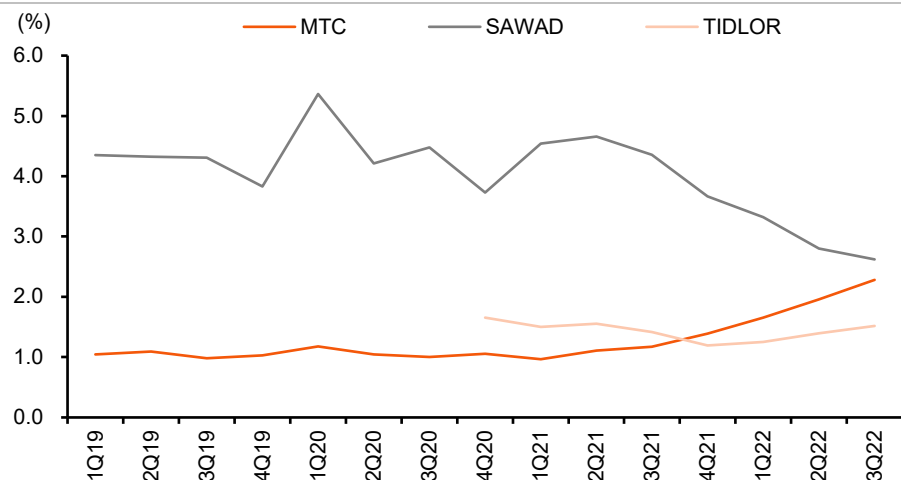
Source: BOT

Concerns over NPLs, funding costs likely to ease soon

We expect falling NPLs and easing funding cost pressure to help drive consumer finance stocks

We believe consumer-finance stocks have been weighed down mostly by two concerns: NPL formation and funding cost pressure. We think both of these factors could soon reverse course. On the NPL side, we believe that financially healthier consumers will mean repayment could pick up and asset quality improve. Most of the consumer-finance names cater to mid- to lower-income segments, which are most sensitive to changes in the jobs market (unemployment, wages) as well as the impact of consumer inflation. Given that these factors have turned for the better, we also expect NPL formation for consumer finance names to soon plateau and potentially decline later in the year.

Ex 14: Trends In NPL Ratios



Sources: Company data, Thanachart estimates

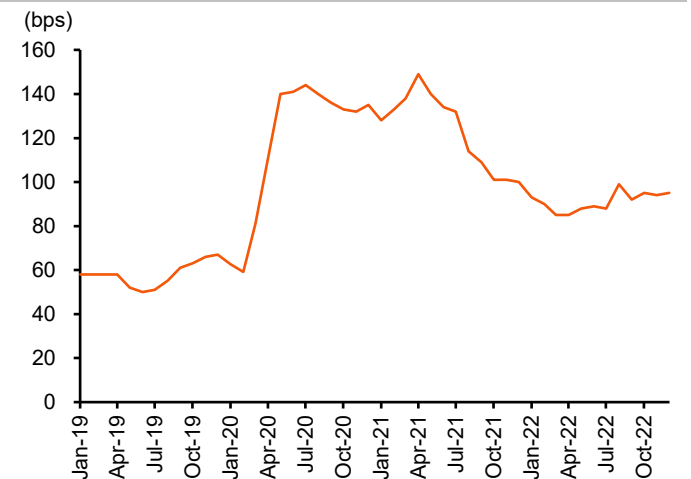
In terms of funding costs, we have already seen Thai government bond yields declining from their peaks in mid-2022. In fact, the three-year government bond yield (which is typically the maturity at which these companies fund themselves) has come down from 2.3% to less than 1.7%, matching levels seen in 2019. Additionally, corporate bond spreads, which have ballooned since COVID struck, have started to come down. While they are still elevated compared to 2019, they are well below the peaks during the worst of the pandemic.

Ex 15: Thailand 3-Year Government Bond Yield



Source: TBMA

Ex 16: Thailand A-rated Corporate Bond Spreads*



Source: TBMA

Note: For bond with maturities of 3 years or less

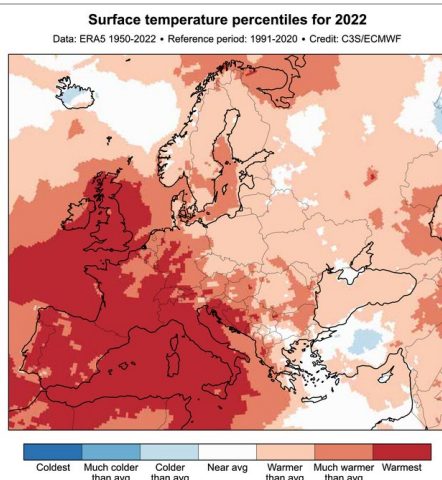
Energy run-ups delayed, not derailed

We maintain our positive view on the outlook for coal, gas, and refining margins. We believe the recent pullback in some energy prices (gas in particular) and stock prices was caused by factors that are unlikely to be repeated in the coming months, namely, extreme weather in Europe and the COVID outbreak in China. The supply constraint, which is the basis for our view, remains a key driver. We believe global gas prices will once again be on the rise as the weather normalizes and China gets back to business post the Lunar New Year.

Weather patterns that are unlikely to be repeated

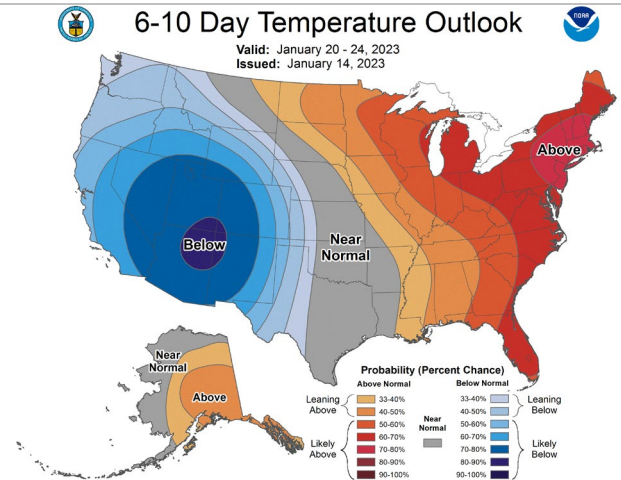
Since the middle of the year, Europe has experienced one of its most severe heatwaves. The heat has extended and in fact intensified into the fall and winter months, starting in October, making winter 2022-23 one of the warmest on record. In fact, several cities broke their temperature record by a wide margin, some by over 10C. The much warmer-than-average weather has significantly reduced Europe’s demand for heating, leaving gas in underground storage well above the seasonal average. In fact, we even saw an increase in Europe’s gas storage for the last week of December 2022. This extreme and highly unusual weather pattern has meant Europe is under much less pressure when it comes to meeting energy needs.

Ex 17: One Of The Warmest Winters On Record In Europe



Source: Copernicus

Ex 18: The US Also Seeing Unusually Warm Winter



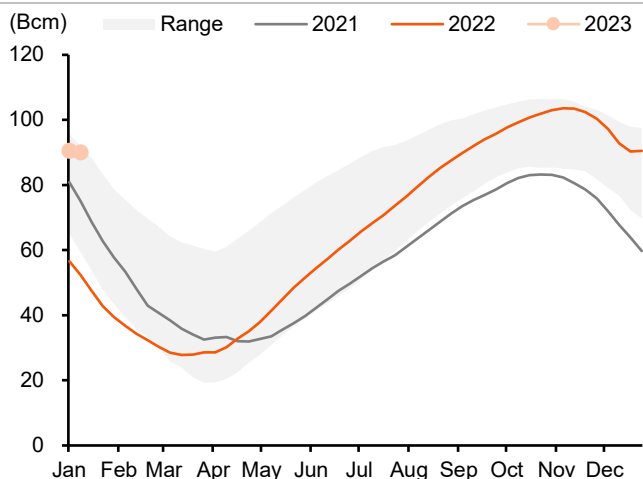
Source: CPC

Tight supply outlook for coal, gas and refined oil products has not changed

In the US, after a brief and intense cold wave, the weather has also turned much warmer than average for this time of the year especially in the large population centers on the East Coast and in the Midwest. This has pushed down heating and therefore natural gas demand.

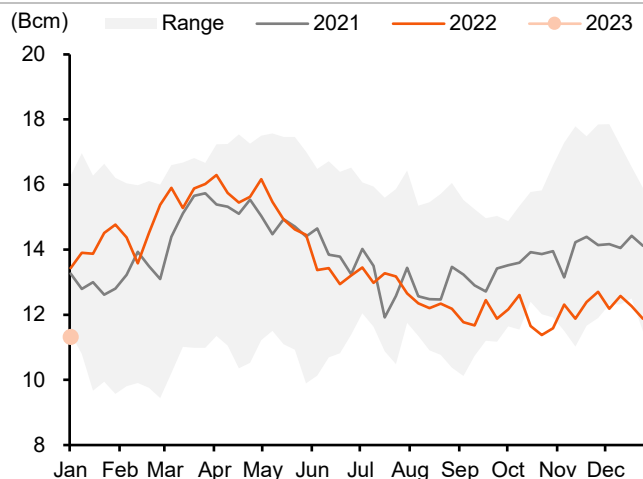
Looking forward, however, we do not expect the weather to be as big a factor as supply constraints. Gas flows into Europe are still hovering along some of the lowest levels in recent years despite massive LNG imports. The extra storage that we see now (about 15bcm above average) could be consumed within one week of normal winter demand.

Ex 19: Europe's Gas In Storage



Sources: Bruegel; Thanachart estimates

Ex 20: Europe's Gas Supply Still At Very Low Levels



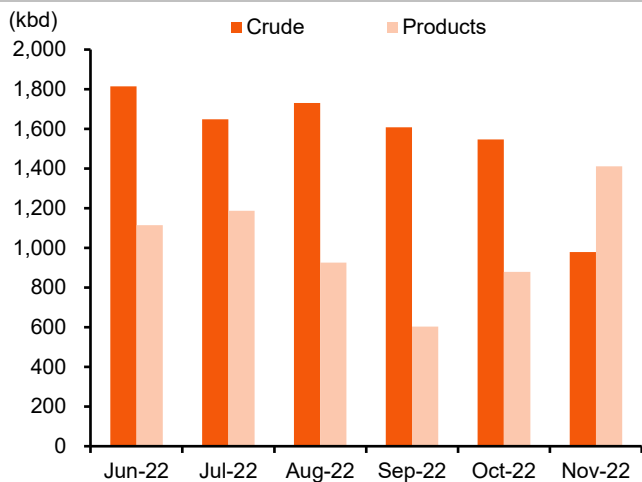
Sources: Bruegel; Thanachart estimates

Looming sanctions

Another factor that will likely come into play is the European Union's (EU) sanctions on Russian oil product imports, effective 5 February 2023. This has the potential to disrupt as much as 1.5mbd of oil product flows. Given that Russia has few places where it can re-export these products (as China and India are themselves big exporters of refined oil products), the potential impact on global refining space is significant. We believe the reason we are not seeing any major impact (though refining margins continue to hover at very high levels) is that European buyers are front-loading Russian oil product imports ahead of the sanctions. In fact, EU imports of Russian oil products in November jumped more than 100% compared to levels in August and were at the highest monthly figure since the war broke out in Ukraine.

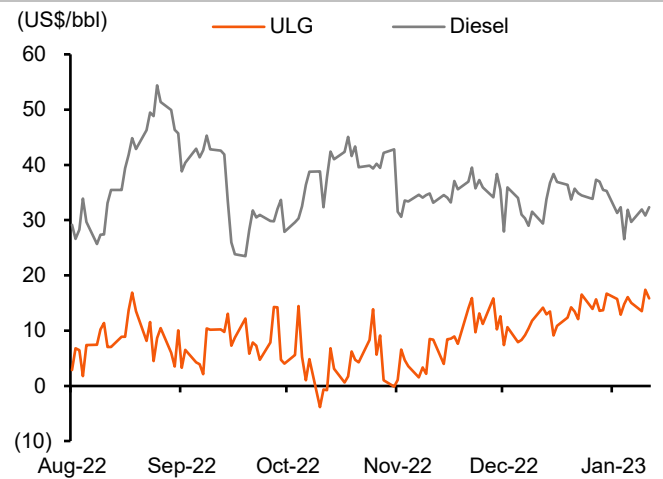
We note that the sanctions could come into effect just as China comes back to business post the Lunar New Year. We think a combination of disrupted trade flows and a demand recovery could help push Asian refining margins to their highs seen in 2022.

Ex 21: EU's Loading Of Russian Crude And Refined Oil



Sources: Bloomberg; Thanachart estimates

Ex 22: Asian Product Crack Spreads



Sources: Bloomberg; Thanachart estimates

Ex 23: Siam Senses Top Picks

Ticker	Rating	Current price (Bt/shr)	Target price (Bt/shr)	Upside (%)	Market cap (US\$ m)	Norm EPS growth		— Norm PE —		— P/BV —		— Yield —	
						2023F (%)	2024F (%)	2023F (x)	2024F (x)	2023F (x)	2024F (x)	2023F (%)	2024F (%)
AOT TB	BUY	73.25	85.00	16.0	31,731	na	233.1	114.3	34.3	9.5	7.9	0.0	1.7
BANPU TB	BUY	12.40	23.00	85.5	3,179	(20.0)	(33.4)	2.2	3.3	0.7	0.6	11.9	12.1
CENTEL TB	BUY	50.75	51.00	0.5	2,078	681.3	42.8	42.9	30.0	3.5	3.2	0.5	1.0
COM7 TB	BUY	33.75	41.00	21.5	2,456	19.3	24.3	21.5	17.3	9.1	8.1	3.8	5.0
CPALL TB	BUY	67.75	75.00	10.7	18,455	60.3	38.9	31.0	22.3	5.0	4.4	1.6	2.2
LH TB	BUY	9.70	11.00	13.4	3,515	15.3	11.1	11.9	10.7	2.1	2.0	7.2	7.8
PSL TB	BUY	16.00	23.00	43.8	757	(22.3)	6.1	6.8	6.4	1.4	1.2	7.7	7.8
SAWAD TB *	BUY	54.50	65.00	19.3	2,269	21.0	19.6	13.5	11.3	2.5	2.2	3.7	4.4
TIDLOR TB *	BUY	30.50	40.00	31.1	2,310	27.8	23.2	15.8	12.8	2.6	2.2	1.3	1.6
TOP TB	BUY	56.25	70.00	24.4	3,810	(48.3)	(9.5)	7.8	8.6	0.7	0.7	5.4	4.9
Stocks taken out													
BEC TB	BUY	11.00	13.00	18.2	667	45.2	20.5	29.3	24.3	3.3	3.2	3.1	3.7
ESSO TB	BUY	9.20	12.00	30.4	965	(48.4)	0.0	6.0	6.0	1.1	1.1	8.3	7.0

Sources: Company data, Thanachart estimates

Note: * New additions based on 16 January 2023 closing prices

APPENDIX 1: Top picks' financials

Ex 1: Airports of Thailand Pcl (AOT TB)

Y/E Sep (Bt m)	2022	2023F	2024F	2025F
Sales	16,560	47,573	76,876	87,500
Net profit	(11,088)	9,157	30,503	36,844
Norm profit	(11,288)	9,157	30,503	36,844
Norm EPS (Bt)	(0.8)	0.6	2.1	2.6
Norm EPS grw (%)	na	na	233.1	20.8
Norm PE (x)	na	114.3	34.3	28.4
EV/EBITDA (x)	na	44.6	20.3	17.2
P/BV (x)	10.3	9.5	7.9	7.0
Div yield (%)	0.0	0.0	1.7	2.1
ROE (%)	na	8.6	25.2	26.3
Net D/E (%)	3.0	8.9	(9.3)	(17.8)

Sources: Company data; Thanachart estimates

Ex 2: Banpu Pcl (BANPU TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	133,190	218,914	222,330	194,909
Net profit	9,852	50,577	50,000	38,030
Norm profit	7,520	50,577	50,000	38,030
Norm EPS (Bt)	1.4	7.0	5.6	3.7
Norm EPS grw (%)	na	415.7	(20.0)	(33.4)
Norm PE (x)	9.1	1.8	2.2	3.3
EV/EBITDA (x)	4.8	1.5	1.2	1.1
P/BV (x)	1.1	0.8	0.7	0.6
Div yield (%)	3.6	9.6	11.9	12.1
ROE (%)	10.6	47.9	31.9	19.7
Net D/E (%)	152.1	49.2	10.8	(5.4)

Sources: Company data; Thanachart estimates

Ex 3: Central Plaza Hotel Pcl (CENTEL TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	11,211	16,842	21,109	23,422
Net profit	(1,733)	205	1,598	2,282
Norm profit	(1,733)	205	1,598	2,282
Norm EPS (Bt)	(1.3)	0.2	1.2	1.7
Norm EPS grw (%)	na	na	681.3	42.8
Norm PE (x)	na	334.9	42.9	30.0
EV/EBITDA (x)	47.5	22.2	15.5	13.5
P/BV (x)	3.8	3.7	3.5	3.2
Div yield (%)	0.0	0.0	0.5	1.0
ROE (%)	na	1.1	8.4	11.1
Net D/E (%)	64.1	87.8	83.4	76.8

Sources: Company data; Thanachart estimates

Ex 4: COM7 Pcl (COM7 TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	51,126	63,378	70,873	79,242
Net profit	2,630	3,156	3,766	4,680
Norm profit	2,608	3,156	3,766	4,680
Norm EPS (Bt)	1.1	1.3	1.6	2.0
Norm EPS grw (%)	80.0	21.0	19.3	24.3
Norm PE (x)	31.1	25.7	21.5	17.3
EV/EBITDA (x)	21.6	17.4	14.7	12.0
P/BV (x)	15.3	10.9	9.1	8.1
Div yield (%)	1.5	1.8	3.8	5.0
ROE (%)	57.1	49.7	46.1	49.4
Net D/E (%)	49.6	7.7	(2.9)	(5.8)

Sources: Company data; Thanachart estimates

Ex 5: CP All Pcl (CPALL TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	585,743	845,931	936,026	1,036,686
Net profit	12,985	13,204	20,143	27,793
Norm profit	8,706	13,204	20,143	27,793
Norm EPS (Bt)	0.9	1.4	2.2	3.0
Norm EPS grw (%)	(48.2)	59.0	60.3	38.9
Norm PE (x)	79.0	49.7	31.0	22.3
EV/EBITDA (x)	18.9	13.6	11.5	9.7
P/BV (x)	5.8	5.5	5.0	4.4
Div yield (%)	0.9	1.0	1.6	2.2
ROE (%)	8.7	12.3	17.2	21.2
Net D/E (%)	94.5	100.1	91.7	80.2

Sources: Company data; Thanachart estimates

Ex 6: Land And Houses Pcl (LH TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	32,270	36,835	40,267	43,075
Net profit	6,936	8,447	9,739	10,824
Norm profit	6,884	8,447	9,739	10,824
Norm EPS (Bt)	0.6	0.7	0.8	0.9
Norm EPS grw (%)	4.4	22.7	15.3	11.1
Norm PE (x)	16.8	13.7	11.9	10.7
EV/EBITDA (x)	21.3	18.4	16.7	15.6
P/BV (x)	2.3	2.2	2.1	2.0
Div yield (%)	5.2	6.2	7.2	7.8
ROE (%)	13.8	16.4	18.0	19.1
Net D/E (%)	95.1	82.8	82.9	83.5

Sources: Company data; Thanachart estimates

Ex 7: Precious Shipping Pcl (PSL TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	8,615	9,284	8,284	8,264
Net profit	4,475	4,706	3,657	3,879
Norm profit	4,348	4,706	3,657	3,879
Norm EPS (Bt)	2.8	3.0	2.3	2.5
Norm EPS grw (%)	na	8.2	(22.3)	6.1
Norm PE (x)	5.7	5.3	6.8	6.4
EV/EBITDA (x)	5.2	4.4	5.1	4.5
P/BV (x)	1.7	1.5	1.4	1.2
Div yield (%)	9.4	9.9	7.7	7.8
ROE (%)	35.5	30.3	21.0	20.3
Net D/E (%)	40.0	22.7	13.8	(3.0)

Sources: Company data; Thanachart estimates

Ex 8: Srisawad Corporation Pcl (SAWAD TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Pre Provision Profit	5,741	6,102	7,845	9,388
Net profit	4,722	4,423	5,353	6,403
Norm profit	4,543	4,423	5,353	6,403
Norm EPS (Bt)	3.4	3.3	4.0	4.8
Norm EPS grw (%)	0.8	(2.6)	21.0	19.6
Norm PE (x)	15.9	16.3	13.5	11.3
P/BV (x)	2.9	2.7	2.5	2.2
Div yield (%)	3.3	3.3	3.7	4.4
ROE (%)	19.4	17.3	19.2	20.5
ROA (%)	8.9	7.8	7.7	8.1

Sources: Company data; Thanachart estimates

Ex 9: Ngern Tid Lor Pcl (TIDLOR TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Pre Provision Profit	4,367	5,936	7,581	9,177
Net profit	3,169	3,765	4,815	5,933
Norm profit	3,169	3,765	4,815	5,933
Norm EPS (Bt)	1.3	1.5	1.9	2.4
Norm EPS grw (%)	23.2	14.8	27.8	23.2
Norm PE (x)	23.2	20.2	15.8	12.8
P/BV (x)	3.2	3.0	2.6	2.2
Div yield (%)	0.9	1.0	1.3	1.6
ROE (%)	18.6	15.7	17.5	18.6
ROA (%)	5.3	5.2	5.5	5.8

Sources: Company data; Thanachart estimates

Ex 10: Thai Oil Pcl (TOP TB)

Y/E Dec (Bt m)	2021	2022F	2023F	2024F
Sales	345,496	491,591	428,902	389,795
Net profit	12,578	39,216	15,099	13,614
Norm profit	5,583	29,568	16,174	14,633
Norm EPS (Bt)	2.7	14.0	7.2	6.6
Norm EPS grw (%)	na	416.8	(48.3)	(9.5)
Norm PE (x)	20.7	4.0	7.8	8.6
EV/EBITDA (x)	15.7	5.4	10.3	11.1
P/BV (x)	1.0	0.8	0.7	0.7
Div yield (%)	4.6	5.3	5.4	4.9
ROE (%)	4.7	20.8	9.6	8.3
Net D/E (%)	112.8	87.2	100.1	93.7

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 60 Derivative Warrants which are ADVANC16C2301A, ADVANC16C2302A, AOT16C2305A, AOT16C2302A, BANPU16C2303A, BANPU16C2302A, BBL16C2305A, BGRIM16C2301A, BGRIM16C2302A, BH16C2304A, BH16C2303A, BLA16C2302A, BTS16C2301A, CBG16C2301A, CBG16C2301B, CBG16C2302A, COM716C2302A, CPN16C2303A, CPN16C2301A, CRC16C2303A, DELTA16C2305A, DOHOME16C2301A, DOHOME16C2303A, EA16C2303A, ESSO16C2303A, ESSO16C2302A, GPSC16C2301A, GPSC16C2302A, GULF16C2301A, GULF16C2302A, GULF16C2302B, GUNKUL16C2301A, GUNKUL16C2302A, HANA16C2301A, HANA16C2303A, IVL16C2301A, JMART16C2303A, JMT16C2302A, KBANK16C2304A, KBANK16C2301A, KBANK16C2302A, KCE16C2305A, KCE16C2303A, KCE16C2301A, KCE16C2301B, KCE16C2302A, KTB16C2303A, MINT16C2301A, MINT16C2302A, MTC16C2301A, PTTEP16C2303A, RCL16C2303A, SAWAD16C2305A, SAWAD16C2302A, SCB16C2301A, SCGP16C2303A, SET5016P2303B, SET5016P2303A, SET5016C2303A, VGI16C2301A (underlying securities are (ADVANC, AOT, BANPU, BBL, BGRIM, BH, BLA, BTS, CBG, COM7, CPN, CRC, DELTA, DOHOME, EA, ESSO, GPSC, GULF, GUNKUL, HANA, IVL, JMART, JMT, KBANK, KCE, KTB, MINT, MTC, PTTEP, RCL, SAWAD, SCB, SCGP, SET50, VGI). before making investment decisions.

Note: Our major shareholder TCAP (Thanachart Capital Pcl) which holding 89.96% 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 24.33% 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

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA

Head of Research

Tel: 662-779-9199

pimpaka.nic@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst

Tel: 662-779-9105

pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut

Property, Retail

Tel: 662-779-9109

phannarai.von@thanachartsec.co.th

Sarachada Sornsong

Bank, Finance

Tel: 662-779-9106

sarachada.sor@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst

Tel: 662-779-9123

witchanan.tam@thanachartsec.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy

Tel: 662-779-9120

adisak.phu@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities

Tel: 662-483-8296

nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund

Tel: 662-483-8297

rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel

Tel: 662-779-9113

siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Quantitative

Tel: 662-483-8303

sittichet.run@thanachartsec.co.th

Chak Reungsinpinya

Strategy, Insurance, Paper

Tel: 662-779-9104

chak.reu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping

Tel: 662-483-8298

pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak

Construction, Transportation

Tel: 662-779-9112

saksid.pha@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical

Tel: 662-779-9110

yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market

Tel: 662-483-8304

thaloengsak.kuc@thanachartsec.co.th