

Siam Senses

All about populism

Most political parties have revealed their election promises, which largely involve populism. We see these policies as detrimental to Thailand's structural growth path, which is already weak. That said, we believe many of these policies will not be fully implemented.



PIMPAKA NICHGAROON, CFA

Head of Research

662-779-9199

pimpaka.nic@thanachartsec.co.th

All about populism

Less than a month before the 14 May election, most political parties have revealed their election policies. All key political parties are using populist policies to attract votes and are competing over how much they can give, including the leftist opposition Move Forward Party (MFP). We don't see the policies upgrading the country's structural growth path via infrastructure and other investments. Nor have we seen any economic reform policies. Two major areas where the competition is strongest are benefits via the welfare card and the elderly allowance. The most extreme populist policies so far are from the main opposition Pheu Thai Party (PT), where we see the combined budget being at a dangerous level. See Exhibit 1 for election promises of key political parties.

Pheu Thai has the biggest promises

PT has always been the most aggressive with populist policies. This time, it promises a one-time Bt10,000 handout to all Thais aged 16 and above, which we believe is a top-up to the current welfare money. This handout needs a Bt550bn budget (2.8% of GDP). Another controversial policy is plugging the household income gap to bring it to Bt20,000 a month for all households, which we roughly estimate would need a budget of Bt425bn p.a. (2.1% of GDP). The party also promises a minimum daily wage of Bt600 (from Bt350 currently) and a minimum undergraduate salary of Bt25,000/month by 2027, which we see as a risk to the current FDI up-cycle. Aside from its intention of luring votes, we see the Bt10,000 handout policy as a short-cut for PT to change the current government's payment platforms of the welfare card and the Pao Tang application to PT's newly branded platform.

Populism's catch is a structural growth trap

Although populist policies can support consumption in the short term, they reduce the amount of money the government can spend on more value-added investment-based capital expenditure. Two ways to finance populism are by reducing capex spending of Bt691bn in 2024 and increasing the budget deficit and debt. While it is true that there is a multiplier effect from populist spending, the effect from populism is not sustainable and far less than that from capex spending. So, we believe populism in theory is net-negative to long-term GDP growth.

Not an immediate play

As most of the election promises are top-up cash handouts, the clear beneficiary is the consumption sector. However, the policies mainly target the poor and elderly, which would see spending being spread across product categories and trade channels, including traditional trade. We don't see major benefits to particular groups of producers or listed retail companies. On PT's handout policy, it is likely to be one-off rather than sustained, and we don't believe that it will be implemented in the form that it has been currently announced.

Top Picks

	-EPS growth-		— PE —		Yield
	23F	24F	23F	24F	
	(%)	(%)	(x)	(x)	(%)
AMATA	30.1	19.7	13.5	11.3	2.3
AOT	na	232.8	112.9	33.9	0.0
CENTEL	325.1	44.7	43.9	30.3	0.5
CPALL	59.9	38.9	29.2	21.0	1.7
CPN	10.9	22.8	27.9	22.7	1.6
CRC	31.8	31.6	28.7	21.8	1.4
KCE	(5.8)	64.5	23.5	14.3	2.2
LH	20.9	11.1	12.0	10.8	7.2
SCC	27.7	56.9	13.4	8.5	3.7
TOA	35.7	17.0	26.4	22.5	2.1

Source: Thanachart estimates.

Based on 20 April 2023 closing prices

Most Aggressive Election Promises

	Estimated Budget (Bt bn)	% 2024 GDP
Bt10,000 handout to Thais aged 16 and above	550	2.8
Fill household income to Bt20,000/mth	425	2.1
Increase elderly allowance to Bt3,000-5,000/mth	400	2.0
Increase minimum wage by 27% in 2024 to Bt450	n.a.	n.a.
Increase minimum wage by 70% by 2027 to Bt600	n.a.	n.a.

Source: Thanachart estimates

Impossible To Implement In Our View

	2024 draft budget	With 3 most aggressive policies
Investment spending (Bt bn)	691	2,066
Budget deficit (Bt bn)	593	1,968
Budget deficit to GDP (%)	3.0	9.8
Public debt to GDP (%)	61.4	68.3

Sources: Finance Ministry; Thanachart estimates

Note: Excluding multiplier effect

All about populism

New election unlikely to lift the country out of its structural growth trap

Thailand is counting down to a general election scheduled for next month on 14 May. Most political parties have revealed their key election policies, and we see Thailand hitting a new low in election campaigns, which seem to be all about populism. In conclusion, we retain our view that Thailand will remain in a long-term structural growth trap of 3.0-3.5% GDP growth with a cyclical recovery of 4.0% p.a. in 2023-24F from the tourism industry's turnaround. Summary of our views on election policies are as follows:

Summary of our views on various election promises

- 1) Most political parties are focusing on populist policies, and there are no key policies for capital expenditure, either for a new major round of infrastructure spending or private investment, that would upgrade Thailand's long-term competitiveness and structural growth. When there are already burdens from various populist policies, Thailand is unlikely to have enough budget left for a major new cycle of investment spending.
- 2) There are no policies concerning economic reforms, which we believe Thailand needs to set out a new plan to gear the country's economic structure in the right direction for the new global economic era. There are also no other reform policies. This implies to us that Thailand will continue to be micro-managed, making it difficult to change its middle-income status and structural growth trap.
- 3) We believe Thailand would be better off with many of these policies not being delivered. That is because these policies, in theory, would be net-negative to long-term GDP growth as the multiplier effect of capital spending would likely be much higher and more sustainable than that of populist spending.
- 4) The policies are mainly money handouts, including benefits from two government schemes, i.e., the welfare card and the monthly elderly allowance. Although the Pheu Thai Party (PT) offers a different payment platform, it also involves a money handout.
- 5) Among political parties that have chance to have their say in the new government, PT offers the most aggressive populist policies. The United Thai Nation (UTN) and Palang Pracharath (PPRP) parties have policies to top up the current government's welfare and elderly handout schemes. Bhumjaithai (BJT) and the Democrat Party (DEM) are less aggressive in their money handout schemes. The leftist Move Forward Party (MFP), surprisingly in our view, has many aggressive populist policies, but we believe the party is unlikely to be a part of the next coalition government.
- 6) Aside from attracting votes, we see PT's controversial non-emergency one-time handout of Bt10,000 for all Thais aged 16 and above as a short-cut but expensive way to change the payment platforms from the current government's welfare card and Pao Tang digital application payments to PT's newly branded platform.
- 7) We do not expect PT to implement its key policies fully because the political repercussions might be too dangerous for the party. One excuse to soften the implementation of the policies, if PT forms the next administration, would be if it isn't a one-party government. Note that we still see a good possibility of a national government with the current military-backed regime joining hands with PT. See ***Thailand Politics – Love is all around***, dated 7 December 2022.
- 8) We are not inclined to wager on election promise themes because we believe the benefits are likely to be short-lived. Some policies may not be implemented fully, some may be implemented gradually in phases, and some may not be implemented at all.

Ex 1: Key Election Promises By Key Political Parties

Parties	Estimated budget (Bt)	Policies
Pheu Thai (PT)	Bt550bn one-time	<ul style="list-style-type: none"> A one-time Bt10,000 handout to all Thais aged 16 and above (about 55m people) via a digital wallet.
	425bn / year	<ul style="list-style-type: none"> Plugging the household income gap to bring it to Bt20,000 a month for all households. We roughly estimate a Bt9,000 monthly giveaway to 22% of 18m households.
	n.a.	<ul style="list-style-type: none"> Raising the minimum wage from Bt353 to Bt600 by 2027, or by around 14.2% p.a. This would be a burden on both the state budget and the private sector.
	n.a.	<ul style="list-style-type: none"> Raising the minimum undergraduate salary to Bt25,000 from the current level of Bt15,000. This would also be a burden on both the state budget and the private sector.
	n.a.	<ul style="list-style-type: none"> A flat mass-transit rate of Bt20 per day.
Bhumjaithai (BJT)	n.a.	<ul style="list-style-type: none"> Setting up a new fund to provide a 100,000-baht life insurance policy for people aged 60-plus.
	State banks' burden	<ul style="list-style-type: none"> Offering a Bt20,000 loan to elderly people without requiring a guarantor.
	n.a.	<ul style="list-style-type: none"> Cancer radiotherapy equipment in every province and dialysis centers in every district.
	n.a.	<ul style="list-style-type: none"> Suspending debt repayments for three years. It is still unclear what the debt categories and the targeted groups of people are.
	n.a.	<ul style="list-style-type: none"> Free solar cell roofs.
	n.a.	<ul style="list-style-type: none"> Cheap monthly installments for electric motorcycles
Palang Pracharath (PPRP)	Bt76bn / year	<ul style="list-style-type: none"> Increasing welfare card benefits to Bt700 (from Bt200-300) per month for around 14m poor people.
	Bt400bn / year	<ul style="list-style-type: none"> Increasing the elderly monthly allowance to Bt3,000/4,000/5,000 for people aged 60+/70+/80+. The current rates are Bt600/700/800 and Bt1,000 for people aged 90 and above.
	n.a.	<ul style="list-style-type: none"> Cutting the electricity tariff to Bt2.5-2.7 per unit (from around Bt4.7) for one year and lowering the cooking gas or LPG price for households. The party claims that the financing will come from changes to the energy price structure that involves modifying energy production contracts. We do not think this is a possibility.
United Thai Nation (UTN)	Bt126bn / year	<ul style="list-style-type: none"> Increasing welfare card benefits to Bt1,000 (from Bt200-300) per month for around 14m poor people.
	Bt43bn / year	<ul style="list-style-type: none"> Increasing the monthly elderly allowance to a Bt1,000 flat rate for people aged 60 and above from Bt600/700/800/1,000.
	n.a.	<ul style="list-style-type: none"> Subsidizing rice planting costs at Bt2,000 per rai. No details of the conditions involved have been provided, but the government used to have a similar ad hoc policy in the past.
	Bt9bn one-time	<ul style="list-style-type: none"> Having a new phase of the "We Travel Together" subsidized scheme. The old scheme had a Bt9bn budget.
	No budget requirement	<ul style="list-style-type: none"> Allowing members of the Social Security Scheme (SSS) to withdraw or borrow against 30% of their contributions before retirement.

Source: Thanachart estimates

Ex 1: Key Election Promises By Key Political Parties (Con't)

Parties	Estimated budget (Bt)	Policies
The Democrat Party (DEM)	Bt5.6bn one-time	<ul style="list-style-type: none"> Allocating Bt2m to 2,800 yet-to-be-established community banks nationwide. We believe this is a lending scheme rather than a giveaway.
	No budget requirement	<ul style="list-style-type: none"> Allowing members of the Social Security Scheme (SSS) and Government Pension Fund (GPF) to withdraw 30% of their contributions before retirement age.
	n.a.	<ul style="list-style-type: none"> Offering a cash crop price guarantee, which would be a continuation of various current schemes.
	n.a.	<ul style="list-style-type: none"> Free tuition until bachelor degree level.
	n.a.	<ul style="list-style-type: none"> Reducing oil refinery costs, bringing down the fuel-adjustment tariff (Ft) and cutting freight transport rates.
	n.a.	<ul style="list-style-type: none"> Free health checks.
Move Forward Party (MFP)	n.a.	<ul style="list-style-type: none"> Raising the daily minimum wage from Bt353 to Bt450 (+27%) in 2024. This would be a burden on both the state budget and the private sector.
	Bt330bn / year	<ul style="list-style-type: none"> Increasing the monthly elderly allowance to a Bt3,000 flat rate for people aged 60 and above by 2027 (from the Bt600/700/800/1,000 current rates).
	n.a.	<ul style="list-style-type: none"> Cutting the electricity tariff by a minimum Bt0.70/unit, or around Bt150 per household, by renegotiating energy production and power plant contracts.
	n.a.	<ul style="list-style-type: none"> Bt4bn in additional education funding, Bt500 in monthly school lunch support, Bt200-300 monthly transport support.
	n.a.	<ul style="list-style-type: none"> Free coupons worth Bt1,000-2,000 per year per student for extra education programs for students aged 7-18.
	Bt90bn for 30-year mortgages	<ul style="list-style-type: none"> A mortgage payment subsidy of Bt2,500 per month for 30 years for 100,000 first-home buyers of homes priced below Bt1.5m. It is uncertain if it is one-off or annually for 100,000 homes.
	Bt3bn / year	<ul style="list-style-type: none"> A rent subsidy of Bt1,000 per month for 250,000 rooms where the cost does not exceed the Bt4,000 monthly rental rate.
	n.a.	<ul style="list-style-type: none"> 1GB of free monthly internet. It is unclear who the targeted recipients are.
	Reduction of tax revenue	<ul style="list-style-type: none"> Cutting corporate income tax for SMEs to 0-15% (from 20%) and increasing the corporate tax to 23% (from 20%) for companies that make more than Bt300m in profit.
	n.a.	<ul style="list-style-type: none"> Restructuring the Social Security Scheme (SSS) to provide a bigger state contribution. This is to increase benefits to members, such as a medical leave allowance of Bt200/day, transport for doctor's visits of Bt100/day, maternity leave of Bt5,000/month for six months, Bt200/day allowance for extra government holidays, Bt10,000 payment upon death.

Source: Thanachart compilation and estimates

Thailand's budget structure

Not all policies can be implemented

Money has to come from somewhere, so we do not believe all the policies can be implemented. As aggressive as they seem, we still optimistically believe that many of the policies mentioned above will be implemented partly, gradually, or not at all. Below in Exhibit 2 is Thailand's government budget structure.

Ex 2: Government's 2024 Draft Budget

Parameters (Bt bn)	2024 Draft Budget	Note
Revenue	2,757	
Expenditure	3,350	
Fixed	2,508	
Investment	691	This is a flexible budget for infrastructure, populist projects, emergencies, etc.
Principal repayment and others	151	
Budget deficit	593	This is financed by debt and can increase if there is extra spending or a revenue shortfall.
Budget deficit to GDP	3.0%	
Public debt to GDP	61.4%	Populist policies can raise the budget deficit and thus debt to GDP if GDP isn't pushed up sustainably.

Source: Finance Ministry, Thanachart estimates

Investment budget to play round with is only Bt690bn for the 2024 budget

In its 2024 fiscal-year draft budget, the government has room for an investment budget of Bt691bn. This offers room for infrastructure projects, populist spending, and emergency spending such as for COVID, etc. If there are too many populist projects, there would be less budget available for other investment projects, including infrastructure and other capital spending. The government can also increase the amount beyond Bt691bn with the increased amount financed by debt. This becomes additional public debt.

What if we assume the most aggressive populist policies are delivered?

Let's work out the most aggressive populist policies in Exhibit 3. Assuming PT wins a landslide, sets up a one-party government, and implements the first two policies, i.e., Bt550bn for the Bt10,000 one-time handout and Bt425bn to plug the monthly household income gap to bring it to Bt20,000, the combined additional budget is Bt975bn, equivalent to Thailand's first COVID emergency decree money. Assuming further that PT doesn't scrap any projects and investment spending in the original draft of Bt691bn, the implementation of its two populist policies would increase the budget deficit by Bt975bn, and the budget deficit would rise from 3.0% to 7.9%. Public debt would increase from 61.4% to 66.3%. Having said that, we have to assume that the populist policies would boost GDP, and the ratios mentioned would not be in the highest range. The key here is that if the populist policies do not have a sustainable impact on people's well-being in the long term for them to maintain their spending in the following year, then the GDP base would not be sustained while debt would already have gone up.

Increases in the minimum wage and minimum undergraduate salary are a burden for the government too, though more so for the private sector. The government's burden is via state employee salaries (in a fixed-expenditure budget) and via more expensive infrastructure projects (in its investment budget). This would also add to the budget deficit and lead to higher debt to GDP.

Ex 3: Simulation Of 2024 Budget If Two PT Policies Are Implemented

	2024 draft budget	With 2 PT policies
Investment spending (Bt bn)	691	1,666
Budget deficit (Bt bn)	593	1,568
Budget deficit to GDP (%)	3.0	7.8
Public debt to GDP (%)	61.4	66.3

Sources: Finance Ministry, Thanachart estimates

Note: Excluding minimum wage increase, salary increase and multiplier effect.

What's with the Bt10,000 handout policy?

One purpose is to draw votes

PT has always been more creative and thought bigger with its election promises than other political parties in most elections. This time, its Bt10,000 one-time handout policy to all Thais aged 16 and above has drawn the most attention. In our view, this could serve two main purposes for PT. The first is to attract votes as the recipients are all Thais aged 16 and above, unlike other policies that focus on targeted groups of people, mainly the poor and the elderly. We also believe most voters think that this is an “on-top policy” and that the benefits they get from the existing welfare card and elderly support scheme won't be cut.

Another is to change G2P payment platform to a PT-branded one, in our view

We believe the second purpose of this policy is for PT to change the government-to-people cash payment and benefits platforms from the existing welfare card and Pao Tang mobile application to a new PT platform. This is why PT is trying to brand its new payment platform as the Pheu Thai Digital Wallet. The payment of Bt10,000 to 55m Thai people is a quick way to build and force Thais to use this platform. Just like the current government and PM Prayut Chan-o-cha keeps reminding the people welfare card as his administration's initiative, we believe PT also wants to link people's memories of government handouts in the future to itself. As for the digital wallet wording, this is just a gimmick in our view to make it sound trendy with the use of blockchain technology. At the end of the day, it's still a cash handout scheme.

Potential election results

We remain of the view that PT is not likely to win a landslide victory of more than 250 seats to form a one-party government. From a big-picture perspective, we reaffirm our view as set out in *Thailand Politics – Love is all around*, dated 7 December 2022. That is, we see only two scenarios for the election results, and both have a military-backed political party or parties in them.

A regrouping of the current coalition parties

Scenario 1: This scenario is the current military-backed regime's Plan A, but we see it having a lower probability of happening than Scenario 2 below due to the waning popularity of the military-backed camp and also the Democrats. This scenario involves a regrouping of the existing coalition political parties, comprising the key Palang Pracharath Party (PPRP), Bhumjaithai (BJP), the Democrats (DEM), and some other smaller parties. A new party that would also be in this camp is the United Thai Nation (UTN) Party, called Ruam Thai Sang Chart in Thai, which is a newly set-up party that has Gen Prayut as its PM candidate.

A national government of opposing parties becoming a coalition

Scenario 2: This is the current military-backed regime's Plan B. We see this scenario as having a higher chance of materializing than Scenario 1. This scenario would have PT winning fewer than 251 seats in the 500-seat House and having the military-backed PPRP as a new coalition partner to form a government. We would expect BJP to also join this coalition. With these three parties, the new government would have more than enough seats to form a strong administration. However, they may invite more parties to join. We dub Scenario 2 the national government scenario as the two opposing camps of PPRP and PT would be joining hands.

While Scenario 1 may have coalition with just a razor-thin majority above 250 seats, Scenario 2 would see the governing camp with 340-375 seats or more.

Note that we have no doubt that PT will win the largest number of MPs in the election. However, the chances of it winning a landslide of over 250 seats (half of the 500 total House seats) do not look high due to the strong popularity of the MFP, its opposition peer. In fact, in recent polls, PT has been losing popularity to the MFP. Exhibits 4-5 show our estimates of House seat wins by key parties and the mix of parties in Scenarios 1 and 2.

Ex 4: Scenario 1 - The Next Coalition Government (Lower Probability)

	Coalition		Opposition
Palang Pracharath (PPRP)	40	Pheu Thai (PT)	195
United Thai Nation (UTP)	45	Move Forward (MFP)	40
Bhumjaithai (BJT)	100	Thai Sang Thai (TST)	10
Democrat (DEM)	45	Seri Ruam Thai	3
Chartthaipattana (CTP)	12		
Chart Pattana Kla (CPK)	10		
	252		248

Source: Thanachart estimates

Ex 5: Scenario 2 - The Next Coalition Government (Higher Probability)

	Coalition		Opposition
Pheu Thai (PT)	220	Move Forward (MFP)	55
Palang Pracharath (PPRP)	30	United Thai Nation (UTN)	35
Bhumjaithai (BJT)	90	Democrat (DEM)	35
Chartthaipattana (CTP)	12		
Thai Sang Thai (TST)	10		
Chart Pattana Kla (CPK)	10		
Seri Ruam Thai Party	3		
	375		125

Source: Thanachart estimates

We believe PT prefers a national government to joining hands with MFP

If PT and the MFP (both anti-military and currently on the same opposition benches) manage to win combined MPs of more than 250, why would they not form a new government together? We see two reasons for that. *First*, the constitution requires both the lower House and the Senate to vote for a prime minister with combined votes of more than 375 of the total combined 750 MP and Senate seats. Without significant support from the Senate to vote for one of their PM candidates, it would be difficult for PT and the MFP to set up a new government together smoothly. And the Senate was selected during the coup government.

Second, we believe that PT no longer wants to change the constitutional clauses that relate to the monarchy, including Section 112. However, that is the key election promise of the MFP that it has insisted it will definitely pursue if it becomes part of the government. That would be a very sensitive issue which can cause a major stir and likely affect the stability of the administration. We believe PT, having not been a part of the government since 2014, also wants a smooth and peaceful run in the next government. Leading a national government would be a more favorable choice for PT, in our view.

No change to the top picks list

There are no changes to our top picks in Exhibit 6. We continue to like consumption and tourism the most. Consumption enjoys a multiplier effect from a tourism turnaround. It also fits in with the election theme on populist spending, though the impact of populist policies are unlikely to be sustainable in the long term. We also believe that if PT is in the next coalition government, there should be policies to stimulate the property market and

we have LH in our top picks list. Not related to politics, Thailand is enjoying a new FDI cycle and we have AMATA in the top picks list, though we also like WHA Corporation (WHA TB, BUY, Bt4.46,) and Rojana Industrial Park (ROJNA TB, BUY, Bt6.35).

Ex 6: Thanachart's Top Picks

Ticker	Rating	Current price	Target price	Upside	Market cap	Norm EPS growth		— Norm PE —		EV/EBITDA		— Yield —	
		(Bt/shr)	(Bt/shr)	(%)		(US\$ m)	2023F	2024F	2023F	2024F	2023F	2024F	2023F
AMATA TB	BUY	23.30	27.00	15.9	779	30.1	19.7	13.5	11.3	11.5	9.3	2.3	2.7
AOT TB	BUY	72.25	85.00	17.6	30,017	na	232.8	112.9	33.9	45.5	20.4	0.0	1.8
CENTEL TB	BUY	55.00	64.00	16.4	2,159	325.1	44.7	43.9	30.3	18.2	15.5	0.5	1.0
CPALL TB	BUY	63.75	75.00	17.6	16,655	59.9	38.9	29.2	21.0	11.0	9.3	1.7	2.4
CPN TB	BUY	69.00	77.00	11.6	9,006	10.9	22.8	27.9	22.7	17.2	14.5	1.6	1.9
CRC TB	BUY	43.50	55.00	26.4	7,630	31.8	31.6	28.7	21.8	9.8	8.8	1.4	1.8
KCE TB	BUY	42.75	58.00	35.7	1,470	(5.8)	64.5	23.5	14.3	15.2	10.1	2.2	3.6
LH TB	BUY	9.80	11.00	12.2	3,406	20.9	11.1	12.0	10.8	16.9	15.7	7.2	7.7
SCC TB	BUY	305.00	410.00	34.4	10,644	27.7	56.9	13.4	8.5	10.3	7.5	3.7	5.9
TOA TB	BUY	29.50	38.00	28.8	1,741	35.7	17.0	26.4	22.5	15.2	12.8	2.1	2.7

Sources: Company data, Thanachart estimates

Note: Based on 20 April 2023 closing prices

APPENDIX 1: Top picks' financials

Ex 1: Amata Corporation Pcl (AMATA TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	6,502	9,192	10,756	10,987
Net profit	2,341	2,063	2,374	2,569
Norm profit	1,525	1,983	2,374	2,569
Norm EPS (Bt)	1.3	1.7	2.1	2.2
Norm EPS grw (%)	104.4	30.1	19.7	8.2
Norm PE (x)	17.6	13.5	11.3	10.4
EV/EBITDA (x)	15.5	11.5	9.3	8.6
P/BV (x)	1.4	1.3	1.2	1.1
Div yield (%)	2.6	2.3	2.7	2.9
ROE (%)	8.2	9.8	10.9	10.9
Net D/E (%)	49.5	41.6	32.1	23.4

Sources: Company data; Thanachart estimates

Ex 2: Airports of Thailand Pcl (AOT TB)

Y/E Sep (Bt m)	2022	2023F	2024F	2025F
Sales	16,560	45,801	76,876	87,500
Net profit	(11,088)	9,145	30,438	36,858
Norm profit	(11,288)	9,145	30,438	36,858
Norm EPS (Bt)	(0.8)	0.6	2.1	2.6
Norm EPS grw (%)	na	na	232.8	21.1
Norm PE (x)	na	112.9	33.9	28.0
EV/EBITDA (x)	na	45.5	20.4	17.1
P/BV (x)	10.2	9.3	7.8	7.0
Div yield (%)	0.0	0.0	1.8	2.1
ROE (%)	na	8.6	25.1	26.3
Net D/E (%)	3.0	5.6	(8.0)	(16.5)

Sources: Company data; Thanachart estimates

Ex 3: Central Plaza Hotel Pcl (CENTEL TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	17,502	22,555	25,070	28,151
Net profit	398	1,692	2,449	2,784
Norm profit	398	1,692	2,449	2,784
Norm EPS (Bt)	0.3	1.3	1.8	2.1
Norm EPS grw (%)	na	325.1	44.7	13.7
Norm PE (x)	186.5	43.9	30.3	26.7
EV/EBITDA (x)	22.9	18.2	15.5	12.9
P/BV (x)	4.0	3.7	3.4	3.1
Div yield (%)	0.0	0.5	1.0	1.5
ROE (%)	2.2	8.8	11.7	12.2
Net D/E (%)	61.4	68.1	71.0	60.8

Sources: Company data; Thanachart estimates

Ex 4: CP All Pcl (CPALL TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	852,322	936,026	1,036,686	1,123,616
Net profit	13,272	20,143	27,793	34,413
Norm profit	13,281	20,143	27,793	34,413
Norm EPS (Bt)	1.4	2.2	3.0	3.8
Norm EPS grw (%)	59.4	59.9	38.9	24.3
Norm PE (x)	46.6	29.2	21.0	16.9
EV/EBITDA (x)	12.4	11.0	9.3	8.2
P/BV (x)	5.7	4.7	4.1	3.6
Div yield (%)	1.2	1.7	2.4	3.0
ROE (%)	13.0	18.0	21.2	23.2
Net D/E (%)	96.4	91.7	80.2	68.4

Sources: Company data; Thanachart estimates

Ex 5: Central Pattana Pcl (CPN TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	36,343	37,829	43,363	44,794
Net profit	10,760	12,507	15,022	15,245
Norm profit	10,030	11,118	13,655	14,687
Norm EPS (Bt)	2.2	2.5	3.0	3.3
Norm EPS grw (%)	196.8	10.9	22.8	7.6
Norm PE (x)	30.9	27.9	22.7	21.1
EV/EBITDA (x)	18.9	17.2	14.5	13.5
P/BV (x)	3.8	3.5	3.2	2.9
Div yield (%)	1.7	1.6	1.9	2.0
ROE (%)	13.0	13.1	14.7	14.4
Net D/E (%)	83.1	74.4	64.5	61.6

Sources: Company data; Thanachart estimates

Ex 6: Central Retail Corp. Pcl (CRC TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	219,898	253,181	286,272	317,444
Net profit	7,175	9,135	12,017	14,215
Norm profit	6,930	9,135	12,017	14,215
Norm EPS (Bt)	1.1	1.5	2.0	2.4
Norm EPS grw (%)	na	31.8	31.6	18.3
Norm PE (x)	37.9	28.7	21.8	18.5
EV/EBITDA (x)	11.4	9.8	8.8	8.0
P/BV (x)	4.2	3.9	3.5	3.1
Div yield (%)	1.1	1.4	1.8	2.2
ROE (%)	11.7	14.0	16.7	17.7
Net D/E (%)	101.2	89.8	80.1	64.7

Sources: Company data; Thanachart estimates

Ex 7: KCE Electronics Pcl (KCE TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	18,456	18,538	19,564	20,221
Net profit	2,317	2,149	3,535	3,988
Norm profit	2,281	2,149	3,535	3,988
Norm EPS (Bt)	1.9	1.8	3.0	3.4
Norm EPS grw (%)	2.0	(5.8)	64.5	12.8
Norm PE (x)	22.1	23.5	14.3	12.6
EV/EBITDA (x)	16.1	15.2	10.1	8.7
P/BV (x)	3.8	3.5	3.1	2.7
Div yield (%)	2.3	2.2	3.6	4.0
ROE (%)	17.0	15.5	22.9	22.8
Net D/E (%)	19.8	12.6	0.9	(13.6)

Sources: Company data; Thanachart estimates

Ex 8: Land And Houses Pcl (LH TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	35,597	40,267	43,075	45,180
Net profit	8,313	9,739	10,824	11,618
Norm profit	8,058	9,739	10,824	11,618
Norm EPS (Bt)	0.7	0.8	0.9	1.0
Norm EPS grw (%)	17.1	20.9	11.1	7.3
Norm PE (x)	14.5	12.0	10.8	10.1
EV/EBITDA (x)	19.6	16.9	15.7	15.1
P/BV (x)	2.3	2.1	2.0	1.9
Div yield (%)	6.1	7.2	7.7	8.1
ROE (%)	15.9	18.2	19.1	19.6
Net D/E (%)	95.3	82.9	83.5	80.6

Sources: Company data; Thanachart estimates

Ex 9: The Siam Cement Pcl (SCC TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	569,609	602,121	702,703	728,452
Net profit	21,382	27,313	42,858	56,677
Norm profit	21,382	27,313	42,858	56,677
Norm EPS (Bt)	17.8	22.8	35.7	47.2
Norm EPS grw (%)	(54.5)	27.7	56.9	32.2
Norm PE (x)	17.1	13.4	8.5	6.5
EV/EBITDA (x)	16.5	10.3	7.5	5.8
P/BV (x)	1.0	0.9	0.9	0.8
Div yield (%)	2.6	3.7	5.9	7.7
ROE (%)	5.8	7.1	10.6	13.1
Net D/E (%)	57.6	58.4	55.7	46.5

Sources: Company data; Thanachart estimates

Ex 10: TOA Paint (Thailand) Pcl (TOA TB)

Y/E Dec (Bt m)	2022	2023F	2024F	2025F
Sales	20,649	22,146	23,451	24,816
Net profit	1,418	2,269	2,655	3,025
Norm profit	1,672	2,269	2,655	3,025
Norm EPS (Bt)	0.8	1.1	1.3	1.5
Norm EPS grw (%)	(8.9)	35.7	17.0	13.9
Norm PE (x)	35.8	26.4	22.5	19.8
EV/EBITDA (x)	20.1	15.2	12.8	11.1
P/BV (x)	4.7	4.2	3.9	3.7
Div yield (%)	1.7	2.1	2.7	3.3
ROE (%)	13.3	16.9	18.1	19.3
Net D/E (%)	(45.7)	(61.6)	(66.0)	(68.6)

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 35 Derivative Warrants which are ADVANC16C2307A, AOT16C2305A, BBL16C2305A, BCP16C2305A, BEC16C2305A, BH16C2304A, BYD16C2306A, CBG16C2305A, COM716C2305A, CPALL16C2306A, CPALL16C2307A, DELTA16C2305A, EA16C2305A, EA16C2306A, GULF16C2306A, HANA16C2307A, JMART16C2308A, JMT16C2305A, JMT16C2306A, JMT16C2306B, KBANK16C2304A, KBANK16C2306A, KBANK16C2307A, KBANK16C2307B, KCE16C2305A, KCE16C2306A, MTC16C2306A, NEX16C2306A, SAWAD16C2305A, SET5016C2306A, SET5016C2306B, SET5016C2306C, SET5016C2306D, SET5016P2306A, SET5016P2306B (underlying securities are (ADVANC, AOT, BBL, BCP, BEC, BH, BH, BYD, CBG, COM7, CPALL, DELTA, EA, GULF, HANA, JMART, JMT, KBANK, KCE, MTC, NEX, SAWAD, SET50). 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

<p>Pimpaka Nichgaroon, CFA Head of Research, Strategy Tel: 662-779-9199 pimpaka.nic@thanachartsec.co.th</p>	<p>Adisak Phupiphathirungul, CFA Retail Market Strategy Tel: 662-779-9120 adisak.phu@thanachartsec.co.th</p>	<p>Pattarawan Wangmingmat Senior Technical Analyst Tel: 662-779-9105 pattarawan.wan@thanachartsec.co.th</p>
<p>Nuttapop Prasitsuksant Telecom, Utilities Tel: 662-483-8296 nuttapop.pra@thanachartsec.co.th</p>	<p>Pattadol Bunnak Electronics, Food & Beverage, Shipping Tel: 662-483-8298 pattadol.bun@thanachartsec.co.th</p>	<p>Phannarai Tiyapittayarat Property, Retail Tel: 662-779-9109 phannarai.von@thanachartsec.co.th</p>
<p>Rata Limsuthiwanpoom Auto, Industrial Estate, Media, Prop. Fund Tel: 662-483-8297 rata.lim@thanachartsec.co.th</p>	<p>Saksid Phadthananarak Construction, Transportation Tel: 662-779-9112 saksid.pha@thanachartsec.co.th</p>	<p>Sarachada Sornsong Bank, Finance Tel: 662-779-9106 sarachada.sor@thanachartsec.co.th</p>
<p>Siriporn Arunothai Small Cap, Healthcare, Hotel Tel: 662-779-9113 siriporn.aru@thanachartsec.co.th</p>	<p>Yupapan Polpornprasert Energy, Petrochemical Tel: 662-779-9110 yupapan.pol@thanachartsec.co.th</p>	<p>Witchanan Tambamroong Technical Analyst Tel: 662-779-9123 witchanan.tam@thanachartsec.co.th</p>
<p>Sittichet Rungrassameephat Analyst, Quantitative Tel: 662-483-8303 sittichet.run@thanachartsec.co.th</p>	<p>Thaloengsak Kucharoenpaisan Analyst, Retail Market Tel: 662-483-8304 thaloengsak.kuc@thanachartsec.co.th</p>	<p>Nariporn Klangpremschitt Analyst, Retail Market Tel: 662-779-9107 nariporn.kla@thanachartsec.co.th</p>