

BUY (Unchanged)
Change in Numbers

TP: Bt 20.00
Upside : 19.0%

(From: Bt 16.00)
5 September 2023

Small Cap Research

Bangkok Airways Pcl (BA TB)

Strategies working

BA's strong 2Q23 earnings lead us to raise our earnings and TP to Bt20 as its strategy of focusing on the monopolistic Samui routes should let it pass on rising costs and sustain its high gross margin. We also like its diversification into more airport-related businesses and investment in BDMS to receive recurring dividend income. **BUY.**



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Lifting our TP to Bt20; reaffirming BUY

BA's 2Q23 results beat our forecast, and its strong earnings look set to continue into 3Q23F. We, therefore, raise our earnings estimates by 16/16/17% in 2023-25F (see Exhibit 7) and, after rolling over the base year in our model to 2024F, our SOTP-derived DCF-based 12-month TP increases to Bt20/share (from Bt16). We like BA given **1)** its strategy of focusing on its monopolistic Samui routes where it can demand premium pricing, **2)** its diversification into more stable and profitable airport-related businesses, and **3)** its 4.9%-owned Bangkok Dusit Medical Services (BDMS TB, Bt27.0, BUY) that provides Bt500-600m p.a. of recurring dividend income. Thus, we reaffirm our BUY call on BA.

Earnings trend

We estimate BA's earnings to hit a record Bt2.1bn this year before falling to Bt1.8-1.9bn in 2024-25F. Out of that, we expect Bt1.0-1.2bn to come from dividend income from BDMS and equity income mainly from its airport-related businesses. We project BA's airline business to achieve record earnings of Bt1.1bn this year before falling to Bt705-782m in 2024-25F because of more intense competition as its rivals continue to ramp up capacity. We assume BA's average RASK of Bt5.4/ASK this year (vs. Bt5.4 in 1H23 and Bt3.4 in 2019) before it falls to 4.6/4.3 in 2024-25F while we project an average jet fuel price of US\$110/107/101/bbl in 2023-25F (vs. US\$101 on average so far this year).

Valuation still attractive, in our view

Despite our forecast for a 14% earnings fall next year, we still see BA's valuation as attractive. The shares trade at PEs of 17/20/18x in 2023-25F vs. its average PE of 30x in 2014-16. Out of our Bt20 TP, we value BA's airline and airport-related businesses at Bt6.7 and its investment in BDMS, 10%-owned Bangkok Aviation Fuel Services (BAFS TB, Bt30.25, not rated), and 25%-owned BA Airport Leasehold Real Estate Investment Trust (BAREIT TB, Bt9.95, not rated), at Bt13.2.

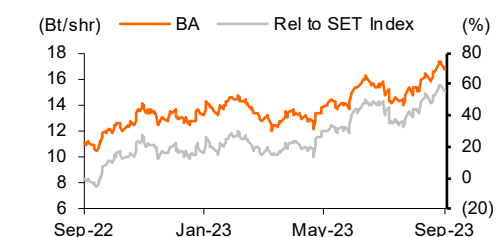
More benefits for U-tapao Airport project

BA expects to construct the first phase of the U-tapao Airport expansion project next year after the government offers more benefits (e.g., tax and non-tax incentives, a lower revenue-sharing rate, and low-interest rate loans) to its 45%-owned BBS JV, the concessionaire to operate the U-tapao project, to make its investment more feasible. We have yet to factor the project into our model, but if we assume a 10% IRR for the first-phase investment, we estimate an additional value of Bt1/share for BA.

COMPANY VALUATION

Y/E Dec (Bt m)	2022A	2023F	2024F	2025F
Sales	11,305	18,759	19,564	20,272
Net profit	(2,110)	2,068	1,782	1,941
Consensus NP	—	2,011	1,805	2,191
Diff frm cons (%)	—	2.8	(1.3)	(11.4)
Norm profit	(1,974)	2,068	1,782	1,941
Prev. Norm profit	—	1,788	1,532	1,665
Chg frm prev (%)	—	15.7	16.3	16.6
Norm EPS (Bt)	(0.9)	1.0	0.8	0.9
Norm EPS grw (%)	na	na	(13.9)	9.0
Norm PE (x)	na	17.1	19.8	18.2
EV/EBITDA (x)	534.4	16.4	16.7	15.9
P/BV (x)	2.1	1.8	1.7	1.5
Div yield (%)	0.0	0.0	0.0	0.0
ROE (%)	na	11.5	8.9	8.8
Net D/E (%)	154.6	117.1	98.5	81.3

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 5-Sep-23 (Bt)	16.80
Market Cap (US\$ m)	994.3
Listed Shares (m shares)	2,100.0
Free Float (%)	41.2
Avg Daily Turnover (US\$ m)	1.4
12M Price H/L (Bt)	17.30/10.50
Sector	Transportation
Major Shareholder	Prasartong-Osoth family 58%

Sources: Bloomberg, Company data, Thanachart estimates

Lifting our TP to Bt20; reaffirming BUY

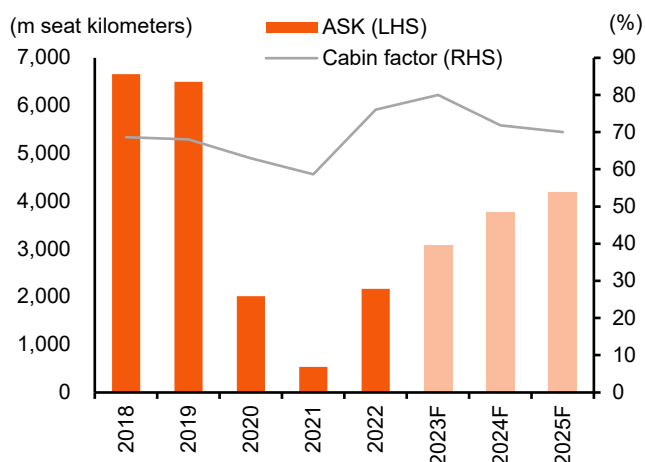
We raise our earnings for BA by 16/16/17% in 2023-25F given...

...sustained high cabin factor and...

Bangkok Airways Pcl's (BA) strategy of **1)** focusing on its Samui routes where it can demand premium pricing through its exclusivity, **2)** diversifying its volatile airline business into more stable and profitable airport-related businesses, and **3)** investing in its 4.9%-owned Bangkok Dusit Medical Services (BDMS TB, Bt27.0, BUY) and getting Bt500-600m p.a. of recurring dividend income caused its 2Q23 earnings to beat our forecast again. We, therefore, revise up our earnings projections by 16/16/17% in 2023-25F as follows:

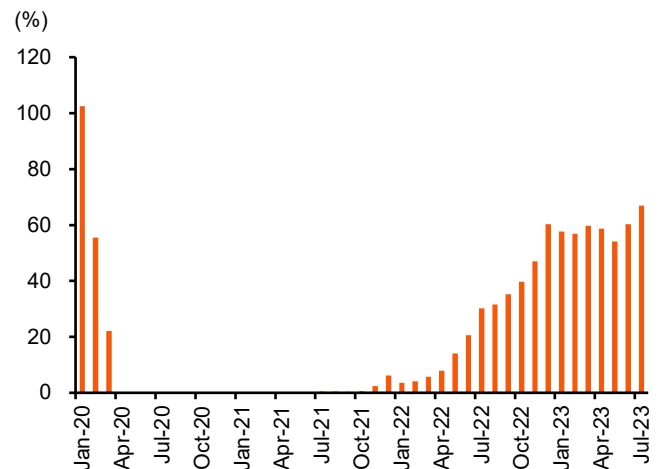
Firstly, we raise our cabin factor assumption to 80% in 2023F (vs. 82% in 1H23 and 68% in 2019). However, as we expect its rivals to continue to ramp up their capacity, we assume more intense competition will make BA's cabin factor fall to 72/70% in 2024-25F.

Ex 1: BA's Capacity Ramp-up (ASK) And Cabin Factor



Sources: Company data, Thanachart estimates

Ex 2: Thailand's Tourist Arrivals As % Of 2019 Level

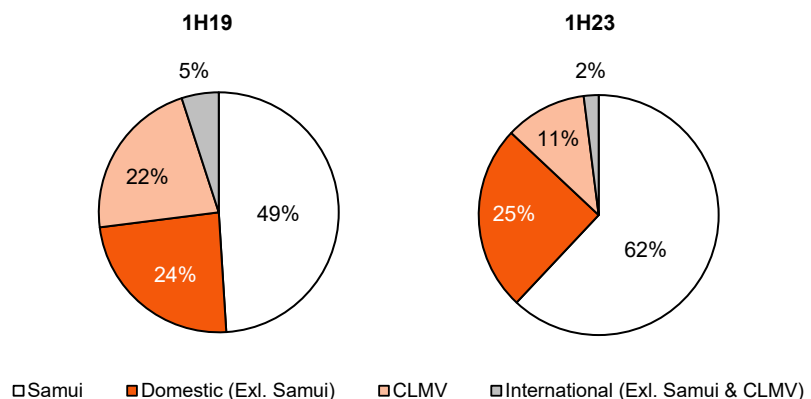


Source: Tourism Authority of Thailand

...higher-than-expected RASK but...

Secondly, we raise our revenue per available seat kilometer (RASK) assumptions by 8-13% to Bt5.4/4.6/4.3 in 2023-25F (vs. Bt5.4 in 1H23 and Bt3.4 in 2019) as its strategy of focusing on its monopolistic Samui destinations allows BA to demand premium pricing. Note that we conservatively lower our RASK assumptions in 2024-25F as we are concerned about fierce competition.

Ex 3: BA's Passenger Revenue Breakdown

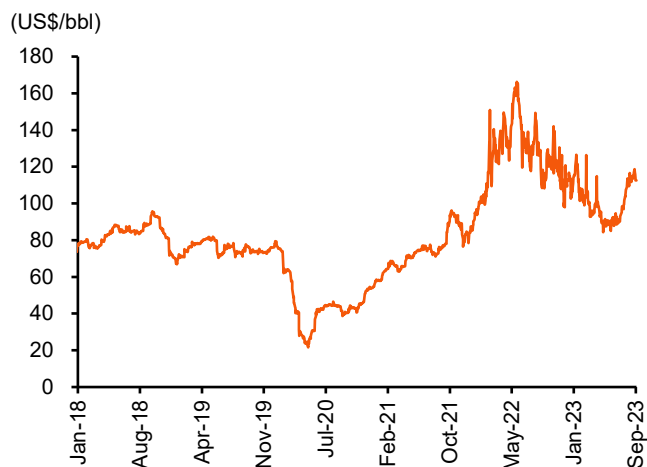


Source: Company data

...it is partly offset by our
higher jet fuel price
assumptions

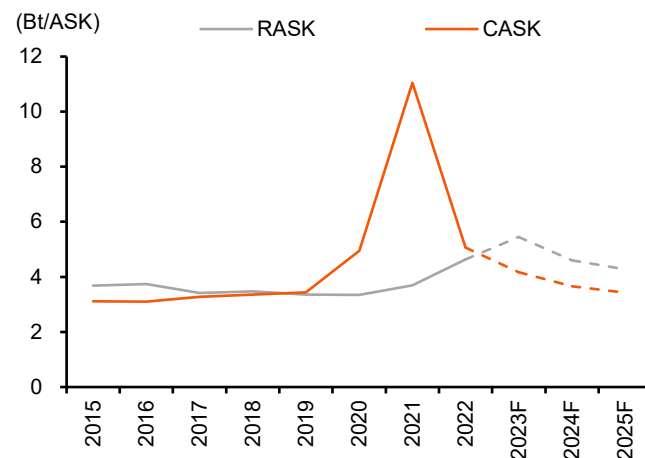
Thirdly, following our house view, we increase our jet fuel price assumptions to US\$110/107/101/bbl in 2023-25F (vs. US\$101 on average this year). This causes our cost per available seat kilometer (CASK) assumptions to rise by 3-14% in 2023-25F.

Ex 4: Jet Fuel Price



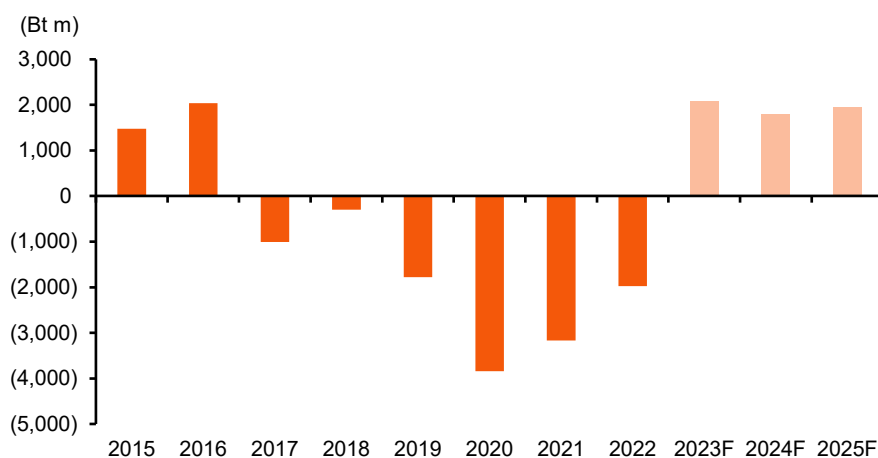
Source: Bloomberg

Ex 5: BA's RASK Vs. CASK



Sources: Company data, Thanachart estimates

Ex 6: BA's Normalized Earnings



Sources: Company data, Thanachart estimates

Ex 7: Key Assumption Changes

	2021	2022	2023F	2024F	2025F
Revenue per ASK (Bt)					
New	3.9	4.5	5.4	4.6	4.3
Old			4.8	4.1	4.0
Change (%)			12.5	12.2	7.5
Costs per ASK (Bt)					
New	11.0	5.3	4.2	3.7	3.4
Old			3.7	3.4	3.3
Change (%)			13.5	8.8	3.0
Cabin factor (%)					
New	58.6	76.1	80.0	71.8	70.0
Old			76.2	73.0	70.7
Change (ppt)			3.8	(1.2)	(0.7)
Jet fuel price (US\$/bbl)					
New	74	124	110	107	101
Old			105	98	98
Change (%)			4.8	9.2	3.1
Normalized earnings (Bt bn)					
New	(3,171)	(1,974)	2,068	1,782	1,941
Old			1,788	1,532	1,665
Change (%)			15.7	16.3	16.6

Sources: Company data, Thanachart estimates

Our TP is raised to Bt20 and we reaffirm our BUY rating

With the rollover of the base year in our model to 2024F, our SOTP-derived DCF-based 12-month TP increases to Bt20/share (from Bt16), and we reaffirm our BUY call on shares of BA. Despite our forecast for a 14% earnings fall next year, we still see BA's valuation as attractive. The shares trade at PE multiples of 17/20/18x in 2023-25F compared with its average PE of 30x in 2014-16. Out of our Bt20 TP, we value BA's airline and airport-related businesses at Bt6.7 and its investments in BDMS, 10%-owned Bangkok Aviation Fuel Services (BAFS TB, Bt30.25, not rated), and 25%-owned BA Airport Leasehold Real Estate Investment Trust (BAREIT TB, Bt9.95, not rated), at Bt13.2.

Ex 8: Our Sum-of-the-parts Valuation For BA

BBG code	% holding	15% discount (Bt m)	Current price (Bt/share)	Market value (Bt m)
BDMS TB	4.9%	23,308	27.00	21,154
BAFS TB	10.0%	1,951	30.25	1,928
BAREIT TB	25.0%	2,371	9.95	2,570
Total		27,630		25,652
Per BA share (Bt)		13.2		12.2
Airline and airport value (Bt) (DCF derived)		6.7		
Our TP (Bt)		20.0		

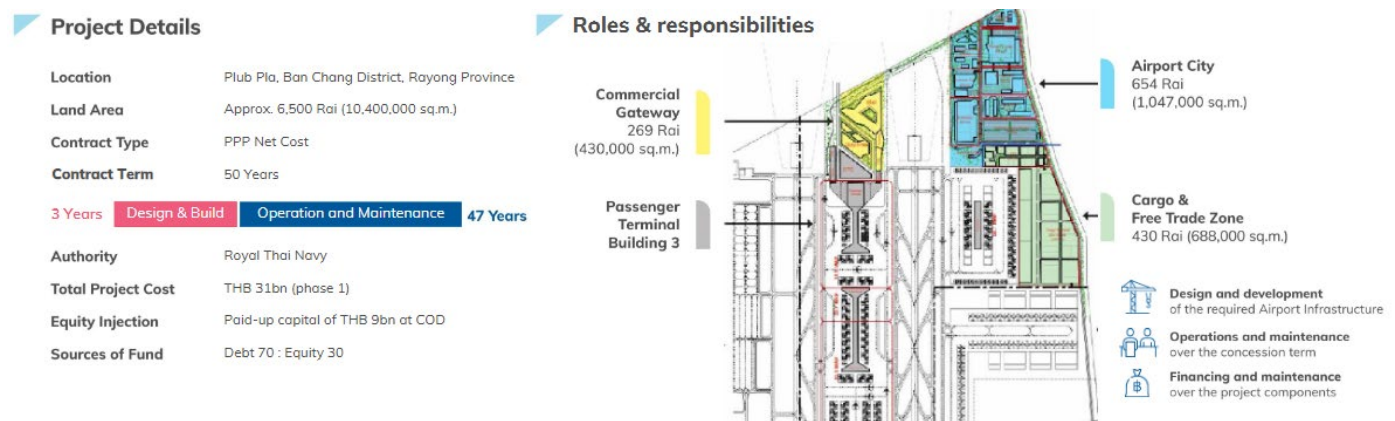
Sources: Company data, Thanachart estimates

More benefits for U-tapao Airport project

BA expects to build the first phase of the U-tapao expansion project next year

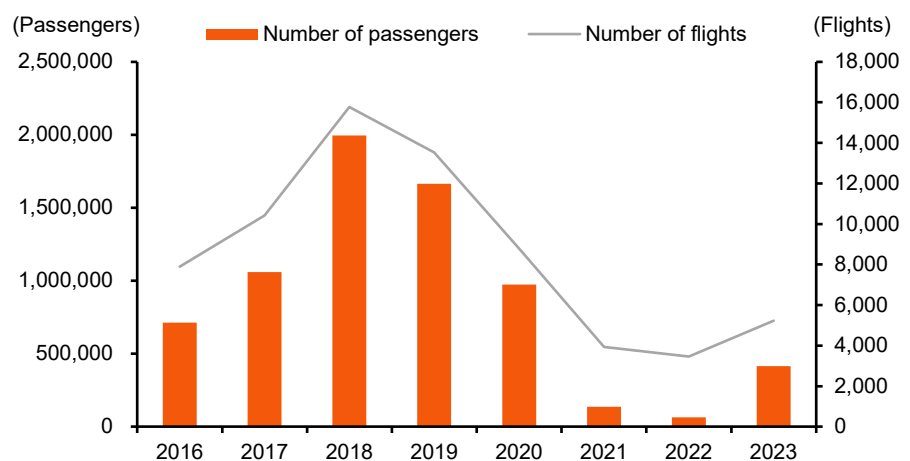
BBS JV, of which 45% is owned by BA, 35% by BTS Group (BTS TB, Bt7.15, BUY), and 20% by Sino-Thai Engineering (STEC TB, Bt11.6, BUY), is the concessionaire to operate U-Tapao Airport, which is set to be a secondary aviation hub to capture excess demand from Suvarnabhumi and Don Mueang airports. With a 50-year concession, BBS JV plans to divide its estimated Bt223bn investment into six phases to increase the airport's passenger capacity from 4m passengers now to 12/16/22/30/45/60m and develop cargo, free trade zone, and airport city projects. BA expects to start construction of the first phase next year.

Ex 9: U-Tapao Airport Project



Source: BTS Group

Ex 10: U-Tapao Airport's Passenger And Flight Numbers



Source: U-Tapao International Airport

We like the U-tapao Airport project and leave it as a potential upside

We see this project as having high potential as:

First, the airport is in Rayong, where Pattaya, one of the top tourist destinations in Thailand, Eastern Seaboard Industrial Estates, and the government's Eastern Economic Corridor (EEC) are located.

Second, the government is developing a high-speed train project linking Suvarnabhumi, Don Mueang, and U-tapao airports, making connectivity for passengers easier.

Third, the investment is divided into six phases, allowing BBS JV not to bear too much debt. The first-phase investment is estimated at around Bt31bn with a 70:30 debt:equity ratio.

Fourth, besides the aeronautical businesses, BBS JV plans to develop the airport city project, which includes a shopping complex, hotels, a business park, and an exhibition center to create diverse tourism and business opportunities.

Finally, on 6 June 2023, the cabinet approved more benefits for BBS JV to make its investment more feasible. Those benefits include support via tax and non-tax incentives for investment, work, consumption, and logistics operations, low-interest-rate loans, and lower revenue sharing with the government, etc.

We have yet to factor the project into our model, but if we assume a 10% IRR for the first-phase investment, we estimate an additional value of Bt1/share for BA.

Valuation Comparison

Ex 11: Valuation Comparison With Regional Peers

Company	Code	Country	EPS Growth		PE		P/BV		EV/EBITDA		Div. Yield	
			23F	24F	23F	24F	23F	24F	23F	24F	23F	24F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
Air Arabia PJSC	AIRARABI UH	UAE	16.5	(2.0)	9.3	9.5	1.9	1.7	5.7	5.6	6.2	6.2
EasyJet PLC	EZJ LN	UK	na	15.5	8.9	7.7	1.2	1.0	2.8	2.6	1.1	3.7
Singapore Airlines	SIA SP	Singapore	12.6	(42.8)	8.4	14.7	1.1	1.1	5.1	6.7	4.8	2.9
Eva Airways Corp	2618 TT	Taiwan	187.1	(36.8)	8.3	13.1	1.7	1.5	3.3	4.3	5.2	3.9
China Southern (China)	600029 CH	China	na	582.8	na	20.2	2.6	2.1	10.0	8.1	0.1	0.5
China Eastern	600115 CH	China	(98.0)	225.0	na	33.7	2.8	2.2	10.9	7.8	0.1	0.6
Air China (China)	601111 CH	China	99.8	na	na	21.4	3.3	2.7	10.9	8.5	0.1	0.9
Asia Aviation	AAV TB*	Thailand	na	88.0	79.8	42.5	4.3	3.9	8.5	7.7	0.0	0.0
Bangkok Airways	BA TB*	Thailand	na	(13.9)	17.1	19.8	1.8	1.7	16.4	16.7	0.0	0.0
Average			43.6	102.0	22.0	20.3	2.3	2.0	8.2	7.6	2.0	2.1

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

Based on 5 September 2023 closing prices

COMPANY DESCRIPTION

Owned by the Prasarttong-Osoth family, Bangkok Airways Pcl (BA) was set up in 1968. Currently, it operates a regional full-service airline based at Suvarnabhumi and Samui airports with flights to both domestic and overseas destinations. It also built its own airport on Samui Island, which was opened in 1989. BA opened its second airport in Sukhothai province in 1996 and its third airport in Trat province in 2003. It was also awarded 20-year concessions at Suvarnabhumi Airport to operate ground handling, cargo handling and catering service businesses, starting from 28 September 2006.

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

- As the owner of Samui Airport, the airline has a unique advantage in dominating routes from/to Samui Island, allowing it to demand high air ticket prices.
- Its recurring income from holding stakes in SPF and BDMS should help to lessen volatility in its airline business.
- BA's codeshare strategy should allow it to increase its destinations without having to make huge investments.

O — Opportunity

- Thailand is one of the top destinations for tourists.
- Samui Island has strong tourism prospects as it is one of the top three overseas travel destinations.
- It is planning to cover some parts of China, the No.1 country in the world by population.

W — Weakness

- BA's high operating costs make it difficult to compete directly with low-cost rivals on non-Samui routes.
- Its current airline business is highly dependent on flights from/to Samui Island.
- Most aircraft are operationally leased, resulting in high leasing expenses.

T — Threat

- Samui Airport's capacity limitation and highly volatile jet fuel prices pose major risks.
- Competition in the aviation industry is severe while demand for travel is also dependent on global economic conditions.
- Other transportation methods such as high-speed trains are being developed.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	19.99	20.00	0%
Net profit 23F (Bt m)	2,011	2,068	3%
Net profit 24F (Bt m)	1,805	1,782	-1%
Consensus REC	BUY: 6	HOLD: 0	SELL: 1

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2023F profits are slightly higher than the Bloomberg consensus number, likely due to us having a more bullish view on its sustained high RASK.
- Our TP is also in line with the Street's.

RISKS TO OUR INVESTMENT CASE

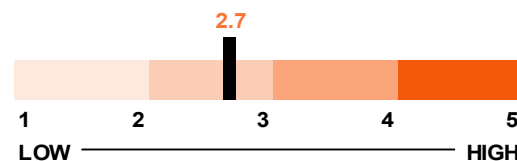
- Fuel expenses account for 20% of BA's total costs. Therefore, upward fluctuations in jet fuel prices present a major downside risk to our earnings projections.
- Political unrest and natural disasters in Thailand are other downside risks as the company depends a great deal on the domestic market.
- High operating costs could cause BA to be less efficient and make expansion more difficult, which would hinder growth in its earnings base.

Sources: Bloomberg consensus, Thanachart forecasts

Source: Thanachart

BA not only operates a regional full-service airline but it also runs catering, ground handling, and cargo businesses and owns Samui, Sukhothai, and Trat airports. Its operations release greenhouse gases. However, our ESG score of 2.7 is moderate to reflect its attempts and measures to mitigate the effects on the environment.

Thanachart ESG Rating



	SETTHSI Index	THSI Index	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
BA	-	-	-	-	-	-	15.00	-	4.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "term of use" in the following back page.

Factors

Our Comments

ENVIRONMENT

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

- BA's policies, guidelines, and measures for the environment comply with related laws such as the Environmental Quality Promotion Act (No.2) 2018. The results of BA's actions taken according to such measures are inspected by the Office of Natural Resources and Environment Policy and Planning, Civil Aviation Authority of Thailand, and local authorities.
- BA also joined the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in order to offset and reduce CO2 emissions from international aviation. It also implements its Fuel Efficiency project to reduce air pollution from aircraft engines, and cut fuel consumption and noise pollution. In 2022, its fuel savings were 3,427 tonnes.
- It joined the Care the Bear project organized by the SET to reduce carbon emissions through on-line or on-site activities. In 2022, it reduced carbon emissions by 39,116kg.
- In 2022, BA's Samui and Trat airports were awarded the "G-Green" Honorary Awards presented by the Department of Environmental Promotion.

SOCIAL

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

- BA received a flight operation license under the terms of the Air Operator Certificate granted by the Civil Aviation Authority of Thailand (CAAT), complying with the terms of the International Civil Aviation Organization (ICAO).
- In 2022, there were no serious accidents in flight operations either on-ground or in-flight. It also won the airline with highest safety standards award as rated by AirlinesRatings.com.
- In 2022, BA conducted a survey to measure employee happiness and the results showed that its employees were satisfied with their work. It also provided 57 hours of training for each employee in the year.
- It continues to help people with disabilities by creating jobs or contributing cash through projects, e.g., Gift of Rice, School Building, Community Care, and Career Rehabilitation.

GOVERNANCE &
SUSTAINABILITY

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

- BA has an 11-member board of directors (BOD), of whom five are independent directors. Two of them are women.
- It achieved a "very good" CG score as rated by the Thai Directors Institute.
- BA's audit committee consists of three independent directors for the review of financial statements, internal control system, risk management, and compliance with the law and government regulations.
- It has appointed EY Office Limited as the independent auditor for the company.

Sources: Company data, Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Sales	2,717	11,305	18,759	19,564	20,272
Cost of sales	6,115	11,524	14,363	15,320	15,954
Gross profit	(3,398)	(219)	4,397	4,244	4,318
% gross margin	-125.1%	-1.9%	23.4%	21.7%	21.3%
Selling & administration expenses	1,551	2,097	2,720	2,837	2,939
Operating profit	(4,949)	(2,316)	1,676	1,407	1,378
% operating margin	-182.2%	-20.5%	8.9%	7.2%	6.8%
Depreciation & amortization	2,342	2,431	1,845	1,943	2,020
EBITDA	(2,607)	115	3,521	3,350	3,398
% EBITDA margin	-96.0%	1.0%	18.8%	17.1%	16.8%
Non-operating income	2,429	1,450	2,012	2,072	2,128
Non-operating expenses	(5)	(9)	0	0	0
Interest expense	(1,265)	(1,489)	(2,136)	(1,929)	(1,790)
Pre-tax profit	(3,791)	(2,365)	1,553	1,550	1,717
Income tax	(117)	114	0	310	343
After-tax profit	(3,674)	(2,479)	1,553	1,240	1,373
% net margin	-135.2%	-21.9%	8.3%	6.3%	6.8%
Shares in affiliates' Earnings	453	489	490	514	540
Minority interests	50	16	26	27	28
Extraordinary items	(5,379)	(136)	0	0	0
NET PROFIT	(8,550)	(2,110)	2,068	1,782	1,941
Normalized profit	(3,171)	(1,974)	2,068	1,782	1,941
EPS (Bt)	(4.1)	(1.0)	1.0	0.8	0.9
Normalized EPS (Bt)	(1.5)	(0.9)	1.0	0.8	0.9

We estimate BA's earnings to turn around strongly this year...

...driven by a strong recovery in passenger numbers and air fares

BALANCE SHEET

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
ASSETS:					
Current assets:	3,106	8,608	5,800	5,876	5,935
Cash & cash equivalent	2,126	3,592	3,000	3,000	3,000
Account receivables	373	1,185	1,028	1,072	1,111
Inventories	438	465	472	504	525
Others	169	3,367	1,300	1,300	1,300
Investments & loans	28,191	37,401	39,151	39,151	39,151
Net fixed assets	8,927	8,270	8,425	8,482	8,462
Other assets	8,715	7,967	7,977	7,987	7,997
Total assets	48,939	62,246	61,353	61,496	61,545
LIABILITIES:					
Current liabilities:	23,803	17,227	8,751	8,714	8,631
Account payables	967	1,558	1,377	1,469	1,530
Bank overdraft & ST loans	917	768	661	614	562
Current LT debt	16,617	7,672	1,238	1,150	1,051
Others current liabilities	5,302	7,228	5,475	5,481	5,488
Total LT debt	4,540	21,074	23,515	21,846	19,977
Others LT liabilities	7,434	7,181	9,947	10,015	10,075
Total liabilities	35,777	45,482	42,213	40,575	38,683
Minority interest	(36)	(55)	(57)	(57)	(57)
Preferreds shares	0	0	0	0	0
Paid-up capital	2,100	2,100	2,100	2,100	2,100
Share premium	9,320	9,219	0	0	0
Warrants	0	0	0	0	0
Surplus	15,701	21,481	21,481	21,481	21,481
Retained earnings	(13,922)	(15,981)	(4,384)	(2,603)	(661)
Shareholders' equity	13,198	16,818	19,197	20,978	22,920
Liabilities & equity	48,939	62,246	61,353	61,496	61,545

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Earnings before tax	(3,791)	(2,365)	1,553	1,550	1,717
Tax paid	117	(114)	0	(310)	(343)
Depreciation & amortization	2,342	2,431	1,845	1,943	2,020
Chg In working capital	(85)	(248)	(31)	16	1
Chg In other CA & CL / minorities	(1,905)	(786)	826	548	574
Cash flow from operations	(3,322)	(1,082)	4,193	3,747	3,969
Capex	(1,493)	(1,773)	(2,000)	(2,000)	(2,000)
Right of use	796	1,547	(10)	(10)	(10)
ST loans & investments	0	0	0	0	0
LT loans & investments	114	(9,209)	(1,750)	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(5,217)	(1,050)	2,766	68	60
Cash flow from investments	(5,799)	(10,486)	(994)	(1,942)	(1,950)
Debt financing	6,909	7,304	(4,101)	(1,804)	(2,019)
Capital increase	0	(101)	(9,219)	0	0
Dividends paid	(0)	(0)	0	0	0
Warrants & other surplus	2,157	5,831	9,529	0	0
Cash flow from financing	9,066	13,034	(3,790)	(1,804)	(2,019)
Free cash flow	(4,815)	(2,855)	2,193	1,747	1,969

VALUATION

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Normalized PE (x)	na	na	17.1	19.8	18.2
Normalized PE - at target price (x)	na	na	20.3	23.6	21.6
PE (x)	na	na	17.1	19.8	18.2
PE - at target price (x)	na	na	20.3	23.6	21.6
EV/EBITDA (x)	na	534.4	16.4	16.7	15.9
EV/EBITDA - at target price (x)	na	593.1	18.3	18.7	17.8
P/BV (x)	2.7	2.1	1.8	1.7	1.5
P/BV - at target price (x)	3.2	2.5	2.2	2.0	1.8
P/CFO (x)	(10.6)	(32.6)	8.4	9.4	8.9
Price/sales (x)	13.0	3.1	1.9	1.8	1.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
FCF Yield (%)	(13.6)	(8.1)	6.2	5.0	5.6
(Bt)					
Normalized EPS	(1.5)	(0.9)	1.0	0.8	0.9
EPS	(4.1)	(1.0)	1.0	0.8	0.9
DPS	0.0	0.0	0.0	0.0	0.0
BV/share	6.3	8.0	9.1	10.0	10.9
CFO/share	(1.6)	(0.5)	2.0	1.8	1.9
FCF/share	(2.3)	(1.4)	1.0	0.8	0.9

Sources: Company data, Thanachart estimates

*Valuation is still attractive
in our view with PEs of
18-20x in 2024-25F vs. its
average PE of 30x in
2014-16*

FINANCIAL RATIOS

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Growth Rate					
Sales (%)	(64.6)	316.1	65.9	4.3	3.6
Net profit (%)	na	na	na	(13.9)	9.0
EPS (%)	na	na	na	(13.9)	9.0
Normalized profit (%)	na	na	na	(13.9)	9.0
Normalized EPS (%)	na	na	na	(13.9)	9.0
Dividend payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Operating performance					
Gross margin (%)	(125.1)	(1.9)	23.4	21.7	21.3
Operating margin (%)	(182.2)	(20.5)	8.9	7.2	6.8
EBITDA margin (%)	(96.0)	1.0	18.8	17.1	16.8
Net margin (%)	(135.2)	(21.9)	8.3	6.3	6.8
D/E (incl. minor) (x)	1.7	1.8	1.3	1.1	0.9
Net D/E (incl. minor) (x)	1.5	1.5	1.2	1.0	0.8
Interest coverage - EBIT (x)	na	na	0.8	0.7	0.8
Interest coverage - EBITDA (x)	na	0.1	1.6	1.7	1.9
ROA - using norm profit (%)	na	na	3.3	2.9	3.2
ROE - using norm profit (%)	na	na	11.5	8.9	8.8
DuPont					
ROE - using after tax profit (%)	na	na	8.6	6.2	6.3
- asset turnover (x)	0.1	0.2	0.3	0.3	0.3
- operating margin (%)	na	na	19.7	17.8	17.3
- leverage (x)	3.0	3.7	3.4	3.1	2.8
- interest burden (%)	150.1	270.2	42.1	44.6	49.0
- tax burden (%)	na	na	100.0	80.0	80.0
WACC (%)	7.1	7.1	7.1	7.1	7.5
ROIC (%)	(15.4)	(7.0)	3.9	2.7	2.7
NOPAT (Bt m)	(4,949)	(2,316)	1,676	1,126	1,103
invested capital (Bt m)	33,146	42,741	41,611	41,588	41,510

Sources: Company data, Thanachart estimates

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