

Master Style Pcl (MASTER TB) - BUY, Price Bt44.50, TP Bt54.00**Results Comment**

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Decent 3Q24 profit, in-line

- MASTER reported in-line net profit of Bt109m in 3Q24 (+10% y-y, +25% q-q).
- 3Q24 total revenue growth was +9% y-y and +2% q-q to Bt522m.
- Aesthetic surgery revenue (83% of total revenue) in the quarter increased 12% y-y and 4% q-q. Key y-y drivers were brow lift surgery, face lift and men health. Skin, hair, aftercare and other operations revenue (18%) growth was -4% y-y and -6% q-q.
- Average gross margin was 57.0% in 3Q24 vs. 57.0% in 2Q24 and 58.2% in 3Q23.
- SG&A/sales ratio dropped to 33.2% in 3Q24 vs. 38.6% in 2Q24 and 33.5% in 3Q23.
- Equity income was Bt10m in 3Q24 vs. Bt7m in 2Q24.
- 9M24 profit accounting for 64% of our full year forecast. We expect improving earnings in 4Q24F and maintain our projection.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	479	543	468	510	522	Revenue	2	9	70	2,128	2,502
Gross profit	279	345	274	291	298	Gross profit	2	7	69	1,245	1,486
SG&A	160	154	160	197	173	SG&A	(12)	8	73	724	847
Operating profit	118	191	114	94	124	Operating profit	33	5	64	521	639
EBITDA	130	222	142	124	158	EBITDA	27	21	66	647	786
Other income	10	11	9	9	4	Other income	(52)	(59)	62	36	38
Other expense	0	0	0	0	0	Other expense					
Interest expense	4	3	3	3	4	Interest expense	24	19	79	14	14
Profit before tax	125	199	120	99	124	Profit before tax	26	(1)	63	543	663
Income tax	25	40	23	18	25	Income tax	38	(2)	62	106	133
Equity & invest. income	0	5	10	7	10	Equity & invest. income	49		78	34	61
Minority interests	0	0	0	0	0	Minority interests					
Extraordinary items	0	0	0	0	0	Extraordinary items					
Net profit	100	163	106	88	109	Net profit	25	10	64	470	591
Normalized profit	100	163	106	88	109	Normalized profit	25	10	64	470	591
EPS (Bt)	0.42	0.68	0.44	0.36	0.46	EPS (Bt)	25	10	81	1.56	1.96
Normalized EPS (Bt)	0.42	0.68	0.44	0.36	0.46	Normalized EPS (Bt)	25	10	81	1.56	1.96

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	2,067	1,744	1,544	613	336	Sales grow th	19.5	15.1	7.4	11.1	8.9
A/C receivable	9	7	8	16	12	Operating profit grow th	10.9	90.5	24.6	(3.8)	4.9
Inventory	100	101	79	70	90	EBITDA grow th	12.4	120.2	41.3	15.8	21.3
Other current assets	20	19	20	44	26	Norm profit grow th	17.3	107.7	48.5	7.5	9.6
Investment	0	0	0	0	0	Norm EPS grow th	(7.2)	64.4	48.5	7.5	9.6
Fixed assets	832	838	905	951	991	Gross margin	58.2	63.6	58.5	57.0	57.0
Other assets	396	928	1,190	2,037	2,568	Operating margin	24.7	35.2	24.3	18.3	23.8
Total assets	3,424	3,637	3,746	3,731	4,023	EBITDA margin	27.2	40.8	30.3	24.4	30.2
S-T debt	0	0	0	0	0	Norm net margin	20.8	30.1	22.7	17.2	21.0
A/C payable	162	182	89	93	158	D/E (x)	-	-	-	-	0.0
Other current liabilities	134	165	261	158	148	Net D/E (x)	(0.7)	(0.6)	(0.5)	(0.2)	(0.1)
L-T debt	0	0	0	0	128	Interest coverage (x)	37.1	65.5	42.0	36.8	37.7
Other liabilities	298	298	299	299	299	Interest rate	na	na	na	na	26.2
Minority interest	0	0	0	0	0	Effective tax rate	20.1	20.2	19.6	18.1	19.8
Shareholders' equity	2,830	2,991	3,097	3,181	3,290	ROA	11.9	18.5	11.5	9.4	11.3
Working capital	(52)	(75)	(3)	(7)	(56)	ROE	14.4	22.5	14.0	11.2	13.5
Total debt	0	0	0	0	128						
Net debt	(2,067)	(1,744)	(1,544)	(613)	(209)						

Sources: Company data, Thanachart estimates

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