

SELL (Unchanged)

Change in Numbers

TP: Bt 3.00

(From: Bt 3.80)

17 DECEMBER 2024**Downside : 21.1%**

BEC World Pcl (BEC TB)

Another round of restructuring

BEC is in the midst of another round of business restructuring. This should make its operations leaner but as the TV industry's structural downtrend is persisting, we remain a SELLER of BEC. We see its valuation as pricey at 40x PE on a 3% prospective ROE for 2025F.

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Restructuring continues

BEC has undergone many restructuring rounds over the past several years, involving staff layoffs, operational cost cutting, ceasing operation of two TV channels, and management team changes. This time, it has involved management change and more staff layoffs. The firm has not yet provided any guidance about its overall restructuring plan but mentioned it has some provisions to cushion the impact of the layoffs. That said, our earnings cuts of 28/27/14% in 2024-26F are more due to a softer-than-expected top line given the weak TV industry. Our DCF-based 12-month TP (2025F base year) falls to Bt3.0. (from Bt3.8). We reaffirm our SELL call on BEC due to its weak earnings outlook as a result of the TV industry's structural downtrend. The stock also looks expensive to us, trading at a 40x 2025F PE.

TV industry in a structural downcycle

The TV industry has remained in a structural downtrend, and it has been losing market share to new media types, including online platforms. TV adex fell from Bt70bn (57% of the total adex pool) in 2019 to Bt61bn (52%) in 2023 and Bt29bn (50%) in 1H24. Online adex share rose from 16% in 2019 to 25% in 2023 and 27% in 1H24. The total adex pool improved along with the economy growing 4% y-y in 1H24, but TV adex still fell 2% y-y. BEC's TV ad income fell from Bt7bn in 2019 to Bt4bn in 2023 and continued falling 10% y-y in 9M24. We now project BEC's ad revenue growth at -13/-10/-10% (from +2/-4/-5%) in 2024-26F.

Other income sources

We still estimate BEC's TV business to contribute 81% of its total revenues in 2024F. The other key revenue source is content sales to online and overseas platforms, which we project at Bt690m or 16% of total sales this year. Given fierce regional competition, this content sales business doesn't have a bright outlook either. Online platforms are also using the production-hiring model more to create original content, reducing demand for content from content makers. Starting this year, BEC has a new income source from the artist management business, riding the trend of influencers and the idol marketing era. We expect BEC's artist management business to make Bt100m in revenue with 20% p.a. growth over the next three years.

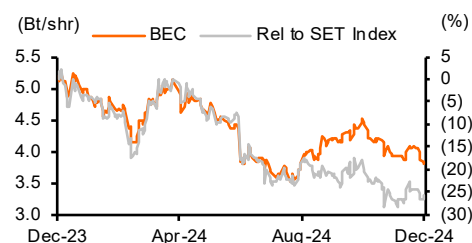
Becoming a low-return business

BEC's ROE has continued to decline from 14.6% in 2021 to 4.3% in 2023, as profit dropped by 33/53% in 2022-23. Based on our earnings estimates, BEC's ROE looks set to stay low at 3.5/3.0/2.9% in 2024-26F vs. 4.3% in 2023. Given this low ROE, we believe its 40x 2025F PE and 1.2x P/BV appear expensive.

COMPANY VALUATION

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Sales	4,653	4,230	3,907	3,622
Net profit	210	213	188	185
Consensus NP	—	281	376	435
Diff frm cons (%)	—	(24.1)	(49.9)	(57.5)
Norm profit	266	216	188	185
Prev. Norm profit	—	300	257	213
Chg frm prev (%)	—	(28.1)	(26.7)	(13.5)
Norm EPS (Bt)	0.1	0.1	0.1	0.1
Norm EPS grw (%)	(53.0)	(18.9)	(12.8)	(1.9)
Norm PE (x)	28.6	35.2	40.4	41.2
EV/EBITDA (x)	2.9	3.3	3.7	3.9
P/BV (x)	1.2	1.2	1.2	1.2
Div yield (%)	1.6	1.4	1.2	1.2
ROE (%)	4.3	3.5	3.0	2.9
Net D/E (%)	(29.7)	(36.9)	(42.0)	(47.0)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 17-Dec-24 (Bt)	3.80
Market Cap (US\$ m)	221.9
Listed Shares (m shares)	2,000.0
Free Float (%)	30.1
Avg Daily Turnover (US\$ m)	0.3
12M Price H/L (Bt)	5.25/3.52
Sector	MEDIA
Major Shareholder	Maleenont Family 32.6%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P9



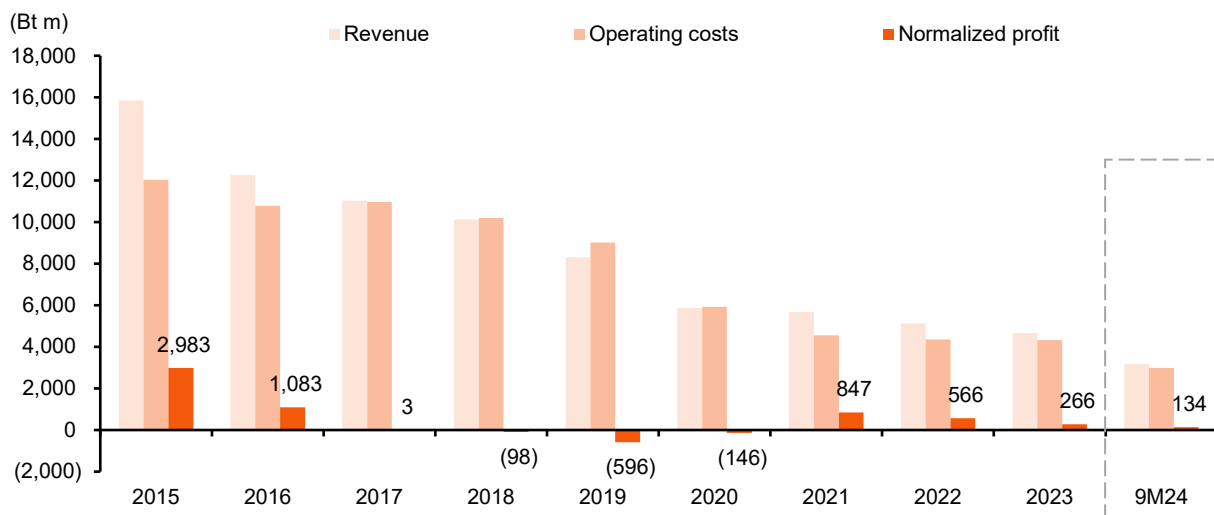
Restructuring continues

BEC World Pcl (BEC) has undergone several business revamps over the past few years, which involved staff layoffs, operational cost cutting, returning two of its three digital-TV licenses to the National Broadcasting and Telecommunications Commission (NBTC) before ceasing their operations, and divesting the loss-making BEC Tero. BEC has managed to bring its total operating costs down by 57% over 2018-21. Together with the utilization of its content via two new revenue sources – online OTT platforms and overseas content licensing – BEC’s losses during 2017-1H20 turned to profits from 2H20.

Another round of business restructuring has started

However, as the TV industry continued to trend down, BEC’s profit shrank during 2021-9M24. BEC is undergoing another round of business restructuring. Without it, we believe BEC would have made losses again. This time, the restructuring involves management change and more staff layoffs. According to tabloid newspapers, layoffs with severance packages took place in November 2024 involving editors and general staff. Some news presenters changed from full-time employee status to freelance roles, receiving payments when on-air. The company has yet to provide any guidance on its overall restructuring plan but mentioned it has some provisions to cushion the impact of the layoffs.

Ex 1: BEC’s Revenue Has Continued To Decline, With Profit Shrinking



Source: Company data

BEC’s 2023 operating costs comprised mainly production (58% of total), employees (16%), directors and management (5%), building and place (5%), and agencies and promotions (4%). In this report, we assume 20% operating cost cuts over the next three years, mainly from staff layoffs and production cost cutting. However, our earnings cuts of 28/27/14% in 2024-26F are more due to a softer-than-expected top line from the weak TV industry. Our DCF-based 12-month TP (2025F base year) falls to Bt3.0. (from Bt3.8). We reaffirm our SELL call on BEC due to its weak earnings outlook as a result of the TV industry’s structural downtrend. BEC’s valuation also looks demanding to us at 40x 2025F PE, given its deteriorating earnings prospects and low forecast ROE of just 3.0%.

Ex 2: Key Assumption Changes

	2021	2022	2023	2024F	2025F	2026F
TV advertising income (Bt m)						
- New	4,834	4,449	3,915	3,431	3,088	2,779
- Old				4,054	3,879	3,684
- Change (%)				(15.4)	(20.4)	(24.6)
Total operating costs (Bt m)						
- New	4,552	4,356	4,322	4,056	3,794	3,498
- Old				4,378	4,247	4,111
- Change (%)				(7.4)	(10.7)	(14.9)
Normalized profit (Bt m)						
- New	847	566	266	216	188	185
- Old				300	257	213
- Change (%)				(28.1)	(26.7)	(13.5)

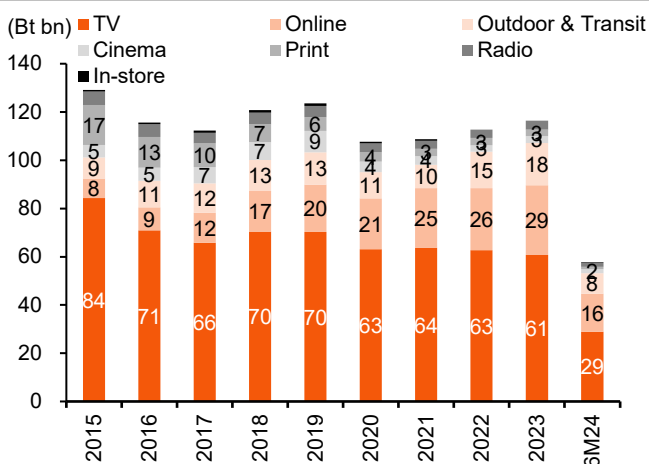
Sources: Company data, Thanachart estimates

TV industry in a structural downcycle

TV advertising losing market share to online media

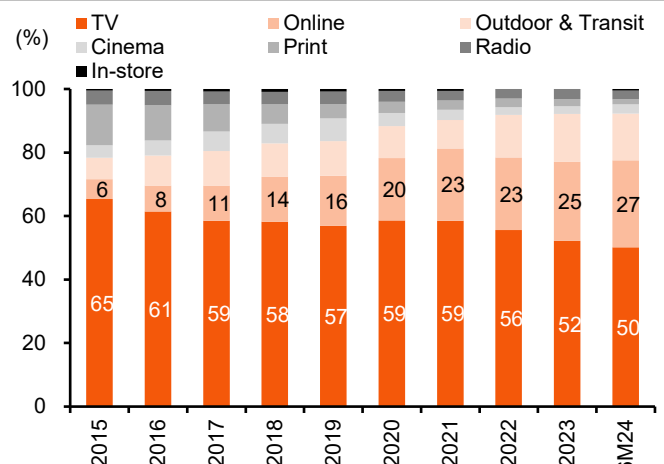
TV adex fell from Bt70bn (57% of the total adex pool) in 2019 to Bt61bn (52%) in 2023. In 1H24, when the economy was growing, the total adex pool rose 4% y-y, but TV adex was down by 2% y-y, implying TV share in the adex pool fell further to 50%. Online media adex was the key driver of the industry 14% y-y growth in 1H24. The structural trend is that people are spending less time watching TV and more time on social media/online platforms. Online adex share rose to 25% in 2023 from 16% in 2019. The Media Intelligence Group forecasts TV ad spending to decline by 2% and online ad spending to grow by 10% in 2024F. Some leading TV operators expect TV share to continue to decline over the next two years. As for BEC, TV ad income has followed industry TV ad spending. Revenue fell from Bt7bn in 2019 to Bt4bn in 2023. BEC reported weaker-than-expected ad income growth of -10% y-y in 9M24. With soft demand for TV ad spending, BEC used more rerun content to save costs during 9M24. Given the structural decline in the TV segment's ad pool market share, we expect the revenue of its TV business to trend down. That implies continued pressure on both ad and utilization rates. We now project BEC's ad revenue growth at -13/-10/-10% (from +2/-4/-5%) in 2024-26F.

Ex 3: Continued Fall In TV Adex



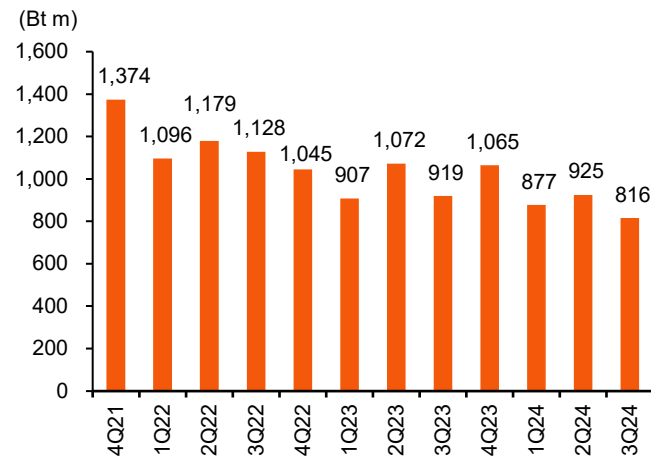
Source: Nielsen Thailand

Ex 4: TV Adex Losing Market Share



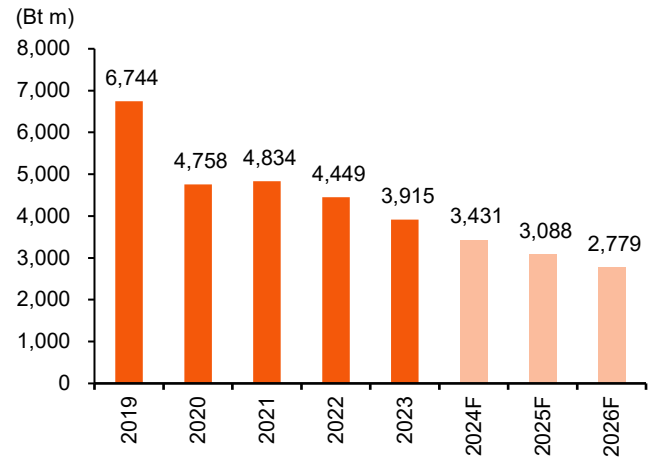
Source: Nielsen Thailand

Ex 5: BEC's Advertising Income Has Continued Falling



Source: Company data

Ex 6: Advertising Revenue Forecasts



Sources: Company data, Thanachart estimates

Other income sources

Other income sources to account for 23% in 2026F

Although BEC has expanded into new businesses, its traditional TV revenue base still accounts for 81% of total revenue in 2024F. The other key revenue source is content sales to online platforms and overseas platforms by selling or revenue sharing its TV content to online operators (YouTube, Facebook, etc.) and over-the-top (OTT) platforms in Thailand and overseas. We see this source of revenue facing challenges from strong regional peers, such as South Korea and China, which dominate Asian content. Online platforms are also using the production-hiring model more to create original content, reducing demand for content from content makers. We estimate this revenue source to contribute Bt690m or 16% of total sales this year with flat growth. Starting this year, BEC has had a new income source from its artist management business, where we estimate revenue of Bt100m with growth of 20% p.a. over the next three years. We see this segment having a bright outlook as it is benefiting from the idol marketing trend post-COVID. BEC has a pool of actors who gained their fame and fan club base from their roles in BEC's TV dramas, and we foresee potential monetization via:

Artist management: This business acts as an agency, contacting and planning between artists and prospective clients. Examples of revenue sources are influencers, presenters, brand ambassadors, event/concert attendance, etc.

Merchandise: Building on the popularity of programs and the stars, BEC can produce and sell souvenirs.

Events: This takes the form of various formats, from meet-and-greets between fans and actors to concerts.

Ex 7: BEC's Fan Meet Events In 2H24F



Source: Company data

Ex 8: Artist Management: Presenter Jobs



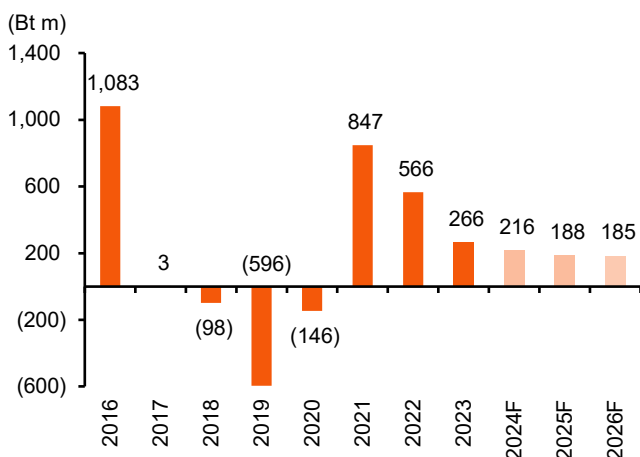
Source: Company data

Becoming a low-return business

We forecast only a 3% ROE over the next three years

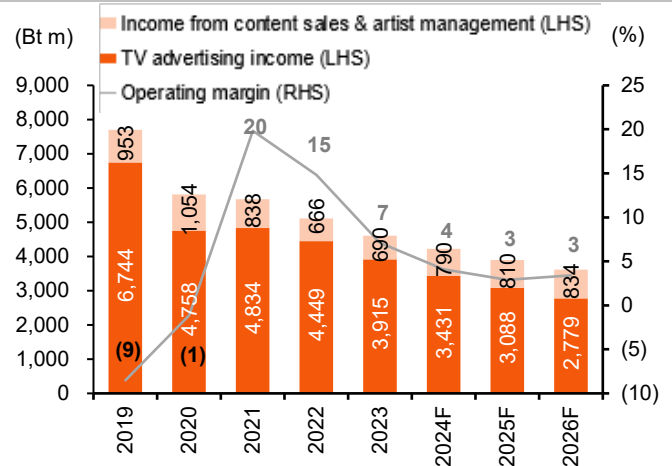
Based on our earnings forecasts, BEC's ROE looks set to only be 3% over the next three years. Given this low ROE, we believe its 40x 2024F PE and 1.2x P/BV appear expensive. We estimate -19/-13/-2% normalized EPS growth in 2024-26F based on our key assumptions of -13/-10/-10% ad income growth, flat content sales growth, and a total cost reduction of 20%.

Ex 9: -19/-13/-2% Earnings Growth In 2024-26F



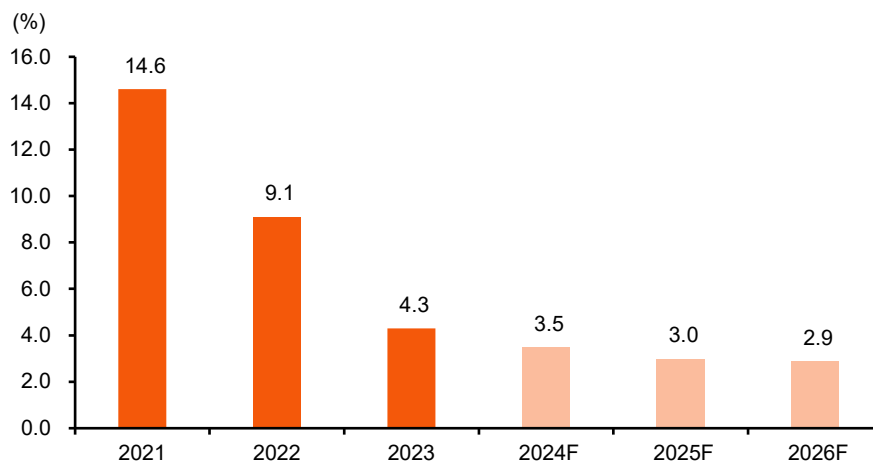
Sources: Company data, Thanachart estimates

Ex 10: Our Revenue And Operating Margin Forecasts



Sources: Company data, Thanachart estimates

Ex 11: Low Forecasted ROE



Sources: Company data, Thanachart estimates

Ex 12: 12-month DCF-based TP Calculation, Using A Base Year Of 2025F

(Bt m)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	Terminal Value
EBITDA	1,336	1,173	1,150	981	831	689	549	429	324	226	135	—
Free cash flow	1,178	1,010	996	850	(330)	499	378	270	178	92	11	115
PV of free cash flow	1,175	821	730	561	(196)	261	178	114	67	31	3	34
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.3											
WACC (%)	10.9											
Terminal growth (%)	2.0											
Enterprise value - add investments	3,778											
Net debt (2024F)	(2,303)											
Minority interest	0											
Equity value	6,080											
# of shares (m)	2,000											
Target price/share (Bt)	3.0											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 13: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div. yield	
			24F (%)	25F (%)	24F (x)	25F (x)	24F (x)	25F (x)	24F (x)	25F (x)	24F (%)	25F (%)
Sun TV Network	SUNTV IN	India	(2.2)	9.9	15.3	14.0	2.5	2.3	9.3	8.6	2.8	3.0
Zee Entertainment	Z IN	India	292.9	29.2	16.7	12.9	1.1	1.1	8.7	6.9	1.6	2.1
Surya Citra Media	SCMA IJ	Indonesia	170.7	15.2	12.8	11.1	1.9	1.7	10.3	8.6	2.8	4.0
Media Nusantara	MNCN IJ	Indonesia	(2.9)	22.3	3.9	3.2	na	na	2.5	2.2	na	na
Beijing Gehua	600037 CH	China	80.6	na	na	35.7	0.9	0.8	5.9	3.3	na	na
Media Prima Bhd	MPR MK	Malaysia	(53.2)	11.8	18.1	16.2	0.7	0.7	3.9	3.9	2.8	3.2
BEC World*	BEC TB	Thailand	(18.9)	(12.8)	35.2	40.4	1.2	1.2	3.3	3.7	1.4	1.2
The One Enterprise*	ONEE TB	Thailand	(4.7)	(15.5)	22.2	26.2	1.5	1.5	4.5	4.7	3.8	3.2
Plan B Media*	PLANB TB	Thailand	9.2	19.7	30.2	25.3	3.3	3.1	7.3	6.7	1.7	3.2
RS Pcl*	RS TB	Thailand	na	(5.8)	35.5	37.7	3.8	3.7	10.8	11.0	1.4	1.9
VGI Global Media**	VGI TB	Thailand	na	112.8	243.7	114.6	1.6	1.6	362.9	83.1	0.2	0.5
Average			52.4	18.7	43.4	30.7	1.9	1.8	39.0	13.0	2.1	2.5

Source: Bloomberg

Note: * Thanachart estimates using normalized EPS growth

** VGI's fiscal year ends in March.

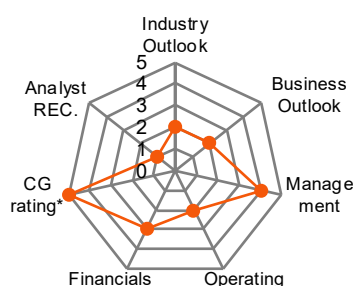
Based on 17 December 2024 closing price

COMPANY DESCRIPTION

BEC World Pcl (BEC) is a diversified media holding company. The firm is involved in television broadcasting and content sales to online platforms and abroad.

Source: Thanachart

COMPANY RATING



Rating Scale

Very Strong	5
Strong	4
Good	3
Fair	2
Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- BEC has a strong balance sheet.
- BEC has its own actors and actresses.
- Audience share is in second place behind Channel 7.

O — Opportunity

- Online content market in Thailand and abroad.

W — Weakness

- Dependent on domestic consumption momentum.

T — Threat

- The digital platform's increasing market share offers more choices to advertisers and could pose a threat to BEC's ad rate hikes going forward.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	4.44	3.00	-32%
Net profit 24F (Bt m)	281	213	-24%
Net profit 25F (Bt m)	376	188	-50%
Consensus REC	BUY: 1	HOLD: 6	SELL: 2

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2024-25F net profits and TP are below the Bloomberg consensus numbers, which we attribute to our being more bearish with our ad income and content sales assumptions and factoring in cost reductions from its business restructuring.

Sources: Bloomberg consensus, Thanachart estimates

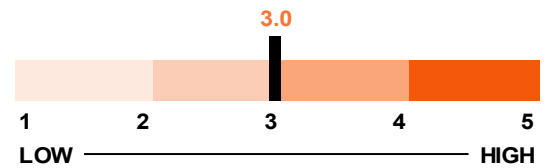
RISKS TO OUR INVESTMENT CASE

- The key upside risk to our call would be if online content sales were to come in higher than our expectations.
- If BEC's improving utilization is higher than we currently anticipate.
- If the cost of producing its own TV programs is lower than we currently estimate.
- If media disruption developments take place slower than we expect.
- If the domestic ad spending recovery is faster than we assume presently.

Source: Thanachart

BEC is a media firm and a top player in the TV industry. Its business nature doesn't involve many environmental issues. However, our ESG score of 3.0 is the average of our coverage universe. We expect the score to improve with more initiatives and clearer plans and targets. The company is also using more technology in its content production process.

Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	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)
BEC	-	-	-	A	51.16	57.06	30.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, 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
<p>ENVIRONMENT</p> <ul style="list-style-type: none"> – Environmental Policies & Guidelines – Energy Management – Carbon Management – Water Management – Waste Management 	<ul style="list-style-type: none"> ▪ BEC owns licenses to operate two TV channels and produces media content to serve its own channels and sell to other platforms. Its business nature doesn't produce much greenhouse gas (GHG), though content production can have some environmental impact. ▪ BEC has set up a Sustainable Development Committee to manage waste, GHG, environmental & natural resources, energy, electricity, and water supply issues. ▪ Given its business nature, BEC generated low GHG emissions of 2,931-tonne CO2eq in 2023, rising from 2,779-tonne CO2eq in 2022. ▪ BEC has environmental content in news programs to raise awareness about climate change.
<p>SOCIAL</p> <ul style="list-style-type: none"> – Human Rights – Staff Management – Health & Safety – Product Safety & Quality – Social Responsibility 	<ul style="list-style-type: none"> ▪ BEC conducts its operations according to the principles and intentions of the Universal Declaration of Human Rights (UDHR). It also continuously reports news to motivate people to understand the importance of human rights. ▪ It claims to have a good health and safety work environment with zero work-related fatalities and a zero lost-time injury frequency rate. ▪ Labor unions represent all employees. The ratio of male to female employees is good at 57:43. Last year, BEC hired 26 elderly employees and one disabled employee. Its staff turnover ratio decreased to 7% in 2023 from 9% in 2022. ▪ BEC has a Corporate Governance Committee to conduct sustainability management and social responsibility with CSR activities.
<p>GOVERNANCE & SUSTAINABILITY</p> <ul style="list-style-type: none"> – Board – Ethics & Transparency – Business Sustainability – Risk Management – Innovation 	<ul style="list-style-type: none"> ▪ BEC has a 13-member board of directors (BOD), of whom five are company executives. Some 38% of members are independent directors, and 46% are women. The board chairman and CEO are different people. ▪ Its audit and risk committee has at least three independent members, one of whom must have expertise in finance and accounting. There are at least seven risk management meetings per year. ▪ BEC has channels to receive complaints/whistleblowing, clear guidance on complaints/whistleblowing, and complainant/whistleblower protection procedures for individuals within the organization and external parties. ▪ BEC ensures that its BOD sets goals suitable for its business environment and capacity, both financial and non-financial, taking into consideration surrounding factors of the business, business opportunities, and risks. ▪ BEC plans to adopt new technology to reduce production and filming work, which would reduce waste and its carbon footprint.

Sources: Thanachart, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Sales	5,115	4,653	4,230	3,907	3,622
Cost of sales	3,561	3,440	3,280	3,062	2,854
Gross profit	1,554	1,213	950	845	768
% gross margin	30.4%	26.1%	22.5%	21.6%	21.2%
Selling & administration expenses	795	881	776	732	644
Operating profit	758	331	174	113	124
% operating margin	14.8%	7.1%	4.1%	2.9%	3.4%
Depreciation & amortization	1,846	1,638	1,427	1,223	1,050
EBITDA	2,605	1,969	1,601	1,336	1,173
% EBITDA margin	50.9%	42.3%	37.8%	34.2%	32.4%
Non-operating income	37	47	63	59	55
Non-operating expenses	0	0	0	0	0
Interest expense	(114)	(110)	(110)	(74)	(48)
Pre-tax profit	682	268	127	98	131
Income tax	120	68	21	20	26
After-tax profit	562	200	106	78	105
% net margin	11.0%	4.3%	2.5%	2.0%	2.9%
Shares in affiliates' Earnings	4	66	110	110	80
Minority interests	(0)	(0)	0	0	0
Extraordinary items	41	(56)	(3)	0	0
NET PROFIT	607	210	213	188	185
Normalized profit	566	266	216	188	185
EPS (Bt)	0.3	0.1	0.1	0.1	0.1
Normalized EPS (Bt)	0.3	0.1	0.1	0.1	0.1

Unexcited earnings path

BALANCE SHEET

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
ASSETS:					
Current assets:	4,724	4,660	5,023	4,074	4,406
Cash & cash equivalent	3,952	3,819	4,310	3,415	3,795
Account receivables	678	694	579	535	496
Inventories	0	0	0	0	0
Others	94	147	134	124	115
Investments & loans	31	119	119	119	119
Net fixed assets	239	234	278	370	461
Other assets	4,623	4,428	4,049	3,645	3,271
Total assets	9,617	9,441	9,470	8,209	8,257
LIABILITIES:					
Current liabilities:	784	762	697	630	594
Account payables	366	458	440	411	383
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	0	0	0	0	0
Others current liabilities	418	304	257	219	211
Total LT debt	1,992	1,995	2,007	755	774
Others LT liabilities	599	538	519	490	462
Total liabilities	3,376	3,295	3,224	1,874	1,831
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	2,000	2,000	2,000	2,000	2,000
Share premium	1,167	1,167	1,167	1,167	1,167
Warrants	0	0	0	0	0
Surplus	(29)	(29)	(29)	(29)	(29)
Retained earnings	3,104	3,009	3,109	3,197	3,288
Shareholders' equity	6,241	6,147	6,246	6,334	6,426
Liabilities & equity	9,617	9,441	9,470	8,209	8,257

Balance sheet still strong, on our estimates

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Earnings before tax	682	268	127	98	131
Tax paid	(102)	(86)	(13)	(24)	(25)
Depreciation & amortization	1,846	1,638	1,446	1,241	1,068
Chg In working capital	129	75	97	15	11
Chg In other CA & CL / minorities	23	(83)	69	86	80
Cash flow from operations	2,579	1,811	1,725	1,417	1,266
Capex	(111)	(58)	(100)	(150)	(150)
Right of use	(326)	54	30	(10)	(10)
ST loans & investments	0	0	0	0	0
LT loans & investments	39	(88)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,381)	(1,551)	(1,063)	(799)	(652)
Cash flow from investments	(1,779)	(1,643)	(1,133)	(959)	(812)
Debt financing	(1,008)	3	12	(1,253)	19
Capital increase	0	0	0	0	0
Dividends paid	(500)	(320)	(113)	(100)	(93)
Warrants & other surplus	(59)	15	0	0	0
Cash flow from financing	(1,566)	(302)	(101)	(1,353)	(74)
Free cash flow	2,469	1,754	1,625	1,267	1,116

VALUATION

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Normalized PE (x)	13.4	28.6	35.2	40.4	41.2
Normalized PE - at target price (x)	10.6	22.6	27.8	31.9	32.5
PE (x)	12.5	36.2	35.7	40.4	41.2
PE - at target price (x)	9.9	28.6	28.2	31.9	32.5
EV/EBITDA (x)	2.2	2.9	3.3	3.7	3.9
EV/EBITDA - at target price (x)	1.6	2.1	2.3	2.5	2.5
P/BV (x)	1.2	1.2	1.2	1.2	1.2
P/BV - at target price (x)	1.0	1.0	1.0	0.9	0.9
P/CFO (x)	2.9	4.2	4.4	5.4	6.0
Price/sales (x)	1.5	1.6	1.8	1.9	2.1
Dividend yield (%)	4.2	1.6	1.4	1.2	1.2
FCF Yield (%)	32.5	23.1	21.4	16.7	14.7
(Bt)					
Normalized EPS	0.3	0.1	0.1	0.1	0.1
EPS	0.3	0.1	0.1	0.1	0.1
DPS	0.2	0.1	0.1	0.0	0.0
BV/share	3.1	3.1	3.1	3.2	3.2
CFO/share	1.3	0.9	0.9	0.7	0.6
FCF/share	1.2	0.9	0.8	0.6	0.6

Sources: Company data, Thanachart estimates

Pricey valuation, in our view

FINANCIAL RATIOS

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Growth Rate					
Sales (%)	(10.0)	(9.0)	(9.1)	(7.6)	(7.3)
Net profit (%)	(20.3)	(65.4)	1.3	(11.5)	(1.9)
EPS (%)	(20.3)	(65.4)	1.3	(11.5)	(1.9)
Normalized profit (%)	(33.2)	(53.0)	(18.9)	(12.8)	(1.9)
Normalized EPS (%)	(33.2)	(53.0)	(18.9)	(12.8)	(1.9)
Dividend payout ratio (%)	52.7	57.1	50.0	50.0	50.0
Operating performance					
Gross margin (%)	30.4	26.1	22.5	21.6	21.2
Operating margin (%)	14.8	7.1	4.1	2.9	3.4
EBITDA margin (%)	50.9	42.3	37.8	34.2	32.4
Net margin (%)	11.0	4.3	2.5	2.0	2.9
D/E (incl. minor) (x)	0.3	0.3	0.3	0.1	0.1
Net D/E (incl. minor) (x)	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)
Interest coverage - EBIT (x)	6.7	3.0	1.6	1.5	2.6
Interest coverage - EBITDA (x)	22.9	17.9	14.5	18.0	24.4
ROA - using norm profit (%)	5.7	2.8	2.3	2.1	2.2
ROE - using norm profit (%)	9.1	4.3	3.5	3.0	2.9
DuPont					
ROE - using after tax profit (%)	9.0	3.2	1.7	1.2	1.6
- asset turnover (x)	0.5	0.5	0.4	0.4	0.4
- operating margin (%)	15.6	8.1	5.6	4.4	4.9
- leverage (x)	1.6	1.5	1.5	1.4	1.3
- interest burden (%)	85.7	70.8	53.5	56.8	73.1
- tax burden (%)	82.4	74.6	83.6	80.0	80.0
WACC (%)	10.9	10.9	10.9	10.9	10.9
ROIC (%)	14.0	5.8	3.4	2.3	2.7
NOPAT (Bt m)	625	247	145	90	99
invested capital (Bt m)	4,281	4,323	3,944	3,674	3,405

Sources: Company data, Thanachart estimates

Our numbers factor in cost reductions over the next three years

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

Moody's ESG Solutions

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80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

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Thanachart Securities Pcl.

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