

BUY (Unchanged)

Change in Numbers

TP: Bt 95.00

Upside : 59.0%

(Unchanged)

30 MARCH 2021

Energy Absolute Pcl (EA TB)

Start of a new era

We foresee E-bus deliveries in April bolstering market confidence in EA's E-vehicle solutions business. We expect growing E-bus sales to drive a 36% EPS CAGR for EA over 2022-23F, with potential upside from a major bid due in late 2021, while a recovery of its existing businesses should lead to 15% earnings growth in 2021F.



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Beginning of new S-curve

We reaffirm our BUY call on EA with an unchanged 2021F SOTP-based 12-month TP of Bt95. We expect the first lot of E-buses to be delivered next month and commercial operation of its 1GWh battery plant due in mid-2021 to be key share price catalysts. We lift our earnings by 8% in 2021F to reflect our higher E-bus sales assumption of 800 units (from 500), following EA's guidance and the recent government policy to promote the use of E-vehicles for public services. As we still assume a small profit contribution from E-vehicles in the early stages, we see the main earnings driver for EA this year mostly coming from a recovery of its biodiesel and renewable power plant business units, backed by domestic oil demand picking up and likely more favorable weather.

Ramping up E-bus production

We expect EA to start delivering its secured 800 E-buses orders for this year in April, and assume higher sales of 2.0-2.5k units in 2022-23F, supported by rising confidence among private bus operators to gradually replace their old buses and vans with electric fleets to save on fuel costs and the recently revised up target from the government to lift the portion of electric vehicles to 50% of the country's auto production by 2030. EA's key markets are fixed-route public buses, intercity buses and vans, tourist buses, and private shuttle buses. As each E-bus consumes about 300kWh of battery, this implies a 40% utilization rate for its Giga-battery factory this year, rising to 60% and 90% in 2022-23F.

Recovery of existing businesses

Our 15% earnings growth estimate in 2021F is driven by higher profit contributions from its two existing core businesses. *First*, we expect higher output from its 386MW of wind farms after the low base last year when their average capacity factor fell to 22%. We assume a 25% capacity factor for 2021F vs. 26% historically. *Second*, we foresee higher biodiesel sales volume as economic activity resumes as COVID-19 eases along with the change in the country's standard diesel mix to B10 (10% biodiesel) from B7 from 4Q20. Then, the stronger earnings growth of 33% and 40% in 2022-23F is coming more from the E-vehicles business.

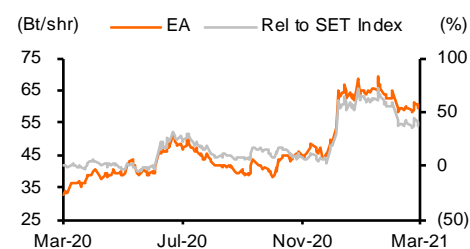
Sizable upside from BMTA's E-bus bidding

We have yet to factor in potential value from the bid for 2,511 public E-buses for the Bangkok Mass Transit Authority, likely in late-2021, into our numbers as the ToR have not been finalized. We believe EA stands a good chance in the bid, which would create Bt300m and Bt1.5bn of potential upside to our earnings in 2021-22F, or Bt2.0/share in value. The bid is awaiting approval from the National Economic & Social Development Council and the cabinet before the ToR announcement, likely in 2H21.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	17,080	25,342	41,384	51,815
Net profit	5,205	5,911	7,839	10,941
Consensus NP	—	6,707	8,185	11,068
Diff frm cons (%)	—	(11.9)	(4.2)	(1.2)
Norm profit	5,127	5,911	7,839	10,941
Prev. Norm profit	—	5,459	7,685	10,919
Chg frm prev (%)	—	8.3	2.0	0.2
Norm EPS (Bt)	1.4	1.6	2.1	2.9
Norm EPS grw (%)	(13.4)	15.3	32.6	39.6
Norm PE (x)	43.5	37.7	28.4	20.4
EV/EBITDA (x)	28.1	22.5	17.3	13.6
P/BV (x)	8.0	6.9	5.9	4.9
Div yield (%)	0.5	0.8	1.1	2.0
ROE (%)	20.0	19.7	22.3	26.1
Net D/E (%)	135.5	117.7	87.2	57.7

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 30-Mar-21 (Bt)	59.75
Market Cap (US\$ m)	7,132.9
Listed Shares (m shares)	3,730.0
Free Float (%)	39.7
Avg Daily Turnover (US\$ m)	76.4
12M Price H/L (Bt)	69.00/32.50
Sector	Utilities
Major Shareholder	Ahunai family 23.21%

Sources: Bloomberg, Company data, Thanachart estimates

Beginning of new S-curve

We recommend a BUY into the start of its new S-curve in 2Q21F

We reaffirm our BUY call on Energy Absolute Pcl (EA) as we expect the long-awaited start of its new businesses, ie, a li-ion battery plant and E-vehicle (EV) solutions platform, due next month to bolster market confidence in its new S-curve growth potential and become a significant catalyst for its share price. Among the Thai utilities, we continue to see EA as the only immediate play on li-ion batteries and battery energy storage systems. We recap below key milestones of EA's move into the li-ion battery and EV industries, and our expected timeline for its future growth.

- **December 2016:** EA invested Bt680m to acquire a 35.2% stake in Amita Technologies Inc. (Amita, 5233 TT, not rated), a listed company in Taiwan which owns and develops various patents for li-ion battery technology.
- **April 2017:** EA announced a plan to build a battery plant in Thailand with up to 50GWh of capacity, using technology from Amita. The first phase of this megaproject is targeted to start with a 1GWh plant at BlueTech City, which is an industrial estate in the Eastern Economic Corridor (EEC) area, before ramping up its production capacity according to actual demand from end markets, ie, electric vehicles and energy storage systems for renewable power plants and the main national grid.
- **April 2018:** EA completed a voluntary tender offer to acquire up to a 70.0% stake in Amita. Including some direct purchases on the stock market later, EA now holds 74.7% of Amita with a total investment cost of around Bt2.0bn as of end-2020.
- **July 2018:** EA began rolling out EV charging stations nationwide under the brand "EA Anywhere". There are now 400+ EA Anywhere stations with a total of 1,600+ chargers.

Ex 1: Li-ion Battery Based On Amita's Technology



Source: Company data

Ex 2: Rolled Out Charging Station Infrastructure



Source: Company data

- **March 2019:** EA introduced its self-developed pure-battery (BEV) passenger car, named MINE SPA-1. The intention is for the cars to be used for Suvarnabhumi airport's new taxi fleet, but this has been delayed because of the impact from the COVID-19 pandemic on the Thai tourism industry.
- **May 2020:** EA partnered with Nex Point Pcl (NEX TB, Bt5.50, not rated), a bus-related service provider (sales, rental, leasing, maintenance, etc.) to co-invest in an electric bus (E-bus) assembly plant with a production capacity of 3,000 units per year.

Ex 3: Targeting To Supply Electric Cars For Taxi Fleets



Source: Company data

Ex 4: Electric Bus Delivery Is Driving 2021F's Growth



Source: Company data

First battery cell and first delivery of E-buses are targeted for April 2021

- **August 2020:** EA launched its electric ferry product, MINE Smart Ferry, to provide commuting and tourism services on the Chao Phraya River in Bangkok. Each E-ferry is equipped with an 800kWh li-ion battery, which can be re-charged within 20 minutes for three hours of use with EA's 22/150KW AC/DC combo charging technology. Six E-ferries have been involved in trial-run services since late December last year.
- **April 2021F:** We expect the first battery cell produced by its 1GWh factory to herald the success of this first commercial-scale li-ion battery production plant in Thailand. During the same month, EA also targets to deliver its first lot of E-bus orders. However, because a few months of quality control and production test-running are required for the battery plant, EA plans to use imported battery cells from Amita's plant in Taiwan for these initial few hundred E-buses.

Ex 5: Proven Fast-Charging System On E-Ferries



Source: Company data

Ex 6: 1GWh Of Battery Production Plant Coming Online

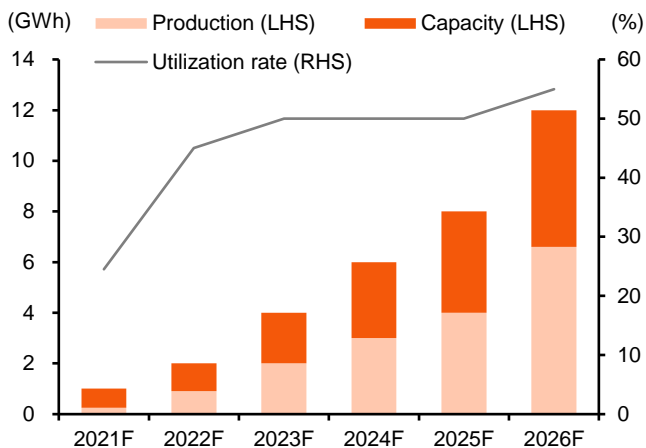


Source: Company data

We expect full commercialization of the 1GWh battery plant in June

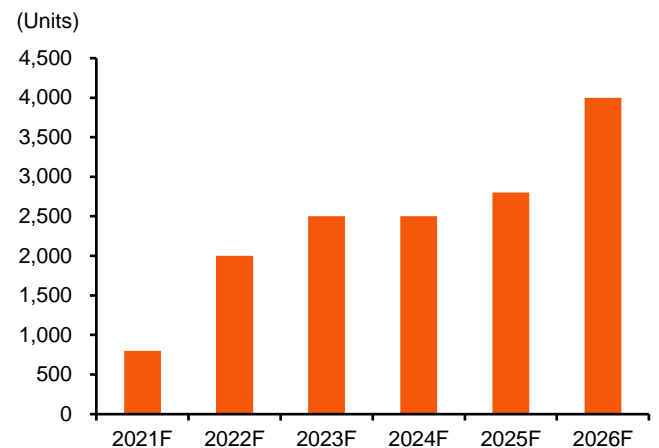
- **June 2021F:** We expect the fully operation of its battery plant to kick off within 2Q21F, providing li-ion battery cells for its captive E-vehicle solutions business. Based on our assumptions of 800, 2,000, and 2,500 units of E-bus sales in 2021-23F, this implies utilization rates of 40%, 60%, and 90%, respectively, for its gigafactory. Meanwhile, since we assume a resumption of its E-taxi project in 2022F and foresee the possibility of EA becoming a li-ion battery supplier for international carmakers settling up their EV production plants in Thailand, we project EA to gradually expand its battery production capacity to 8GWh in 2025F.

Ex 7: Our Assumptions For Battery Plant Expansion ...



Source: Thanachart estimates

Ex 8: ... And E-bus Deliveries



Source: Thanachart estimates

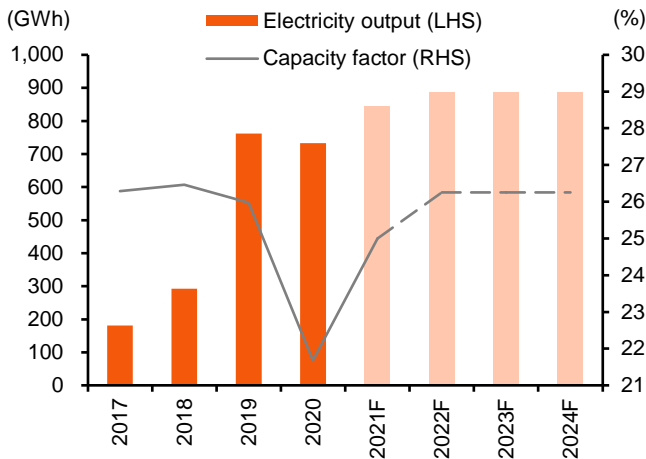
Recovery of existing businesses

Normalizing power output from wind farms is a key earnings driver for 2021F

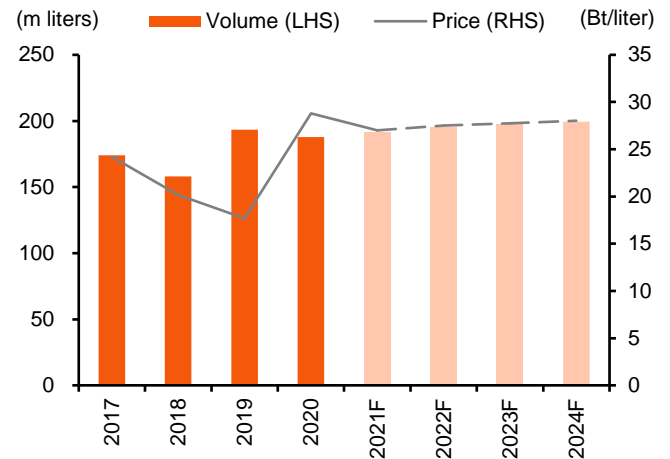
Our expectation of 15% earnings growth for EA in 2021F is driven by a recovery of its two existing core business units. Its wind farms in Thailand, with a total of 386MW of capacity from five projects, experienced extraordinarily low electricity output last year because of lower-than-average wind speeds. We conservatively assume a 25% capacity factor for all those wind farms in 2021F, up from 21.7% in 2020, before returning to its normalized level of 26% going forward. Investments to upgrade the solar panels of its 398MW of solar farm capacity over 2021-23F should also enhance profit contribution from its renewable power plant business during those years.

Some help from pick-up in demand for biodiesel

We foresee a better outlook for its biodiesel and palm oil-based business in 2021-22F. We expect 5% and 3% sales volume growth for biodiesel (B100) in those two years backed by a resumption of economic activities and domestic travel after the COVID-19 pandemic subsides and a windfall from the government's policy to increase the mix of biodiesel to 10% (B10) of standard diesel sold in Thailand from 4Q20 (from 7% earlier). This stronger demand for biodiesel should also be positive for palm oil prices, thereby lifting margins for its palm-based business overall, including biodiesel itself. EA is ramping up production of value-added palm oil products, ie, green diesel for a premium-grade additive for diesel and a palm-based phase change material (PCM) for construction and textile applications, but their contributions are still small compared to the company's total earnings base.

Ex 9: Extraordinarily Weak Wind Power Output Last Year

Sources: Company data, Thanachart estimates

Ex 10: Stronger Demand Lifting Biodiesel Price

Sources: Company data, Thanachart estimates

Upside from BMTA bidding

Upside from the bid for 2,511 E-buses by the BMTA this year

According to its latest rehabilitation plan, the Bangkok Mass Transit Authority (BMTA) plans to announce a bid to rent 2,511 electric buses to serve its fixed-route public bus service in Bangkok this year. The main objectives of the rental are to reduce its operating costs by outsourcing energy and maintenance expenses of servicing vehicles to an external supplier, and to promote the adoption of electric vehicles in Thailand in line with the government's policy. EA targets to participate in this bid by supplying e-buses to potential bidders, so its revenues would be recognized as one-time e-bus sales. Assuming EA successfully joins hands with the winner of the bid, we estimate Bt300m (5%) potential upside to our earnings estimate in 2021F and another Bt1.5bn (19%) in 2022F. This implies a potential Bt2.0/share addition to our valuation. Note that this E-bus bidding is awaiting approval from the National Economic and Social Development Council (NESDC), and later from the cabinet. We expect the official terms of reference (ToR) for the bid to be announced by 3Q21F, and the first lot of E-buses to be delivered (likely 300 units) in 4Q21F.

Many more market opportunities for an e-bus sale

Apart from this big-lot bidding, we see a market opportunity for EA to directly sell E-buses to private joint-service operators since the BMTA also plans to hire private companies to provide bus services on its 54 existing fixed routes with a total of 1,500 E-buses required, and another 108 new routes as feeder buses (BMA Feeder scheme) connecting skytrain and underground stations, key railway stations, major piers, and airports. We partially include this in our E-bus sales forecasts for EA, together with potential markets from joint service operators with The Transport Co. Ltd. (a state enterprise owned by the Ministry of Transport providing inter-provincial bus services and fixed-route bus services outside of Bangkok), tourism bus operators, and shuttle bus operators for private firms.

Ex 11: Sum-Of-The-Parts Valuation

	Value (Bt/Share)
Renewables & Green energy	
Biodiesel	9.9
Solar farms	7.0
Wind farms	7.8
Subtotal	24.7
E-Vehicle solutions	
Charging stations	3.2
E-ferries	0.1
E-buses	9.7
E-taxis	3.1
Subtotal	16.2
Battery and Energy storage	
Battery plants	35.3
ESS solutions	16.2
Subtotal	51.5
Potential projects	
3,000MW Hydropower	1.3
Subtotal	1.3
+ AMITA	0.5
+ Cash and parent company	0.8
Grand total	95.0

Source: Thanachart estimates

Valuation Comparison

Ex 12: Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			21F (%)	22F (%)	21F (x)	22F (x)	21F (x)	22F (x)	21F (x)	22F (x)	21F (%)	22F (%)
Datang International Power	991 HK	China	12.0	0.0	9.1	9.1	0.5	0.5	8.4	8.3	7.9	10.2
Huadian Power	1071 HK	China	10.5	10.2	5.3	4.8	0.4	0.4	7.8	7.4	8.0	9.2
Huaneng Power	600011 CH	China	1.2	12.7	8.8	7.8	0.7	0.7	8.1	7.4	5.5	5.9
Cheung Kong Infrastructure	1038 HK	Hong Kong	10.4	2.5	12.9	12.6	1.0	1.0	42.3	41.3	5.3	5.4
China Power Int'l	2380 HK	Hong Kong	24.2	22.0	7.4	6.1	0.6	0.5	9.1	8.1	7.4	8.7
China Resources Power	836 HK	Hong Kong	17.2	12.1	5.3	4.7	0.6	0.5	5.6	5.1	7.5	8.3
CLP Holdings	2 HK	Hong Kong	6.5	4.7	15.9	15.2	1.6	1.6	10.2	9.6	4.2	4.3
Hongkong Electric Holdings	6 HK	Hong Kong	4.5	1.7	15.1	14.8	1.1	1.1	74.8	74.4	6.1	6.1
Huaneng Power	902 HK	Hong Kong	1.6	7.9	6.1	5.6	0.4	0.4	7.9	7.4	7.8	8.7
Tata Power	TPWR IN	India	14.5	29.7	22.1	17.1	1.5	1.4	9.4	9.2	1.5	1.6
Tenaga Nasional	TNB MK	Malaysia	10.4	4.3	12.3	11.8	1.0	1.0	6.9	6.8	5.2	5.4
YTL Corp	YTL MK	Malaysia	(68.4)	na	115.0	34.5	0.6	0.6	12.9	11.9	4.5	4.8
YTL Power	YTLP MK	Malaysia	34.2	9.8	14.2	12.9	0.5	0.5	10.4	10.3	4.1	5.4
Manila Electric	MER PM	Philippines	11.8	0.5	13.5	13.4	3.1	2.8	8.4	8.2	4.9	5.1
Absolute Clean Energy *	ACE TB	Thailand	18.8	84.4	26.3	14.3	3.8	3.2	20.7	11.6	1.5	3.5
BCPG Pcl *	BCPG TB	Thailand	(14.3)	3.4	21.6	20.9	1.5	1.5	17.2	18.1	2.2	2.2
B.Grimm Power Pcl *	BGRIM TB	Thailand	20.2	23.0	36.8	29.9	4.0	3.8	15.1	13.7	1.4	1.7
Banpu Power Pcl *	BPP TB	Thailand	18.8	2.6	15.3	14.9	1.4	1.4	127.3	111.9	3.3	3.3
CK Power Pcl *	CKP TB	Thailand	401.7	5.8	19.8	18.7	1.6	1.5	13.9	14.3	2.0	2.7
EA Pcl*	EA TB	Thailand	15.3	32.6	37.7	28.4	6.9	5.9	22.5	17.3	0.8	1.1
Electricity Generating *	EGCO TB	Thailand	22.6	9.6	8.8	8.0	0.8	0.8	16.7	14.7	3.6	3.8
Global Power Synergy *	GPSC TB	Thailand	22.1	7.8	23.1	21.4	1.9	1.9	12.8	12.0	2.6	2.8
Gulf Energy Dev. Pcl *	GULF TB	Thailand	42.7	21.1	58.1	47.9	5.2	5.0	47.8	40.6	1.0	1.3
Gunkul Engineering *	GUNKUL TB	Thailand	34.5	22.0	17.7	14.5	2.6	2.3	16.9	15.0	2.8	3.5
RATCH Group *	RATCH TB	Thailand	26.6	5.7	10.8	10.2	1.1	1.1	16.7	15.9	5.6	5.9
SPCG Pcl*	SPCG TB	Thailand	(8.1)	(19.9)	7.8	9.7	1.2	1.1	4.9	5.1	5.8	4.6
TPC Power Holding *	TPCH TB	Thailand	127.3	1.2	8.8	8.7	1.4	1.2	5.8	5.1	1.7	1.7
WHA Utilities & Power *	WHAUP TB	Thailand	45.8	14.5	14.4	12.6	1.1	1.1	36.6	30.9	2.1	2.4
Average			30.9	12.3	20.3	15.4	1.7	1.6	21.3	19.3	4.2	4.6

Sources: Bloomberg, * Thanachart estimates

Based on 30 Mar 2021 closing prices

COMPANY DESCRIPTION

Established in 2006 as a biodiesel business operator, Energy Absolute Pcl (EA) has become one among Thailand's major renewable plant operators with 784MW installed capacity of solar and wind farms fully operated since 2019. EA started investing in li-ion battery production business by acquiring stakes in Taiwan-based Amita Technologies during 2016-18 with plans to build a 50GWh li-ion battery factory in Thailand to serve the electric vehicle (EV) and energy storage system (ESS) markets.

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

- Management has a strong financial background with what we regard as well-thought-out plans for expansion.

O — Opportunity

- Electricity industry gearing towards renewable energy.
- Huge potential capacity expansion planned.
- Energy storage (ES) could be part of the requirements for the government grid and private off-grid systems.

W — Weakness

- In a heavy capex cycle due to scheduled new capacity expansion but gearing is still below its threshold.

T — Threat

- New capacity tendered by the government will likely see lower returns.
- Regulations from both domestic and overseas power markets.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	64.29	95.00	48%
Net profit 2021F (Bt m)	6,707	5,911	-12%
Net profit 2022F (Bt m)	8,185	7,839	-4%
Consensus REC	BUY: 4	HOLD: 2	SELL: 1

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings for 2021-22F are 4-12% below the Bloomberg consensus numbers, which we believe is due to our more conservative assumptions on renewable power output and E-bus sales during those years.
- However, our SOTP-based TP is 48% higher, likely because we already assume capacity expansion of its battery factory to 30GWh per annum in 2030F.

RISKS TO OUR INVESTMENT CASE

- If investment costs required for its new S-curve businesses are higher than we presently anticipate, this would represent the key downside risk to our valuation.
- If EA cannot secure enough orders, for either battery or e-vehicle sales, to match our expectations, that would present another major downside risk to our numbers.
- Unfavourable weather conditions for its wind and solar power plants would represent a secondary downside risk to our earnings projections.
- Swift changes in li-ion battery or e-vehicle technologies are also a risk to our earnings growth projections for EA.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

INCOME STATEMENT

Start of revenues from battery and e-vehicle businesses in 2021F

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	14,887	17,080	25,342	41,384	51,815
Cost of sales	6,752	9,271	16,264	28,575	35,265
Gross profit	8,134	7,808	9,078	12,808	16,550
% gross margin	54.6%	45.7%	35.8%	31.0%	31.9%
Selling & administration expenses	946	1,278	1,435	2,406	2,764
Operating profit	7,189	6,530	7,643	10,402	13,786
% operating margin	48.3%	38.2%	30.2%	25.1%	26.6%
Depreciation & amortization	2,517	2,844	4,058	4,541	4,780
EBITDA	9,706	9,373	11,701	14,943	18,566
% EBITDA margin	65.2%	54.9%	46.2%	36.1%	35.8%
Non-operating income	68	120	51	83	104
Non-operating expenses	0	0	0	0	0
Interest expense	(1,386)	(1,637)	(1,608)	(1,483)	(1,251)
Pre-tax profit	5,870	5,013	6,086	9,001	12,638
Income tax	(11)	(18)	61	90	126
After-tax profit	5,881	5,031	6,025	8,911	12,512
% net margin	39.5%	29.5%	23.8%	21.5%	24.1%
Shares in affiliates' Earnings	(14)	(61)	(50)	(50)	(50)
Minority interests	55	157	(64)	(1,023)	(1,521)
Extraordinary items	160	78	0	0	0
NET PROFIT	6,082	5,205	5,911	7,839	10,941
Normalized profit	5,922	5,127	5,911	7,839	10,941
EPS (Bt)	1.6	1.4	1.6	2.1	2.9
Normalized EPS (Bt)	1.6	1.4	1.6	2.1	2.9

BALANCE SHEET

Healthy balance sheet despite a swift business expansion plan

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	14,033	7,389	10,208	14,979	17,938
Cash & cash equivalent	10,040	2,962	3,012	3,012	3,012
Account receivables	2,666	2,750	4,166	6,803	8,518
Inventories	758	833	1,782	3,132	3,865
Others	569	843	1,248	2,033	2,544
Investments & loans	0	0	0	0	0
Net fixed assets	51,371	55,857	58,938	58,474	58,279
Other assets	4,816	15,238	16,986	18,708	20,405
Total assets	70,220	78,484	86,131	92,162	96,622
LIABILITIES:					
Current liabilities:	6,070	13,564	12,761	13,298	12,601
Account payables	285	373	668	1,174	1,449
Bank overdraft & ST loans	660	2,674	2,160	1,935	1,595
Current LT debt	4,307	9,342	8,210	7,354	6,062
Others current liabilities	818	1,176	1,723	2,834	3,494
Total LT debt	36,977	31,090	32,839	29,417	24,250
Others LT liabilities	2,306	4,203	6,376	8,492	9,719
Total liabilities	45,353	48,857	51,976	51,208	46,570
Minority interest	1,502	1,815	1,879	2,902	4,423
Preferreds shares	0	0	0	0	0
Paid-up capital	373	373	373	373	373
Share premium	3,681	3,681	3,681	3,681	3,681
Warrants	0	0	0	0	0
Surplus	(874)	(428)	(428)	(428)	(428)
Retained earnings	20,185	24,186	28,651	34,427	42,004
Shareholders' equity	23,365	27,812	32,276	38,053	45,629
Liabilities & equity	70,220	78,484	86,131	92,162	96,622

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	5,870	5,013	6,086	9,001	12,638
Tax paid	11	18	(61)	(90)	(126)
Depreciation & amortization	2,517	2,844	4,058	4,541	4,780
Chg In working capital	(1,308)	(73)	(2,069)	(3,480)	(2,173)
Chg In other CA & CL / minorities	(8,236)	501	92	276	99
Cash flow from operations	(1,145)	8,302	8,106	10,249	15,218
Capex	(6,301)	(7,216)	(7,014)	(3,894)	(4,340)
Right of use	0	(1,892)	(1,200)	(1,200)	(1,200)
ST loans & investments	(1)	(4)	0	0	0
LT loans & investments	0	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(64)	(6,683)	1,500	1,410	485
Cash flow from investments	(6,366)	(15,794)	(6,714)	(3,684)	(5,055)
Debt financing	12,884	1,171	103	(4,502)	(6,799)
Capital increase	0	0	0	0	0
Dividends paid	(932)	(1,119)	(1,446)	(2,062)	(3,364)
Warrants & other surplus	77	361	0	0	0
Cash flow from financing	12,029	414	(1,343)	(6,565)	(10,163)
Free cash flow	(7,446)	1,086	1,092	6,355	10,878

Huge cash flow streams from subsidized power plant comfortably support its capex plan

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	37.6	43.5	37.7	28.4	20.4
Normalized PE - at target price (x)	59.8	69.1	59.9	45.2	32.4
PE (x)	36.6	42.8	37.7	28.4	20.4
PE - at target price (x)	58.3	68.1	59.9	45.2	32.4
EV/EBITDA (x)	26.2	28.1	22.5	17.3	13.6
EV/EBITDA - at target price (x)	39.8	42.1	33.7	26.1	20.6
P/BV (x)	9.5	8.0	6.9	5.9	4.9
P/BV - at target price (x)	15.2	12.7	11.0	9.3	7.8
P/CFO (x)	(194.7)	26.8	27.5	21.7	14.6
Price/sales (x)	15.0	13.0	8.8	5.4	4.3
Dividend yield (%)	0.5	0.5	0.8	1.1	2.0
FCF Yield (%)	(3.3)	0.5	0.5	2.9	4.9
(Bt)					
Normalized EPS	1.6	1.4	1.6	2.1	2.9
EPS	1.6	1.4	1.6	2.1	2.9
DPS	0.3	0.3	0.5	0.6	1.2
BV/share	6.3	7.5	8.7	10.2	12.2
CFO/share	(0.3)	2.2	2.2	2.7	4.1
FCF/share	(2.0)	0.3	0.3	1.7	2.9

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	28.9	14.7	48.4	63.3	25.2
Net profit (%)	18.1	(14.4)	13.6	32.6	39.6
EPS (%)	18.1	(14.4)	13.6	32.6	39.6
Normalized profit (%)	45.0	(13.4)	15.3	32.6	39.6
Normalized EPS (%)	45.0	(13.4)	15.3	32.6	39.6
Dividend payout ratio (%)	18.4	21.5	30.0	30.0	40.0
Operating performance					
Gross margin (%)	54.6	45.7	35.8	31.0	31.9
Operating margin (%)	48.3	38.2	30.2	25.1	26.6
EBITDA margin (%)	65.2	54.9	46.2	36.1	35.8
Net margin (%)	39.5	29.5	23.8	21.5	24.1
D/E (incl. minor) (x)	1.7	1.5	1.3	0.9	0.6
Net D/E (incl. minor) (x)	1.3	1.4	1.2	0.9	0.6
Interest coverage - EBIT (x)	na	na	na	na	na
Interest coverage - EBITDA (x)	na	na	na	na	na
ROA - using norm profit (%)	9.2	6.9	7.2	8.8	11.6
ROE - using norm profit (%)	28.5	20.0	19.7	22.3	26.1
DuPont					
ROE - using after tax profit (%)	28.3	19.7	20.1	25.3	29.9
- asset turnover (x)	0.2	0.2	0.3	0.5	0.5
- operating margin (%)	48.7	38.9	30.4	25.3	26.8
- leverage (x)	3.1	2.9	2.7	2.5	2.3
- interest burden (%)	80.9	75.4	79.1	85.9	91.0
- tax burden (%)	100.2	100.4	99.0	99.0	99.0
WACC (%)	5.0	5.0	5.0	5.0	5.0
ROIC (%)	17.2	11.9	11.1	14.2	18.5
NOPAT (Bt m)	7,202	6,553	7,567	10,298	13,648
invested capital (Bt m)	55,268	67,955	72,474	73,748	74,525

Sources: Company data, Thanachart estimates

Profitability trending up as new businesses achieve scale

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