

BUY (Unchanged)
Change in Numbers

TP: Bt 12.00 (From: Bt11.50)
Upside : 18.8% **19 MARCH 2024**

Small Cap Research

Bangchak Sriracha Pcl (BSRC TB)

A more stable refinery play

We reaffirm our BUY on BSRC with a higher TP of Bt12.00. BSRC is a less volatile refinery play with earnings support from a rising utilization rate and synergy benefits with BCP. It is also the highest-ROE refiner with a 16.5% ROE in 2024F, rising to 17% in 2025F.



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Less volatile growth with high profitability

We reaffirm our BUY rating on BSRC, formerly known as Esso (Thailand), with a higher DCF-based 12-month TP (2024F base year) of Bt12.00 (from Bt11.50). **First**, BSRC offers lower-risk earnings growth than refiner peers in our view, as its drivers are coming from better plant utilization and synergy benefits from its new parent, Bangchak Corporation Pcl (BCP TB, Bt42.75, BUY). **Second**, BSRC is the most profitable refiner in the sector at 16.5% ROE in 2024F, rising to 17% in 2025F after realizing full synergies. **Third**, due to the synergies, BSRC is the refiner with the strongest EPS growth of 93.5/14.4% in 2024-25F despite our forecasts for falling GRM. We have raised our earnings estimates by 3-12% in 2024-26F to reflect a higher utilization rate than we had expected earlier. **Lastly**, we see BSRC as a cheaper play in the refinery space, trading at 7.1x PE and 1.1x P/BV against strong EPS growth and a high ROE. It also offers high dividend yields of 5/6% in 2024-25F.

New high utilization

BSRC's crude run jumped to about 150k bpd or an 86% utilization rate in January. This was a new high level compared to 68% in 2023 and the pre-acquisition 10-year average of 74%. After the 76% acquisition in 2023 by BCP, BSRC can sell more refined products to BCP's petrol stations. We estimate BSRC's plant utilization at 90/92/95% in 2024-26F.

Rising petrol station revenue

BSRC has rebranded 32% of its petrol stations to the Bangchak brand with a target to rebrand the rest of its stations this year. So far, the rebranded stations, on average, have seen better sales volume, both for oil and non-oil products and services. We project petrol station sales volume to grow 10/5/3% in 2024-26F.

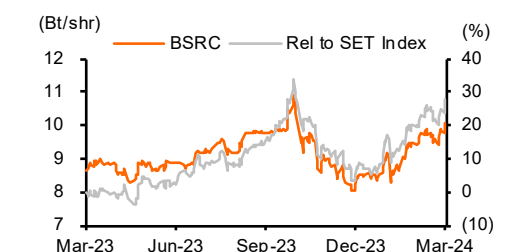
PX unit could re-start

BSRC shut down its 500k-tonne PX plant in 2H21 due to an oversupply in the PX market. In 2021-2023, The PX-over-ULG95 spread was in the low range of US\$44-228/tonne. During the last upcycle, say, in 2018, the spread averaged US\$388/tonne. This year, we expect the PX spread to recover due to a much lower estimated new supply of 1.1m tonnes vs. 6.3m tonnes in 2023. The management guides that the company would restart the PX plant if the market becomes more favorable in a more stable way. The PX plant would take six months to resume operations, according to the company.

COMPANY VALUATION

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Sales	229,538	165,990	165,990	165,990
Net profit	2,142	4,648	5,317	5,976
Consensus NP	—	5,018	6,155	6,931
Diff frm cons (%)	—	(7.4)	(13.6)	(13.8)
Norm profit	2,529	4,895	5,597	5,976
Prev. Norm profit	—	4,359	5,418	5,561
Chg frm prev (%)	—	12.3	3.3	7.5
Norm EPS (Bt)	0.7	1.4	1.6	1.7
Norm EPS grw (%)	(77.0)	93.5	14.4	6.8
Norm PE (x)	13.8	7.1	6.2	5.8
EV/EBITDA (x)	10.8	5.4	4.5	3.8
P/BV (x)	1.3	1.1	1.0	0.9
Div yield (%)	2.5	5.3	6.1	6.8
ROE (%)	9.2	16.5	17.0	16.4
Net D/E (%)	97.7	37.9	25.5	9.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 19-Mar-24 (Bt)	10.10
Market Cap (US\$ m)	969.1
Listed Shares (m shares)	3,460.9
Free Float (%)	34.0
Avg Daily Turnover (US\$ m)	1.5
12M Price H/L (Bt)	10.90/8.05
Sector	Energy
Major Shareholder	Bangchak Corp. Pcl 76.34%

Sources: Bloomberg, Company data, Thanachart estimates

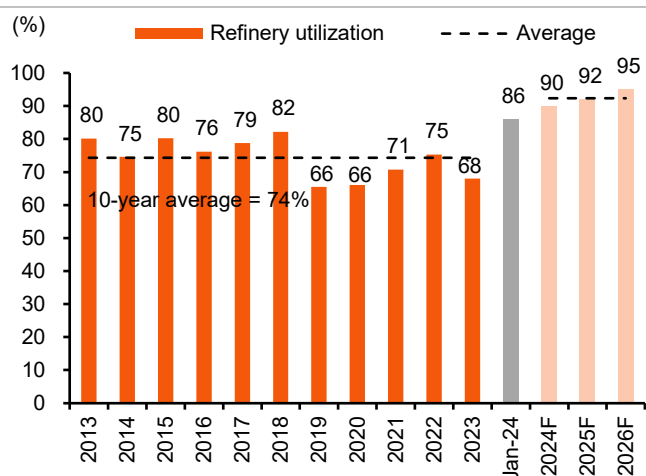
A more stable refinery play

We reiterate our BUY call on shares of Bangchak Sriracha Pcl (BSRC) with a higher DCF-based 12-month TP (2024F base year) of Bt12.00 from Bt11.50.

BSRC offers the highest EPS growth in 2024F among Thai refiners

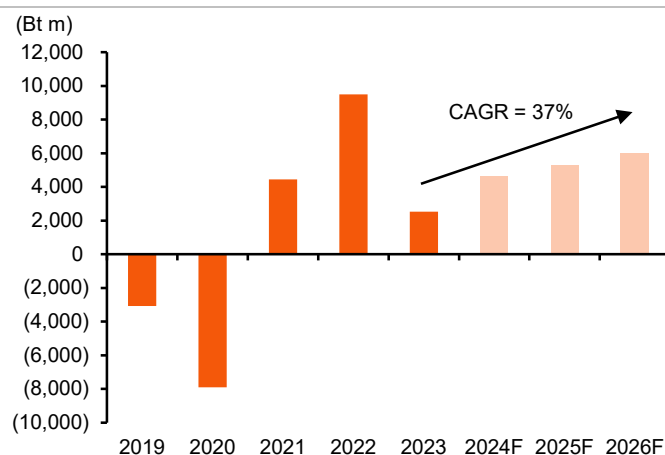
First, BSRC offers lower-risk earnings growth than its refiner peers in our view as its drivers are coming from better plant utilization and synergy benefits with its new parent, Bangchak Corporation Pcl (BCP TB, Bt42.75, BUY). The company is also experiencing volume growth after a heavier maintenance shutdown in 2023. So far, the synergies with its new parent are on track. BSRC's crude run jumped to about 150k bpd or an 86% utilization rate in January. This was a new high level compared to 68% in 2023 and the pre-acquisition 10-year average of 74%. After the 76% acquisition in 2023 by BCP, BSRC can sell more refined products to BCP's petrol stations. We estimate BSRC's plant utilization at 90/92/95% in 2024-26F.

Ex 1: Refinery Utilization Reached New High In Jan 24



Sources: Company data; Thanachart estimates

Ex 2: We Expect Strong Profit Growth In 2024F

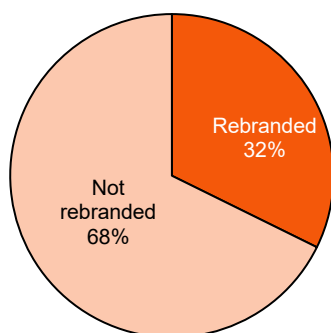


Sources: Company data; Thanachart estimates

For its marketing business, BSRC has rebranded 32% of its petrol stations to the Bangchak brand with a target to rebrand the rest of its stations within this year. So far, the rebranded stations, on average, have seen better sales volume both from oil and non-oil products and services.

Ex 3: BSRC Targets To Rebrand All Of Its Petrol Stations

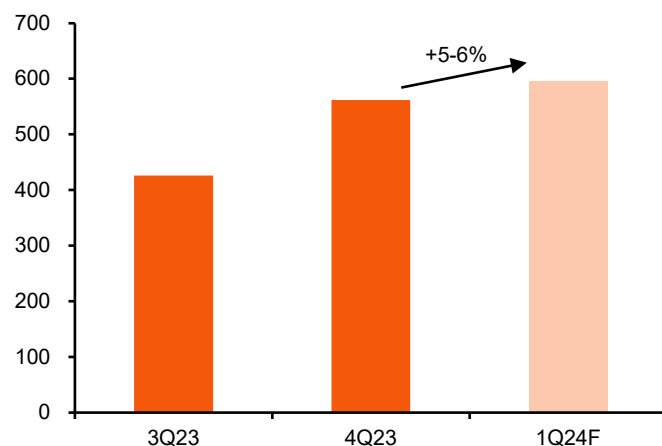
830 stations (as of 4Q23)



Source: Company data

Ex 4: We Expect Higher Volume Growth In 1Q24F

(Million liters per month)



Source: Company data

We have raised our core earnings estimates by 3-12% in 2024-26F to reflect a higher utilization rate than we had expected earlier.

Ex 5: Earning Revisions

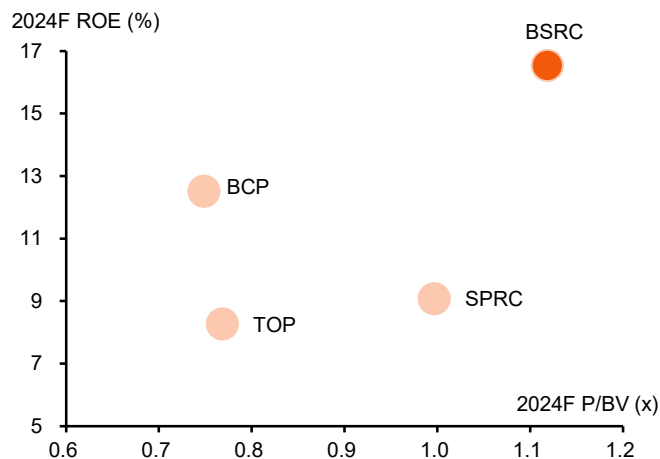
	2019	2020	2021	2022	2023	2024F	2025F	2026F
Refinery utilization (%)								
New	66	66	71	75	68	90	92	95
Old						85	90	95
Change (%)						5.9	2.2	0.0
Reported profit (Bt m)								
New	(3,066)	(7,911)	4,443	9,508	2,142	4,648	5,317	5,976
Old						4,050	5,144	5,561
Change (%)						14.8	3.4	7.5
Core profit (Bt m)								
New	(3,066)	(7,911)	(1,284)	11,007	2,529	4,895	5,597	5,976
Old						4,359	5,418	5,561
Change (%)						12.3	3.3	7.5

Sources: Company data, Thanachart estimates

We expect higher normalized ROE under new parent, BCP

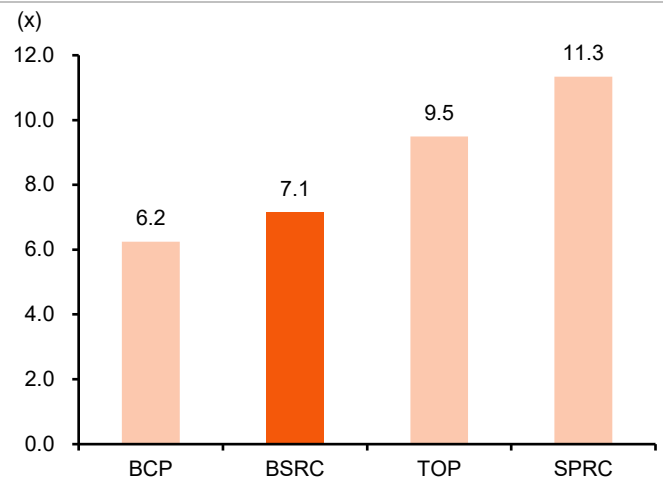
Second, we see BSRC as a cheaper play in the refinery space, trading at 7.1x PE and 1.1x P/BV against strong EPS growth and a high ROE. BSRC is now the most profitable refiner in the sector at 16.5% ROE in 2024F, rising to 17% in 2025F after realizing full synergies.

Ex 6: ESSO Now Offers The Highest ROE In The Sector



Sources: Thanachart estimates

Ex 7: 2024F PE Is One Of The Lowest

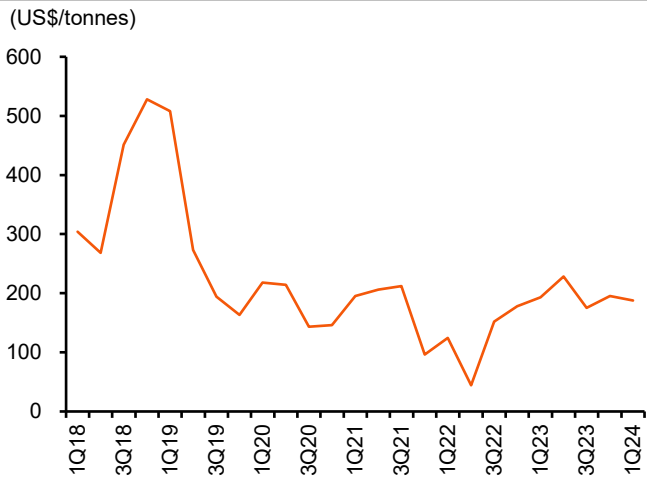


Sources: Thanachart estimates

Potential upside from PX plant start-up

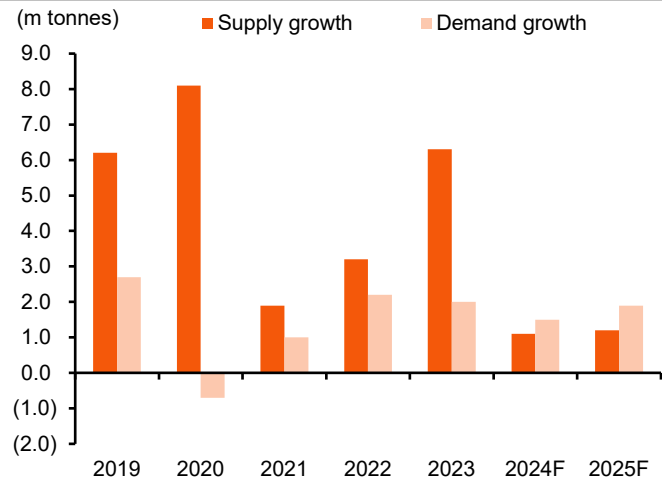
Third, we see potential upside from the restart of its PX plant. BSRC shut down its 500k-tonne PX plant in 2H21 due to an oversupply in the PX market. In 2021-2023, the PX-over-ULG95 spread was in a low range of US\$44-228/tonne. The last upcycle, say, during 2018, saw the spread average US\$388/tonne. This year, we expect the PX spread to recover due to a much lower estimated new supply of 1.1m tonnes vs. 6.3m tonnes in 2023. The management has guided that the company would restart the PX plant if the market turns more favorable in a more stable way. The PX plant would take six months to resume operations, according to the company.

Ex 8: PX-ULG95



Source: Company data

Ex 9: Global PX Demand Vs. Supply Growth



Source: Company data

Ex 10: 12-month DCF-based TP Calculation, Using A Base Year Of 2024F

(Bt m)	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	Terminal Value
EBITDA + dividend	8,681	9,680	10,132	8,585	7,346	7,198	6,442	5,686	4,931	4,997	5,077	5,152	
Free cash flow	12,055	6,581	6,869	5,532	4,076	4,541	3,919	3,334	2,752	2,870	2,952	2,929	40,560
PV of free cash flow	11,116	5,548	5,318	3,932	2,660	2,720	2,156	1,629	1,229	1,172	1,102	1,000	13,847
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	1.2												
WACC (%)	8.5												
Terminal growth (%)	2.0												
Enterprise value - add investments	53,427												
Net debt (2024F)	11,854												
Minority interest	7												
Equity value	41,566												
# of shares (m)	3,461												
Equity value/share (Bt)	12.0												

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 11: Comparison With Regional Peers

Company	Code	Country	EPS Growth		— PE —		— P/BV —		EV/EBITDA		Div. Yield		— ROE —	
			24F (%)	25F (%)	24F (x)	25F (x)	24F (x)	25F (x)	24F (x)	25F (x)	24F (%)	25F (%)	24F (%)	25F (%)
PetroChina	857 HK	China	2.1	(1.5)	7.0	7.1	0.7	0.7	4.0	4.0	6.7	6.3	10.8	9.9
Sinopec	386 HK	China	8.8	2.9	7.4	7.2	0.6	0.6	5.0	4.9	8.3	8.5	9.0	8.8
Average			5.5	0.7	7.2	7.1	0.7	0.7	4.5	4.5	7.5	7.4	9.9	9.3
SK Innovation	096770	S.Korea	100.0	71.5	10.2	5.9	0.5	0.5	6.8	5.1	2.3	2.1	5.4	8.4
S-Oil	010950	S.Korea	37.5	2.5	6.7	6.6	0.9	0.8	4.7	4.6	3.5	3.9	14.3	13.3
Average			68.7	37.0	8.5	6.3	0.7	0.7	5.8	4.8	2.9	3.0	9.8	10.8
Reliance Industries	RIL IB	India	3.3	16.9	na	na	na	na	13.6	12.1	na	na	8.9	9.5
Indian Oil	IOCL IB	India	na	(41.6)	5.0	8.5	1.3	1.1	4.3	6.4	8.7	4.9	28.7	14.6
Bharat Petroleum	BPCL IB	India	na	(50.2)	4.5	9.1	1.6	1.5	3.7	6.5	9.1	4.3	42.4	17.0
Hindustan Petroleum	HPCL IB	India	na	(35.9)	4.0	6.2	1.4	1.2	4.7	6.7	7.3	4.9	42.3	22.3
Average			3.3	(27.7)	4.5	7.9	1.4	1.3	6.6	7.9	8.4	4.7	30.6	15.9
Marathon Petroleum	MPC US	USA	(28.1)	(6.7)	12.3	13.2	2.9	2.8	7.1	7.7	1.7	1.9	21.0	20.0
Valero	VLO US	USA	(33.1)	(16.8)	10.3	12.4	2.0	1.9	6.3	7.3	2.6	2.7	17.1	14.3
Phillips 66	PSX US	USA	(8.6)	4.1	11.3	10.9	2.1	1.9	7.8	8.0	2.8	2.9	18.7	18.0
PBF Energy'	PBF US	USA	(42.3)	(28.8)	8.2	11.5	1.0	0.9	3.6	4.5	1.8	1.9	11.7	8.2
Delek	DK US	USA	(64.6)	(51.5)	29.2	60.1	2.2	2.3	4.7	5.1	3.3	3.3	7.9	5.8
Average			(35.3)	(19.9)	14.3	21.6	2.0	2.0	5.9	6.5	2.4	2.5	15.3	13.3
Bangchak Corp*	BCP TB *	Thailand	(2.8)	11.7	6.2	5.6	0.7	0.7	4.5	4.1	3.8	4.3	12.5	12.8
Bangchak Sriracha *	BSRC TB *	Thailand	93.5	14.4	7.1	6.2	1.1	1.0	5.4	4.5	5.3	6.1	16.5	17.0
Star Petroleum Refining	SPRC TB *	Thailand	438.1	(3.3)	11.3	11.7	1.0	0.9	6.5	6.1	2.3	2.3	9.1	8.3
Thai Oil *	TOP TB *	Thailand	(49.0)	50.8	9.5	6.3	0.8	0.7	9.4	7.6	3.5	5.4	8.3	11.7
Average			120.0	18.4	8.6	7.5	0.9	0.8	6.5	5.6	3.7	4.5	11.6	12.4
Total Average			32.4	1.7	8.6	10.1	1.2	1.1	5.8	5.9	5.0	4.4	15.4	12.3

Sources: Bloomberg, * Thanachart estimates
Based on 19 March 2024 closing prices

COMPANY DESCRIPTION

Bangchak Sriracha Pcl (BSRC) is one of the leading refining companies in Thailand. It operates a 177,000bpd complex refinery with a Nelson Complexity of 6.6. It controls 13% of Thailand’s refining production capacity and commands around a 15% oil retail market share. BSRC also has a PX capacity of 0.5m tonnes. The company is a 76%-owned subsidiary of Bangchak Corporation Pcl, a new parent. The company expect to rebrand all of its petrol stations into Bangchak petrol station by end of 2024.

Source: Thanachart

THANACHART’S SWOT ANALYSIS

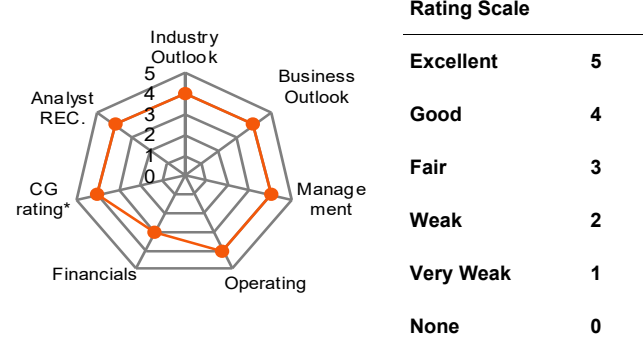
S — Strength

- Synergy post BCP acquisition.

O — Opportunity

- Its retail network and refinery still underutilized. We expect more optimization after BCP’s acquisition in 2023.

COMPANY RATING



Source: Thanachart; *CG Rating

W — Weakness

- Government intervention in retail refined oil price easier than at the wholesale level via control of marketing margins.
- Being a less complex refinery would cause the company to have a higher cost structure and is thus less competitive.

T — Threat

- Rivals under the PTT group are active in capacity expansion and new areas of growth potential.
- Threat of substitutes such as electric vehicles may lower demand for oil products.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	11.92	12.00	1%
Net profit 24F (Bt m)	5,018	4,648	-7%
Net profit 25F (Bt m)	6,155	5,317	-14%
Consensus REC	BUY: 6	HOLD: 1	SELL: 1

RISKS TO OUR INVESTMENT CASE

- Lower-than-expected refining margins would be the key downside risk to our call.
- Lower-than-expected domestic demand growth would negatively impact BSRC’s oil retail business, which is a secondary downside risk to our call.

HOW ARE WE DIFFERENT FROM THE STREET?

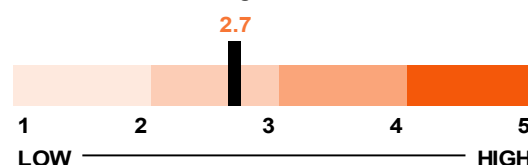
- Our 2024F profit is lower than the Bloomberg consensus estimate, likely as we incorporate a more conservative GRM assumption and we also factor in a stock loss in 2024F.
- However, our TP is close to the Street’s; we attribute this to us factoring in synergy effects from the acquisition.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

Bangchak Sriracha Pcl (BSRC) is a mid-scale Thai refining company with a capacity of 174k b/d. Our ESG score for BSRC is 2.7, which is at the low end of our coverage. We see BSRC's green-energy strategy still lagging behind those of its peers. We don't believe BSRC has a strong intention to make new investments that need heavy capex in Thailand.

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)
BSRC	-	-	-	B	52.03	44.01	20.00	-	4.0

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 "terms of use" toward the back of this report.

Factors

Our Comments

ENVIRONMENT

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

- BSRC is the Thai refinery with the second-lowest carbon emission intensity level in the sector at 161kg/BOE (barrels of crude oil equivalent) vs. the sector average of 280kg/BOE. However, we still assign the company the lowest ESG score at 2.7 because it lags behind its peers in having clear targets and plans for ESG issues.
- BSRC released 1.07mt of CO₂ equivalent in 2022, which was a 5% higher in carbon emissions from the 2021 level. We believe this is due to a higher utilization rate. However, the company has reduced greenhouse gas emissions intensity by approximately 1.2% compared to 2021.
- BSRC has no concrete target to cut carbon emissions. However, it supports its parent company ExxonMobil's aim to achieve net-zero greenhouse gas (GHG) emissions by 2050. We believe the company's key focus will be on energy optimization for its existing operation and that it is unlikely to make big green investments unless Thailand comes up with clearer policies on carbon pricing.

SOCIAL

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

- BSRC has high operational safety standards and achieved several safety milestones in 2021. There were no safety lost-time incidents and no reportable spills in 2021. Neither its refinery nor aromatics plants have reported any spills for 15 years, while there have been no lost-time incidents for 11 years for its employees and contractors.
- In 2022, BSRC provided training and skills development for its employees with a proven global training curriculum. In 2022, average training hours per employee per year increased by 100% from 2021.
- BSRC has won the platinum award for 13 consecutive years from The American Chamber of Commerce in Thailand in recognition for Corporate Social Responsibility.

GOVERNANCE &
SUSTAINABILITY

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

- We see BSRC as having an appropriate board structure. There are six independent directors from a total of 13, and there are four female directors.
- BSRC has now been acquired by the domestic listed refinery, BCP. We expect potential synergies post-acquisition that should lead to higher returns for the company.
- We see room for improvement in terms of information disclosure. Relative to refinery peers, we see BSRC as having the lowest information disclosure.
- Earnings volatility is high given the nature of the company's business, which is exposed to fluctuations in oil prices and refining margins. However, BSRC has low net gearing and limited capex requirements, mainly for its petrol station business and refinery maintenance.

Sources: Company data, Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Sales	263,000	229,538	165,990	165,990	165,990
Cost of sales	244,209	221,259	157,796	156,870	156,491
Gross profit	18,792	8,279	8,194	9,120	9,499
% gross margin	7.1%	3.6%	4.9%	5.5%	5.7%
Selling & administration expenses	5,440	5,215	2,271	2,271	2,271
Operating profit	13,352	3,064	5,923	6,849	7,228
% operating margin	5.1%	1.3%	3.6%	4.1%	4.4%
Depreciation & amortization	2,772	2,700	2,758	2,831	2,905
EBITDA	16,123	5,765	8,681	9,680	10,132
% EBITDA margin	6.1%	2.5%	5.2%	5.8%	6.1%
Non-operating income	40	289	331	365	365
Non-operating expenses	0	0	0	0	0
Interest expense	(376)	(735)	(581)	(671)	(506)
Pre-tax profit	13,016	2,619	5,673	6,543	7,087
Income tax	2,320	451	1,162	1,329	1,494
After-tax profit	10,696	2,168	4,511	5,214	5,593
% net margin	4.1%	0.9%	2.7%	3.1%	3.4%
Shares in affiliates' Earnings	312	361	384	384	384
Minority interests	(1)	0	0	0	0
Extraordinary items	(1,499)	(387)	(247)	(280)	0
NET PROFIT	9,508	2,142	4,648	5,317	5,976
Normalized profit	11,007	2,529	4,895	5,597	5,976
EPS (Bt)	2.7	0.6	1.3	1.5	1.7
Normalized EPS (Bt)	3.2	0.7	1.4	1.6	1.7

We expect strong profit growth in 2024F

BALANCE SHEET

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
ASSETS:					
Current assets:	51,922	35,876	28,057	27,980	27,949
Cash & cash equivalent	586	976	3,000	3,000	3,000
Account receivables	8,430	9,548	6,904	6,904	6,904
Inventories	23,893	18,182	12,967	12,891	12,859
Others	19,013	7,171	5,186	5,186	5,186
Investments & loans	2,871	2,835	2,835	2,835	2,835
Net fixed assets	22,982	22,888	22,129	21,298	20,393
Other assets	7,766	9,022	7,475	7,475	7,475
Total assets	85,541	70,621	60,496	59,589	58,653
LIABILITIES:					
Current liabilities:	49,624	22,618	16,219	13,650	11,830
Account payables	5,872	5,262	3,753	3,731	3,722
Bank overdraft & ST loans	26,436	8,234	4,320	3,434	1,922
Current LT debt	5,334	4,641	2,435	1,935	1,083
Others current liabilities	11,983	4,481	5,711	4,550	5,103
Total LT debt	4,166	15,433	8,098	6,436	3,602
Others LT liabilities	4,547	4,607	4,930	4,930	4,930
Total liabilities	58,337	42,658	29,247	25,016	20,362
Minority interest	7	7	7	7	7
Preferreds shares	0	0	0	0	0
Paid-up capital	17,075	17,075	17,075	17,075	17,075
Share premium	4,032	4,032	4,032	4,032	4,032
Warrants	0	0	0	0	0
Surplus	691	315	315	315	315
Retained earnings	5,399	6,534	9,819	13,144	16,861
Shareholders' equity	27,197	27,956	31,241	34,566	38,283
Liabilities & equity	85,541	70,621	60,496	59,589	58,653

We estimate a higher ROE from synergies with BCP

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

With limited capex and a healthy refinery margin, we expect positive FCF

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Earnings before tax	13,016	2,619	5,673	6,543	7,087
Tax paid	(2,320)	(451)	(1,162)	(1,329)	(1,494)
Depreciation & amortization	2,772	2,700	2,758	2,831	2,905
Chg In working capital	(4,611)	3,984	6,349	54	22
Chg In other CA & CL / minorities	(12,565)	4,751	3,599	(777)	937
Cash flow from operations	(3,709)	13,603	17,217	7,322	9,457
Capex	(2,048)	(2,606)	(2,000)	(2,000)	(2,000)
Right of use	482	388	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	1,585	36	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,957)	(2,020)	1,623	(280)	0
Cash flow from investments	(1,939)	(4,203)	(377)	(2,280)	(2,000)
Debt financing	6,945	(7,627)	(13,454)	(3,049)	(5,198)
Capital increase	0	0	0	0	0
Dividends paid	(1,730)	(1,038)	(1,362)	(1,993)	(2,259)
Warrants & other surplus	217	(376)	0	0	0
Cash flow from financing	5,433	(9,041)	(14,816)	(5,042)	(7,457)
Free cash flow	(5,757)	10,997	15,217	5,322	7,457

VALUATION

We think BSRC's valuation looks attractive, at 1.1x 2024F P/BV

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Normalized PE (x)	3.2	13.8	7.1	6.2	5.8
Normalized PE - at target price (x)	3.8	16.4	8.5	7.4	6.9
PE (x)	3.7	16.3	7.5	6.6	5.8
PE - at target price (x)	4.4	19.4	8.9	7.8	6.9
EV/EBITDA (x)	4.4	10.8	5.4	4.5	3.8
EV/EBITDA - at target price (x)	4.8	11.9	6.1	5.2	4.5
P/BV (x)	1.3	1.3	1.1	1.0	0.9
P/BV - at target price (x)	1.5	1.5	1.3	1.2	1.1
P/CFO (x)	(9.4)	2.6	2.0	4.8	3.7
Price/sales (x)	0.1	0.2	0.2	0.2	0.2
Dividend yield (%)	5.0	2.5	5.3	6.1	6.8
FCF Yield (%)	(16.5)	31.5	43.5	15.2	21.3
(Bt)					
Normalized EPS	3.2	0.7	1.4	1.6	1.7
EPS	2.7	0.6	1.3	1.5	1.7
DPS	0.5	0.3	0.5	0.6	0.7
BV/share	7.9	8.1	9.0	10.0	11.1
CFO/share	(1.1)	3.9	5.0	2.1	2.7
FCF/share	(1.7)	3.2	4.4	1.5	2.2

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Growth Rate					
Sales (%)	57.3	(12.7)	(27.7)	0.0	0.0
Net profit (%)	114.0	(77.5)	117.0	14.4	12.4
EPS (%)	114.0	(77.5)	117.0	14.4	12.4
Normalized profit (%)	na	(77.0)	93.5	14.4	6.8
Normalized EPS (%)	na	(77.0)	93.5	14.4	6.8
Dividend payout ratio (%)	18.2	40.4	40.0	40.0	40.0
Operating performance					
Gross margin (%)	7.1	3.6	4.9	5.5	5.7
Operating margin (%)	5.1	1.3	3.6	4.1	4.4
EBITDA margin (%)	6.1	2.5	5.2	5.8	6.1
Net margin (%)	4.1	0.9	2.7	3.1	3.4
D/E (incl. minor) (x)	1.3	1.0	0.5	0.3	0.2
Net D/E (incl. minor) (x)	1.3	1.0	0.4	0.3	0.1
Interest coverage - EBIT (x)	35.5	4.2	10.2	10.2	14.3
Interest coverage - EBITDA (x)	42.9	7.8	15.0	14.4	20.0
ROA - using norm profit (%)	14.1	3.2	7.5	9.3	10.1
ROE - using norm profit (%)	47.4	9.2	16.5	17.0	16.4
DuPont					
ROE - using after tax profit (%)	46.1	7.9	15.2	15.8	15.4
- asset turnover (x)	3.4	2.9	2.5	2.8	2.8
- operating margin (%)	5.1	1.5	3.8	4.3	4.6
- leverage (x)	3.4	2.8	2.2	1.8	1.6
- interest burden (%)	97.2	78.1	90.7	90.7	93.3
- tax burden (%)	82.2	82.8	79.5	79.7	78.9
WACC (%)	8.5	8.5	8.5	8.9	8.9
ROIC (%)	23.2	4.1	8.5	12.7	13.2
NOPAT (Bt m)	10,972	2,537	4,710	5,457	5,704
invested capital (Bt m)	62,546	55,287	43,095	43,370	41,890

Sources: Company data, Thanachart estimates

We expect net gearing to improve over the next few 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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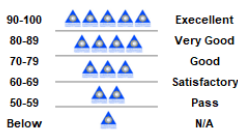
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Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 2/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of SRISAWAD CAPITAL 1969 PUBLIC COMPANY LIMITED No. 1/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

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: Moshi Moshi Retail Corporation Pcl. (MOSHI TB) and Euroasia Total Logistics Pcl (ETL 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.

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