

SELL (From: BUY)

Change in Recommendation

TP: Bt 10.00 (From: Bt 11.50)

Downside : 11.5% **4 MARCH 2024**

Small Cap Research

Taokaenoi Food & Market (TKN TB)

A new cost concern

A new concern over seaweed raw material costs has emerged for TKN's 2025F operations. We are forced to cut our earnings by 20% p.a. in 2025-26F and lower our TP to Bt10/share. After the 17% YTD rise in its share price, we downgrade our call to SELL from Buy.



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Cutting our earnings; SELL

We downgrade our call on TKN to SELL from Buy. *First*, a new concern has emerged over the sharp rise in seaweed costs for its 2025F operations. The contract price for this is likely to be finalized this month. *Second*, we cut our earnings quite sharply by 20/21% in 2025-26F while maintaining our 2024F estimate. Our DCF-based 12-month TP (2024F base year) falls to Bt10 (from Bt11.5). *Lastly*, after the 17% YTD rise in its share price, we now see TKN as expensive, trading on a 20x 2024F PE against a softer EPS growth outlook of +9/-6% in 2024-25F.

A new cost concern

Seaweed accounts for 35% of TKN's COGS. We earlier factored in a 12% cost hike in 2024F, which was due to the contract signed in early 2023 with the delayed inflation effect from 2022. The increase looked manageable for TKN. However, TKN now expects seaweed costs in its new purchase contract scheduled to be signed next month for its 2025 operations to surge by over 20%. This is a surprise to us, and it is because of diminished production yield as a result of the El Nino effect of less nutrient-rich water for seaweed farms. TKN increased its selling prices in 4Q23 to prepare for the 12% cost hike in 2024, but it doesn't plan much of an increase to fully compensate the higher costs in 2025 as it fears a hit to demand. We expect seaweed cost to normalize down somewhat in 2026F.

Top line is still growing

TKN has done well over the past few years with its new export focus. We estimate sales growth of 13/13/11% in 2024-26F from a high base of 21/22% in 2022-23. Exports comprised 63% of its sales in 2023, with China making up 25%, the US 11%, Indonesia 9%, and other smaller markets 18%. We project export sales growth of 13% p.a. and domestic growth of 10% p.a. in 2024-26F. Most of the export markets are still growing (Exhibit 7), though slowing from high bases. TKN expects to sell in two more Costco regions in the US this year from four currently. Its new distributor in Indonesia seems to be doing well, with only a two-month sales hiccup during the switch. We expect China sales growth of 14/12% in 2024-25F from an already high base.

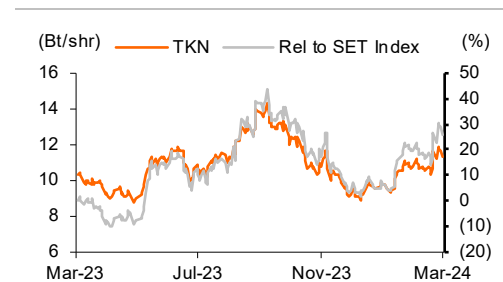
A decently run company

Despite being subject to raw material price fluctuations, we see TKN as a decently run company. Having faced a major hiccup in 2017-21 from rising seaweed costs, Chinese copycat products, and the global lockdown, it has recovered well over the past few years. Factoring in higher seaweed costs, TKN should still be a highly profitable firm with a 31% ROE and 38% ROIC in 2025F. It also has a low debt level with a -0.1x net gearing ratio.

COMPANY VALUATION

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Sales	5,323	5,994	6,764	7,517
Net profit	743	800	750	859
Consensus NP	—	782	872	na
Diff frm cons (%)	—	2.2	(13.9)	na
Norm profit	735	800	750	859
Prev. Norm profit	—	790	941	1,090
Chg frm prev (%)	—	1.2	(20.3)	(21.2)
Norm EPS (Bt)	0.5	0.6	0.5	0.6
Norm EPS grw (%)	70.1	8.8	(6.1)	14.4
Norm PE (x)	21.2	19.5	20.8	18.2
EV/EBITDA (x)	16.4	14.7	15.2	13.4
P/BV (x)	7.0	6.6	6.3	5.9
Div yield (%)	4.1	4.4	4.1	4.7
ROE (%)	34.1	34.8	31.1	33.7
Net D/E (%)	(7.0)	(17.4)	(16.1)	(18.4)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 4-Mar-24 (Bt)	11.30
Market Cap (US\$ m)	435.3
Listed Shares (m shares)	1,380.0
Free Float (%)	34.0
Avg Daily Turnover (US\$ m)	4.3
12M Price H/L (Bt)	14.30/8.75
Sector	Food & Beverage
Major Shareholder	Peeradechapan Family 55.9%

Sources: Bloomberg, Company data, Thanachart estimates

A new cost concern

Downgrading to SELL

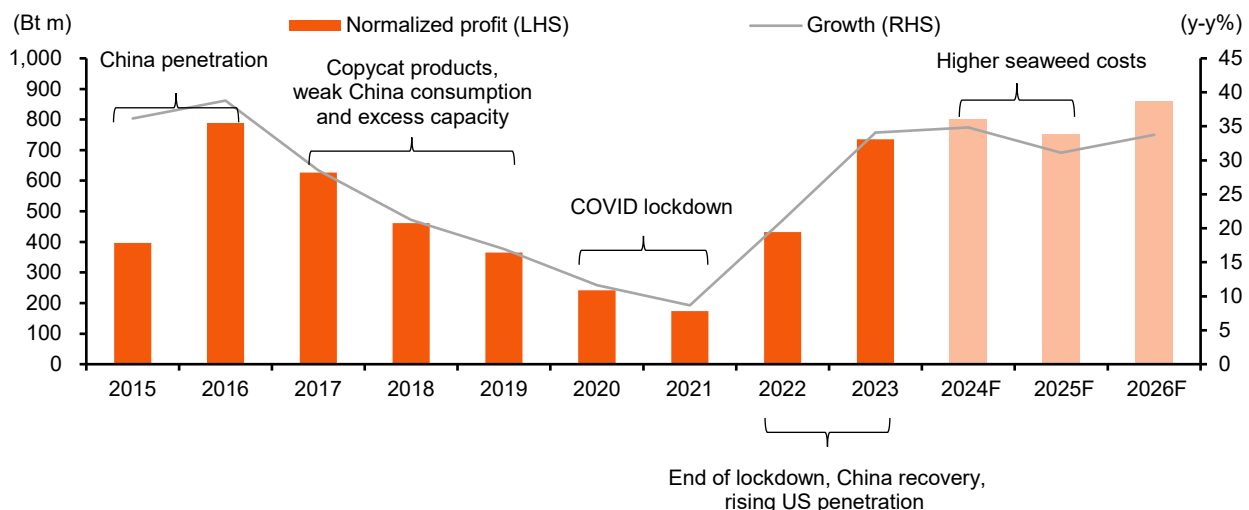
We downgrade our recommendation for Taokaenoi Food & Market Pcl (TKN) to SELL (from Buy). A new concern regarding increasing seaweed costs, TKN's key COGS, looks set to hit its performance in 2025F. We cut our earnings by 20% in 2025-26F but maintain our 2024F estimate as TKN has yet to experience a significant impact from rising seaweed costs, while its top-line growth outlook remains decent, in our view. Valuation-wise, TKN, after its 17% YTD share price rally, does not look cheap to us now, trading at 20x 2024F PE against +9/-6% EPS growth in 2024-25F.

Ex 1: Revision to Assumptions

	2022	2023	2024F	2025F	2026F
Sales (Bt m)					
- New	4,367	5,323	5,994	6,764	7,517
- Old			6,226	7,032	7,944
- Change (%)			(3.7)	(3.8)	(5.4)
Gross margin (%)					
- New	28.7	33.0	32.1	29.6	29.9
- Old			31.5	32.1	32.5
- Change (ppt)			0.5	(2.5)	(2.6)
SG&A to sales (%)					
- New	18.4	18.4	17.7	17.5	17.5
- Old			18.1	17.9	17.9
- Change (ppt)			(0.4)	(0.4)	(0.4)
Normalized profit (Bt m)					
- New	432	735	801	752	859
- Old			790	941	1,090
- Change (%)			1.5	(20.1)	(21.2)

Sources: Company data, Thanachart estimates

Ex 2: EPS Growth Outlook

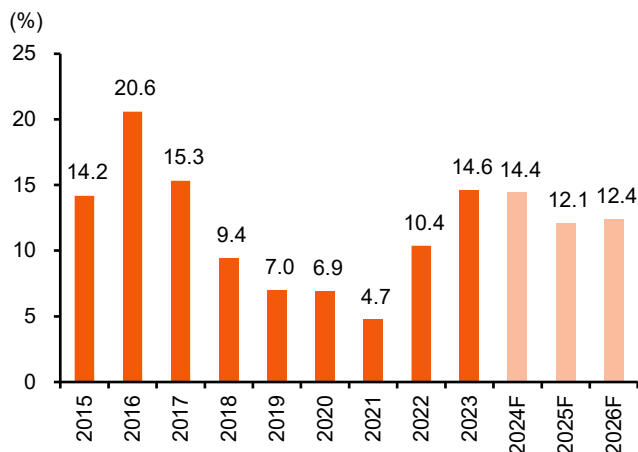


Sources: Company data, Thanachart estimates

A new seaweed cost concern

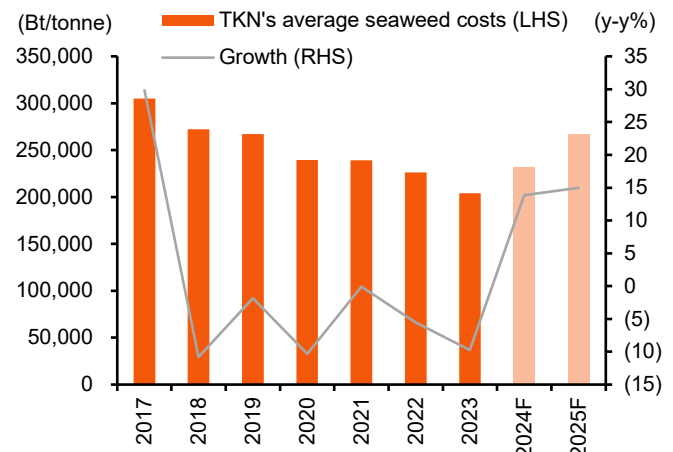
We expect TKN's EBIT margin to fall to 14.4/12.1% in 2024-25F after reaching 14.6% in 2023 due mainly to the continuous rise in seaweed prices. Seaweed made up about 30% of TKN's COGS in 2023. The price of TKN's new contract to buy seaweed for its 2025 operations, which the company expects to be finalized in about a month, looks set to increase by over 20%. This is after the 12% rise for its 2024 operations, which was due to the delayed effect of global inflation. The initial price escalation was manageable, with TKN raising its selling prices by 6-7% in some key markets like China. However, the higher price this time round comes as a surprise to us, and TKN so far is still being cautious about raising its prices further, fearing it would impact demand.

Ex 3: TKN's EBIT Margin



Sources: Company data, Thanachart estimates

Ex 4: Historical Seaweed Prices



Sources: Company data, Thanachart estimates

The further seaweed price increase is due to diminished yields from the prolonged El Nino effects of less nutrient-rich water for seaweed farms. El Nino causes higher seawater temperatures, reducing the upswell of the deeper, colder, nutrient-rich water that is essential for seaweed growth.

The difficulties caused by El Nino were previously experienced in early 2016 when it caused TKN's seaweed costs for the 2017 operation to increase by 30%. Looking ahead, we forecast TKN's seaweed costs to drop slightly by 3% in 2026F. Despite the seaweed price increase in 2025F, it is still 12% below the 2017 peak. We note that the seaweed price in 2023 has fallen from the 2017 high by 33% p.a. due to the weak demand in China on soft consumption during the trade war in 2018-19 and then the lockdowns in 2020-23.

Ex 5: The Climate Pattern During Seaweed Plantation Farming

	El Nino	Neutral	La Nina
2010	✓		
2011			✓
2012			✓
2013		✓	
2014		✓	
2015		✓	
2016	✓		
2017		✓	
2018		✓	
2019		✓	
2020		✓	
2021			✓
2022			✓
2023	✓		

Sources: Company data, Thanachart estimates

Note 1: Seaweed plantation farming takes place from December to March. TKN agrees on the contract price in March for the following year's operations.

Note 2: El Nino negatively impacts plantations and vice versa for La Nina

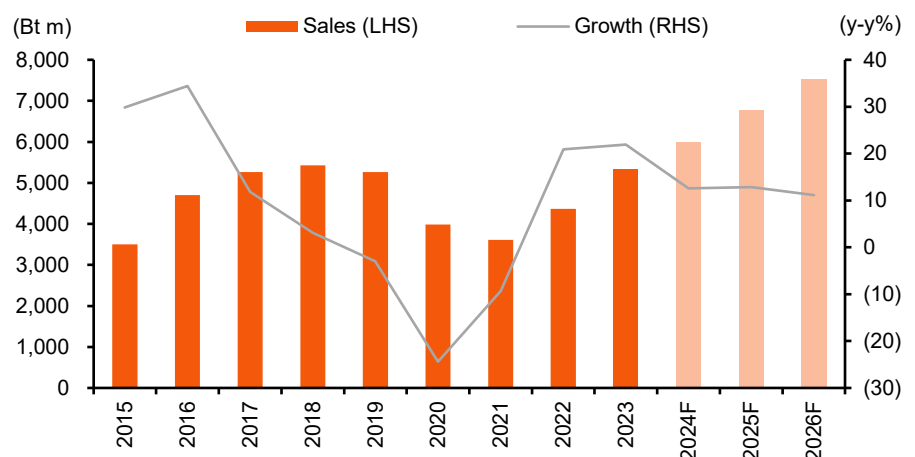
Top line is still growing

Top-line growth by key markets

TKN has been delivering on its new growth strategy. It generated 21% p.a. sales growth in 2022-23, driven by new product penetration in both the export and domestic markets, with exports generating higher growth from a low base.

This year, TKN expects a mid-teen sales growth level. We believe the slowdown is just due to the high base, and it is also TKN's intention not to rush market penetration and instead strike balance between growth with a cautious plan to introduce products among the right consumer groups for long-term benefits.

Ex 6: Sales Growth Outlook



Sources: Company data, Thanachart estimates

Ex 7: Our Assumptions

	2023	2024F	2025F	2026F
Sales growth (%)	21.9	12.6	12.8	11.1
- Thailand	19.0	10.0	10.0	10.0
- China	23.5	14.0	14.0	12.0
- US	39.0	20.0	15.0	15.0
- Indonesia	15.0	15.0	14.0	10.0
- Others	20.0	10.0	15.0	10.0
Gross margin	33.0	32.1	29.6	29.9
SG&A to sales	18.4	17.7	17.5	17.5
EBIT margin	14.6	14.4	12.1	12.4

Sources: Company data, Thanachart estimates

The new US market: TKN plans to sell its products in two more Costco regions, increasing from four to six out of the total of eight regions in the US.

Indonesia penetration: TKN has switched to a new distributor to penetrate the rural market. This new distributor has performed well over the past two months.

China coming off a high base: TKN expects slower growth in China from 2023, following the 2020-22 lockdown. Despite the large market, TKN doesn't plan to be too aggressive in China due to the crowded market.

Above-average domestic growth: We expect TKN to continue outperforming the overall snack market growth of 6-7% p.a. due to the continued success of its new product launches. The lower growth comes after two years of achieving high sales bases.

We discussed in detail TKN's growth outlook in TKN – *Gaining new ground, dated 15 January 2024*.

Ex 8: 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	Terminal value
EBITDA	1,034	998	1,126	1,243	1,422	1,625	1,842	2,100	2,320	2,559	2,795	—
Free cash flow	748	674	788	876	1,014	1,167	1,353	1,558	1,755	1,944	2,138	24,180
PV of free cash flow	748	544	571	570	592	612	637	635	639	633	622	6,290
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.1											
WACC (%)	10.9											
Terminal growth (%)	2.0											
Enterprise value - add investments	13,700											
Net debt (2023)	(157)											
Minority interest	3											
Equity value	13,854											
# of shares (m)	1,380											
Target price/share (Bt)	10.0											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 9: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div yield —	
			24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
Indofood CBP Sukses	ICBP IJ	Indonesia	7.8	8.2	13.6	12.6	2.7	2.4	10.3	9.5	3.2	3.7
Yakult Honsha	2267 JP	Japan	1.7	4.5	19.2	18.4	1.9	1.8	10.0	9.6	1.7	1.9
Austevoll Seafood	AUSS NO	Norway	688.2	9.6	8.0	7.3	1.0	0.9	5.5	5.1	7.0	7.9
Leroy Seafood Group	LSG NO	Norway	na	12.7	11.3	10.0	1.4	1.3	6.4	5.9	5.6	5.9
Mowi	MOWI NO	Norway	9.5	8.9	12.6	11.6	2.3	2.1	7.7	7.2	4.4	5.2
ConAgra Foods	CAG US	US	(5.8)	3.1	10.7	10.3	1.4	1.4	9.5	9.3	5.0	5.2
Danone	DANOY US	US	na	8.1	16.7	15.4	2.0	1.9	10.9	10.3	3.6	3.8
Nestle	NSRGY US	US	na	7.8	18.4	17.1	6.6	6.0	14.9	14.0	3.4	3.6
Tyson Foods	TSN US	US	65.6	59.2	24.0	15.1	1.0	1.0	10.0	8.2	3.7	3.8
Coca-Cola	KO US	US	4.6	6.6	21.2	19.9	9.6	8.6	19.0	17.8	3.2	3.4
PepsiCo	PEP US	US	7.7	8.0	20.2	18.7	10.6	9.1	14.4	13.5	3.2	3.5
Monster Beverage	MNST US	US	18.7	12.7	32.2	28.5	6.7	5.9	23.5	20.8	0.0	0.0
Carabao Group Pcl	CBG TB*	Thailand	33.2	12.8	24.6	21.8	5.1	4.7	16.9	14.9	2.7	3.2
Charoen Pokphand Foods	CPF TB*	Thailand	na	47.1	15.6	10.6	0.6	0.6	13.3	12.3	2.6	3.8
KCG Corporation Pcl	KCG TB*	Thailand	12.8	15.7	11.9	10.3	1.6	1.5	7.6	6.6	3.4	4.4
MK Restaurant Group Pcl	M TB*	Thailand	18.8	21.9	16.9	13.9	2.5	2.4	6.4	5.7	5.9	7.2
Osotspa Pcl	OSP TB*	Thailand	23.5	8.9	19.2	17.7	3.1	3.0	12.7	11.8	5.2	5.7
R&B Food Supply Pcl.	RBF TB*	Thailand	26.8	15.4	26.8	23.2	4.2	3.8	16.4	14.0	1.5	1.8
Srinanaporn Marketing Pcl	SNNP TB*	Thailand	16.3	10.6	21.4	19.4	4.6	4.3	14.3	12.8	3.4	3.8
Taokaenoi Food & Market	TKN TB*	Thailand	8.8	(6.1)	19.5	20.8	6.6	6.3	14.7	15.2	4.4	4.1
Thai Union Group Pcl	TU TB*	Thailand	(8.3)	9.0	12.1	11.1	0.9	0.8	8.7	8.2	4.9	5.4
Average			54.7	13.6	17.9	15.9	3.6	3.3	12.1	11.1	3.7	4.2

Source: Bloomberg

Note: *Thanachart estimates, using Thanachart normalized EPS

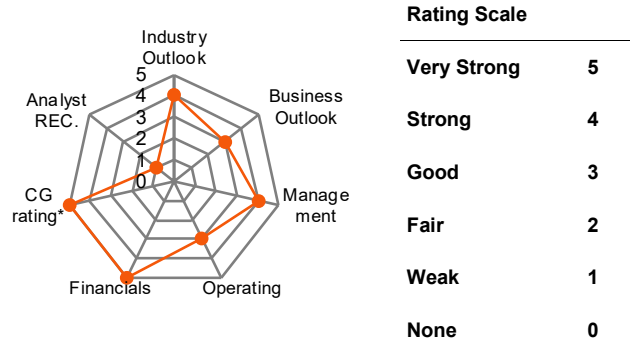
Based on 4 March 2024 closing prices

COMPANY DESCRIPTION

Taakaenoi Food & Marketing Pcl (TKN) is the largest producer of seaweed snacks in Thailand and it exports to over 15 overseas markets. TKN has two factories in Thailand and it has set up sales offices in some of its key overseas markets.

Source: Thanachart

COMPANY RATING



Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- The leading producer of seaweed snacks in Thailand.
- Serving more product SKUs than local and overseas competitors.

O — Opportunity

- Overseas expansions.
- Mergers and acquisitions.

W — Weakness

- Food market in Thailand is saturated with only low organic growth.
- Heavy reliance on food customers who have strong bargaining power.

T — Threat

- Raw material cost fluctuations.
- Domestic consumption and economic conditions.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	11.50	10.00	-13%
Net profit 24F (Bt m)	782	801	2%
Net profit 25F (Bt m)	872	752	-14%
Consensus REC	BUY: 3	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2025F earnings estimate and TP are lower than the Bloomberg consensus numbers, which we attribute to us having more conservative views regarding TKN's rising seaweed costs and its long-term market expansion.

RISKS TO OUR INVESTMENT CASE

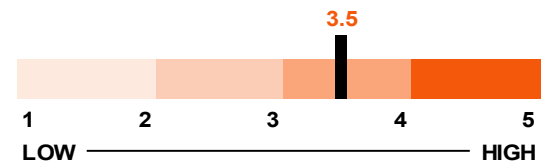
- Higher-than-expected growth of the food and beverage markets in TKN's focus markets is a key upside risk to our forecasts.
- Successes in gaining new orders and customers would be another upside risk to our earnings forecasts.

Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

TKN is Thailand's leading maker of seaweed snack products. Its factories release some greenhouse gases. It has set a long-term target to cut emissions and has implemented measures to achieve this goal. Our ESG score for TKN is 3.5.

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)
TKN	-	-	-	-	68.08	43.36	16.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, Arabesque S-Ray®, 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

- TKN is the leading producer of seaweed snack products in Thailand. It has two factories in Thailand. TKN has been implementing measures to reduce pollution.
- TKN has adopted solar rooftops to help cut electricity usage, although the impact is still minimal.
- TKN recycles waste from the use of seaweed, sugar and oil.
- The company has begun a power management project, but this involves only small initiatives such as promoting energy conservation.

SOCIAL

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

- TKN has set up various welfare schemes for employees. Examples are life insurance and medical treatment expenses for accidents, group health insurance, employee dormitories, and cheap food.
- TKN provides workshops to increase employee efficiency, e.g., improvements in production process and garbage sorting.
- TKN provides donations for those in need and offers cleaning services for nearby communities.

GOVERNANCE &
SUSTAINABILITY

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

- TKN has a nine-member board of directors, which we consider to be moderate for the size and scope of its business. Of the nine members, four are independent directors. There are four female directors.
- TKN has diversified its business into making many products. It also operates in several countries.
- Within the same product category, TKN has been studying and developing new product lines to ensure decent demand from existing clients and to acquire new clients.

Sources: Thanachart, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Sales	4,367	5,323	5,994	6,764	7,517
Cost of sales	3,111	3,569	4,071	4,765	5,270
Gross profit	1,255	1,755	1,924	1,999	2,247
% gross margin	28.7%	33.0%	32.1%	29.6%	29.9%
Selling & administration expenses	803	978	1,061	1,184	1,315
Operating profit	453	776	863	816	932
% operating margin	10.4%	14.6%	14.4%	12.1%	12.4%
Depreciation & amortization	183	167	172	183	195
EBITDA	636	944	1,034	998	1,126
% EBITDA margin	14.6%	17.7%	17.3%	14.8%	15.0%
Non-operating income	30	23	27	30	34
Non-operating expenses	0	0	0	0	0
Interest expense	(11)	(11)	(11)	(6)	(4)
Pre-tax profit	472	788	878	840	961
Income tax	39	48	74	84	96
After-tax profit	432	740	805	756	865
% net margin	9.9%	13.9%	13.4%	11.2%	11.5%
Shares in affiliates' Earnings	(0)	(1)	0	0	0
Minority interests	0	(4)	(5)	(6)	(6)
Extraordinary items	3	8	0	0	0
NET PROFIT	435	743	800	750	859
Normalized profit	432	735	800	750	859
EPS (Bt)	0.3	0.5	0.6	0.5	0.6
Normalized EPS (Bt)	0.3	0.5	0.6	0.5	0.6

We expect a flattish earnings growth in 2024-25F

BALANCE SHEET

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
ASSETS:					
Current assets:	1,979	2,062	2,501	2,738	3,038
Cash & cash equivalent	461	297	500	440	490
Account receivables	645	923	854	964	1,071
Inventories	700	665	948	1,110	1,227
Others	173	177	199	225	250
Investments & loans	49	16	16	16	16
Net fixed assets	935	884	832	784	740
Other assets	248	272	103	103	103
Total assets	3,211	3,234	3,452	3,641	3,897
LIABILITIES:					
Current liabilities:	924	828	928	1,045	1,142
Account payables	633	708	803	940	1,040
Bank overdraft & ST loans	175	20	13	6	0
Current LT debt	35	35	22	11	1
Others current liabilities	81	65	91	88	101
Total LT debt	119	85	52	26	2
Others LT liabilities	89	88	93	98	103
Total liabilities	1,132	1,001	1,073	1,169	1,247
Minority interest	(2)	3	8	13	20
Preferreds shares	0	0	0	0	0
Paid-up capital	345	345	345	345	345
Share premium	1,315	1,315	1,315	1,315	1,315
Warrants	0	0	0	0	0
Surplus	(5)	(5)	(5)	(5)	(5)
Retained earnings	426	575	716	804	975
Shareholders' equity	2,081	2,230	2,371	2,459	2,631
Liabilities & equity	3,211	3,234	3,452	3,641	3,897

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Earnings before tax	472	788	878	840	961
Tax paid	(30)	(53)	(66)	(84)	(92)
Depreciation & amortization	183	167	172	183	195
Chg In working capital	312	(169)	(118)	(134)	(125)
Chg In other CA & CL / minorities	102	(5)	(4)	(28)	(17)
Cash flow from operations	1,039	729	862	776	923
Capex	(118)	(116)	(120)	(135)	(150)
Right of use	32	(10)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(10)	33	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(34)	(25)	174	5	5
Cash flow from investments	(130)	(118)	54	(130)	(145)
Debt financing	(321)	(181)	(53)	(44)	(40)
Capital increase	0	0	0	0	0
Dividends paid	(359)	(593)	(659)	(662)	(687)
Warrants & other surplus	8	(1)	0	0	0
Cash flow from financing	(672)	(775)	(712)	(706)	(727)
Free cash flow	920	613	742	641	772

*Doesn't require
significant capex despite
its growth ambitions*

VALUATION

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Normalized PE (x)	36.1	21.2	19.5	20.8	18.2
Normalized PE - at target price (x)	31.9	18.8	17.3	18.4	16.1
PE (x)	35.9	21.0	19.5	20.8	18.2
PE - at target price (x)	31.7	18.6	17.3	18.4	16.1
EV/EBITDA (x)	24.3	16.4	14.7	15.2	13.4
EV/EBITDA - at target price (x)	21.5	14.5	12.9	13.4	11.8
P/BV (x)	7.5	7.0	6.6	6.3	5.9
P/BV - at target price (x)	6.6	6.2	5.8	5.6	5.2
P/CFO (x)	15.0	21.4	18.1	20.1	16.9
Price/sales (x)	3.6	2.9	2.6	2.3	2.1
Dividend yield (%)	2.6	4.1	4.4	4.1	4.7
FCF Yield (%)	5.9	3.9	4.8	4.1	5.0
(Bt)					
Normalized EPS	0.3	0.5	0.6	0.5	0.6
EPS	0.3	0.5	0.6	0.5	0.6
DPS	0.3	0.5	0.5	0.5	0.5
BV/share	1.5	1.6	1.7	1.8	1.9
CFO/share	0.8	0.5	0.6	0.6	0.7
FCF/share	0.7	0.4	0.5	0.5	0.6

Sources: Company data, Thanachart estimates

*Expensive PE against
EPS growth, in our view*

FINANCIAL RATIOS

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Growth Rate					
Sales (%)	20.9	21.9	12.6	12.8	11.1
Net profit (%)	138.7	70.9	7.6	(6.1)	14.4
EPS (%)	138.7	70.9	7.6	(6.1)	14.4
Normalized profit (%)	148.1	70.1	8.8	(6.1)	14.4
Normalized EPS (%)	148.1	70.1	8.8	(6.1)	14.4
Dividend payout ratio (%)	92.1	85.4	85.4	85.4	85.4
Operating performance					
Gross margin (%)	28.7	33.0	32.1	29.6	29.9
Operating margin (%)	10.4	14.6	14.4	12.1	12.4
EBITDA margin (%)	14.6	17.7	17.3	14.8	15.0
Net margin (%)	9.9	13.9	13.4	11.2	11.5
D/E (incl. minor) (x)	0.2	0.1	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Interest coverage - EBIT (x)	39.9	70.8	77.2	137.9	219.5
Interest coverage - EBITDA (x)	56.0	86.1	92.6	168.7	265.4
ROA - using norm profit (%)	13.0	22.8	23.9	21.2	22.8
ROE - using norm profit (%)	21.2	34.1	34.8	31.1	33.7
DuPont					
ROE - using after tax profit (%)	21.2	34.3	35.0	31.3	34.0
- asset turnover (x)	1.3	1.7	1.8	1.9	2.0
- operating margin (%)	11.1	15.0	14.8	12.5	12.8
- leverage (x)	1.6	1.5	1.5	1.5	1.5
- interest burden (%)	97.6	98.6	98.7	99.3	99.6
- tax burden (%)	91.6	93.9	91.6	90.0	90.0
WACC (%)	10.9	10.9	10.9	11.4	11.4
ROIC (%)	17.1	37.4	38.1	37.5	40.7
NOPAT (Bt m)	415	729	790	734	838
invested capital (Bt m)	1,950	2,073	1,958	2,062	2,144

Sources: Company data, Thanachart estimates

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

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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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