

PTG ENERGY (PTG TB)

Authenticity for profitability on “Pun Thai”

Two new strategic growths of F&B and LPG

After over decades of successful growth from a small regional player to Thailand's second largest oil station player with 2,160 stations and a 19.2% market share as of 1Q23. PTG is now shifting its growth platform from the existing station cash cow to its two non-oil ventures of coffee chain “Pun Thai” and the LPG business under “Atlas” brand. We think PTG's new growth strategy not only reduce its risk for the oil station business as a result of the advent of the electric vehicle (EV) but also offers superior growth outlook given the gross margins of beverage and LPG are much higher than PTG's current oil station business.

Net profit growths are healthy in 2023-25

We project PTG's net profit to grow from THB934m in 2022 to THB1.6b in 2025, catalyzed by three key drivers; 1) organic growths from the core service station business, mainly from the expansion of number of service stations to increase its gasoline sales volumes and enhance its sales volume per station; 2) higher gross profit contribution from its non-oil businesses; 3) increase the sales volume from household LPG business.

Retail oil station remains cash cow

With limited growth outlook and the advent of the EVs, PTG now shifts its growth strategy from a volume-driven to a more margin-driven for its oil retail station unit, diversifying its oil product portfolio into gasoline. We project that PTG's SVPS will remain high at around 200klps in 2023, given 1) rising sales volume following the full economic reopening; and 2) PTG's oil station renovation to increase the customer traffic.

Pun Thai & household LPG are key growth engines

PTG now changes its strategy for Pun Thai from a conservative, highly selective growth strategy of “one station, one outlet” to “available at your PTG station and beyond”. PTG also plans to expand its Pun Thai outlet numbers through franchising, targeting to have 60% franchise proportion in the next 5 years. We believe the household LPG will be one of PTG's key growth drivers, potentially boosting LPG sales volumes in 2023-25.

Bottom-up growth and value are attractive

We initiate coverage with a BUY rating and TP of THB14.0, based on a SoTP valuation, comprising 1) THB11.6 for its oil station business based on 17.3x 2023E P/E, the industry average; 2) THB1.9 for its non-oil businesses – CVS, F&B, and auto-related services and 3) THB0.5 for its 40% stake in the biodiesel business via its 0.5mlpd methyl ester plant. We think PTG's valuations are justified by its low-cost structure of oil stations, visible growth outlook, and the margin expansion on the back of rising earnings from Pun Thai and the household LPG.

Financial Summary

Year ending Dec	2021	2022	2023E	2024E	2025E
Revenue (THB m)	133,908	179,613	191,332	209,795	230,207
Net profit (THB m)	1,006	934	1,106	1,230	1,552
Core net profit (THB m)	1,006	958	1,129	1,254	1,576
Net profit growth (%)	(46.9)	(7.2)	18.4	11.3	26.2
Core net profit growth (%)	(45.8)	(4.8)	17.9	11.0	25.7
EPS (THB/share)	0.60	0.56	0.66	0.74	0.93
Core EPS (THB/share)	0.60	0.57	0.68	0.75	0.94
DPS (THB/share)	0.15	0.20	0.20	0.17	0.20
P/E (x)	25.06	25.92	17.67	15.88	12.59
P/BV (x)	3.12	2.97	2.19	2.01	1.80
Dividend yield (%)	0.99	1.38	1.71	1.45	1.71
ROE (%)	12.60	11.79	13.23	13.44	15.30

Source: Company data, Beyond Research

บริษัทหลักทรัพย์ บียอนด์ จำกัด (มหาชน)

Beyond Securities Public Company Limited

BUY

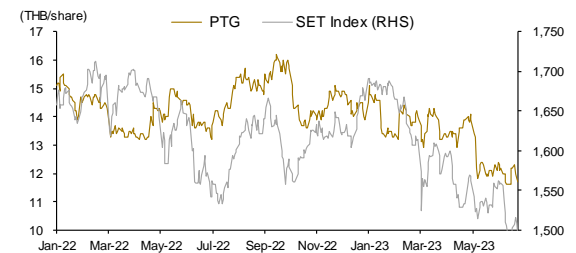
Target Price 2023E (THB)	14.00
Share Price (THB)	11.70
Upside/(downside)	+20%

Share Data

Reuters / Bloomberg	PTG.BK / PTG TB
Market	SET
Sector	ENERG
Market Cap (THB m)	19,539.00
Par (THB)	1.00
Free Float	58.16%
Dividend Policy	>30%

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(1.68)	(11.36)	(17.02)	(19.31)
Market	0.83	(6.57)	(6.81)	(9.66)
12M High/Low (THB)	16.40 / 11.30			



Major Shareholders (%)

Ratchakit Holding Co.,Ltd	25.12
Mr. Pongsak Vachirasakpanich	6.01
Mrs. Jarusrak Nitayanurak	4.66

Company Profile

PTG Energy Public Company Limited consists of eight groups of businesses as follows: 1) Oil (the Company core and original business) and Retail Business, 2) LPG Business, 3) Renewable Energy and Investment Business, 4) Logistics Business, 5) System and Equipment Management Business, 6) Food and Beverage Business, 7) Auto Care and Maintenance Business, and 8) Electronic Money Business (e-Money). In this regard, the Company is determined to operate the business with the aim of satisfying consumers' needs in a comprehensive manner.

Analyst

Siriluck Pinthusoonthorn
Siriluck.p@beyondsecurities.co.th
+662 8200 201

Authenticity for profitability for “Pun Thai”

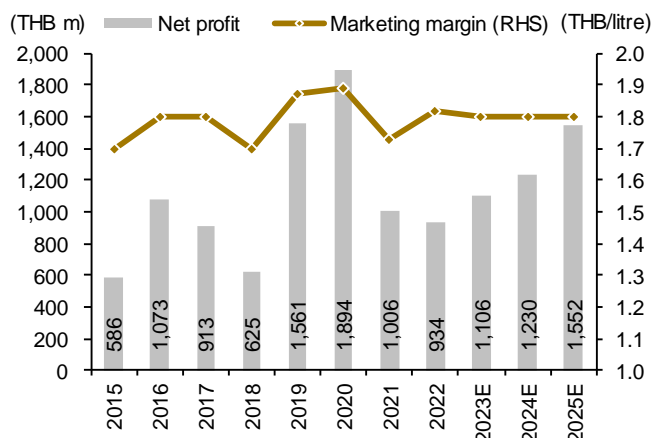
Growth extension under non-oil ventures

After over decades of successful growth from a small regional player to Thailand’s second largest oil station player with 2,160 stations and a 19.2% market share as of 1Q23. PTG is now shifting its growth platform from the existing station cash cow to its two non-oil ventures of coffee chain “Pun Thai” and the LPG business under “Atlas” brand.

We think PTG’s new growth strategy not only reduce its risk for the oil station business as a result of the advent of the electric vehicle (EV) but also offers superior growth outlook given the gross margins of beverage and LPG are much higher than PTG’s current oil station business. We believe PTG is highly likely to succeed in its growth strategy for both beverage and LPG markets to repeat its proven success in the oil retail station business.

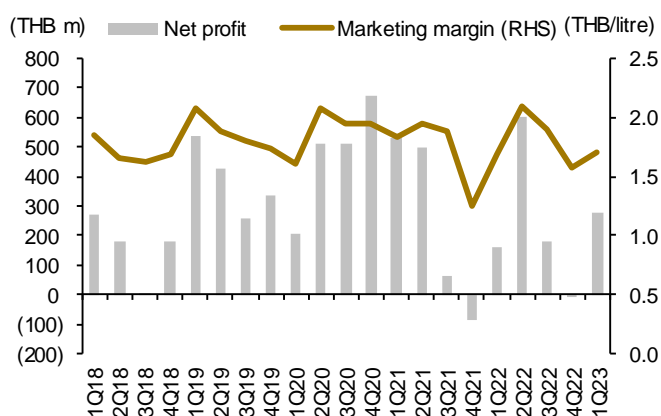
PTG has grown its net profits from the retail oil stations by penetrating into the secondary road networks then overlooked by most competitors and focused on the diesel market for the large truck consumers. Eventually PTG has increased its number of retail oil stations to emerge as second largest player in the industry, effectively via the combination of PTG’s low-cost structure and the Company-Owned, Company-Operate (COCO)-based business model.

Exhibit 1: Annually net profit vs marketing margin



Sources: PTG, Beyond Research

Exhibit 2: Quarterly net profit vs marketing margin



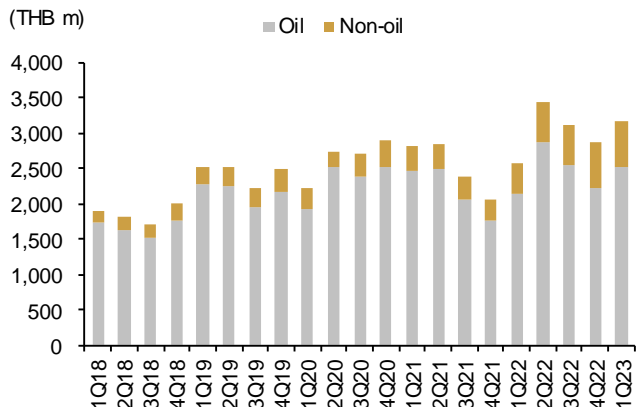
Sources: PTG, Beyond Research

We project PTG’s net profit to grow from THB934m in 2022 to THB1.6b in 2025, catalyzed by three key drivers;

- 1) organic growths from the core service station business, mainly from the expansion of number of service stations to increase its gasoline sales volumes and enhance its sales volume per station.
- 2) higher gross profit contribution from its non-oil businesses.
- 3) increase the sales volume from household LPG business.

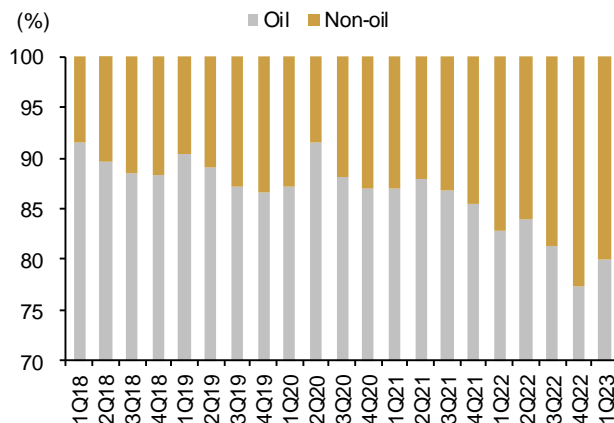
In the past few quarters since 3Q22-1Q23, PTG suffered from the depressed market margins (MM) as a result of government's price cap policy and the high oil price volatility that led to the weakening MM close or below PTG's estimated breakeven MM of THB1.5/liter, based on our estimate. We estimate that every THB0.10/liter change MM from its breakeven cost of THB1.5/liter, PTG will see around THB100m change in net profit in the same direction of MM change.

Exhibit 3: Gross profit breakdown



Sources: PTG

Exhibit 4: Gross profit breakdown (%)



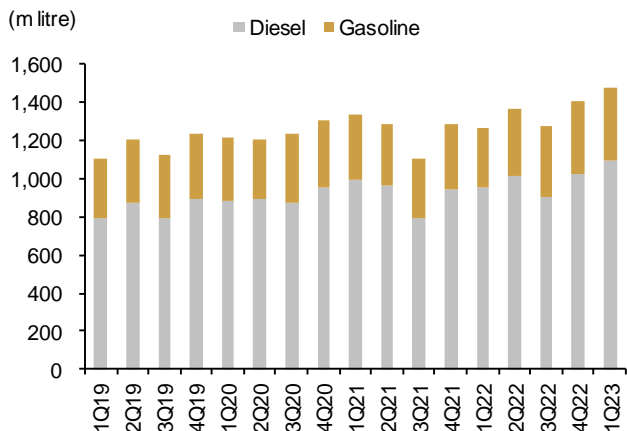
Sources: PTG

Organic growth from cash cow oil station unit

After many years of aggressive expansion, PTG now stands as Thailand's second largest player in the retail oil station business, mostly located in rural provinces, on secondary roads, and with diesel as a core product that accounts for over 80% of its total sales volume on average.

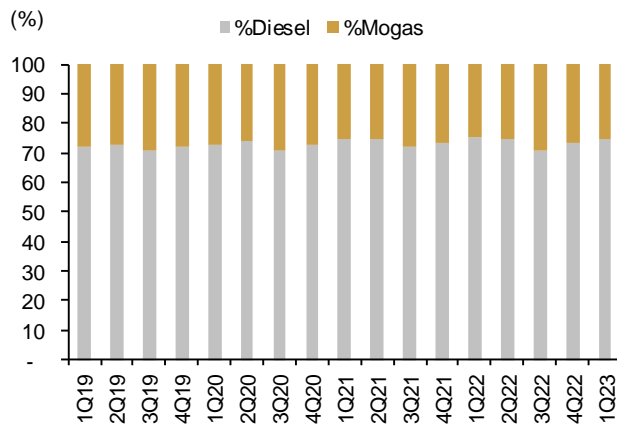
However, with limited growth outlook and the advent of the EVs, PTG now shifts its growth strategy from a volume-driven to a more margin-driven strategy for its oil retail station unit, diversifying its oil product portfolio into greater gasoline sales and enhance its profitability via higher customer traffic.

Exhibit 5: Sales volume breakdown by product



Sources: PTG

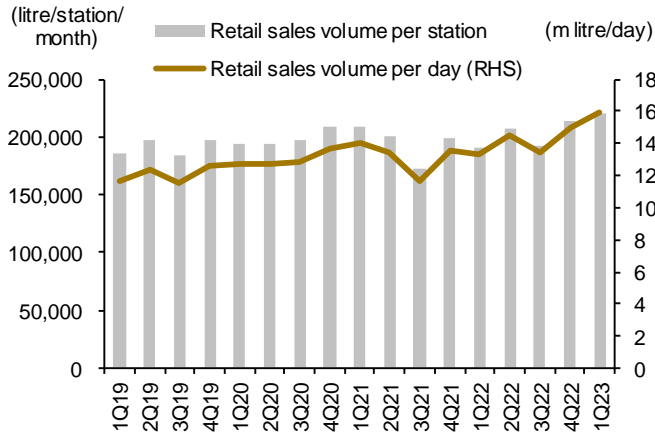
Exhibit 6: Sales volume breakdown by product (%)



Sources: PTG

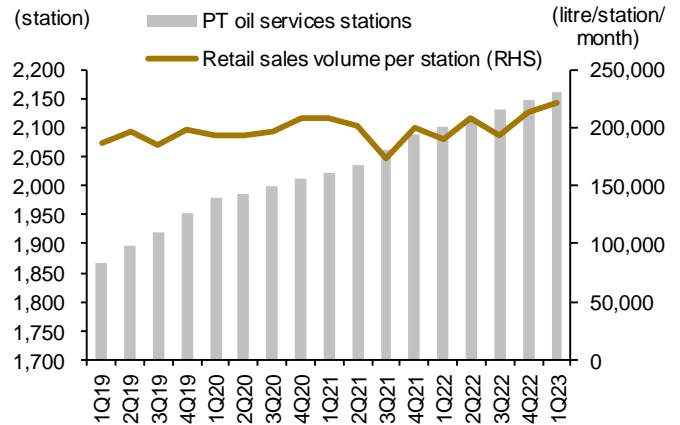
PTG's sales volume per station (SVPS) stayed high in the range of 200,000-230,000 litres per station (lps) since 2022, rising from the range of 170,000-190,000lps in 2019-21 caused by the impact of COVID-19. We project that PTG's SVPS will remain high at around 200,000lps in 2023, given 1) rising sales volume following the full economic reopening activity; and 2) PTG's oil station renovation to increase the customer traffic.

Exhibit 7: Retail sales volume per station and per day



Sources: PTG

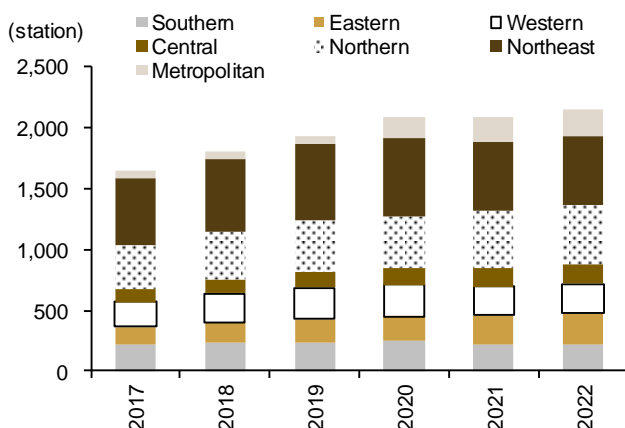
Exhibit 8: Retail sales volume per station vs number of PT oil station



Sources: PTG

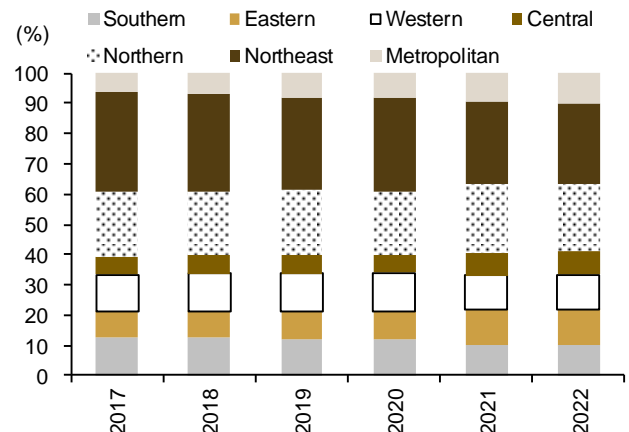
Into the major city. PTG's gasoline volume has risen from a mere 10-15% during 2013-15 up to around one-third of PTG's total oil sales volume in 2022 as PTG has continued to expand the number of oil station into major city areas through franchising – Dealer-Owned, Dealer-Operate (DODO) business model. While PTG may have lower management control under DODO compared to COCO, we believe DODO stations are a better strategic fit model for PTG post 2022, given PTG could reduce its investment cost for the expansion of number of oil stations into major city areas whose investment cost per station is much higher than those for oil stations in rural provinces, mainly due to the high land cost.

Exhibit 9: PT stations breakdown by region



Sources: PTG

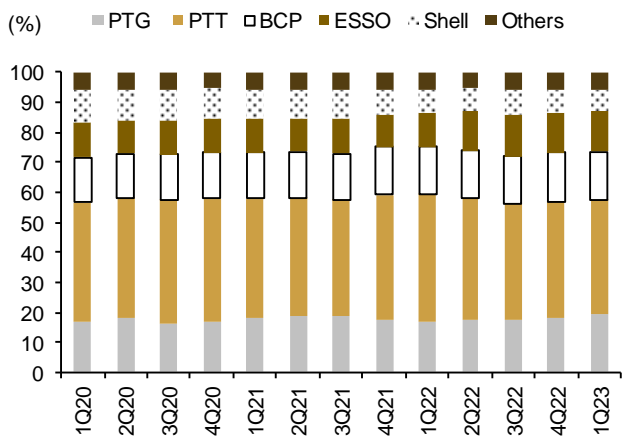
Exhibit 10: PT stations breakdown by region (%)



Sources: PTG

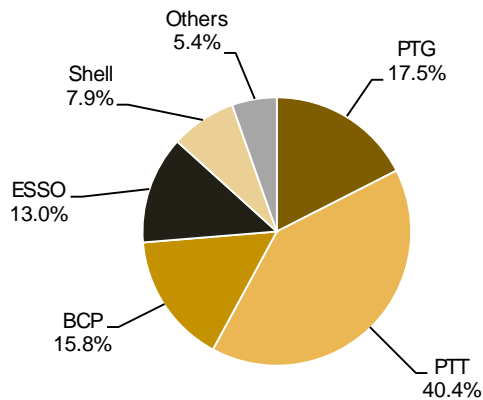
In 1Q23, PTG had a retail sales volume market share of 19.2%, up from 16.9% in 1Q20, with a 16.6% share in the all channel sales volume market share. This reflects PTG's solid SVPS. However, we think PTG remains one of oil station operators to have small non-oil business compared to its competitors, thereby providing growth opportunity in the non-oil business.

Exhibit 11: Retail channel market share



Sources: PTG

Exhibit 12: Retail channel market share as of 2022



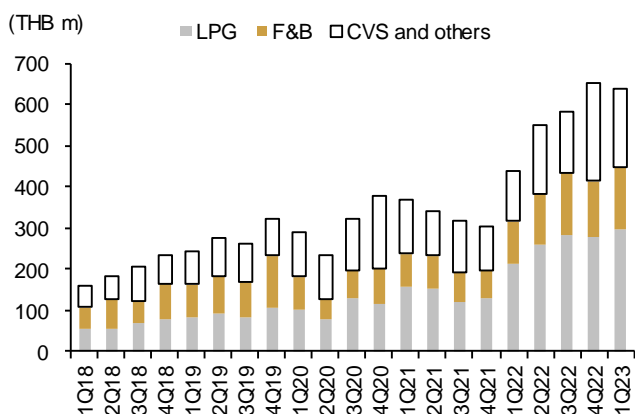
Sources: PTG

Time to shine for non-oil business

Most of PTG's oil stations remain naked, with only oil sales operations and no non-oil businesses. After many years of restructuring and rebranding, we believe PTG's non-oil unit, particularly its "Pun Thai" coffee franchise, could be PTG's next growth driver in 2023 onwards.

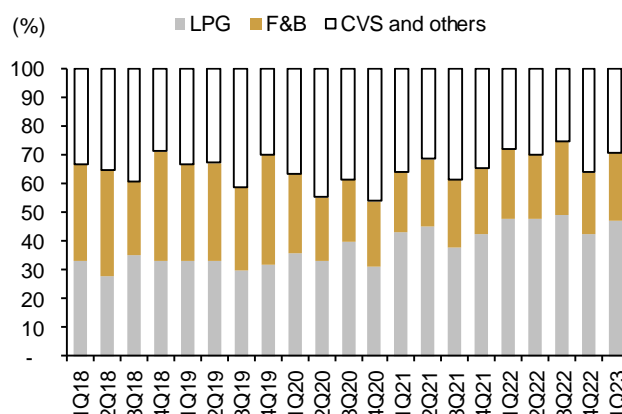
PTG is now focusing much more on its non-oil businesses, aiming to boost its oil sales volume and margins via improving customer traffic. PTG plans to expand its non-oil businesses – Convenience Store (CVS), Food & Beverage (F&B), and auto-related services – all at its oil stations.

Exhibit 13: Non-oil gross profit breakdown



Sources: PTG

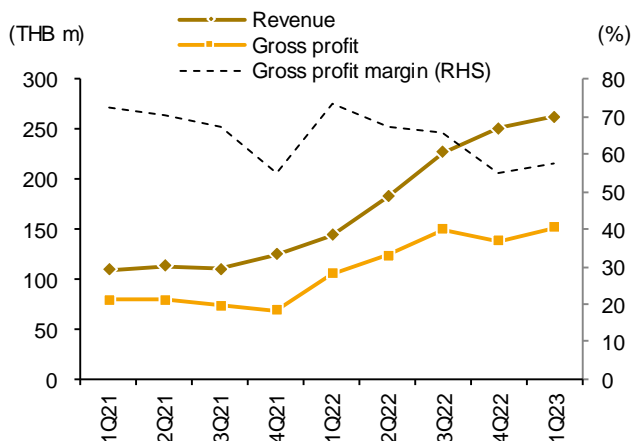
Exhibit 14: Non-oil gross profit breakdown (%)



Sources: PTG

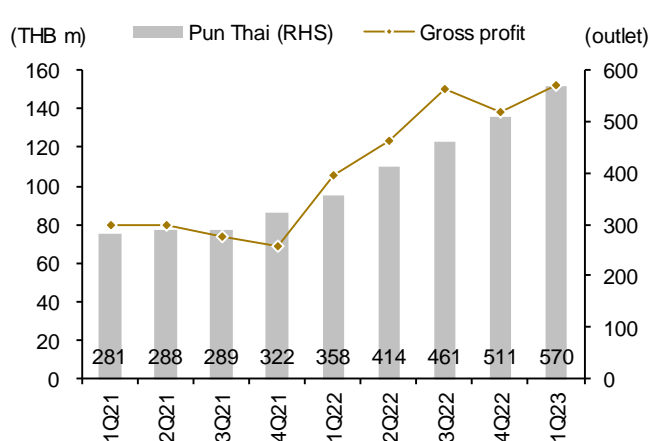
Pun Thai – time to smile. Coffee shops are a higher margin business, with a gross margin of over 50%. PTG establishes and operates its own brand under the name "Pun Thai", both inside and outside its fuel stations. We believe Pun Thai will be one of the key to enhance margin and strengthen customer traffic at PTG's oil station.

Exhibit 15: Pun Thai's revenue, gross profit and gross profit margin



Sources: PTG

Exhibit 16: Number of Pun Thai outlets vs gross profit



Sources: PTG

PTG has expanded its coffee outlet numbers from one store in 2012 to 570 stores in 1Q23, and targets to increase the outlet number to 1,500 stores by the end of 2023. Of the total 570 outlets, 30% were outside PTG's station and 70% were inside PTG's station.

In 2022, Pun Thai contributes net profit of THB90m to PTG, a first year of profitability as the number of cups sold surpassing the breakeven 100 cups per day level, according to management.

Changing growth strategy for Pun Thai. PTG now changes its strategy for Pun Thai from a conservative, highly selective growth strategy of "one station, one outlet" to "available at your PTG station and beyond" in order to serve customers' increasing needs for Pun Thai's products.

In addition, PTG also plans to expand its Pun Thai outlet numbers through franchising, targeting to have 60% franchise proportion in the next 5 years.

We believe the key factors that would make it possible for PTG to grow its Pun Thai's coffee franchise are 1) the proven "value" of product quality given Pun Thai deploys only high quality Arabica coffee beans for its coffee served without any blending of Robusta coffee beans, thereby making Pun Thai's coffee aroma more fragrant and refreshing; 2) a wide variety of "localized" beverage and snacks sold at Pun Thai outlets, offering authentic Thai taste, fusion Thai-mixed beverages, all at competitive prices.

Financial analysis of “Pun Thai” coffee franchise

To assess the feasibility of PTG’s growth plan for its Pun Thai coffee franchise via both COCO and franchisee business models, we conducted financial analysis of Pun Thai’s coffee franchise based on a set of assumptions.

Key assumptions for Pun Thai. Using the initial cost items for fixed costs from PTG, the variable costs of royalty and marketing fees at 3% each on the monthly revenue, and our assumptions of interest rate at 6% p.a., debt funding portion at 50% of investment, average ticket bill size of THB50/ticket, gross margin at 50%, and number of cups sold at 100, we find that Pun Thai franchise has only 1.79 years of payback period for the smallest size outlet of kiosk to 3.22 years of payback for the large stand-alone format outlet, 23% net profit margin, with net profit margins ranging from 25.5% to 29.6%. These short payback and high net profit margins reflect the financial attractiveness of Pun Thai coffee franchise to franchisees, in our view.

Exhibit 17: Total investment cost for Pun Thai franchise

Format	Unit	Kiosk	Food truck	Trailer	Build in	Stand alone
Size	sqm	>9	9	9	>35	>40
Construction and decoration costs	THB	350,000	500,000	500,000	525,000	800,000
Designing cost	THB	-	-	-	50,000	50,000
Equipment	THB	300,000	300,000	450,000	600,000	600,000
Franchise fee	THB	150,000	150,000	150,000	150,000	150,000
Pre-opening cost	THB	80,000	80,000	80,000	80,000	80,000
Insurance	THB	200,000	200,000	200,000	200,000	200,000
Total fixed initial cost		1,080,000	1,230,000	1,380,000	1,605,000	1,880,000
Depreciation period	year	15	15	15	15	15
Depreciation expense	THB	72,000	82,000	92,000	107,000	125,333
Variable cost						
Royalty fee (% of monthly sales)	%	3.0	3.0	3.0	3.0	3.0
Marketing fee (% of monthly sales)	%	3.0	3.0	3.0	3.0	3.0
Contract period	year	73 years				
Assumptions						
Revenue per cup	THB/cup	50	50	50	50	50
No. of cup sold per month	cup	3,000	3,000	3,000	3,000	3,000
Royalty fee (% of monthly sales)	THB	4,500	4,500	4,500	4,500	4,500
Marketing fee (% of monthly sales)	THB	4,500	4,500	4,500	4,500	4,500
Gross margin	%	50	50	50	50	50
Analysis of annual financial						
Revenue	THB	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Gross profit	THB	900,000	900,000	900,000	900,000	900,000
Fixed depreciation expense	THB	(72,000)	(82,000)	(92,000)	(107,000)	(125,333)
Variable expense	THB	(108,000)	(108,000)	(108,000)	(108,000)	(108,000)
EBIT	THB	720,000	710,000	700,000	685,000	666,667
Interest expense @ 5% pa	THB	(54,000)	(61,500)	(69,000)	(80,250)	(94,000)
EBT	THB	666,000	648,500	631,000	604,750	572,667
Tax rate	%	20	20	20	20	20
Tax expense	THB	(133,200)	(129,700)	(126,200)	(120,950)	(114,533)
Net profit	THB	532,800	518,800	504,800	483,800	458,133
Net margin	%	29.6	28.8	28.0	26.9	25.5
Cash flows	THB	604,800	600,800	596,800	590,800	583,467
Payback period	year	1.79	2.05	2.31	2.72	3.22

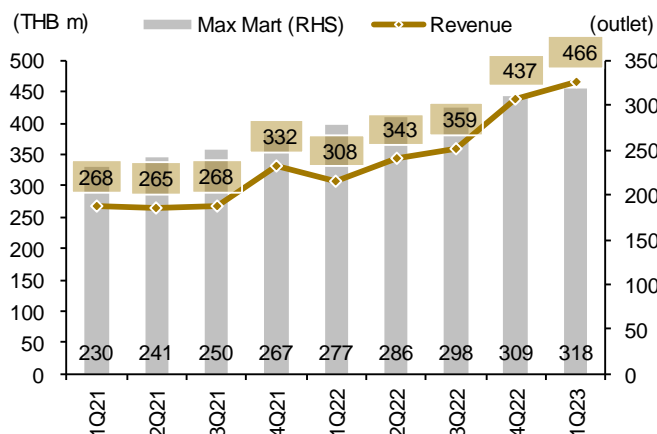
Sources: PTG, Beyond Research

For PTG, with 3% of royalty fee and 3% of marketing fee charged on the monthly revenue, we estimate that PTG would earn THB9,000 monthly fee on each outlet by the franchisee.

Assume that PTG's target of 60% of total 1,500 Pun Thai's outlets as franchise model, we estimate that PTG would earn THB97.2m total revenue from the royalty fee and marketing fee on 900 franchise outlets.

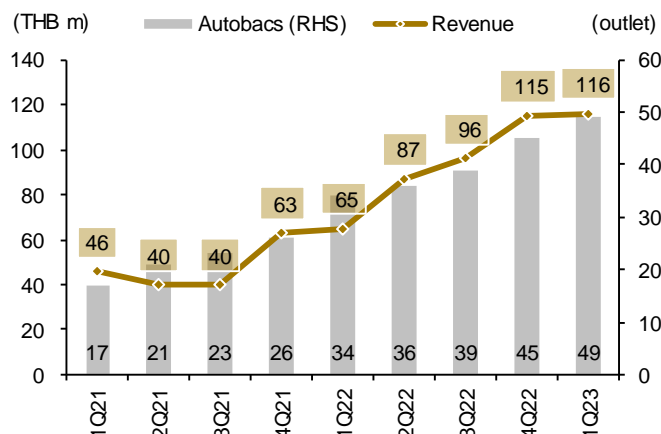
Up to THB0.2b net profit from 900 Pun Thai's franchise outlets. Coupled with the one-time franchise entry fee of THB150,000 per outlet to bring additional THB135m EBT to PTG, and with almost zero costs associated with the fees, we think PTG would earn additional THB0.2b additional net profits annually from the 900 franchise Pun Thai outlets by the end of 2024.

Exhibit 18: Max mart revenue and number of outlet



Sources: PTG

Exhibit 19: Auto bacs revenue and number of outlet



Sources: PTG

Autobacs. PTG bought the Autobacs franchise from Autobacs Seven, a Japanese auto service chain with the largest market share in Japan. Autobacs provides car maintenance services, inspection and car care. PTG has since expanded the number of outlets of Autobacs to 49 stores as of 1Q23 and is aimed to further expand to 100 by the end of 2024. This potentially adds additional THB50-100m annually to PTG, based on our estimate.

Max Mart. PTG operates 318 stores with its own brand CVS under named "Max Mart", located mostly inside PT's station nationwide as of 1Q23, offering products from food and drinks to dried foods and other items for customers' convenience.

While CVS is a capital-intensive business due to the high inventory requirements for dried products and fresh food, PTG believes that CVS is an essential non-oil business to strategically boost and sustain oil sales volumes amid the highly-competitive market. According to management, PTG's CVS will reach the breakeven point with sales of THB15,000-16,000 per day per branch.

A new crown jewel from LPG business

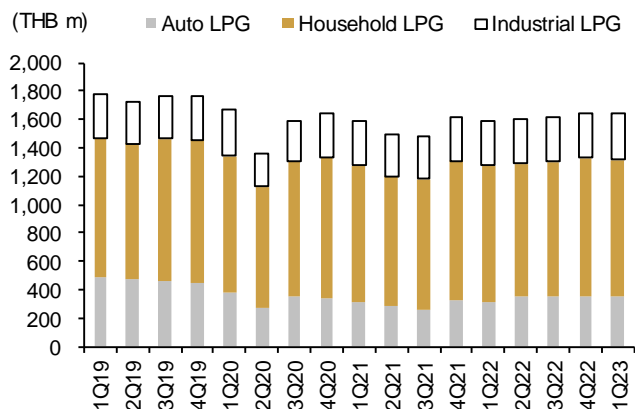
Given the structural decline in LPG demand for the automotive and industrial sectors since 2019, replaced by Natural Gas for Vehicle (NGV) and other fuels such as liquefied natural gas (LNG) and biofuels (gasohol and biodiesel) for transportation, PTG plans to expand its earnings from the household LPG, leveraging on its extensive network of LPG stations nationwide.

Household segment: The LPG demand growth for household LPG normally follows the GDP growth as it is used for household consumption. In 2022, household segment account for 59% of the total LPG demand in Thailand and is projected to grow organically at 2-3% p.a. based on historical records.

Automotive segment: In 2022, the automotive segment account for 21% of the total LPG demand in Thailand, but has since decreased to only 19% in 2021 due mainly to the lower price competitiveness of LPG compared to other alternative fuels. PTG has no plan to grow its auto LPG sales volume but only to maintain at the current level.

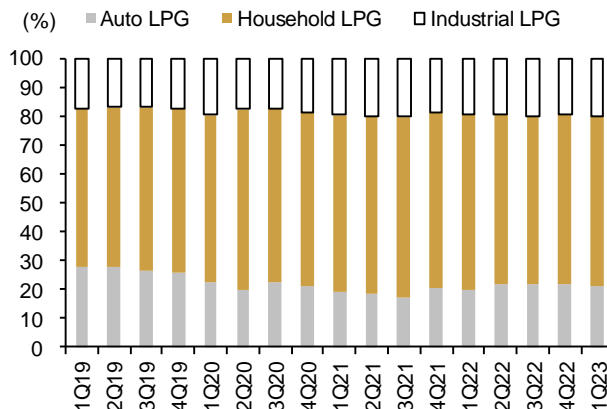
Industrial segment: LPG consumption for the industrial segment has been mostly for industrial users for ceramics and other businesses that require a highly stable heat rate for their production processes. However, the demand for the industrial segment has been relatively steady given the weak price competitiveness. In 2022, industrial segment account for 20% of the total LPG demand in Thailand.

Exhibit 20: Thailand LPG consumption



Sources: PTG

Exhibit 21: Thailand LPG consumption (%)

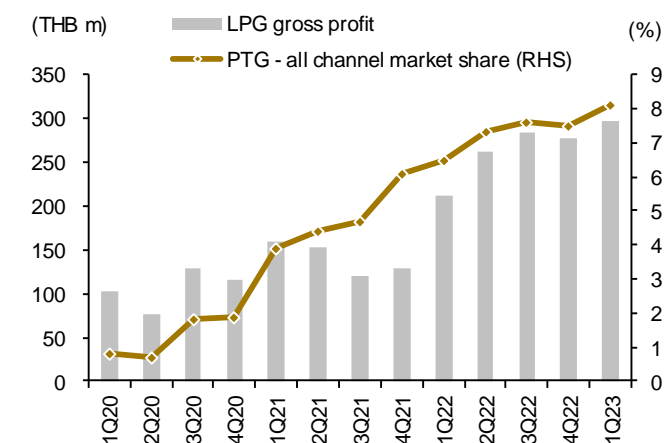


Sources: PTG

While we believe the decline in Thailand's overall LPG demand, led by the transportation segment, should continue in 2023 onward, we think that marginal organic demand growth for household gas, supply sales (hospitality industry and department stores), and the industrial segment, should offset the demand drop for the automotive segment.

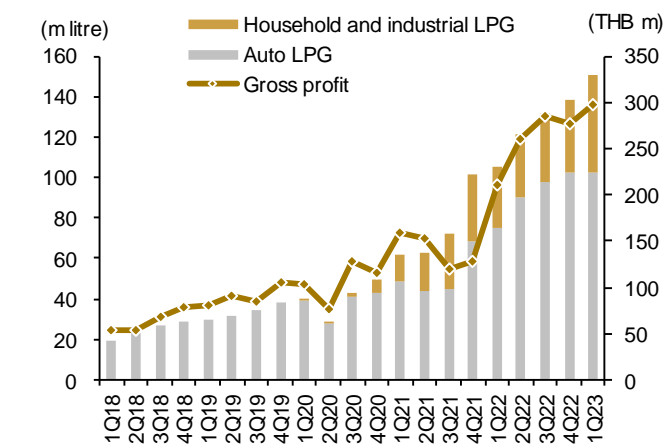
LPG's business under PTG group was first introduced in 2015 with 32 stations under the name "Atlas Energy (ATL)". Most stations are stand-alone LPG stations or mixed LPG/oil stations called "Mixed LPG". PTG believes LPG is a strategic fit for PTG's oil station business, since 1) LPG's marketing margin of THB2/litre is more stable and higher than PTG's average oil marketing margin of THB1.8/litre; and 2) optimize its oil station by adding LPG service, emphasizing its one-stop service value proposition to clients.

Exhibit 22: LPG gross profit vs PTG's all channel market share



Sources: PTG

Exhibit 23: LPG sales volume vs LPG gross profit

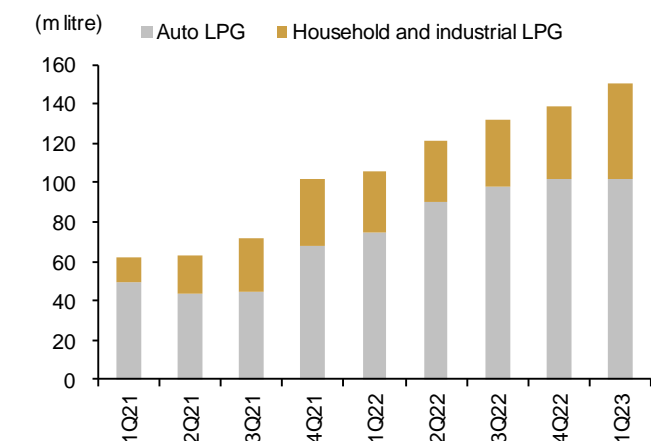


Sources: PTG

We believe LPG will be one of PTG's key growth drivers, diversifying its energy portfolio. Since LPG customers consume LPG not only as a fuel, mostly for taxi transportation, but also as a household gas, which accounts for a large market share of over 50% of the LPG industry in Thailand, we think PTG's strategy to grow its presence in household segments should drive up its overall LPG sales volumes in 2023-25.

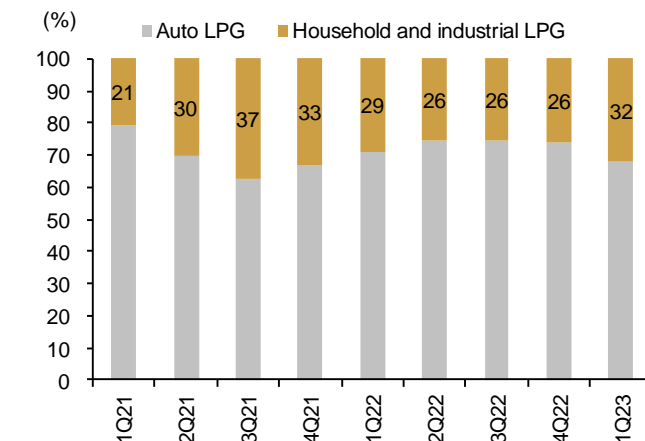
PTG grow its LPG sales volume from 4m litre (ml) in 1Q16 to 151ml in 1Q23, comprising 102ml from the automotive segment and 49ml from the household and industrial sector.

Exhibit 24: LPG's sales volume breakdown by sector



Sources: PTG

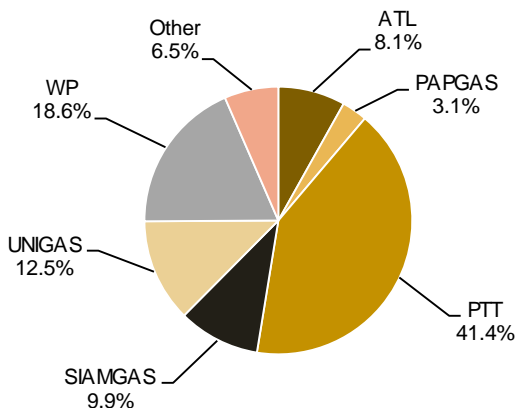
Exhibit 25: LPG's sales volume breakdown by sector (%)



Sources: PTG

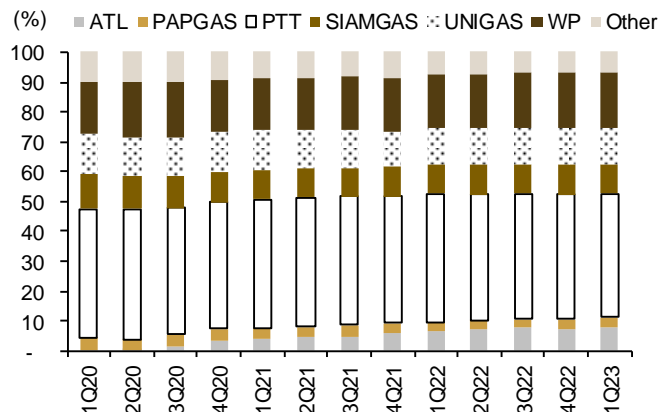
On a medium- to long-term, PTG plans to grow its LPG business via its household gas segment. Starting in Mar-20, PTG aims to expand its LPG household gas sales to achieve the second largest market share of the LPG all channel market shares by 2028.

Exhibit 26: All channel market share as of 1Q23



Sources: PTG

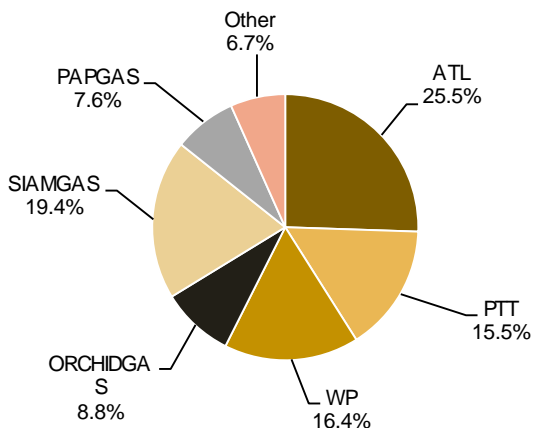
Exhibit 27: All channel market share



Sources: PTG

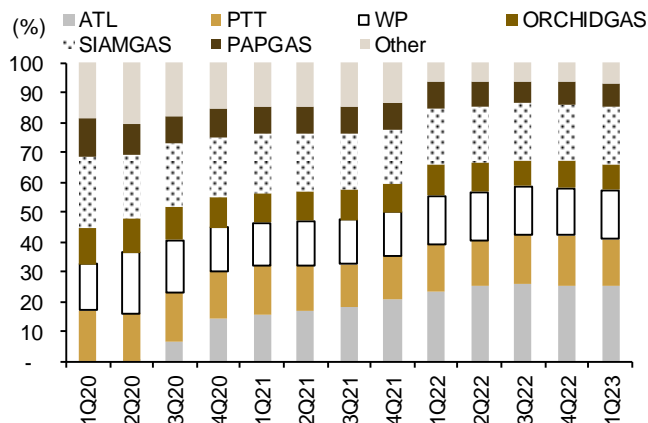
PTG has successfully grown its market share for household LPG from a mere 0.2% in 2015 to 2.7% in 1Q23, still far lower than Siam Gas (SGP TB, not rated), the second largest player in the household LPG segment. With a relatively stable marketing margin of THB2.0/liter, we estimate that PTG should see incremental revenue from the higher market share of household LPG at 10%, PTG's target to be equal to SGP, of THB400m annually (THB2.0/litre and 200m liters sales volume p.a.).

Exhibit 28: Retail channel market share as of 1Q23



Sources: PTG

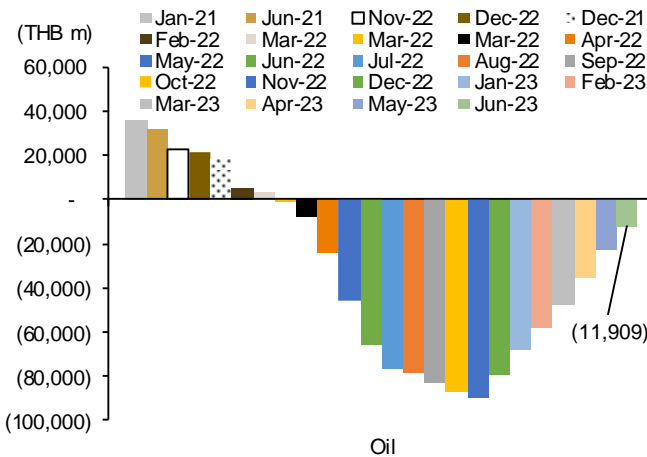
Exhibit 29: Retail channel market share



Sources: PTG

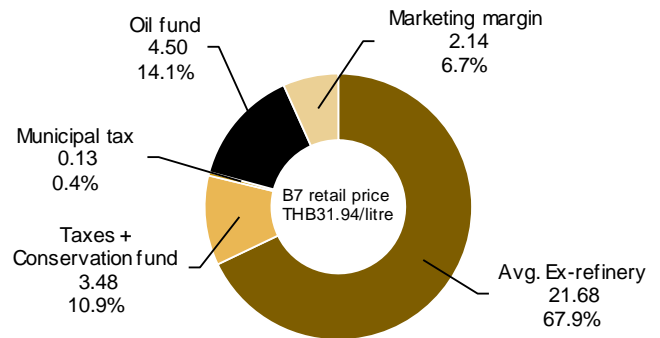
The dynamics between marketing margins of retail oils and LPG. Via the oil fund, Thai government has long managed the prices of gasoline and diesel sold at retail oil stations and LPG for household and automotive segments. Normally, the oil fund levied on each liter of gasoline and diesel sold will be used to subsidize the prices of household and automotive LPG. However, since 2022 the oil fund balance turned negative as the oil fund levies dropped sharply on gasoline and diesel due to effectively cut the selling prices of gasoline and diesel.

Exhibit 30: Estimated Oil fuel fund status



Sources: Oil Fuel Fund Office (OFFO)

Exhibit 31: Retail price structure of B7 biodiesel as of 30 Jun 23

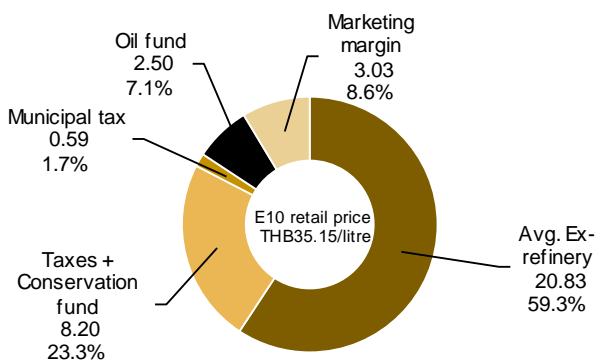


Sources: Energy Policy and Planning Office (EPPO)

We believe PTG's growth strategy to grow its market share in the household LPG is sound and achievable given PTG's already extensive footprints of LPG and oil stations nationwide to make it possible for PTG to offer a convenient pick-up locations and competitive price offering to the intensive users of cooking gas LPG, mostly in the Hotels, Restaurants, and Catering (HoReCa) segments.

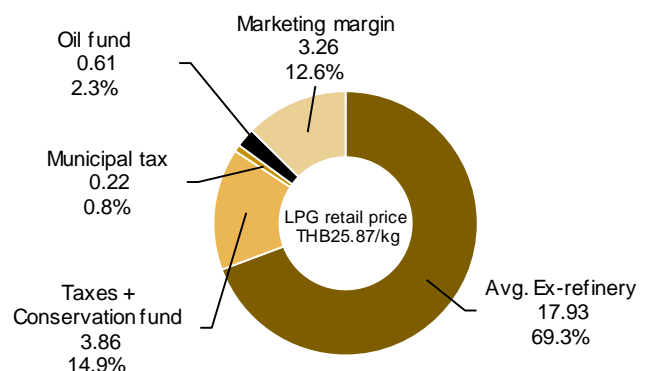
In addition, the subsidies for the household and automotive LPG are likely to continued given the mandate by the government to lower the cost of living for public in the forms of low-price household LPG and automotive LPG for taxis. These subsidies should help PTG penetrate and increase its market share in household LPG at a faster and easier paces than without the government's subsidies, in our view.

Exhibit 32: Retail price structure of E10 gasohol as of 30 Jun 23



Sources: EPPO

Exhibit 33: Retail price structure of LPG as of 30 Jun 23



Sources: EPPO

Initiated with a BUY at TP of THB14.0

We initiate coverage on PTG with a BUY rating and TP of THB14.0, based on a SoTP valuation, comprising 1) THB11.6 for its oil station business based on 17.3x 2023E P/E, the industry average; 2) THB1.9 for its non-oil businesses – CVS, F&B, and auto-related services and 3) THB0.5 for its 40% stake in the biodiesel business via its 0.5mlpd methyl ester plant.

We think PTG's valuations are justified by its solid low-cost structure of oil stations, visible growth outlook for Pun Thai and LPG, and the margin expansion on the back of rising earnings from Pun Thai and the household LPG.

Exhibit 34: SOTP target price

PTG valuation	(THB m)	(THB/shr)	Comments
Oil station	19,327	11.6	At 17.3x FY23E P/E
Non-oil	3,135	1.9	At 20x FY23E P/E
Biodiesel	740	0.5	At 12x FY23E P/E
Total value	23,203	14.0	

Sources: Beyond Research

Exhibit 35: Peers comparison

BBG	Rec	Share	Target	Upside	Market	3Y EPS	----- PE -----		----- ROE -----		----- PBV -----		--- EV/EBITDA ---	
		Price	price		Cap	CAGR	23E	24E	23E	24E	23E	24E	23E	24E
		(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
THAILAND														
OR TB	NR	20.90	n/a	n/a	7,113	10.4	20.0	18.2	11.4	11.5	2.3	2.1	11.4	10.6
PTG TB	BUY	11.70	14	20	554	18.4	17.7	15.9	13.2	13.4	2.2	2.0	12.3	11.4
ESSO TB	NR	8.80	n/a	n/a	864	(17.0)	6.5	5.8	17.1	16.3	1.1	0.9	6.5	6.0
BCP TB	NR	36.50	n/a	n/a	1,493	(16.1)	6.3	6.7	11.1	9.7	0.7	0.6	3.6	3.8
SUSCO TB	NR	3.40	n/a	n/a	96	0.3	9.4	8.5	10.0	10.7	0.9	0.9	5.0	4.6
WP TB	NR	4.20	n/a	n/a	61	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SGP TB	NR	8.25	n/a	n/a	430	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Thailand avg					10,612	1.9	15.8	14.5	11.4	11.2	1.8	1.7	9.4	8.8
MALAYSIA														
PETD MK	NR	21.84	n/a	n/a	4,656	10.7	23.4	22.4	16.4	16.8	3.7	3.7	11.8	11.3
Malaysia avg					4,656	10.7	23.4	22.4	16.4	16.8	3.7	3.7	11.8	11.3
Average (all)					15,268	4.6	18.2	16.9	12.9	12.9	2.4	2.3	10.1	9.5

Sources: Bloomberg, Beyond Research
Price as of 6 July 2023

Balance sheet (THB m)					
Year ending Dec	2021	2022	2023E	2024E	2025E
Current assets					
Cash & ST investment	1,701	2,071	6,062	9,757	13,759
Account receivable	722	899	1,088	1,296	1,523
Inventories	2,239	2,154	2,311	2,536	2,783
Others	196	0	0	0	0
Non-current assets					
Net fixed assets	11,505	12,356	11,150	9,441	7,235
Others	28,020	27,654	27,654	27,654	27,654
Total Assets	44,384	45,135	48,265	50,683	52,954
Current liabilities					
Account payable	6,000	6,961	9,171	10,063	11,042
ST borrowing	6,354	6,427	6,427	6,619	6,752
Others	96	211	225	247	271
Long-term liabilities					
Long-term debts	3,821	3,066	3,000	3,500	3,500
Others	19,914	20,195	20,395	20,395	20,395
Total liabilities	36,184	36,860	39,218	40,824	41,960
Paï-up capital	1,670	1,670	1,670	1,670	1,670
Retained earnings	5,260	5,441	6,213	7,026	8,160
Others	1,165	1,040	1,040	1,040	1,040
Minority interest	105	124	124	124	124
Shareholders' equity	8,200	8,275	9,047	9,859	10,994

Key ratios					
Year ending Dec	2021	2022	2023E	2024E	2025E
Growth (y-y%)					
Sales	28.0	34.1	6.5	9.6	9.7
Operating profit	(13.6)	11.6	(0.8)	7.4	9.6
EBITDA	(31.8)	21.1	(2.9)	10.6	19.3
Net profit	(46.9)	(7.2)	18.4	11.3	26.2
Core net profit	(45.8)	(4.8)	17.9	11.0	25.7
EPS	(46.9)	(7.2)	18.4	11.3	26.2
Core EPS	(45.8)	(4.8)	17.9	11.0	25.7
Profitability (%)					
Gross margin	9.9	8.6	7.9	7.9	7.9
Operation margin	3.8	3.1	2.9	2.9	2.9
EBITDA margin	1.5	1.4	1.2	1.2	1.4
Net margin	0.8	0.5	0.6	0.6	0.7
ROE	12.6	11.8	13.2	13.4	15.3
ROA	4.2	3.9	4.0	4.1	2.3
Stability					
Interest bearing debt/equity (x)	1.2	1.1	1.0	1.0	0.9
Net debt/equity (x)	1.0	0.9	0.4	0.0	n.a.
Interest coverage (x)	2.1	2.2	2.4	2.5	2.7
Interest & ST debt coverage (x)	0.3	0.3	0.3	0.4	0.4
Cash flow interest coverage (x)	0.2	0.1	0.2	0.1	0.1
Current ratio (x)	0.4	0.4	0.6	0.8	1.0
Quick ratio (x)	0.2	0.2	0.5	0.7	0.8
Net debt (THB m)	8,474	7,421	3,365	363	(3,507)
Activity					
Asset turnover (X)	3.1	4.0	4.1	4.2	4.4
Days receivables	0.0	0.0	0.0	0.0	0.0
Days inventory	6.5	4.9	4.6	4.6	4.6
Days payable	0.0	0.0	0.0	0.0	0.0
Cash cycle days	6.5	4.9	4.6	4.6	4.6

Profit & loss (THB m)					
Year ending Dec	2021	2022	2023E	2024E	2025E
Revenue	133,908	179,613	191,332	209,795	230,207
Cost of goods sold	(120,598)	(164,223)	(176,185)	(193,312)	(212,131)
Gross profit	13,311	15,390	15,147	16,482	18,076
Operating expenses	(8,271)	(9,765)	(9,567)	(10,490)	(11,510)
Operating profit	5,040	5,625	5,580	5,992	6,565
EBIT	2,395	2,461	2,539	2,794	3,303
Depreciation	(3,029)	(3,191)	(3,217)	(3,378)	(3,446)
EBITDA	2,011	2,434	2,363	2,614	3,120
Non-operating income	180	173	176	180	183
Other incomes	180	173	176	180	183
Other non-op income	0	0	0	0	0
Non-operating expense	(1,118)	(1,092)	(1,047)	(1,137)	(1,220)
Interest expense	(1,118)	(1,123)	(1,047)	(1,137)	(1,220)
Other non-op expense	0	31	0	0	0
Equity income/(loss)	205	(177)	0	0	0
Pre-tax Profit	1,277	1,338	1,493	1,657	2,083
Extraordinary items	0	(24)	(24)	(24)	(24)
Current taxation	(261)	(361)	(363)	(403)	(507)
Minorities	(10)	(19)	0	0	0
Net Profit	1,006	934	1,106	1,230	1,552
Core net profit	1,006	958	1,129	1,254	1,576
EPS (THB)	0.60	0.56	0.66	0.74	0.93
Core EPS (THB)	0.60	0.57	0.68	0.75	0.94

Cash flow (THB m)					
Year ending Dec	2021	2022	2023E	2024E	2025E
Operating cash flow	5,915	5,479	6,377	5,269	5,710
Net profit	1,006	934	1,106	1,230	1,552
Depre. & amortization	3,029	3,191	3,217	3,378	3,446
Change in working capital	1,699	1,181	1,878	481	529
Others	180	173	176	180	183
Investment cash flow	(3,774)	(3,891)	(1,809)	(1,468)	(1,064)
Net CAPEX	(1,007)	(1,176)	(1,366)	(1,551)	(1,735)
Change in LT investment	(2,767)	(2,715)	(442)	83	670
Change in other assets	0	0	0	0	0
Free cash flow	2,141	1,588	4,568	3,802	4,646
Financing cash flow	(1,381)	(1,218)	(578)	(106)	(644)
Change in share capital	0	0	0	0	0
Net change in debt	(437)	(683)	(66)	693	132
Dividend paid	(835)	(418)	(334)	(418)	(418)
Others	(109)	(118)	(178)	(382)	(358)
Net cash flow	760	370	3,990	3,695	4,003
Per share (THB)					
EPS	0.60	0.56	0.66	0.74	0.93
Core EPS	0.60	0.57	0.68	0.75	0.94
CFPS	2.42	2.50	2.60	2.77	3.01
BVPS	4.85	4.88	5.34	5.83	6.51
Sales/share	80.18	107.55	114.57	125.63	137.85
EBITDA/share	1.20	1.46	1.42	1.57	1.87
DPS	0.25	0.20	0.25	0.25	0.25
Valuation					
P/E (x)	25.06	25.92	17.67	15.88	12.59
P/BV (x)	3.12	2.97	2.19	2.01	1.80
Dividend yield (%)	1.66	1.38	2.14	2.14	2.14
Dividend payout ratio (%)	41.49	35.76	37.76	33.94	26.90

Source: SET, Beyond Research

GENERAL DISCLAIMER

Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Beyond Securities Public Company Limited

The individual(s) identified above certify(ies) that all views expressed in this research report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein. This report has been prepared by Beyond Securities Public Company Limited ("BYD"). The information herein has been obtained from sources believed to be reliable and accurate; however, BYD makes no representation as to the accuracy and completeness of such information. The information and expressions of opinion contained herein are subject to change without notice. BYD has no intention to solicit investors to buy or sell any security in this report. In addition, BYD does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved. This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of BYD. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.

HOLD: Expected return between -10% and 10% over the next 12 months.

REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause

temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.

Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.

Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market

recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Corporate Governance Report Rating (CG Score) (As of 27 October 2022)



AAV	BAFS	CHEWA	EA	GULF	KGI	MOONG	PLANB	S&J	SIRI	TACC	TPBI	WACOAL
ADVANC	BAM	CHO	EASTW	GUNKUL	KKP	MSC	PLANET	SAAM	SIS	TASCO	TQM	WAVE
AF	BANPU	CIMBT	ECF	HANA	KSL	MST	PLAT	SABINA	SITHAI	TCAP	TRC	WHA
AH	BAY	CK	ECL	HARN	KTB	MTC	PORT	SAMART	SMPC	TEAMG	TRUE	WHAUP
AIRA	BBIK	CKP	EE	HENG	KTC	MVP	PPS	SAMTEL	SNC	TFMAMA	TSC	WICE
AJ	BBL	CM	EGCO	HMPRO	LALIN	NCL	PR9	SAT	SONIC	THANA	TSR	WINNER
AKP	BCP	CNT	EPG	ICC	LANNA	NEP	PREB	SC	SORKON	THANI	TSTE	XPG
AKR	BCPG	COLOR	ETC	ICHI	LHFG	NER	PRG	SCB	SPALI	THCOM	TSTH	ZEN
ALLA	BDMS	COM7	ETE	III	LIT	NKI	PRM	SCC	SPI	THG	TTA	
ALT	BEM	COMAN	FN	ILINK	LOXLEY	NOBLE	PSH	SCCC	SPRC	THIP	TTB	
AMA	BEYOND	COTTO	FNS	ILM	LPN	NSI	PSL	SCG	SPVI	THRE	TTCL	
AMARIN	BGC	CPALL	FPI	IND	LRH	NVD	PTG	SCGP	SSC	THREL	TTW	
AMATA	BGRIM	CPF	FPT	INTUCH	LST	NYT	PTT	SCM	SSSC	TIPCO	TU	
AMATAV	BIZ	CPI	FSMART	IP	MACO	OISHI	PTTEP	SCN	SST	TISCO	TVDH	
ANAN	BKI	CPN	FVC	IRC	MAJOR	OR	PTTGC	SDC	STA	TK	TVI	
AOT	BOL	CRC	GC	IRPC	MAKRO	ORI	PYLON	SEAFECO	STEC	TKN	TVO	
AP	BPP	CSS	GEL	ITEL	MALEE	OSP	Q-CON	SEAQIL	STGT	TKS	TWPC	
APURE	BRR	DDD	GFPT	IVL	MBK	OTO	QH	SE-ED	STI	TKT	UAC	
ARIP	BTS	DELTA	GGC	JTS	MC	PAP	QTC	SELIC	SUN	TMILL	UBIS	
ASP	BTW	DEMCO	GLAND	JWD	MCOT	PCSGH	RABBIT	SENA	SUSCO	TMT	UPOIC	
ASW	BWG	DOHOME	GLOBAL	K	METCO	PDG	RATCH	SENAJ	SUTHA	TNDT	UV	
AUCT	CENTEL	DRT	GLOBI	KBANK	MFEC	PDJ	RBF	SGF	SVI	TNITY	VCOM	
AWC	CFRESH	DTAC	GPSC	KCE	MINT	PG	RS	SHR	SYMC	TOA	VGI	
AYUD	CGH	DUSIT	GRAMMY	KEX	MONO	PHOL	S	SICT	SYNTEC	TOP	VIH	



ZS	ASIAN	CHAYO	EASON	IMH	KWC	NETBAY	PPP	SABUY	SMD	TCMC	TQR	WORK
ZUP	ASIMAR	CHG	EFORL	INET	KWM	NEX	PPPM	SAK	SMIT	TFG	TRITN	WP
ABM	ASK	CHOTI	ERW	INGRS	L&E	NINE	PRAPAT	SALEE	SMT	TFI	TRT	XO
ACE	ASN	CHOW	ESSO	INSET	LDC	NNCL	PRECHA	SAMCO	SNNP	TFM	TRU	YUASA
ACG	ATP30	CI	ESTAR	INSURE	LEO	NOVA	PRIME	SANKO	SNP	TGH	TRV	ZIGA
ADB	B	CIG	FE	IRCP	LH	NPK	PRIN	SAPPE	SO	TIDLOR	TSE	
ADD	BA	CITY	FLOYD	IT	LHK	NRF	PRINC	SAWAD	SPA	TIGER	TVT	
AEONTS	BC	CIVIL	FORTH	ITD	M	NTV	PROEN	SCAP	SPC	TIPH	TWIP	
AGE	BCH	CMC	FSS	J	MATCH	NUSA	PROS	SCI	SPCG	TITLE	UBE	
AHC	BE8	CPL	FTE	JAS	MBAX	NWR	PROUD	SCP	SR	TM	UEC	
AIE	BE6	CPW	GBX	JCK	MEGA	OCC	PSG	SE	SRICHA	TMC	UKEM	
AIT	BH	CRANE	GCAP	JCKH	META	OGC	PSTC	SECURE	SSF	TMD	UMI	
ALUCON	BIG	CRD	GENCO	JMT	MFC	ONEE	PT	SFLEX	SSP	TMI	UOBKH	
AMANAH	BIC	CSC	GJS	JR	MGT	PACO	PTC	SFP	STANLY	TNL	UP	
AMR	BIJCHI	CSP	GTB	KBS	MICRO	PATO	QLT	SFT	STC	TNP	UPF	
APCO	BLA	CV	GYT	KCAR	MILL	PB	RCL	SGP	STPI	TNR	UTP	
APCS	BR	CWT	HEMP	KGEN	MTSIB	PICO	RICHY	SIAM	SUC	TOG	VIBHA	
AQUA	BRI	DCC	HPT	KIAT	MK	PIMO	RUH	SINGER	SVOA	TPA	VL	
ARIN	BROOK	DHOUSE	HTC	KISS	MODERN	PIN	ROJINA	SKE	SVT	TPAC	VPO	
ARROW	BSM	DITTO	HUMAN	KK	MTI	PJW	RPC	SKN	SWC	TPCS	VRANDA	
AS	BYD	DMT	HYDRO	KOOL	NATION	PL	RT	SKR	SYNEX	TIPLI	WGE	
ASAP	CBG	DOD	ICN	KTIS	NCAP	PLE	RWI	SKY	TAE	TIPIP	WIJK	
ASEFA	CEN	DPAINT	IFS	KUMWEL	NCH	PM	S11	SLP	TAKUNI	TPLAS	WIN	
ASIA	CHARAN	DV8	IIG	KUN	NDR	PMTA	SA	SMART	TCC	TPS	WINMED	



A	CPT	KASET	PPM	THMUI
AS	CSR	KCM	PRAKIT	TKC
AI	CTW	KWI	PTECH	TNH
ALL	D	KYE	PTL	TNPP
ALPHAX	DCON	LEE	RAM	TOPP
AMC	EKH	LPH	ROCK	TPCH
APP	EMC	MATI	RP	TPOLY
AQ	EP	M-CHAI	RPH	TRUBB
AU	EVER	MCS	RSP	TTI
BS2	F&D	MDX	SIMAT	TYCN
BEAUTY	FMT	MENA	SISB	UMS
BGT	GIFT	MID	SK	UNIQ
BLAND	GLOCON	MORE	SOLAR	UPA
BM	GLORY	MPIC	SPACK	UREKA
BROCK	GREEN	MUD	SPG	VARO
BSBM	GSC	NC	SQ	W
BTNC	HL	NEWS	STARK	WFX
CAZ	HTECH	NFC	STECH	WPH
CCP	IHL	NSL	SUPER	YGG
CGD	INOX	NV	TC	
CMAN	JAK	PAF	TCCC	
CMO	JMART	PEACE	TCJ	
CMR	JSP	PF	TEAM	
CPANEL	JUBILE	PK	THE	

Corporate Governance Report (CGR)

The disclosure of survey results of the Thai Institute of Directors Association (IOD) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The IOD survey is based on the information of a company listed on the Stock Exchange of Thailand and Market for Alternative Investment (MAI) public and able to be accessed by a general public investor. The result, therefore, is from the perspective of third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. Beyond Securities Public Company Limited does not confirm nor certify the accuracy of such survey result.

Score of Range	Number of Logo	Description
90-100	★★★★★	Excellent
80-89	★★★★	Very Good
70-79	★★★	Good
60-69	★★	Satisfactory
50-59	★	Pass
Below 50	No logo given	N/A

Anti-Corruption Progress Indicator (As of 7 July 2022)

CAC Certification

2S	BCH	COM7	FPT	INET	LPN	NSI	PROS	SCG	SSSC
7UP	BCP	COTTO	FSMART	INSURE	LRH	NWR	PSH	SCGP	SST
ADVANC	BCPG	CPALL	FSS	INTUCH	M	OCC	PSL	SCM	STA
AF	BE8	CPF	FTE	IRC	MAJOR	OGC	PSTC	SCN	STGT
AI	BEC	CPI	GBX	IRPC	MAKRO	ORI	PT	SEAOIL	STOWER
AIE	BEYOND	CPL	GC	ITEL	MALEE	PAP	PTG	SE-ED	SUSCO
AIRA	BGC	CPN	GCAP	IVL	MATCH	PATO	PTT	SELIC	SVI
AJ	BGRIM	CRC	GEL	JKN	MBAX	PB	PTTEP	SENA	SYMC
AKP	BKI	CSC	GFPT	JR	MBK	PCSGH	PTTGC	SGP	SYNTEC
AMA	BLA	DCC	GGC	K	MC	PDG	PYLON	SINGER	TAE
AMANAH	BPP	DELTA	GJS	KASET	MCOT	PDJ	Q-CON	SIRI	TAKUNI
AMATA	BROOK	DEMCO	GPI	KBANK	META	PG	QH	SITHAI	TASCO
AMATAV	BRR	DIMET	GPSC	KBS	MFC	PHOL	QLT	SKR	TCAP
AP	BSBM	DRT	GSTEEL	KCAR	MFE	PK	QTC	SMIT	TCMC
APCS	BTS	DTAC	GULF	KCE	MILL	PL	RABBIT	SMK	TFG
AS	BWG	DUSIT	GUNKUL	KGEN	MINT	PLANB	RATCH	SMPC	TFI
ASIAN	CEN	EA	HANA	KGI	MONO	PLANET	RML	SNC	TFMAMA
ASK	CENTEL	EASTW	HARN	KKP	MOONG	PLAT	RWI	SNP	TGH
ASP	CFRESH	EGCO	HEMP	KSL	MSC	PM	S&J	SORKON	THANI
AWC	CGH	EP	HENG	KTG	MST	PPP	SAAM	SPACK	THCOM
AYUD	CHEWA	EPG	HMPRO	KTC	MTC	PPPM	SABINA	SPALI	THIP
B	CHOTI	ERW	HTC	KWI	MTI	PPS	SAPPE	SPC	THRE
BAFS	CHOW	ESTAR	ICC	L&E	NEP	PR9	SAT	SPI	THREL
BAM	CIG	ETE	ICHI	LANNA	NINE	PREB	SC	SPRC	TIDLOR
BANPU	CIMBT	FE	IFS	LH	NKI	PRG	SCB	SRICHA	TIPCO
BAY	CM	FNS	III	LHFG	NOBLE	PRINC	SCC	SSF	TISCO
BBL	CMC	FPI	ILINK	LHK	NOK	PRM	SCCC	SSP	TKS

Announced to joint CAC

AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM

Anti-Corruption Progress Indicator

The disclosure of the Anti – Corruption Progress indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based in any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, Beyond Securities Public Company Limited neither confirm, verifies, nor certifies the accuracy and completeness of the assessment result.