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KEY HIGHLIGHTS

Results

Amata Corporation (AMATA TB/BUY/Bt23.30/Target: Bt30.00) Page 2

3Q23: Earnings below estimates; remain positive on outlook ahead.

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2QFY24: Turnaround in profit from associates and one-off items, still lower than expected.

Electricity Generating (EGCO TB/BUY/Bt127.00/Target: Bt200.00) Page 8

3Q23: A strong quarter as expected.

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3Q23: Better growth profile at discounted valuation.

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3Q23: Results in line with expectations.

Supalai (SPALI TB/BUY/Bt17.90/Target: Bt24.20) Page 17

3Q23: Disappointing earnings, but expected to recover in 4Q23.

The Erawan Group (ERW TB/BUY/Bt5.15/Target: Bt6.50) Page 20

3Q23: Despite incurring expenses for new hotel, earnings continued to improve qoq.

The One Enterprise Public Company (ONEE TB/BUY/Bt3.84/Target: Bt6.20) Page 23

3Q23: Impressive results as expected.

Update

Charoen Pokphand Foods (CPF TB/BUY/Bt18.20/Target: Bt23.00) Page 26

Earnings to slightly improve qoq in 4Q23.

SVI (SVI TB/HOLD/Bt7.10/Target: Bt7.20) Page 29

Gloomy outlook persists in 4Q23 and ahead to 1H24.

KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,386.04	(1.09)	(0.08)
SET50	860.71	(0.68)	(0.08)
Value (Btm) - SET	44,736		
Top 5 Sector			
BANK	373.36	0.04	0.01
PETRO	691.70	(9.56)	(1.36)
PROP	221.46	(1.76)	(0.79)
ENERG	20,355.62	131.63	0.65
ICT	149.90	(1.13)	(0.75)

Source: Bloomberg

TOP VOLUME

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
PTT	33.75	1.50	1,576.6
HANA	44.25	(13.24)	907.9
BBL	152.50	(0.97)	1,434.7
BDMS	25.75	1.98	1,673.9
COM7	22.10	1.38	1,464.0

TOP GAINERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
NEWS	0.02	100.00	0.2
JCKH	0.03	50.00	0.0
TWZ	0.05	25.00	0.1
TMW	45.50	14.47	1.3
S&J	56.75	11.27	0.2

TOP LOSERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
JKN	0.25	(32.43)	51.4
KCG	9.15	(16.82)	80.9
NCL	0.90	(13.46)	11.6
HANA	44.25	(13.24)	907.9
AJA	0.15	(11.76)	0.6

*ADT: Average daily turnover

KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	82.5	(7.7)	(2.3)	1.6
Dubai crude*	84.1	(6.7)	(4.6)	7.0
Baltic Dry Index	1,655.0	(14.9)	41.9	9.2
Gold Spot***	1,962.4	1.5	3.2	7.6

*(US\$/bbl), *** (US\$/toz)

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
0.1	(265.9)	(5,223.3)	(10,149.6)

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 35.52

Interest Rate (%) - TH 1-day RP = 1.50

Thai Lending Rate (%) - MLR = 7.10

COMPANY RESULTS

Amata Corporation (AMATA TB)

3Q23: Earnings Below Estimates; Remain Positive On Outlook Ahead

AMATA posted 3Q23 net profit of Bt396m (+12% yoy, +27% qoq), coming in around 10% below our and consensus estimates. The key earnings miss was due to a loss on exchange. Stripping out non-core items, core profit exceeded our forecast by 10% due to higher-than-expected revenue and lower-than-expected SG&A-to-sales. We remain positive on AMATA's outlook. Maintain BUY. Target price: Bt30.00.

3Q23 RESULTS

Year to 31 Dec (Btm)	3Q23	3Q22	2Q23	yoy chg (%)	qoq chg (%)
Net turnover	2,839	1,584	1,414	79.2	100.8
Gross profit	969	678	483	42.9	100.7
EBIT	669	453	209	47.9	220.2
EBITDA	786	559	321	40.7	145.2
Net profit	396	353	313	12.2	26.5
EPS (Bt)	0.37	0.33	0.29	12.2	26.5
Core profit	498	62	266	699.7	87.0
Ratio (%)			yoy chg (%)		qoq chg (%)
Gross margin	34.1	42.8	34.1	(8.7)	(0.0)
SG&A as % sales	10.6	14.2	19.4	(3.7)	(8.8)
Net profit margin	14.0	22.3	22.2	(8.3)	(8.2)

Source: Amata Corporation, UOB Kay Hian

RESULTS

- **Net income missed our and consensus' estimates.** Amata Corporation (AMATA) delivered 3Q23 net profit of Bt396m (+12% yoy, +27% qoq), coming in 10% below our and consensus' estimates. The key earnings miss was due to loss on exchange. Stripping out non-core items, core profit came in above our forecast by 10% due to higher-than-expected revenue and lower-than-expected SG&A-to-sales.
- **Earnings improved yoy and qoq.** Earnings increased yoy due to skyrocketing revenues, higher gross margin and lower SG&A-to-sales. Earnings grew qoq due to stronger revenue and lower SG&A-to-sales.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	5,097	6,502	8,840	9,114	9,895
EBITDA	1,898	2,511	3,416	3,886	4,498
Operating profit	1,496	2,123	3,090	3,551	4,154
Net profit (rep./act.)	1,402	2,341	2,284	2,738	3,149
Net profit (adj.)	1,402	2,341	2,284	2,738	3,149
EPS (Bt)	1.3	2.2	2.1	2.6	3.0
PE (x)	17.7	10.6	10.9	9.1	7.9
P/B (x)	1.4	1.3	1.2	1.1	1.1
EV/EBITDA (x)	24.3	18.4	13.5	11.9	10.2
Dividend yield (%)	1.3	1.0	3.6	5.1	6.8
Net margin (%)	27.5	36.0	25.8	30.0	31.8
Net debt/(cash) to equity (%)	75.0	69.2	69.1	57.8	45.5
Interest cover (x)	3.8	5.3	8.5	9.7	11.3
ROE (%)	8.4	12.6	11.5	13.1	13.9
Consensus net profit	-	-	1,965	2,426	2,772
UOBKH/Consensus (x)	-	-	1.16	1.13	1.14

Source: Amata Corporation, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt23.30
Target Price	Bt30.00
Upside	+28.8%

COMPANY DESCRIPTION

AMATA is Thailand's leading industrial estate developer. It operates two industrial estates in Eastern Thailand, which are Amata Nakorn and Amata City, and one in Vietnam, Amata City Bien Hoa.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	AMATA TB
Shares issued (m):	1,150.0
Market cap (Btm):	26,795.0
Market cap (US\$m):	746.3
3-mth avg daily t'over (US\$m):	4.5

Price Performance (%)

52-week high/low Bt26.75/Bt18.50

1mth	3mth	6mth	1yr	YTD
(5.7)	1.7	1.3	20.7	9.4

Major Shareholders

	%
Mr. Vikrom Kromadit	26.2
Thai NVDR	5.3
Mr. Sirisak Sonsophon	2.5

FY23 NAV/Share (Bt) 18.85

FY23 Net Debt/Share (Bt) 13.03

PRICE CHART



Source: Bloomberg

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ASSISTANT ANALYST(S)

Thachasorn Jutaganon

- Revenue of all businesses improved.** AMATA report 3Q23 revenue of Bt2.8b (+100% yoy, +80% qoq), underpinned by all of its businesses. Revenue from real estate sales was Bt1.6b (+190% yoy, +340% qoq), chiefly buoyed by robust land transfers. During 3Q23, AMATA completed 272 rai of land transfers, increasing 50% yoy and 220% qoq. The land transfers include 2 rai in Chonburi, 104 rai in Rayong, and 166 rai in Vietnam. Revenue of the utilities business improved, coming in at Bt1.0b (+22% yoy, +18 qoq) thanks to higher customer consumption in both Thailand and Vietnam. Revenue from the rental business was sustained both yoy and qoq at Bt216m (+10% yoy, +10% qoq) because of fewer ready-built factories (RBF) for rent.

- Gross margin dropped yoy, flat qoq.** Gross margin came in at 34.1% (-8.7 ppt yoy, flat qoq), mainly impacted by the real estate business. Gross margin for the real estate business was 37.3% (-22.4 ppt yoy, -7.8 ppt qoq) due to higher cost of land in Thailand and higher cost of construction in Vietnam. Gross margin of the utilities business was 19.5%, dropping 3.2ppt yoy and 0.8ppt qoq due to cost and price regulations from the Vietnamese government. The rental business' gross margin came in at 79.4%, flattening yoy, but increasing 5.5ppt qoq due to a lower number of RBFs for rent. Share of profit from associates came in at Bt322m, making a turnaround yoy and increasing qoq as the power plant businesses had higher dispatch and lower cost of production.

STOCK IMPACT

- Earnings to remain strong in 4Q23.** We are optimistic about AMATA's earnings in 4Q23. The earnings growth will be primarily driven by stronger land transfers and land sales, as a result of robust demand and the seasonal effect. Management has disclosed that it has two significant customers from China's electronics industry, which are expected to support land sales in Thailand during 2H23. These customers are expected to acquire 400-500 rai of land each. Additionally, AMATA's earnings in 2H23 will be boosted by the sale of factories in Vietnam, which should contribute an estimated amount of Bt110m-130m.

EARNINGS REVISION/RISK

- None.**

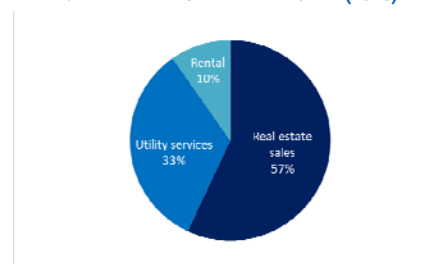
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt30.00.** Our target price is based on the SOTP methodology, where we value its investment in associate companies at Bt15.00/share pegged to 2023F PE of 23x (average PE of the power industry in Thailand) and its core business at Bt12.00/share based on 12x 2023F PE (average PE of the industrial estate industry in Thailand). We maintain BUY on AMATA as we expect its core earnings to remain strong in 2023, mainly supported by strong land sales and land transfers.

SHARE PRICE CATALYST

- a) Higher-than-expected volume of land sales, b) the government's stimulus package for the tourism industry, c) higher figures for FDI, BOI, and GDP, and d) a booming EV industry.

EXPECTED REVENUE BREAKDOWN (2023)



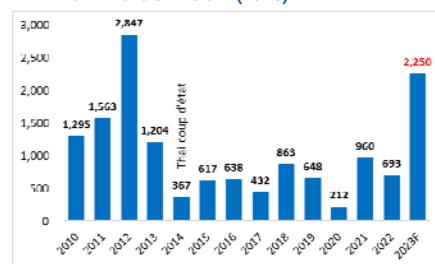
Source: AMATA, UOB Kay Hian

NET PROFIT OUTLOOK



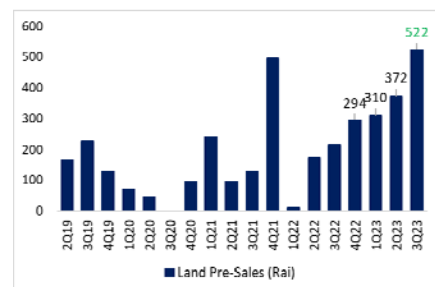
Source: AMATA, UOB Kay Hian

LAND SALES OUTLOOK (2023)



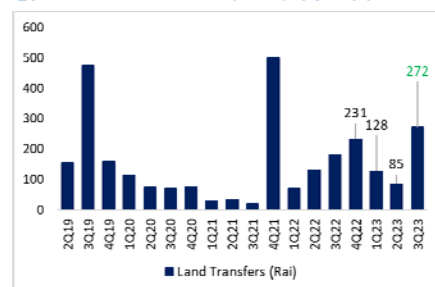
Source: AMATA, UOB Kay Hian

QUARTERLY LAND SALES OUTLOOK



Source: AMATA, UOB Kay Hian

QUARTERLY LAND TRANSFERS OUTLOOK



Source: AMATA, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	6,502	8,840	9,114	9,895
EBITDA	2,511	3,416	3,886	4,498
Deprec. & amort.	389	326	335	344
EBIT	2,123	3,090	3,551	4,154
Total other non-operating income	1,636	191	180	175
Associate contributions	342	550	724	753
Net interest income/(expense)	(472)	(400)	(400)	(400)
Pre-tax profit	3,629	3,431	4,055	4,682
Tax	(466)	(547)	(633)	(747)
Minorities	(822)	(600)	(684)	(787)
Net profit	2,341	2,284	2,738	3,149
Net profit (adj.)	2,341	2,284	2,738	3,149

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	4,333	12	4,864	5,634
Pre-tax profit	3,629	3,431	4,055	4,682
Tax	(466)	(547)	(633)	(747)
Deprec. & amort.	389	326	335	344
Working capital changes	947	(4,070)	1,022	1,112
Non-cash items	(166)	873	85	242
Other operating cashflows	0	0	0	0
Investing	(3,761)	1,346	(2,279)	(2,052)
Capex (growth)	(896)	312	(300)	(300)
Investments	(2,322)	(1,598)	(1,862)	(1,876)
Others	(544)	2,632	(117)	125
Financing	(986)	(3,572)	(1,257)	(1,654)
Dividend payments	(735)	(739)	(1,257)	(1,654)
Issue of shares	0	(1,222)	0	0
Proceeds from borrowings	(229)	(1,778)	0	0
Others/interest paid	(22)	166	0	0
Net cash inflow (outflow)	(414)	(2,213)	1,327	1,928
Beginning cash & cash equivalent	2,997	2,582	369	1,696
Ending cash & cash equivalent	2,582	369	1,696	3,625

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	8,047	7,409	7,374	7,330
Other LT assets	28,149	29,970	31,873	33,866
Cash/ST investment	2,582	369	1,696	3,625
Other current assets	8,881	13,702	12,760	11,874
Total assets	47,659	51,449	53,702	56,695
ST debt	5,015	3,237	3,237	3,237
Other current liabilities	3,680	5,304	5,468	5,937
LT debt	11,039	11,039	11,039	11,039
Other LT liabilities	3,510	6,365	6,289	6,531
Shareholders' equity	19,459	20,113	21,764	23,433
Minority interest	4,956	5,391	5,906	6,518
Total liabilities & equity	47,659	51,449	53,702	56,695

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	38.6	38.6	42.6	45.5
Pre-tax margin	55.8	38.8	44.5	47.3
Net margin	36.0	25.8	30.0	31.8
ROA	5.0	4.6	5.2	5.7
ROE	12.6	11.5	13.1	13.9
Growth				
Turnover	27.6	36.0	3.1	8.6
EBITDA	32.3	36.0	13.8	15.7
Pre-tax profit	56.9	(5.4)	18.2	15.5
Net profit	67.0	(2.5)	19.9	15.0
Net profit (adj.)	67.0	(2.5)	19.9	15.0
EPS	67.0	(2.5)	19.9	15.0
Leverage				
Debt to total capital	39.7	35.9	34.0	32.3
Debt to equity	82.5	71.0	65.6	60.9
Net debt/(cash) to equity	69.2	69.1	57.8	45.5
Interest cover (x)	5.3	8.5	9.7	11.3

COMPANY RESULTS

BTS Group Holdings (BTS TB)

2QFY24: Turnaround In Profit From Associates And One-off Items, Still Lower Than Expected

BTS reported a core loss of Bt287m in 2QFY24, pressured by: a) weakened core operation, b) higher SGA-to-sales, and c) higher interest expense. Results are below our and consensus expectations. Hence, we still foresee a sluggish earnings improvement in 3QFY24 due to continuing losses of KEX and RABBIT, coupled with upcoming losses from the Yellow Line operation. Maintain HOLD. Target price: Bt7.00.

2QFY24 RESULTS

Year to Mar (Btm)	2QFY24	2QFY23	1QFY24	yoy chg (%)	qoq chg (%)
Sales	3,981	4,580	5,080	-13%	-22%
Gross Profit	1,316	1,487	1,359	-11%	-3%
EBITDA	507	890	729	-43%	-30%
Pre-tax Profit	778	773	(412)	1%	-289%
Net Profit	257	474	(772)	-46%	-133%
Core Profit	(287)	390	(998)	-174%	-71%
EPS (Bt)	0.020	0.034	(0.059)	-43%	-133%
Gross Margin (%)	33.1%	32.5%	26.7%		
EBITDA Margin (%)	12.7%	19.4%	14.4%		
Net Margin (%)	6.5%	10.4%	-15.2%		

Source: BTS, UOB Kayhian

RESULTS

- Earnings below expectations.** BTS Group Holdings (BTS) reported 2Q24 net profit of Bt257m (-46% yoy, +133% qoq), and a core loss of Bt287m (-174% yoy, +71% qoq). One-off items in 2Q24 included: a) VGI, a disposal of Rabbit Line Pay (RLP) and Thanulux PCL (TNL), and b) disposal of Phararam 9 Alliance (PA9) and Khu Khot Station Alliance (KK). The key pressures on 2QFY24's core earnings were: a) weakened core operation, b) higher SGA-to-sales, and c) higher interest expenses. However, this was partly offset by a lower share of losses from KEX and RABBIT, driven by KEX's cost reduction via outsourced transportation during Sep 23 and the absence of impairment loss from Singer Thailand through RABBIT.
- Revenue severely plummeted.** 2QFY24 revenue decreased 13% yoy and 22% qoq, pressured by the drop in construction revenue from MRT Pink and Yellow Lines, which decreased 47% and 61% qoq to only Bt808m in 2Q24. As for the MIX Business (media business, operated under VGI), its revenue dropped on a qoq basis due to the lower sales from Fanslink as well as a decline in advertising revenue as a result of a shift in product mix and revamp towards digitalisation.

KEY FINANCIALS

Year to 31 Mar (Btm)	2022	2023	2024F	2025F	2026F
Net turnover	26,056	18,311	16,589	16,603	17,396
EBITDA	4,277	3,056	2,502	2,665	3,402
Operating profit	3,406	2,089	1,377	1,073	1,472
Net profit (rep./act.)	3,826	1,836	821	963	1,539
Net profit (adj.)	2,527	2,078	742	963	1,539
EPS (Bt)	0.2	0.1	0.0	0.1	0.1
PE (x)	49.0	63.7	97.4	164.0	92.3
P/B (x)	1.6	1.7	1.5	1.8	1.6
EV/EBITDA (x)	66.0	92.3	111.7	132.1	96.8
Dividend yield (%)	4.2	4.2	4.2	0.7	1.1
Net margin (%)	14.7	10.0	4.9	5.8	8.8
Net debt/(cash) to equity (%)	236.4	283.1	254.3	166.8	154.8
Interest cover (x)	1.3	0.8	0.6	0.5	0.7
ROE (%)	6.3	3.1	1.5	1.5	2.2
Consensus net profit	-	-	1,863	2,426	2,782
UOBKH/Consensus (x)	-	-	0.40	0.40	0.55

Source: BTS Group Holdings, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	Bt7.30
Target Price	Bt7.00
Upside	-4.0%

COMPANY DESCRIPTION

BTS Group Holdings is a multi-industry conglomerate specialised in mass transit business, especially rail transport, media, digital services and property businesses seeking to amplify value from data integration and cross-business synergies.

STOCK DATA

GICS sector	Industrials
Bloomberg ticker:	BTS TB
Shares issued (m):	13,167.6
Market cap (Btm):	96,123.8
Market cap (US\$m):	2,746.4
3-mth avg daily t'over (US\$m):	6.8

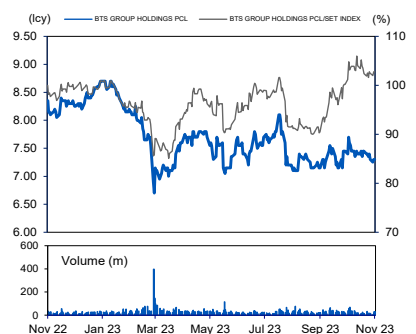
Price Performance (%)

52-week high/low	Bt8.80/Bt5.40			
1mth	3mth	6mth	1yr	YTD
(2.0)	(5.2)	(4.5)	(10.1)	(13.1)

Major Shareholders

Major Shareholders	%
Kanjanapas Group	24.8
THAI NVDR COMPANY LIMITED	10.6
UBS AG SINGAPORE BRANCH	7.1
FY24 NAV/Share (Bt)	5.12
FY24 Net Debt/Share (Bt)	10.45

PRICE CHART



Source: Bloomberg

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ASSISTANT ANALYST(S)

Sarit Srinavakul

STOCK IMPACT

- Slower-than-expected mobility on existing lines.** BTSGIF reported a slight drop in Green Line Core ridership in Oct 23 to around 16.0m trips (-2.5% mom, +9.8% yoy). For the Yellow Line, ridership during Jun-Sep 23 averaged 40,298 trips/day, which is still far from the company's target of 50,000-60,000 trips/ day. Note that we expect the Bt20 flat rate to not significantly boost ridership in BTS' rail lines, as we still see limited ridership pass-through in MRT Blue Line even after the Bt20 flat rate was implemented.
- Diversifying its core mobility business.** BGSR, a BTS JV company, has expressed its interest in bidding for the M82, a 24.7-kilometer motorway. This project is now valued at Bt14b. Separately, BGSR is also planning to bid for the rest area service center for Motorway M81 and M6, for which they have already won the O&M contracts. Although we believe that these projects will not be able to bring in as much as cash flows as its existing rail businesses, we are positive on the company's strategic move to diversify its core operation in the MOVE businesses.

EARNINGS REVISION/RISK

- None.

VALUATION/RECOMMENDATION

- Maintain HOLD with a SOTP-based target price of Bt7.00.** There is still uncertainty amidst E&M debt repayment. However, we expect the E&M repayment to happen in late-Dec. We have also foreseen worsening core operation outlook for BTS from 3Q24 onward, and expect some operating losses during the ramp-up period for both Yellow Line and Pink Lines during the first few years, due to the lower ridership we have seen so far on the Yellow Line. MIX and MATCH businesses have seen a slight improvement, as a result from one-time items (eg, disposal of shares from RABBIT and TNL). We expect these businesses to start growing organically in 2024.

SHARE PRICE CATALYST

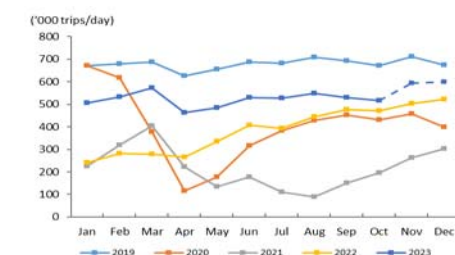
- Yellow Line ridership growth and pass-through ridership from other mono-rail lines.
- Supreme Court ruling on outstanding O&M debt and repayment of E&M debt in Nov 23 from BMA.
- Better associate and JV performance.

SOTP-BASED VALUATION

Business(es)	Value (Btm)	Note
Mass Transit - Green Line O&M	59,048	DCF, WACC 5.2%
Mass Transit - BTSGIF	18,617	DCF, WACC 6.4%
Mass Transit - Pink Line	19,863	DCF, WACC 4.9%
Mass Transit - Yellow Line	20,151	DCF, WACC 4.9%
MIX Business (Media)	17,871	Based on VGI's Fair value
Thanulux PCL	4,362	Market Price
RABBIT Holdings	12,077	BV
Intercity Motorways	5,274	DCF, WACC 5.0%
- Adjusted Net Debt	(65,108)	
Total Value	92,157	
number of shares (m)	13,169	
Fair Value (Bt)	7.00	

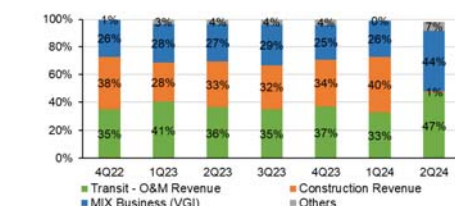
Source: BTS, UOB Kay Hian

AVERAGE RIDERSHIP – GREEN LINE



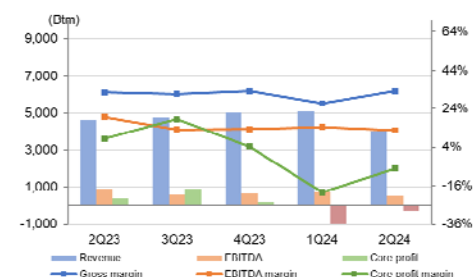
Source: BTS, UOB Kay Hian

REVENUE BREAKDOWN BY SEGMENT



Source: BTS, UOB Kay Hian

QUARTERLY RESULTS AND MARGINS



Source: BTS, UOB Kay Hian

PROFIT & LOSS

Year to 31 Mar (Btm)	2023	2024F	2025F	2026F
Net turnover	18,311	16,589	16,603	17,396
EBITDA	3,056	2,502	2,665	3,402
Deprec. & amort.	967	1,125	1,592	1,929
EBIT	2,089	1,377	1,073	1,472
Total other non-operating income	4,936	4,168	4,433	4,715
Associate contributions	257	(612)	481	712
Net interest income/(expense)	(3,818)	(3,960)	(5,074)	(4,686)
Pre-tax profit	3,464	972	914	2,213
Tax	(1,539)	(322)	(244)	(590)
Minorities	214	36	293	(85)
Net profit	1,836	920	962	1,538
Net profit (adj.)	2,078	733	962	1,538

CASH FLOW

Year to 31 Mar (Btm)	2023	2024F	2025F	2026F
Operating	5,195	22,646	8,120	7,764
Pre-tax profit	3,162	1,206	914	2,213
Tax	(1,539)	(322)	(244)	(590)
Deprec. & amort.	967	1,125	1,592	1,929
Associates	257	(612)	481	712
Working capital changes	(10,803)	20,634	5,338	3,455
Non-cash items	13,152	614	40	44
Other operating cashflows	0	0	0	0
Investing	(9,249)	99	(2,278)	(3)
Capex (growth)	(6,377)	(1,647)	(2,389)	(33)
Investments	(4,532)	542	(543)	(766)
Others	1,660	1,204	654	796
Financing	12,263	(14,557)	9,042	(15,110)
Dividend payments	(4,082)	(4,082)	(789)	(1,154)
Issue of shares	13	4	5,271	4
Proceeds from borrowings	20,239	0	0	0
Loan repayment	0	(12,596)	(5,851)	(13,968)
Others/interest paid	(3,906)	2,117	10,411	8
Net cash inflow (outflow)	8,209	8,188	14,884	(7,350)
Beginning cash & cash equivalent	5,676	13,885	22,073	36,957
Ending cash & cash equivalent	13,885	22,073	36,957	29,607

BALANCE SHEET

Year to 31 Mar (Btm)	2023	2024F	2025F	2026F
Fixed assets	66,542	67,064	67,862	65,966
Other LT assets	181,677	164,574	160,086	157,980
Cash/ST investment	13,885	22,073	36,957	29,607
Other current assets	8,822	5,401	5,668	5,894
Total assets	270,926	259,112	270,572	259,447
ST debt	33,783	28,062	36,176	30,576
Other current liabilities	7,052	8,101	8,487	9,101
LT debt	138,830	131,955	117,990	109,623
Other LT liabilities	9,939	11,360	12,241	13,277
Shareholders' equity	56,073	54,385	70,428	71,621
Minority interest	25,248	25,248	25,248	25,248
Total liabilities & equity	270,926	259,112	270,572	259,447

KEY METRICS

Year to 31 Mar (%)	2023	2024F	2025F	2026F
Profitability				
EBITDA margin	16.7	15.1	16.0	19.6
Pre-tax margin	18.9	5.9	5.5	12.7
Net margin	10.0	5.5	5.8	8.8
ROA	0.7	0.3	0.4	0.6
ROE	3.1	1.7	1.5	2.2
Growth				
Turnover	(29.7)	(9.4)	0.1	4.8
EBITDA	(28.6)	(18.1)	6.5	27.7
Pre-tax profit	0.2	(71.9)	(6.0)	142.2
Net profit	(52.0)	(49.9)	4.6	59.8
Net profit (adj.)	(17.7)	(64.7)	31.3	59.8
EPS	(23.1)	(64.7)	31.3	59.8
Leverage				
Debt to total capital	68.0	66.8	61.7	59.1
Debt to equity	307.8	294.2	218.9	195.7
Net debt/(cash) to equity	283.1	253.6	166.4	154.4
Interest cover (x)	0.8	0.6	0.5	0.7

COMPANY RESULTS

Electricity Generating (EGCO TB)

3Q23: A Strong Quarter As Expected

EGCO reported a strong net profit of Bt2.3b in 1Q23, jumping 3% qoq and showing a significant improvement from the loss of Bt392m in 3Q22. Excluding forex gains and extra items of Bt1.0b, EGCO would have posted a strong core profit of Bt3.3b, rising 13% yoy and 26% qoq. Both core profit and net profit were in line with our estimate. 9M23 core profit fell 27% yoy to Bt7.5b, accounting for 81% of our full-year forecast. We still like EGCO for its long-term outlook. Maintain BUY. Target: Bt200.00.

3Q23 Results

(Btm)	3Q23	3Q22	2Q23	%yoy	%qoq	9M23	9M22	%yoy
Revenue	13,910	18,078	15,593	(23)	(11)	44,628	46,737	(5)
Equity Income	3,313	2,519	2,358	32	41	6,803	9,511	(28)
Fx gain/(loss)	(979)	(3,966)	(1,420)	(75)	(31)	(2,353)	(7,273)	(68)
Net income	2,373	(392)	1,460	(705)	63	2,373	3,946	(40)
Normalised profit	3,343	2,954	2,652	13	26	7,528	10,345	(27)
EPS	4.51	(0.75)	2.77	(705)	63	4.51	7.50	(40)

Source: EGCO, UOB Kay Hian

RESULTS

- Core profit largely in line.** Electricity Generating (EGCO) reported a strong net profit of Bt2.3b in 1Q23, up 63% qoq and showing a significant improvement from the loss of Bt392m reported in 3Q22. Excluding forex gains and extra items of Bt1.0b, EGCO would have posted a very strong core profit of Bt3.3b, rising 13% yoy and 26% qoq. Both core profit and net profit were in line with our estimate. 9M23 core profit fell 27% yoy to Bt7.5b, accounting for 81% of our full-year forecast.
- Lower gas cost with strong performance of overseas power plants.** The strong 13% yoy and 26% qoq increase in core profit was due to: a) strong contribution from gas-fired power plants in Korea (Paju project). The Paju power plant contributed profit of Bt1.4b in 3Q23, surging 498% yoy (but down 27% qoq) due to higher power demand in the summer; b) it being a beneficiary of lower gas cost for industrial users; and c) higher contribution from hydro power plants in Laos including Nam Theun 1 hydro power plant (NT1PC), Nam Theun 2 (NTPC) and Xayaburi (XPCL), reflecting strong water levels.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	35,903	59,632	55,295	50,795	49,795
EBITDA	9,753	10,585	12,504	11,343	10,706
Operating profit	6,596	7,300	9,519	8,658	8,321
Net profit (rep./act.)	4,104	2,683	8,864	8,392	9,297
Net profit (adj.)	10,218	11,797	8,864	8,392	9,297
EPS (Bt)	19.4	22.4	16.8	15.9	17.7
PE (x)	6.5	5.7	7.5	8.0	7.2
P/B (x)	0.6	0.6	0.5	0.5	0.5
EV/EBITDA (x)	13.0	12.0	10.2	11.2	11.9
Dividend yield (%)	5.1	5.1	5.3	5.3	5.3
Net margin (%)	11.4	4.5	16.0	16.5	18.7
Net debt/(cash) to equity (%)	80.6	63.9	47.9	46.6	40.8
Interest cover (x)	1.2	1.7	1.9	1.5	1.4
ROE (%)	3.8	2.3	7.2	6.6	7.1
Consensus net profit	-	-	9,338	9,948	9,553
UOBKH/Consensus (x)	-	-	0.95	0.84	0.97

Source: Electricity Generating PCL, Bloomberg, UOB Kay Hian

n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt127.00
Target Price	Bt200.00
Upside	+57.5%

COMPANY DESCRIPTION

EGCO is the first independent power producer in Thailand to be established on May 1992, through the partial privatisation of the state enterprise, the Electricity Generating Authority of Thailand (EGAT). EGCO now operates 4,260MW power plant in Thailand and

STOCK DATA

GICS sector	Utilities
Bloomberg ticker:	EGCO TB
Shares issued (m):	526.5
Market cap (Btm):	66,861.1
Market cap (US\$m):	1,854.1
3-mth avg daily t'over (US\$m):	4.3

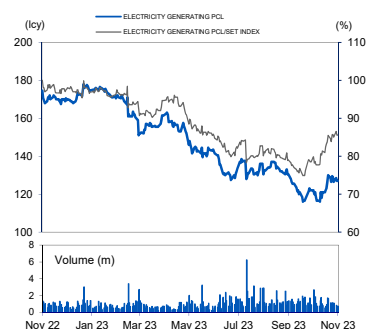
Price Performance (%)

52-week high/low	Bt178.00/Bt116.00			
1mth	3mth	6mth	1yr	YTD
4.1	(6.6)	(16.4)	(26.6)	(26.4)

Major Shareholders

EGAT	25.4
One Energy Thailand	22.4
NVDR	11.1
FY23 NAV/Share (Bt)	237.71
FY23 Net Debt/Share (Bt)	113.81

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- Limited impact from forex fluctuations.** The foreign exchange rate fluctuation is a significant source of concern among EGCO's investors. EGCO has implemented a centralised treasury policy to further reduce the impact of forex fluctuation. We believe the risk associated with foreign exchange and the group's overall exposure has been decreasing since 3Q23.
- A healthy earnings outlook for 4Q23-2024.** Despite weak seasons, we believe EGCO's core profit will remain healthy at Bt1.3b in 4Q23, thanks to high power demand for overseas power plants during the winter season. Additionally, we believe EGCO's small power producer (SPP) project should benefit from lower gas cost in 4Q23 despite a lower tariff rate (Ft). Looking ahead, a substantial earnings growth is anticipated in 2024. We expect strong contribution from three gas-fired power plants in the US with combined capacity from Massachusetts. Preliminary estimations suggest that these three power plants are poised to make a noteworthy contribution, projected at Bt600m-800m/year, accounting for 6-8% of 2024's core profit and beyond.
- Balance sheet remains healthy.** EGCO has a strong balance sheet with debt-to-equity ratio of only 1.1x as at end-3Q23. EGCO also holds about Bt37.5b in cash, which is enough to acquire projects and provide potential upside.

EARNINGS REVISION/RISK

- None.

VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt200.00**, based on DCF valuation. We are still positive on EGCO for its 5.3% dividend yield. We also believe its share price has already priced in the negative news.

SHARE PRICE CATALYST

- 2024: Contribution from gas-fired power plants in the US.

EQUITY INCOME (3Q23)

(Btm)	3Q23	3Q22	2Q23	%yoy	%qq
BLCP	238	110	208	116	14
GPG	304	311	225	(2)	35
GEC	30	54	31	(44)	(3)
NED	25	24	41	4	(39)
NTPC	518	405	152	28	241
GPS	10	15	13	(33)	(23)
Paju	1,412	236	1,927	498	(27)
SBPL	347	354	248	(2)	40
XPCL	238	353	(28)	(33)	(950)
Liden	397	82	180	384	121

Source: EGCO

INVESTMENT MAP



Source: EGCO

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	59,632	55,295	50,795	49,795
EBITDA	10,585	12,504	11,343	10,706
Deprec. & amort.	3,285	2,985	2,685	2,385
EBIT	7,300	9,519	8,658	8,321
Associate contributions	1,970	7,064	8,786	10,188
Net interest income/(expense)	(6,313)	(6,500)	(7,500)	(7,500)
Pre-tax profit	2,957	10,083	9,944	11,009
Tax	(331)	(1,160)	(1,492)	(1,651)
Minorities	57	(59)	(60)	(60)
Net profit	2,683	8,864	8,392	9,297
Net profit (adj.)	11,797	8,864	8,392	9,297

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	(7,178)	50,101	7,877	12,983
Pre-tax profit	2,957	10,083	9,944	11,009
Tax	(331)	(1,160)	(1,492)	(1,651)
Deprec. & amort.	3,285	2,985	2,685	2,385
Associates	57	(59)	(60)	(60)
Working capital changes	(3,431)	(12,366)	0	2,301
Other operating cashflows	(9,716)	50,618	(3,200)	(1,000)
Investing	17,473	(28,832)	(3,300)	(2,000)
Capex (growth)	(1,847)	0	0	0
Investments	(2,052)	777	(2,300)	(2,000)
Others	21,373	(29,609)	(1,000)	0
Financing	9,266	(21,416)	(6,878)	(7,605)
Dividend payments	(3,369)	(4,212)	(4,738)	(5,265)
Loan repayment	12,928	(17,263)	(2,200)	(2,400)
Others/interest paid	(293)	59	60	60
Net cash inflow (outflow)	19,561	(148)	(2,301)	3,379
Beginning cash & cash equivalent	17,898	37,458	37,311	35,010
Ending cash & cash equivalent	37,458	37,311	35,010	38,388

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	48,160	45,175	42,490	40,105
Other LT assets	144,234	116,649	120,949	123,949
Cash/ST investment	37,458	37,311	35,010	38,388
Other current assets	24,191	36,600	40,000	38,000
Total assets	254,043	235,734	238,449	240,442
ST debt	20,463	5,600	5,800	5,800
Other current liabilities	10,910	8,800	9,700	10,000
LT debt	94,026	91,626	89,226	86,826
Other LT liabilities	7,847	4,200	4,500	4,501
Shareholders' equity	120,494	125,147	128,801	132,833
Minority interest	303	362	422	482
Total liabilities & equity	254,043	235,734	238,449	240,442

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	17.8	22.6	22.3	21.5
Pre-tax margin	5.0	18.2	19.6	22.1
Net margin	4.5	16.0	16.5	18.7
ROA	1.1	3.6	3.5	3.9
ROE	2.3	7.2	6.6	7.1
Growth				
Turnover	66.1	(7.3)	(8.1)	(2.0)
EBITDA	8.5	18.1	(9.3)	(5.6)
Pre-tax profit	(38.1)	240.9	(1.4)	10.7
Net profit	(34.6)	230.4	(5.3)	10.8
Net profit (adj.)	15.5	(24.9)	(5.3)	10.8
EPS	15.5	(24.9)	(5.3)	10.8
Leverage				
Debt to total capital	48.7	43.7	42.4	41.0
Debt to equity	95.0	77.7	73.8	69.7
Net debt/(cash) to equity	63.9	47.9	46.6	40.8
Interest cover (x)	1.7	1.9	1.5	1.4

COMPANY RESULTS

Indorama Ventures (IVL TB)

3Q23: Better Growth Profile At Discounted Valuation

IVL reported net profit of Bt195m in 3Q23, down 98% yoy and 52% qoq, below our estimate. Excluding one-offs, core loss would be Bt299m (3Q22: profit Bt10.3b; 2Q23 profit Bt2.0b), in line with our estimate. 9M23 core profit was down 89% yoy to Bt3.7b. We see an opportunity to accumulate on IVL after recent share price dropped by 29% over the last three months. We believe earnings have already bottomed out. Maintain BUY. Target price: Bt30.00.

3Q23 Results

(Btm)	3Q23	3Q22	2Q23	%yoy	%qoq	9M23	9M22	%yoy
Revenue	138,352	178,782	137,419	(23)	1	412,349	512,480	(20)
Core EBITDA	10,730	22,303	13,060	(52)	(18)	35,408	69,786	(49)
Inventory gain/(loss)	800	(3,795)	(1,643)	(121)	(149)	(2,234)	7,244	(131)
Reported EBITDA	11,396	19,349	11,054	(41)	3	32,658	79,875	(59)
Int. Expense	(3,714)	(2,646)	(3,540)	40	5	(10,502)	(6,492)	62
Net income	195	8,137	411	(98)	(52)	1,630	42,485	(96)
Core Profit	(299)	10,341	2,016	(103)	(115)	3,796	34,151	(89)
EPS	0.03	1.45	0.07	(98)	(52)	0.29	7.57	(96)

Source: Indorama Ventures, UOB Kay Hian

RESULTS

- Weak results.** Despite a huge inventory gain of Bt800m, Indorama Ventures (IVL) still reported a very slim net profit of Bt195m in 3Q23, down 98% yoy and 52% qoq, below our estimate of Bt1.9b. Excluding one-offs, core loss would be Bt299m (3Q22: profit Bt10.3b; 2Q23 profit Bt2.0b), in line with our estimate. 9M23 core profit was down 89% yoy to Bt3.7b.
- Weaker margin and production volume.** The weaker yoy and qoq core performance can be attributed to a decline in both production volume and EBITDA margin, with a significant impact from a higher interest expense (+40% yoy and +5% qoq, amounting to Bt3.7b). IVL's 3Q23 production volume was 3.4m tonnes, down 11% yoy and 6% qoq, caused by the ongoing impact of destocking and low industry spread coupled with slower-than-expected global recovery. Core EBITDA margin fell from US\$104/tonne in 2Q23 to US\$89/tonne in 3Q23 due to weaker integration of polyethylene terephthalate/purified terephthalic acid (PET/PTA) spread to US\$115/tonne (from US\$196/tonne in 2Q23). This reduction reflects the impact of destocking on the market.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	468,108	656,266	544,591	588,514	615,942
EBITDA	59,374	72,423	42,070	62,990	67,692
Operating profit	37,637	49,529	16,126	33,346	35,048
Net profit (rep./act.)	26,288	31,006	2,591	12,927	13,832
Net profit (adj.)	21,887	34,561	4,691	12,927	13,832
EPS (Bt)	3.9	6.2	0.8	2.3	2.5
PE (x)	6.2	3.9	28.7	10.4	9.7
P/B (x)	0.8	0.7	0.7	0.7	0.7
EV/EBITDA (x)	5.7	4.7	8.1	5.4	5.0
Dividend yield (%)	4.2	6.7	2.5	3.3	3.3
Net margin (%)	5.6	4.7	0.5	2.2	2.2
Net debt/(cash) to equity (%)	124.5	119.5	112.2	110.7	107.7
Interest cover (x)	8.6	7.6	2.9	4.5	5.1
ROE (%)	18.4	18.0	1.4	7.0	7.3
Consensus net profit	-	-	8,296	15,932	20,684
UOBKH/Consensus (x)	-	-	0.57	0.81	0.67

Source: Indorama Ventures, Bloomberg, UOB Kay Hian

n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt24.00
Target Price	Bt30.00
Upside	+25.0%

COMPANY DESCRIPTION

IVL is one of the world's largest polyester chain makers with a total production capacity of 17m tonnes.

STOCK DATA

GICS sector	Materials
Bloomberg ticker:	IVL TB
Shares issued (m):	5,614.6
Market cap (Btm):	134,749.2
Market cap (US\$m):	3,736.7
3-mth avg daily t'over (US\$m):	15.2

Price Performance (%)

52-week high/low Bt43.25/Bt23.00

1mth	3mth	6mth	1yr	YTD
(6.8)	(27.3)	(29.9)	(44.2)	(41.1)

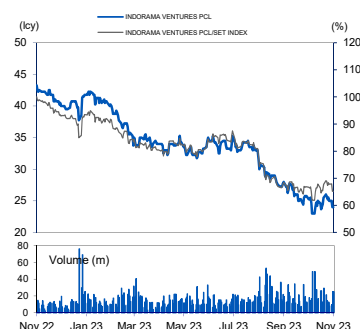
Major Shareholders

	%
Lohia family	66.0
Bangkok Bank	4.8

FY23 NAV/Share (Bt) 32.34

FY23 Net Debt/Share (Bt) 36.30

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- Better outlook in 4Q23.** After attending the analyst meeting on 13 Nov 23, we are slightly positive on IVL's financial performance in 4Q23. Management expects insignificant impact from destocking and higher production volume in 4Q23 despite low seasonal demand. We expect production volume to be back to normal at 3.6m-3.8m tonnes. We also foresee improvement of integration of PET/PTA spreads due to production cuts implemented in response to the current spread, which is operating below breakeven levels in many facilities. We roughly estimate core profit of Bt700m-900m in 4Q23. However, this number is still below our previous estimate of Bt1.0b-1.5b
- Significant improvement in 2024.** Looking ahead, a substantial earnings recovery is anticipated in 2024. IVL foresees an increase in utilisation rate as destocking normalises across all business segments, along with the absence of integrated oxides and derivatives facility shutdown and IVL's new capacity expansion in India. We estimate IVL's production volume will jump significantly to 15.5m-16.0m tonnes (+ 14% yoy). We anticipate an improvement in IVL's product spreads to US\$120/tonne after the conclusion of destocking and expect strong contribution from Oxiteno from 3Q23. Management confirmed the existence of synergistic benefits between IVL and Oxiteno, amounting to US\$30m in 2023, with an expected jump to US\$100m by 2025.

EARNINGS REVISION/RISK

- We revise down our 2023 core profit by 12% to Bt4.6b (from Bt5.3b), reflecting our expectation of 4Q23 earnings.

VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt30.00**, based on 13x 2024F PE. We apply mean of its five-year historical average PE. We believe the stock has already priced in weak 3Q23 profits. We believe IVL's operating performance will continue to improve while valuation is undemanding and recent share price correction seems overdone after the 30% share price correction in Aug 23.

SHARE PRICE CATALYST

- 4Q23:** Earnings recovery.

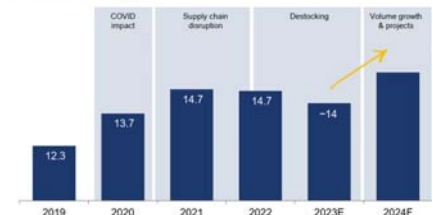
KEY OPERATING NUMBERS 3Q23

Year to 31	3Q23	3Q22	2Q23	yoy	qoq
Production vol ('000 tonnes)	3,405	3,816	3,637	(11)	(6)
core EBITDA/tonne	89	159	104	(44)	(14)

Source: IVL, UOB Kay Hian

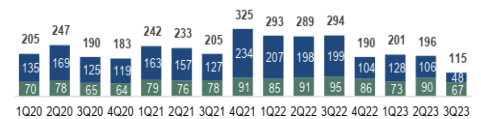
PRODUCTION OUTLOOK

IVL Production Volume (MT)



Source: IVL

PET/PTA spread



Source: IVL

COST REDUCTION PROGRAMME



Source: IVL

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	656,266	544,591	588,514	615,942
EBITDA	72,423	42,070	62,990	67,692
Deprec. & amort.	22,893	25,944	29,644	32,644
EBIT	49,529	16,126	33,346	35,048
Total other non-operating income	146	2,000	2,300	2,300
Associate contributions	(23)	8	30	30
Net interest income/(expense)	(9,548)	(14,548)	(13,850)	(13,212)
Pre-tax profit	40,104	3,586	21,826	24,166
Tax	(5,774)	(645)	(3,929)	(4,833)
Minorities	(3,324)	(350)	(4,970)	(5,500)
Net profit	31,006	2,591	12,927	13,832
Net profit (adj.)	34,561	4,691	12,927	13,832

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	39,569	60,184	58,072	55,978
Pre-tax profit	40,104	3,586	21,826	24,166
Tax	(5,774)	(645)	(3,929)	(4,833)
Deprec. & amort.	22,893	25,944	29,644	32,644
Working capital changes	(16,992)	44,043	15,500	9,500
Non-cash items	(3,324)	(350)	(4,970)	(5,500)
Other operating cashflows	2,661	(12,395)	1	1
Investing	(60,318)	(34,764)	(54,272)	(50,000)
Capex (growth)	(51,847)	(30,000)	(50,000)	(50,000)
Investments	(8,471)	(4,764)	(4,272)	0
Others	n.a.	n.a.	n.a.	n.a.
Financing	25,745	(40,424)	(8,299)	(5,299)
Dividend payments	(10,106)	(7,018)	(7,299)	(7,299)
Issue of shares	6,321	0	0	0
Proceeds from borrowings	29,530	(33,406)	(1,000)	2,000
Others/interest paid	n.a.	n.a.	n.a.	n.a.
Net cash inflow (outflow)	4,996	(15,005)	(4,498)	679
Beginning cash & cash equivalent	16,215	21,211	6,206	1,708
Ending cash & cash equivalent	21,211	6,206	1,708	2,387

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	320,630	324,686	345,041	362,397
Other LT assets	87,540	92,145	97,700	98,700
Cash/ST investment	21,211	6,206	1,708	2,387
Other current assets	194,497	167,033	166,250	171,750
Total assets	623,878	590,070	610,699	635,234
ST debt	65,025	29,619	22,619	22,619
Other current liabilities	137,176	154,000	167,000	180,000
LT debt	178,388	180,388	186,388	188,388
Other LT liabilities	42,404	42,000	45,000	48,000
Shareholders' equity	185,990	181,562	187,190	193,724
Minority interest	14,896	2,501	2,502	2,503
Total liabilities & equity	623,878	590,070	610,699	635,234

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	11.0	7.7	10.7	11.0
Pre-tax margin	6.1	0.7	3.7	3.9
Net margin	4.7	0.5	2.2	2.2
ROA	5.3	0.4	2.2	2.2
ROE	18.0	1.4	7.0	7.3
Growth				
Turnover	40.2	(17.0)	8.1	4.7
EBITDA	22.0	(41.9)	49.7	7.5
Pre-tax profit	14.7	(91.1)	508.6	10.7
Net profit	17.9	(91.6)	399.0	7.0
Net profit (adj.)	57.9	(86.4)	175.6	7.0
EPS	57.9	(86.4)	175.6	7.0
Leverage				
Debt to total capital	54.8	53.3	52.4	51.8
Debt to equity	130.9	115.7	111.7	108.9
Net debt/(cash) to equity	119.5	112.2	110.7	107.7
Interest cover (x)	7.6	2.9	4.5	5.1

COMPANY RESULTS

Ratchaburi Group (RATCH TB)

3Q23: Results In Line With Expectations

RATCH reported its 3Q23 results with net profit down by 47% yoy and 44% qoq to Bt1.2b. Excluding extra items, RATCH's core profit was Bt1.0b, falling 56% yoy and 35% qoq. Both core and net profit were in line with our estimate. We believe earnings have already bottomed out and we believe its operating performance will continue to improve. RATCH's valuation is undemanding and recent share price correction seems overdone. Maintain BUY. Target price: Bt50.00.

3Q23 Results

(Btm)	3Q23	3Q22	2Q23	%yoy	%qoq	9M23	9M22	%yoy
Revenue	10,092	22,643	13,133	(55)	(23)	38,872	51,342	(24)
Equity Income	558	1,682	1,202	(67)	(54)	3,124	4,518	(31)
EBITDA (ex. Fx)	3,323	4,124	4,097	(19)	(19)	11,121	11,099	0
Fx gain/(loss)	8	(267)	313	(103)	(98)	138	62	122
Net income	1,182	2,248	2,125	(47)	(44)	4,755	6,024	(21)
NNP	1,028	2,361	1,591	(56)	(35)	4,249	6,372	(33)
EPS	0.82	1.03	0.98	(21)	(17)	2.46	2.77	(11)

Source: Ratchaburi Electricity Generating Hldg PCL, UOB Kay Hian

RESULTS

- Weak results in line with our estimate.** Ratchaburi Group (RATCH) reported its 3Q23 results with net profit down by 47% yoy and 44% qoq to Bt1.2b. Excluding forex gain and extra items, RATCH's core profit was Bt1.0b, down by 56% yoy and 35% qoq. Both core and net profit were in line with our estimate. RATCH's 9M23 core profit came in at Bt4.3b, down 33% yoy, accounting for 53% of our full-year forecast.
- Weaker contribution from HPC and hydro power plants.** The sharp decline of 56% yoy and 35% qoq in core profit was attributed to lower contribution from its subsidiaries. Contribution from JVs and associates (excluding forex) was down 67% yoy and 54% qoq due to: a) lower contribution (-68% yoy, -62% qoq) from Hongsa power plant (HPC), attributable to lower equivalent availability factor (EAF) of 70% from 90% in 2Q23 and 95% in 3Q22, reflecting 59 days of scheduled maintenance, and b) lower contribution from hydropower plants Xe-Pian Xe-Namnoy (PNPC) due to scheduled maintenance.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	44,643	81,655	58,544	66,525	64,447
EBITDA	11,969	12,627	14,703	17,206	17,790
Operating profit	9,825	9,590	11,503	13,906	14,390
Net profit (rep./act.)	7,772	5,782	5,988	8,113	8,525
Net profit (adj.)	7,245	5,715	5,988	8,113	8,525
EPS (Bt)	5.0	2.6	2.8	3.7	3.9
PE (x)	6.4	12.2	11.6	8.6	8.2
P/B (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x)	11.8	11.2	9.6	8.2	8.0
Dividend yield (%)	7.7	5.0	4.7	5.2	5.3
Net margin (%)	17.4	7.1	10.2	12.2	13.2
Net debt/(cash) to equity (%)	74.7	62.5	64.0	86.3	90.0
Interest cover (x)	6.4	4.2	3.4	4.0	4.2
ROE (%)	11.9	6.9	6.0	7.9	8.1
Consensus net profit	-	-	7,300	8,335	9,445
UOBKH/Consensus (x)	-	-	0.82	0.97	0.90

Source: Ratchaburi Electricity Generating Hldg PCL, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt32.00
Target Price	Bt50.00
Upside	+56.3%

COMPANY DESCRIPTION

RATCH is a leading IPP in Thailand. RATCH has a total equity installed capacity of 7,379MW. Capacity can be broken down into 6,495MW under commercial operations and 884MW under development and construction.

STOCK DATA

GICS sector	Utilities
Bloomberg ticker:	RATCH TB
Shares issued (m):	2,175.0
Market cap (Btm):	69,600.0
Market cap (US\$m):	1,938.6
3-mth avg daily t'over (US\$m):	4.5

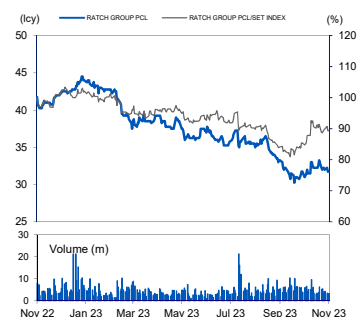
Price Performance (%)

52-week high/low	Bt44.50/Bt30.25				
1mth	3mth	6mth	1yr	YTD	
3.2	(9.9)	(17.4)	(22.9)	(25.1)	

Major Shareholders

	%
EGAT	45.0
Nortrust Nominees Ltd.	9.2
Littledown Nominees Ltd.	6.5
FY23 NAV/Share (Bt)	46.29
FY23 Net Debt/Share (Bt)	29.62

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- Expect earnings recovery in 4Q23 with good long-term outlook.** Going forward, we expect RATCH's overall operation to improve qoq in 4Q23 supported by an absence of scheduled maintenance for HPC and lower gas costs. Note that we expect RATCH to report a core profit of Bt1.2b-1.5b in 4Q23. For the long term, RATCH is targeting for 80% of its revenue to come from power and the remaining from new businesses (eg infrastructure, digital, healthcare) in 2025. It is now developing 857MWe in new capacity, comprising: a) 714MWe from independent power producers (IPP) Hin Kong (scheduled commercial operation date (COD): 2024-25), b) 45MWe from small power producer (SPP) cogeneration power plants in Thailand (including the 30MWe extension project), and c) a wind farm in Vietnam (COD: 2024).
- Potential upside from renewing PPA of RG.** We see potential upside from renewing the power purchase agreement (PPA) on 3.6GW IPP Ratchaburi Power Plant (RG), which will end its commission of 1.5GW in 2025 followed by another 2.2GW in 2027. We think RATCH has the ability to secure the renewal of RG due to: a) its strategic location which enables it to efficiently supply power to the Southern area, b) RG being a reliable power source in the transition to renewable energy (zero emission policy by 2050), and c) cost competitiveness through secure land and infrastructure, facilitating the construction of new power plants. Note that, we expect the coal-fired Paiton deal in Indonesia to be closed soon and provide Bt2.0b in EBITDA/year, which will offset the EBITDA decline from RG while waiting for the government to renew the contract.
- Balance sheet remains healthy.** RATCH has net debt-to-equity ratio of just 0.6x as of end-3Q23. We anticipate that RATCH will have the capacity to raise debt to at least Bt40b, given its existing equity base of Bt107b in 2023 and net D/E condition of 1.3x. This strengthened financial position not only provides RATCH with the means to acquire new projects but also presents the potential for a positive impact on its earnings.

EARNINGS REVISION/RISK

- We revised down our 2023 core profit forecast by 26% to Bt6.0b reflect weak earnings in 3Q23.

VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt50.00**, based on the DCF valuation of all projects (WACC of 5.0%). We still like RATCH for its impressive growth outlook and we continue to see upside for its share price from here. RATCH also offers a 4.7% dividend yield for 2023 (the highest among its big-cap peers) and 5.2% for 2024. We believe RATCH's operating performance will continue to improve while valuation is undemanding and recent share price correction seem overdone.

SHARE PRICE CATALYST

- 2023: Expected recovery in demand for power in Thailand and overseas.

PROFIT CONTRIBUTION IN 3Q23

	3Q23	3Q22	2023	%yoy	%qoq
RPCL	76	74	57	3	33
SEAN	73	136	10	(46)	631
HPC	350	1,087	932	(68)	(62)
impact solar	3	1	3	295	(3)
SOLARTA	(2)	16	2	(112)	(210)
KORAT 347	2	1	4	93	(41)
FKW/KR2	2	5	1	(27)	458
PNPC	13	137	14	(90)	(7)
RW COGEN	51	63	47	(19)	10
NNEG	68	(64)	46	(207)	49
Songkhla biomass	12	10	10	23	21
Berk prai	31	41	31	(24)	0

Source: RATCH

2025 TARGET



Source: RATCH

PROJECTS IN THE PIPELINE



Source: RATCH

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	81,655	58,544	66,525	64,447
EBITDA	12,627	14,703	17,206	17,790
Deprec. & amort.	3,037	3,200	3,300	3,400
EBIT	9,590	11,503	13,906	14,390
Net interest income/(expense)	(2,977)	(4,325)	(4,250)	(4,250)
Pre-tax profit	6,614	7,178	9,656	10,140
Tax	(937)	(790)	(1,062)	(1,115)
Minorities	106	(400)	(480)	(500)
Net profit	5,782	5,988	8,113	8,525
Net profit (adj.)	5,715	5,988	8,113	8,525

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	4,685	12,274	(6,327)	11,555
Pre-tax profit	6,614	7,178	9,656	10,140
Tax	(937)	(790)	(1,062)	(1,115)
Deprec. & amort.	3,037	3,200	3,300	3,400
Associates	106	(400)	(480)	(500)
Working capital changes	6,441	6,730	1,260	30
Non-cash items	n.a.	n.a.	n.a.	n.a.
Other operating cashflows	(10,575)	(3,644)	(19,000)	(400)
Investing	(37,275)	(10,217)	(14,234)	(11,240)
Capex (growth)	(19,147)	(10,000)	(10,000)	(10,000)
Investments	(22,112)	103	(2,874)	(1,000)
Others	3,984	(320)	(1,360)	(240)
Financing	59,970	(2,789)	2,416	(1,432)
Dividend payments	(3,839)	(3,335)	(4,785)	(6,235)
Issue of shares	25,187	0	0	0
Loan repayment	38,622	546	7,201	4,803
Others/interest paid	n.a.	n.a.	n.a.	n.a.
Net cash inflow (outflow)	27,380	(732)	(18,145)	(1,117)
Beginning cash & cash equivalent	6,961	34,341	33,609	15,465
Changes due to forex impact	n.a.	n.a.	n.a.	n.a.
Ending cash & cash equivalent	34,341	33,609	15,465	14,347

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	52,338	59,138	65,838	72,438
Other LT assets	121,756	125,576	147,810	149,050
Cash/ST investment	34,341	33,609	15,465	14,347
Other current assets	21,143	16,410	17,900	20,300
Total assets	229,578	234,733	247,012	256,135
ST debt	16,264	11,685	13,886	13,688
Other current liabilities	12,909	14,000	14,650	15,800
LT debt	79,346	86,346	91,346	96,346
Other LT liabilities	13,656	14,520	15,620	16,500
Shareholders' equity	98,029	100,682	104,010	106,300
Minority interest	9,375	7,500	7,500	7,501
Total liabilities & equity	229,578	234,733	247,012	256,135

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	15.5	25.1	25.9	27.6
Pre-tax margin	8.1	12.3	14.5	15.7
Net margin	7.1	10.2	12.2	13.2
ROA	3.0	2.6	3.4	3.4
ROE	6.9	6.0	7.9	8.1
Growth				
Turnover	82.9	(28.3)	13.6	(3.1)
EBITDA	5.5	16.4	17.0	3.4
Pre-tax profit	(16.9)	8.5	34.5	5.0
Net profit	(25.6)	3.6	35.5	5.1
Net profit (adj.)	(21.1)	4.8	35.5	5.1
EPS	(47.4)	4.8	35.5	5.1
Leverage				
Debt to total capital	47.1	47.5	48.6	49.2
Debt to equity	97.5	97.4	101.2	103.5
Net debt/(cash) to equity	62.5	64.0	86.3	90.0
Interest cover (x)	4.2	3.4	4.0	4.2

COMPANY RESULTS

Supalai (SPALI TB)

3Q23: Disappointing Earnings, But Expected To Recover In 4Q23

SPALI reported disappointing earnings in 3Q23, down 57% yoy and 30% qoq, coming in below our and consensus forecasts. We expect earnings to improve qoq in 4Q23, driven by huge backlogs and substantial launches with ready-to-move-in units. In 2024, earnings are expected to see yoy growth. Its undemanding valuation and an attractive dividend yield will the underpin share price. Maintain BUY. Target price: Bt24.20.

3Q23 RESULTS

Year to 31 Dec (Btm)	3Q22	2Q23	3Q23	yoy %	qoq %
Sales and services	11,133	8,165	7,166	(35.6)	(12.2)
Gross profit	4,404	2,859	2,620	(40.5)	(8.4)
SG&A	1,124	957	982	(12.6)	2.7
Operating EBIT	3,281	1,903	1,638	(50.1)	(13.9)
Equity income	85	127	4	(95.4)	(96.9)
Net profit	2,749	1,701	1,191	(56.7)	(30.0)
Percent	3Q22	2Q23	3Q23	yoy ppt	qoq ppt
Gross margin	39.6	35.0	36.6	(3.0)	1.5
SG&A to sales	10.1	11.7	13.7	3.6	2.0
EBIT margin	29.5	23.3	22.9	(6.6)	(0.4)
Net margin	24.7	20.8	16.6	(8.1)	(4.2)

Source: Supalai, UOB Kay Hian

RESULTS

- **Disappointing earnings in 3Q23.** Supalai (SPALI) reported a net profit of Bt1,191m in 3Q23 (-57% yoy, +30% qoq). The results are below our and consensus' forecasts by 21% and 14% respectively, reflecting lower-than-expected other income.
- In 3Q23, revenue declined to Bt7.2b (-36% yoy, -12% qoq) following decreased transfers from the low-rise segment and condos. The transfers were pressured by its feeble presales, and only one newly-completed condo (Supalai Premier Si Phraya-Samyang) began transfers. SPALI's gross margin decreased from the previous year to 36.6% (-3.0ppt yoy, +1.5ppt qoq) following the increased proportion of low-rise transfers (62% in 3Q23 compared to 47% in 3Q22). SG&A-to-sales ratio rose to 13.7%, owing to a lower revenue base. In 3Q23, the share of profit from investments came in only at Bt4m (3Q22: Bt85m, 2Q23: Bt127m), and most transfers of projects in Australia will be recognised in 4Q23.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	29,160.1	34,485.9	30,091.9	32,092.2	31,151.1
EBITDA	8,443.9	9,514.3	7,035.6	7,988.7	7,921.5
Operating profit	8,321.2	9,386.9	6,908.0	7,852.9	7,777.4
Net profit (rep./act.)	7,070.3	8,173.3	5,659.2	6,749.5	6,342.5
Net profit (adj.)	7,070.3	8,173.3	5,659.2	6,749.5	6,342.5
EPS (Bt)	3.6	4.2	2.9	3.5	3.3
PE (x)	4.9	4.3	6.2	5.2	5.5
P/B (x)	0.8	0.8	0.7	0.6	0.6
EV/EBITDA (x)	7.4	6.6	8.9	7.8	7.9
Dividend yield (%)	6.4	8.1	5.7	6.8	6.4
Net margin (%)	24.2	23.7	18.8	21.0	20.4
Net debt/(cash) to equity (%)	43.4	49.9	53.9	50.7	37.8
Interest cover (x)	32.6	34.4	14.8	16.9	16.9
ROE (%)	18.0	18.5	11.8	13.0	11.4
Consensus net profit	-	-	6,468	7,013	7,378
UOBKH/Consensus (x)	-	-	0.87	0.96	0.86

Source: Supalai, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt17.90
Target Price	Bt24.20
Upside	+35.2%
(Previous TP)	Bt26.00

COMPANY DESCRIPTION

Property developer focused on low-rise properties and condominiums in mid to low-end.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	SPALI TB
Shares issued (m):	1,953.1
Market cap (Btm):	34,959.7
Market cap (US\$m):	969.5
3-mth avg daily t'over (US\$m):	3.2

Price Performance (%)

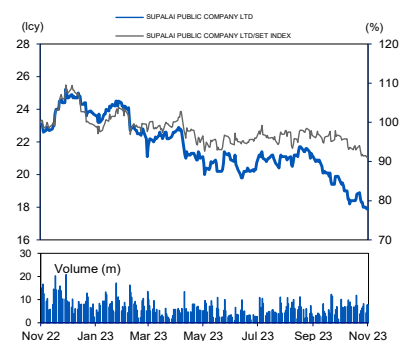
52-week high/low	Bt25.25/Bt17.90
1mth	(10.1)
3mth	(15.2)
6mth	(14.8)
1yr	(22.5)
YTD	(26.3)

Major Shareholders

Mr. Prateep Tangmatitham	28.8
Thai NVDR Company Limited	13.5
Mrs. Ajchara Tangmatitham	6.3

FY23 NAV/Share (Bt)	25.38
FY23 Net Debt/Share (Bt)	13.68

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- **Expect a recovery in 4Q23.** Improvements in customer site visits and the launch of substantial projects will likely enhance presales momentum in 4Q23. Meanwhile, 4Q23 earnings are expected to see a significant increase compared with the previous quarter, driven by: a) huge backlogs valued at Bt8.5b for 4Q23, and b) the introduction of new projects, particularly in the low-rise segment with ready-to-move units.

EARNINGS REVISION

Year to 31 Dec (Btm)	2023F			2024F			2025F		
	New	Old	Change	New	Old	Change	New	Old	Change
Gross revenue	30,092	32,622	-7.8%	32,092	33,086	-3.0%	31,151	33,163	-6.1%
Gross profit	10,782	12,080	-10.7%	11,884	12,317	-3.5%	11,691	12,511	-6.6%
EBIT	6,908	8,268	-16.4%	7,853	8,452	-7.1%	7,777	8,636	-9.9%
Net profit	5,659	7,104	-20.3%	6,749	7,241	-6.8%	6,343	7,398	-14.3%
Percent	New	Old	Change	New	Old	Change	New	Old	Change
Gross margin	35.8%	37.0%	-1.2	37.0%	37.2%	-0.2	37.5%	37.7%	-0.2
SG&A to sales	12.9%	11.7%	1.2	12.6%	11.7%	0.9	12.6%	11.7%	0.9
Net margin	18.8%	21.8%	-3.0	21.0%	21.9%	-0.9	20.4%	22.3%	-1.9

Source: UOB Kay Hian

EARNINGS REVISION/RISKS

- We have revised down earnings forecasts for 2023-25 by 7-20% to reflect lower-than-expected presales and transfers, including multiple headwinds in the residential market.
- Risks include: a) demand for residential properties slowing down, b) higher inflation and interest rates affecting purchasing power, and c) higher cancellation and rejection rates.

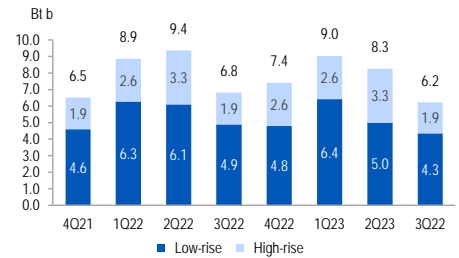
VALUATION/RECOMMENDATION

- **Maintain BUY with a lower target price of Bt24.20.** The earnings revision led to a lower target price, based on 7x 2024F PE, or around its 10-year historical mean. We recommend trading buy for SPALI as its earnings are expected to improve qoq in 4Q23. We also expect it to see earnings growth in 2024 due to five newly-completed condo projects and its more aggressive launch plan. The undemanding valuation and an attractive dividend yield of about 7% will help to limit the downside of share price.

SHARE PRICE CATALYST

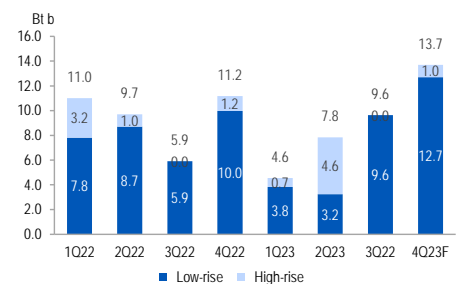
- a) Better-than-expected presales and faster-than-expected unit transfers, and b) improvement in gross margin and SG&A-to-sales-ratio.

QUARTERLY PRESALES



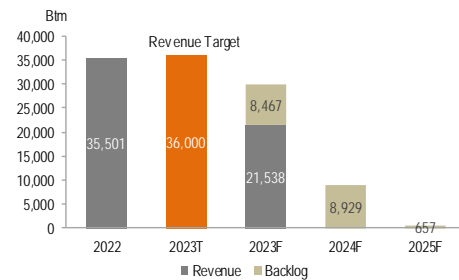
Source: SPALI, UOB Kay Hian

QUARTERLY LAUNCHES



Source: SPALI, UOB Kay Hian

REVENUE & BACKLOG AS OF 30 SEP 23



Source: SPALI, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	34,486	30,092	32,092	31,151
EBITDA	9,514	7,036	7,989	7,921
Deprec. & amort.	127	128	136	144
EBIT	9,387	6,908	7,853	7,777
Total other non-operating income	1,015	573	1,000	500
Associate contributions	390	347	400	450
Net interest income/(expense)	(277)	(475)	(472)	(468)
Pre-tax profit	10,515	7,353	8,781	8,260
Tax	(2,212)	(1,618)	(1,932)	(1,817)
Minorities	(130)	(76)	(100)	(100)
Net profit	8,173	5,659	6,749	6,343
Net profit (adj.)	8,173	5,659	6,749	6,343

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	3,431	(2,292)	2,411	8,739
Pre-tax profit	10,515	7,353	8,781	8,260
Tax	(2,212)	(1,618)	(1,932)	(1,817)
Deprec. & amort.	127	128	136	144
Working capital changes	(3,088)	(7,844)	(4,694)	2,209
Non-cash items	(1,910)	(312)	120	(56)
Other operating cashflows	(1)	1	0	0
Investing	(4,623)	1,400	(676)	(736)
Capex (growth)	(154)	(200)	(200)	(200)
Investments	(4,459)	1,774	(500)	(525)
Others	(9)	(174)	24	(11)
Financing	881	1,839	(2,772)	(2,891)
Dividend payments	(2,865)	(2,403)	(2,172)	(2,291)
Issue of shares	(582)	0	0	0
Proceeds from borrowings	4,646	4,443	(400)	(400)
Others/interest paid	(319)	(200)	(200)	(200)
Net cash inflow (outflow)	(311)	947	(1,037)	5,112
Beginning cash & cash equivalent	1,626	1,315	2,262	1,225
Ending cash & cash equivalent	1,315	2,262	1,225	6,336

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	1,693	1,765	1,829	1,885
Other LT assets	9,138	7,336	7,853	8,370
Cash/ST investment	1,315	2,262	1,225	6,336
Other current assets	67,778	75,984	81,035	78,658
Total assets	79,924	87,347	91,942	95,250
ST debt	20,650	21,534	21,134	20,734
Other current liabilities	7,122	7,171	7,648	7,423
LT debt	3,886	7,445	7,445	7,445
Other LT liabilities	804	602	642	623
Shareholders' equity	46,514	49,570	53,948	57,800
Minority interest	949	1,025	1,125	1,225
Total liabilities & equity	79,924	87,347	91,942	95,250

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	27.6	23.4	24.9	25.4
Pre-tax margin	30.5	24.4	27.4	26.5
Net margin	23.7	18.8	21.0	20.4
ROA	10.8	6.8	7.5	6.8
ROE	18.5	11.8	13.0	11.4
Growth				
Turnover	18.3	(12.7)	6.6	(2.9)
EBITDA	12.7	(26.1)	13.5	(0.8)
Pre-tax profit	15.8	(30.1)	19.4	(5.9)
Net profit	15.6	(30.8)	19.3	(6.0)
Net profit (adj.)	15.6	(30.8)	19.3	(6.0)
EPS	15.3	(30.8)	19.3	(5.8)
Leverage				
Debt to total capital	34.1	36.4	34.2	32.3
Debt to equity	52.7	58.5	53.0	48.8
Net debt/(cash) to equity	49.9	53.9	50.7	37.8
Interest cover (x)	34.4	14.8	16.9	16.9

COMPANY RESULTS

The Erawan Group (ERW TB)

3Q23: Despite Incurring Expenses For New Hotel, Earnings Continued To Improve qoq

ERW posted a 3Q23 net profit of Bt148m (+1,387% yoy, +5% qoq) while core profit was Bt153m (+1,126% yoy, +26% qoq). The results surpassed our estimates but are in line with market projections. RevPar remained robust (+37% yoy, +5% qoq, 17% above pre-COVID-19 levels), driven by all hotel segments in the portfolio. Maintain BUY. Target price: Bt6.50.

3Q23 RESULTS

(Btm)	3Q22	2Q23	3Q23	yoy (%)	qoq (%)
Total revenue	1,283	1,623	1,736	35.2	6.9
Gross profit	456	675	746	63.5	10.5
SG&A	362	441	454	25.4	2.8
Operating EBIT	100	250	298	198.3	19.3
Operating EBITDA	261	472	531	103.2	12.5
Core profit	(15)	121	153	1,125.7	26.4
Net profit	(12)	142	148	1,387.3	4.5
(%)	3Q22	2Q23	3Q23	yoy (ppts)	qoq (ppts)
Gross margin	35.5	41.6	43.0	7.4	1.4
SG&A to sales	28.2	27.2	26.2	(2.0)	(1.0)
EBIT margin	12.1	26.3	30.1	18.0	3.8
EBITDA margin	20.3	29.0	30.6	10.2	1.5
Core profit margin	(1.2)	8.7	8.8	10.0	0.1
Net profit margin	(0.9)	8.7	8.5	9.4	(0.2)

Source: The Erawan Group, UOB Kay Hian

RESULTS

• **3Q23 earnings beat.** The Erawan Group (ERW) reported a 3Q23 net profit of Bt148m (+1,387% yoy, +5% qoq). Excluding extraordinary items (Bt3m share of profit from associates and Bt8m expenses for its new hotel in Japan), core profit improved both yoy and qoq to Bt153m (+1,126% yoy, +26% qoq). This surpassed our estimates by 20% but is in line with street projections. 9M23 earnings accounted for 75% of our full-year forecast. The key beats were better-than-expected margins and lower expenses associated with the new hotel investment in Japan.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	1,562.6	4,714.6	7,334.3	8,124.3	8,623.2
EBITDA	(636.3)	1,055.0	2,181.7	2,498.3	2,744.3
Operating profit	(1,571.9)	183.1	1,210.3	1,454.9	1,601.0
Net profit (rep./act.)	(2,050.2)	(224.2)	705.0	841.5	923.5
Net profit (adj.)	(2,050.2)	(224.2)	705.0	841.5	923.5
EPS (Bt)	(0.8)	0.0	0.1	0.2	0.2
PE (x)	n.m.	n.m.	35.7	29.9	27.3
P/B (x)	2.1	4.1	3.5	3.3	3.1
EV/EBITDA (x)	n.m.	33.3	16.1	14.1	12.8
Dividend yield (%)	0.0	0.0	1.3	1.5	1.6
Net margin (%)	(131.2)	(4.8)	9.6	10.4	10.7
Net debt/(cash) to equity (%)	226.4	221.7	164.8	172.9	160.6
Interest cover (x)	(1.2)	2.3	4.3	4.4	4.9
ROE (%)	n.a.	n.a.	11.0	11.4	11.7
Consensus net profit	-	-	731	849	975
UOBKH/Consensus (x)	-	-	0.96	0.99	0.95

Source: The Erawan Group, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt5.15
Target Price	Bt6.50
Upside	+26.2%

COMPANY DESCRIPTION

The Erawan Group is a leading hotel investment company in Thailand. Its hotel portfolio ranges from luxury to mid-scale and economy across Thailand's major tourist destinations.

STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	ERW TB
Shares issued (m):	4,531.6
Market cap (Btm):	23,337.5
Market cap (US\$m):	646.6
3-mth avg daily t'over (US\$m):	2.9

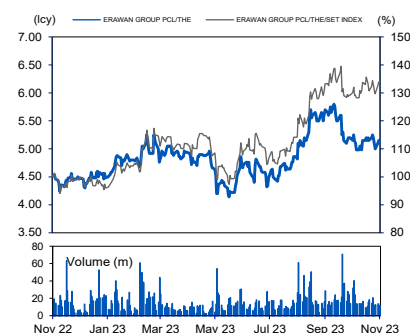
Price Performance (%)

52-week high/low	Bt5.80/Bt4.14			
1mth	3mth	6mth	1yr	YTD
(1.0)	6.0	10.5	16.5	15.0

Major Shareholders

Wattanavekin family	28.2
Vongkusolkit family	28.4
FY23 NAV/Share (Bt)	1.45
FY23 Net Debt/Share (Bt)	2.40

PRICE CHART



Source: Bloomberg

ANALYST(S)

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KEY STATISTICS

Occupancy (%)	3Q19	3Q22	4Q22	1Q23	2Q23	3Q23	yoy chg	qoq chg	To pre-COVID
Avg exc. budget hotel	74%	67%	82%	84%	81%	82%	15.0 ppt	1.0 ppt	110.8%
Avg inc. budget hotel	74%	69%	79%	81%	80%	81%	12.6 ppt	1.7 ppt	110.4%
ARR (Bt/night)									
Avg exc. budget hotel	2,470	2,552	3,023	3,079	2,936	3,028	18.7%	3.1%	122.6%
Avg inc. budget hotel	1,661	1,521	1,760	1,794	1,709	1,763	15.9%	3.2%	106.1%
RevPar (Bt/night)									
Avg exc. budget hotel	1,824	1,710	2,470	2,591	2,361	2,492	45.7%	5.5%	136.6%
Avg inc. budget hotel	1,223	1,045	1,391	1,459	1,361	1,430	36.8%	5.1%	116.9%

Source: ERW, UOB Kay Hian

- Top-line was supported by all hotel segments, surpassing pre-COVID-19 levels.** Total revenue continued to increase (+35% yoy and 7% qoq), primarily led by the luxury hotel segment. RevPar across the portfolio improved by 37% yoy and 5% qoq, exceeding pre-COVID-19 levels by 17%, driven by solid occupancy rates and average room rates (ADR) across all hotel segments.
- Non-budget hotel segment: RevPar remained above pre-COVID-19 levels.** The strong hotel performance of the non-budget hotel segment (contributing 79% of revenue in 3Q23) was primarily driven by significant growth in Chinese and Middle Eastern travellers. This growth resulted in a strong RevPar growth for the luxury hotels segment (+29% yoy, +10% qoq, 32% above pre-COVID-19 levels). Additionally, the performance of the midscale segment (RevPar +58% yoy, +3% qoq, 13% above pre-COVID-19 levels) and the economy segment (+68% yoy, +3% qoq, 58% above pre-COVID-19 levels) remained healthy.
- Budget hotels segment: Robust performance.** Despite the rainy season in Thailand, RevPar of Hop Inn Thailand (contributing 12% to revenue in 3Q23) continued to grow by 16% yoy and remained flat qoq, surpassing pre-COVID-19 levels by 25%. In addition, RevPar of Hop Inn Philippines (contributing 8% to revenue in 3Q23) improved significantly by 45% yoy, 11% qoq, and stood 16% above pre-COVID-19 levels.
- EBITDA margin continued to expand.** EBITDA margin improved yoy and qoq to 30.6% (+10.2ppt yoy, +1.5ppt qoq), thanks to operating leverage, especially with margin expansion from the luxury hotels segment (+400ppt qoq).

STOCK IMPACT

- 4Q23 earnings outlook.** We expect 4Q23 earnings to rise yoy and qoq, driven by: a) the high season of travel in Thailand, and b) short-term policies enhancing travel.

EARNINGS REVISION/RISK

- None**

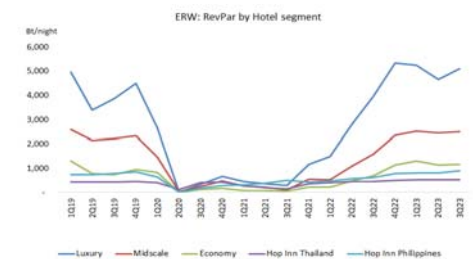
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt6.50.** Our valuation is based on EV/EBITDA multiple to 18x, 1SD above its historical trading levels. ERW is our top pick due to its robust operating performance, with earnings surpassing pre-COVID-19 levels despite international traveller numbers not having yet returned to normal.

SHARE PRICE CATALYST

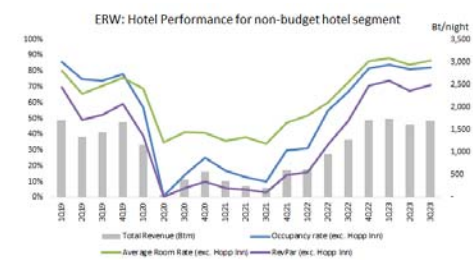
- End of revenge travel.**

REVPAR PERFORMANCE



Source: ERW, UOB Kay Hian

HOTELS PERFORMANCE



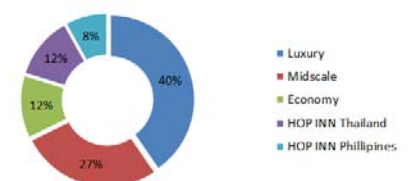
Source: ERW, UOB Kay Hian

EARNINGS PERFORMANCE



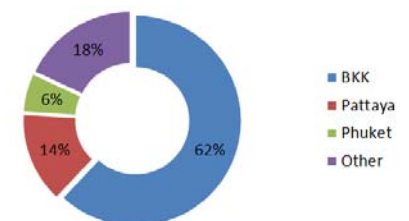
Source: ERW, UOB Kay Hian

REVENUE BREAKDOWN BY SEGMENTS



Source: ERW, UOB Kay Hian

REVENUE BREAKDOWN BY DESTINATION



Source: ERW, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	4,715	7,334	8,124	8,623
EBITDA	1,055	2,182	2,498	2,744
Deprec. & amort.	872	971	1,043	1,143
EBIT	183	1,210	1,455	1,601
Total other non-operating income	5	0	0	0
Associate contributions	29	21	30	30
Net interest income/(expense)	(455)	(511)	(564)	(565)
Pre-tax profit	(239)	720	921	1,066
Tax	26	14	(45)	(104)
Minorities	(11)	(29)	(35)	(38)
Net profit	(224)	705	842	923
Net profit (adj.)	(224)	705	842	923

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	2,051	1,463	1,950	2,275
Pre-tax profit	(239)	720	921	1,066
Tax	26	14	(45)	(104)
Deprec. & amort.	872	971	1,043	1,143
Working capital changes	28	(39)	(17)	32
Non-cash items	1,177	(16)	47	138
Other operating cashflows	188	(188)	0	0
Investing	(796)	(1,453)	(3,121)	(1,834)
Capex (growth)	(745)	(1,011)	(3,000)	(2,200)
Investments	(15)	(8)	(12)	(12)
Others	(36)	(434)	(109)	378
Financing	(966)	1,440	1,683	(324)
Dividend payments	0	0	(317)	(379)
Issue of shares	0	899	0	0
Proceeds from borrowings	(690)	541	2,000	55
Others/interest paid	(276)	0	0	0
Net cash inflow (outflow)	290	1,450	512	117
Beginning cash & cash equivalent	1,242	1,532	2,982	3,494
Ending cash & cash equivalent	1,532	2,982	3,494	3,611

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	19,320	19,359	21,316	22,373
Other LT assets	366	471	486	582
Cash/ST investment	1,532	2,982	3,494	3,611
Other current assets	494	553	629	745
Total assets	21,712	23,366	25,925	27,310
ST debt	783	795	795	795
Other current liabilities	979	983	1,089	1,375
LT debt	13,382	13,910	15,910	15,965
Other LT liabilities	846	510	403	865
Shareholders' equity	5,698	7,116	7,640	8,185
Minority interest	23	51	86	125
Total liabilities & equity	21,712	23,366	25,925	27,310

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	22.4	29.7	30.8	31.8
Pre-tax margin	(5.1)	9.8	11.3	12.4
Net margin	(4.8)	9.6	10.4	10.7
ROA	n.a.	3.1	3.4	3.5
ROE	n.a.	11.0	11.4	11.7
Growth				
Turnover	201.7	55.6	10.8	6.1
EBITDA	n.a.	106.8	14.5	9.8
Pre-tax profit	n.a.	n.a.	27.9	15.7
Net profit	n.a.	n.a.	19.4	9.7
Net profit (adj.)	n.a.	n.a.	19.4	9.7
EPS	n.a.	n.a.	19.4	9.7
Leverage				
Debt to total capital	71.2	67.2	68.4	66.9
Debt to equity	248.6	206.7	218.6	204.8
Net debt/(cash) to equity	221.7	164.8	172.9	160.6
Interest cover (x)	2.3	4.3	4.4	4.9

COMPANY RESULTS

The One Enterprise Public Company (ONEE TB)

3Q23: Impressive Results As Expected

ONEE reported impressive earnings of Bt151m for 2Q23 (-8% yoy, +25% qoq), coming in in line with our and market forecasts. Despite softer TV adex, ONEE still performed well in 3Q23 due to diversification of portfolio. Looking ahead in 4Q23, we still have an optimistic outlook due to a strong line-up of concerts and events. Maintain BUY. Target price: Bt6.20.

3Q23 Results

Year to 31 Dec (Btm)	3Q23	3Q22	2Q23	yoy chg (%)	qoq chg (%)
Net turnover	1,737	1,627	1,585	6.7	9.5
Gross profit	681	662	618	2.8	10.2
EBIT	189	180	130	5.1	45.2
EBITDA	532	535	425	(0.5)	25.3
Net profit	151	164	121	(7.7)	25.1
EPS	0.06	0.07	0.05	(7.7)	25.1
Core profit	138	140	100	(1.4)	38.8
Ratio				yoy chg (%)	qoq chg (%)
Gross margin	39.2	40.7	39.0	(1.5)	0.2
SG&A% of sales	28.3	29.7	30.8	(1.3)	(2.4)
Net profit margin	8.7	10.1	7.6	(1.4)	1.1

Source: The One Enterprise Public Company, UOB Kay Hian

RESULTS

- **Results came in in line with estimates.** The One Enterprise Public Company (ONEE) reported earnings of Bt151m for 2Q23 (-8% yoy, +25% qoq), coming in in line with our and market forecasts. Net profit dropped yoy, mainly pressured by lower gross margin. Meanwhile, qoq net profit improved thanks to higher revenue and lower SG&A-to-sales.
- **Strong revenue amid soft TV adex.** Despite softer TV adex, ONEE still reported revenue growth of 7% yoy and 10% qoq at Bt1.7b in 3Q23, mainly underpinned by revenue from the concert and event business, artiste management and consulting, and sales of goods.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	5,346.8	6,128.4	6,532.4	6,894.0	7,238.7
EBITDA	1,944.7	2,040.3	2,065.0	2,276.1	2,498.7
Operating profit	1,002.7	761.6	542.2	620.5	738.3
Net profit (rep./act.)	830.7	747.5	500.8	610.1	698.9
Net profit (adj.)	830.7	747.5	500.8	610.1	698.9
EPS (Bt)	0.3	0.3	0.2	0.3	0.3
PE (x)	11.0	12.2	18.3	15.0	13.1
P/B (x)	1.3	1.3	1.2	1.2	1.1
EV/EBITDA (x)	4.9	4.7	4.6	4.2	3.8
Dividend yield (%)	0.0	0.0	2.2	2.6	3.0
Net margin (%)	15.5	12.2	7.7	8.9	9.7
Net debt/(cash) to equity (%)	(20.1)	(13.4)	5.4	6.0	3.8
Interest cover (x)	15.4	429.6	162.1	n.a.	n.a.
Consensus net profit	-	-	493	615	634
UOBKH/Consensus (x)	-	-	1.02	0.99	1.10

Source: The One Enterprise Public Company, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt3.84
Target Price	Bt6.20
Upside	+61.5%

COMPANY DESCRIPTION

The One Enterprise Public Company Limited operates as an entertainment company. The company focuses on copyright management, media production, and related businesses.

STOCK DATA

GICS sector	Communication Services
Bloomberg ticker:	ONEE TB
Shares issued (m):	2,381.3
Market cap (Btm):	9,144.0
Market cap (US\$m):	253.6
3-mth avg daily t'over (US\$m):	0.7

Price Performance (%)

52-week high/low Bt9.50/Bt3.68

1mth	3mth	6mth	1yr	YTD
(1.5)	(15.4)	(21.0)	(58.0)	(51.7)

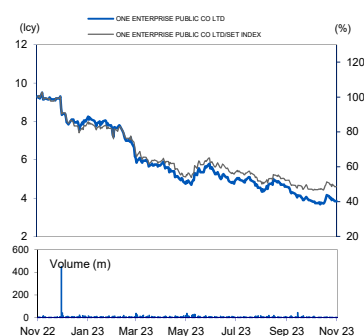
Major Shareholders

	%
Ms. Poramaporn Prasarttong-Osoth, M.D.	40.0
GMM Grammy Public Company Limited	25.0
Scenario Company Limited	8.5

FY23 NAV/Share (Bt) 3.16

FY23 Net Debt/Share (Bt) 0.17

PRICE CHART



Source: Bloomberg

ANALYST(S)

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ASSISTANT ANALYST
Thachasorn Jutaganon

- Diverse business segments drove 3Q23 revenue growth.** Advertising revenue contributing to around 40% of total revenue was flat yoy and qoq, pressured by soft TV adex shifting agencies to spend the budgets in other media channels. Copyright revenue contributing to around 15% of total revenue dropped 13% yoy, but still increased 24% qoq due to higher sales of dramas and series rights to various over-the-top (OTT) platforms around the world.
- Revenue from the concert and event business contributing to about 15% of total revenue showed strong growth of 50% yoy and 74% qoq due to three key activities, including Gemini Fourth My Turn concert, The Golden Song The Golden Show concert, and Very Thai Music Festival. Revenue from artiste management and consulting contributing 14% of total revenue also increased by 50% yoy and 12% qoq due to the positive sentiment of content in 3Q23.
- Gross margin dropped yoy but flattened qoq.** Gross margin came in at 39.2% (-1.5ppt yoy, flat qoq) due to: a) higher cost of production of series and dramas, b) increased costs in organising concerts and event management, and c) hiring artistes.

EARNINGS REVISION/RISK

- Anticipate copyright, events and merchandising businesses to consistently underpin revenue in 4Q23.** Despite the expectation of subdued advertising revenue both yoy and qoq in 3Q23, we are optimistic about the contribution from alternate revenue streams from the copyright, events and merchandising businesses, which are poised to provide essential support to overall revenue. There is a promising line-up of ten additional events and concerts, with strong numbers of fan meeting events across various Asian countries, including South Korea, Japan, Indonesia, and the Philippines.

EARNINGS REVISION/RISK

- None.**

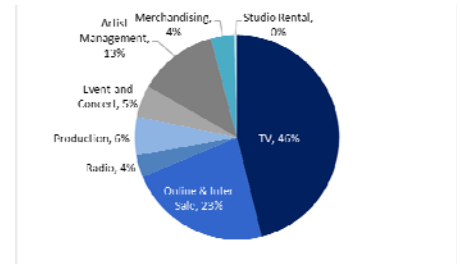
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt6.20.** Our target price is based on 21x 2024F PE, in line with the domestic media industry's 2024F PE mean. We expect ONEE's 4Q23 outlook to be underpinned by the variety of revenue streams. Moreover, ONEE has the highest price upside among its peers.

SHARE PRICE CATALYST

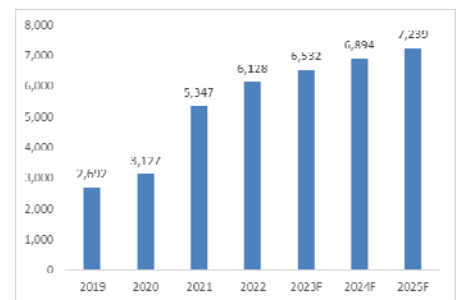
- Solid economic growth, strong consumer spending, robust TV adex, and impressive content of dramas, news, and series.

REVENUE PROPORTION IN 2023F



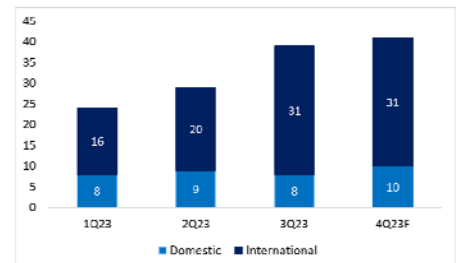
Source: ONEE, UOB Kay Hian

REVENUE OUTLOOK



Source: ONEE, UOB Kay Hian

NUMBER OF EVENTS, CONCERTS, AND FANMEETS



Source: ONEE, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	6,128	6,532	6,894	7,239
EBITDA	2,040	2,065	2,276	2,499
Deprec. & amort.	1,279	1,523	1,656	1,760
EBIT	762	542	620	738
Total other non-operating income	108	110	120	120
Associate contributions	2	2	2	2
Net interest income/(expense)	(5)	(13)	5	2
Pre-tax profit	866	641	748	863
Tax	(119)	(141)	(138)	(164)
Minorities	0	0	0	0
Net profit	747	501	610	699
Net profit (adj.)	747	501	610	699

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	1,560	1,201	1,859	2,320
Pre-tax profit	857	641	728	843
Tax	(119)	(141)	(138)	(164)
Deprec. & amort.	1,279	1,523	1,656	1,760
Working capital changes	(56)	(800)	(366)	(100)
Non-cash items	(402)	(23)	(20)	(19)
Other operating cashflows	0	0	0	0
Investing	(1,527)	(2,466)	(1,713)	(1,905)
Capex (growth)	(1,441)	(2,283)	(1,750)	(1,950)
Investments	(6)	11	0	0
Others	(80)	(194)	37	45
Financing	(925)	(74)	(128)	(93)
Dividend payments	0	(100)	(218)	(254)
Issue of shares	0	0	0	0
Proceeds from borrowings	(469)	20	90	161
Others/interest paid	(456)	6	0	0
Net cash inflow (outflow)	(892)	(1,339)	18	322
Beginning cash & cash equivalent	2,462	1,570	231	249
Ending cash & cash equivalent	1,570	231	249	571

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	4,584	5,344	5,439	5,628
Other LT assets	661	860	838	807
Cash/ST investment	1,570	231	249	571
Other current assets	2,579	3,564	3,761	3,949
Total assets	9,395	10,000	10,287	10,956
ST debt	518	558	708	968
Other current liabilities	1,402	1,565	1,375	1,444
LT debt	99	79	19	(80)
Other LT liabilities	247	264	278	292
Shareholders' equity	7,128	7,534	7,906	8,332
Minority interest	0	0	0	0
Total liabilities & equity	9,395	10,000	10,287	10,956

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	33.3	31.6	33.0	34.5
Pre-tax margin	14.1	9.8	10.9	11.9
Net margin	12.2	7.7	8.9	9.7
Net profit (adj.)	(10.0)	(33.0)	21.8	14.6
Leverage				
Debt to total capital	8.0	7.8	8.4	9.6
Debt to equity	8.7	8.5	9.2	10.7
Net debt/(cash) to equity	(13.4)	5.4	6.0	3.8
Interest cover (x)	429.6	162.1	n.a.	n.a.

COMPANY UPDATE

Charoen Pokphand Foods (CPF TB)

Earnings To Slightly Improve qoq In 4Q23

We expect to see a gradual improvement in 4Q23 earnings on a qoq basis, mainly driven by the lower raw material costs. However, we have cut our 2023 bottom line to a loss and 2024 earnings by 13.7%. Although we expect 2023 to be loss making, we expect CPF's bottom line to turn a profit in 2024 following an improvement in ASPs and lower raw material costs. Maintain BUY. Target price: Bt23.00.

WHAT'S NEW

- Gradual improve in ASPs.** Although there are still some uncertainties regarding consumption and the economic outlook, we saw domestic swine prices gradually improve on a mom basis. We believe the improvement could be underpinned by restrictions on illegal imported pork and a better supply situation. The current domestic swine prices are trading at Bt65-68/kg, up 7% from 3Q23's Bt62/kg. For Vietnam and China swine prices, management expects to see a positive trend in 4Q23 and anticipates better prices in 2024 following the improved supply situation.
- Lower margin pressured from a decline in costs.** Currently, corn and soybean meal prices are at Bt10.3/kg and Bt21.0/kg, down from Bt11.7/kg and Bt21.5/kg in 3Q23, respectively. We expect Charoen Pokphand Foods (CPF) to benefit from the lower raw material costs from 4Q23 onwards. Management expects the cost per kg of its livestock farm businesses to be lower in 2024 on a yoy basis. We expect soybean meal to continue declining in 2024, but we need to monitor the impact of El Nino on the corn crops in 2024. However, we still expect average corn prices in 2024 to be softer than those in 2023.
- Better livestock businesses to offset weakened aquaculture outlook.** We foresee better operating performance in both Hylife and Russia's swine business. Hylife's share of profit is expected to turn a profit in 4Q23 after experiencing losses since 2Q21, driven by the divestment of its underperforming business. However, there is still some pressure on CPF regarding its aquaculture business due to stiffer competition in the shrimp industry following supply dumping from Ecuador, a major shrimp producer in the world. Management has guided that the aquaculture businesses in Vietnam and India will focus more on the premium shrimp segment and value-added products.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	512,704	614,197	585,085	601,260	615,568
EBITDA	37,448	51,691	35,490	45,252	50,066
Operating profit	15,009	26,872	8,536	18,480	23,458
Net profit (rep./act.)	13,028	13,970	(7,099)	10,397	13,151
Net profit (adj.)	2,949	7,720	(13,690)	7,589	12,319
EPS (Bt)	0.3	0.9	(1.6)	0.9	1.5
PE (x)	53.2	20.3	n.m.	20.2	12.4
P/B (x)	0.8	0.7	0.7	0.6	0.6
EV/EBITDA (x)	17.3	12.5	18.2	14.3	12.9
Dividend yield (%)	3.6	4.1	(2.1)	3.1	4.0
Net margin (%)	2.5	2.3	(1.2)	1.7	2.1
Net debt/(cash) to equity (%)	183.2	175.8	183.1	174.1	167.5
Interest cover (x)	2.3	2.5	1.4	1.9	2.1
ROE (%)	6.4	5.9	n.a.	4.1	5.0
Consensus net profit	-	-	(319)	8,155	11,538
UOBKH/Consensus (x)	-	-	42.96	0.93	1.07

Source: Charoen Pokphand Foods Plc., Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt18.20
Target Price	Bt23.00
Upside	+26.4%
(Previous TP)	Bt26.00)

COMPANY DESCRIPTION

CPF, which is Thailand's leading conglomerate, engages in the agro-industrial processing of feed, farm and food.

STOCK DATA

GICS sector	Consumer Staples
Bloomberg ticker:	CPF TB
Shares issued (m):	8,413.6
Market cap (Btm):	153,127.5
Market cap (US\$m):	4,313.5
3-mth avg daily t'over (US\$m):	10.1

Price Performance (%)

52-week high/low	Bt24.80/Bt18.10			
1mth	3mth	6mth	1yr	YTD
(4.2)	(9.0)	(9.9)	(27.2)	(26.6)

Major Shareholders

	%
Charoen Pokphand Group Co., Ltd.	25.02
Charoen Pokphand Holding Co., Ltd.	10.36
Charoen Pokphand Food Plc.	6.92
FY23 NAV/Share (Bt)	27.66
FY23 Net Debt/Share (Bt)	53.92

PRICE CHART



Source: Bloomberg

ANALYST(S)

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3Q23 RESULTS

Year to 31 Dec (Btm)	3Q22	2Q23	3Q23	yoy % chg	qoq % chg
Revenue	160,266	150,246	144,498	-9.8%	-3.8%
Gross profit	22,624	15,579	16,496	-27.1%	5.9%
SG&A/Sales	13,564	12,787	13,868	2.2%	8.5%
EBIT	9,594	2,627	1,479	-84.6%	-43.7%
Net profit	5,108	(792)	(1,811)	-135.5%	128.6%
Core profit	5,354	(4,105)	(3,784)	-170.7%	-7.8%
Core EPS (Bt)	0.62	(0.48)	(0.44)	-170.7%	-7.8%
Ratio (%)					
Gross margin	15.0%	11.0%	10.8%	-4.2%	-0.2%
SG&A/Sales	9.0%	9.2%	9.7%	0.8%	0.5%
Net profit margin	3.2%	-0.5%	-1.3%	-4.4%	-0.7%

Source: CPF, UOB Kay Hian

- Results recap.** CPF reported 3Q23 loss of Bt1.8b, up from a net loss of Bt0.8b in 2Q23 and net profit of Bt5.1b in 3Q22. Excluding one-off items, 3Q23's core loss came in at Bt3.8b, down from a loss of Bt4.1b in 2Q23 and a net profit of Bt5.4b in 3Q22. The results were better than our and market expectations. The better-than-expected results were mainly from higher-than-expected gross profit margin (GPM) of 10.8% (vs 9% estimated).
- Gradual qoq improvement in 3Q23.** Key pressures on a yoy basis were from: a) a decline in top-line following lower ASPs, b) weakened GPM, and c) a lower share of profit to Bt0.53b from Bt2.3b in 3Q22. A slight qoq improvement was from better share of profit in 3Q23 of Bt0.53b from a loss of Bt0.89b in 3Q22. Also, GPM may still remained flat qoq even though there was is pressure from lower ASP, but this was offset by lower raw material costs of corn and soybean meal.

STOCK IMPACT

- A slight qoq recovery in 4Q23.** We expect to see a gradual improvement in 4Q23 earnings momentum following: a) lower raw material costs of corn and soybean meal, and b) a slight improvement in domestic ASPs. Although 4Q23 earnings recovery will be slower than our previous estimate, we are still positive on 4Q23 momentum.
- We expect earnings turnaround in 2024.** We have cut CPF's 2023 earnings to a loss of Bt7.1b from Bt263m net profit and cut 2024 earnings by 13.7% from Bt12b to Bt10b. The key assumptions include: a) the lower top-line growth following softened ASPs, and b) lower gross profit margin from lower ASP assumption. Although we expect 2023 to be loss making, we expect CPF's bottom line to turn a profit in 2024 following an improvement in ASPs and lower raw material costs.

EARNINGS REVISION/RISK

(Btm)	----- 2023F -----			----- 2024F -----		
	Old	New	chg	Old	New	chg
Sales (Btm)	637,283	585,085	-8.2%	654,828	601,260	-8.2%
GPM (%)	11.3%	10.8%	-0.5%	12.5%	12.2%	-0.3%
SG&A/Sales (%)	8.9%	9.4%	0.5%	9.2%	9.1%	-0.1%
Share of profit (Btm)	706	1,227	73.8%	11,799	10,721	-9.1%
Interest (Btm)	24,225	24,937	2.9%	23,150	24,307	5.0%
Net profit (Btm)	263	(7,099)	-2799.1%	12,043	10,397	-13.7%
Core profit (Btm)	(4,167)	(13,690)	228.5%	11,481	7,589	-33.9%

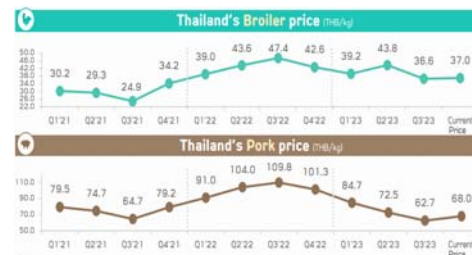
VALUATION/RECOMMENDATION

- Maintain BUY with a lower target price of Bt23.00.** Our target price is based on the PE valuation method. We use forward PE of CPF's 10-year mean, which is equivalent to 18.3x. Although we expect 4Q23 earnings to gradually improve qoq, we foresee better earnings outlook in 2024.

SHARE PRICE CATALYST

- a) Increase in China's swine prices, b) recovery of domestic swine and chicken prices in 2023-24, c) a decline in raw material prices.

DOMESTIC LIVESTOCK PRICES



Source CPF

CORN AND SOYBEAN MEAL PRICES



Source CPF

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	614,197	585,085	601,260	615,568
EBITDA	51,691	35,490	45,252	50,066
Deprec. & amort.	24,819	26,954	26,772	26,608
EBIT	26,872	8,536	18,480	23,458
Total other non-operating income	9,232	8,255	6,907	5,028
Associate contributions	3,745	1,227	10,721	11,404
Net interest income/(expense)	(20,358)	(24,937)	(24,307)	(24,032)
Pre-tax profit	20,427	(4,998)	11,800	15,859
Tax	(6,003)	(450)	(1,180)	(2,379)
Minorities	(454)	(1,651)	(223)	(330)
Net profit	13,970	(7,099)	10,397	13,151
Net profit (adj.)	7,720	(13,690)	7,589	12,319

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	33,544	25,783	35,212	37,826
Pre-tax profit	20,427	(4,998)	11,800	15,859
Tax	(6,003)	(450)	(1,180)	(2,379)
Deprec. & amort.	24,819	26,954	26,772	26,608
Associates	3,745	1,227	10,721	11,404
Working capital changes	(30,420)	5,928	(1,957)	(1,932)
Non-cash items	n.a.	n.a.	n.a.	n.a.
Other operating cashflows	20,976	(2,878)	(10,943)	(11,734)
Investing	(25,723)	(28,052)	(28,093)	(28,134)
Capex (growth)	(27,256)	(25,000)	(25,000)	(25,000)
Investments	n.a.	n.a.	n.a.	n.a.
Others	1,533	(3,052)	(3,093)	(3,134)
Financing	(12,858)	(17,381)	(8,961)	(8,090)
Dividend payments	(5,159)	(1,264)	(1,067)	(5,486)
Issue of shares	76	0	0	0
Proceeds from borrowings	62,584	(12,894)	(7,604)	(2,844)
Loan repayment	(39,982)	0	0	0
Others/interest paid	(30,378)	(3,223)	(289)	240
Net cash inflow (outflow)	(5,038)	(19,650)	(1,842)	1,602
Beginning cash & cash equivalent	35,286	32,950	13,300	11,458
Changes due to forex impact	2,702	0	0	0
Ending cash & cash equivalent	32,950	13,300	11,458	13,060

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	276,664	274,801	273,110	271,577
Other LT assets	417,104	420,708	424,368	428,083
Cash/ST investment	32,950	13,300	11,458	13,060
Other current assets	200,269	190,244	192,911	195,713
Total assets	926,987	899,053	901,848	908,433
ST debt	181,557	178,334	178,044	178,284
Other current liabilities	85,421	81,360	82,101	82,996
LT debt	301,499	288,606	281,001	278,157
Other LT liabilities	58,667	59,273	59,891	60,520
Shareholders' equity	256,053	247,690	257,020	264,685
Minority interest	43,791	43,791	43,791	43,791
Total liabilities & equity	926,987	899,053	901,848	908,433

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	8.4	6.1	7.5	8.1
Pre-tax margin	3.3	(0.9)	2.0	2.6
Net margin	2.3	(1.2)	1.7	2.1
ROA	1.6	n.a.	1.2	1.5
ROE	5.9	n.a.	4.1	5.0
Growth				
Turnover	19.8	(4.7)	2.8	2.4
EBITDA	38.0	(31.3)	27.5	10.6
Pre-tax profit	22.1	(124.5)	n.a.	34.4
Net profit	7.2	(150.8)	n.a.	26.5
Net profit (adj.)	161.8	(277.3)	n.a.	62.3
EPS	161.8	(281.5)	n.a.	62.3
Leverage				
Debt to total capital	61.7	61.6	60.4	59.7
Debt to equity	188.7	188.5	178.6	172.4
Net debt/(cash) to equity	175.8	183.1	174.1	167.5
Interest cover (x)	2.5	1.4	1.9	2.1

COMPANY UPDATE

SVI (SVI TB)

Gloomy Outlook Persists In 4Q23 And Ahead To 1H24

The tone after the 3Q23 results meeting was still gloomy. Management lowered the revenue estimate for 2023 by 10% and revised down 2024 revenue target by 36% again. Given this, we maintain a careful optimism regarding both revenue and gross margin and we revised down 2023-24 earnings by 14% and 18% respectively. Maintain HOLD. Target price: Bt7.20.

WHAT'S NEW

- **Analyst meeting after 3Q23 results.** The tone of the meeting was negative as revenues are revised down, pressured by many products.

STOCK IMPACT

- **2023-24 guidance revision.** Management has adjusted the projected revenue downward from US\$750m to US\$680m, reflecting a 10% decrease. This revision is attributed to subdued revenue in the security camera segment, which contributes approximately 30% of the total revenues and challenges in the bitcoin mining sector, accounting for about 20% of total revenues due to prolonged destocking of customers. Regarding this, we expect 4Q23 revenue to drop yoy and flatten qoq. Management has also adjusted the revenue target for 2024, lowering it from Bt1.0b to US\$800m, reflecting a 36% decrease. Consequently, the projected revenue growth for 2024 is estimated to be around 20% yoy. We have more conservative perspective on 2024's revenue by expecting revenue growth of around 15% yoy as we believe the brighter outlook might be slower than we expect.
- **Brighter outlook to be evident after 2Q24.** Due to the sluggish global economy leading to difficulty of entering of new customers, we expect a strong outlook to be seen in 2H24. This brighter outlook is attributed to: a) coming of new customers from China in audio space of US\$50m-80m, which should support revenue ahead and account for 10% of total portfolio, and b) recovery revenue from existing customers and new customers from moving out of China.
- **New expansion in the US.** In 2024, the company expects to expand its products in the US market with capex of US\$200m-250m in order to scale up customers and prepare for mass production in the future. The capex might not be high as it is a sharing space.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	17,399.6	25,898.2	23,962.5	27,571.0	28,560.0
EBITDA	1,569.1	1,910.2	1,330.8	1,603.5	1,909.0
Operating profit	1,329.0	1,638.7	1,078.3	1,351.0	1,656.5
Net profit (rep./act.)	1,407.6	1,772.3	998.0	1,214.3	1,523.0
Net profit (adj.)	1,331.5	1,658.2	928.3	1,214.3	1,523.0
EPS (Bt)	0.6	0.8	0.4	0.6	0.7
PE (x)	11.5	9.2	16.5	12.6	10.0
P/B (x)	2.9	2.4	2.1	1.9	1.7
EV/EBITDA (x)	11.3	9.3	13.4	11.1	9.3
Dividend yield (%)	15.6	3.7	1.3	2.4	4.0
Net margin (%)	8.1	6.8	4.2	4.4	5.3
Net debt/(cash) to equity (%)	73.9	65.3	34.6	24.3	10.7
Interest cover (x)	17.4	16.6	9.4	9.7	11.5
ROE (%)	30.5	30.3	14.5	15.7	17.4
Consensus net profit	-	-	1,103	1,371	1,584
UOBKH/Consensus (x)	-	-	0.84	0.89	0.96

Source: SVI, Bloomberg, UOB Kay Hian

n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

HOLD

(Maintained)

Share Price	Bt7.10
Target Price	Bt7.20
Upside	+1.4%
(Previous TP)	Bt8.80

COMPANY DESCRIPTION

SVI is an EMS company that provides printed circuit board assembly, box-build products and system build to key customers in Scandinavia and the US.

STOCK DATA

GICS sector	Information Technology
Bloomberg ticker:	SVI TB
Shares issued (m):	2,153.2
Market cap (Btm):	15,287.8
Market cap (US\$m):	425.8
3-mth avg daily t'over (US\$m):	0.3

Price Performance (%)

52-week high/low	Bt11.40/Bt6.95				
1mth	3mth	6mth	1yr	YTD	
(10.7)	(8.4)	(25.7)	(26.8)	(26.4)	

Major Shareholders

	%
Mr. Pongsak Lothongkam	72.8
UBS AG Singapore Branch	8.3
Thai NVDR	1.5
FY23 NAV/Share (Bt)	3.38
FY23 Net Debt/Share (Bt)	1.17

PRICE CHART



Source: Bloomberg

ANALYST(S)

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ASSISTANT ANALYST

Thachasorn Jutaganon

3Q23 RESULTS RECAP

Year to 31 Dec (Btm)	3Q23	3Q22	2023	yoy chg (%)	qoq chg (%)
Net turnover	5,565	7,015	5,695	(20.7)	(2.3)
Gross profit	488	697	496	(30.0)	(1.6)
EBIT	277	518	281	(46.5)	(1.5)
EBITDA	277	588	354	(52.9)	(21.8)
Net profit	274	598	281	(54.2)	(2.5)
EPS (Bt)	0.23	0.51	0.24	(54.2)	(2.5)
Core profit	243	499	262	(51.2)	(7.2)
Ratio (%)				yoy chg (%)	qoq chg (%)
Gross margin	8.8	9.9	8.7	(1.2)	0.1
SG&A as % sales	3.8	2.5	3.8	1.2	0.0
Net profit margin	4.9	8.5	4.9	(3.6)	(0.0)

Source: MAJOR, UOB Kay Hian

- Disappointing 3Q23 earnings.** SVI posted 3Q23 net profit of Bt274m (-54% yoy, flat qoq). The results were below our and consensus estimates by 9% and 16% respectively. The key earnings misses are lower-than-expected revenue and higher SG&A-to-sales. Yoy and qoq earnings declined, mainly pressured by lower revenue and gross margin and higher SG&A-to-sales.
- Revenue dropped yoy and qoq despite seasonal effects.** Revenue came in at Bt5.6b (-21 yoy, flat qoq), pressured by lower demand from the slowdown of global economy. Excluding forex movement, revenue was US\$159m (-18% yoy, flat qoq). Gross margin was 8.8%, decreasing 1.1ppt yoy due to the Baht appreciation and remaining flat qoq.

EARNINGS REVISION/RISK

- Forecast revised.** We have revised down our earnings projection for 2023-24 by 14% and 18% respectively, primarily because of lower revenue from customers' continuous destocking, impacted by the lacklustre economy.

EARNINGS REVISION

Year to 31 Dec (Btm)	2023F			2024F		
	New	Old	%Chg	New	Old	%Chg
Sales	23,963	25,205	-4.9%	27,571	29,735	-7.3%
Net profit	998	1,156	-13.7%	1,214	1,480	-18.0%
Gross profit margin (%)	8.20	8.30	-0.10	8.80	9.10	-0.30
SG&A as % of sales	3.70	3.50	0.20	3.90	3.80	0.10

Source: SVI, UOB Kay Hian

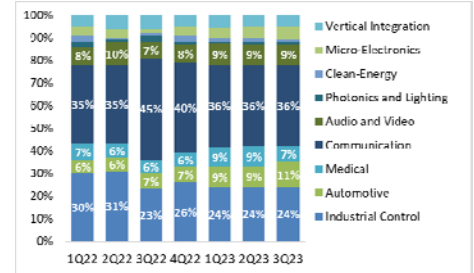
VALUATION/RECOMMENDATION

- Maintain HOLD with a lower target price of Bt7.20 (previous TP: Bt8.80).** Our target price is based on 13x 2024F PE and pegged to its five-year mean PE. Due to prolonged destocking of customers, we think the brighter outlook of SVI might not be seen in the near term. However, 2024 earnings should see improvement of 22% due to the low base in 2023. We remain HOLD on SVI.

SHARE PRICE CATALYST

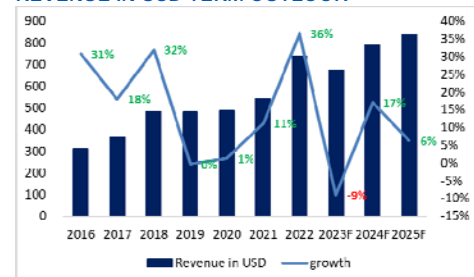
- Positive:** Baht depreciation, lower raw material prices, increasing capacity expansion.
- Negative:** Baht appreciation, higher raw material prices, machine issues, higher interest rate, and global recession.

REVENUE BREAKDOWN BY APPLICATION



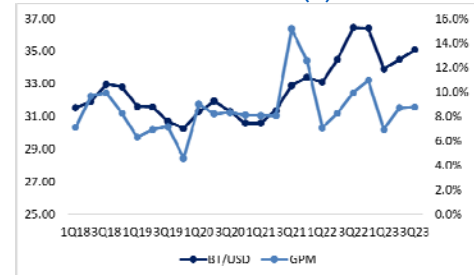
Source: SVI, UOB Kay Hian

REVENUE IN USD TERM OUTLOOK



Source: SVI, Bloomberg, UOB Kay Hian

THB/USD VS GROSS MARGIN (%)



Source: SVI, BOT, UOB Kay Hian

PE BAND



Source: SVI, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	25,898	23,963	27,571	28,560
EBITDA	1,910	1,331	1,604	1,909
Deprec. & amort.	271	253	253	253
EBIT	1,639	1,078	1,351	1,656
Total other non-operating income	301	157	100	130
Associate contributions	0	0	0	0
Net interest income/(expense)	(115)	(141)	(166)	(166)
Pre-tax profit	1,825	1,094	1,285	1,620
Tax	(52)	(96)	(71)	(97)
Minorities	0	0	0	0
Net profit	1,772	998	1,214	1,523
Net profit (adj.)	1,658	928	1,214	1,523

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating (BTm)	758	1,837	786	1,491
Pre-tax profit (BTm)	1,825	1,094	1,285	1,620
Tax (BTm)	(52)	(96)	(71)	(97)
Deprec. & amort. (BTm)	271	253	253	253
Working capital changes (BTm)	(1,108)	528	(571)	(255)
Non-cash items (BTm)	(179)	59	(110)	(30)
Other operating cashflows (BTm)	0	0	0	0
Investing (BTm)	(663)	86	21	6
Capex (growth) (BTm)	(613)	97	0	0
Investments (BTm)	0	0	0	0
Others (BTm)	(50)	(11)	21	6
Financing (BTm)	46	(94)	(282)	(487)
Dividend payments (BTm)	0	(380)	(282)	(487)
Issue of shares (BTm)	58	114	0	0
Proceeds from borrowings (BTm)	533	113	0	0
Others/interest paid (BTm)	(545)	59	0	0
Net cash inflow (outflow) (BTm)	141	1,829	526	1,010
Beginning cash & cash equivalent (BTm)	575	716	2,545	3,071
Ending cash & cash equivalent (BTm)	716	2,545	3,071	4,080

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	3,029	2,679	2,426	2,174
Other LT assets	103	95	110	114
Cash/ST investment	716	2,545	3,071	4,080
Other current assets	13,217	12,229	14,071	14,575
Total assets	17,065	17,549	19,678	20,943
ST debt	3,573	3,686	3,686	3,686
Other current liabilities	5,367	4,965	6,127	6,346
LT debt	1,380	1,380	1,380	1,380
Other LT liabilities	255	236	272	282
Shareholders' equity	6,490	7,281	8,213	9,250
Minority interest	0	0	0	0
Total liabilities & equity	17,065	17,549	19,678	20,943

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	7.4	5.6	5.8	6.7
Pre-tax margin	7.0	4.6	4.7	5.7
Net margin	6.8	4.2	4.4	5.3
ROA	11.0	5.8	6.5	7.5
ROE	30.3	14.5	15.7	17.4
Growth				
Turnover	48.8	(7.5)	15.1	3.6
EBITDA	21.7	(30.3)	20.5	19.1
Pre-tax profit	30.7	(40.0)	17.4	26.1
Net profit	25.9	(43.7)	21.7	25.4
Net profit (adj.)	24.5	(44.0)	30.8	25.4
EPS	24.5	(44.0)	30.8	25.4
Leverage				
Debt to total capital	43.3	41.0	38.1	35.4
Debt to equity	76.3	69.6	61.7	54.8
Net debt/(cash) to equity	65.3	34.6	24.3	10.7
Interest cover (x)	16.6	9.4	9.7	11.5

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