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KEY HIGHLIGHTS

Results

Minor International (MINT TB/BUY/Bt27.75/Target: Bt38.00)

3Q23: Earnings remain solid.

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Muangthai Capital (MTC TB/HOLD/Bt39.75/Target: Bt40.00)

3Q23: Results beat, but gloomy outlook persists.

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PTT Oil & Retail Business (OR TB/BUY/Bt18.70/Target: Bt23.00)

3Q23: Net profit up both qoq and yoy.

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Star Petroleum Refining (SPRC TB/HOLD/Bt7.65/Target: Bt9.00)

3Q23: Strong quarter as expected.

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WHA Corporation (WHA TB/BUY/Bt5.05/Target: Bt6.30)

3Q23: Results missed expectations; positive sentiment remains.

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Update

Quality Houses (QH TB/HOLD/Bt2.22/Target: Bt2.38)

Residential business outlook remains unexciting.

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KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,404.97	(6.80)	(0.48)
SET50	870.23	(2.15)	(0.25)
Value (Btm) - SET	45,795		
Top 5 Sector			
BANK	378.27	(1.02)	(0.27)
PETRO	707.82	1.53	0.22
PROP	221.99	(1.85)	(0.83)
ENERG	20,339.26	90.45	0.45
ICT	151.12	(0.97)	(0.64)

Source: Bloomberg

TOP VOLUME

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
BH	233.00	(6.43)	1,256.9
PTTEP	162.00	0.93	2,080.2
BDMS	26.75	0.00	1,177.2
CPALL	55.00	(1.35)	1,287.9
PTT	33.25	0.76	1,234.4

TOP GAINERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
UEC	1.76	19.73	10.9
NATION	0.07	16.67	0.2
XO	30.00	11.11	274.1
CM	2.20	10.00	3.0
Q-CON	15.30	8.51	23.5

TOP LOSERS

Symbol	Close (Baht)	+/-(% Chg)	5-day ADT (BTm)
JCKH	0.02	(33.33)	0.1
JKN	0.76	(30.28)	10.3
TU-PF	0.52	(10.34)	0.0
BJC	27.00	(9.24)	179.1
EFORL	0.24	(7.69)	4.1

*ADT: Average daily turnover

KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	80.0	(7.5)	(6.9)	(1.5)
Dubai crude*	81.7	(8.1)	(8.3)	3.9
Baltic Dry Index	1,530.0	(22.8)	34.6	1.0
Gold Spot***	1,959.7	5.3	2.5	7.4

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

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(87.4)	(198.2)	(5,155.5)	(9,999.1)

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 35.78

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

Thai Lending Rate (%)* - MLR = 7.10

COMPANY RESULTS

Minor International (MINT TB)

3Q23: Earnings Remain Solid

MINT posted 3Q23 net profit of Bt2.1b (-54% yoy, -34% qoq), while core profit was Bt2.3b (+13% yoy, -24% qoq). The hotel business remained strong with RevPar growing 13% yoy but dropping 5% qoq, surpassing pre-COVID-19 levels by 42%. Food sales was supported by strong consumption in Thailand, but this was partially offset by softer performance in other regions. Maintain BUY. Target price: Bt38.00.

3Q23 RESULTS

(Btm)	3Q22	2Q23	3Q23	yoy (%)	qoq (%)
Hotel revenue	25,147	30,062	29,688	18.1	(1.2)
Food revenue	7,035	7,346	7,275	3.4	(1.0)
Total revenue	33,930	39,738	38,904	14.7	(2.1)
Gross profit	15,690	18,910	18,216	16.1	(3.7)
SG&A	11,906	13,304	12,479	4.8	(6.2)
Operating EBIT	4,770	6,078	6,283	31.7	3.4
Operating EBITDA	8,667	10,525	10,432	20.4	(0.9)
Core profit	2,011	3,005	2,273	13.0	(24.4)
Net profit	4,608	3,255	2,144	(53.5)	(34.1)
(%)	3Q22	2Q23	3Q23	yoy (ppts)	qoq (ppts)
Gross margin	46.2	47.6	46.8	0.6	(0.8)
SG&A to sales	35.1	33.5	32.1	(3.0)	(1.4)
EBIT margin	14.1	15.3	16.1	2.1	0.9
EBITDA margin	25.5	26.5	26.8	1.3	0.3
Core profit margin	5.9	7.6	5.8	(0.1)	(1.7)
Net profit margin	13.6	8.2	5.5	(8.1)	(2.7)

Source: Minor International, UOB Kay Hian

RESULTS

- **3Q23 earnings continued to improve yoy but declined qoq.** Minor International (MINT) posted a net profit of Bt2.1b (-54% yoy, -34% qoq) in 3Q23. Excluding extraordinary items, core profit improved yoy but declined qoq to Bt2.3b (+13% yoy, -24% qoq), which was lower than our estimate by 9% but in line with market expectations. The key miss was lower-than-expected share of profit from associates as well as other income.
- **Total sales supported by an improvement in all businesses, especially hotels.** Total sales improved by 15% yoy but declined slightly by 2% qoq. A significant yoy growth in the top-line was boosted by hotel operations, meanwhile, a qoq declining growth in the top-line was driven by both hotel and food operations.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	74,427.8	122,908.7	133,697.7	140,130.8	144,809.1
EBITDA	12,610.5	32,405.8	35,098.4	38,243.4	39,378.5
Operating profit	(7,331.3)	13,131.1	15,235.0	17,835.7	18,513.1
Net profit (rep./act.)	(13,166.5)	4,286.4	5,578.0	7,310.4	7,811.3
Net profit (adj.)	(13,166.5)	4,286.4	5,578.0	7,310.4	7,811.3
EPS (Bt)	(2.5)	0.8	1.0	1.4	1.5
PE (x)	n.m.	35.3	27.5	21.0	19.6
P/B (x)	2.2	2.1	1.9	1.8	1.7
EV/EBITDA (x)	28.6	11.1	10.3	9.4	9.1
Dividend yield (%)	0.0	0.0	1.2	1.5	1.7
Net margin (%)	(17.7)	3.5	4.2	5.2	5.4
Net debt/(cash) to equity (%)	293.3	259.2	242.6	215.5	196.9
Interest cover (x)	1.7	4.0	4.2	4.4	4.5
ROE (%)	n.a.	6.2	7.5	9.1	9.1
Consensus net profit	-	-	6,395	7,858	9,403
UOBKH/Consensus (x)	-	-	0.87	0.93	0.83

Source: Minor International, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E reflected as "n.m."

BUY

(Maintained)

Share Price	Bt27.75
Target Price	Bt38.00
Upside	+36.9%
(Previous TP)	Bt42.00)

COMPANY DESCRIPTION

MINT is one of the largest hospitality companies in the Asia-Pacific region. It also operates restaurants in Thailand and overseas and is involved in residential property development and retail trading.

STOCK DATA

GICS sector	Consumer Discretionary			
Bloomberg ticker:	MINT TB			
Shares issued (m):	5,595.8			
Market cap (Btm):	159,480.2			
Market cap (US\$m):	4,480.4			
3-mth avg daily t'over (US\$m):	12.4			
Price Performance (%)				
52-week high/low	Bt34.75/Bt27.75			
1mth	3mth	6mth	1yr	YTD
(7.3)	(9.5)	(14.9)	(2.6)	(11.6)

Major Shareholders

	%
Minor Group & Heinecke Family	34.0
Foreign Fund	27.0
Local Fund	12.0
FY23 NAV/Share (Bt)	14.69
FY23 Net Debt/Share (Bt)	35.63

PRICE CHART



Source: Bloomberg

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KEY STATISTICS

Hotel Stats	3Q19	3Q22	4Q22	1Q23	2Q23	3Q23	yoy chg	qoq chg	to Pre-COVID
Occupancy rate (%)	74%	68%	63%	59%	70%	70%	2.0 ppt	0.0 ppt	95%
ADR (Bt/night)	3,763	5,122	5,009	4,645	5,842	5,610	9.5%	-4.0%	149%
RevPar (Bt/night)	2,773	3,476	3,176	2,737	4,118	3,927	13.0%	-4.6%	142%
Key rooms	53,448	54,554	54,512	54,408	54,373	54,493	-0.1%	0.2%	102%
Food Stats	3Q19	3Q22	4Q22	1Q23	2Q23	3Q23	yoy chg	qoq chg	
SSSG - Portfolio	-3.7%	16.6%	4.4%	11.4%	8.1%	-2.0%	-18.6 ppt	-10.1 ppt	
SSSG - Thailand	-5.0%	11.4%	4.1%	5.8%	7.9%	-1.1%	-12.5 ppt	-9.0 ppt	
SSSG - China	-1.9%	-10.5%	-26.4%	15.1%	39.8%	-9.9%	0.6 ppt	-49.7 ppt	
SSSG - Australia	-1.9%	35.6%	15.1%	24.0%	3.3%	-2.8%	-38.4 ppt	-6.1 ppt	
Number of stores	2,297	2,484	2,531	2,540	2,581	2,607	5.0%	1.0%	

Source: MINT, UOB Kay Hian

• **Hotels driven by robust performance in Europe and Thailand.** Sales from hotel operations continued to increase 18% yoy but declined marginally by 1% qoq, led by a robust hotel performance in Europe and Thailand. Occupancy rate of the portfolio increased yoy but stayed flat qoq at 70% (vs 68% in 3Q23, flat qoq, 74% in 3Q19). Meanwhile, the average room rate (ADR) rose 10% yoy but dropped 4% qoq, surpassing pre-COVID-19 levels by 49%. Hence, the portfolio's RevPar grew 13% yoy but dropped 5% qoq and surpassed the pre-COVID-19 levels by 42%. Hotels in Europe remained strong with RevPar growing 11% yoy but dropping 4% qoq due to the seasonal impact, surpassing pre-COVID-19 levels by 19%. Furthermore, RevPar of hotels in Thailand grew 38% yoy and 4% qoq and reached normalised levels. However, RevPar of hotels in the Maldives remained weak, declining 26% yoy and 17% qoq and still below pre-COVID-19 levels by 12%.

• **Food sales outside Thailand saw a slowdown.** Food sales increased 3% yoy but dropped slightly by 1% qoq, underpinned by the strong performance in Thailand, which was partially offset by softer performance in China and Australia. The portfolio's SSSG was -2% yoy (Thailand: -1% yoy, China: -10% yoy, Australia: -3% yoy) due to: a) a weak consumption in CLMV region, and b) high-base impact in China after the easing of COVID-19-related restrictions. Meanwhile, the total same-store-sale growth of the portfolio was strong at +5% yoy, mainly driven by Thailand.

• **EBITDA margin remained robust.** EBITDA margin improved yoy but stayed flat qoq at 26.8% (+1.3ppt yoy, +0.3ppt qoq). EBITDA margin from the hotel business declined qoq due to lower economies of scale, but this was offset by an improved EBITDA margin from the food business, thanks to lower material costs.

STOCK IMPACT

• **4Q23 earnings are likely to decline qoq.** We expect earnings in 4Q23 and 1Q24 to improve yoy but decline qoq. An improvement of earnings on a yoy basis should come from higher travel mobility in all regions. However, earnings should decline qoq due to the low season of travel in Europe.

EARNINGS REVISION/RISK

• None.

VALUATION/RECOMMENDATION

• **Maintain BUY with a lower target price of Bt38.00.** We roll over our target price to 2024 and de-rate the EV/EBITDA multiple to 11x, or at 1SD below its historical trading, to reflect: a) the slower growth rate from the high base in 2023 (2023 earnings growth: 176% yoy, 2024 earnings growth: 31% yoy), and b) the end of revenge travel, especially in Europe due to its earlier reopening as compared with countries in the Asian region. However, stock price is currently trading at EV/EBITDA of 9-10x or at about -1.5SD its own historical trading. Hence, we believe MINT's valuation is undemanding.

SHARE PRICE CATALYST

• End of revenge travel.

HOTEL PERFORMANCE



Source: MINT, UOB Kay Hian

FOOD PERFORMANCE



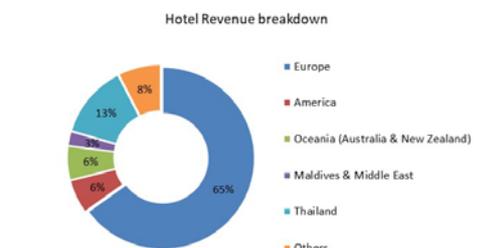
Source: MINT, UOB Kay Hian

FOOD PERFORMANCE



Source: MINT, UOB Kay Hian

HOTEL REVENUE BREAKDOWN (2019)



Source: MINT, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	122,909	133,698	140,131	144,809
EBITDA	32,406	35,098	38,243	39,378
Deprec. & amort.	19,275	19,863	20,408	20,865
EBIT	13,131	15,235	17,836	18,513
Total other non-operating income	2	1	1	1
Associate contributions	136	300	386	401
Net interest income/(expense)	(8,138)	(8,272)	(8,700)	(8,738)
Pre-tax profit	6,877	7,264	9,522	10,178
Tax	(2,354)	(1,393)	(1,827)	(1,955)
Minorities	(236)	(294)	(385)	(411)
Net profit	4,286	5,578	7,310	7,811
Net profit (adj.)	4,286	5,578	7,310	7,811

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	24,634	22,067	27,711	29,229
Pre-tax profit	6,877	7,264	9,522	10,178
Tax	(2,354)	(1,393)	(1,827)	(1,955)
Deprec. & amort.	19,275	19,863	20,408	20,865
Working capital changes	51	(709)	(95)	(69)
Non-cash items	2,112	(4,285)	(297)	211
Other operating cashflows	(1,326)	1,326	0	0
Investing	(9,234)	(26,701)	(16,708)	(22,158)
Capex (growth)	(6,035)	(33,219)	(17,194)	(24,829)
Investments	(95)	(120)	(154)	(160)
Others	(3,104)	6,638	641	2,831
Financing	(17,531)	15,526	(6,785)	(7,339)
Dividend payments	0	0	(1,785)	(2,339)
Issue of shares	1,475	0	0	0
Proceeds from borrowings	(17,451)	15,526	(5,000)	(5,000)
Others/interest paid	(1,555)	0	0	0
Net cash inflow (outflow)	(2,130)	10,892	4,218	(268)
Beginning cash & cash equivalent	25,097	22,966	33,858	38,077
Ending cash & cash equivalent	22,966	33,858	38,077	37,808

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	274,392	287,747	284,534	288,498
Other LT assets	33,522	36,987	37,341	39,066
Cash/ST investment	22,966	33,858	38,077	37,808
Other current assets	27,330	33,326	34,252	36,818
Total assets	358,210	391,919	394,203	402,191
ST debt	34,838	57,481	67,481	67,481
Other current liabilities	32,716	33,718	34,252	36,960
LT debt	172,288	165,171	150,171	145,171
Other LT liabilities	35,759	45,742	46,582	50,979
Shareholders' equity	71,059	77,807	83,332	88,804
Minority interest	11,550	12,000	12,384	12,796
Total liabilities & equity	358,210	391,919	394,203	402,191

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	26.4	26.3	27.3	27.2
Pre-tax margin	5.6	5.4	6.8	7.0
Net margin	3.5	4.2	5.2	5.4
ROA	1.2	1.5	1.9	2.0
ROE	6.2	7.5	9.1	9.1
Growth				
Turnover	65.1	8.8	4.8	3.3
EBITDA	157.0	8.3	9.0	3.0
Pre-tax profit	n.a.	5.6	31.1	6.9
Net profit	n.a.	30.1	31.1	6.9
Net profit (adj.)	n.a.	30.1	31.1	6.9
EPS	n.a.	28.5	31.1	6.9
Leverage				
Debt to total capital	71.5	71.3	69.5	67.7
Debt to equity	291.5	286.2	261.2	239.5
Net debt/(cash) to equity	259.2	242.6	215.5	196.9
Interest cover (x)	4.0	4.2	4.4	4.5

COMPANY RESULTS

Muangthai Capital (MTC TB)

3Q23: Results Beat, But Gloomy Outlook Persists

MTC reported a 3Q23 net profit of Bt1,285m (+7% yoy, +7% qoq). The results were above consensus estimate by 7%. The company's credit costs increased qoq, but asset quality saw a slight improvement. However, there are still lingering uncertainties surrounding credit default risks. Also, MTC's NIM is likely to decline further going into 2024. Maintain HOLD. Target price: Bt40.00.

3Q23 RESULTS

Year to 31 Dec (Btm)	3Q23	2Q23	3Q22	qoq chg (%)	yoy chg (%)
Total gross loans	138,742	132,851	114,586	4.4	21.1
Net interest income	5,059	4,845	4,222	4.4	19.8
Non-interest income	236	287	226	(17.8)	4.5
Loan loss provision	(1,300)	(1,200)	(923)	8.3	40.7
Non-Interest expenses	(2,391)	(2,463)	(2,008)	(2.9)	19.1
Pre-provision operating profit	2,585	2,400	2,129	7.7	21.4
Net income	1,285	1,200	1,205	7.1	6.6
EPS (Bt)	0.61	0.57	0.57	7.1	6.6
Ratio (%)					
NPL ratio (%)	3.2	3.4	2.3		
Loan loss coverage ratio (%)	110.3	105.1	102.3		
Net interest margin (NIM %)	14.9	15.0	15.1		
Credit cost (bp)	383	371	333		
Cost to income (%)	45.2	48.0	45.1		
Number of network store	7,365	7,260	6,547		
Baseline Total Loans/Store	18.6	18.1	17.3		

Source: MTC, UOB Kay Hian

RESULTS

• **3Q23 performance slightly exceeded estimates.** Muangthai Capital (MTC) reported 3Q23 net profit of Bt1,285m, surpassing consensus' estimate by 7%. The company's net profit increased by 7% yoy and 7% qoq. Although MTC's credit cost continued to increase, its asset quality showed signs of recovery. MTC's strong loan growth momentum was carried forward into 3Q23. Excluding the provision expenses, the company's pre-provision operating profit (PPOP) grew 21% yoy and 8% qoq.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net interest income	13,068	16,386	19,623	22,793	26,450
Non-interest income	824	869	1,007	1,159	1,317
Net profit (rep./act.)	4,945	5,093	4,820	6,415	8,024
Net profit (adj.)	4,945	5,093	4,820	6,415	8,024
EPS (Bt)	2.3	2.4	2.3	3.0	3.8
PE (x)	17.0	16.5	17.5	13.1	10.5
P/B (x)	3.4	2.9	2.5	2.2	1.9
Dividend yield (%)	0.9	0.9	0.9	1.1	1.5
Net int margin (%)	16.3	15.6	15.1	15.0	15.2
Cost/income (%)	50.1	46.8	48.2	47.9	47.2
Loan loss cover (%)	143.6	105.1	125.0	138.0	157.0
Consensus net profit	-	-	4,774	5,899	7,286
UOBKH/Consensus (x)	-	-	1.01	1.09	1.10

Source: Muangthai Capital, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	Bt39.75
Target Price	Bt40.00
Upside	+0.6%

COMPANY DESCRIPTION

The Company provides motorcycle, commercial/passenger cars, agriculture cars, and title deed, personal, and nano loan to individuals.

STOCK DATA

GICS sector	Financials
Bloomberg ticker:	MTC TB
Shares issued (m):	2,120.0
Market cap (Btm):	84,270.0
Market cap (US\$m):	2,368.3
3-mth avg daily t'over (US\$m):	11.4
Price Performance (%)	

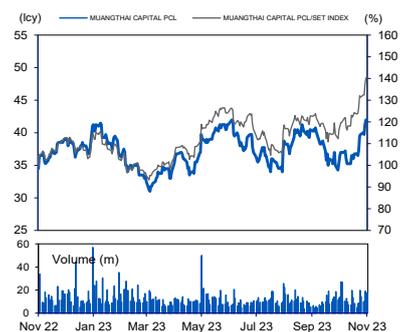
52-week high/low Bt42.00/Bt31.00

1mth	3mth	6mth	1yr	YTD
13.6	14.4	12.0	6.0	4.6

Major Shareholders

	%
Daonapa Petampai	34.0
Chuchat Petaumpai	33.5
Thai NVDR	7.7
FY23 NAV/Share (Bt)	15.64
FY23 Solvency Ratio (%)	

PRICE CHART



Source: Bloomberg

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ASSISTANT ANALYST(S)

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STOCK IMPACT

- MTC downsizes motorcycle HP business but maintains strong loan growth.** During 3Q23, MTC strategically reduced its motorcycle hire-purchase (HP) business. As a result, MTC's motorcycle HP portfolio fell 18% yoy and 6% qoq. Despite the motorcycle HP business being downsized, MTC's overall loan portfolio maintained a strong growth momentum. The company's total loans expanded by 21% yoy and 4% qoq, bringing total loans to Bt139b. MTC opened 105 new branches across its network in 3Q23, bringing the total number of MTC network stores to 7,365.
- Credit costs rose, but asset quality showed signs of improvement.** The company's credit cost continued to increase, growing 12bp qoq to reach 383bp in 3Q23. This signifies a continued elevation in costs associated with the company's efforts to clean up its portfolio. On the other hand, there were some positive developments in asset quality. NPL ratio decreased by 20bp qoq to 3.2%. Also, loan-loss coverage (LLC) ratio increased slightly by 5ppt qoq to 110%. Meanwhile, NPL ratio of the motorcycle HP business further deteriorated, rising from 8.9% in the previous quarter to 10.4% in 3Q23.
- NIM fell in 3Q23; likely to decline further going into 2024.** The ongoing trend of rising interest rates poses challenges for MTC. While there was a slight increase of 10bp qoq in MTC's loan yield, it was not sufficient to counterbalance the escalating costs of funding. Funding costs increased by 20bp qoq. Due to the increase in funding costs, which outweighed the growth in loan yield, MTC's NIM declined by 10bp qoq to 14.9% in 3Q23. Furthermore, the company has bonds amounting to Bt25b due within the next 12 months, which account for 34% of its total holdings. Management estimates the funding costs for 2024 at 4-4.2% (vs 3Q23: 3.6%). This situation highlights the narrower NIM outlook.
- While asset quality improved in 3Q23, many uncertainties are waiting ahead.** While MTC's asset quality in 3Q23 showed signs of improvement, there are still lingering uncertainties surrounding credit default risks. One key factor adding to this uncertainty is the expiration of the relaxed classification for distressed loans, which is scheduled to end on 31 Dec 23. As the measures come to an end, the new NPL formation is likely to increase again. Additionally, the El Nino phenomenon has brought forth drought issues, which could further compound the challenges faced by MTC. This is particularly concerning as most of MTC's customer base consists farmers who rely heavily on their agricultural activities for income.

EARNINGS REVISION/RISK

- No earnings revision.

VALUATION/RECOMMENDATION

- Maintain HOLD with an unchanged target price of Bt40.00** based on Gordon Growth Model (GGM). Our target price implies 2023F 17x PE, which is -1SD to its five-year average.

SHARE PRICE CATALYST

- No short-term share price catalyst.

PE BAND



Source: MTC, UOB Kay Hian

P/B BAND



Source: MTC, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Interest income	19,199	23,451	27,424	31,657
Interest expense	(2,813)	(3,828)	(4,631)	(5,207)
Net interest income	16,386	19,623	22,793	26,450
Fees & commissions	792	945	1,096	1,255
Other income	78	62	62	62
Non-interest income	869	1,007	1,159	1,317
Total income	17,255	20,631	23,952	27,767
Staff costs	(8,069)	(9,953)	(11,478)	(13,099)
Other operating expense	0	0	0	0
Pre-provision profit	9,187	10,678	12,473	14,668
Loan loss provision	(2,827)	(4,626)	(4,454)	(4,637)
Pre-tax profit	6,360	6,052	8,019	10,030
Tax	(1,267)	(1,232)	(1,604)	(2,006)
Minorities	0	0	0	0
Net profit	5,093	4,820	6,415	8,024
Net profit (adj.)	5,093	4,820	6,415	8,024

OPERATING RATIOS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Capital Adequacy				
Total assets/equity (x)	4.4	4.5	4.5	4.3
Tangible assets/tangible common	5.0	5.2	5.2	4.9
Asset Quality				
NPL ratio	2.9	3.4	3.2	3.2
Loan loss coverage	105.1	125.0	138.0	157.0
Loan loss reserve/gross loans	3.1	4.2	4.4	5.0
Increase in NPLs	0.0	0.0	0.0	0.0
Credit cost (bp)	266.2	351.2	300.0	262.0
Liquidity				
Loan/deposit ratio	195.8	187.1	187.4	186.5
Liquid assets/short-term liabilities	8.8	9.9	10.1	10.7
Liquid assets/total assets	2.5	2.7	2.7	2.7

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Cash with central bank	3,213	4,055	4,714	5,383
Customer loans	116,928	136,862	158,297	179,149
Fixed assets (incl. prop.)	2,085	2,160	2,251	2,397
Other assets	5,841	7,147	8,132	9,130
Total assets	128,066	150,224	173,393	196,059
Customer deposits	36,418	40,805	46,694	50,528
Debt equivalents	59,725	73,146	84,467	96,043
Other liabilities	2,833	3,109	3,614	4,127
Total liabilities	98,976	117,060	134,776	150,698
Shareholders' funds	29,091	33,164	38,617	45,360
Minority interest - accumulated	0	0	0	0
Total equity & liabilities	128,066	150,224	173,393	196,058

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Growth				
Net interest income, yoy chg	25.4	19.8	16.2	16.0
Fees & commissions, yoy chg	3.0	19.4	16.0	14.4
Pre-provision profit, yoy chg	32.6	16.2	16.8	17.6
Net profit, yoy chg	3.0	(5.4)	33.1	25.1
Net profit (adj.), yoy chg	3.0	(5.4)	33.1	25.1
Customer loans, yoy chg	29.9	17.0	15.7	13.2
Profitability				
Net interest margin	15.6	15.1	15.0	15.2
Cost/income ratio	46.8	48.2	47.9	47.2
Adjusted ROA	4.5	3.5	4.0	4.3
Reported ROE	18.9	15.5	17.9	19.1
Adjusted ROE	18.9	15.5	17.9	19.1
Valuation				
P/BV (x)	2.9	2.5	2.2	1.9
P/NTA (x)	3.4	3.0	2.6	2.2
Adjusted P/E (x)	16.5	17.5	13.1	10.5
Dividend Yield	0.9	0.9	1.1	1.5
Payout ratio	15.4	15.1	15.0	16.0

COMPANY RESULTS

PTT Oil & Retail Business (OR TB)

3Q23: Net Profit Up Both qoq and yoy

OR reported a qoq and yoy increase in 3Q23 net profit as a result of a significant increase in marketing margins sufficient to compensate for seasonal declines in oil sales volumes and revenue of the non-oil business. However, we expect 4Q23 core profit to fall qoq, due to lower stock gains. We cut our 2023 net profit forecast by 15% as a result of adjusting our oil sales and EBITDA margin assumptions in the non-oil business. Maintain BUY. Target price: Bt23.00.

3Q23 RESULTS

Year to 31 Dec (Btm)	3Q22 (Btm)	2Q23 (Btm)	3Q23 (Btm)	yoy %Chg.	qoq %Chg.	9M22 (Btm)	9M23 (Btm)	yoy %Chg.
Revenue	194,796	187,708	191,560	-2%	2%	583,517	576,682	-1%
COGS	187,363	177,666	179,766	-4%	1%	551,116	544,602	-1%
Gross profit	7,433	10,042	11,794	59%	17%	32,401	32,080	-1%
EBITDA	1,872	4,168	6,126	227%	47%	16,833	14,624	-13%
Core Profit	770	2,561	4,678	508%	83%	10,935	10,269	-6%
Net Profit	701	2,756	5,170	637%	88%	11,114	10,901	-2%
EPS	0.06	0.23	0.43	637%	88%	0.93	0.91	-2%
Financial ratio (%)								
Gross Profit Margin	3.8%	5.4%	6.2%			5.6%	5.6%	
EBITDA Margin	1.0%	2.2%	3.2%			2.9%	2.5%	
SG&A Exp. / Sales	3.7%	4.0%	3.8%			3.5%	3.9%	
Net profit margin	0.4%	1.5%	2.7%			1.9%	1.9%	

Source: PTT Oil & Retail Business, UOB Kay Hian

RESULTS

- Reported 3Q23 net profit increase of 88% qoq.** PTT Oil & Retail Business (OR) reported 3Q23 net profit of Bt5.2b, up 88% qoq and 637% yoy, as a result of EBITDA of the mobility business increasing 72% qoq despite the low season of the business, and sufficient to compensate for EBITDA from non-oil business decreasing due to seasonality.
- Strong marketing margin.** Marketing margin in 3Q23 was at Bt1.26/litre (vs 2Q23 at Bt0.96/litre and 3Q22 at Bt0.68/litre) as a result of increased gross margins per litre of diesel oil and fuel oil. In addition, the decrease in marketing expenses is also a result of efficient cost management, especially logistics costs. In addition, in 3Q23, the company's net operating expenses decreased partly due to increased other income from synergistic benefit from PTT Group under the PTT One Project (PTT Group Supply Chain Collaboration) based on a jump in sales volume.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	511,799	789,785	769,159	780,888	807,918
EBITDA	20,675	20,134	23,617	26,990	23,230
Operating profit	14,601	13,632	16,219	19,780	16,182
Net profit (rep./act.)	11,466	10,370	12,458	15,475	12,666
Net profit (adj.)	11,000	10,326	12,458	15,475	12,666
EPS (Bt)	0.9	0.9	1.0	1.3	1.1
PE (x)	20.4	21.7	18.0	14.5	17.7
P/B (x)	1.0	1.0	1.0	0.9	0.9
EV/EBITDA (x)	10.5	10.8	9.2	8.0	9.3
Dividend yield (%)	2.5	2.7	3.5	3.7	3.2
Net margin (%)	2.2	1.3	1.6	2.0	1.6
Net debt/(cash) to equity (%)	(9.6)	1.9	(3.4)	(8.8)	(11.9)
Interest cover (x)	16.5	17.4	20.3	27.6	25.3
Consensus net profit	-	-	11,904	12,731	13,900
UOBKH/Consensus (x)	-	-	1.05	1.22	0.91

Source: PTT Oil & Retail Business, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt18.70
Target Price	Bt23.00
Upside	+23.0%
(Previous TP)	Bt29.00

COMPANY DESCRIPTION

The company operates an integrated oil and non-oil retailing platform both in Thailand and abroad, including the sales and distribution of petroleum products and other products in retail and commercial marketing, coffee shops, other food and beverage outlet.

STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	OR TB
Shares issued (m):	12,000.0
Market cap (Btm):	224,400.0
Market cap (US\$m):	6,305.1
3-mth avg daily t'over (US\$m):	7.9

Price Performance (%)

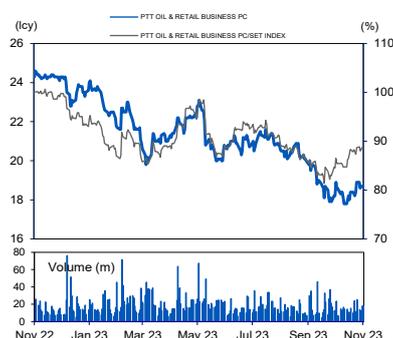
52-week high/low	Bt24.60/Bt17.80			
1mth	3mth	6mth	1yr	YTD
2.7	(10.5)	(15.8)	(23.0)	(21.4)

Major Shareholders

	%
-	-
-	-
-	-

FY23 NAV/Share (Bt)	19.18
FY23 Net Cash/Share (Bt)	0.65

PRICE CHART



Source: Bloomberg

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- Sales volume decreased due to seasonality.** In 3Q23, total sales volume was 6,756 m litres, a decrease of 2.2% qoq but an increase of 7.5% yoy. Sales fell qoq due to the low season. However, positive factors from marketing margins which increased both qoq and yoy caused EBITDA of the mobility business to expand 72% qoq with EBITDA margin of 3.2% (vs 1.9% in 2Q23 and 3Q22).
- EBITDA margin of non-oil business dropped.** The non-oil business' performance decreased due to seasonality. OR's total revenue was Bt5.5b, down 2.3% qoq, including increased operating expenses which resulted in EBITDA margin of 25.1% in 3Q23 (vs 22.9% in 3Q22 and 26.6% in 2Q23).

KEY STATISTICS

	3Q22	2Q23	3Q23	yoy % chg.	qoq % chg.	9M22	9M23	yoy % chg.
EBITDA Margin								
Mobility	0.6%	1.9%	3.2%			2.6%	2.5%	
Lifestyle	22.9%	26.6%	25.1%			26.2%	25.3%	
Global	2.0%	3.4%	4.4%			3.1%	3.7%	
Other	2.3%	-21.6%	-19.9%			-1.6%	-9.4%	
Mobility								
Number of stations	2,111	2,183	2,203	4.4%	0.9%	2,111	2,203	4%
Total Volume Sold (m Litres)	6,284	6,905	6,756	7.5%	-2.2%	19,867	20,663	4%
Gross Profit: Bt/Litre	0.68	0.96	1.26	85%	31.3%	1.14	1.08	-6%
EBITDA (Million Baht)	1,084	3,298	5,669	423%	72%	14,104	13,206	-6%
Lifestyle (Non-oil)								
Café Amazon (No. of Outlets)	3,786	4,007	4,065	7%	1%	11,199	12,019	7%
Total cups sold (m cups)	93	93	92	-1%	-1%	267	276	3%
EBITDA (Btm)	1,210	1,501	1,383	14%	-8%	4,012	4,173	4%
Global								
Number of stations	373	387	391	5%	1%	373	391	5%
Total Volume Sold	375	510	420	12%	-18%	1,134	1,324	17%
Café Amazon (No. of Outlets)	334	364	367	10%	1%	334	367	10%
Total cups sold (m cups)	6.3	7.2	7.0	11%	-3%	17.50	20.80	19%
EBITDA (Btm)	270	450	550	104%	22%	1,217	1,396	15%

Source: PTT Oil & Retail Business, UOB Kay Hian

STOCK IMPACT

- 4Q23 core profit to remain weak.** Despite positive factors from the high season of domestic tourism and continued branch expansion, we expect oil sales to increase both qoq and yoy. However, these positive factors will be offset by operating expenses increasing due to seasonality, including both SG&A and marketing expenses. Meanwhile, marketing margin in 4Q23 is expected to decrease qoq to a normal level of Bt1.0/litre as oil prices in 4Q23 increased at a lower rate compared with 3Q23, resulting in expected stock gains in 4Q23 decreasing qoq compared with 3Q23 which had stock gain of Bt4.0b.
- The adoption of diesel Euro 5 standard has had little impact on marketing margins.** Thailand is one of the countries that will adopt Euro 5 oil standards (sulphur less than 10 ppm) for diesel from 1 Jan 24. In the analyst meeting yesterday, management stated that the enforcement of Euro 5 standard for diesel fuel will not affect marketing margins. We reduce our concerns over the outlook for marketing costs in 2024.

EARNINGS REVISION/RISK

- We reduce net profit forecast for 2023.** We cut our 2023 net profit forecast by 15% to Bt12.5b from our previous estimate of 2023 net profit at Bt14.7b, based on a reduction in assumptions including: a) oil sales volume in the mobility business will be at 28.1b litres (previously 30.0b litres), increasing 5% yoy, b) cutting our target of opening new Café Amazon shops down to 4,145 branches in 2023, and c) EBITDA margin of the lifestyle business remaining at 25% (previously 27%), with our assumption of marketing margin in 2023 still maintained at Bt1.0b/ litre.

VALUATION/RECOMMENDATION

- Maintain BUY with a lower target price of Bt23.00,** based on its average three-year PE at -1.0 SD of 18.0x. Even though OR's share price in 2023 ytd will drop by more than 21.4%, there is still concern over the 4Q23 net profit trend which is expected to decrease qoq. We prefer the upstream business (exploration and production of oil and gas). Our top picks include PTT Exploration and Production (PTTEP TB/Target: Bt200.00) and ESSO (ESSO TB/Target: Bt15.00)

SHARE PRICE CATALYST

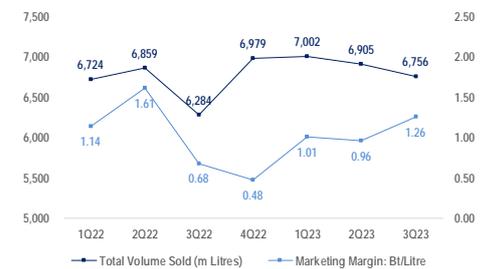
- Oil price fluctuations.
- Government policy controls retail oil prices.

KEY ASSUMPTION

	2021	2022	UOBKH 2023F		
			Old	New	% Chg.
Mobility Business					
Number of station	2,369	2,525	2,647	2,647	0%
Volume Sold (MML)	23,145	26,846	30,068	28,100	-7%
%Growth	-5%	16%	12%	5%	
Gross Profit: Baht/Litre	1.15	0.98	1.00	1.00	0%
Lifestyle Business					
Number of Café Amazon	3,628	3,865	4,295	4,145	-3%
Café Amazon total cups sold (m.cups)	298	357	365	365	0%
%Growth	9%	20%	2%	2%	
Lifestyle EBITDA Margin (%)	24.7%	24.8%	27.0%	25.0%	
Global Business					
Number of station	356	390	420	420	0%
Total Volume Sold	1,290	1,487	1,572	1,572	0%
%Growth	6%	16%	5%	5%	
Café Amazon total cup sold (m.cups)	17	24	26	26	0%
%Growth	-18%	45%	10%	10%	

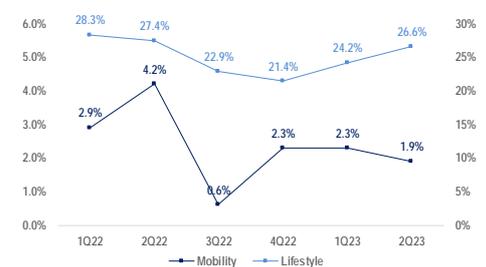
Source: PTT Oil & Retail Business, UOB Kay Hian

MOBILITY BUSINESS



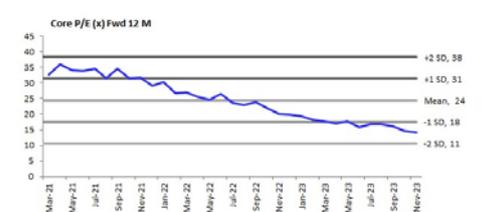
Source: PTT Oil & Retail Business, UOB Kay Hian

EBITDA MARGIN OF MOBILITY AND LIFESTYLE BUSINESSES



Source: PTT Oil & Retail Business, UOB Kay Hian

AVERAGE THREE YEAR PE



Source: PTT Oil & Retail Business, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	789,785	769,159	780,888	807,918
EBITDA	20,134	23,617	26,990	23,230
Deprec. & amort.	6,503	7,398	7,209	7,048
EBIT	13,632	16,219	19,780	16,182
Associate contributions	490	514	540	567
Net interest income/(expense)	(1,155)	(1,161)	(977)	(917)
Pre-tax profit	13,011	15,573	19,344	15,833
Tax	(2,638)	(3,115)	(3,869)	(3,167)
Minorities	(3)	0	0	0
Net profit	10,370	12,458	15,475	12,666
Net profit (adj.)	10,326	12,458	15,475	12,666

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	(4,200)	25,576	26,197	22,932
Pre-tax profit	13,011	15,573	19,344	15,833
Tax	(2,638)	(3,115)	(3,869)	(3,167)
Deprec. & amort.	6,503	7,398	7,209	7,048
Working capital changes	(23,922)	5,720	3,513	3,217
Other operating cashflows	2,847	0	0	0
Investing	5,753	(5,815)	(6,278)	(6,497)
Investments	(6,110)	(6,110)	(6,110)	(6,110)
Others	11,863	295	(168)	(387)
Financing	(9,853)	(16,263)	(8,852)	(10,511)
Dividend payments	(6,464)	(6,000)	(6,852)	(8,511)
Proceeds from borrowings	(3,389)	(10,263)	(2,000)	(2,000)
Others/interest paid	n.a.	n.a.	n.a.	n.a.
Net cash inflow (outflow)	(8,299)	3,498	11,067	5,923
Beginning cash & cash equivalent	47,724	37,910	41,408	52,475
Changes due to forex impact	37	0	0	0
Ending cash & cash equivalent	39,461	41,408	52,475	58,398

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	44,363	43,075	41,976	41,038
Other LT assets	44,589	43,784	44,242	45,297
Cash/ST investment	39,461	41,408	52,475	58,398
Other current assets	97,091	94,316	95,494	99,035
Total assets	225,504	222,583	234,186	243,767
ST debt	10,263	2,000	2,000	2,000
Other current liabilities	58,397	59,790	64,480	71,239
LT debt	33,556	31,556	29,556	27,556
Other LT liabilities	19,527	19,017	19,307	19,975
Shareholders' equity	223,701	230,159	238,782	242,937
Total liabilities & equity	225,504	222,583	234,186	243,767

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	2.5	3.1	3.5	2.9
Pre-tax margin	1.6	2.0	2.5	2.0
Net margin	1.3	1.6	2.0	1.6
Net profit (adj.)	(6.1)	20.7	24.2	(18.2)
Leverage				
Debt to total capital	29.7	23.3	21.0	19.4
Debt to equity	19.6	14.6	13.2	12.2
Net debt/(cash) to equity	1.9	(3.4)	(8.8)	(11.9)
Interest cover (x)	17.4	20.3	27.6	25.3

COMPANY RESULTS

Star Petroleum Refining (SPRC TB)

3Q23: Strong Quarter As Expected

SPRC reported a 3Q23 net profit of Bt4.2b, from a loss of Bt5.2b in 3Q22 and a loss of Bt2.12b in 2Q23. Excluding one-off items, SPRC's core profit was Bt1.5b, up 5% yoy from a loss of Bt575m in 2Q23, in line with our estimates. 9M23 core profit came in at Bt2.0b, down 79% yoy. We believe the market is still concerned on delays in reopening SPM and weak GRM outlook in 4Q23. Maintain HOLD. Target price: Bt9.00.

3Q23 Results

	3Q23 (Btm)	3Q22 (Btm)	2Q23 (Btm)	yoy %Chg	qoq %Chg	9M23 (Btm)	9M22 (Btm)	yoy %Chg
Turnover	61,107	76,146	53,883	(20)	13	174,120	219,558	(21)
core EBITDA	2,419	1,549	(499)	56	(585)	4,002	12,481	(68)
Inventory gain/(loss) fx	3,616	(6,972)	(1,396)	(152)	(359)	2,492	386	546
EBITDA	(163)	(620)	(134)	(74)	22	(315)	(680)	(54)
Net Profit	6,035	(5,532)	(1,891)	(209)	(419)	6,386	11,362	(44)
EPS	4,245	(5,027)	(2,105)	(184)	(302)	3,359	7,414	(55)
Core profit/(loss)	0.98	(1.16)	(0.49)	(184)	(302)	0.77	1.71	(55)
	1,482	1,407	(575)	5	(358)	1,984	9,524	(79)

Source: Star Petroleum Refining, UOB Kay Hian

RESULTS

- Strong results in line.** Star Petroleum Refining (SPRC) reported 3Q23 net profit of Bt4.2b, from a loss of Bt5.2b in 3Q22 and a loss of Bt2.12b in 2Q23. Excluding one-off items (mainly from inventory gains of Bt3.6b), SPRC's core profit was Bt1.5b, up 5% yoy from a loss of Bt575m in 2Q23, in line with our estimates. The strong yoy and qoq core profit and net profit growth was driven by strong refinery margin (GRM). 9M23 core profit came in at Bt2.0b, down 79% yoy, accounting for 72% of our full-year forecast.
- Strong quarter driven by better GRM.** Benefiting from a reduction in crude premiums (~US\$1.0/bbl) alongside higher margins for diesel, jet fuel and gasoline, SPRC posted a robust market GRM of US\$8.4/bbl in 3Q23 (compared to 3Q22: US\$6.0/bbl, 2Q23: US\$1.3/bbl). However, the refinery's run rates dropped to 80% from 91% in 2Q23 due to a 20-day scheduled maintenance in the diesel hydrotreater unit (DHTU) in Jul-Aug 23, in preparation for the Euro-5 project. Consequently, this maintenance brought opex per barrel for the refinery to US\$2.6/bbl (compared to US\$2.1/bbl in 2Q23). Additionally, SPRC reported ship-to-ship expenses of US\$1.2-1.3/bbl due to the oil spill incident from the previous year.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	172,484	285,264	199,621	215,003	218,165
EBITDA	8,781	12,243	6,511	7,913	8,044
Operating profit	6,137	9,640	3,311	4,713	4,845
Net profit (rep./act.)	4,746	7,674	2,757	4,122	4,227
Net profit (adj.)	(336)	10,021	2,757	4,122	4,227
EPS (Bt)	(0.1)	2.3	0.6	1.0	1.0
PE (x)	n.m.	3.3	12.0	8.0	7.8
P/B (x)	1.0	0.9	1.0	0.9	0.8
EV/EBITDA (x)	4.8	3.5	6.5	5.3	5.3
Dividend yield (%)	2.3	14.5	5.2	5.2	5.3
Net margin (%)	2.8	2.7	1.4	1.9	1.9
Net debt/(cash) to equity (%)	14.9	24.9	28.9	17.2	9.3
Interest cover (x)	41.5	38.7	20.7	98.9	99.3
ROE (%)	15.6	21.0	7.8	12.2	11.2
Consensus net profit	-	-	4,038	5,047	5,683
UOBKH/Consensus (x)	-	-	0.68	0.82	0.74

Source: Star Petroleum Refining, Bloomberg, UOB Kay Hian

HOLD

(Maintained)

Share Price	Bt7.65
Target Price	Bt9.00
Upside	+17.6%

COMPANY DESCRIPTION

SPRC is one of the leading refineries in Asia Pacific. It operates a complex 175,000 bpd refinery in Rayong (13.2% of Thailand's refining capacity), which has a high Nelson complexity index of 6.3.

STOCK DATA

GICS sector	Energy
Bloomberg ticker:	SPRC TB
Shares issued (m):	4,335.9
Market cap (Btm):	33,169.7
Market cap (US\$m):	931.9
3-mth avg daily t'over (US\$m):	7.1

Price Performance (%)

52-week high/low	Bt12.20/Bt7.35			
1mth	3mth	6mth	1yr	YTD
(7.3)	(13.6)	(19.0)	(37.3)	(28.5)

Major Shareholders

	%
-CHEVRON	61
THAI NVDR	41
-	-
FY23 NAV/Share (Bt)	7.30
FY23 Net Debt/Share (Bt)	2.11

PRICE CHART



Source: Bloomberg

ANALYST(S)

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STOCK IMPACT

- Run rate back to normal but margin still under pressure.** We participated in SPRC's analyst meeting yesterday (9 Nov 23). We roughly estimate that SPRC will post core profit of around Bt700-800m in 4Q23. Although we expect SPRC's production level at back to normal level of 160kbd (92%), we expect that SPRC's earnings are under pressure from weaker GRM outlook. The benchmark Singapore GRM declined to US\$3.9/bbl in 4Q23 due to lower demand for gasoline products after the peak season in 3Q while diesel margin is pressured by higher exports from China.
- Overhang on ship-to-ship operation.** We foresee ship-to-ship expenses to increase to US\$1.4-1.5/bbl 4Q23 due to higher freight rate in 4Q23. Additionally, SPRC's management guided that estimates for the reopening of the Single Point Mooring (SPM) will be delayed until 2Q24. This delay implies a cost increase of US\$1.4/bbl compared to our earlier estimate for 3Q23.
- Positive on the deal to acquire retail gas station business.** In the long term, we remain positive on SPRC and believe the 100% acquisition of the retail gas station business (under the Caltex brand) from Chevron (Thailand) (CTL) is strategically important for SPRC. This allows SPRC to expand into the oil retail business in Thailand and also reduces exposure to PTT (SPRC sold around 45% of its refined products to PTT in 3Q23). Note that SPRC plans to consolidate its retail gas station business from 1 Jan 24.

EARNINGS REVISION/RISK

- None. We uphold our 2023 net profit forecast of Bt2.8b, anticipating that SPRC will incur an inventory loss in 4Q23 due to the expected decrease in crude prices (-14% qtd).

VALUATION/RECOMMENDATION

- Maintain HOLD with a target price of Bt9.00**, based on 14.0x 2023F PE, which is the mean of its regional peers. Although we think that the share price has fully priced in the negative news, we believe the market is still concerned on delays in reopening SPM and weak GRM outlook in 4Q23.
- GRM sensitivity.** Every US\$1/bbl increase in our GRM assumption will increase our 2023 core net profit forecast by Bt2.0b.

SHARE PRICE CATALYST

- 3Q23: Expect a recovery in GRM.

OPERATING STATISTICS

US\$/bbl	3Q23	3Q22	2Q23
GRM	8.36	6.00	1.34
Inventory gain/(loss)	7.99	(13.3)	(2.8)
Total GRM	16.35	(7.3)	(1.5)

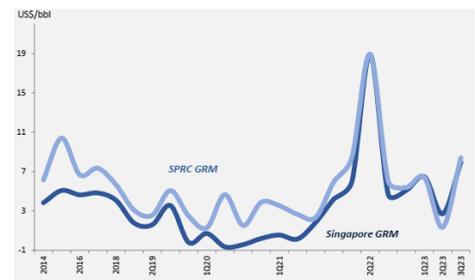
Source: UOB Kay Hian

CRUDE RUN

	3Q23	3Q22	2Q23
Crude run (kbd)	80%	89%	91%

Source: SPRC, UOB Kay Hian

SINGAPORE'S GRM



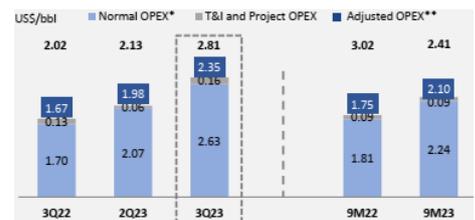
Source: UOB Kay Hian

CRUDE PREMIUM



Source: SPRC

OPEX/BBL



Source: SPRC

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	285,264	199,621	215,003	218,165
EBITDA	12,243	6,511	7,913	8,044
Deprec. & amort.	2,603	3,200	3,200	3,199
EBIT	9,640	3,311	4,713	4,845
Total other non-operating income	270	450	520	520
Associate contributions	n.a.	n.a.	n.a.	n.a.
Net interest income/(expense)	(316)	(315)	(80)	(81)
Pre-tax profit	9,594	3,446	5,153	5,284
Tax	(1,921)	(689)	(1,031)	(1,057)
Minorities	0	0	0	0
Net profit	7,674	2,757	4,122	4,227
Net profit (adj.)	10,021	2,757	4,122	4,227

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	(69)	12,101	3,062	2,426
Pre-tax profit	9,594	3,446	5,153	5,284
Tax	(1,921)	(689)	(1,031)	(1,057)
Deprec. & amort.	2,603	3,200	3,200	3,199
Working capital changes	(9,574)	5,409	(4,260)	(5,000)
Other operating cashflows	(772)	735	0	0
Investing	(1,139)	(1,777)	(50)	0
Capex (growth)	(1,119)	(1,800)	0	0
Others	(20)	23	(50)	0
Financing	(1,661)	(7,495)	201	1
Dividend payments	(4,936)	(4,988)	0	0
Proceeds from borrowings	1,677	2,332	200	0
Others/interest paid	1,599	(4,839)	1	1
Net cash inflow (outflow)	(2,869)	2,829	3,213	2,427
Beginning cash & cash equivalent	2,945	76	2,905	6,118
Ending cash & cash equivalent	76	2,905	6,118	8,545

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	22,735	21,335	18,135	14,936
Other LT assets	2,295	1,090	1,140	1,140
Cash/ST investment	76	2,905	6,118	8,545
Other current assets	38,182	45,900	46,660	51,660
Total assets	63,288	71,230	72,053	76,282
ST debt	9,731	12,062	12,262	12,262
Other current liabilities	14,173	27,300	23,800	23,800
LT debt	0	0	0	0
Other LT liabilities	677	230	230	230
Shareholders' equity	38,707	31,638	35,761	39,989
Minority interest	n.a.	n.a.	n.a.	n.a.
Total liabilities & equity	63,288	71,230	72,053	76,282

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	4.3	3.3	3.7	3.7
Pre-tax margin	3.4	1.7	2.4	2.4
Net margin	2.7	1.4	1.9	1.9
ROA	12.6	4.1	5.8	5.7
ROE	21.0	7.8	12.2	11.2
Growth				
Turnover	65.4	(30.0)	7.7	1.5
EBITDA	39.4	(46.8)	21.5	1.7
Pre-tax profit	62.3	(64.1)	49.5	2.6
Net profit	61.7	(64.1)	49.5	2.6
Net profit (adj.)	n.a.	(72.5)	49.5	2.6
EPS	n.a.	(72.5)	49.5	2.6
Leverage				
Debt to total capital	20.1	27.6	25.5	23.5
Debt to equity	25.1	38.1	34.3	30.7
Net debt/(cash) to equity	24.9	28.9	17.2	9.3
Interest cover (x)	38.7	20.7	98.9	99.3

COMPANY RESULTS

WHA Corporation (WHA TB)

3Q23: Results Missed Expectations; Positive Sentiment Remains

WHA reported 3Q23 net profit of Bt623m (+141% yoy, -28% qoq), coming in 12% and 16% lower than our and consensus' estimates. Earnings missed expectations chiefly due to unexpectedly lower revenue and gross margin and higher-than-expected SG&A-to-sales. Nevertheless, we expect the positive sentiment to remain in 4Q23 due to seasonality effect. Maintain BUY. Target price: Bt6.30.

3Q23 Results

Year to 31 Dec (Btm)	3Q23	3Q22	2Q23	yoy chg (%)	qoq chg (%)
Net turnover	2,116	1,976	2,671	7.1	(20.8)
Gross profit	1,006	870	1,281	15.6	(21.4)
EBIT	564	475	844	18.7	(33.2)
EBITDA	745	575	1,016	29.5	(26.7)
Net profit	623	259	866	140.9	(28.1)
EPS	0.58	0.24	0.81	140.9	(28.1)
Core profit	623	259	866	140.9	(28.1)
				yoy chg (%)	qoq chg (%)
Gross margin	47.6	44.0	47.9	3.5	(0.4)
SG&A% of sales	20.9	20.0	16.3	0.9	4.6
Net profit margin	29.4	13.1	32.4	16.4	(3.0)

Source: WHA Corporation, UOB Kay Hian

RESULTS

- **Results missed our and consensus estimates.** WHA Corporation (WHA) announced 3Q23 net profit of Bt623m (+141% yoy, -28% qoq), coming in 12% and 16% below our and consensus estimates. Earnings were lower than estimates due to lower-than-expected revenue and gross margin and higher-than-expected SG&A-to-sales.
- **Net profit skyrocketed yoy but dropped qoq.** Net profit surged yoy, mainly due to higher revenue and wider gross margin. Meanwhile, net profit dropped qoq, pressured by lower revenue and gross margin and surging SG&A-to-sales.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	10,417	13,729	15,467	18,102	17,597
EBITDA	3,770	4,765	5,272	6,292	6,282
Operating profit	3,150	4,155	4,764	5,756	5,719
Net profit (rep./act.)	2,590	4,046	4,490	5,467	5,704
Net profit (adj.)	2,590	4,046	4,490	5,467	5,704
EPS (Bt)	0.2	0.3	0.3	0.4	0.4
PE (x)	29.1	18.7	16.8	13.8	13.2
P/B (x)	2.5	2.4	2.2	2.0	1.9
EV/EBITDA (x)	30.2	23.9	21.6	18.1	18.1
Dividend yield (%)	1.8	2.8	3.1	3.8	3.9
Net margin (%)	24.9	29.5	29.0	30.2	32.4
Net debt/(cash) to equity (%)	115.1	104.3	100.1	92.8	81.1
Interest cover (x)	3.3	4.2	4.6	5.4	5.3
Consensus net profit	-	-	4,320	4,892	5,311
UOBKH/Consensus (x)	-	-	1.04	1.12	1.07

Source: WHA Corporation, Bloomberg, UOB Kay Hian

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

BUY

(Maintained)

Share Price	Bt5.05
Target Price	Bt6.30
Upside	+24.8%

COMPANY DESCRIPTION

WHA is the leader of one-stop logistics services covering four business hubs – logistics, industrial development, utilities & power, and Digital platform.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	WHA TB
Shares issued (m):	14,946.8
Market cap (Btm):	75,481.5
Market cap (US\$m):	2,120.6
3-mth avg daily t'over (US\$m):	9.4

Price Performance (%)

52-week high/low Bt5.50/Bt3.70

1mth	3mth	6mth	1yr	YTD
(2.9)	3.5	9.8	31.5	23.8

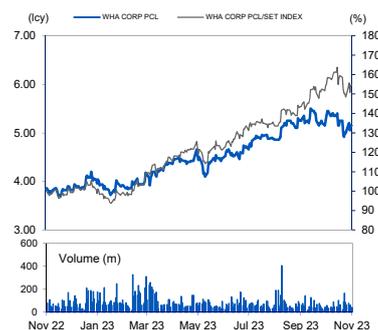
Major Shareholders

	%
Miss Jareeporn Jarukornsakul	23.3
Miss Chatchamol Anantaprayoon	9.0
Mr. Chaiwat Phupisut	4.6

FY23 NAV/Share (Bt) 2.30

FY23 Net Debt/Share (Bt) 2.30

PRICE CHART



Source: Bloomberg

ANALYST(S)

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ASSISTANT ANALYST
Thachasorn Jutaganon

- Total revenue surged yoy but dropped qoq.** Revenue from all businesses came in at around Bt2.1b, increasing 7% yoy due to increase in revenue of all businesses, but declining 21% qoq, chiefly pressured by revenue from industrial development business and utilities and power business. Revenue from selling land came in at Bt1.0b (+5% yoy, -31% qoq), riding on number of land transfers. In 3Q23, the company transferred 350 rai of land (3Q22: 290 rai, 2Q23: 437 rai), achieving about 50% of the forecasted land transfer target in 2023. In terms of the rental business, revenue came in at Bt286m, improving 8% yoy and 9% qoq thanks to more occupied areas. Revenue from the utilities business was Bt713m (+8% yoy, -9% qoq), depending on the sales volume of water. Revenue from the solar business was Bt98m (+31% yoy, -16% qoq), riding on revenue recognition from solar panel installation service (EPC).
- Share of profit from investment improved yoy and qoq.** WHA announced share of profit from investment of Bt358m from a net loss in 3Q22. This was due to no maintenance shutdown of Ghoco-one and the enhanced effectiveness of solar power plants (SPP) from decrease in natural gas price.
- Gross margin increased yoy but dropped qoq.** Gross margin came in at 47.6% (+3.6ppt yoy, -0.3ppt qoq). Gross margin was mainly supported on a yoy basis by land sales business due to lower cost of land transferred. Meanwhile, qoq gross margin was pressured by the utilities business.
- Interim dividend payment.** WHA announced an interim dividend of Bt0.0669 per share with ex-dividend date on 22 Nov 23 and the actual payment on 8 Dec 23.

STOCK IMPACT

- Anticipating positive momentum to continue in 4Q23.** We foresee a robust performance in 4Q23, with earnings expected to rise qoq due to seasonality of land transfers. In 4Q23, we expect land transfers of around 1,075 rai and land sales of around 200rai. On a qoq basis, earnings are expected to drop due to lower revenue from selling investment properties. We expect the sale of investment properties to total approximately Bt3.3b in 4Q23.

EARNINGS REVISION/RISK

- None.**

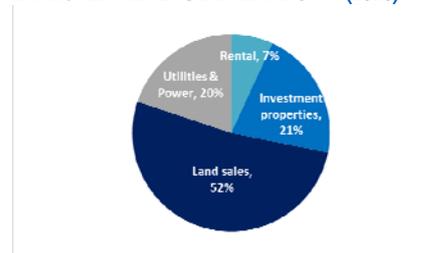
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt6.30.** Our target price is based on the SOTP methodology, where we value its investment in associate companies at Bt1.4/share pegged to 2024F PE of 18x (average PE of power industry in Thailand) and its core business at Bt4.9/share based on 2024F PE of 17x (average PE of industrial estate business in Thailand). Due to better-than-expected sentiment of land sales and strong demand of EV industry, we upgrade WHA to BUY. Also, we expect WHA's earnings to continuously improve in 2024.

SHARE PRICE CATALYST

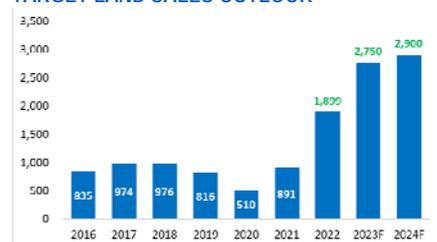
- a) Higher-than-expected volume of land sales, b) the government's stimulus package for the tourism industry, c) higher FDI, BOI, and GDP, and d) progress of the Eastern Economic Corridor (EEC) project.

EXPECTED REVENUE BREAKDOWN (2023)



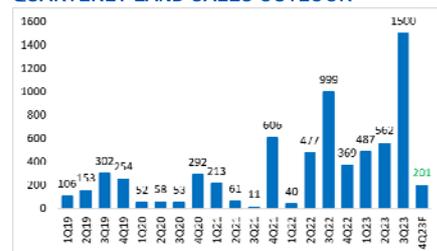
Source: WHA, UOB Kay Hian

TARGET LAND SALES OUTLOOK



Source: WHA, UOB Kay Hian

QUARTERLY LAND SALES OUTLOOK



Source: WHA, UOB Kay Hian

QUARTERLY LAND TRANSFERS OUTLOOK



Source: WHA, UOB Kay Hian

NETPROFIT OUTLOOK



Source: WHA, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	13,729	15,467	18,102	17,597
EBITDA	4,765	5,272	6,292	6,282
Deprec. & amort.	611	508	535	563
EBIT	4,155	4,764	5,756	5,719
Total other non-operating income	1,253	1,100	1,300	1,300
Associate contributions	585	900	1,125	1,463
Net interest income/(expense)	(1,126)	(1,148)	(1,162)	(1,176)
Pre-tax profit	4,867	5,616	7,019	7,305
Tax	(546)	(566)	(1,002)	(1,052)
Minorities	(276)	(560)	(550)	(550)
Net profit	4,046	4,490	5,467	5,704
Net profit (adj.)	4,046	4,490	5,467	5,704

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	7,298	(1,305)	3,335	7,417
Pre-tax profit	4,867	5,616	7,019	7,305
Tax	(546)	(566)	(1,002)	(1,052)
Deprec. & amort.	611	508	535	563
Working capital changes	1,982	(6,594)	(3,068)	449
Non-cash items	385	(269)	(150)	152
Other operating cashflows	0	0	0	0
Investing	(2,780)	2,651	(931)	(2,405)
Capex (growth)	(2,285)	8	(1,000)	(1,000)
Investments	223	(450)	(563)	(731)
Others	(718)	3,093	632	(674)
Financing	(943)	(1,821)	(2,089)	(2,404)
Dividend payments	(2,424)	(2,216)	(2,589)	(2,904)
Issue of shares	0	(24)	0	0
Proceeds from borrowings	1,797	420	500	500
Others/interest paid	(316)	0	0	0
Net cash inflow (outflow)	3,575	(474)	315	2,608
Beginning cash & cash equivalent	3,573	7,148	6,674	6,989
Ending cash & cash equivalent	7,148	6,674	6,989	9,597

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	41,528	41,012	41,477	41,914
Other LT assets	25,644	26,484	27,049	27,886
Cash/ST investment	7,148	6,674	6,989	9,597
Other current assets	11,982	20,558	24,016	23,169
Total assets	86,302	94,728	99,531	102,567
ST debt	13,144	13,121	13,121	13,121
Other current liabilities	3,254	4,967	5,208	4,962
LT debt	27,436	27,878	28,378	28,878
Other LT liabilities	6,856	10,340	10,974	10,406
Shareholders' equity	32,050	34,299	37,177	39,977
Minority interest	3,562	4,122	4,672	5,222
Total liabilities & equity	86,302	94,728	99,531	102,567

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	34.7	34.1	34.8	35.7
Pre-tax margin	35.5	36.3	38.8	41.5
Net margin	29.5	29.0	30.2	32.4
Growth				
Turnover	31.8	12.7	17.0	(2.8)
EBITDA	26.4	10.6	19.3	(0.2)
Pre-tax profit	37.0	15.4	25.0	4.1
Net profit	56.2	11.0	21.8	4.3
Net profit (adj.)	56.2	11.0	21.8	4.3
EPS	56.2	11.0	21.8	4.3
Leverage				
Debt to total capital	53.3	51.6	49.8	48.2
Debt to equity	126.6	119.5	111.6	105.1
Net debt/(cash) to equity	104.3	100.1	92.8	81.1
Interest cover (x)	4.2	4.6	5.4	5.3

COMPANY UPDATE

Quality Houses (QH TB)

Residential Business Outlook Remains Unexciting

Presales are expected to see a slowdown in 4Q23 following the weak customer visit momentum. Meanwhile, we expect 4Q23 earnings to be flat from the prior quarter. We expect an unexciting outlook for QH's core businesses in 2024 as its strategies remain conservative. Maintain HOLD. Target price: Bt2.38.

WHAT'S NEW

- **Analyst meeting after 3Q23 results.** We attended Quality Houses' (QH) analyst meeting to review its 3Q23 results and obtain an update on its business outlook.

STOCK IMPACT

- **Presales momentum likely to drop qoq in 4Q23.** QH reported stronger presales in 3Q23 of about Bt2.5b (+5% yoy, +32% qoq) as the company launched two high-end low-rise projects (Vararom Ratchapruek-Tadmai and Laddarom Putthamonthon Sai 3). 9M23 presales accounted for 71% of its full-year target. We expect presales momentum to slow down in 4Q23 as management revealed lower customer visits in Oct 23. In addition, the 4Q23 presales are pressured by a postponed project launch to 1Q24, including external factors such as rains and long holiday periods in 4Q23. Meanwhile, condo presales rely only on existing projects (there were no more sales of Q Condo Sukhumvit in Oct 23).
- **Expect 4Q23 earnings to be flat qoq.** In 4Q23, QH's transfers are expected to improve qoq, driven by higher backlogs from 3Q23, with Bt1.2b as of 31 Sep 23 compared to Bt815m as of 30 Jun 23. However, we expect net profit to be flat qoq due to expected vulnerable residential gross margin and higher expenses following seasonality.
- **Unexciting outlook for the core businesses.** We expect to see a conservative strategy for QH's core businesses in 2024 as QH is expected to launch five projects worth about Bt10b in 2024, compared to the 2023 target of seven projects worth Bt10.9b. In addition, we don't expect any upside for 2024 project launches as QH is set to use land capex of only Bt1.0b in 2023, accounting for 33% of its full-year target.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	8,119.9	9,226.1	9,133.5	8,940.7	9,062.4
EBITDA	977.1	1,497.2	1,337.3	1,223.1	1,301.6
Operating profit	602.0	1,134.3	1,005.1	883.1	953.9
Net profit (rep./act.)	1,669.7	2,395.5	2,522.4	2,470.9	2,627.2
Net profit (adj.)	1,669.7	2,395.5	2,522.4	2,470.9	2,627.2
EPS (Bt)	0.2	0.2	0.2	0.2	0.2
PE (x)	14.2	9.9	9.4	9.6	9.1
P/B (x)	0.9	0.9	0.8	0.8	0.8
EV/EBITDA (x)	34.9	22.7	25.5	27.8	26.2
Dividend yield (%)	4.5	6.3	7.0	7.2	8.0
Net margin (%)	20.6	26.0	27.6	27.6	29.0
Net debt/(cash) to equity (%)	44.2	35.5	35.7	34.2	35.5
Interest cover (x)	3.0	5.9	5.7	5.0	5.1
ROE (%)	6.2	8.7	8.9	8.5	8.8
Consensus net profit	-	-	2,481	2,632	2,816
UOBKH/Consensus (x)	-	-	1.02	0.94	0.93

Source: Quality Houses, Bloomberg, UOB Kay Hian

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

HOLD

(Maintained)

Share Price	Bt2.22
Target Price	Bt2.38
Upside	+7.2%
(Previous TP	Bt2.48)

COMPANY DESCRIPTION

Property developer and operator of serviced apartments/offices for rent.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	QH TB
Shares issued (m):	10,714.4
Market cap (Btm):	23,785.9
Market cap (US\$m):	669.6
3-mth avg daily t'over (US\$m):	1.0

Price Performance (%)

52-week high/low Bt2.48/Bt2.16

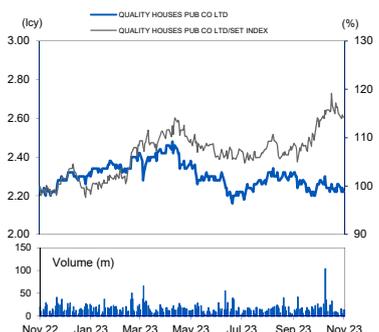
1mth	3mth	6mth	1yr	YTD
(1.8)	(2.6)	(5.9)	0.0	(3.5)

Major Shareholders

	%
Land and Houses Plc	25.0
Thai NVDR Company Limited	6.6
MR.NIWES HEMVACHIRAVARAKORN	2.3

FY23 NAV/Share (Bt)	2.69
FY23 Net Debt/Share (Bt)	0.96

PRICE CHART



Source: Bloomberg

ANALYST(S)

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 Kasemsun@uobkayhian.co.th

3Q23 RESULTS RECAP

Year to 31 Dec (Btm)	3Q22	2Q23	3Q23	yoy %	qoq %
Sales and services	2,417	2,424	2,349	(2.8)	(3.1)
Operating EBIT	318	303	267	(15.8)	(11.6)
Equity income	407	438	422	3.8	(3.7)
Core profit	233	231	211	(9.4)	(8.4)
Net profit	640	669	634	(1.0)	(5.3)
Percent	3Q22	2Q23	3Q23	yoy ppt	qoq ppt
Gross margin	32.8	33.1	32.6	(0.2)	(0.5)
SG&A to sales	19.7	20.7	21.2	1.6	0.6
EBIT margin	13.1	12.5	11.4	(1.8)	(1.1)
Net margin	26.5	27.6	27.0	0.5	(0.6)

Source: Quality Houses, UOB Kay Hian

- **Results in line in 3Q23.** QH reported a net profit of Bt634m in 3Q23 (-1% yoy, -5% qoq), aligning with our and market expectations. Excluding non-core operations, QH's core profit should be Bt211m (-9% yoy, -8% qoq). QH's core businesses softened yoy and qoq, while shares of profit from investment underpinned its earnings in 3Q23.
- Despite improved rental business (hotel), QH's revenue declined to Bt2.3b (-3% yoy, -3% qoq) due to decreased transfers in the residential business. The company's gross margin also dropped to 32.6%, following weaker margins in the low-rise and high-rise segments. We saw aggressive promotional campaigns to drain condo inventories. QH's SG&A-to-sales ratio rose to 21.2%, reflecting a lower revenue base and higher expenses. Share of profit from associates dropped slightly qoq to Bt422m in 3Q23 (vs Bt407m in 3Q22, Bt438m in 2Q23), mainly due to decreased Home Product Center (HMPRO) performance.

EARNINGS REVISION

Year to 31 Dec (Btm)	New	Old	Change	New	Old	Change	New	Old	Change
Sales and services	9,134	9,647	-5.3%	8,941	10,058	-11.1%	9,062	9,569	-5.3%
Operating profit	1,005	923	8.9%	883	1,038	-14.9%	954	1,325	-28.0%
Core profit	772	633	22.0%	666	720	-7.5%	712	936	-23.9%
Net profit	2,522	2,418	4.3%	2,471	2,544	-2.9%	2,627	2,833	-7.3%
Percent	New	Old	Change	New	Old	Change	New	Old	Change
Gross margin	33.0%	31.3%	1.8	31.9%	31.8%	0.1	32.4%	33.5%	-1.2
SG&A to sales	22.0%	21.7%	0.3	22.1%	21.5%	0.6	21.8%	19.7%	2.1
EBIT margin	30.5%	27.3%	3.2	30.1%	27.7%	2.4	31.6%	32.9%	-1.3
Net margin	27.6%	25.1%	2.6	27.6%	25.3%	2.3	29.0%	29.6%	-0.6

Source: UOB Kay Hian

EARNINGS REVISION/RISK

- We fine-tuned our earnings forecasts by 4% for 2023. Meanwhile, we have revised down earnings forecasts for 2024-25 by 3-7% as we are more conservative in transfer assumptions.

VALUATION/RECOMMENDATION

- Maintain HOLD with a new target price of Bt2.38. We roll over our valuation to 2024. The target price is based on the SOTP method. We value the company's core property business at Bt0.31/share, based on 5x 2024F PE. We value its investments (HMPRO, LHFG, QHPF and QHHR) at Bt2.07/share. The recovery of the residential business remains vulnerable, with only share of profit from investment underpinning its valuation.

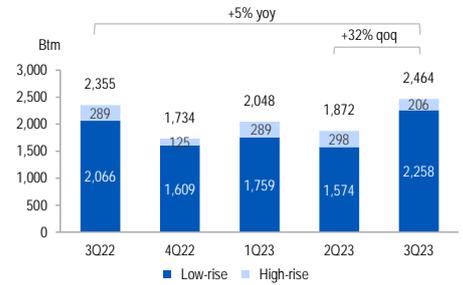
SHARE PRICE CATALYST

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

RISKS

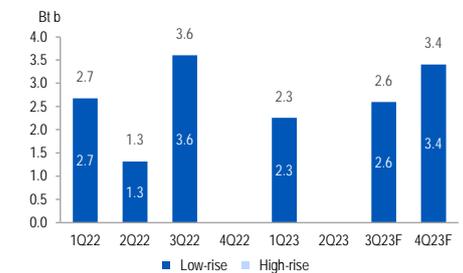
- a) Demand for residential properties slowing down, b) higher inflation and interest rates affecting purchasing power, and c) higher cancellation and rejection rates.

QUARTERLY PRESALES



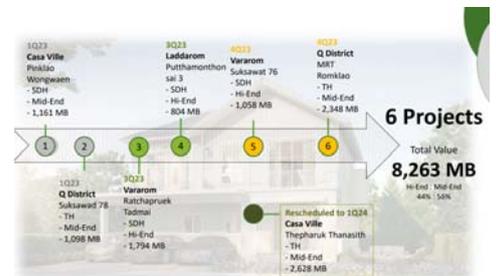
SOURCE: QH, UOB KAY HIAN

QUARTERLY LAUNCHES



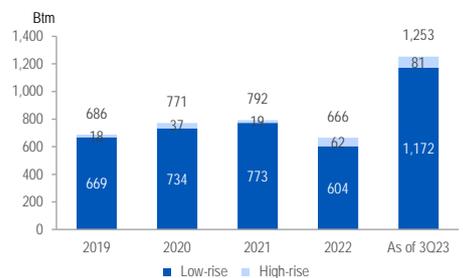
Source: QH, UOB Kay Hian

RESCHEDULED A PROJECT TO 1Q24



SOURCE: QH

BACKLOG AS OF 31 SEP 2023



Source: QH, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	9,226	9,134	8,941	9,062
EBITDA	1,497	1,337	1,223	1,302
Deprec. & amort.	363	332	340	348
EBIT	1,134	1,005	883	954
Total other non-operating income	219	265	250	250
Associate contributions	1,586	1,750	1,805	1,916
Net interest income/(expense)	(255)	(236)	(245)	(255)
Pre-tax profit	2,684	2,784	2,693	2,864
Tax	(288)	(262)	(222)	(237)
Minorities	0	0	0	0
Net profit	2,396	2,522	2,471	2,627
Net profit (adj.)	2,396	2,522	2,471	2,627

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	3,814	3,286	3,158	2,747
Pre-tax profit	2,684	2,784	2,693	2,864
Tax	(288)	(262)	(222)	(237)
Deprec. & amort.	363	332	340	348
Working capital changes	820	835	376	(246)
Non-cash items	235	(404)	(29)	18
Other operating cashflows	0	0	0	0
Investing	(227)	(2,083)	(1,317)	(1,627)
Capex (growth)	(74)	(462)	(270)	(529)
Investments	(66)	(1,055)	(1,083)	(1,149)
Others	(86)	(566)	36	51
Financing	(5,263)	(1,082)	(1,185)	(1,298)
Dividend payments	(1,179)	(1,582)	(1,685)	(1,798)
Issue of shares	0	0	0	0
Proceeds from borrowings	(3,715)	500	500	500
Others/interest paid	(369)	0	0	0
Net cash inflow (outflow)	(1,676)	121	656	(178)
Beginning cash & cash equivalent	3,206	1,530	1,651	2,307
Ending cash & cash equivalent	1,530	1,651	2,307	2,129

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	10,231	10,361	10,291	10,472
Other LT assets	12,421	13,422	14,443	15,557
Cash/ST investment	1,530	1,651	2,307	2,129
Other current assets	19,444	18,450	18,060	18,315
Total assets	43,626	43,883	45,102	46,473
ST debt	2,919	2,919	2,919	2,919
Other current liabilities	2,563	2,000	1,958	1,985
LT debt	8,504	9,004	9,504	10,004
Other LT liabilities	1,807	1,187	1,162	1,178
Shareholders' equity	27,833	28,773	29,559	30,388
Minority interest	0	0	0	0
Total liabilities & equity	43,626	43,883	45,102	46,473

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	16.2	14.6	13.7	14.4
Pre-tax margin	29.1	30.5	30.1	31.6
Net margin	26.0	27.6	27.6	29.0
ROA	5.3	5.8	5.6	5.7
ROE	8.7	8.9	8.5	8.8
Growth				
Turnover	13.6	(1.0)	(2.1)	1.4
EBITDA	53.2	(10.7)	(8.5)	6.4
Pre-tax profit	42.0	3.7	(3.3)	6.4
Net profit	43.5	5.3	(2.0)	6.3
Net profit (adj.)	43.5	5.3	(2.0)	6.3
EPS	43.5	5.3	(2.0)	6.3
Leverage				
Debt to total capital	29.1	29.3	29.6	29.8
Debt to equity	41.0	41.4	42.0	42.5
Net debt/(cash) to equity	35.5	35.7	34.2	35.5
Interest cover (x)	5.9	5.7	5.0	5.1

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