

BUY (Unchanged)

TP: Bt 12.50

(From: Bt 11.50)

Change in Numbers

Upside : 14.7%

22 FEBRUARY 2023

# Siam Wellness Group Pcl (SPA TB)

## Swift recovery

We expect SPA to turn a profit in 4Q22F after foreign tourists rebounded to 53% of pre-COVID level. We see its profit recovering to 60/110% of 2019's level in 2023-24F. A significant return of Chinese tourists from 2Q23F will likely to be its major share price catalyst.



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### Reaffirming BUY

We reaffirm our BUY call on SPA for three reasons. *First*, we estimate it to turn profitable in 4Q22F after two loss-making years. *Second*, we expect a significant return of Chinese tourists in 2Q23F to accelerate its recovery pace, given that Chinese tourists made up 55% of its pre-COVID (2019) revenue. We expect SPA's earnings to reach its 2019 level in 2024F. *Third*, a resumption of branch expansion from 2H22 paves the way for it to return to growth beyond 2024F. Despite cutting our earnings for 2022F on a later-than-expected return of Chinese tourists, we lift them by 47/26/30% in 2023-25F to reflect its package price hikes from 4Q22 and a swifter-than-expected resumption of its branch opening plan. Our DCF-based 12-month TP (2023F base year), therefore, rises to Bt12.5/share (from Bt11.5).

### Return of Chinese tourists

We expect a significant recovery in Chinese arrivals to Thailand in 2Q23F. The Chinese government already allowed its citizens to travel abroad from early the year, but we believe it will take time for airlines and tourism companies to resume normal operations. Since Chinese clients contributed 55% of SPA's revenue pre-COVID, we foresee the return of Chinese tourists to Thailand being the key recovery driver for SPA. We estimate SPA's revenue to grow by 65/21/10% in 2023-25F, implying its revenue recovers to 83/100/110% of pre-COVID level (2019).

### Branch expansion resumes

SPA opened six new Let's Relax shops in 2022 after no branch openings during the COVID period in 2020-21. SPA now runs a total of 68 spa shops – 50 Let's Relax shops (4-star massage), nine Baan Suan (3-star), four Stretch Me standalones (stretching service), three facial treatment shops, and two Rarinjinda (5-star). It aims to open at least 15 new shops, mainly the Let's Relax brand in the hotel spa model, over 2023-25. SPA also raised its service prices by 15-25% in 4Q22, which we expect to more than offset the hit from higher utilities and staff costs. We estimate a gross margin of 31/36/38% for SPA (34% in 2019), backed by higher selling prices and stronger shop utilization.

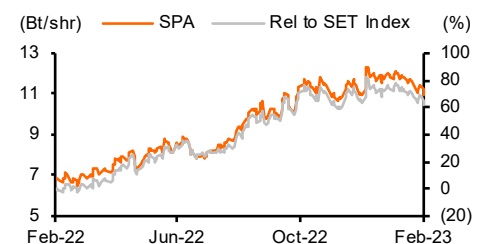
### Launching a new business for local clients

SPA is continuing with its strategy to boost revenue from local clients by adding more recurring wellness services. It launched its first "Sleep Labb" insomnia clinic in January. The clinic provides medical diagnosis and analytics, including a telemedicine system, for people with insomnia using modern prescription and cannabis-based treatments. The service therefore also synergizes with its investment in medical-graded cannabis products last year.

### COMPANY VALUATION

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Sales	168	692	1,142	1,382
Net profit	(287)	(91)	145	267
Consensus NP	—	(94)	171	275
Diff frm cons (%)	—	na	(15.0)	(2.9)
Norm profit	(274)	(91)	145	267
Prev. Norm profit	—	(45)	99	212
Chg frm prev (%)	—	na	47.0	25.8
Norm EPS (Bt)	(0.3)	(0.1)	0.2	0.3
Norm EPS grw (%)	na	na	na	83.5
Norm PE (x)	na	na	64.2	35.0
EV/EBITDA (x)	117.0	38.3	19.2	15.0
P/BV (x)	15.1	17.7	13.9	10.5
Div yield (%)	0.0	0.0	0.0	1.1
ROE (%)	na	na	24.2	34.2
Net D/E (%)	66.6	116.7	51.2	8.5

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 22-Feb-23 (Bt)	10.90
Market Cap (US\$ m)	269.4
Listed Shares (m shares)	855.0
Free Float (%)	56.3
Avg Daily Turnover (US\$ m)	0.9
12M Price H/L (Bt)	12.30/6.45
Sector	MAI
Major Shareholder	Jiravanstit family 16.39%

Sources: Bloomberg, Company data, Thanachart estimates

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## Swift recovery

**BUY into a swift recovery from a return of Chinese tourists to Thailand**

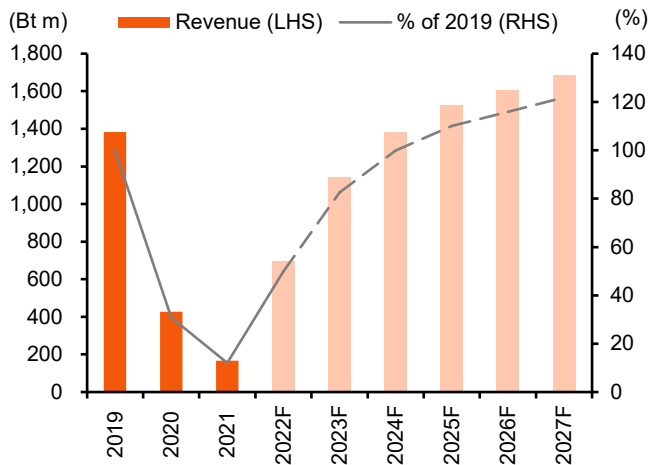
We reaffirm our BUY rating on shares of Siam Wellness Group Pcl (SPA) based on three reasons:

- **First**, we estimate its earnings to turn a profit in 4Q22F, which would mark a major milestone in its post-COVID business recovery as SPA has been making losses for the past ten quarters (since 2Q20) due to a lack of foreign tourists (75% of its revenue base) during the COVID-19 pandemic.
- **Second**, we expect a significant return of Chinese tourists (55% of SPA’s pre-COVID revenue) in 2Q23F to be another major recovery driver for SPA. Note that the Chinese government eased travel restrictions for its citizens from early January, but we believe it will take time for airlines and tourism agencies to resume their normal operations. We, therefore, project a meaningful number of Chinese tourists in Thailand in 2Q23F.
- **Third**, we estimate SPA’s earnings growth to resume in 2024F after experiencing a recovery during 2023-24F. This is because SPA already raised its service prices by 15-25% in 4Q22 while it has resumed its branch expansion program since 2H22.

**Our TP increases to Bt12.5 after our earnings hikes**

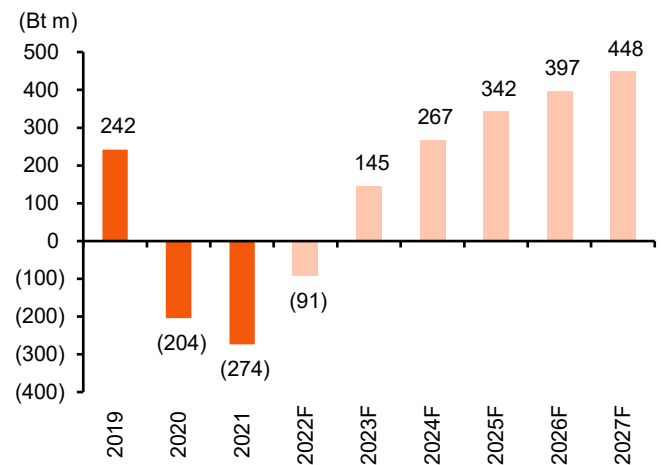
We revise down our earnings forecast for SPA in 2022F due to a slower-than-expected return of Chinese tourists to Thailand. However, we lift the earnings by 47/26/30% in 2023-25F to reflect its service price hikes and faster-than-expected post-COVID branch expansion. After the revisions, our DCF-based 12-month TP (2023F base year) rises to Bt12.5 (from Bt11.5).

**Ex 1: Swift Revenue Recovery Trend**



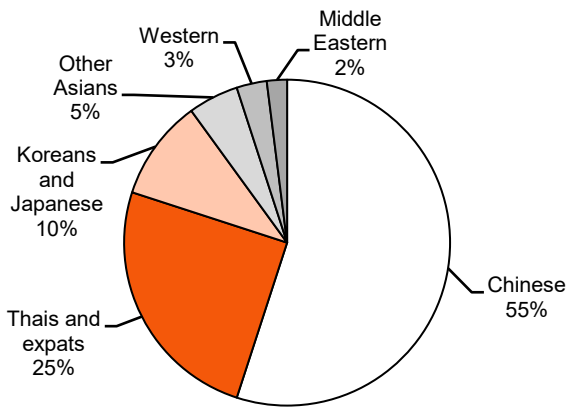
Sources: Company data; Thanachart estimates

**Ex 2: We Project Profits To Normalize In 2024F**



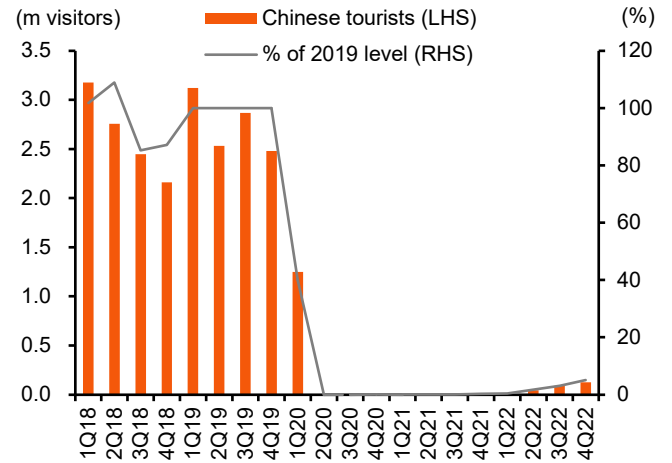
Sources: Company data; Thanachart estimates

**Ex 3: SPA's Revenue Breakdown Pre-COVID (2019)**



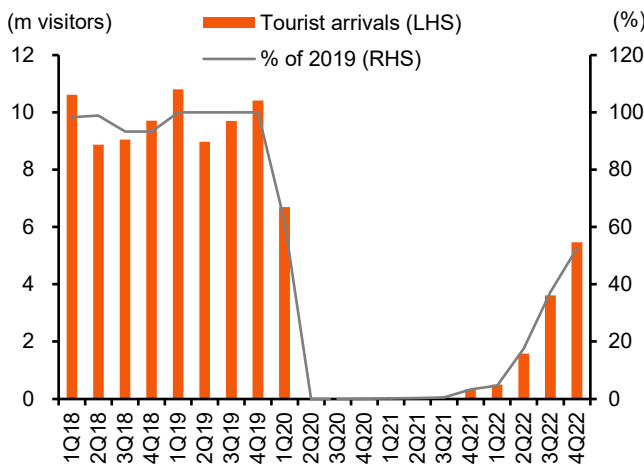
Source: Company data

**Ex 4: Number Of Chinese Tourists Visiting Thailand**



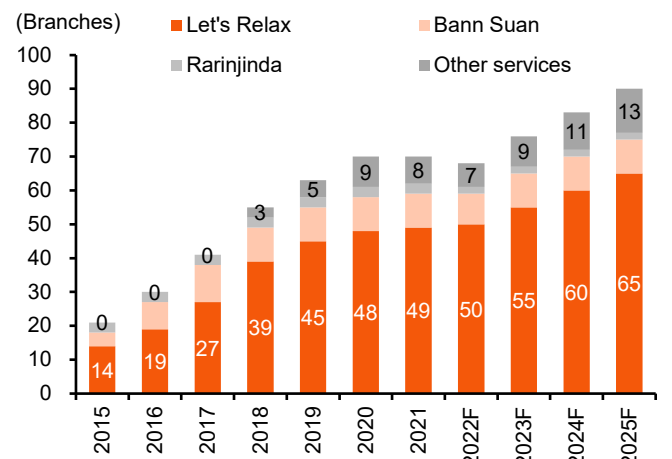
Source: Tourism Authority of Thailand (TAT)

**Ex 5: Total Tourist Arrivals**



Source: Tourism Authority of Thailand (TAT)

**Ex 6: Number Of Spa And Wellness Shops**



Sources: Company data; Thanachart estimates

## The new insomnia clinic service

### Launching an insomnia clinic to boost revenue from locals

SPA opened its first insomnia treatment clinic in January under the name “Sleep Labb” or SLL Clinic. The clinic provides sleep analysis and diagnosis from both medical experts and digitalized analysis system for people with sleep disorders. Key distinguishing characteristics for SLL compared with traditional insomnia clinics and hospitals are that it offers alternative treatment approaches, i.e., tailor-made Thai traditional massage for insomnia and personalized cannabis-based (CBD oil) products, on top of modern medicines. SPA plans to expand the service to all of its Let's Relax branches across the country through an internal telemedicine system so it can ensure its experts sitting at its flagship SLL branch in Bangkok are fully occupied. We see the SLL Clinic as complementing its signed partnership with Amara Asia (non-listed) to co-develop cannabis products for medical purposes from August last year.

## Ex 7: Newly Launched Insomnia Clinic “Sleep Labb”



Source: Company data

## Ex 8: 12-month DCF-based TP Calculation, Using A Base Year Of 2023F

(Bt m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal value
EBITDA excl. depre from right of use	334	465	545	602	656	696	739	786	838	892	949	—
Free cash flow	206	343	453	496	526	562	598	658	701	747	795	15,738
PV of free cash flow	194	304	373	383	380	380	379	391	377	374	372	7,356
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.0											
WACC (%)	6.3											
Terminal growth (%)	2.0											
Enterprise value - add investments	11,264											
Net debt (2022F)	615											
Minority interest	—											
Equity value	10,648											
# of shares (m)	855											
Target price/share (Bt)	12.50											

Sources: Company data, Thanachart estimates

## Valuation Comparison

### Ex 9: Valuation Comparison With Regional Peers

Name	BBG Code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		Div Yield	
			22F (%)	23F (%)	22F (%)	23F (%)	22F (%)	23F (%)	22F (%)	23F (%)	22F (%)	23F (%)
Emei Shan Tourism	000888 CH	China	366.5	106.3	53.1	25.8	na	na	na	na	na	na
Shanghai Jin Jiang Int'l	2006 HK	China	na	278.9	na	na	na	na	na	na	na	na
Hongkong & Shanghai	45 HK	Hong Kong	na	na	78.0	31.0	2.6	2.4	20.1	12.8	na	na
Shangri-La Asia	69 HK	Hong Kong	na	na	na	na	na	na	na	na	na	na
IGB Corp Bhd	IGB MK	Malaysia	(45.2)	28.6	na	na	na	na	na	na	na	na
Genting Malaysia Bhd	GENM MK	Malaysia	na	190.8	42.5	14.6	1.2	1.1	10.9	8.1	4.9	5.6
Mirvac Group	MGR AU	Australia	(33.9)	1.3	14.7	14.5	0.8	0.8	18.1	16.7	4.6	4.7
Indian Hotels	IH IN	India	na	na	na	47.5	7.2	5.5	83.8	25.6	0.1	0.2
Mandarin Oriental Int'l	MAND SP	Singapore	na	na	na	372.0	0.7	0.7	55.6	33.7	na	0.2
Hotel Shilla	008770 KS	South Korea	na	192.1	77.2	26.4	5.0	4.7	18.3	13.2	0.3	0.3
Resorttrust Inc	4681 JP	Japan	20.9	108.7	31.9	15.3	1.9	1.9	11.9	10.7	1.4	2.1
Central Plaza Hotel	CENDEL TB*	Thailand	na	634.1	335.8	45.7	4.1	3.8	24.3	17.0	0.0	0.4
Erawan Group	ERW TB*	Thailand	na	na	na	75.7	4.0	3.9	32.7	17.5	0.0	0.3
Minor International	MINT TB*	Thailand	na	na	na	47.6	2.3	2.5	11.0	9.4	0.0	0.4
Siam Wellness Group	SPA TB*	Thailand	na	na	na	64.2	17.7	13.9	38.3	19.2	0.0	0.0
<b>Average</b>			<b>77.1</b>	<b>192.6</b>	<b>90.4</b>	<b>62.6</b>	<b>4.2</b>	<b>3.6</b>	<b>29.4</b>	<b>16.4</b>	<b>1.1</b>	<b>1.3</b>

Sources: Company data, Thanachart estimates

Note: \* Thanachart estimates, using normalized EPS

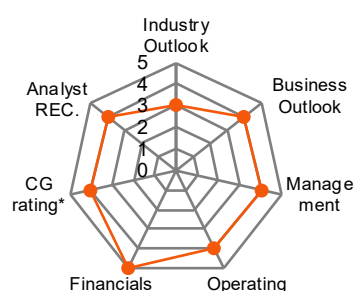
Based on 22 Feb 2023 closing prices

## COMPANY DESCRIPTION

Siam Wellness Group Pcl operates wellness spas and other related businesses, with four main operations: 1) Spas under the brands "Let's Relax", "Rarin-Jinda Wellness Spa" & "Baan-Suan Massage". 2) Hotel & Restaurants: A boutique resort hotel in Chiang Mai under the name "Rarin-Jinda Wellness Spa Resort" and the "Deck 1" and "D Bistro" restaurants. 3) Spa products: Distributes and sells spa-related products under the "Blooming" brand. 4) Traditional Thai massage school "Blooming Thai Massage School" to train therapists in massage and spa services to support its business expansion.

Source: Thanachart

## COMPANY RATING



### Rating Scale

<b>Excellent</b>	<b>5</b>
<b>Good</b>	<b>4</b>
<b>Fair</b>	<b>3</b>
<b>Weak</b>	<b>2</b>
<b>Very Weak</b>	<b>1</b>
<b>None</b>	<b>0</b>

Source: Thanachart; \*CG Rating

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Strong brand recognition, especially among Chinese and other Asian tourists
- Its own upstream business helps provide sufficient therapists and products for rapid expansion
- Asset-light business model

### O — Opportunity

- Gaining market share from smaller local players via both organic and inorganic expansion
- Expansion of its business overseas
- Adding more services as bundled packages to increase ticket size

### W — Weakness

- Relies heavily on expansion to grow, due to limited capacity of service hours per branch
- Highly dependent on tourist traffic

### T — Threat

- Extraordinary and uncontrollable events, i.e., geopolitical disturbances, natural disasters, etc. could disrupt its operations and decrease tourist traffic
- Large network but only a small management team

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
<b>Target price (Bt)</b>	12.76	12.50	-2%
<b>Net profit 22F (Bt m)</b>	(94)	(91)	na
<b>Net profit 23F (Bt m)</b>	171	145	-15%
<b>Consensus REC</b>	<b>BUY: 6</b>	<b>HOLD: 4</b>	<b>SELL: 0</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates for 2022-23F as relatively in line with the Bloomberg consensus numbers.
- Our TP is therefore similar to the Street's.

Sources: Bloomberg consensus, Thanachart estimates

## RISKS TO OUR INVESTMENT CASE

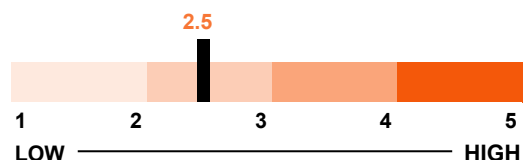
- A slower-than-expected resumption of tourists to Thailand or another COVID-19 outbreak in the country would be the key downside risks to our bullish view on SPA.
- A slower pace of branch expansion represents another downside risk to our earnings forecasts.
- Any events causing a downturn in Thailand's tourism industry, e.g., involving politics, the global economy or natural disasters, would be negative for our numbers.

Source: Thanachart



SPA runs 67 wellness shops in Thailand in 2021 and five franchise shops abroad. Social aspects are a key component of its ESG plans as labor is the major ingredient of its services. Customer health is always another major concern. To maintain good service hygiene, SPA has to balance its potential harm to the environment, i.e., waste and water. We rate its ESG score at 2.5 as its policies still look unclear.

Thanachart ESG Rating



	SETTHSI Index	THSI Index	DJSI Index	Arabesque			S&P		Moody's (0-100)	CG Rating (0-5)
				MSCI (CCC-AAA)	S-Ray (0-100)	Refinitiv (0-100)	Global (0-100)			
SPA	-	-	-	-	-	-	-	-	-	4.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, Arabesque S-Ray®, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)  
 Note: Please see third party on "terms of use" toward the back of this report.

Factors	Our Comments
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**ENVIRONMENT**

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

- SPA runs a spa and wellness services business that does not emit much greenhouse gas (GHG). This is likely why the company has yet to set clear targets and plans for overall environmental management.
- SPA is increasing the portion of eco-friendly materials and reducing plastics used in its service equipment and spa products to lower non-recyclable and chemical waste, targeting to cut the use of non-eco-friendly materials by 15% annually.
- We believe SPA could introduce more water-management policies or water-treatment programs since various washing and cleaning steps are required to maintain the hygiene of its shops and services.

**SOCIAL**

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

- SPA has routine internal meetings for its staff (i.e., therapists and front-office reception) to receive feedback on issues they may encounter in their daily work and to ensure its staff can make their voices heard and be involved in the company's business plan.
- SPA pays on a pay-per-job basis (revenue sharing) with a minimum daily guarantee to its therapists while it provides routine training for all staff.
- SPA provides free daily COVID tests to its employees in the best interests of the health of both its staff and customers.
- The company helps create jobs for local communities. It targets to recruit locals to amount to 50% of its staff at its provincial shops.

**GOVERNANCE & SUSTAINABILITY**

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

- SPA has a total of nine members on its board of directors, four of whom are female.
- SPA is strongly committed to providing sufficient operational data to the public to protect the rights and benefits of all of its stakeholders.
- SPA has set up committees to ensure data privacy for its clients as it needs to record various health data. SPA uses a protected digital platform at its shops while continuously educating its staff to maintain a high awareness of privacy issues.
- SPA has a high revenue dependency on foreign tourists at over 70%, so it has high-risk exposure to the tourism industry in Thailand.
- SPA continuously introduces new wellness services to expand its customer base while also improving its services, both treatment processes and with product innovations.

Sources: Thanachart, Company data

## INCOME STATEMENT

*We see the return of Chinese tourists as its major recovery catalyst*

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Sales	427	168	692	1,142	1,382
Cost of sales	507	319	612	782	880
<b>Gross profit</b>	<b>(80)</b>	<b>(151)</b>	<b>79</b>	<b>360</b>	<b>502</b>
% gross margin	-18.7%	-90.0%	11.5%	31.5%	36.3%
Selling & administration expenses	113	93	128	156	171
<b>Operating profit</b>	<b>(192)</b>	<b>(244)</b>	<b>(48)</b>	<b>204</b>	<b>331</b>
% operating margin	-45.1%	-145.3%	-7.0%	17.8%	24.0%
Depreciation & amortization	309	327	308	300	297
<b>EBITDA</b>	<b>116</b>	<b>83</b>	<b>260</b>	<b>504</b>	<b>628</b>
% EBITDA margin	27.2%	49.6%	37.5%	44.1%	45.4%
Non-operating income	9	7	8	13	16
Non-operating expenses	0	0	0	0	0
Interest expense	(21)	(44)	(51)	(44)	(32)
<b>Pre-tax profit</b>	<b>(205)</b>	<b>(280)</b>	<b>(91)</b>	<b>172</b>	<b>316</b>
Income tax	(1)	(7)	0	27	49
<b>After-tax profit</b>	<b>(204)</b>	<b>(274)</b>	<b>(91)</b>	<b>145</b>	<b>267</b>
% net margin	-47.9%	-163.2%	-13.2%	12.7%	19.3%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	(5)	(13)	0	0	0
<b>NET PROFIT</b>	<b>(209)</b>	<b>(287)</b>	<b>(91)</b>	<b>145</b>	<b>267</b>
<b>Normalized profit</b>	<b>(204)</b>	<b>(274)</b>	<b>(91)</b>	<b>145</b>	<b>267</b>
EPS (Bt)	(0.2)	(0.3)	(0.1)	0.2	0.3
Normalized EPS (Bt)	(0.2)	(0.3)	(0.1)	0.2	0.3

## BALANCE SHEET

*We expect SPA to swiftly repay its debts raised to survive the COVID crisis*

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
<b>ASSETS:</b>					
Current assets:	231	203	325	509	709
Cash & cash equivalent	115	110	50	100	250
Account receivables	22	15	57	78	76
Inventories	40	28	50	54	48
Others	55	50	168	277	335
Investments & loans	0	0	0	0	0
Net fixed assets	1,075	947	1,015	973	927
Other assets	1,326	1,108	899	717	545
<b>Total assets</b>	<b>2,632</b>	<b>2,258</b>	<b>2,239</b>	<b>2,199</b>	<b>2,181</b>
<b>LIABILITIES:</b>					
Current liabilities:	361	374	435	517	501
Account payables	45	37	59	75	84
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	103	114	133	89	65
Others current liabilities	213	223	244	353	352
<b>Total LT debt</b>	<b>288</b>	<b>407</b>	<b>532</b>	<b>356</b>	<b>260</b>
Others LT liabilities	1,078	858	744	654	534
<b>Total liabilities</b>	<b>1,727</b>	<b>1,639</b>	<b>1,712</b>	<b>1,526</b>	<b>1,295</b>
Minority interest	0	0	0	0	(0)
Preferreds shares	0	0	0	0	0
Paid-up capital	214	214	214	214	214
Share premium	279	279	279	279	279
Warrants	0	0	0	0	0
Surplus	44	44	44	44	44
<b>Retained earnings</b>	<b>368</b>	<b>81</b>	<b>(10)</b>	<b>136</b>	<b>349</b>
Shareholders' equity	905	618	527	673	886
<b>Liabilities &amp; equity</b>	<b>2,632</b>	<b>2,258</b>	<b>2,239</b>	<b>2,199</b>	<b>2,181</b>

Sources: Company data, Thanachart estimates



## CASH FLOW STATEMENT

FY ending Dec (Bt m)	2020A	2021A	2022F	2023F	2024F
Earnings before tax	(205)	(280)	(91)	172	316
Tax paid	(21)	4	3	(26)	(47)
Depreciation & amortization	309	327	308	300	297
Chg In working capital	(37)	11	(42)	(8)	17
Chg In other CA & CL / minorities	179	26	(109)	(1)	(61)
<b>Cash flow from operations</b>	<b>225</b>	<b>88</b>	<b>68</b>	<b>437</b>	<b>521</b>
Capex	(118)	(7)	(195)	(88)	(88)
Right of use	(1,352)	32	28	20	18
ST loans & investments	30	0	9	0	0
LT loans & investments	0	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	996	(248)	(113)	(99)	(129)
<b>Cash flow from investments</b>	<b>(444)</b>	<b>(223)</b>	<b>(271)</b>	<b>(167)</b>	<b>(199)</b>
Debt financing	226	130	144	(221)	(119)
Capital increase	71	0	0	0	0
Dividends paid	(17)	0	0	0	(53)
Warrants & other surplus	(72)	0	0	0	0
<b>Cash flow from financing</b>	<b>208</b>	<b>130</b>	<b>144</b>	<b>(221)</b>	<b>(172)</b>
<b>Free cash flow</b>	<b>107</b>	<b>81</b>	<b>(127)</b>	<b>349</b>	<b>433</b>

*Investment in branch expansion resumed in late 2022*

## VALUATION

FY ending Dec	2020A	2021A	2022F	2023F	2024F
Normalized PE (x)	na	na	na	64.2	35.0
Normalized PE - at target price (x)	na	na	na	73.6	40.1
PE (x)	na	na	na	64.2	35.0
PE - at target price (x)	na	na	na	73.6	40.1
EV/EBITDA (x)	82.5	117.0	38.3	19.2	15.0
EV/EBITDA - at target price (x)	94.3	133.5	43.5	21.9	17.1
P/BV (x)	10.3	15.1	17.7	13.9	10.5
P/BV - at target price (x)	11.8	17.3	20.3	15.9	12.1
P/CFO (x)	41.4	106.0	137.5	21.3	17.9
Price/sales (x)	21.8	55.6	13.5	8.2	6.7
Dividend yield (%)	0.0	0.0	0.0	0.0	1.1
FCF Yield (%)	1.1	0.9	(1.4)	3.7	4.7
<b>(Bt)</b>					
Normalized EPS	(0.2)	(0.3)	(0.1)	0.2	0.3
EPS	(0.2)	(0.3)	(0.1)	0.2	0.3
DPS	0.0	0.0	0.0	0.0	0.1
BV/share	1.1	0.7	0.6	0.8	1.0
CFO/share	0.3	0.1	0.1	0.5	0.6
FCF/share	0.1	0.1	(0.1)	0.4	0.5

Sources: Company data, Thanachart estimates

*We see its high multiples being justified by a fast recovery pace*

## FINANCIAL RATIOS

FY ending Dec	2020A	2021A	2022F	2023F	2024F
<b>Growth Rate</b>					
Sales (%)	(69.1)	(60.7)	312.7	65.1	21.0
Net profit (%)	na	na	na	na	83.5
EPS (%)	na	na	na	na	83.5
Normalized profit (%)	na	na	na	na	83.5
Normalized EPS (%)	na	na	na	na	83.5
Dividend payout ratio (%)	0.0	0.0	0.0	0.0	40.0
<b>Operating performance</b>					
Gross margin (%)	(18.7)	(90.0)	11.5	31.5	36.3
Operating margin (%)	(45.1)	(145.3)	(7.0)	17.8	24.0
EBITDA margin (%)	27.2	49.6	37.5	44.1	45.4
Net margin (%)	(47.9)	(163.2)	(13.2)	12.7	19.3
D/E (incl. minor) (x)	0.4	0.8	1.3	0.7	0.4
Net D/E (incl. minor) (x)	0.3	0.7	1.2	0.5	0.1
Interest coverage - EBIT (x)	na	na	na	4.60	10.4
Interest coverage - EBITDA (x)	5.4	1.9	5.1	11.4	19.6
ROA - using norm profit (%)	na	na	na	6.5	12.2
ROE - using norm profit (%)	na	na	na	24.2	34.2
<b>DuPont</b>					
ROE - using after tax profit (%)	na	na	na	24.2	34.2
- asset turnover (x)	0.2	0.1	0.3	0.5	0.6
- operating margin (%)	na	na	na	18.9	25.1
- leverage (x)	2.0	3.2	3.9	3.7	2.8
- interest burden (%)	111.7	118.7	227.9	79.5	90.8
- tax burden (%)	na	na	na	84.5	84.5
WACC (%)	6.3	6.3	6.3	6.3	6.3
ROIC (%)	(16.4)	(20.6)	(4.0)	15.1	27.5
NOPAT (Bt m)	(192)	(244)	(41)	172	280
invested capital (Bt m)	1,182	1,030	1,143	1,017	961

Sources: Company data, Thanachart estimates

*Strong ROE under an  
asset-light business  
model*

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3. Refinitiv (0-100)
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SET has created a Thailand Sustainability Investment (THSI) list since 2015 for using as an alternative investment in the high performance ESG stocks for investors while, supporting the sustainable Thai companies. SET defines the sustainable companies as the companies that embrace risk management, supply chain management and innovations together with responsibility for environmental, social and governance aspects

As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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BB - BBB - A	<b>AVERAGE :</b> A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	<b>LEADER:</b> A company leading its industry in managing the most significant ESG risks and opportunities

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

### Moody's ESG Solutions

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80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below	▲	N/A

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