FINANSIA
ALWAYS A STEP AHEAD

13 พฤศจิกายน 2562

Earnings Results

ERW (ERWTB)

บมจ. ดิ เอราวัณ กรุ๊ป

Current	Previous	Close	2020 TP	Exp Return	THAI CAC	CG 2018
BUY	BUY	5.80	7.20	+24.1%	N/A	4

Consolidated earnings

BT (mn)	2017	2018	2019E	2020E
Normalized earnings	528	536	480	568
Net profit	506	536	480	568
Normalized EPS (Bt)	0.21	0.21	0.19	0.23
EPS (Bt)	0.20	0.21	0.19	0.23
% growth	37.6	5.8	-10.4	18.2
Dividend (Bt)	0.09	0.09	0.09	0.10
BV/share (Bt)	2.09	2.21	2.31	2.45
EV/EBITDA (x)	12.4	12.2	13.4	12.6
Normalized PER (x)	27.5	27.1	30.3	25.6
PER (x)	28.7	27.1	30.3	25.6
PBV (x)	2.8	2.6	2.5	2.4
Dividend yield (%)	1.6	1.6	1.5	1.8
ROE(%)	10.1	9.7	8.2	9.1
YE No. of shares (million)	2,500.9	2,507.7	2,507.7	2,507.7
Par (Bt)	1.0	1.0	1.0	1.0

Source: Company data, FSS estimates

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กำไรปกติ 3Q19 ใกล้เคียงคาด//เลือกเป็น Top Pick

กำไรปกติ 3Q19 ใกล้เคียงเราและตลาดคาด

ERW [illegible]

คงมุมมองการฟื้นตัวในปีหน้าและเลือกเป็น Top Pick

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3Q19 Earnings Results

(Bt mn)	3Q19	2Q19	%Q-Q	3Q18	%Y-Y	Comment
Revenue	1,498	1,396	7.3	1,429	4.8	[illegible]
Direct Costs	725	709	2.2	689	5.2	[illegible]
Gross Profit	773	687	12.5	740	4.4	[illegible]
SG&A costs	396	392	1.1	400	-0.8	
Interest expense	102	100	2.2	91	12.4	
Normalized earnings	43	11	298.1	41	2.9	
Net profit	43	-7	-685.1	41	2.9	
Gross margin	51.6	49.2	2.4	51.8	-0.2	
Norm profit margin	2.8	0.8	2.1	2.9	-0.1	
Net profit margin	2.8	-0.5	3.4	2.9	-0.1	

Source: Company and FSS Research

Income Statement (Consolidated)

(Bt mn)	2016	2017	2018	2019E	2020E
Revenue	5,571	5,996	6,256	6,507	7,173
Cost of sales	2,544	2,636	2,813	2,970	3,275
Gross profit	3,028	3,360	3,444	3,537	3,898
SG&A	1,482	1,571	1,595	1,692	1,865
Operating profit	1,546	1,789	1,848	1,845	2,033
Other income	107	30	48	64	64
EBIT	892	1,081	1,118	1,083	1,238
EBITDA	1,621	1,819	1,893	1,909	2,097
Interest charge	362	344	360	392	426
Tax on income	122	172	164	152	179
Earnings after tax	408	565	593	540	633
Minority interest	41	59	57	59	65
Normalized earnings	346	528	536	480	568
Extraordinary items	21	-22	0	0	0
Net profit	367	506	536	480	568

Cash Flow Statement (Consolidated)

(Bt mn)	2016	2017	2018	2019E	2020E
Net profit	367	506	536	480	568
Deprec. & amortization	730	738	776	826	859
Change in working capital	-44	68	18	54	-4
Other adjustments	0	0	0	0	0
Cash flow from operations	1,053	1,312	1,330	1,360	1,422
Capital expenditure	-922	-1,544	-1,673	-3,743	-2,100
Others	9	46	12	0	0
Cash flow from investing	-914	-1,498	-1,661	-3,743	-2,100
Free cash flow	130	-232	-343	-2,382	-678
Net borrowings	-178	642	536	2,132	884
Equity capital raised	0	12	32	0	0
Dividends paid	-129	-150	-232	-226	-216
Others	-48	-38	-32	59	65
Cash flow from financing	-355	467	305	1,965	733
Net change in cash	-216	282	-26	-417	55

Balance Sheet (Consolidated)

(Bt mn)	2016	2017	2018	2019E	2020E
Cash	795	1,077	1,051	634	689
Current investment	0	0	0	0	0
Accounts receivable	202	218	205	233	264
Inventory	53	57	55	64	71
Other current asset	183	221	248	248	248
Total current assets	1,234	1,573	1,560	1,180	1,272
Investment	155	109	92	92	92
PPE	13,272	14,078	14,975	17,892	19,133
Other assets	250	288	321	321	321
Total Assets	14,911	16,048	16,949	19,485	20,819
Short-term loans	1,182	1,095	749	1,095	1,095
Account payable	252	280	225	316	349
Current maturities	1,376	916	1,525	916	916
Other current liabilities	795	927	1,040	1,040	1,040
Total current liabilities	3,606	3,218	3,540	3,368	3,401
Long-term debt	5,867	7,056	7,329	9,724	10,607
Other LT liabilities	365	370	371	371	371
Total non-cu	6,232	7,427	7,700	10,095	10,979
Total liabilities	9,839	10,645	11,240	13,463	14,380
Registered capital	2,538	2,538	2,538	2,789	2,789
Paid-up capital	2,498	2,501	2,508	2,508	2,508
Share Premium	836	846	872	872	872
Legal reserve	236	236	253	253	253
Retained earnings	1,374	1,730	2,035	2,289	2,641
Others	-27	-77	-124	-124	-124
Minority Interest	155	167	165	224	290
Shareholders' equity	5,073	5,403	5,708	6,022	6,439

Source: Company data, FSS research

Important Ratios (Consolidated)

	2016	2017	2018	2019E	2020E
Growth (%)					
Revenue	6.0	7.6	4.3	4.0	10.2
EBITDA	13.1	12.2	4.1	0.8	9.8
Net profit	87.7	37.8	6.1	-10.4	18.2
Normalized earnings	77.0	52.5	1.7	-10.4	18.2
Profitability (%)					
Gross profit margin	54.3	56.0	55.0	54.4	54.3
EBITDA margin	29.1	30.3	30.3	29.3	29.2
EBIT margin	16.0	18.0	17.9	16.7	17.3
Normalized profit margin	6.2	8.8	8.6	7.4	7.9
Net profit margin	6.6	8.4	8.6	7.4	7.9
Normalized ROA	2.3	3.4	3.3	2.6	2.8
Normalize ROE	6.9	10.1	9.7	8.2	9.1
Normalized ROCE	7.9	8.4	8.3	6.7	7.1
Risk (x)					
D/E	1.9	2.0	2.0	2.2	2.2
Net D/E	1.8	1.8	1.8	2.1	2.1
Net debt/EBITDA	5.6	5.3	5.4	6.7	6.5
Per share data (Bt)					
Reported EPS	0.15	0.20	0.21	0.19	0.23
Normalized EPS	0.14	0.21	0.21	0.19	0.23
EBITDA	0.65	0.73	0.76	0.76	0.84
Book value	1.97	2.09	2.21	2.31	2.45
Dividend	0.06	0.09	0.09	0.09	0.10
Par	1.0	1.0	1.0	1.0	1.0
Valuations (x)					
P/E	39.5	28.7	27.1	30.3	25.6
Norm P/E	41.9	27.5	27.1	30.3	25.6
P/BV	2.9	2.8	2.6	2.5	2.4
EV/EBITDA	13.6	12.4	12.2	13.4	12.6
Dividend yield (%)	1.0	1.6	1.6	1.5	1.8

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Thai Institute of Directors Association (IOD) - Corporate Governance Report Rating 2018

ช่วงคะแนน	สัญลักษณ์	ความหมาย
100-90		ดีเลิศ
80-89		ดีมาก
70-79		ดี
60-69		ดีพอใช้
50-59		ผ่าน
<50	no logo given	n/ a

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IOD (IOD Disclaimer)

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1 [illegible] CG Score [illegible] 2561 [illegible]

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- [illegible] CAC (Declared)
- [illegible] CAC (Certified)