

18 OCTOBER 2023

SPOTLIGHT ON THAILAND

Published Reports

- CENTRAL PLAZA HOTEL (CENTEL TB) - 3Q23 profit to bottom out; Maintain BUY TP THB53.00
- THE ERAWAN GROUP (ERW TB) - Luxury hotels to drive 3Q23 profit; Maintain BUY TP THB6.30
- STAR PETROLEUM REFINING (SPRC TB) - 3Q23 results preview; Maintain BUY TP THB11.70
- SRINANAPORN MARKETING (SNNP TB) - Normal growth mode; Maintain BUY TP THB21.00
- HANA MICROELECTRONICS (HANA TB) - Capital hike to cope with future growth; Maintain BUY TP THB64.00

Economics

- Car shipments could falter
- Thai exports tipped to bounce back next year despite risk
- State revenue outperforms target by 6.9%
- EEC seeks investment of B500bn
- China tells banks to roll over local government debts
- Thailand still bullish on Chinese investments
- Thailand explores trading opportunities with Romania
- Bid to accommodate Blue Flag online

Corporate News

- Gulf revenue poised to hit new high
- ERC prepares court appeal
- Bangchak completes acquisition of Esso
- Hotels unable to improve room rates

| Indices | Index as of 17-Oct-23 | Change -1D (%) | Change YTD (%) | Net Foreign YTD (USD m) |
|-------------------|-----------------------|----------------|----------------|-------------------------|
| Thailand SET | 1,433 | 0.4 | (14.1) | (4,792) |
| China SHCOMP | 3,083 | 0.3 | (0.2) | |
| Hong Kong HSI | 17,773 | 0.8 | (10.2) | |
| India SENSEX | 66,428 | 0.4 | 9.2 | 13,926 |
| Indonesia JCI | 6,940 | 0.6 | 1.3 | (317) |
| Korea KOSPI | 2,460 | 1.0 | 10.0 | 5,134 |
| MY FBMKLCI | 1,444 | 0.4 | (3.4) | |
| PH PCOMP | 6,281 | 1.3 | (4.3) | (834) |
| SG FSSTI | 3,172 | 0.3 | (2.4) | |
| Taiwan TWSE | 16,643 | (0.1) | 17.7 | (3,097) |
| VN VNINDEX | 1,122 | (1.7) | 11.4 | (337) |
| MSCI Emerging | 951 | 0.5 | (0.5) | |
| Nikkei 225 | 32,040 | 1.2 | 22.8 | |
| FTSE 100 | 7,675 | 0.6 | 3.0 | |
| CAC 40 | 7,030 | 0.1 | 8.6 | |
| DAX | 15,252 | 0.1 | 9.5 | |
| Dow Jones | 33,998 | 0.0 | 2.6 | |
| Nasdaq | 13,534 | (0.3) | 29.3 | |
| S&P 500 | 4,373 | (0.0) | 13.9 | |
| Brent | 89.90 | 0.3 | 4.6 | |
| Dubai | 91.73 | (0.0) | 16.6 | |
| WTI | 86.66 | 1.5 | 9.6 | |
| GOLD | 1,923.18 | 0.1 | 5.5 | |
| Trade data | Buy | Sell | Net | Share (%) |
| (THB m) | (THB m) | (THB m) | (THB m) | (THB m) |
| Foreign | 20,841 | 21,682 | (841) | 55 |
| Retail | 11,269 | 10,894 | 376 | 29 |
| Prop Trade | 3,074 | 2,988 | 86 | 8 |
| Local Institution | 3,320 | 2,940 | 380 | 8 |
| Total Trade | 38,504 | 38,504 | (0) | 100 |
| Rates | Last close | 1M ago | End last yr | 1yr ago |
| | 17/10/2023 | 18/9/2023 | 30/12/2022 | 17/10/2022 |
| THB/USD | 36.40 | 35.73 | 34.61 | 38.24 |
| Inflation * | 0.30 | 0.88 | 5.89 | 6.41 |
| MLR ** | 7.12 | 6.87 | 5.83 | 5.59 |
| 1Y Fixed * | 1.65 | 1.41 | 0.99 | 0.70 |
| Govt bond 10Y | 3.29 | 2.97 | 2.64 | 3.17 |
| Commodity | Last close | 1M ago | End last yr | 1yr ago |
| (USD/bbl) | 17/10/2023 | 15/9/2023 | 30/12/2022 | 17/10/2022 |
| Brent | 89.90 | 93.93 | 85.91 | 91.62 |
| Dubai | 91.73 | 96.04 | 78.66 | 89.14 |
| WTI | 86.66 | 91.48 | 80.26 | 82.82 |
| Gold | 1,923 | 1,934 | 1,824 | 1,652 |
| Baltic Dry | 1,972 | 1,439 | 1,515 | 1,875 |
| (USD/ton) | 13-Oct-23 | 06-Oct-23 | 25-Dec-20 | 14-Oct-22 |
| Coal | 138.95 | 137.85 | 84.45 | 390.62 |
| % change | 0.8 | (13.4) | 64.5 | (64.4) |

* chg y-y% last at end of most recent month end; ** Avg of 4 major banks;

Sources: Bloomberg, except coal from BANPU

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Thailand Equity Sales:

Thailand Equity Trading:

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Published Reports

CENTRAL PLAZA HOTEL (CENTEL TB) - 3Q23 profit to bottom out; Maintain BUY TP THB53.00

Expect hotel business profit to turn profitable in 3Q23

RevPAR of Thai hotels should grow by 44% y-y and 7% q-q. Also, it should exceed pre-Covid by 19%, driven by ADR. Osaka hotels, which opened in July, should have a strong OCC rate of 67% despite the low season. RevPAR of Dubai hotels should grow by 28% y-y thanks to a better ADR. On a negative note, RevPAR of Maldives hotels should drop by 3% q-q due to high competition. We estimate the EBITDA margin to be relatively flat q-q and profit to turn around to THB10m (vs THB14m loss in 2Q23). We expect Osaka hotels to show a turnaround from a loss of cTHB120-130m in 2Q23 to breakeven in 3Q23. However, the performance should see pressure from 1) THB19m higher depreciation and interest expenses and THB32m deferred tax expenses of its Hua Hin hotel, 2) the closure of Centara Karon, which may book losses up to THB10m, and 3) an absence of FX gain (THB38m in 2Q23).

Expect food business profit to be relatively flat q-q

We expect 2Q23 SSSG to be flat y-y, given that higher dine-in sales offset lower delivery sales. Food revenue should grow by 3% y-y and reach pre-Covid level. We expect the 3Q23 food EBITDA margin to improve to 19.5% (from 18.9% in 2Q23) thanks to lower raw material costs and forecast food business core profit to be relatively flat q-q at THB130m. Overall, we expect CENTEL's 3Q23 core profit at THB140m (vs THB121m in 2Q23 and THB215m in 3Q19).

New hotels should drive 2024 profit to surpass pre-Covid level

We expect earnings to recover in 4Q23 thanks to the high season of all hotel portfolios (Thailand, Maldives, Dubai, and Japan) and the food business. We forecast 2024 core profit to grow by 44% to THB2.0b, exceeding THB1.7b pre-Covid, premised on a strong profit contribution from new hotels (Dubai and Osaka).

Revise down core profit estimate

We cut 2023-25E core profit by 5-19% to reflect higher lease expenses of its Hua Hin hotel and the effect from the renovation program of Centara Karon and Centara Grand Mirage Pattaya, and derive a 2024 DCF-based TP of THB53/shr. CENTEL trades at 2024E P/E of 30x (vs its five-year average of 33x). The weak share price is a buying opportunity, given that poor 2Q-3Q23 earnings are temporary. Also, the profit should recover from 4Q23 onwards.

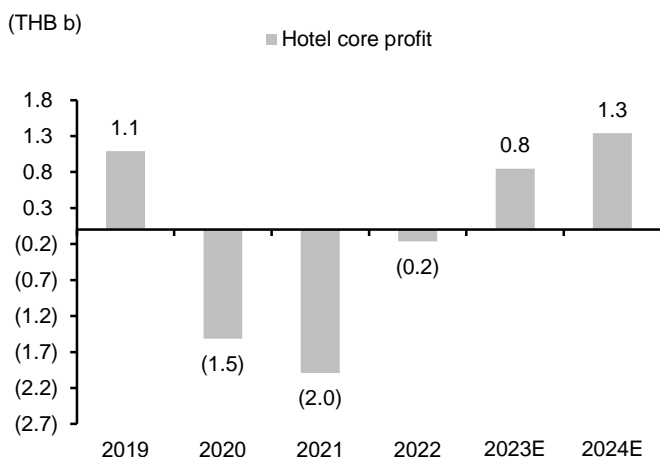
Exhibit 1: Forecast revisions

| | Current | | | Previous | | | Change | | |
|-----------------------|---------|-------|-------|----------|-------|-------|--------|-------|-------|
| | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E | 2023E | 2024E | 2025E |
| OCC (%) | 67.5 | 77.1 | 77.4 | 67.5 | 77.1 | 77.4 | 0.0 | 0.0 | 0.0 |
| RevPar (THB) | 3,205 | 3,726 | 4,407 | 3,205 | 3,726 | 4,407 | 0.0 | 0.0 | 0.0 |
| SSSG (%) | 4.0 | 2.0 | 2.0 | 7.0 | 2.0 | 2.0 | (3.0) | 0.0 | 0.0 |
| TSSG (%) | 10.0 | 7.0 | 6.0 | 13.0 | 7.0 | 6.0 | (3.0) | 0.0 | 0.0 |
| Total revenue (THB b) | 22.0 | 24.7 | 27.1 | 22.1 | 25.0 | 27.4 | (0.4) | (1.3) | (1.3) |
| EBITDA margin (%) | 23.0 | 23.3 | 23.4 | 23.8 | 24.8 | 25.5 | (0.8) | (1.4) | (2.1) |
| Core profit (THB m) | 1,375 | 1,973 | 2,240 | 1,703 | 2,119 | 2,368 | (19.3) | (6.9) | (5.4) |

Note: Change of items in percentage terms are represented in ppt change

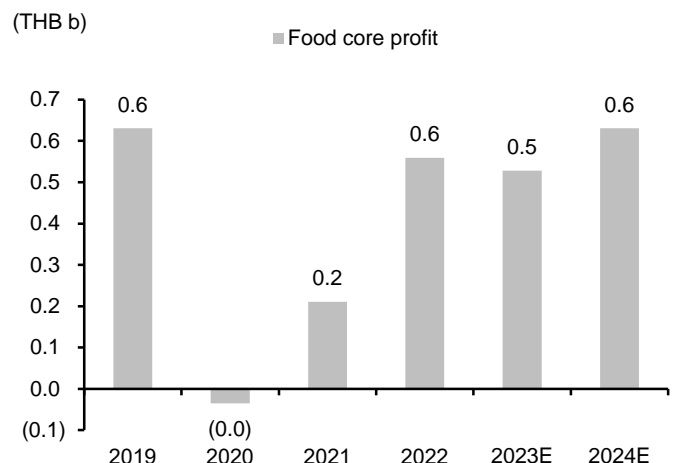
Source: FSSIA estimates

Exhibit 2: Hotel core profit forecast



Sources: CENTEL; FSSIA estimates

Exhibit 3: Food core profit forecast



Sources: CENTEL; FSSIA estimates

Exhibit 4: 3Q23 results preview

| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23E | ----- Change ----- | | 2023E | Change |
|------------------------------|---------------|--------------|--------------|--------------|--------------|--------------------|--------------|---------------|--------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (y-y %) |
| Sales | 4,433 | 5,195 | 5,530 | 5,061 | 5,325 | 5 | 20 | 22,038 | 26 |
| - Hotel operations | 1,492 | 2,094 | 2,520 | 1,895 | 2,290 | 21 | 53 | 9,330 | 57 |
| - Food and beverage | 2,941 | 3,101 | 3,010 | 3,166 | 3,035 | (4) | 3 | 12,708 | 10 |
| COGS (Incl. depreciation) | (2,669) | (3,021) | (3,049) | (3,045) | (3,149) | 3 | 18 | (12,723) | 21 |
| Gross profit | 1,764 | 2,174 | 2,481 | 2,016 | 2,176 | 8 | 23 | 9,315 | 33 |
| SG&A | (1,710) | (1,658) | (1,837) | (1,762) | (1,797) | 2 | 5 | (7,397) | 16 |
| Operating profit | 54 | 516 | 644 | 254 | 379 | 49 | 602 | 1,918 | (215) |
| Net other income | 139 | 227 | 333 | 189 | 146 | (23) | 5 | 828 | 16 |
| Interest expense | (184) | (193) | (186) | (273) | (285) | 4 | 55 | (1,036) | 43 |
| Pretax profit | 9 | 551 | 792 | 170 | 240 | 41 | 2,639 | 1,710 | (187) |
| Income Tax | (51) | (65) | (84) | (81) | (107) | 32 | 110 | (299) | 117 |
| Share profit from associates | 7 | 7 | 7 | 7 | 7 | 0 | (3) | 14 | (133) |
| Share profit from JV | (55) | 16 | (34) | 3 | | | | | |
| Minority interest | 12 | (11) | (52) | 22 | 0 | | | (50) | 206 |
| Core profit | (78) | 498 | 629 | 121 | 140 | 16 | 279 | 1,375 | (245) |
| Extraordinaries, GW & FX | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| Reported net profit | (78) | 498 | 629 | 121 | 140 | 16 | 279 | 1,375 | (245) |
| Shares out (end Q, m) | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 | 0 | 0 | 1,350 | 0 |
| Pre-ex EPS | (0.06) | 0.37 | 0.47 | 0.09 | 0.10 | 16 | 279 | 1.02 | 245 |
| EPS | (0.06) | 0.37 | 0.47 | 0.09 | 0.10 | 16 | 279 | 1.02 | 245 |
| | | | | | | | | | 0 |
| COGS Excl. depreciation | (1,876) | (2,256) | (2,328) | (2,276) | (2,373) | 4 | 26 | (9,574) | 30 |
| Depreciation | (793) | (765) | (721) | (769) | (776) | 1 | (2) | (3,148) | 1 |
| EBITDA | 993 | 1,515 | 1,706 | 1,219 | 1,308 | 7 | 32 | 5,066 | 35 |
| Key Ratios | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) | (ppt) |
| Gross margin | 40 | 42 | 45 | 40 | 41 | 1 | 1 | 42 | 2 |
| SG&A/Revenue | 39 | 32 | 33 | 35 | 34 | (1) | (5) | 34 | (3) |
| Hotel EBITDA margin | 16 | 38 | 40 | 30 | 30 | (1) | 13 | | 0 |
| Food EBITDA margin | 23 | 20 | 18 | 19 | 20 | 1 | (4) | | 0 |
| Total EBITDA margin | 21 | 28 | 29 | 23 | 24 | 1 | 3 | 23 | 2 |
| Net profit margin | (2) | 10 | 11 | 2 | 3 | 0 | 4 | 6 | 4 |
| Operating stats | | | | | | | | | |
| Hotel | | | | | | | | | |
| OCC -Maldives (%) | 52 | 68 | 89 | 56 | 70 | | | | |
| OCC -Thailand (%) | 52 | 66 | 76 | 65 | 68 | | | | |
| OCC -Dubai (%) | 80 | 84 | 83 | 82 | 77 | | | | |
| OCC -Japan (%) | | 0 | 0 | 0 | 67 | | | | |
| ARR - Maldives (THB) | 12,627 | 15,634 | 16,151 | 12,361 | 9,558 | | | | |
| ARR - Thailand (THB) | 3,612 | 4,053 | 4,461 | 3,901 | 3,984 | | | | |
| ARR - Dubai (THB) | 4,401 | 7,169 | 6,444 | 6,226 | 5,493 | | | | |
| ARR - Japan (THB) | | | | | 6,582 | | | | |
| RevPAR - Maldives (THB) | 6,566 | 10,615 | 14,295 | 6,896 | 6,691 | | | | |
| RevPAR - Thailand (THB) | 1,883 | 2,671 | 3,407 | 2,545 | 2,715 | | | | |
| RevPAR - Dubai (THB) | 3,510 | 6,046 | 5,374 | 5,094 | 4,230 | | | | |
| RevPAR - Japan (THB) | | | | | 4,410 | | | | |
| Food | | | | | | | | | |
| SSSG (y-y %) | 43 | 12 | 8 | 5 | 0 | | | | |
| TSSG (y-y %) | 51 | 18 | 15 | 10 | 4 | | | | |

Sources: CENTEL; FSSIA estimates

THE ERAWAN GROUP (ERW TB) - Luxury hotels to drive 3Q23 profit; Maintain BUY TP THB6.30

Expect non-Hop Inn RevPAR to exceed pre-Covid by 37% in 3Q23

We expect non-Hop Inn RevPAR to grow by 9% q-q in 3Q23, driven by the strong performance of its luxury hotels. Non-Hop Inn RevPAR should exceed pre-Covid by 37% with an OCC rate of 82% (vs 74% in 3Q19), and ADR should surpass pre-Covid by 23%. Thailand Hop Inn RevPAR should be relatively flat q-q and exceed the pre-Covid level by 25%. We expect the RevPAR of Philippines hotels to grow by 10% q-q and exceed the pre-Covid level by 15%. Overall, 3Q23 revenue should grow 6% q-q, and the EBITDA margin should improve to 30% (vs 29% in 2Q23), leading to core profit growth of 9% q-q to THB145m. It should set a new record core profit for 3Q (vs THB43m profit in 3Q19).

Operation to continue to improve in 4Q23

We expect the operation to remain strong in 4Q23 due to the high tourism season. ERW sees a limited impact from the Israel-Hamas war, given that the high season for Middle East tourists is in 3Q. Note that revenue contributions from the Middle East are 10-15%, mainly from Qatar, UAE, and Saudi Arabia. However, there would be expenses related to Japan projects up to THB40-50m to book in 4Q23 (approximately THB10-15m to book in 3Q23).

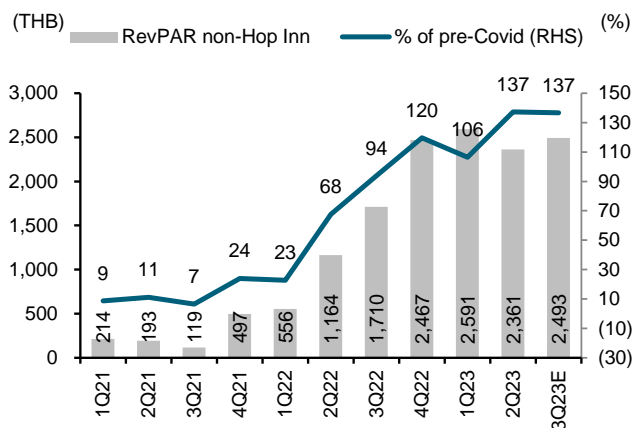
Upside from acquisition of two ibis hotels from ERWPF

ERW has recently announced the intention to purchase ibis Pattaya Hotel and ibis Phuket Patong, which are freehold assets, from ERWPF. Currently, ERW pays fixed lease payments of THB72.5m per year to ERWPF. Assuming that ERW successfully purchases the two hotels at THB1.6-1.7b (10-20% higher than ERWPF's NAV of THB1.45b) using debt up to 70% and 4% interest rate, we estimate that ERW cash flow and P&L will improve by THB10-15m per year. Also, it would have upsides from the performance of these two hotels, which run at an OCC rate of 80-90% in 1H23, higher than the pre-Covid level, and the renovation program to uplift ADR.

Opportunity to accumulate stock during weak market

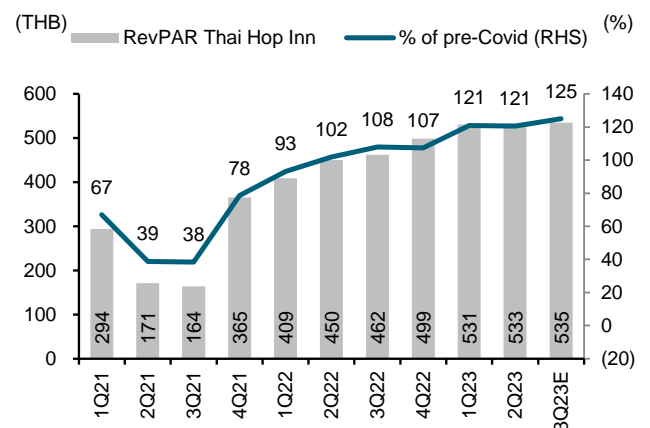
We maintain our forecast and DCF-based TP of THB6.3/shr. ERW trades at 2024E P/E of 34.5x vs its five-year average of 35.7x. It deserves a premium valuation, in our view, as it is a top beneficiary of Thailand's tourism recovery due to its asset-heavy model. Weak share prices provide a buying opportunity to capture strong 2H23 earnings.

Exhibit 5: RevPAR non-Hop Inn hotels, quarterly



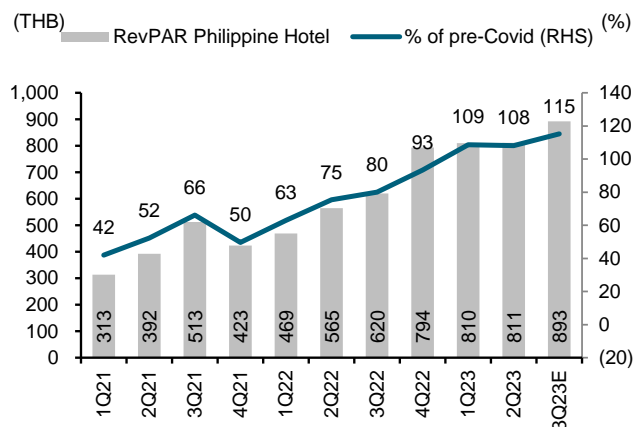
Sources: ERW; FSSIA estimates

Exhibit 6: RevPAR Thai Hop Inn hotels, quarterly



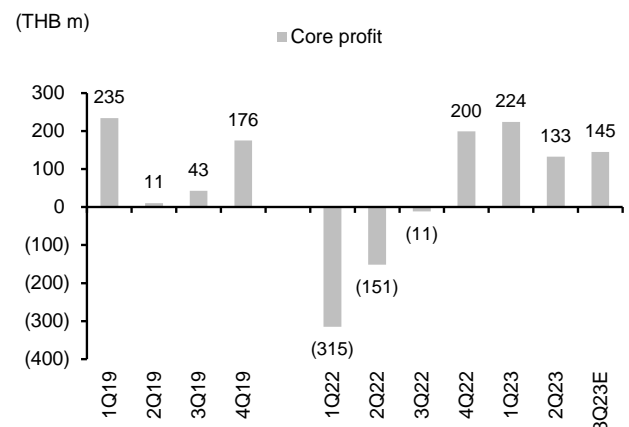
Sources: ERW; FSSIA estimates

Exhibit 7: RevPAR Philippines Hop Inn hotels, quarterly



Sources: ERW; FSSIA estimates

Exhibit 8: Core profit, quarterly



Sources: ERW; FSSIA estimates

Exhibit 9: 3Q23 results preview

| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23E | Change | | 2023E | Change |
|----------------------------|---------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|----------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (y-y %) |
| Sales | 1,283 | 1,733 | 1,753 | 1,623 | 1,726 | 6 | 35 | 6,963 | 50 |
| - Thailand non-Hop Inn | 1,014 | 1,411 | 1,409 | 1,282 | 1,369 | 7 | 35 | | |
| - Hop Inn Thailand | 165 | 190 | 211 | 208 | 214 | 3 | 30 | | |
| - Hop Inn Phil | 90 | 116 | 117 | 117 | 121 | 4 | 35 | | |
| - Rental | 15 | 16 | 17 | 17 | 22 | 29 | 47 | | |
| COGS (Incl. depreciation) | (827) | (973) | (993) | (948) | (993) | 5 | 20 | (3,932) | 25 |
| Gross Profit | 456 | 759 | 760 | 675 | 734 | 9 | 61 | 3,031 | (106) |
| SG&A | (362) | (450) | (434) | (441) | (461) | 4 | 27 | (1,831) | 33 |
| Operating Profit | 94 | 309 | 326 | 234 | 272 | 17 | 189 | 1,200 | (1,136) |
| Other income | 6 | 14 | 21 | 18 | 18 | 0 | 208 | 44 | 11 |
| Interest | (114) | (122) | (135) | (143) | (150) | 4 | 32 | (562) | 23 |
| Pretax profit | (13) | 201 | 213 | 109 | 141 | 30 | 1,146 | 682 | 312 |
| Income Tax | 5 | 6 | 6 | 5 | 4 | (26) | (18) | 20 | (22) |
| Associates | 3 | 13 | 3 | 21 | 3 | (86) | (12) | 0 | (100) |
| Minority interest | (6) | (21) | 1 | (2) | (3) | 57 | (51) | (57) | 414 |
| Core profit | (11) | 200 | 224 | 133 | 145 | 9 | 1,378 | 645 | 332 |
| Extraordinaries, GW & FX | (0) | 40 | 15 | 9 | | | | 24 | |
| Reported net profit | (12) | 240 | 239 | 142 | 145 | 2 | 1,358 | 669 | 398 |
| Shares out (end Q, m) | 4,532 | 4,532 | 4,532 | 4,532 | 4,532 | 0 | 0 | 4,532 | 0 |
| Core EPS | (0.00) | 0.04 | 0.05 | 0.03 | 0.03 | 9 | 1,378 | 0.14 | 332 |
| EPS | (0.00) | 0.05 | 0.05 | 0.03 | 0.03 | 2 | 1,358 | 0.15 | 398 |
| COGS (Excl. depreciation) | (607) | (750) | (775) | (727) | (761) | 4.7 | 25 | (3,050) | 34 |
| Depreciation | (220) | (223) | (218) | (222) | (232) | 4.5 | 5 | (882) | 1 |
| EBITDA | 320 | 547 | 566 | 474 | 523 | 10 | 63 | 2,126 | 111 |
| Key ratios | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) | (ppt) |
| Gross margin | 36 | 44 | 43 | 42 | 43 | 1 | 7 | 44 | 12 |
| SG&A/Revenue | 28 | 26 | 25 | 27 | 27 | (0) | (1) | 26 | (3) |
| EBITDA margin | 25 | 31 | 32 | 29 | 30 | 1 | 5 | 30 | 9 |
| Net profit margin | (1) | 14 | 14 | 9 | 8 | (0) | 9 | 10 | 14 |
| Operating stats | | | | | | | | | |
| Non-Hop Inn | | | | | | | | | |
| OCC (%) | 67 | 82 | 84 | 80 | 82 | | | | |
| OCC growth (y-y %) | 57 | 52 | 53 | 25 | 15 | | | | |
| RevPAR (THB) | 1,710 | 2,467 | 2,591 | 2,361 | 2,505 | | | | |
| RevPAR growth (y-y %) | 1,337 | 396 | 366 | 103 | 46 | | | | |
| Thailand Hop Inn | | | | | | | | | |
| OCC (%) | 74 | 78 | 81 | 81 | 81 | | | | |
| OCC growth (y-y %) | 47 | 19 | 14 | 8 | 7 | | | | |
| RevPAR (THB) | 462 | 499 | 531 | 533 | 537 | | | | |
| RevPAR growth (y-y %) | 182 | 37 | 30 | 18 | 16 | | | | |
| Philippines Hop Inn | | | | | | | | | |
| OCC (%) | 59 | 74 | 74 | 74 | 79 | | | | |
| OCC growth (y-y %) | (1) | 25 | 23 | 16 | 20 | | | | |
| RevPAR (THB) | 620 | 794 | 810 | 811 | 897 | | | | |
| RevPAR growth (y-y %) | 22 | 26 | 19 | 13 | 8 | | | | |

Sources: ERW; FSSIA estimates

STAR PETROLEUM REFINING (SPRC TB) - 3Q23 results preview; Maintain BUY TP THB11.70

3Q23E net profit of THB4.2b, the highest of the year

We estimate 3Q23 net profit at THB4.2b, a turnaround from a loss of THB2.1b in 2Q23 and a loss of THB5.0b in 3Q22. The earnings turnaround would be made possible by higher gasoline, diesel, and jet crack spreads coupled with higher oil prices, despite a lower 3Q23E utilization rate of 81% vs 91% in 2Q23 due to planned plant turnaround. We expect 3Q23 earnings to be the highest of the year. Our 3Q23 estimate bases on 3Q23E market GRM of USD8.4/bbl (+USD7.1/bbl q-q and +USD2.4/bbl y-y) and 3Q23E stock gain of USD7.5/bbl (+USD10.3/bbl q-q and +USD20.8/bbl y-y), resulting in 3Q23E accounting GRM of USD15.9/bbl. We expect 3Q23 EBITDA at THB6.1b, a turnaround from losses of THB1.7b in 2Q23 and THB4.9b in 3Q22. 9M23E net profit already equals 101% of our 2023E.

Revise down our 2023-25E EPS by 41.3%, 32.6%, and 25.9%

We slash our 2023-25E EPS by 41.3%, 32.6%, and 25.9%, respectively, based on our new earnings assumptions (Exhibit 2). For 2023E, the cut comes mainly from higher-than-expect freight rates and OPEX costs due to the ongoing shutdown of its single-point mooring system (SPM) and the unplanned shutdown of the Residue Fluidized Catalytic Cracker Unit (RFCCU), whilst we expect 2023 diesel spreads to be better than anticipated (new: USD20/bbl vs prev.:USD17/bbl). For 2024-25E, we increase our crude premium assumptions to reflect the tighter oil supply outlook, which is the key factor of our earnings cut.

Expect 4Q23 to be weak but brighter outlook in 2024E

Based on QTD crack spreads, we expect 4Q23 GRM to materially drop q-q, mainly from lower gasoline crack spreads due to the end of driving season and higher Murban crude premium. However, we expect SPRC's GRM to recover starting in early 2024 after SPM reopens.

Maintain BUY with our new TP of THB11.7/share

We maintain BUY on SPRC with our new TP of THB11.70/share, down from THB12.50/share, based on a long-term average 2024E P/BV of 1.2x. We think the stock's valuation is attractive amid decent EPS growth. Currently, SPRC is trading at a P/BV of 0.8x or ~-1SD of its long-term average.

Exhibit 10: SPRC's 3Q23E results preview

| | 3Q22 | 2Q23 | 3Q23E | | 2023E | % of FY23E | |
|--------------------|----------|----------|----------|---------|---------|------------|-----|
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (%) |
| Revenue | 76,146 | 53,883 | 56,528 | 4.9 | (25.8) | 224,246 | 76 |
| Operating costs | (81,053) | (55,665) | (50,412) | (9.4) | (37.8) | (217,137) | |
| EBITDA | (4,907) | (1,782) | 6,116 | (443.1) | (224.6) | 7,108 | 92 |
| EBITDA margin (%) | (6.4) | -3.3 | 10.8 | nm | nm | 3.2 | |
| Depn & amort. | (696) | (624) | (596) | (4.4) | (14.3) | (2,603) | |
| EBIT | (5,603) | (2,406) | 5,519 | (329.4) | (198.5) | 4,506 | 104 |
| Interest expense | (77) | (106) | (91) | (13.8) | 19.0 | (296) | |
| Other income | 16 | 15 | 0 | (100.0) | (100.0) | 0 | |
| Exceptionals | (620) | (134) | (150) | 12.2 | (75.8) | (300) | |
| Pretax profit | (6,284) | (2,631) | 5,278 | (300.6) | (184.0) | 4,090 | 102 |
| Tax | 1,257 | 526 | (1,056) | (300.6) | (184.0) | (783) | |
| Tax rate (%) | 20 | 20 | 20 | nm | nm | 19 | |
| Minority interests | 0 | 0 | 0 | nm | nm | 0 | |
| Net profit | (5,027) | (2,105) | 4,222 | (300.6) | (184.0) | 3,307 | 101 |

Sources: SPRC, FSSIA's estimates

Exhibit 11: Change in key earnings assumptions

| | 2021 | 2022 | 2023E | | 2024E | | 2025E | |
|----------------------|-----------|-----------|-------|-------|-------|-------|-------|-------|
| | (USD/bbl) | (USD/bbl) | New | Prev. | New | Prev. | New | Prev. |
| Marketing GRM | 3.66 | 9.64 | 5.82 | 6.60 | 5.32 | 6.51 | 5.82 | 6.89 |
| Stock gain/(loss) | 3.84 | (0.42) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounting GRM | 7.50 | 9.22 | 5.82 | 6.60 | 5.32 | 6.51 | 5.82 | 6.89 |
| Crude premium | 1.81 | 7.22 | 3.15 | 3.35 | 3.00 | 1.80 | 2.50 | 1.40 |
| Freight cost | 0.73 | 2.30 | 3.75 | 2.20 | 2.00 | 1.50 | 1.50 | 1.50 |
| Gasoline-Dubai | 11.01 | 18.85 | 16.00 | 17.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| Diesel-Dubai | 6.70 | 34.29 | 20.00 | 17.00 | 14.00 | 13.00 | 13.00 | 13.00 |
| Utilisation rate (%) | 77.2 | 89.1 | 87.0 | 89.1 | 89.0 | 89.1 | 89.0 | 89.1 |

Sources :SPRC, FSSIA's estimates

SRINANAPORN MARKETING (SNNP TB) - Normal growth mode; Maintain BUY TP THB21.00

3Q23 profit should continue hitting new high, but growth would be unexciting

We expect 3Q23 net profit at THB161m (+2.5% q-q, +13% y-y), an extended new high. However, growth would be unexciting. Although export sales growth would remain strong in CLMV and other countries, domestic sales would be flat or inch up due partly to the low season. Hence, we anticipate total revenue to increase by 3% q-q and 3.2% y-y. Since raw material costs should begin to decrease, the gross margin would increase to 28% from 27.3% in 3Q22. Also, expenses should steady q-q and decrease y-y. Therefore, we expect SG&A-to-sales to be flat q-q at 14.7% and down from 16% in 3Q22.

New Vietnam targets remain challenging

We expect 3Q23 Vietnam revenue to grow strongly (+11.4% q-q, +9.5% y-y), even though purchasing power was weak. However, it is still lower than our previous forecast. If 3Q23 is in line, 9M23 Vietnam revenue will equal THB499m (+29% y-y). Since it secures just 60% of the full-year target of THB800-850m (down from THB1b in early 2023), achieving the target implies a challengingly high 4Q23 revenue of THB300m. Although SNNP delayed Bento capacity expansion (phase 2) to Oct 23 (from Aug 23) and Jele lines to Nov - Dec 23 (from Oct 23), it does not affect sales since SNNP can export them from Thailand. Also, it should be able to book a full-year realization of the three production lines in Vietnam in 2024 as planned.

Cut 2023-25E profit to factor in lower-than-expected profit growth

If 3Q23 is in line, 9M23 profit will equal THB471m (+29.7% y-y), securing just 68% of our estimate. Since growth is lower than expected, we slash our 2023-25E net profit by 7%/9%/8.8%, respectively. We now expect 2023 profit growth at 25.5% y-y (from 35%). In the short run, we still expect continued q-q and y-y profit growth to a new high in 4Q23. Also, we anticipate extended growth of c13.3% y-y in 2024. SNNP believes its associate Siri Pro will reach its breakeven point as early as late 2024 after it has completed its restructuring.

De-rate valuation to reflect lower and normalized growth

We roll over to our 2024 TP of THB21 after decreasing our PE target from 40x (+2.5 SD) to 27x (close to its five-year historical average) to reflect lower and normalized growth. However, the share price plunges of 31% in the past four months has reflected the lower profit growth, while our new TP still implies a 12% upside. Hence, we retain our BUY rating.

Exhibit 12: 3Q23 earnings preview

| | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23E | ----- Change ----- | | 9M22 | 9M23E | Change |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|--------------------|--------------|---------|---------|--------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (y-y%) |
| Sales | 1,133 | 1,323 | 1,468 | 1,632 | 1,420 | 1,470 | 1,514 | 3.0 | 3.2 | 3,924 | 4,404 | 12.2 |
| Cost of sales | 823 | 978 | 1,067 | 1,174 | 1,020 | 1,060 | 1,090 | 2.8 | 2.1 | 2,868 | 3,170 | 10.5 |
| Gross profit | 310 | 345 | 400 | 458 | 400 | 410 | 424 | 3.4 | 5.9 | 1,056 | 1,234 | 16.9 |
| SG&A | 179 | 210 | 235 | 263 | 207 | 216 | 223 | 3.2 | (5.3) | 623 | 645 | 3.5 |
| Operating profit | 142 | 152 | 184 | 198 | 201 | 205 | 209 | 2.2 | 13.6 | 478 | 615 | 28.6 |
| Interest expense | 0.18 | 0.15 | 0.29 | 1.06 | 0.76 | 1.58 | 2.00 | 26.5 | 596.9 | 1 | 4 | 610.0 |
| Tax expense | 29 | 30 | 36 | 42 | 40 | 41 | 40 | (1.7) | 9.4 | 95 | 121 | 26.7 |
| Profit (loss) sharing | (8) | (6) | (6) | (8) | (8) | (7) | (8) | 10.0 | 45.3 | (20) | (24) | nm |
| Reported net profit | 105 | 116 | 142 | 152 | 154 | 157 | 161 | 2.5 | 13.0 | 363 | 471 | 29.7 |
| Core profit | 105 | 116 | 142 | 152 | 154 | 157 | 161 | 2.5 | 13.0 | 363 | 471 | 29.7 |
| Key Ratios (%) | | | | | | | | (ppt) | (ppt) | | | |
| Gross margin | 27.4 | 26.1 | 27.3 | 28.1 | 28.2 | 27.9 | 28.0 | 0.1 | 0.7 | 26.9 | 28.0 | 1.1 |
| SG&A to sales | 15.8 | 15.8 | 16.0 | 16.1 | 14.6 | 14.7 | 14.7 | 0.0 | (1.3) | 15.9 | 14.6 | (1.2) |
| Operating margin | 12.6 | 11.5 | 12.6 | 12.1 | 14.2 | 13.9 | 13.8 | (0.1) | 1.3 | 12.2 | 14.0 | 1.8 |
| Net margin | 9.3 | 8.8 | 9.7 | 9.3 | 10.8 | 10.7 | 10.6 | (0.1) | 0.9 | 9.3 | 10.7 | 1.4 |
| Core margin | 9.3 | 8.8 | 9.7 | 9.3 | 10.8 | 10.7 | 10.6 | (0.1) | 0.9 | 9.3 | 10.7 | 1.4 |
| Operating statistics (THB m) | | | | | | | | | | | | |
| Domestic revenue | 899 | 967 | 1,075 | 1,106 | 1,094 | 1,111 | 1,107 | (0.4) | 3.0 | 2,941 | 3,312 | 12.6 |
| Overseas revenue | 234 | 357 | 393 | 526 | 326 | 359 | 405 | 12.7 | 3.0 | 984 | 1,090 | 10.8 |
| Vietnam revenue | 51 | 167 | 169 | 251 | 148 | 166 | 185 | 11.4 | 9.5 | 387 | 499 | 28.9 |

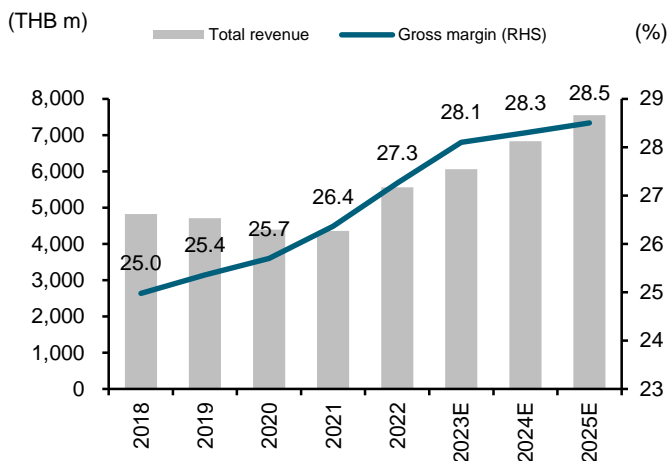
Sources: SNNP, FSSIA estimates

Exhibit 13: Key assumptions for SNNP

| | Current | | | Previous | | | Change | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
| | 2023E (THB m) | 2024E (THB m) | 2025E (THB m) | 2023E (THB m) | 2024E (THB m) | 2025E (THB m) | 2023E (%) | 2024E (%) | 2025E (%) |
| Total sale value (THB m) | 6,059 | 6,833 | 7,552 | 6,566 | 7,411 | 8,196 | (7.7) | (7.8) | (7.9) |
| Costs | 4,356 | 4,899 | 5,399 | 4,708 | 5,299 | 5,844 | (7.5) | (7.5) | (7.6) |
| Gross profit | 1,703 | 1,934 | 2,152 | 1,858 | 2,112 | 2,352 | (8.4) | (8.4) | (8.5) |
| SG&A expense | 903 | 1,039 | 1,148 | 1,037 | 1,171 | 1,295 | (13.0) | (11.3) | (11.4) |
| Profit (loss) sharing | (28) | (20) | (15) | (15) | 7 | 12 | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| Interest expense | 6 | 6 | 5 | 1 | 1 | 1 | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| Reported net profit | 647 | 733 | 828 | 696 | 805 | 907 | (7.0) | (9.0) | (8.8) |
| Core profit | 647 | 733 | 828 | 696 | 805 | 907 | (7.0) | (9.0) | (8.8) |
| Key ratios (%) | | | | | | | | | |
| Total revenue growth | 9.1 | 12.8 | 10.5 | 18.2 | 12.9 | 10.6 | (9.1) | (0.1) | (0.1) |
| Net profit growth | 25.5 | 13.3 | 12.9 | 35.0 | 15.7 | 12.6 | (9.5) | (2.4) | 0.2 |
| Core profit growth | 25.5 | 13.3 | 12.9 | 35.0 | 15.7 | 12.6 | (9.5) | (2.4) | 0.2 |
| Gross margin | 28.1 | 28.3 | 28.5 | 28.3 | 28.5 | 28.7 | (0.2) | (0.2) | (0.2) |
| SG&A to sales | 14.9 | 15.2 | 15.2 | 15.8 | 15.8 | 15.8 | (0.9) | (0.6) | (0.6) |
| Net margin | 10.7 | 10.7 | 11.0 | 10.6 | 10.9 | 11.1 | 0.1 | (0.1) | (0.1) |
| Core margin | 10.7 | 10.7 | 11.0 | 10.6 | 10.9 | 11.1 | 0.1 | (0.1) | (0.1) |
| Operating statistics (THB m) | | | | | | | | | |
| Domestic revenue (THB m) | 4,506 | 5,047 | 5,551 | 4,653 | 5,212 | 5,733 | (3.2) | (3.2) | (3.2) |
| Overseas revenue (THB m) | 1,553 | 1,786 | 2,000 | 1,912 | 2,199 | 2,463 | (18.8) | (18.8) | (18.8) |
| Vietnam revenue (THB m) | 702 | 807 | 928 | 844 | 1,013 | 1,114 | (16.8) | (20.3) | (16.6) |

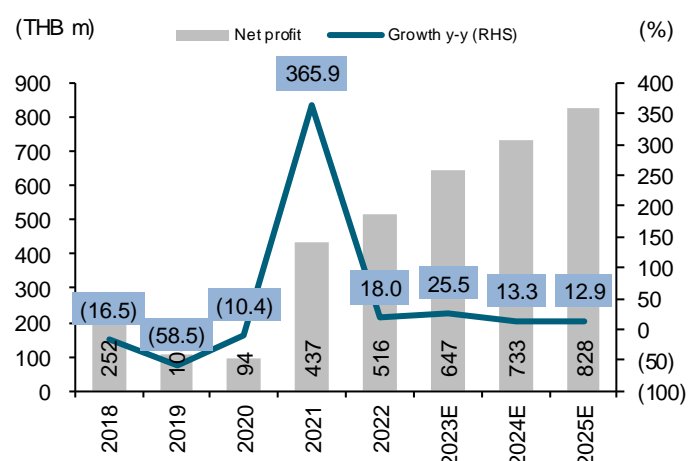
Source: FSSIA estimates

Exhibit 14: Yearly total revenue and gross margin



Sources: SNNP, FSSIA estimates

Exhibit 15: Yearly net profit and growth



Sources: SNNP, FSSIA estimates

HANA MICROELECTRONICS (HANA TB) - Capital hike to cope with future growth; Maintain BUY TP THB64.00

Successful 10% capital hike through PP to expand its SiC factory

HANA announced a capital increase through sales of 80.48mn PP shares (10% of total capital) to 25 institutional investors at THB57 apiece, approved at its shareholders' meeting on Apr 28, 2023, which would provide proceeds of cTHB4.5b. The objectives of the fund comprise 1) to expand SiC capacity at its factory in South Korea, operated under its subsidiary Power Master Semiconductor (cTHB2.9b in 2024), and 2) to invest in equipment for its existing business (cTHB1.6b in 2025).

SiC market remains small but has high growth potential

Although the capital hike may trigger a dilution impact in 2024, we have a bullish view of its long-term growth due to its investment to expand its SiC capacity. In this regard, HANA plans to spend cUSD100m in 2023-24. Although the SiC market remains small at cUSD2.3b (0.4% of global semiconductor sales), it has a high expected growth of c46% CAGR to USD7b by 2025. Since SiC applications in automotive and industrial currently stand at 68% and 32%, respectively, HANA sets its 2023-25 SiC revenue target at USD20m/45-48m/90-94m, respectively. Also, it anticipates EBITDA breakeven as early as 2024 and a positive bottom line by 2025.

Expect gradual profit recovery while maintaining long-term bullish view

We expect a 3Q23 net profit of THB750m (+18% q-q, +80% y-y). Excluding the high FX loss booked last year, the 3Q23 core profit should decrease 11% y-y due to the gradual consumer demand recovery and the pending Chinese market recovery. Our initial revenue forecast is USD202m (-1% q-q, -2.4% y-y). Although the 4Q23 profit should weaken q-q, in line with seasonality, the outlook is better than previously thought after customers have ended their de-stocking. Also, we anticipate post-covid consumer demand recovery in 2024. Therefore, we have raised our 2023-25E net profit by 9.4%/5%/8.7% but cut our EPS forecast by 1.3%/4.6%/1.2% to incorporate the newly issued shares.

Slash our 2024 TP to reflect modest dilution impact

We have cut our 2024 TP to THB64 from THB67 (a PE of 23x, unchanged). Although we anticipate a dilution of c4.6% in 2024 due to the payback period, we have a bullish view of its long-term growth. Also, the balance sheet remains healthy with a low expected D/E ratio of only 0.17x. However, the ROE remains lower than its peers at 9.4% due to the capital hike impact and should rise to 10.1% in 2024. Since our new TP offers an 11% upside, we retain our BUY rating on HANA.

Exhibit 16: 3Q23 earnings preview

| | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23E | ---- Change ---- | | 9M22 | 9M23E | Change |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|------------------|--------------|---------|---------|--------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (y-y%) |
| Total revenue | 6,107 | 6,390 | 7,545 | 7,125 | 6,466 | 6,910 | 7,070 | 2.3 | (6.3) | 20,042 | 20,446 | 2.0 |
| Cost of sales | 5,445 | 5,512 | 6,378 | 6,171 | 5,913 | 5,871 | 6,024 | 2.6 | (5.6) | 17,335 | 17,808 | 2.7 |
| Gross profit | 663 | 878 | 1,167 | 954 | 553 | 1,039 | 1,046 | 0.7 | (10.3) | 2,707 | 2,638 | (2.6) |
| SG&A | 381 | 401 | 408 | 505 | 382 | 392 | 396 | 0.9 | (2.9) | 1,189 | 1,170 | (1.6) |
| Operating profit | 282 | 477 | 759 | 449 | 171 | 646 | 650 | 0.6 | (14.3) | 1,518 | 1,468 | (3.3) |
| Interest expense | 1.5 | 2.7 | 2.5 | 5.9 | 1.8 | 8.0 | 8.0 | (0.5) | 218.3 | 7 | 18 | 168.7 |
| Tax expense | 15 | 15 | 46 | 31 | 12 | 33 | 35 | 7.5 | (23.6) | 76 | 80 | 5.2 |
| Reported net profit | 365 | 245 | 417 | 1,075 | 266 | 635 | 750 | 18.1 | 80.0 | 1,027 | 1,652 | 60.9 |
| Core profit | 399 | 603 | 843 | 553 | 295 | 749 | 750 | 0.1 | (11.1) | 1,845 | 1,794 | (2.8) |
| Key Ratios (%) | | | | | | | | (ppt) | (ppt) | | | |
| Gross margin | 10.8 | 13.7 | 15.5 | 13.4 | 8.6 | 15.0 | 14.8 | (0.2) | (0.7) | 13.5 | 12.9 | (0.6) |
| SG&A to sales | 6.2 | 6.3 | 5.4 | 7.1 | 5.9 | 5.7 | 5.6 | (0.1) | 0.2 | 5.9 | 5.7 | (0.2) |
| Operating margin | 4.6 | 7.5 | 10.1 | 6.3 | 2.7 | 9.4 | 9.2 | (0.2) | (0.9) | 7.6 | 7.2 | (0.4) |
| Net margin | 6.0 | 3.8 | 5.5 | 15.1 | 4.1 | 9.2 | 10.6 | 1.4 | 5.1 | 5.1 | 8.1 | 3.0 |
| Core margin | 6.5 | 9.4 | 11.2 | 7.8 | 4.6 | 10.8 | 10.6 | (0.2) | (0.6) | 9.2 | 8.8 | (0.4) |

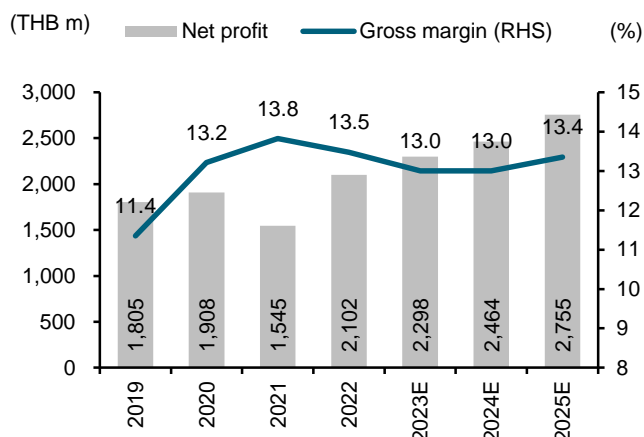
Sources: HANA, FSSIA estimates

Exhibit 17: Key assumptions for HANA

| | Current | | | Previous | | | Change | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
| | 2023E (THB m) | 2024E (THB m) | 2025E (THB m) | 2023E (THB m) | 2024E (THB m) | 2025E (THB m) | 2023E (%) | 2024E (%) | 2025E (%) |
| Total sale value (THB m) | 27,303 | 28,309 | 30,530 | 26,725 | 27,717 | 29,590 | 2.2 | 2.1 | 3.2 |
| Costs | 23,754 | 24,629 | 26,455 | 23,438 | 24,958 | 26,584 | 1.3 | (1.3) | (0.5) |
| Gross profit | 3,549 | 3,680 | 4,076 | 3,287 | 3,598 | 3,902 | 8.0 | 2.3 | 4.4 |
| SG&A expense | 1,666 | 1,755 | 1,893 | 1,630 | 1,713 | 1,829 | 2.2 | 2.4 | 3.5 |
| Interest expense | 26 | 19 | 15 | 11 | 11 | 12 | 145.8 | 73.6 | 24.8 |
| Reported net profit | 2,298 | 2,464 | 2,755 | 2,116 | 2,347 | 2,535 | 8.6 | 5.0 | 8.7 |
| Core profit | 2,314 | 2,464 | 2,755 | 2,116 | 2,347 | 2,535 | 9.4 | 5.0 | 8.7 |
| EPS (THB/share) | 2.60 | 2.78 | 3.11 | 2.63 | 2.92 | 3.15 | (1.3) | (4.6) | (1.2) |
| Key ratios (%) | | | | | | | | | |
| Total revenue growth | 0.5 | 3.7 | 7.8 | (1.6) | 6.9 | 6.8 | 2.1 | (3.2) | 1.1 |
| Net profit growth | 9.3 | 7.2 | 11.8 | 0.7 | 10.9 | 8.0 | 8.6 | (3.7) | 3.8 |
| Core profit growth | (3.5) | 6.5 | 11.8 | (11.8) | 10.9 | 8.0 | 8.3 | (4.4) | 3.8 |
| Gross margin | 13.0 | 13.0 | 13.4 | 12.3 | 12.6 | 12.8 | 0.7 | 0.4 | 0.5 |
| SG&A to sales | 6.1 | 6.2 | 6.2 | 6.1 | 6.0 | 6.0 | 0.0 | 0.2 | 0.2 |
| Net margin | 8.4 | 8.7 | 9.0 | 7.9 | 8.2 | 8.3 | 0.5 | 0.5 | 0.7 |
| Core margin | 8.5 | 8.7 | 9.0 | 7.9 | 8.2 | 8.3 | 0.6 | 0.5 | 0.7 |
| Operating statistics | | | | | | | | | |
| Total revenue (USD m) | 791 | 858 | 925 | 786 | 840 | 897 | 0.7 | 2.1 | 3.2 |
| SiC revenue (USD m) | 20 | 48 | 90 | 20 | 48 | 80 | 0.0 | 0.0 | 12.5 |
| FX rate (THB/USD) | 34.5 | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 4.5 | 0.0 | 0.0 |

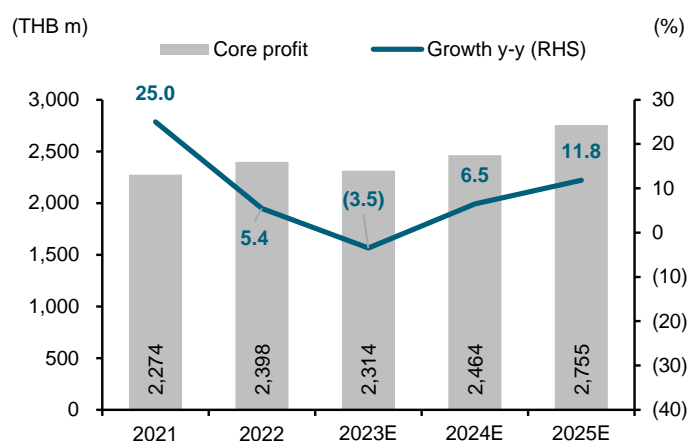
Source: FSSIA estimates

Exhibit 18: Yearly net profit and gross margin



Sources: HANA, FSSIA estimates

Exhibit 19: Yearly core profit and growth



Sources: HANA, FSSIA estimates

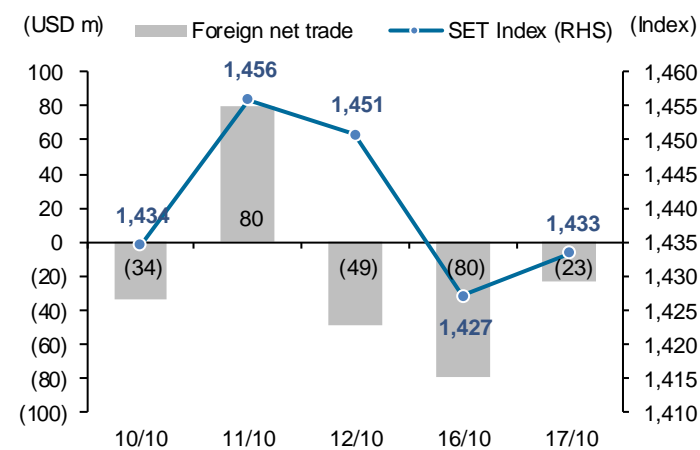
Economic news

- [Car shipments could falter](#) BANGKOK POST: The conflict in the Middle East could affect car exports to the region if it is protracted, says the Automotive Industry Club of the Federation of Thai Industries (FTI). Exports of pickups, which are popular in the Middle East, could decline if the dispute cannot be settled through negotiations, according to the club.
- [Thai exports tipped to bounce back next year despite risk](#) BANGKOK POST: Thai exports in 2024 are likely to rebound to growth of 3.6% from a projected decline of 2% this year, according to the latest forecast by the University of the Thai Chamber of Commerce (UTCC). UTCC president Thanavath Phonvichai attributed the forecast to easing inflation and lower interest rates among various countries, which should increase demand for goods.
- [State revenue outperforms target by 6.9%](#) BANGKOK POST: For the first 11 months of fiscal 2023, government revenue exceeded its target by 6.9%, or 153 billion baht, achieving a treasury balance of 300 billion baht at the end of August, said Fiscal Policy Office director-general Pornchai Thiraveja. Mr Pornchai said the government collected net revenue of 2.36 trillion baht for the first 11 months of fiscal 2023 (October 2022 to August 2023), an increase of 6.9%, an improvement on 4.9% growth recorded in the same period last year.
- [EEC seeks investment of B500bn](#) BANGKOK POST: The new government aims to attract 500 billion baht in real investments to the Eastern Economic Corridor (EEC) within five years. Speaking after the first meeting of the EEC Policy Committee under the new government, Commerce Minister Phumtham Wechayachai said the administration wants to urgently address long-standing obstacles within 99 days to attract global investment in various industries within the EEC.
- [China tells banks to roll over local government debts](#) BANGKOK POST: BEIJING - China has told state-owned banks to roll over existing local government debt with longer-term loans at lower interest rates, two sources with knowledge of the matter said, as part of Beijing's efforts to reduce debt risks in a faltering economy. Debt-laden municipalities represent a major risk to the world's second-largest economy and possibly its financial stability, economists say, amid a deepening property crisis, years of over-investment in infrastructure and soaring costs to contain the Covid-19 pandemic.
- [Thailand still bullish on Chinese investments](#) BANGKOK POST: Chinese investment in Thailand has picked up pace this year despite an economic slowdown in the Asian giant, a welcome boost for Prime Minister Srettha Thavisin who flew into Beijing this week to bolster ties with its largest trading partner. A stuttering recovery in the world's second-biggest economy has spooked financial markets in 2023 as investors fretted about the impact on global growth, although Thailand has managed to retain its attraction as a vital investment hub including for China's growth-hungry firms.
- [Thailand explores trading opportunities with Romania](#) BANGKOK POST: Thailand is poised to explore opportunities in the Romanian market, with the aim of leveraging the southeastern European country as another gateway to the European Union (EU). According to Nalinee Taveesin, the recently appointed Thai trade representative, Thailand has the potential to open new markets in Romania, which could subsequently be linked to the EU. A key objective of the government's policy is to seek out new markets, she said.
- [Bid to accommodate Blue Flag online](#) BANGKOK POST: The Internal Trade Department is planning talks with food delivery platform operators to facilitate the inclusion of Thong Fah (Blue Flag) outlets, which sell food at affordable prices, on their online platforms, providing consumers with a way to save on their daily food costs. According to Internal Trade Department's director-general Wattanasak Sur-iam, to comply with the government's policy to reduce costs and increase income, the department intends to promote Thong Fah outlets that are ready to sell food via online channels.

Corporate news

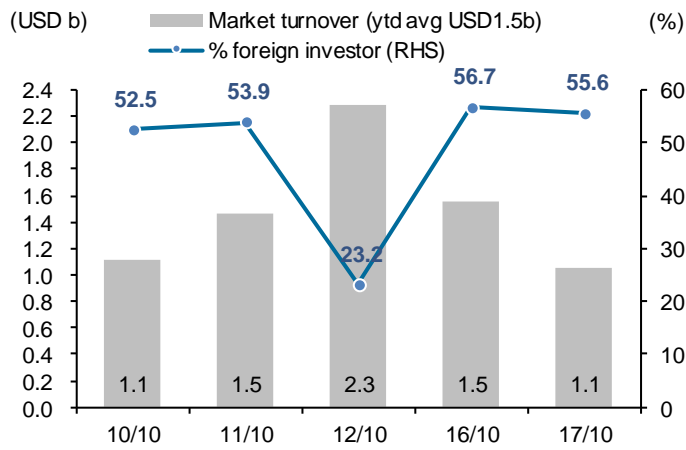
- [Gulf revenue poised to hit new high](#) BANGKOK POST: SET-listed Gulf Energy Development expects its revenue to grow by 50% to a new high of more than 100 billion baht this year, thanks to additional electricity generation capacity and the full operation of power plants. The company last year earned 95 billion baht, up 90% from 49.9 billion in 2021, according to the website of the Stock Exchange of Thailand.
- [ERC prepares court appeal](#) BANGKOK POST: The Energy Regulatory Commission (ERC) is preparing to file an appeal against the Central Administrative Court's decision to suspend the government's plan to buy 1,500 megawatts of wind power under the state renewables scheme, due to alleged irregularities in the process of selecting power plants. The verdict was issued after Khon Kaen Wind 2 Co, a subsidiary wholly owned by SET-listed Energy Absolute (EA), lodged a complaint with the court on Oct 10 against the ERC and accused the commission of lacking transparency and fairness.
- [Bangchak completes acquisition of Esso](#) BANGKOK POST: SET-listed energy conglomerate Bangchak Corporation has completed its purchase of shares in Esso Thailand via a tender offer, valued at 3.54 billion baht, leading to a total of 76.3% ownership in Esso Thailand. Bangchak earlier concluded the purchase of a 65.99% share in Esso Thailand, the operator of Esso petrol stations, from Esso Asia Holdings Pte for 22.6 billion baht.
- [Hotels unable to improve room rates](#) BANGKOK POST: Hotels in major destinations overall have been unable to improve the average daily room rate during the high season, due to the slow rebound of the mass market, according to the Thai Hotels Association (THA).

Exhibit 20: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 21: Foreign participation



Source: Bloomberg

Exhibit 22: Index performance

| | SET Index | | Index performance (% change) | | | | | | | | |
|-----------------------|-----------|--------|------------------------------|-------|-------|----------|--------|----------|-----------|-----------|-----------|
| | Index | (%chg) | Energy | Bank | Comu | Commerce | Food | Property | Construct | Transport | Petrochem |
| % of SET Index | | | 20% | 11% | 8% | 10% | 5% | 6% | 3% | 8% | 2% |
| Current | 1,433.40 | 0.4 | (0.2) | 0.0 | (0.3) | 0.7 | 0.6 | 1.2 | (0.6) | 1.9 | 0.5 |
| -5D | 1,431.72 | 0.1 | 1.0 | (0.1) | (0.4) | (2.9) | (2.4) | 1.2 | (1.9) | (0.3) | 2.0 |
| -1M | 1,527.57 | (6.2) | (4.8) | (1.9) | (3.4) | (7.9) | (6.9) | (4.6) | (4.9) | (4.6) | (5.6) |
| -3M | 1,535.30 | (6.6) | (6.8) | (3.5) | (2.0) | (7.7) | (2.7) | (5.0) | (10.1) | (5.2) | (18.4) |
| -6M | 1,593.85 | (10.1) | (11.0) | 3.9 | (4.9) | (13.2) | (8.7) | (13.1) | (10.2) | (8.7) | (22.3) |
| -1Y | 1,590.36 | (9.9) | (15.9) | 4.0 | (5.8) | (8.6) | (12.6) | (8.1) | (13.0) | (8.8) | (25.6) |
| WTD | 1,450.75 | (1.2) | (1.1) | (0.9) | (1.7) | (1.7) | (1.3) | (0.9) | (1.9) | (0.4) | (1.3) |
| MTD | 1,471.43 | (2.6) | (2.9) | 0.1 | (3.0) | (4.1) | (4.6) | (1.1) | (2.2) | (2.6) | (2.7) |
| QTD | 1,471.43 | (2.6) | (2.9) | 0.1 | (3.0) | (4.1) | (4.6) | (1.1) | (2.2) | (2.6) | (2.7) |
| End of 2022 | 1,668.66 | (14.1) | (18.6) | 0.4 | (5.5) | (18.1) | (15.5) | (15.6) | (17.6) | (12.5) | (30.9) |

Source: Bloomberg

Exhibit 23: Trade by investor types

| | SET Index | | Exchange rate (USD:THB) | SET Index | | Equity trading / Net position | | | | Bond Net foreign (USD m) |
|----------------|-----------------|---------------|-------------------------|--------------------------------|--------------|-------------------------------|----------------|-------------------|--------------------|--------------------------|
| | Index | Change (y-y%) | | Average daily turnover (THB m) | (USD m) | Foreign (USD m) | Retail (USD m) | PropTrade (USD m) | Local Inst (USD m) | |
| 2019 | 1,579.84 | 1.0 | 31.06 | 52,468 | 1,689 | (1,496) | (662) | 477 | 1,681 | (502) |
| 2020 | 1,449.35 | (8.3) | 31.29 | 67,335 | 2,152 | (8,287) | 6,873 | 459 | 953 | (1,005) |
| 2021 | 1,657.62 | 14.4 | 32.00 | 88,443 | 2,764 | (1,632) | 3,630 | 435 | (2,330) | 6,550 |
| 2022 | 1,668.66 | 15.1 | 34.78 | 53,589 | 1,541 | 5,362 | (656) | 56 | (4,758) | 4,111 |
| 2023YTD | 1,433.40 | (14.1) | 34.66 | 53,339 | 1,539 | (4,769) | 3,157 | (14) | 1,648 | 33 |
| 4Q22 | 1,668.66 | 0.7 | 36.37 | 57,767 | 1,588 | 1,443 | (533) | (115) | (792) | 2,928 |
| 1Q23 | 1,609.17 | (5.1) | 33.92 | 63,300 | 1,866 | (1,646) | 1,594 | (83) | 136 | 612 |
| 2Q23 | 1,503.10 | (4.2) | 34.48 | 47,432 | 1,376 | (1,461) | 593 | (120) | 987 | (178) |
| 3Q23 | 1,471.43 | (7.4) | 35.17 | 49,809 | 1,416 | (1,420) | 825 | 261 | 333 | (716) |
| Jan-23 | 1,671.46 | 1.4 | 33.22 | 68,181 | 2,052 | 545 | 16 | 172 | (732) | 822 |
| Feb-23 | 1,622.35 | (3.7) | 34.05 | 63,203 | 1,856 | (1,273) | 836 | 34 | 404 | (1,115) |
| Mar-23 | 1,609.17 | (5.1) | 34.49 | 58,517 | 1,697 | (917) | 742 | (290) | 464 | 905 |
| Apr-23 | 1,529.12 | (8.3) | 34.27 | 44,594 | 1,301 | (231) | 222 | (16) | 24 | (608) |
| May-23 | 1,533.54 | (7.8) | 34.26 | 52,780 | 1,541 | (967) | 137 | (49) | 880 | 699 |
| Jun-23 | 1,503.10 | (4.2) | 34.92 | 44,923 | 1,286 | (263) | 234 | (55) | 83 | (269) |
| Jul-23 | 1,556.06 | (1.3) | 34.61 | 44,682 | 1,291 | (361) | 100 | 81 | 181 | 958 |
| Aug-23 | 1,565.94 | (4.5) | 35.04 | 56,846 | 1,622 | (443) | 48 | 114 | 280 | (1,057) |
| Sep-23 | 1,471.43 | (7.4) | 35.85 | 47,900 | 1,336 | (616) | 677 | 66 | (128) | (618) |
| Oct-23 | 1,433.40 | (10.9) | 36.74 | 46,750 | 1,273 | (242) | 145 | (72) | 192 | 316 |
| 2023YTD | 1,433.40 | (13.5) | 34.66 | 53,339 | 1,539 | (4,769) | 3,157 | (14) | 1,648 | 33 |
| 10/10/2023 | 1,434.45 | | 36.74 | 40,833 | 1,111 | (34) | 26 | (12) | 21 | 8 |
| 11/10/2023 | 1,455.99 | | 36.42 | 53,305 | 1,464 | 80 | (118) | 0 | 38 | 470 |
| 12/10/2023 | 1,450.75 | | 36.18 | 36,895 | 1,020 | (49) | (9) | 6 | 52 | 52 |
| 16/10/2023 | 1,427.11 | | 36.30 | 56,232 | 1,549 | (80) | 89 | (27) | 18 | (80) |
| 17/10/2023 | 1,433.40 | | 36.40 | 38,504 | 1,058 | (23) | 10 | 2 | 10 | |

Source: Bloomberg

Exhibit 24: Upcoming events

| Date Time | Event | Survey | Actual | Prior | Revised | |
|------------------|-----------------------------------|--------|--------|-------|----------|---------|
| 10/17/2023 10/24 | Car Sales | Sep | -- | -- | 60234 | -- |
| 10/20/2023 03:30 | Foreign Reserves | Oct-13 | -- | -- | \$210.5b | -- |
| 10/20/2023 03:30 | Forward Contracts | Oct-13 | -- | -- | \$29.8b | -- |
| 10/22/2023 10/28 | Customs Exports YoY | Sep | -- | -- | 2.60% | 2.57% |
| 10/22/2023 10/28 | Customs Imports YoY | Sep | -- | -- | -12.80% | -12.76% |
| 10/22/2023 10/28 | Customs Trade Balance | Sep | -- | -- | \$360m | -- |
| 10/25/2023 10/30 | Mfg Production Index ISIC NSA YoY | Sep | -- | -- | -7.53% | -- |
| 10/25/2023 10/30 | Capacity Utilization ISIC | Sep | -- | -- | 58.18 | -- |
| 10/31/2023 03:00 | BoP Current Account Balance | Sep | -- | -- | \$401m | -- |
| 10/31/2023 03:30 | Exports YoY | Sep | -- | -- | -1.80% | -- |
| 10/31/2023 03:30 | Exports | Sep | -- | -- | \$23195m | -- |
| 10/31/2023 03:30 | Imports YoY | Sep | -- | -- | -11.90% | -- |
| 10/31/2023 03:30 | Imports | Sep | -- | -- | \$21971m | -- |
| 10/31/2023 03:30 | Trade Balance | Sep | -- | -- | \$1225m | -- |
| 10/31/2023 03:30 | BoP Overall Balance | Sep | -- | -- | \$325m | -- |
| 10/31/2023 20:30 | S&P Global Thailand PMI Mfg | Oct | -- | -- | 47.8 | -- |
| 11/01/2023 03:30 | Business Sentiment Index | Oct | -- | -- | 50.4 | -- |
| 11/05/2023 22:30 | CPI Core YoY | Oct | -- | -- | 0.63% | -- |
| 11/05/2023 22:30 | CPI NSA MoM | Oct | -- | -- | -0.36% | -- |
| 11/05/2023 22:30 | CPI YoY | Oct | -- | -- | 0.30% | -- |
| 11/06/2023 11/13 | Consumer Confidence | Oct | -- | -- | 58.7 | -- |
| 11/06/2023 11/13 | Consumer Confidence Economic | Oct | -- | -- | 53.2 | -- |

Source: Bloomberg

Exhibit 25: Management trading

| Company | Management | Securities | Transaction | Shares | Price (THB) | Action | Value (THBm) |
|---|------------------------|---------------|-------------|---------|-------------|---------|--------------|
| WHA Industrial Leasehold Real Estate Investment Trust (WHAIR) | Krailuck Asawachatroj | Warrant | 10/12/2023 | 25,000 | 6.15 | Sell | 0.15 |
| WHA Industrial Leasehold Real Estate Investment Trust (WHAIR) | Nipat Payungitsombat | Warrant | 10/10/2023 | 25,000* | 9.65 | Buy | 0.24 |
| Bhiraj Office Leasehold Reit (BOFFICE) | Prapee Buri | Warrant | 10/16/2023 | 20,000 | 5.00 | Buy | 0.10 |
| Bhiraj Office Leasehold Reit (BOFFICE) | Prapee Buri | Warrant | 10/16/2023 | 20,000 | 5.00 | Buy | 0.10 |
| WHA Premium Growth Reit (WHART) | Chaiwat Mankongdee | Warrant | 10/16/2023 | 5,000 | 9.60 | Sell | 0.05 |
| WHA Premium Growth Reit (WHART) | Chaiwat Mankongdee | Warrant | 10/16/2023 | 8,000 | 9.50 | Buy | 0.08 |
| WHA Premium Growth Reit (WHART) | Nipat Payungitsombat | Warrant | 10/10/2023 | 25,000 | 9.65 | Buy | 0.24 |
| Thai Nippon Rubber (TNR) | Pathompong Chupayak | Common Shares | 10/17/2023 | 300,000 | 8.60 | Receive | 2.58 |
| Bangkok Lab and Cosmetic (BLC) | Suvit Ngampoopun | Common Shares | 10/12/2023 | 70,000 | 4.98 | Buy | 0.35 |
| Bangkok Lab and Cosmetic (BLC) | Suvit Ngampoopun | Common Shares | 10/16/2023 | 60,000 | 4.75 | Buy | 0.29 |
| BGT Corporation (BGT) | Nantarika Chansue | Common Shares | 10/16/2023 | 20,000 | 0.83 | Buy | 0.02 |
| Prinsiri (PRIN) | Prinya Kovitchindachai | Common Shares | 10/16/2023 | 20,100 | 2.93 | Buy | 0.06 |
| Siam Wellness Group (SPA) | Phumiphan Bunjapamai | Common Shares | 10/16/2023 | 200,000 | 12.05 | Buy | 2.41 |
| Eastern Power Group (EP) | Yuth Chinpakkul | Common Shares | 10/16/2023 | 23,900 | 2.82 | Buy | 0.07 |
| SCGJWD Logistics (SJWD) | Nattapume Pavaratn | Common Shares | 10/12/2023 | 100,000 | 13.45 | Buy | 1.35 |

Source: *Revoked by Reporter; SEC

Exhibit 26: Upcoming XM

| Symbol | X-Date | Meeting Date | Agenda | Venue |
|--------|------------|--------------|--|--|
| APEX | 18/10/2023 | 16/11/2023 | Changing the director(s),Capital increase | Main Hall Pacific City Club 28th Fl, Two Pacific Place Building 142 Sukhumvit Rd.Khlong Toei, Khlong Toei, Bangkok 10110 |
| POLAR | 19/10/2023 | 14/11/2023 | Capital increase | which will be a meeting via electronic media |
| W | 26/10/2023 | 21/11/2023 | Capital increase,The issuance of convertible securities | E-meeting |
| ALL | 31/10/2023 | 17/11/2023 | Consider approving the matter Amending the name and number of directors who has the authority to sign on behalf of the company | Live broadcast via electronic media system |
| DHOUSE | 31/10/2023 | 24/11/2023 | Capital increase,Paid up capital reduction,- | Company meeting room Dhouse Pattana PCL. |

Source: SET

Exhibit 27: Upcoming XR

| Symbol | X-Date | Announce Date | Rights for | Subscription Price | Unit | Subscription Ratio (Holding:New) | Subscription Period | Allotted Shares (Shares) |
|--------|------------|---------------|------------|--------------------|------|----------------------------------|-------------------------|--------------------------|
| POLAR | 19/10/2023 | 05/10/2023 | Common | 0.01 | Baht | 2 : 1 | 29/11/2023 - 06/12/2023 | 2212902959 |
| CV | 20/10/2023 | 16/08/2023 | Common | 1 | Baht | 1 : 2 | 06/11/2023 - 10/11/2023 | 2560000000 |
| CV | 20/10/2023 | 16/08/2023 | Warrants | - | Baht | 2 : 1 | - | 1280000000 |
| ALPHAX | 30/10/2023 | 15/05/2023 | Common | 0.25 | Baht | 1 : 1 | - | 4646406094 |
| B | 30/10/2023 | 23/08/2023 | Warrants | - | Baht | 3 : 1 | - | 2691335951 |
| TVDH | 07/11/2023 | 29/09/2023 | Warrants | 0.1 | Baht | 3 : 1 | 18/12/2023 - 22/12/2023 | 584122864 |
| CHAYO | 09/11/2023 | 10/08/2023 | Warrants | - | Baht | 10 : 1 | - | 113719653 |
| W | 28/11/2023 | 16/10/2023 | Common | 1 | Baht | 5 : 1 | 15/12/2023 - 21/12/2023 | 197022678 |
| W | 28/11/2023 | 16/10/2023 | Warrants | - | Baht | 1 : 1 | - | 197022678 |
| APEX | 30/11/2023 | 05/10/2023 | Common | 0.05 | Baht | 1 : 2 | 22/12/2023 - 28/12/2023 | 8068998702 |
| TRC | 04/12/2023 | 26/09/2023 | Common | 0.2 | Baht | 4 : 1 | - | 2396786710 |
| GIFT | 20/12/2023 | 21/09/2023 | Warrants | - | Baht | 3 : 1 | - | 440541149 |
| RS | 28/12/2023 | 14/09/2023 | Warrants | - | Baht | 10 : 1 | - | 106974550 |

Source: SET

Exhibit 28: Upcoming XD

| Symbol | X-Date | Dividend (per Share) | Unit | Operation Period | Source of Dividend | Payment Date | Price | Div Yield | Par |
|---------|------------|----------------------|------|-------------------------|--------------------|--------------|--------|-----------|-----|
| AEONTS | 19/10/2023 | 2.55 | Baht | 01/03/2023 - 31/08/2023 | Both | 2/11/2023 | 152.50 | 1.7% | 1 |
| MC | 2/11/2023 | 0.36 | Baht | 01/07/2022 - 30/06/2023 | Both | 24/11/2023 | 13.70 | 2.6% | 0.5 |
| MSFT80X | 15/11/2023 | - | Baht | - | NP | 15/1/2024 | - | - | - |
| TNH | 1/12/2023 | 0.6 | Baht | 01/08/2022 - 31/07/2023 | NP | 20/12/2023 | 36.50 | 1.6% | 1 |

Source: SET

Exhibit 29: New securities

| Common Shares | Trade Date | Market | Industry | Sector | Subscription on Date | IPO Price (Baht) | Listed Shares (Shares) |
|---------------------|------------|------------|----------|----------|-------------------------|------------------|------------------------|
| TAN | 18/10/2023 | SET | Services | Commerce | 09/10/2023 - 11/10/2023 | 16.5 | 300,000,000 |
| Derivative Warrants | Trade Date | Underlying | Issuer | DW Type | Market | Maturity Date | Exercise Price (Baht) |
| AOT41C2403A | 18/10/2023 | AOT | JPM | Call | SET | 13/03/2024 | 84 |
| AWC19C2403A | 18/10/2023 | AWC | YUANTA | Call | SET | 07/03/2024 | 4.46 |
| BCP13C2403A | 18/10/2023 | BCP | KGI | Call | SET | 07/03/2024 | 56 |
| BGRIM41C2404A | 18/10/2023 | BGRIM | JPM | Call | SET | 11/04/2024 | 33 |
| COM713C2403A | 18/10/2023 | COM7 | KGI | Call | SET | 07/03/2024 | 39 |
| EA41C2403B | 18/10/2023 | EA | JPM | Call | SET | 13/03/2024 | 61 |
| GUNKUL13C2403A | 18/10/2023 | GUNKUL | KGI | Call | SET | 07/03/2024 | 3.8 |
| HANA13C2403A | 18/10/2023 | HANA | KGI | Call | SET | 07/03/2024 | 75 |
| HANA19C2403A | 18/10/2023 | HANA | YUANTA | Call | SET | 07/03/2024 | 76.25 |
| HANA41C2403A | 18/10/2023 | HANA | JPM | Call | SET | 13/03/2024 | 83 |
| JMT19C2403B | 18/10/2023 | JMT | YUANTA | Call | SET | 07/03/2024 | 46 |
| KTC41C2403A | 18/10/2023 | KTC | JPM | Call | SET | 13/03/2024 | 59 |
| SCC19C2403A | 18/10/2023 | SCC | YUANTA | Call | SET | 07/03/2024 | 372 |
| TRUE41C2403A | 18/10/2023 | TRUE | JPM | Call | SET | 13/03/2024 | 9.2 |

Source: SET

