



# Thai Stanley

Thai Stanley Electric  
Public Company Limited

# STANLY

Bloomberg STANLY.TB  
Reuters STANLY.BK

## 1QFY23: Weak YoY and QoQ

**STANLY reported a weak 1QFY23 (April–June 2022) net profit of Bt317mn, down 17% YoY (weaker gross margin and a temporary production halt by a major client) and 33% QoQ (seasonality). 2QFY23 earnings (July–September 2022) should improve YoY off a low base and QoQ on seasonality. We maintain our Neutral rating with a TP of Bt197/share based on 9x PE.**

**1QFY23: Down YoY and QoQ.** STANLY reported a weak 1QFY23 (April–June 2022) net profit of Bt317mn, down 17% YoY and 33% QoQ. The YoY earnings drop reflects a weaker gross margin and a temporary production halt by Honda (major client) in May due to a chip shortage while the drop QoQ was due to seasonality.

**Highlights for 1QFY23.** 1) **Sales** were Bt3.3bn, inching up 2% YoY but down 14.4% QoQ, in line with the industry: auto production grew 3% YoY but dropped 18.8% QoQ in the quarter. 2) **Gross margin** was 16.7%, weakening from 19.3% in 1QFY22 and 18.8% in 4QFY22, which we believe reflects production inefficiency brought by Honda's temporary production halt in May (it is a major client) and rising plastic resin price (its primary raw material).

**Net cash position.** STANLY's financial health remains strong. It is debt-free and has cash on hand of Bt6.9bn as of June 30, 2022.

**2QFY23 earnings outlook.** 1QFY23 net profit accounts for 18% of our full-year projection and we leave it unchanged. We expect earnings in 2QFY23 (July–September 2022) to improve YoY off last year's low base last from supply chain disruption caused by the third wave of COVID-19 in Thailand that closed auto parts and assembly plants and QoQ on seasonality. We maintain our 3-month tactical call of Neutral on STANLY with an end-2022 TP of Bt197/share based on 9x PE.

**Risks.** Risks are a global semiconductor shortage that may temporarily disrupt the auto supply chain extending from auto assembly through auto parts manufacturing and rising raw material prices.

## Tactical: NEUTRAL

(3-month)

### Stock data

|                         |        |
|-------------------------|--------|
| Last close (Aug 5) (Bt) | 170.50 |
| Target price (Bt)       | 197.00 |
| Mkt cap (Btbn)          | 13.06  |
| Mkt cap (US\$mn)        | 367    |

|                            |             |
|----------------------------|-------------|
| Beta                       | H           |
| Mkt cap (%) SET            | 0.07        |
| Sector % SET               | 0.37        |
| Shares issued (mn)         | 77          |
| Par value (Bt)             | 5.00        |
| 12-m high / low (Bt)       | 198.5 / 165 |
| Avg. daily 6m (US\$mn)     | 0.25        |
| Foreign limit / actual (%) | 49 / 45     |
| Free float (%)             | 34.3        |
| Dividend policy (%)        | ≥ 30        |

### 2021 Sustainability / ESG Score

|                             |              |
|-----------------------------|--------------|
| Sustainability Index (THSI) | Not Included |
|-----------------------------|--------------|

|                     |      |
|---------------------|------|
| ESG Bloomberg Score | n.a. |
| Environmental Score | n.a. |
| Social Score        | n.a. |
| Governance Score    | n.a. |

Source: Bloomberg Finance L.P.

### Share performance

| (%)             | 1M    | 3M    | 12M   |
|-----------------|-------|-------|-------|
| Absolute        | (4.5) | (0.3) | 0.6   |
| Relative to SET | (8.0) | 1.5   | (4.4) |

Source: SET, SCBS Investment Research

### Forecasts and valuation

| Year to 31 March  | Unit   | FY2021 | FY2022 | FY2023F | FY2024F | FY2025F |
|-------------------|--------|--------|--------|---------|---------|---------|
| Revenue           | (Btmn) | 11,728 | 13,582 | 14,405  | 15,269  | 16,119  |
| EBITDA            | (Btmn) | 2,304  | 2,884  | 3,064   | 3,263   | 3,463   |
| Core profit       | (Btmn) | 1,037  | 1,501  | 1,735   | 1,929   | 2,127   |
| Reported profit   | (Btmn) | 1,061  | 1,521  | 1,735   | 1,929   | 2,127   |
| Core EPS          | (Bt)   | 13.54  | 19.58  | 22.64   | 25.18   | 27.75   |
| DPS               | (Bt)   | 5.50   | 8.50   | 9.70    | 10.80   | 11.90   |
| P/E, core         | (x)    | 12.6   | 8.7    | 7.5     | 6.8     | 6.1     |
| EPS growth, core  | (%)    | (47.6) | 44.7   | 15.6    | 11.2    | 10.2    |
| P/BV, core        | (x)    | 0.7    | 0.7    | 0.6     | 0.6     | 0.6     |
| ROE               | (%)    | 5.8    | 7.7    | 8.5     | 9.1     | 9.5     |
| Dividend yield    | (%)    | 3.2    | 5.0    | 5.7     | 6.4     | 7.0     |
| FCF yield         | (x)    | 0.8    | 3.2    | 15.5    | 16.6    | (7.7)   |
| EV/EBIT           | (x)    | 6.3    | 3.6    | 2.9     | 2.0     | 1.2     |
| EBIT growth, core | (%)    | (47.0) | 45.8   | 10.0    | 11.5    | 10.4    |
| EV/CE             | (x)    | 0.7    | 0.6    | 0.5     | 0.4     | 0.3     |
| ROCE              | (%)    | 5.7    | 9.3    | 10.5    | 12.1    | 13.9    |
| EV/EBITDA         | (x)    | 3.5    | 2.4    | 2.0     | 1.4     | 0.9     |
| EBITDA growth     | (%)    | (30.4) | 25.2   | 6.3     | 6.5     | 6.1     |

Source: SCBS Investment Research

### Analyst

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### ESG Disclosure Score

|  | 2020        | 2021        |
|--|-------------|-------------|
| <b>ESG Disclosure Score</b>                      | <b>n.a.</b> | <b>n.a.</b> |
| <b>Environment</b>                               | <b>n.a.</b> | <b>n.a.</b> |
| Total GHG Emissions (thousands of metric tonnes) | n.a.        | n.a.        |
| Total Water Use (thousands of cubic meters)      | n.a.        | n.a.        |
| Hazardous Waste (thousands of metric tonnes)     | n.a.        | n.a.        |
| Total Waste (thousands of metric tonnes)         | n.a.        | n.a.        |
|  | n.a.        | n.a.        |
| <b>Social</b>                                    | <b>n.a.</b> | <b>n.a.</b> |
| Number of Employees                              | n.a.        | n.a.        |
| Workforce Accidents                              | n.a.        | n.a.        |
| Lost Time from Accidents                         | n.a.        | n.a.        |
| Fatalities - Contractors                         | n.a.        | n.a.        |
| Fatalities - Employees                           | n.a.        | n.a.        |
| Fatalities - Total                               | n.a.        | n.a.        |
| Community Spending                               | n.a.        | n.a.        |
|  | n.a.        | n.a.        |
| <b>Governance</b>                                | <b>n.a.</b> | <b>n.a.</b> |
| Size of the Board                                | n.a.        | n.a.        |
| Independent Directors                            | n.a.        | n.a.        |
| % Independent Directors                          | n.a.        | n.a.        |
| Board Duration (Years)                           | n.a.        | n.a.        |
| # Board Meetings                                 | n.a.        | n.a.        |
| Board Mtg Attendance (%)                         | n.a.        | n.a.        |

Source: Bloomberg Finance L.P.

#### Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance such as energy consumption, board composition, and workforce accidents

Company ESG reporting has evolved since our ESG Disclosure Score was originally created in 2010. In order to reflect the evolution in corporate reporting, in early 2022 Bloomberg updated its ESG disclosure scores methodology. The methodology changes were implemented for all years of data for all companies in the ESG Coverage universe.

To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg

## Financial statement

### Profit and Loss Statement

| FY March 31           | Unit        | FY2018       | FY2019       | FY2020       | FY2021       | FY2022       | FY2023F      | FY2024F      | FY2025F      |
|-----------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total revenue         | Btmn        | 13,220       | 14,635       | 15,150       | 11,728       | 13,582       | 14,405       | 15,269       | 16,119       |
| Cost of goods sold    | Btmn        | (10,776)     | (11,865)     | (12,339)     | (9,952)      | (11,093)     | (11,720)     | (12,287)     | (12,874)     |
| <b>Gross profit</b>   | <b>Btmn</b> | <b>2,445</b> | <b>2,770</b> | <b>2,811</b> | <b>1,776</b> | <b>2,490</b> | <b>2,685</b> | <b>2,982</b> | <b>3,244</b> |
| SG&A                  | Btmn        | (890)        | (928)        | (948)        | (883)        | (1,024)      | (1,140)      | (1,231)      | (1,283)      |
| Other income          | Btmn        | 179          | 251          | 247          | 138          | 123          | 173          | 183          | 193          |
| Interest expense      | Btmn        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Pre-tax profit</b> | <b>Btmn</b> | <b>1,734</b> | <b>2,093</b> | <b>2,110</b> | <b>1,030</b> | <b>1,588</b> | <b>1,718</b> | <b>1,935</b> | <b>2,155</b> |
| Corporate tax         | Btmn        | (390)        | (453)        | (448)        | (235)        | (369)        | (344)        | (387)        | (431)        |
| Equity a/c profits    | Btmn        | 295          | 316          | 319          | 242          | 282          | 360          | 382          | 403          |
| Minority interests    | Btmn        | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Core profit</b>    | <b>Btmn</b> | <b>1,657</b> | <b>1,957</b> | <b>1,981</b> | <b>1,037</b> | <b>1,501</b> | <b>1,735</b> | <b>1,929</b> | <b>2,127</b> |
| Extra-ordinary items  | Btmn        | 2            | 21           | 17           | 24           | 20           | 0            | 0            | 0            |
| <b>Net Profit</b>     | <b>Btmn</b> | <b>1,659</b> | <b>1,978</b> | <b>1,997</b> | <b>1,061</b> | <b>1,521</b> | <b>1,735</b> | <b>1,929</b> | <b>2,127</b> |
| EBITDA                | Btmn        | 2,786        | 3,114        | 3,310        | 2,304        | 2,884        | 3,064        | 3,263        | 3,463        |
| <b>Core EPS (Bt)</b>  | <b>Btmn</b> | <b>21.62</b> | <b>25.53</b> | <b>25.85</b> | <b>13.54</b> | <b>19.58</b> | <b>22.64</b> | <b>25.18</b> | <b>27.75</b> |
| Net EPS (Bt)          | Bt          | 21.65        | 25.81        | 26.07        | 13.85        | 19.85        | 22.64        | 25.18        | 27.75        |
| DPS (Bt)              | Bt          | 7.00         | 8.25         | 8.25         | 5.50         | 8.50         | 9.70         | 10.80        | 11.90        |

### Balance Sheet

| FY March 31                 | Unit        | FY2018        | FY2019        | FY2020        | FY2021        | FY2022        | FY2023F       | FY2024F       | FY2025F       |
|-----------------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total current assets        | Btmn        | 9,290         | 9,034         | 7,990         | 8,000         | 9,539         | 10,620        | 12,212        | 13,933        |
| Total fixed assets          | Btmn        | 5,565         | 7,703         | 9,517         | 9,403         | 9,077         | 8,732         | 8,403         | 8,095         |
| <b>Total assets</b>         | <b>Btmn</b> | <b>16,939</b> | <b>19,255</b> | <b>20,370</b> | <b>21,543</b> | <b>23,057</b> | <b>23,765</b> | <b>24,989</b> | <b>26,332</b> |
| Total loans                 | Btmn        | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Total current liabilities   | Btmn        | 2,066         | 2,883         | 2,470         | 1,967         | 2,065         | 2,190         | 2,311         | 2,439         |
| Total long-term liabilities | Btmn        | 0             | 1             | 2             | 3             | 0             | 0             | 0             | 0             |
| <b>Total liabilities</b>    | <b>Btmn</b> | <b>2,407</b>  | <b>3,288</b>  | <b>3,048</b>  | <b>2,825</b>  | <b>3,030</b>  | <b>3,155</b>  | <b>3,275</b>  | <b>3,403</b>  |
| Paid-up capital             | Btmn        | 383           | 383           | 383           | 383           | 383           | 383           | 383           | 383           |
| <b>Total equity</b>         | <b>Btmn</b> | <b>14,531</b> | <b>15,967</b> | <b>17,322</b> | <b>18,718</b> | <b>20,027</b> | <b>20,734</b> | <b>21,837</b> | <b>23,053</b> |
| <b>BVPS (Bt)</b>            | <b>Bt</b>   | <b>189.64</b> | <b>208.37</b> | <b>226.06</b> | <b>244.28</b> | <b>261.36</b> | <b>270.59</b> | <b>284.99</b> | <b>300.86</b> |

### Cash Flow Statement

| FY March 31                   | Unit        | FY2018     | FY2019       | FY2020       | FY2021       | FY2022       | FY2023F      | FY2024F      | FY2025F        |
|-------------------------------|-------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Core Profit                   | Btmn        | 1,657      | 1,957        | 1,981        | 1,037        | 1,501        | 1,735        | 1,929        | 2,127          |
| Depreciation and amortization | Btmn        | 1,052      | 1,021        | 1,200        | 1,273        | 1,296        | 1,346        | 1,328        | 1,309          |
| Operating cash flow           | Btmn        | 2,733      | 2,504        | 3,075        | 2,873        | 2,684        | 3,014        | 3,168        | 0              |
| Investing cash flow           | Btmn        | (1,424)    | (2,308)      | (939)        | (2,763)      | (970)        | (1,000)      | (1,000)      | (1,000)        |
| Financing cash flow           | Btmn        | (383)      | (536)        | (632)        | (632)        | (620)        | (743)        | (826)        | 0              |
| <b>Net cash flow</b>          | <b>Btmn</b> | <b>926</b> | <b>(341)</b> | <b>1,504</b> | <b>(522)</b> | <b>1,094</b> | <b>1,271</b> | <b>1,342</b> | <b>(1,000)</b> |

### Key Financial Ratios

| FY March 31           |     | FY2018   | FY2019   | FY2020   | FY2021   | FY2022   | FY2023F  | FY2024F  | FY2025F  |
|-----------------------|-----|----------|----------|----------|----------|----------|----------|----------|----------|
| Gross margin          | (%) | 18.5     | 18.9     | 18.6     | 15.1     | 18.3     | 18.6     | 19.5     | 20.1     |
| Operating margin      | (%) | 11.8     | 12.6     | 12.3     | 7.6      | 10.8     | 10.7     | 11.5     | 12.2     |
| EBITDA margin         | (%) | 21.1     | 21.3     | 21.9     | 19.6     | 21.2     | 21.3     | 21.4     | 21.5     |
| EBIT margin           | (%) | 15.3     | 16.3     | 15.9     | 10.9     | 13.8     | 14.3     | 15.0     | 15.7     |
| Net profit margin     | (%) | 12.5     | 13.5     | 13.2     | 9.0      | 11.2     | 12.0     | 12.6     | 13.2     |
| ROE                   | (%) | 11.9     | 12.8     | 11.9     | 5.8      | 7.7      | 8.5      | 9.1      | 9.5      |
| ROA                   | (%) | 10.3     | 10.8     | 10.0     | 4.9      | 6.7      | 7.4      | 7.9      | 8.3      |
| Net D/E               | (x) | Net cash | Net cash | Net cash | Net cash | Net cash | Net cash | Net cash | Net cash |
| Interest coverage     | (x) | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     |
| Debt service coverage | (x) | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     |
| Payout Ratio          | (%) | 32.3     | 32.0     | 31.6     | 39.7     | 42.8     | 42.8     | 42.8     | 42.8     |

### Main Assumptions

| FY December 31  | Unit | 2018  | 2019  | 2020   | 2021  | 2022F | 2023F | 2024F | 2025F |
|-----------------|------|-------|-------|--------|-------|-------|-------|-------|-------|
| Auto production | 000  | 2,168 | 2,014 | 1,428  | 1,686 | 1,809 | 1,953 | 2,084 | 2,134 |
| Growth          | %    | 9.0   | (7.1) | (29.1) | 18.1  | 7.3   | 7.9   | 6.7   | 2.4   |
| Domestic sales  | 000  | 1,042 | 1,008 | 792    | 754   | 846   | 927   | 1,008 | 1,008 |
| Growth          | %    | 19.6  | (3.3) | (21.4) | (4.8) | 12.2  | 9.5   | 8.7   | 0.0   |
| Auto export     | 000  | 1,141 | 1,054 | 736    | 959   | 991   | 1,054 | 1,104 | 1,154 |
| Growth          | %    | 0.1   | (7.6) | (30.2) | 30.4  | 3.3   | 6.4   | 4.7   | 4.5   |

## Financial statement

### Profit and Loss Statement

| FY March 31           | Unit        | 2QFY21      | 3QFY21      | 4QFY21      | 1QFY22      | 2QFY22      | 3QFY22      | 4QFY22      | 1QFY23      |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total revenue         | Btmn        | 2,532       | 3,646       | 3,831       | 3,219       | 3,018       | 3,512       | 3,834       | 3,283       |
| Cost of goods sold    | Btmn        | (2,232)     | (3,009)     | (2,918)     | (2,597)     | (2,536)     | (2,844)     | (3,115)     | (2,734)     |
| <b>Gross profit</b>   | <b>Btmn</b> | <b>300</b>  | <b>637</b>  | <b>913</b>  | <b>621</b>  | <b>482</b>  | <b>667</b>  | <b>719</b>  | <b>549</b>  |
| SG&A                  | Btmn        | (176)       | (221)       | (325)       | (242)       | (246)       | (274)       | (262)       | (270)       |
| Other income          | Btmn        | 74          | 17          | 30          | 20          | 47          | 23          | 33          | 28          |
| Interest expense      | Btmn        | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Pre-tax profit</b> | <b>Btmn</b> | <b>198</b>  | <b>433</b>  | <b>618</b>  | <b>400</b>  | <b>283</b>  | <b>416</b>  | <b>490</b>  | <b>306</b>  |
| Corporate tax         | Btmn        | (12)        | (94)        | (139)       | (96)        | (59)        | (98)        | (117)       | (79)        |
| Equity a/c profits    | Btmn        | 61          | 85          | 76          | 72          | 41          | 74          | 95          | 77          |
| Minority interests    | Btmn        | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Core profit</b>    | <b>Btmn</b> | <b>248</b>  | <b>424</b>  | <b>555</b>  | <b>375</b>  | <b>265</b>  | <b>392</b>  | <b>468</b>  | <b>304</b>  |
| Extra-ordinary items  | Btmn        | 6           | 7           | 6           | 8           | 2           | 5           | 6           | 13          |
| <b>Net Profit</b>     | <b>Btmn</b> | <b>254</b>  | <b>430</b>  | <b>561</b>  | <b>383</b>  | <b>267</b>  | <b>397</b>  | <b>473</b>  | <b>317</b>  |
| EBITDA                | Btmn        | 581         | 836         | 1,021       | 781         | 676         | 816         | 889         | 696         |
| <b>Core EPS (Bt)</b>  | <b>Bt</b>   | <b>3.23</b> | <b>5.53</b> | <b>7.24</b> | <b>4.90</b> | <b>3.46</b> | <b>5.12</b> | <b>6.11</b> | <b>3.97</b> |
| Net EPS (Bt)          | Bt          | 3.32        | 5.62        | 7.32        | 5.01        | 3.49        | 5.18        | 6.18        | 4.14        |

### Balance Sheet

| FY March 31                 | Unit        | 2QFY21        | 3QFY21        | 4QFY21        | 1QFY22        | 2QFY22        | 3QFY22        | 4QFY22        | 1QFY23        |
|-----------------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total current assets        | Btmn        | 6,229         | 7,140         | 8,000         | 8,466         | 8,345         | 8,810         | 9,539         | 9,912         |
| Total fixed assets          | Btmn        | 9,692         | 9,599         | 9,403         | 9,244         | 9,150         | 9,174         | 9,077         | 8,898         |
| <b>Total assets</b>         | <b>Btmn</b> | <b>19,938</b> | <b>20,723</b> | <b>21,543</b> | <b>21,849</b> | <b>21,816</b> | <b>22,334</b> | <b>23,057</b> | <b>23,268</b> |
| Total loans                 | Btmn        | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Total current liabilities   | Btmn        | 1,394         | 1,801         | 1,967         | 1,819         | 1,733         | 1,844         | 2,065         | 1,810         |
| Total long-term liabilities | Btmn        | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Total liabilities</b>    | <b>Btmn</b> | <b>2,219</b>  | <b>2,639</b>  | <b>2,825</b>  | <b>2,682</b>  | <b>2,657</b>  | <b>2,794</b>  | <b>3,030</b>  | <b>2,797</b>  |
| Paid-up capital             | Btmn        | 383           | 383           | 383           | 383           | 383           | 383           | 383           | 383           |
| <b>Total equity</b>         | <b>Btmn</b> | <b>17,719</b> | <b>18,084</b> | <b>18,718</b> | <b>19,167</b> | <b>19,159</b> | <b>19,540</b> | <b>20,027</b> | <b>20,472</b> |
| <b>BVPS (Bt)</b>            | <b>Bt</b>   | <b>231.31</b> | <b>236.08</b> | <b>244.36</b> | <b>250.22</b> | <b>250.12</b> | <b>255.09</b> | <b>261.45</b> | <b>267.26</b> |

### Cash Flow Statement

| FY March 31                   | Unit        | 2QFY21       | 3QFY21       | 4QFY21     | 1QFY22       | 2QFY22       | 3QFY22     | 4QFY22    | 1QFY23       |
|-------------------------------|-------------|--------------|--------------|------------|--------------|--------------|------------|-----------|--------------|
| Core Profit                   | Btmn        | 248          | 424          | 555        | 375          | 265          | 392        | 468       | 304          |
| Depreciation and amortization | Btmn        | 383          | 404          | 403        | 381          | 393          | 400        | 400       | 389          |
| Operating cash flow           | Btmn        | 377          | 1,013        | 744        | 791          | 488          | 776        | 518       | 849          |
| Investing cash flow           | Btmn        | (511)        | (1,337)      | (387)      | (1,127)      | (241)        | (334)      | (459)     | (1,072)      |
| Financing cash flow           | Btmn        | (632)        | 0            | 0          | 0            | (421)        | 0          | 0         | 0            |
| <b>Net cash flow</b>          | <b>Btmn</b> | <b>(766)</b> | <b>(324)</b> | <b>357</b> | <b>(335)</b> | <b>(175)</b> | <b>442</b> | <b>59</b> | <b>(223)</b> |

### Key Financial Ratios

| FY March 31           |     | 2QFY21   | 3QFY21   | 4QFY21   | 1QFY22   | 2QFY22   | 3QFY22   | 4QFY22   | 1QFY23   |
|-----------------------|-----|----------|----------|----------|----------|----------|----------|----------|----------|
| Gross margin          | (%) | 11.9     | 17.5     | 23.8     | 19.3     | 16.0     | 19.0     | 18.8     | 16.7     |
| Operating margin      | (%) | 4.9      | 11.4     | 15.3     | 11.8     | 7.8      | 11.2     | 11.9     | 8.5      |
| EBITDA margin         | (%) | 23.0     | 22.9     | 26.7     | 24.3     | 22.4     | 23.2     | 23.2     | 21.2     |
| EBIT margin           | (%) | 10.2     | 14.3     | 18.1     | 14.8     | 10.6     | 14.0     | 15.2     | 11.9     |
| Net profit margin     | (%) | 10.0     | 11.8     | 14.6     | 11.9     | 8.9      | 11.3     | 12.3     | 9.7      |
| ROE                   | (%) | 0.7      | 3.7      | 5.8      | 8.1      | 6.9      | 7.3      | 7.7      | 6.1      |
| ROA                   | (%) | 0.6      | 3.2      | 4.9      | 7.1      | 6.1      | 6.4      | 6.7      | 5.4      |
| Net D/E               | (x) | Net cash | Net cash | Net cash | Net cash | Net cash | Net cash | Net cash | Net cash |
| Interest coverage     | (x) | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     |
| Debt service coverage | (x) | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     | n.a.     |

### Key statistics

| FY December 31  | Unit | 3Q20   | 4Q20  | 1Q21  | 2Q21  | 3Q21   | 4Q21   | 1Q22  | 1Q23  |
|-----------------|------|--------|-------|-------|-------|--------|--------|-------|-------|
| Auto production | 000  | 357    | 465   | 466   | 379   | 367    | 474    | 480   | 390   |
| Growth          | %    | (29.6) | 5.4   | 2.7   | 148.5 | 2.9    | 1.9    | 3.1   | 3.0   |
| Domestic sales  | 000  | 206    | 257   | 194   | 182   | 156    | 222    | 231   | 196   |
| Growth          | %    | (13.6) | 4.7   | (3.0) | 41.3  | (24.0) | (13.6) | 19.1  | 8.0   |
| Auto export     | 000  | 171    | 214   | 258   | 215   | 204    | 282    | 243   | 207   |
| Growth          | %    | (34.6) | (8.0) | 3.1   | 114.8 | 19.4   | 31.4   | (5.8) | (4.1) |

**Figure 1: STANLY's earnings review**

|                        | Apr-21<br>Jun-21 | Jul-21<br>Sep-21 | Oct-21<br>Dec-21 | Jan-22<br>Mar-22 | Apr-22<br>Jun-22 |               |               |
|------------------------|------------------|------------------|------------------|------------------|------------------|---------------|---------------|
| (Btmn)                 | <b>1QFY22</b>    | <b>2QFY22</b>    | <b>3QFY22</b>    | <b>4QFY22</b>    | <b>1QFY23</b>    | <b>YoY%</b>   | <b>QoQ%</b>   |
| Revenue                | 3,219            | 3,018            | 3,512            | 3,834            | 3,283            | 2.0           | (14.4)        |
| Gross profit           | 621              | 482              | 667              | 719              | 549              | (11.7)        | (23.7)        |
| EBITDA                 | 781              | 676              | 816              | 889              | 696              | (10.9)        | (21.8)        |
| <b>Core profit</b>     | <b>375</b>       | <b>265</b>       | <b>392</b>       | <b>468</b>       | <b>304</b>       | <b>(19.0)</b> | <b>(35.0)</b> |
| <b>Net profit</b>      | <b>383</b>       | <b>267</b>       | <b>397</b>       | <b>473</b>       | <b>317</b>       | <b>(17.2)</b> | <b>(33.0)</b> |
| EPS (Bt/share)         | 5.01             | 3.49             | 5.18             | 6.18             | 4.14             | (17.2)        | (33.0)        |
| <b>Balance Sheet</b>   |                  |                  |                  |                  |                  |               |               |
| Total Assets           | 21,849           | 21,816           | 22,334           | 23,057           | 23,268           | 6.5           | 0.9           |
| Total Liabilities      | 2,682            | 2,657            | 2,794            | 3,030            | 2,797            | 4.3           | (7.7)         |
| Total Equity           | 19,167           | 19,159           | 19,540           | 20,027           | 20,472           | 6.8           | 2.2           |
| BVPS (Bt/share)        | 250.2            | 250.1            | 255.1            | 261.4            | 267.3            | 6.8           | 2.2           |
| <b>Financial Ratio</b> |                  |                  |                  |                  |                  |               |               |
| Gross Margin (%)       | 19.3             | 16.0             | 19.0             | 18.8             | 16.7             |               |               |
| EBITDA margin (%)      | 24.3             | 22.4             | 23.2             | 23.2             | 21.2             |               |               |
| Net Profit Margin (%)  | 11.9             | 8.9              | 11.3             | 12.3             | 9.7              |               |               |
| ROA (%)                | 7.1              | 5.1              | 7.3              | 8.4              | 5.4              |               |               |
| ROE (%)                | 8.1              | 5.8              | 8.3              | 9.7              | 6.1              |               |               |
| D/E (X)                | Net cash         | Net cash         | Net cash         | Net cash         | Net cash         |               |               |
| 000 units              |                  |                  |                  |                  |                  |               |               |
| Auto production        | 379              | 367              | 474              | 480              | 390              | 3.0           | (18.8)        |
| Domestic auto sales    | 182              | 156              | 222              | 231              | 196              | 8.0           | (15.2)        |
| Auto export            | 215              | 204              | 282              | 243              | 207              | (4.1)         | (15.1)        |

Source: SCBS Investment Research

**Figure 2: Valuation summary** (price as of Aug 5, 2022)

|                | Rating       | Price<br>(Bt/Sh) | Target<br>(Bt/Sh) | ETR<br>(%) | P/E (x)    |            |            | EPS growth (%) |           |           | P/BV (x)   |            |            | ROE (%)   |           |           | Div. Yield (%) |            |            | EV/EBITDA (x) |            |            |
|----------------|--------------|------------------|-------------------|------------|------------|------------|------------|----------------|-----------|-----------|------------|------------|------------|-----------|-----------|-----------|----------------|------------|------------|---------------|------------|------------|
|                |              |                  |                   |            | 21A        | 22F        | 23F        | 21A            | 22F       | 23F       | 21A        | 22F        | 23F        | 21A       | 22F       | 23F       | 21A            | 22F        | 23F        | 21A           | 22F        | 23F        |
| AH             | Outperform   | 21.60            | 26.0              | 24.7       | 9.6        | 7.5        | 6.1        | 413            | 28        | 23        | 0.9        | 0.9        | 0.8        | 10        | 11        | 13        | 4.4            | 4.3        | 5.3        | 8.4           | 7.0        | 5.8        |
| PCSGH          | Underperform | 5.05             | 4.2               | (8.5)      | 13.2       | 10.8       | 9.6        | 239            | 22        | 12        | 1.7        | 1.6        | 1.6        | 13        | 15        | 17        | 5.9            | 8.3        | 9.3        | 6.2           | 5.0        | 4.4        |
| SAT            | Underperform | 17.50            | 22.0              | 34.7       | 7.8        | 7.2        | 6.7        | 157            | 8         | 8         | 1.0        | 0.9        | 0.9        | 13        | 13        | 14        | 8.6            | 9.0        | 9.7        | 2.8           | 2.3        | 1.8        |
| STANLY         | Neutral      | 170.50           | 197.0             | 21.2       | 8.7        | 7.5        | 6.8        | 45             | 16        | 11        | 0.7        | 0.6        | 0.6        | 8         | 9         | 9         | 5.0            | 5.7        | 6.3        | 2.4           | 2.0        | 1.4        |
| <b>Average</b> |              |                  |                   |            | <b>9.8</b> | <b>8.3</b> | <b>7.3</b> | <b>214</b>     | <b>18</b> | <b>14</b> | <b>1.0</b> | <b>1.0</b> | <b>1.0</b> | <b>11</b> | <b>12</b> | <b>13</b> | <b>6.0</b>     | <b>6.8</b> | <b>7.7</b> | <b>5.0</b>    | <b>4.1</b> | <b>3.3</b> |

Source: SCBS Investment Research

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