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### KEY HIGHLIGHTS

#### Results

**TMB Bank (TMB TB/BUY/Bt1.15/Target: Bt1.38)**

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4Q20: Net profit dragged by higher provisions.

#### Update

**Diamond Building Products (DRT TB/HOLD/Bt6.00/Target: Bt5.60)**

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Expect moderate earnings growth in 2021.

### KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,515.72	(6.87)	(0.45)
SET50	952.86	(5.30)	(0.55)
Value (Btm) - SET	81,636		
<b>Top 5 Sector</b>			
BANK	351.56	(1.93)	(0.55)
PETRO	1,079.45	(2.90)	(0.27)
PROP	211.44	(0.14)	(0.07)
ENERG	23,764.14	(206.82)	(0.86)
ICT	138.45	(0.80)	(0.57)

Source: Bloomberg

### TOP VOLUME

Symbol	Price (Bt)	Chg (%)	Volume ('000)
PTT	41.00	0.00	93,360.5
CBG	139.50	5.68	22,035.5
KTC	72.00	(6.49)	35,831.4
GPSC	81.25	(2.40)	26,704.5
BANPU	10.60	(1.85)	203,058.9

### TOP GAINERS

Symbol	Price (Bt)	Chg (%)	Volume ('000)
AQ	0.03	50.00	39,992.9
TAKUNI	0.71	29.09	50,640.0
FLOYD	1.26	17.76	19,806.0
J	1.93	12.87	66,015.6
INGRS	0.53	12.77	20,864.4

### TOP LOSERS

Symbol	Price (Bt)	Chg (%)	Volume ('000)
T	0.06	(14.29)	73,049.0
APEX	0.06	(14.29)	764.6
TWZ	0.08	(11.11)	37,146.8
TRC	0.09	(10.00)	7,650.1
TSTH	0.63	(8.70)	38,597.7

### KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	56.1	7.3	26.9	8.3
Dubai crude*	55.4	9.2	35.1	10.3
Baltic Dry Index	1,766.0	33.5	31.2	29.3
Gold Spot***	1,869.7	(0.4)	(2.8)	(1.5)

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

### FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(69.9)	105.7	105.7	(6,402.0)

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 29.96

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

Thai Lending Rate (%) - MLR = 5.25

### COMPANY RESULTS

## TMB Bank (TMB TB)

4Q20: Net Profit Dragged by Higher Provisions

**TMB's operating income was relatively strong in 4Q20, but net profit was dragged by higher provisions to guard against NPLs. We believe earnings have bottomed in 4Q20 and are likely to rebound in 1Q21. Earnings are expected to continue rising 18% yoy in 2021, underpinned by higher net interest income from higher loans and lower provisions. Valuation is undemanding as the stock is trading at just 0.5x 2021F P/B. Maintain BUY. Target price: Bt1.38.**

### RESULTS

- **Weaker-than-expected results on higher provisions.** TMB Bank's (TMB) pre-provisioning profit came in at Bt9.7b in 3Q20, up 99% yoy and 11% qoq. However, net profit fell 23% yoy and 24% qoq to Bt1.23b, coming in 24% below our estimate on higher-than-expected provisions. Despite resilient operating income, the weaker earnings were largely due to higher provisions and a rise in overhead expenses. Full-year 2020 net profit came in at Bt10.1b, up 40% yoy.
- **1Q21 outlook.** We believe TMB's earnings have bottomed out in 4Q20 and are likely to gradually resume growth. Given improving economic growth in 2021, we expect TMB's 1Q21 earnings to come in at around Bt1.5b-2.0b compared with Bt1.2b in 4Q20, but still decline yoy from Bt4.2b in 1Q20 as Thailand began to experience the impact of the pandemic in 2Q20. In addition, earnings are expected to pick up significantly in 2H21 due to mass vaccinations and global and domestic economic reopenings.

### STOCK IMPACT

- **Loans declined on repayment from corporates.** Total loans increased 2.2% qoq in 4Q20, largely due to higher corporate and mortgage loans. Full-year 2020 loan growth was relatively flat yoy in 2020.
- **Higher LLC ratio against elevated NPL.** Total gross NPL increased 7.7% qoq in 4Q20. NPL ratio slightly increased to 2.5%, still lower than its guidance of 3%. However, its under-performing loans (stage 2 loans) declined 8% qoq. TMB set aside higher provisions, which increased its loan-loss coverage (LLC) ratio to 134%.
- **NIM expanded due to efficient cost management.** NIM was relatively higher at 3.1% due to lower funding costs.
- **Solid capital.** TMB's Tier-1 capital increased qoq to 15.4% in 4Q20. With its strong capital adequacy ratio (CAR), we expect TMB to pay dividends of Bt0.04 and Bt0.05 per share for 2021-22, representing dividend yields of 3.8% and 4.1% respectively.

### KEY FINANCIALS

Year to 31 Dec (Btm)	2018	2019	2020	2021F	2022F
Net interest income	24,497	26,865	53,805	57,023	57,517
Non-interest income	23,481	12,632	14,623	16,419	17,476
Net profit (rep./act.)	11,601	7,222	10,112	11,905	12,982
Net profit (adj.)	11,601	7,222	10,112	11,905	12,982
EPS (Bt)	0.3	0.2	0.1	0.1	0.1
PE (x)	4.4	7.1	11.2	9.5	8.7
P/B (x)	0.5	0.6	0.6	0.5	0.5
Dividend yield (%)	6.0	3.4	3.4	3.7	4.0
Net int margin (%)	2.9	2.2	2.3	3.2	3.2
Cost/income (%)	36.4	52.3	46.2	49.6	51.8
Loan loss cover (%)	151.8	120.5	133.8	146.2	157.8
Consensus net profit	-	-	10,319	11,206	13,440
UOBKH/Consensus (x)	-	-	-	1.06	0.97

Source: TMB, Bloomberg, UOB Kay Hian

## BUY

(Maintained)

Share Price	Bt1.15
Target Price	Bt1.38
Upside	+20.0%
(Previous TP)	Bt1.42)

### COMPANY DESCRIPTION

TMB is the sixth largest bank in Thailand with roughly 10% of the credit market. The bank's strong focus is on retail lending, which accounts for 56% of loan book.

### STOCK DATA

GICS sector	Financials
Bloomberg ticker:	TMB TB
Shares issued (m):	96,409.4
Market cap (Btm):	112,799.0
Market cap (US\$m):	3,755.6
3-mth avg daily t'over (US\$m):	31.6

### Price Performance (%)

52-week high/low	Bt1.53/Bt0.680			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
(0.8)	42.7	14.7	(25.0)	8.3

### Major Shareholders

MOF	26.1
ING Bank	25.2
DBS Bank	3.3
FY21 NAV/Share (Bt)	2.18
FY21 CAR Tier-1 (%)	18.61

### PRICE CHART



Source: Bloomberg

### ANALYST(S)

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- **Consolidation process with Thanachart Bank will be completed in mid-21.** TMB merged with Thanachart Bank in Dec 19, and the consolidation process is likely to be completed in mid-21 as planned. We believe that TMB will be more aggressive in achieving growth, and is likely to gain more synergy from the merger going forward. We expect loan growth to rise 3.6% yoy in 2021 in tandem with improving economic growth and higher local car sales.

### EARNINGS REVISION/RISK

- **Earnings projections.** We reduce our net profit projection for 2021 by 4% to Bt11.9b, up 18% yoy, as we increase our credit costs assumption to 160bp (from 150bp) to reflect a larger economic impact from the new round of the COVID-19 pandemic. Despite our downgrade, we believe earnings growth in 2021 will be underpinned by higher net interest income from elevated loan growth and higher fee income in tandem with the economic recovery. ROE is likely to rise further to rise to 5.7% in 2021.

### VALUATION/RECOMMENDATION

- **Maintain BUY with a lower target price of Bt1.38** (from Bt1.42), pegged to 0.6x 2021F P/B, or -1SD to its 2016-20 mean. We like TMB for expected strong net profit growth and undemanding valuation.

### SHARE PRICE CATALYST

- Improved economic growth will boost loan demand.
- Better-than-expected asset quality leading to lower credit cost.

### 4Q20 RESULTS

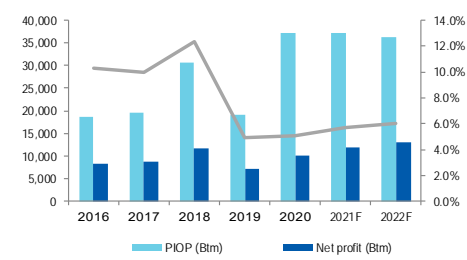
FYE Dec (Btm)	4Q19	3Q20	4Q20	qoq % chg	yoy % chg	Comments
Net interest income	8,079	13,227	13,519	2%	67%	Higher loan growth from Thanachart Bank acquisition
Net interest margin	2.4%	2.9%	3.1%			
Non-interest income	3,637	2,984	4,297	44%	18%	Higher fee income, largely from the asset management business
Operating income	11,716	16,212	17,816	10%	52%	
Overhead expenses	(6,596)	(7,429)	(8,086)	9%	23%	Higher due to expenses from a larger number of staff and branch network after the acquisition
Cost-to-Income Ratio	56.3%	45.8%	45.4%			
Pre-provision profit	5,120	8,783	9,730	11%	90%	
Loan loss provision	3,114	6,863	8,237	20%	164%	
Credit cost - annualised (bp)	119	200	239			Higher against elevated NPLs
Pre-tax profit	2,005	1,920	1,493	(22%)	(26%)	
Net profit	1,615	1,619	1,235	(24%)	(24%)	
EPS (Bt)	0.04	0.02	0.01	(24%)	(65%)	

### Other Key Data and Ratios (%)

Loan growth yoy	103.0%	96.5%	0.1%			Relatively flat yoy as higher corporate loans were offset by weaker SME loans
Deposit growth yoy	115.2%	108.8%	(1.8%)			
Loan/deposit ratio	99.6%	96.9%	101.4%			
Gross NPL ratio	2.4%	2.3%	2.5%			Higher due to higher SME NPLs
Loan loss coverage	120.5%	131.6%	133.8%			Higher due to additional provisions set aside
Tier-1 CAR	14.6%	14.8%	15.4%			
Total CAR	18.9%	18.9%	19.5%			

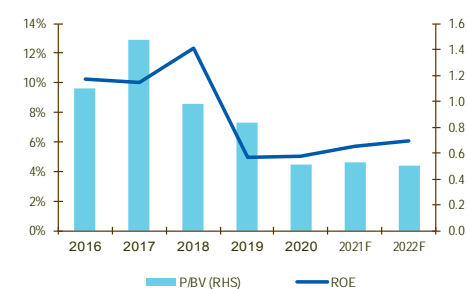
Sources: TMB, UOB Kay Hian

### EARNINGS GROWTH



Source: TMB, UOB Kay Hian

### P/B AND ROE



Source: TMB, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2019	2020	2021F	2022F
Interest income	39,837	72,321	69,503	72,014
Interest expense	(12,972)	(18,515)	(12,480)	(14,497)
Net interest income	26,865	53,805	57,023	57,517
Fees & commissions	4,373	6,850	7,145	7,860
Other income	8,259	7,773	9,274	9,616
Non-interest income	12,632	14,623	16,419	17,476
Income from Islamic banking	0	0	0	0
<b>Total income</b>	<b>39,497</b>	<b>68,429</b>	<b>73,442</b>	<b>74,993</b>
Staff costs	(9,629)	(16,536)	(19,843)	(21,430)
Other operating expense	(11,046)	(15,087)	(16,595)	(17,429)
Pre-provision profit	18,823	36,806	37,004	36,134
Loan loss provision	(10,337)	(24,831)	(22,686)	(20,502)
Other provisions	0	0	0	0
Associated companies	324	363	200	200
Other non-operating income	0	0	0	0
Pre-tax profit	8,810	12,338	14,518	15,832
Tax	(1,588)	(2,223)	(2,613)	(2,850)
Minorities	0	(3)	0	0
<b>Net profit</b>	<b>7,222</b>	<b>10,112</b>	<b>11,905</b>	<b>12,982</b>
Net profit (adj.)	7,222	10,112	11,905	12,982

### OPERATING RATIOS

Year to 31 Dec (%)	2019	2020	2021F	2022F
<b>Capital Adequacy</b>				
Tier-1 CAR	24.7	15.4	18.6	19.7
Total CAR	29.7	19.5	23.3	24.3
Total assets/equity (x)	9.6	8.8	8.9	8.7
Tangible assets/tangible common equity (x)	9.6	8.8	8.9	8.7
<b>Asset Quality</b>				
NPL ratio	2.3	2.5	2.7	2.7
Loan loss coverage	120.5	133.8	146.2	157.8
Loan loss reserve/gross loans	4.6	3.8	6.2	6.9
Increase in NPLs	73.8	4.9	10.0	5.0
Credit cost (bp)	99.5	178.3	160.0	140.0
<b>Liquidity</b>				
Loan/deposit ratio	86.9	88.5	89.0	90.0
Liquid assets/short-term liabilities	28.6	25.2	25.3	25.3
Liquid assets/total assets	22.7	20.2	20.1	20.1

### BALANCE SHEET

Year to 31 Dec (Btm)	2019	2020	2021F	2022F
Cash with central bank	23,853	21,943	22,351	22,910
Govt treasury bills & securities	163,937	132,470	137,738	141,181
Interbank loans	236,311	211,185	214,197	219,552
Customer loans	1,348,630	1,348,480	1,391,577	1,426,732
Investment securities	2,328	1,881	1,956	2,005
Derivative receivables	10,399	11,959	11,959	11,959
Associates & JVs	8,953	8,599	8,857	9,079
Fixed assets (incl. prop.)	28,452	30,076	28,485	29,197
Other assets	41,814	41,739	45,462	46,532
<b>Total assets</b>	<b>1,864,678</b>	<b>1,808,332</b>	<b>1,862,582</b>	<b>1,909,146</b>
Interbank deposits	86,626	75,909	65,190	66,820
Customer deposits	1,398,112	1,373,408	1,414,502	1,449,830
Derivative payables	9,719	9,268	9,268	9,268
Debt equivalents	108,835	88,965	98,965	103,965
Other liabilities	66,578	56,033	64,466	60,452
<b>Total liabilities</b>	<b>1,669,870</b>	<b>1,603,582</b>	<b>1,652,391</b>	<b>1,690,334</b>
Shareholders' funds	194,777	204,713	210,150	218,767
Minority interest - accumulated	30	37	41	45
<b>Total equity &amp; liabilities</b>	<b>1,864,678</b>	<b>1,808,332</b>	<b>1,862,582</b>	<b>1,909,146</b>

### KEY METRICS

Year to 31 Dec (%)	2019	2020	2021F	2022F
<b>Growth</b>				
Net interest income, yoy chg	9.7	100.3	6.0	0.9
Fees & commissions, yoy chg	(14.9)	56.6	4.3	10.0
Pre-provision profit, yoy chg	(38.3)	95.5	0.5	(2.4)
Net profit, yoy chg	(37.7)	40.0	17.7	9.0
Net profit (adj.), yoy chg	(37.7)	40.0	17.7	9.0
Customer loans, yoy chg	106.2	0.0	3.2	2.5
Customer deposits, yoy chg	115.2	(1.8)	3.0	2.5
<b>Profitability</b>				
Net interest margin	2.2	2.3	3.2	3.2
Cost/income ratio	52.3	46.2	49.6	51.8
Adjusted ROA	0.5	0.6	0.6	0.7
Reported ROE	4.9	5.1	5.7	6.1
Adjusted ROE	4.9	5.1	5.7	6.1
<b>Valuation</b>				
P/BV (x)	0.6	0.6	0.5	0.5
P/NTA (x)	0.6	0.6	0.5	0.5
Adjusted P/E (x)	7.1	11.2	9.5	8.7
Dividend Yield	3.4	3.4	3.7	4.0
Payout ratio	24.3	38.1	35.0	35.0

### COMPANY UPDATE

## Diamond Building Products (DRT TB)

Expect Moderate Earnings Growth In 2021

As we expect COVID-19 measures to ease from 2Q21, DRT's sales and earnings are expected to improve in 2021. However, we expect earnings growth to moderate as the economy needs time to pick up while nationwide COVID-19 vaccination may take years. Despite an attractive 8% yield, we believe all good news have been priced in. Maintain HOLD. Target price: Bt5.60. Entry price: Bt5.00.

### WHAT'S NEW

- Less impact from COVID-19 in 2021.** After Diamond Building Products' (DRT) performance was hit hard by the COVID-19 pandemic in 2020, management expects a smaller impact from the second wave of COVID-19 pandemic started in late-Dec 20. This is because: a) people are now well prepared for the pandemic; b) developers' housing inventory has declined since last year; c) work-from-home has boosted home renovations; and d) prices of construction materials remain cheap. Therefore, management expects sales to continue to grow by 3% yoy in 1Q21. Assuming the pandemic is contained in 1Q21, DRT's 2021 sales should grow by 5% yoy.
- Agent sales remain the best sales channel.** With work-from-home and people travelling less for fear of infection, agent sales were DRT's best sales channel, accounting for 60% of total sales last year. Modern trade, overseas and project sales accounted for 15%, 15% and 10% respectively. With the second round of pandemic, we expect agent sales will continue to do well this year. However, modern trade, overseas and project sales are expected to pick up in 2021 in line with a better economy this year. We expect total sales mix in 2021 from agent, modern trade, export and project sales at 48%, 20%, 20% and 12% respectively.
- Gross margin to be well maintained as last year.** DRT's new 50,000-tonne capacity siding board plant has started commercial run in early-21. This would raise its production capacity of all products by 5% yoy from 1.10m to 1.15m tonnes in 2021. The new facilities will eventually add Bt400m of sales annually. The new facilities are expected to be more efficient than the existing ones as they are fully automated. We forecast 2021 gross margin to be well maintained at 30%, the same as in 2020, despite higher depreciation cost.

### KEY FINANCIALS

Year to 31 Dec (Btm)	2018	2019	2020F	2021F	2022F
Net turnover	4,329	4,748	4,355	4,554	4,890
EBITDA	754	895	939	999	1,084
Operating profit	517	656	664	713	785
Net profit (rep./act.)	423	572	550	583	642
Net profit (adj.)	423	546	540	583	642
EPS (Bt)	0.4	0.6	0.6	0.6	0.7
PE (x)	13.4	10.4	10.5	9.7	8.9
P/B (x)	2.7	2.5	3.1	2.9	2.6
EV/EBITDA (x)	8.5	7.2	6.8	6.4	5.9
Dividend yield (%)	5.0	5.0	7.7	8.2	9.0
Net margin (%)	9.8	12.0	12.6	12.8	13.1
Net debt/(cash) to equity (%)	24.4	19.0	41.3	36.7	32.2
Interest cover (x)	94.3	149.2	129.4	94.1	102.0
ROE (%)	20.8	26.4	26.8	30.5	31.0
Consensus net profit	-	-	542	573	628
UOBKH/Consensus (x)	-	-	1.00	1.02	1.02

Source: DRT, Bloomberg, UOB Kay Hian

### HOLD

(Maintained)

Share Price	Bt6.00
Target Price	Bt5.60
Upside	-6.6%
(Previous TP)	Bt5.50

### COMPANY DESCRIPTION

The country's third largest producer of roof tiles, ceiling & siding boards and accessories. It also provides roof design and installation services.

### STOCK DATA

GICS sector	Materials
Bloomberg ticker:	DRT TB
Shares issued (m):	948.0
Market cap (Btm):	5,687.8
Market cap (US\$m):	189.7
3-mth avg daily t'over (US\$m):	0.1

### Price Performance (%)

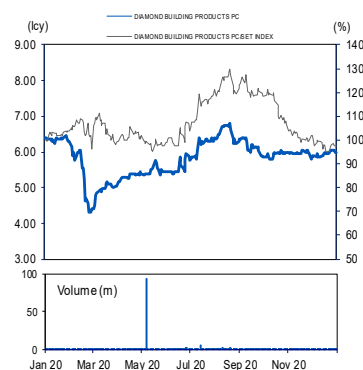
52-week high/low	Bt6.80/Bt4.30			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
0.0	1.7	1.7	(6.3)	2.6

### Major Shareholders

Srivikorn and Pradipasen families & management	63.5
Bualuang Open-ended Funds	8.4
Thai NVDR	2.1

FY21 NAV/Share (Bt)	2.09
FY21 Net Debt/Share (Bt)	0.77

### PRICE CHART



Source: Bloomberg

### ANALYST(S)

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### STOCK IMPACT

• **Expect weak 4Q20 earnings.** Due to the weak domestic economy and the COVID-19 pandemic towards end-Dec 20, we expect DRT's 4Q20 sales to decline 12% yoy to Bt928m. Gross and EBITDA margins should improve to 29% (4Q19: 27%) and 20% (4Q19: 17%) respectively on the back of its product-mix strategy, low raw material costs and tight cost control. Despite that, 4Q20 net profit is expected to decline 14% yoy to Bt88m. 2020 performance would be weaker yoy on weak sales.

### EARNINGS REVISION/RISK

• **Forecast revised.** Due to the second wave of the COVID-19 pandemic, we revise down 2020-21 sales estimates. However, better-than-expected margins from production efficiency and good control have led us to raise our 2021 core profit forecast.

### FORECAST REVISION

(Btm)	2020F			2021F		
	Old	New	% chg	Old	New	% chg
Sales	4,500	4,355	-3%	4,715	4,554	-3%
Core profit	542	540	0%	573	583	2%

Source: UOB Kay Hian

• **Core profit to increase moderately next year.** Due to the COVID-19 pandemic and a weak economy, we expect 2020 sales to drop 8% yoy to Bt4.4b. Assuming the second wave of COVID-19 pandemic is contained in 1Q21, and on pent-up demand from construction activities, we expect 2021 sales to rise 5% yoy to Bt4.6b. Despite better-than-expected margins on economies of scale and good cost control, weak sales are expected to cause 2020 core profit to dip 1% yoy to Bt540m. For 2021, better sales, more efficient production and good cost control should lead to gross margin maintaining yoy at 30% while EBITDA margin is expected to improve to 21.9% (2020F: 21.6%). This would lead to 2021 core profit growing 8% yoy to Bt583m.

### VALUATION/RECOMMENDATION

• **We raise target price to Bt5.60.** In line with our higher core profit forecast for 2021, we raise our target price to Bt5.60, based on DCF at a discount rate of 5%

• **Maintain HOLD.** 2021 core profit is expected to grow only 8% yoy. This is on the back of a better economy and assuming the pandemic is contained in 1Q21 and the COVID-19 vaccine is effective. Although DRT has an attractive yield of 8%, we believe the good news has been priced in. Maintain HOLD. Entry price is Bt5.00.

### SHARE PRICE CATALYST

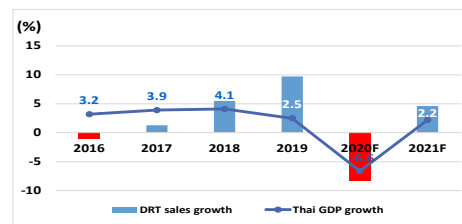
• The COVID-19 outbreak worsens, resulting in an extended lockdown for the rest of the year.

### 4Q20F RESULTS PREVIEW

Year to 31 Dec (Btm)	4Q20F	yoy % chg	qoq % chg	2020F	yoy % chg
Sales	928	(12.0)	(7.1)	4,355	(8.3)
Gross Profit	266	(6.3)	(7.0)	1,287	1.1
EBITDA	182	0.0	(11.7)	939	5.0
Pre-tax Profit	109	(9.9)	(21.6)	675	1.8
Tax	(21)	10.5	(25.0)	(135)	14.4
Net Profit	88	(13.7)	(20.7)	550	(3.8)
Net Profit (Ex EI)	88	(13.7)	(20.7)	540	(0.9)
EPS (Bt)	0.13	34.1	3.1	0.64	7.3
Gross margin (%)	28.7			29.6	
EBITDA margin (%)	19.6			21.6	
Net margin (%)	9.5			12.6	

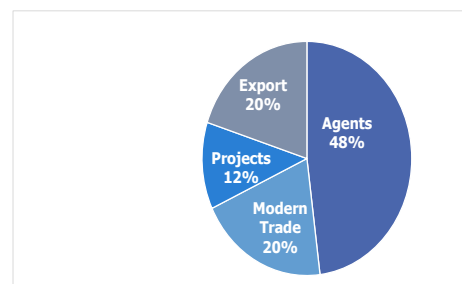
Source: UOB Kay Hian

### SALES TO FALL BEFORE PICKING UP IN 2021



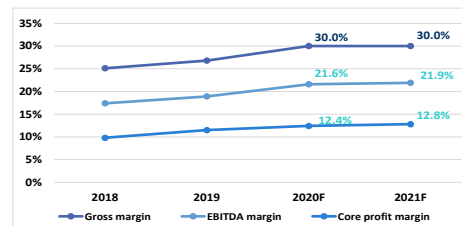
Source: DRT, Bank of Thailand, UOB Kay Hian

### DISTRIBUTION CHANNELS



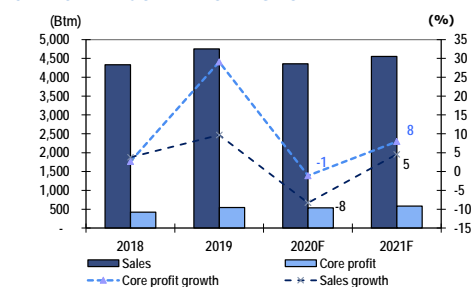
Source: UOB Kay Hian

### MARGINS



Source: DRT, UOB Kay Hian

### SALES AND CORE PROFIT GROWTH



Source: DRT, UOB Kay Hian

### PE AND SD



Source: UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2019	2020F	2021F	2022F
<b>Net turnover</b>	<b>4,748</b>	<b>4,355</b>	<b>4,554</b>	<b>4,890</b>
EBITDA	895	939	999	1,084
Deprec. & amort.	239	275	287	299
EBIT	656	664	713	785
Total other non-operating income	14	18	18	18
Associate contributions	0	0	0	0
Net interest income/(expense)	(6)	(7)	(11)	(11)
<b>Pre-tax profit</b>	<b>690</b>	<b>685</b>	<b>720</b>	<b>793</b>
Tax	(118)	(135)	(137)	(151)
Minorities	0	0	0	0
<b>Net profit</b>	<b>572</b>	<b>550</b>	<b>583</b>	<b>642</b>
Net profit (adj.)	546	540	583	642

### CASH FLOW

Year to 31 Dec (Btm)	2019	2020F	2021F	2022F
<b>Operating</b>	<b>711</b>	<b>1,157</b>	<b>709</b>	<b>749</b>
Pre-tax profit	690	685	720	793
Tax	(118)	(135)	(137)	(151)
Deprec. & amort.	239	275	287	299
Working capital changes	(74)	342	(161)	(192)
Non-cash items	(26)	(10)	0	0
Other operating cashflows	0	0	0	0
<b>Investing</b>	<b>(351)</b>	<b>(519)</b>	<b>(240)</b>	<b>(250)</b>
Capex (growth)	(351)	(519)	(240)	(250)
<b>Financing</b>	<b>(349)</b>	<b>(615)</b>	<b>(439)</b>	<b>(465)</b>
Dividend payments	(360)	(458)	(440)	(467)
Issue of shares	0	(511)	0	0
Proceeds from borrowings	11	354	1	1
Loan repayment	0	0	0	0
Others/interest paid	0	0	0	0
<b>Net cash inflow (outflow)</b>	<b>11</b>	<b>23</b>	<b>30</b>	<b>33</b>
Beginning cash & cash equivalent	20	31	54	83
Ending cash & cash equivalent	31	54	83	117

### BALANCE SHEET

Year to 31 Dec (Btm)	2019	2020F	2021F	2022F
<b>Fixed assets</b>	<b>1,804</b>	<b>1,975</b>	<b>2,053</b>	<b>2,135</b>
Other LT assets	118	120	121	123
Cash/ST investment	31	54	83	117
Other current assets	1,379	1,266	1,325	1,424
<b>Total assets</b>	<b>3,332</b>	<b>3,414</b>	<b>3,583</b>	<b>3,798</b>
ST debt	452	805	804	804
Other current liabilities	406	553	578	616
LT debt	9	8	8	7
Other LT liabilities	206	208	210	212
Shareholders' equity	2,259	1,840	1,983	2,159
<b>Total liabilities &amp; equity</b>	<b>3,332</b>	<b>3,414</b>	<b>3,583</b>	<b>3,798</b>

### KEY METRICS

Year to 31 Dec (%)	2019	2020F	2021F	2022F
<b>Profitability</b>				
EBITDA margin	18.9	21.6	21.9	22.2
Pre-tax margin	14.5	15.7	15.8	16.2
Net margin	12.0	12.6	12.8	13.1
ROA	17.7	16.3	16.7	17.4
ROE	26.4	26.8	30.5	31.0
<b>Growth</b>				
Turnover	9.7	(8.3)	4.6	7.4
EBITDA	18.7	4.9	6.4	8.4
Pre-tax profit	31.9	(0.7)	5.2	10.1
Net profit	35.2	(3.9)	6.1	10.1
Net profit (adj.)	29.1	(1.1)	8.1	10.1
EPS	29.1	(1.1)	8.1	10.1
<b>Leverage</b>				
Debt to total capital	17.0	30.6	29.0	27.3
Debt to equity	20.4	44.2	40.9	37.6
Net debt/(cash) to equity	19.0	41.3	36.7	32.2
Interest cover (x)	149.2	129.4	94.1	102.0



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