

PTG Energy Pcl (PTG TB) - BUY, Price Bt14.80, TP Bt22.00**Results Comment**

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Weak 3Q21, below expectation

- PTG reported 3Q21 net profit of Bt63m, down 88% y-y and q-q. The result was below expectation. Still, with reopening and oil consumption getting back to normal, we expect improvement in 4Q21F and into 2022F. BUY.
- Sales volume was 1,106m litres, down 14% q-q and 10% y-y. The decline was due to lockdown impacts. The number of service stations reached 2,142 at the end of 3Q21, up 28 stations q-q.
- Marketing margin: We estimate marketing margin was Bt1.89/litre, down about Bt0.05/litre q-q. Profit from non-oil businesses (coffee, c-stores) contributed another Bt0.27/litre to gross profit, roughly unchanged q-q.
- SG&A Bt2.11bn, up 11% y-y and 2% q-q. SG&A per litre averaged to Bt1.79/litre, up significantly from Bt1.53/litre in 2Q21 due to the collapse in sales volume.
- Equity income (most of which comes from palm oil complex) amounted to Bt35m, down 23% q-q.
- Guidance: 2021F volume growth revised down to 1-4% y-y from 5-8% previously. Station expansion narrowed to about 70-80 vs 50-100 stations with associated capex revised down by Bt1bn to Bt2-2.5bn range.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21	(Bt m)	q-q%	y-y%	% 2021F	2021F	2022F
Revenue	25,381	27,800	32,343	33,390	30,657	Revenue	(8)	21	69	140,273	151,626
Gross profit	2,786	2,974	2,907	2,918	2,462	Gross profit	(16)	(12)	70	11,887	12,737
SG&A	1,895	2,102	2,057	2,069	2,109	SG&A	2	11	77	8,147	8,765
Operating profit	891	872	851	849	354	Operating profit	(58)	(60)	55	3,740	3,971
EBITDA	1,620	1,605	1,584	1,595	1,122	EBITDA	(30)	(31)	63	6,844	7,488
Other income	0	0	0	0	0	Other income			na	0	0
Other expense	0	0	0	0	0	Other expense			na	0	0
Interest expense	280	284	274	276	283	Interest expense	3	1	45	1,856	1,823
Profit before tax	611	588	577	573	70	Profit before tax	(88)	(88)	65	1,883	2,149
Income tax	132	113	125	118	39	Income tax	(67)	(70)	75	377	430
Equity & invest. income	33	166	78	45	35	Equity & invest. income	(23)	4	53	300	300
Minority interests	(4)	(4)	(0)	(3)	(2)	Minority interests	na	na	28	(16)	(18)
Extraordinary items	1	35	1	0	(1)	Extraordinary items	na	na	na	0	0
Net profit	509	672	531	498	63	Net profit	(87)	(88)	61	1,790	2,001
Normalized profit	508	636	531	497	64	Normalized profit	(87)	(87)	61	1,790	2,001
EPS (Bt)	0.30	0.40	0.32	0.30	0.04	EPS (Bt)	(87)	(88)	61	1.07	1.20
Normalized EPS (Bt)	0.30	0.38	0.32	0.30	0.04	Normalized EPS (Bt)	(87)	(87)	61	1.07	1.20

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21	(%)	3Q20	4Q20	1Q21	2Q21	3Q21
Cash & ST investment	554	1,267	1,243	1,271	1,462	Sales grow th	(11.1)	(10.6)	10.8	49.7	20.8
A/C receivable	497	503	666	669	647	Operating profit grow th	128.2	82.2	144.3	(6.8)	(60.3)
Inventory	1,374	2,088	1,812	2,016	2,370	EBITDA grow th	39.4	26.6	51.6	(2.4)	(30.7)
Other current assets	338	1	196	0	0	Norm profit grow th	98.1	78.5	160.9	(2.3)	(87.4)
Investment	1,687	1,810	1,904	1,936	2,002	Norm EPS grow th	98.0	78.5	160.9	(2.3)	(87.4)
Fixed assets	10,726	10,853	10,863	11,000	11,308	Gross margin	11.0	10.7	9.0	8.7	8.0
Other assets	25,441	25,515	25,546	25,860	25,824	Operating margin	3.5	3.1	2.6	2.5	1.2
Total assets	40,618	42,037	42,231	42,752	43,614	EBITDA margin	6.4	5.8	4.9	4.8	3.7
S-T debt	4,167	3,314	2,881	3,024	14,908	Norm net margin	2.0	2.3	1.6	1.5	0.2
A/C payable	3,254	3,920	5,620	3,952	4,151	D/E (x)	1.3	1.2	0.9	0.9	2.4
Other current liabilities	703	1,252	983	3,220	(8,289)	Net D/E (x)	1.2	1.0	0.8	0.8	2.2
L-T debt	5,708	6,294	4,984	4,723	4,821	Interest coverage (x)	5.8	5.7	5.8	5.8	4.0
Other liabilities	19,154	19,277	19,245	19,635	19,739	Interest rate	11.9	11.7	12.5	14.2	8.2
Minority interest	68	96	96	97	99	Effective tax rate	21.7	19.3	21.6	20.5	55.9
Shareholders' equity	7,565	7,884	8,423	8,101	8,186	ROA	5.0	6.2	5.0	4.7	0.6
Working capital	(1,383)	(1,329)	(3,142)	(1,267)	(1,134)	ROE	27.8	33.0	26.0	24.1	3.1
Total debt	9,875	9,609	7,865	7,747	19,728						
Net debt	9,320	8,342	6,621	6,477	18,266						

Sources: Company data, Thanachart estimates

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