Namyong Terminal Pcl (NYT TB) - BUY, Price Bt4.68, TP Bt5.30

Results Comment

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Slightly weaker-than-expected 4Q21

- NYT reported 4Q21 net profits of Bt61m, down 33% y-y but up 60% q-q. The results were slightly lower than our expectation due to higher loss contribution from Seahorse Ferries but it was in line with the street's earnings forecast.
- Y-Y earnings drop mainly resulted from rising loss from its 51%-owned Seahorse Ferries and rising loss contribution from its affiliated companies, despite it having rising revenue from terminal service of 26% y-y to Bt293m in 4Q21 due to rising Thailand's auto export of 31% y-y to 281,713 units in 4Q21.
- NYT's strong q-q earnings growth resulted from rising revenue from terminal service by 32% q-q. Thailand's auto export grew by 38% q-q after the chip shortage situation has started to relieve from 4Q21.
- Including 4Q21 earnings, NYT reported Bt243m net profit in 2021, up 6% y-y. The slow growth in earnings, despite improving auto export in 2021, resulted from new loss from its new marine cargo business. The severity of COVID-19 pandemic in last year caused its new marine cargo business' operation to be delayed from early 2021 to late last year.
- We estimate NYT's earnings to grow strongly this year due to 1) rising revenue from terminal service, 2) falling loss from Seahorse Ferries after it has started operation and 3) operating leverage benefit. We expect Thailand's auto export is still in the recovery trend driven by rising global demand and the easing of chip shortage situation. We maintain our BUY rating on NYT.
- NYT announced its dividend payment of Bt0.16/share. The XD date is 5 May 2022 and the payment date is 26 May 2022.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21
Revenue	312	333	325	303	374
Gross profit	**159**	**152**	**138**	**128**	**148**
SG&A	40	39	49	56	56
Operating profit	119	113	89	72	92
EBITDA	**228**	**221**	**204**	**192**	**218**
Other income	6	5	5	6	6
Other expense	(10)	(8)	(1)	(2)	(3)
Interest expense	17	18	24	26	26
Profit before tax	**119**	**109**	**71**	**53**	**76**
Income tax	21	26	18	15	21
Equity & invest. income	(7)	(2)	(5)	(10)	(9)
Minority interests	0	5	9	10	16
Extraordinary items	0	0	0	0	0
Net profit	**91**	**86**	**58**	**38**	**61**
Normalized profit	**91**	**86**	**58**	**38**	**61**
EPS (Bt)	0.07	0.07	0.05	0.03	0.05
Normalized EPS (Bt)	0.07	0.07	0.05	0.03	0.05

Income Statement			12M as		
(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Revenue	23	20	100	1,334	1,623
Gross profit	**15**	**(7)**	**95**	**567**	**692**
SG&A	(1)	40	97	201	182
Operating profit	28	(23)	94	366	510
EBITDA	**14**	**(4)**	**99**	**835**	**971**
Other income	12	(4)	109	22	25
Other expense	na	na	95	(14)	0
Interest expense	0	52	100	94	101
Profit before tax	**43**	**(36)**	**93**	**309**	**434**
Income tax	46	2	93	80	100
Equity & invest. income	na	na	85	(25)	(17)
Minority interests	61	na	108	39	14
Extraordinary items			na	0	0
Net profit	**60**	**(33)**	**96**	**243**	**331**
Normalized profit	**60**	**(33)**	**96**	**243**	**331**
EPS (Bt)	60	(33)	96	0.20	0.27
Normalized EPS (Bt)	60	(33)	96	0.20	0.27

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & ST investment	1,302	1,450	1,209	1,288	1,320
A/C receivable	95	104	110	103	117
Inventory	0	0	0	0	0
Other current assets	24	30	24	17	29
Investment	1,260	1,262	1,303	1,294	1,282
Fixed assets	1,238	1,222	1,563	1,516	1,606
Other assets	1,775	1,804	2,440	2,385	2,302
Total assets	**5,693**	**5,873**	**6,649**	**6,603**	**6,655**
S-T debt	7	32	27	32	32
A/C payable	24	31	29	21	37
Other current liabilities	352	346	492	486	535
L-T debt	156	151	156	151	156
Other liabilities	1,862	1,936	2,759	2,699	2,623
Minority interest	40	36	37	27	23
Shareholders' equity	**3,254**	**3,339**	**3,149**	**3,187**	**3,248**
Working capital	70	72	81	82	80
Total debt	163	183	183	183	188
Net debt	**(1,139)**	**(1,267)**	**(1,026)**	**(1,105)**	**(1,132)**

Financial Ratios					
(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Sales growth	(11.1)	(11.6)	36.4	12.8	19.8
Operating profit growth	3.9	(24.4)	34.8	(9.5)	(22.8)
EBITDA growth	36.4	(13.1)	18.8	1.5	(4.4)
Norm profit growth	16.0	8.8	56.7	37.4	(32.7)
Norm EPS growth	16.0	8.8	56.7	37.4	(32.7)
Gross margin	51.0	45.8	42.6	42.3	39.5
Operating margin	38.2	34.0	27.4	23.7	24.6
EBITDA margin	73.2	66.4	62.8	63.3	58.4
Norm net margin	29.1	25.8	17.8	12.6	16.3
D/E (x)	0.0	0.1	0.1	0.1	0.1
Net D/E (x)	(0.3)	(0.4)	(0.3)	(0.3)	(0.3)
Interest coverage (x)	13.2	12.5	8.6	7.3	8.3
Interest rate	84.7	40.9	51.6	57.2	56.4
Effective tax rate	17.5	24.3	25.2	27.4	28.2
ROA	6.5	5.9	3.7	2.3	3.7
ROE	11.3	10.4	7.1	4.8	7.6

Sources: Company data, Thanachart estimates

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