

Precious Shipping Pcl (PSL TB) - BUY, Price Bt17.30, TP Bt22.00**Results Comment**

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Strong beat 4Q21 results

- PSL's norm earnings were Bt1.8bn in 4Q21, grew 15% q-q and jumped significantly from the COVID-led low base earnings in 4Q20. The earnings beat both our and markets' expectation by around 50% on higher-than-expected freight rate.
- The freight rate was US\$26,429/ship/day, increased 164% y-y and 7% q-q. The rate was around 20% higher than our expectation which we suspect due to PSL was able to fix for expensive routes during the quarter.
- Total breakeven cost was relatively stable at US\$9,500/ship/day
- PSL's current rate is US\$19,686. As 1Q is normally the weakest quarter of the year, we expect for an improving freight rate trend.
- Reaffirm BUY on PSL.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Revenue	1,050	1,246	1,918	2,639	2,812	Revenue	7	168	108	8,615	8,251
Gross profit	253	463	1,035	1,812	2,001	Gross profit	10	693	118	5,311	4,581
SG&A	67	79	163	169	162	SG&A	(4)	142	171	572	348
Operating profit	186	383	872	1,643	1,840	Operating profit	12	890	114	4,739	4,233
EBITDA	483	671	1,171	1,960	2,151	EBITDA	10	345	113	5,954	5,346
Other income	2	1	1	0	2	Other income	2,179	9	19	3	47
Other expense	0	0	0	0	0	Other expense					
Interest expense	122	117	108	112	78	Interest expense	(30)	(36)	74	415	568
Profit before tax	65	267	765	1,532	1,763	Profit before tax	15	2,613	120	4,327	3,711
Income tax	4	0	0	0	2	Income tax		(62)	na	2	0
Equity & invest. income	4	4	4	7	8	Equity & invest. income	26	122	228	23	10
Minority interests	0	0	(0)	0	(0)	Minority interests					
Extraordinary items	(37)	104	57	(37)	2	Extraordinary items	na	na	na	127	0
Net profit	27	375	826	1,501	1,772	Net profit	18	6,363	124	4,475	3,721
Normalized profit	64	271	769	1,538	1,770	Normalized profit	15	2,655	120	4,348	3,721
EPS (Bt)	0.02	0.24	0.53	0.96	1.14	EPS (Bt)	18	6,363	124	2.87	2.39
Normalized EPS (Bt)	0.04	0.17	0.49	0.99	1.14	Normalized EPS (Bt)	15	2,655	120	2.79	2.39
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & ST investment	1,100	1,141	1,269	2,021	2,468	Sales growth	(8.7)	18.1	182.0	179.4	167.7
A/C receivable	169	111	120	133	175	Operating profit growth	9.5	1,416.4	na	1,438.7	890.0
Inventory	0	0	0	0	0	EBITDA growth	4.2	102.1	705.8	375.7	345.4
Other current assets	669	280	167	166	166	Norm profit growth	126.6	na	na	na	2,654.8
Investment	74	81	86	84	91	Norm EPS growth	126.6	na	na	na	2,654.8
Fixed assets	19,125	19,701	19,901	20,803	20,285	Gross margin	24.0	37.1	54.0	68.7	71.2
Other assets	260	255	278	231	345	Operating margin	17.7	30.8	45.5	62.3	65.4
Total assets	21,397	21,569	21,823	23,439	23,531	EBITDA margin	46.0	53.8	61.1	74.3	76.5
S-T debt	2,436	2,187	4,990	1,749	1,409	Norm net margin	6.1	21.7	40.1	58.3	62.9
A/C payable	277	329	318	340	354	D/E (x)	1.0	0.9	0.7	0.7	0.6
Other current liabilities	627	521	453	182	154	Net D/E (x)	0.9	0.8	0.6	0.5	0.4
L-T debt	7,586	7,230	3,630	7,212	6,809	Interest coverage (x)	3.9	5.7	10.8	17.6	27.6
Other liabilities	337	329	344	378	440	Interest rate	4.5	4.8	4.8	5.1	3.6
Minority interest	0	0	0	0	0	Effective tax rate	6.8	-	-	-	0.1
Shareholders' equity	10,134	10,973	12,088	13,578	14,365	ROA	1.2	5.0	14.2	27.2	30.1
Working capital	(108)	(218)	(198)	(206)	(179)	ROE	2.5	10.3	26.7	47.9	50.7
Total debt	10,022	9,417	8,620	8,961	8,218						
Net debt	8,921	8,276	7,351	6,940	5,750						

Sources: Company data, Thanachart estimates

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