# JWD Infologistics Pcl (JWD TB) - BUY, Price Bt15.00, TP Bt22.00

**Results Comment**

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## Decent 1Q22 profit, in-line

- JWD reported net profit of Bt126m in 4Q21. Excluding extra items FX gain Bt13m and gain on land sales Bt10m, we estimate norm profit of Bt103m, up 12% y-y but down 33% q-q. This was in-line with our expectation.
- Key y-y earnings drivers were full-quarter contribution from acquisitions of auto part transportation business, VNS, that was acquired in April 2021 and improving warehouse and yard businesses in dangerous goods (21% of 1Q22 gross profit), cold storage (28%), and food business in Taiwan (10%).
- The earnings drop q-q was due to low seasonality in logistics activities, higher electricity cost hitting margin of old storage business, weak auto export that hit its auto yard business and no equity income from industrial estate business in Cambodia that was booked Bt20m in 4Q21.
- 1Q22 accounted for 16% of our normalize profit forecast. We expect improving earnings momentum with 2H being high season. We maintain our projection and maintain BUY.

| Income Statement | | | | | (consolidated) |
|---|---|---|---|---|---|
| Yr-end Dec (Bt m) | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 |
| Revenue | 1,050 | 1,253 | 1,357 | 1,440 | 1,364 |
| **Gross profit** | **270** | **313** | **323** | **315** | **332** |
| SG&A | 161 | 177 | 189 | 264 | 230 |
| Operating profit | 108 | 136 | 134 | 51 | 102 |
| **EBITDA** | **271** | **311** | **329** | **224** | **289** |
| Other income | 8 | 14 | 25 | 13 | 14 |
| Other expense | 0 | 0 | 0 | 0 | 0 |
| Interest expense | 47 | 52 | 54 | 65 | 71 |
| **Profit before tax** | **69** | **98** | **104** | **(1)** | **44** |
| Income tax | 12 | 13 | 13 | (10) | 20 |
| Equity & invest. income | 34 | 20 | 47 | 132 | 81 |
| Minority interests | 1 | 2 | 0 | 12 | (3) |
| Extraordinary items | 49 | 9 | 0 | 22 | 23 |
| **Net profit** | **141** | **116** | **139** | **176** | **126** |
| **Normalized profit** | **92** | **107** | **139** | **154** | **103** |
| EPS (Bt) | 0.14 | 0.11 | 0.14 | 0.17 | 0.12 |
| Normalized EPS (Bt) | 0.09 | 0.10 | 0.14 | 0.15 | 0.10 |

| Income Statement | | | 3M as | | |
|---|---|---|---|---|---|
| (Bt m) | q-q% | y-y% | % 2022F | 2022F | 2023F |
| Revenue | (5) | 30 | 23 | 6,003 | 6,519 |
| **Gross profit** | **5** | **23** | **22** | **1,481** | **1,655** |
| SG&A | (13) | 43 | 26 | 888 | 965 |
| Operating profit | 99 | (6) | 17 | 593 | 690 |
| **EBITDA** | **29** | **7** | **21** | **1,386** | **1,561** |
| Other income | 7 | 68 | 18 | 78 | 85 |
| Other expense | | | | | |
| Interest expense | 10 | 51 | 33 | 220 | 231 |
| **Profit before tax** | **na** | **(36)** | **10** | **452** | **544** |
| Income tax | na | 63 | 27 | 72 | 87 |
| Equity & invest. income | (39) | 138 | 27 | 305 | 436 |
| Minority interests | na | na | 12 | (23) | (25) |
| Extraordinary items | 6 | (53) | na | 0 | 0 |
| **Net profit** | **(29)** | **(11)** | **19** | **661** | **867** |
| **Normalized profit** | **(33)** | **12** | **16** | **661** | **867** |
| EPS (Bt) | (29) | (11) | 19 | 0.65 | 0.85 |
| Normalized EPS (Bt) | (33) | 12 | 16 | 0.65 | 0.85 |

| Balance Sheet | | | | | (consolidated) |
|---|---|---|---|---|---|
| Yr-end Dec (Bt m) | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 |
| Cash & ST investment | 1,308 | 1,021 | 1,031 | 1,422 | 1,038 |
| A/C receivable | 774 | 942 | 943 | 1,052 | 1,102 |
| Inventory | 99 | 99 | 165 | 126 | 96 |
| Other current assets | 362 | 233 | 190 | 117 | 270 |
| Investment | 1,452 | 1,674 | 1,919 | 2,889 | 2,971 |
| Fixed assets | 3,895 | 4,163 | 4,218 | 4,390 | 4,557 |
| Other assets | 2,528 | 2,558 | 2,534 | 2,609 | 2,534 |
| **Total assets** | **10,417** | **10,689** | **11,001** | **12,605** | **12,568** |
| S-T debt | 1,532 | 1,560 | 1,674 | 1,755 | 1,760 |
| A/C payable | 642 | 757 | 841 | 843 | 915 |
| Other current liabilities | 364 | 397 | 392 | 436 | 463 |
| L-T debt | 2,912 | 2,938 | 2,849 | 4,012 | 3,903 |
| Other liabilities | 1,528 | 1,553 | 1,543 | 1,581 | 1,511 |
| Minority interest | 187 | 229 | 231 | 241 | 237 |
| **Shareholders' equity** | **3,253** | **3,256** | **3,471** | **3,738** | **3,778** |
| Working capital | 231 | 285 | 268 | 335 | 283 |
| Total debt | 4,443 | 4,498 | 4,523 | 5,766 | 5,663 |
| **Net debt** | **3,135** | **3,478** | **3,492** | **4,345** | **4,625** |

| Financial Ratios | | | | | |
|---|---|---|---|---|---|
| (%) | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 |
| Sales growth | 11.3 | 43.5 | 38.3 | 35.9 | 30.0 |
| Operating profit growth | (1.0) | 172.1 | 80.1 | (37.8) | (5.8) |
| EBITDA growth | 1.7 | 47.1 | 44.3 | (17.9) | 6.5 |
| Norm profit growth | (1.8) | 121.3 | 91.7 | 103.6 | 12.0 |
| Norm EPS growth | (1.8) | 121.3 | 91.7 | 103.6 | 12.0 |
| Gross margin | 25.7 | 25.0 | 23.8 | 21.9 | 24.3 |
| Operating margin | 10.3 | 10.9 | 9.8 | 3.6 | 7.5 |
| EBITDA margin | 25.8 | 24.8 | 24.3 | 15.6 | 21.2 |
| Norm net margin | 8.7 | 8.5 | 10.2 | 10.7 | 7.5 |
| D/E (x) | 1.3 | 1.3 | 1.2 | 1.4 | 1.4 |
| Net D/E (x) | 0.9 | 1.0 | 0.9 | 1.1 | 1.2 |
| Interest coverage (x) | 5.7 | 5.9 | 6.1 | 3.5 | 4.0 |
| Interest rate | 4.6 | 4.7 | 4.8 | 5.0 | 5.0 |
| Effective tax rate | 17.4 | 13.3 | 12.0 | 1,490.1 | 44.4 |
| ROA | 3.7 | 4.0 | 5.1 | 5.2 | 3.3 |
| ROE | 11.5 | 13.1 | 16.5 | 17.1 | 10.9 |

Sources: Company data, Thanachart estimates

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