Namyong Terminal Pcl (NYT TB) - BUY, Price Bt4.48, TP Bt5.30

Results Comment

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Weak 1Q22 earnings as expected

- NYT reported weak 1Q22 net profit at Bt54m, down 38% y-y and 12% q-q. The results were weak in line with our expectation.
- The company's y-y earnings drop was due to 1) rising costs and interest expense from its new marine cargo business, 2) rising property tax expense and 3) rising loss from its affiliated company.
- The q-q earnings drop was due to weak auto export resulting from chip shortage situation. The weak auto export caused NYT's revenue from terminal service business declined by 9% q-q to Bt268m in 1Q22. Meanwhile, revenue from warehouse business grew by 3% q-q to Bt83m in 1Q22.
- Thailand's auto export was at 243,124 units in 1Q22, falling by 6% y-y and 14% q-q. However, the number of cars shipped through NYT's terminal increased by 7.1% y-y but declined by 16% q-q in 1Q22.
- 3M22 earnings accounted for 19% of our full-year earnings forecast. We expect NYT's earnings will be stronger in the following quarters due to improving auto export and falling loss from marine cargo business. We thus maintain a BUY on NYT.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22
Revenue	333	325	303	374	351
Gross profit	**152**	**138**	**128**	**148**	**127**
SG&A	39	49	56	56	42
Operating profit	113	89	72	92	85
EBITDA	**221**	**204**	**192**	**218**	**205**
Other income	5	5	6	6	6
Other expense	(8)	(1)	(2)	(3)	(1)
Interest expense	18	24	26	26	25
Profit before tax	**109**	**71**	**53**	**76**	**66**
Income tax	26	18	15	21	18
Equity & invest. income	(2)	(5)	(10)	(9)	(6)
Minority interests	5	9	10	16	12
Extraordinary items	0	0	0	0	0
Net profit	**86**	**58**	**38**	**61**	**54**
Normalized profit	**86**	**58**	**38**	**61**	**54**
EPS (Bt)	0.07	0.05	0.03	0.05	0.04
Normalized EPS (Bt)	0.07	0.05	0.03	0.05	0.04

Income Statement			3M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	(6)	5	23	1,532	1,744
Gross profit	**(14)**	**(17)**	**21**	**602**	**728**
SG&A	(25)	6	24	171	180
Operating profit	(8)	(25)	20	431	548
EBITDA	**(6)**	**(7)**	**24**	**852**	**952**
Other income	(8)	11	28	21	22
Other expense	na	na	na	0	0
Interest expense	(3)	43	27	94	83
Profit before tax	**(13)**	**(39)**	**18**	**357**	**488**
Income tax	(14)	(31)	24	76	93
Equity & invest. income	na	na	42	(15)	(13)
Minority interests	(22)	147	76	16	(9)
Extraordinary items			na	0	0
Net profit	**(12)**	**(38)**	**19**	**282**	**373**
Normalized profit	**(12)**	**(38)**	**19**	**282**	**373**
EPS (Bt)	(12)	(38)	19	0.23	0.30
Normalized EPS (Bt)	(12)	(38)	19	0.23	0.30

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22
Cash & ST investment	1,450	1,209	1,288	1,320	1,383
A/C receivable	104	110	103	117	128
Inventory	0	0	0	0	0
Other current assets	30	24	17	29	29
Investment	1,262	1,303	1,294	1,282	1,277
Fixed assets	1,222	1,563	1,516	1,606	1,587
Other assets	1,804	2,440	2,385	2,302	2,294
Total assets	**5,873**	**6,649**	**6,603**	**6,655**	**6,699**
S-T debt	32	27	32	32	43
A/C payable	31	29	21	37	56
Other current liabilities	346	492	486	535	590
L-T debt	151	156	151	156	151
Other liabilities	1,936	2,759	2,699	2,623	2,546
Minority interest	36	37	27	23	11
Shareholders' equity	**3,339**	**3,149**	**3,187**	**3,248**	**3,302**
Working capital	72	81	82	80	72
Total debt	183	183	183	188	194
Net debt	**(1,267)**	**(1,026)**	**(1,105)**	**(1,132)**	**(1,189)**

Financial Ratios					
(%)	1Q21	2Q21	3Q21	4Q21	1Q22
Sales growth	(11.6)	36.4	12.8	19.8	5.4
Operating profit growth	(24.4)	34.8	(9.5)	(22.8)	(24.9)
EBITDA growth	(13.1)	18.8	1.5	(4.4)	(7.0)
Norm profit growth	8.8	56.7	37.4	(32.7)	(37.5)
Norm EPS growth	8.8	56.7	37.4	(32.7)	(37.5)
Gross margin	45.8	42.6	42.3	39.5	36.2
Operating margin	34.0	27.4	23.7	24.6	24.2
EBITDA margin	66.4	62.8	63.3	58.4	58.6
Norm net margin	25.8	17.8	12.6	16.3	15.3
D/E (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (x)	(0.4)	(0.3)	(0.3)	(0.3)	(0.4)
Interest coverage (x)	12.5	8.6	7.3	8.3	8.1
Interest rate	40.9	51.6	57.2	56.4	53.0
Effective tax rate	24.3	25.2	27.4	28.2	27.7
ROA	5.9	3.7	2.3	3.7	3.2
ROE	10.4	7.1	4.8	7.6	6.5

Sources: Company data, Thanachart estimates

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