# PTG Energy Pcl (PTG TB) - BUY, Price Bt14.00, TP Bt19.00

**Results Comment**

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## 1Q22 results ahead of expectation

- PTG reported 1Q22 net profit of Bt160m, down 70% y-y but reversing from losses in 4Q21. The result was ahead of our expectation on marketing margin. We expect earnings to recover more strongly in 2Q22F. BUY.
- **Sales volume**. Total sales volume declined 5.5% y-y and 1.8% q-q to 1,264m litres. Retail channel made up 95% of total sales volume. Total number of stations at the end of 1Q22 was 2,181 stations (including both service stations and LPG stations).
- **Marketing margin**. We estimate oil marketing margin was Bt1.65/litre, up from Bt1.26/litre in 4Q21 but down from Bt1.84/litre in 1Q21. Non-oil GP was Bt0.39/litre, up 10% q-q and 40% y-y.
- **Non-oil income**: Non-oil gross profit was Bt489m, up 33% y-y and 8% q-q. This was driven by both higher sales of LPG and other consumer goods (coffee, c-store).
- **SG&A**: SG&A was Bt2.19bn, up 6% y-y and 7% q-q. This was on the back of 4% y-y and 1% q-q increase in the number of stations.
- **Guidance**: PTG aims to have 2,262 stations by the end of 2022F (implying 95 new stations in 2022F). Budged capex is Bt3-4bn. Management also targets oil sales volume growth of 6-10% and EBITDA growth of 15-20%.

| **Income Statement** | | | | | (consolidated) |
|---|---|---|---|---|---|
| **Yr-end Dec (Bt m)** | **1Q21** | **2Q21** | **3Q21** | **4Q21** | **1Q22** |
| Revenue | 32,343 | 33,390 | 30,657 | 37,698 | 39,058 |
| **Gross profit** | **2,907** | **2,918** | **2,462** | **2,174** | **2,664** |
| SG&A | 2,057 | 2,069 | 2,109 | 2,037 | 2,186 |
| Operating profit | 851 | 849 | 354 | 137 | 478 |
| **EBITDA** | **1,584** | **1,595** | **1,122** | **913** | **1,243** |
| Other income | 0 | 0 | 0 | 0 | 0 |
| Other expense | 0 | 0 | 0 | 0 | 0 |
| Interest expense | 274 | 276 | 283 | 284 | 282 |
| **Profit before tax** | **577** | **573** | **70** | **(148)** | **196** |
| Income tax | 125 | 118 | 39 | (21) | 53 |
| Equity & invest. income | 78 | 45 | 35 | 47 | 27 |
| Minority interests | (0) | (3) | (2) | (6) | (3) |
| Extraordinary items | 1 | 0 | (1) | 0 | (6) |
| **Net profit** | **531** | **498** | **63** | **(86)** | **160** |
| **Normalized profit** | **531** | **497** | **64** | **(86)** | **166** |
| EPS (Bt) | 0.32 | 0.30 | 0.04 | (0.05) | 0.10 |
| Normalized EPS (Bt) | 0.32 | 0.30 | 0.04 | (0.05) | 0.10 |

| **Income Statement** | | | **3M as** | | |
|---|---|---|---|---|---|
| **(Bt m)** | **q-q%** | **y-y%** | **% 2022F** | **2022F** | **2023F** |
| Revenue | 4 | 21 | 26 | 150,046 | 158,237 |
| **Gross profit** | **23** | **(8)** | **22** | **12,305** | **13,198** |
| SG&A | 7 | 6 | 25 | 8,856 | 9,456 |
| Operating profit | 250 | (44) | 14 | 3,449 | 3,742 |
| **EBITDA** | **36** | **(22)** | **18** | **6,966** | **7,648** |
| Other income | | | na | 0 | 0 |
| Other expense | | | na | 0 | 0 |
| Interest expense | (1) | 3 | 15 | 1,843 | 1,764 |
| **Profit before tax** | **na** | **(66)** | **12** | **1,606** | **1,978** |
| Income tax | na | (57) | 17 | 321 | 396 |
| Equity & invest. income | (43) | (66) | 11 | 250 | 250 |
| Minority interests | na | na | 20 | (17) | (18) |
| Extraordinary items | | na | na | 0 | 0 |
| **Net profit** | **na** | **(70)** | **11** | **1,517** | **1,814** |
| **Normalized profit** | **na** | **(69)** | **11** | **1,517** | **1,814** |
| EPS (Bt) | na | (70) | 11 | 0.91 | 1.09 |
| Normalized EPS (Bt) | na | (69) | 11 | 0.91 | 1.09 |

| **Balance Sheet** | | | | | (consolidated) |
|---|---|---|---|---|---|
| **Yr-end Dec (Bt m)** | **1Q21** | **2Q21** | **3Q21** | **4Q21** | **1Q22** |
| Cash & ST investment | 1,243 | 1,271 | 1,462 | 1,898 | 1,624 |
| A/C receivable | 666 | 669 | 647 | 722 | 874 |
| Inventory | 1,812 | 2,016 | 2,370 | 2,239 | 2,316 |
| Other current assets | 196 | 0 | 0 | 0 | 0 |
| Investment | 1,904 | 1,936 | 2,002 | 2,044 | 2,104 |
| Fixed assets | 10,863 | 11,000 | 11,308 | 11,505 | 11,626 |
| Other assets | 25,546 | 25,860 | 25,824 | 25,976 | 26,189 |
| **Total assets** | **42,231** | **42,752** | **43,614** | **44,384** | **44,732** |
| S-T debt | 2,881 | 3,024 | 5,491 | 5,537 | 6,055 |
| A/C payable | 5,620 | 3,952 | 4,151 | 6,000 | 5,555 |
| Other current liabilities | 983 | 3,220 | 1,128 | 913 | 761 |
| L-T debt | 4,984 | 4,723 | 4,821 | 3,844 | 3,948 |
| Other liabilities | 19,245 | 19,635 | 19,739 | 19,890 | 20,075 |
| Minority interest | 96 | 97 | 99 | 105 | 108 |
| **Shareholders' equity** | **8,423** | **8,101** | **8,186** | **8,095** | **8,230** |
| Working capital | (3,142) | (1,267) | (1,134) | (3,038) | (2,365) |
| Total debt | 7,865 | 7,747 | 10,311 | 9,382 | 10,004 |
| **Net debt** | **6,621** | **6,477** | **8,849** | **7,484** | **8,380** |

| **Financial Ratios** | | | | | |
|---|---|---|---|---|---|
| **(%)** | **1Q21** | **2Q21** | **3Q21** | **4Q21** | **1Q22** |
| Sales growth | 10.8 | 49.7 | 20.8 | 35.6 | 20.8 |
| Operating profit growth | 144.3 | (6.8) | (60.3) | (84.3) | (43.8) |
| EBITDA growth | 51.6 | (2.4) | (30.7) | (43.1) | (21.5) |
| Norm profit growth | 160.9 | (2.3) | (87.4) | na | (68.6) |
| Norm EPS growth | 160.9 | (2.3) | (87.4) | na | (68.6) |
| Gross margin | 9.0 | 8.7 | 8.0 | 5.8 | 6.8 |
| Operating margin | 2.6 | 2.5 | 1.2 | 0.4 | 1.2 |
| EBITDA margin | 4.9 | 4.8 | 3.7 | 2.4 | 3.2 |
| Norm net margin | 1.6 | 1.5 | 0.2 | (0.2) | 0.4 |
| D/E (x) | 0.9 | 0.9 | 1.2 | 1.1 | 1.2 |
| Net D/E (x) | 0.8 | 0.8 | 1.1 | 0.9 | 1.0 |
| Interest coverage (x) | 5.8 | 5.8 | 4.0 | 3.2 | 4.4 |
| Interest rate | 12.5 | 14.2 | 12.5 | 11.6 | 11.6 |
| Effective tax rate | 21.6 | 20.5 | 55.9 | 14.2 | 27.1 |
| ROA | 5.0 | 4.7 | 0.6 | (0.8) | 1.5 |
| ROE | 26.0 | 24.1 | 3.1 | (4.2) | 8.2 |

Sources: Company data, Thanachart estimates

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