PTG Energy Pcl (PTG TB) - BUY, Price Bt15.30, TP Bt20.00

Results Comment

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2Q22 a strong beat on margin, non-oil

- PTG reported 2Q22 net profit of Bt601m (EPS Bt0.36/sh), up 21% y-y and nearly quadrupled from 1Q22 level. The strong result was due to high margin and growth in non-oil business. BUY.
- **Sales volume**. Oil sales volume reached 1,367m litres, a record high. This represented growth of 6% y-y and 8% q-q. At end-2Q22, PTG operated 2,194 stations (+80 y-y, +12 q-q).
- **Marketing margin**. Reported marketing margin was Bt2.11/litre though this likely had significant stock gain portion. Non-oil business contributed Bt550m to GP, also another fresh record. This represented growth of 60% y-y and 12% q-q, driven by both higher LPG profit but also other retail contribution (coffee, c-store).
- **SG&A:** SG&A grew 17% y-y and 11% q-q, outpacing volume growth. We think this is due to higher operating costs (ie, utilities, labor).
- **Equity income**: PTG recorded a loss contribution of Bt51m from its associates. We think this is due to stock loss at its palm oil complex.
- **Guidance**: Management maintains its 2022F target of 6-10% volume growth and 15-20% EBITDA growth.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Revenue	33,390	30,657	37,698	39,058	46,395
Gross profit	**2,918**	**2,462**	**2,174**	**2,664**	**3,518**
SG&A	2,069	2,109	2,037	2,186	2,427
Operating profit	849	354	137	478	1,091
EBITDA	**1,595**	**1,122**	**913**	**1,243**	**1,875**
Other income	0	0	0	0	0
Other expense	0	0	0	0	0
Interest expense	276	283	284	282	280
Profit before tax	**573**	**70**	**(148)**	**196**	**811**
Income tax	118	39	(21)	53	159
Equity & invest. income	45	35	47	27	(51)
Minority interests	(3)	(2)	(6)	(3)	(6)
Extraordinary items	0	(1)	0	(6)	6
Net profit	**498**	**63**	**(86)**	**160**	**601**
Normalized profit	**497**	**64**	**(86)**	**166**	**595**
EPS (Bt)	0.30	0.04	(0.05)	0.10	0.36
Normalized EPS (Bt)	0.30	0.04	(0.05)	0.10	0.36

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	19	39	44	193,584	187,962
Gross profit	**32**	**21**	**55**	**11,253**	**12,285**
SG&A	11	17	54	8,485	8,809
Operating profit	128	28	57	2,768	3,476
EBITDA	**51**	**17**	**54**	**5,773**	**6,638**
Other income			na	0	0
Other expense			na	0	0
Interest expense	(1)	1	51	1,103	1,508
Profit before tax	**313**	**42**	**60**	**1,665**	**1,967**
Income tax	199	35	64	333	393
Equity & invest. income	na	na	(12)	200	250
Minority interests	na	na	60	(15)	(15)
Extraordinary items	na	1,509	na	0	0
Net profit	**275**	**21**	**50**	**1,517**	**1,809**
Normalized profit	**257**	**20**	**50**	**1,517**	**1,809**
EPS (Bt)	275	21	50	0.91	1.08
Normalized EPS (Bt)	257	20	50	0.91	1.08

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Cash & ST investment	1,271	1,462	1,898	1,624	1,358
A/C receivable	669	647	722	874	1,002
Inventory	2,016	2,370	2,239	2,316	2,691
Other current assets	0	0	0	0	196
Investment	1,936	2,002	2,044	2,104	1,166
Fixed assets	11,000	11,308	11,505	11,626	11,968
Other assets	25,860	25,824	25,976	26,189	27,004
Total assets	**42,752**	**43,614**	**44,384**	**44,732**	**45,386**
S-T debt	3,024	5,491	5,537	6,055	5,178
A/C payable	3,952	4,151	6,000	5,555	6,981
Other current liabilities	3,220	1,128	913	761	860
L-T debt	4,723	4,821	3,844	3,948	3,583
Other liabilities	19,635	19,739	19,890	20,075	20,231
Minority interest	97	99	105	108	114
Shareholders' equity	**8,101**	**8,186**	**8,095**	**8,230**	**8,439**
Working capital	(1,267)	(1,134)	(3,038)	(2,365)	(3,288)
Total debt	7,747	10,311	9,382	10,004	8,761
Net debt	**6,477**	**8,849**	**7,484**	**8,380**	**7,403**

Financial Ratios					
(%)	2Q21	3Q21	4Q21	1Q22	2Q22
Sales growth	49.7	20.8	35.6	20.8	38.9
Operating profit growth	(6.8)	(60.3)	(84.3)	(43.8)	28.5
EBITDA growth	(2.4)	(30.7)	(43.1)	(21.5)	17.5
Norm profit growth	(2.3)	(87.4)	na	(68.6)	19.7
Norm EPS growth	(2.3)	(87.4)	na	(68.6)	19.7
Gross margin	8.7	8.0	5.8	6.8	7.6
Operating margin	2.5	1.2	0.4	1.2	2.4
EBITDA margin	4.8	3.7	2.4	3.2	4.0
Norm net margin	1.5	0.2	(0.2)	0.4	1.3
D/E (x)	0.9	1.2	1.1	1.2	1.0
Net D/E (x)	0.8	1.1	0.9	1.0	0.9
Interest coverage (x)	5.8	4.0	3.2	4.4	6.7
Interest rate	14.2	12.5	11.6	11.6	11.9
Effective tax rate	20.5	55.9	14.2	27.1	19.6
ROA	4.7	0.6	(0.8)	1.5	5.3
ROE	24.1	3.1	(4.2)	8.2	28.6

Sources: Company data, Thanachart estimates

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