SUSCO Pcl (SUSCO TB) - BUY, Price Bt3.62, TP Bt6.20

Results Comment

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2Q22 ahead of expectation

- SUSCO reported 2Q22 net profit of Bt158m, up more than 150% y-y and 21% q-q. The result was ahead of expectation due to volume growth and high margin. BUY.
- **Sales volume**. Total sales volume reached 272.6m liters, up 17% y-y but flat q-q. The strong y-y growth was due to recovery in jet fuel sales and further growth in retail volume following station conversion to *Esso* brand.
- **Margin**: Blended gross profit per litre was Bt1.91/litre, up from Bt1.47 and Bt1.61 per litre in 2Q21 and 1Q22, respectively. We think this was due to both improvement in underlying retail margin but also stock gain.
- **SG&A**. SG&A grew 17% y-y and 9% q-q. This was likely due to higher sales volume but also inflationary pressure in operating costs.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Revenue	4,759	4,618	6,027	7,281	8,867
Gross profit	**386**	**337**	**341**	**485**	**568**
SG&A	314	314	333	338	367
Operating profit	72	22	8	147	200
EBITDA	**163**	**117**	**105**	**245**	**300**
Other income	23	36	35	38	32
Other expense	0	0	0	0	0
Interest expense	14	15	15	15	17
Profit before tax	**81**	**43**	**28**	**170**	**215**
Income tax	17	16	5	35	57
Equity & invest. income	(3)	(4)	(3)	(4)	(0)
Minority interests	0	0	0	0	0
Extraordinary items	0	31	0	0	0
Net profit	**62**	**54**	**19**	**131**	**158**
Normalized profit	**62**	**23**	**19**	**131**	**158**
EPS (Bt)	0.06	0.05	0.02	0.12	0.15
Normalized EPS (Bt)	0.06	0.02	0.02	0.12	0.15

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	22	86	62	25,902	27,729
Gross profit	**17**	**47**	**63**	**1,677**	**1,805**
SG&A	9	17	55	1,280	1,323
Operating profit	36	176	87	397	483
EBITDA	**22**	**84**	**69**	**789**	**890**
Other income	(15)	42	76	93	95
Other expense			na	0	0
Interest expense	14	21	45	72	111
Profit before tax	**27**	**166**	**92**	**417**	**467**
Income tax	62	244	110	83	93
Equity & invest. income	na	na	na	0	0
Minority interests			na	0	0
Extraordinary items			na	0	0
Net profit	**21**	**156**	**87**	**334**	**374**
Normalized profit	**21**	**156**	**87**	**334**	**374**
EPS (Bt)	21	156	82	0.33	0.37
Normalized EPS (Bt)	21	156	82	0.33	0.37

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Cash & ST investment	421	507	367	693	1,107
A/C receivable	611	620	706	933	1,103
Inventory	476	573	498	655	811
Other current assets	205	218	226	335	335
Investment	1,183	1,198	1,169	1,227	1,298
Fixed assets	1,775	1,823	1,867	1,849	1,942
Other assets	1,847	1,969	1,961	1,956	2,018
Total assets	**6,518**	**6,907**	**6,794**	**7,648**	**8,613**
S-T debt	437	620	312	705	1,081
A/C payable	888	990	1,220	1,418	1,753
Other current liabilities	208	198	193	220	260
L-T debt	243	232	221	299	395
Other liabilities	1,189	1,325	1,321	1,348	1,376
Minority interest	(290)	(290)	(290)	(290)	(290)
Shareholders' equity	**3,844**	**3,833**	**3,816**	**3,949**	**4,038**
Working capital	199	203	(16)	171	161
Total debt	679	852	533	1,003	1,476
Net debt	**259**	**344**	**167**	**310**	**369**

Financial Ratios					
(%)	2Q21	3Q21	4Q21	1Q22	2Q22
Sales growth	61.1	24.0	53.9	57.3	86.3
Operating profit growth	8.6	(70.6)	(93.4)	26.9	176.4
EBITDA growth	5.2	(28.8)	(50.7)	19.9	84.4
Norm profit growth	(14.9)	(67.4)	(80.9)	31.9	156.3
Norm EPS growth	(14.9)	(67.4)	(80.9)	31.9	156.3
Gross margin	8.1	7.3	5.7	6.7	6.4
Operating margin	1.5	0.5	0.1	2.0	2.3
EBITDA margin	3.4	2.5	1.7	3.4	3.4
Norm net margin	1.3	0.5	0.3	1.8	1.8
D/E (x)	0.2	0.2	0.2	0.3	0.4
Net D/E (x)	0.1	0.1	0.0	0.1	0.1
Interest coverage (x)	11.4	7.6	6.8	16.2	17.4
Interest rate	9.7	8.1	8.9	7.9	5.6
Effective tax rate	20.4	36.6	19.2	20.6	26.3
ROA	3.8	1.4	1.1	7.2	7.8
ROE	6.4	2.4	2.0	13.5	15.9

Sources: Company data, Thanachart estimates

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