

Prima Marine Pcl (PRM TB) - BUY, Price Bt6.65, TP Bt9.00**Results Comment**

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3Q22 a strong beat on int'l tanker, FSU

- PRM reported 3Q22 net profit of Bt1.06bn (EPS Bt0.42). Excluding items, we estimate norm profit was Bt697m (norm EPS Bt0.28), almost tripled y-y and q-q. The result was significantly ahead of expectation due to strong international tanker and FSU results. Maintain BUY with upside risks to our forecasts.
- Domestic tanker** gross profit was Bt128m, +18% y-y but down slightly q-q, in line with normal seasonal trend. PRM added 1 vessel during 3Q22 and now has 35 small tankers.
- Int'l tanker** gross profit jumped to Bt127m, up from Bt27m/49m in 3Q21/2Q22, respectively, due to higher Aframax rate and as a new VLCC entered its fleet. PRM now operates 3 VLCCs and 1 Aframax as of end-3Q22.
- FSU:** GP from FSU was Bt367m, up 34% y-y and almost doubled q-q. This was a result of 1 additional FSU (totaling 6 at end-3Q22) and higher rate adjustment.
- Offshore:** GP from offshore vessels was Bt83m, +69% y-y and 49% q-q. PRM added 1 new AWB (accommodation work barge) and now operates 2 such vessels along with 13 crew boats (which were fully utilized this quarter).
- Ship management:** GP here fell to just Bt7m, down by over 80% y-y and q-q. PRM now manages just 2 out-of-fleet vessels compared to 3 vessels last quarter and 4 at this time last year.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	1,543	1,457	1,474	1,704	2,150	Revenue	26	39	93	5,745	6,453
Gross profit	486	349	437	463	715	Gross profit	55	47	81	1,994	2,269
SG&A	108	194	112	129	133	SG&A	4	23	78	479	506
Operating profit	378	155	325	334	582	Operating profit	74	54	82	1,515	1,763
EBITDA	641	432	560	604	911	EBITDA	51	42	82	2,518	2,923
Other income	2	45	25	9	17	Other income	94	658	51	100	102
Other expense	0	0	0	0	0	Other expense			na	0	0
Interest expense	71	66	56	64	81	Interest expense	26	15	74	272	347
Profit before tax	309	134	294	279	518	Profit before tax	86	67	81	1,343	1,517
Income tax	28	4	20	23	50	Income tax	111	75	69	134	152
Equity & invest. income	(25)	3	20	21	174	Equity & invest. income	720	na	251	86	72
Minority interests	(61)	(7)	(28)	(14)	(29)	Minority interests	na	na	69	(104)	(115)
Extraordinary items	231	43	7	(64)	444	Extraordinary items	na	92	na	0	0
Net profit	426	169	274	199	1,057	Net profit	432	148	128	1,191	1,323
Normalized profit	239	135	268	250	697	Normalized profit	178	192	102	1,191	1,323
EPS (Bt)	0.17	0.07	0.11	0.08	0.42	EPS (Bt)	432	148	128	0.48	0.53
Normalized EPS (Bt)	0.10	0.05	0.11	0.10	0.28	Normalized EPS (Bt)	178	192	102	0.48	0.53

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Cash & ST investment	2,574	2,612	2,460	2,041	3,296	Sales growth	2.3	2.8	3.5	17.0	39.3
A/C receivable	768	741	870	968	905	Operating profit growth	(31.3)	(65.6)	(29.4)	4.0	54.0
Inventory	182	166	184	228	209	EBITDA growth	(12.7)	(32.3)	(12.9)	9.3	42.2
Other current assets	12	96	115	110	120	Norm profit growth	(43.9)	(64.0)	(35.9)	(6.6)	192.0
Investment	476	458	478	499	673	Norm EPS growth	(43.9)	(64.0)	(35.9)	(6.6)	192.0
Fixed assets	11,951	9,606	9,447	9,704	9,711	Gross margin	31.5	23.9	29.6	27.2	33.3
Other assets	1,631	3,670	3,653	5,267	7,161	Operating margin	24.5	10.7	22.0	19.6	27.1
Total assets	17,593	17,349	17,207	18,818	22,075	EBITDA margin	41.5	29.6	38.0	35.5	42.4
S-T debt	1,615	1,385	1,399	1,305	1,599	Norm net margin	15.5	9.2	18.2	14.7	32.4
A/C payable	918	890	780	1,071	1,138	D/E (x)	0.6	0.6	0.5	0.5	0.4
Other current liabilities	342	320	343	448	659	Net D/E (x)	0.3	0.3	0.3	0.3	0.1
L-T debt	3,735	3,968	3,640	3,410	3,018	Interest coverage (x)	9.1	6.5	10.1	9.4	11.2
Other liabilities	1,750	1,676	1,624	3,245	5,029	Interest rate	5.0	4.9	4.3	5.3	7.0
Minority interest	339	327	355	381	381	Effective tax rate	9.2	2.7	6.6	8.4	9.6
Shareholders' equity	8,893	8,783	9,066	8,957	10,252	ROA	5.4	3.1	6.2	5.6	13.6
Working capital	31	17	275	125	(24)	ROE	11.1	6.1	12.0	11.1	29.0
Total debt	5,350	5,353	5,039	4,715	4,616						
Net debt	2,776	2,741	2,580	2,674	1,320						

Sources: Company data, Thanachart estimates

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