

**Sabina Pcl (SABINA TB) - BUY, Price Bt26.25, TP Bt30.00****Results Comment**

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**Good 4Q22 results, in line**

- SABINA reported Bt106m net profit in 4Q22, up 8% y-y and 6% q-q. This was in line with ours and the market's expectation.
- The company's y-y and q-q earnings growth was driven by improving sales and rising gross margin.
- SABINA's sales in 4Q22 was at Bt836m, up 5% y-y and 8% q-q. The y-y sales growth was driven by improving sales in online and OEM channels. Meanwhile, the q-q sales growth resulted from rising sales in offline and OEM channels.
- SABINA's gross margin was at 49.5% in 4Q22, up from 48.4% in 4Q21 and 48.0% in 3Q22. Operating margin expanded to 16.1% in 4Q22 from 14.9% in 4Q21 and 15.3% in 3Q22 due to rising revenue and cost controls.
- Including 4Q22 earnings, SABINA reported Bt417m in 2022, up 42% y-y. Thanks to in-line results, we maintain our earnings and TP. Looking into 2023, we estimate SABINA's earnings still grow, driven by improving sales and margin expansion due to rising sales mix in high-margin products and economies of scale. We still see SABINA as a growth stock and maintain BUY.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q21	1Q22	2Q22	3Q22	4Q22	(Bt m)	q-q%	y-y%	% 2022F	2022A	2023F
Revenue	799	721	837	774	836	Revenue	8	5	100	3,168	3,609
<b>Gross profit</b>	<b>387</b>	<b>353</b>	<b>382</b>	<b>371</b>	<b>414</b>	<b>Gross profit</b>	<b>11</b>	<b>7</b>	<b>103</b>	<b>1,520</b>	<b>1,682</b>
SG&A	268	232	255	253	279	SG&A	10	4	104	1,018	1,074
Operating profit	119	121	128	119	135	Operating profit	14	13	101	502	608
<b>EBITDA</b>	<b>141</b>	<b>138</b>	<b>145</b>	<b>136</b>	<b>153</b>	<b>EBITDA</b>	<b>12</b>	<b>9</b>	<b>103</b>	<b>571</b>	<b>658</b>
Other income	4	3	9	7	(2)	Other income	na	na	79	18	25
Other expense	0	0	0	0	0	Other expense				0	0
Interest expense	1	1	1	1	1	Interest expense	52	19	82	4	11
<b>Profit before tax</b>	<b>121</b>	<b>123</b>	<b>136</b>	<b>125</b>	<b>131</b>	<b>Profit before tax</b>	<b>5</b>	<b>8</b>	<b>100</b>	<b>516</b>	<b>622</b>
Income tax	23	22	27	25	25	Income tax	2	7	99	99	124
Equity & invest. income	0	0	0	0	0	Equity & invest. income				0	0
Minority interests	0	0	0	0	0	Minority interests	101			0	0
Extraordinary items	0	0	0	0	0	Extraordinary items				0	0
<b>Net profit</b>	<b>98</b>	<b>102</b>	<b>109</b>	<b>100</b>	<b>106</b>	<b>Net profit</b>	<b>6</b>	<b>8</b>	<b>101</b>	<b>417</b>	<b>498</b>
<b>Normalized profit</b>	<b>98</b>	<b>102</b>	<b>109</b>	<b>100</b>	<b>106</b>	<b>Normalized profit</b>	<b>6</b>	<b>8</b>	<b>101</b>	<b>417</b>	<b>498</b>
EPS (Bt)	0.28	0.29	0.31	0.29	0.31	EPS (Bt)	6	8	100	1.20	1.43
Normalized EPS (Bt)	0.28	0.29	0.31	0.29	0.31	Normalized EPS (Bt)	6	8	100	1.20	1.43

  

Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q21	1Q22	2Q22	3Q22	4Q22	(%)	4Q21	1Q22	2Q22	3Q22	4Q22
Cash & ST investment	80	122	104	104	118	Sales growth	5.5	8.3	33.8	43.0	4.6
A/C receivable	445	444	448	457	472	Operating profit growth	33.6	30.2	78.1	82.4	13.3
Inventory	1,260	1,192	1,083	1,080	1,126	EBITDA growth	20.9	21.2	58.2	60.6	8.7
Other current assets	359	423	463	419	484	Norm profit growth	39.6	29.6	74.4	81.7	8.3
Investment	0	0	0	0	0	Norm EPS growth	39.6	29.6	74.4	81.7	8.3
Fixed assets	244	241	237	237	241	Gross margin	48.4	49.0	45.7	48.0	49.5
Other assets	315	319	312	308	299	Operating margin	14.9	16.8	15.2	15.3	16.1
<b>Total assets</b>	<b>2,703</b>	<b>2,740</b>	<b>2,647</b>	<b>2,603</b>	<b>2,740</b>	EBITDA margin	17.6	19.1	17.3	17.5	18.3
S-T debt	395	403	333	293	317	Norm net margin	12.3	14.1	13.1	13.0	12.7
A/C payable	252	149	199	239	289	D/E (x)	0.2	0.2	0.2	0.2	0.2
Other current liabilities	65	71	55	102	64	Net D/E (x)	0.2	0.1	0.1	0.1	0.1
L-T debt	0	0	0	0	0	Interest coverage (x)	119.1	129.9	155.3	146.5	108.3
Other liabilities	163	194	204	210	201	Interest rate	1.1	1.1	1.0	1.2	1.8
Minority interest	0	0	1	1	1	Effective tax rate	19.3	17.7	19.6	19.8	19.2
<b>Shareholders' equity</b>	<b>1,829</b>	<b>1,923</b>	<b>1,855</b>	<b>1,758</b>	<b>1,868</b>	ROA	14.8	14.9	16.2	15.3	15.9
Working capital	1,454	1,486	1,332	1,297	1,309	ROE	22.1	21.7	23.1	22.2	23.4
Total debt	395	403	333	293	317						
<b>Net debt</b>	<b>315</b>	<b>281</b>	<b>229</b>	<b>189</b>	<b>200</b>						

Sources: Company data, Thanachart estimates

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