

Srinanaporn Marketing (SNNP TB) - HOLD, Price Bt21.3, TP Bt25.0**Results Comment**

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In-line 2Q23 results

- SNNP's earnings came in at Bt157m, increased by 35% from the low base last year. The earnings were flat q-q.
- Domestic revenues increased by 11% from last year when SNNP began to relaunch its products. Domestic sales were flat q-q.
- Export sales didn't grow from last year due mainly to the soft consumption in Vietnam. They increased by 10% q-q due to the seasonal impact.
- Gross margin increased to 28% from 26% last year when SNNP was still in the process of efficiently improvement. The margin was similar to the previous quarter.
- SG&A to sales fell to 14.7% from 15.8% last year due to the operating leverage impact. This was similar with last year.

Income Statement						Income Statement					
(consolidated)						6M as					
Yr-end Dec (Bt m)	2Q22	3Q22	4Q22	1Q23	2Q23	(Bt m)	q-q%	y-y%	% 2023F	2023F	2024F
Revenue	1,323	1,468	1,632	1,420	1,470	Revenue	4	11	47	6,212	6,724
Gross profit	345	400	458	400	410	Gross profit	2	19	46	1,765	1,976
SG&A	210	235	263	207	216	SG&A	4	3	43	976	1,056
Operating profit	136	165	195	194	194	Operating profit	0	43	49	789	920
EBITDA	175	205	235	233	239	EBITDA	3	36	48	974	1,130
Other income	16	19	2	7	11	Other income	46	(34)	44	40	41
Other expense	0	0	0	0	0	Other expense					
Interest expense	0	0	1	1	2	Interest expense	99	982	42	6	4
Profit before tax	152	184	197	200	203	Profit before tax	1	34	49	824	957
Income tax	30	36	42	40	41	Income tax	1	37	65	124	144
Equity & invest. income	(6)	(6)	(6)	(8)	(7)	Equity & invest. income	na	na	na	(25)	(25)
Minority interests	0	(0)	3	2	1	Minority interests	(38)	880	77	4	5
Extraordinary items	0	0	0	0	0	Extraordinary items					
Net profit	116	142	152	154	157	Net profit	2	35	46	679	793
Normalized profit	116	142	152	154	157	Normalized profit	2	35	46	679	793
EPS (Bt)	0.12	0.15	0.16	0.16	0.16	EPS (Bt)	2	35	46	0.71	0.83
Normalized EPS (Bt)	0.12	0.15	0.16	0.16	0.16	Normalized EPS (Bt)	2	35	46	0.71	0.83

Balance Sheet						Financial Ratios					
(consolidated)						6M as					
Yr-end Dec (Bt m)	2Q22	3Q22	4Q22	1Q23	2Q23	(%)	2Q22	3Q22	4Q22	1Q23	2Q23
Cash & ST investment	106	201	133	196	103	Sales grow th	23.9	50.2	34.9	25.3	11.1
A/C receivable	1,277	1,392	1,587	1,510	1,664	Operating profit grow th	17.7	98.5	36.7	47.1	43.1
Inventory	535	627	681	701	713	EBITDA grow th	11.7	65.0	28.1	36.1	36.5
Other current assets	2	3	1	2	2	Norm profit grow th	50.9	130.6	26.1	46.2	35.3
Investment	121	114	110	100	95	Norm EPS grow th	50.9	130.6	26.1	46.2	35.3
Fixed assets	2,006	2,115	1,941	1,946	1,993	Gross margin	26.1	27.3	28.1	28.2	27.9
Other assets	453	464	616	620	647	Operating margin	10.3	11.3	12.0	13.6	13.2
Total assets	4,500	4,916	5,069	5,075	5,219	EBITDA margin	13.2	14.0	14.4	16.4	16.3
S-T debt	0	100	57	23	217	Norm net margin	8.8	9.7	9.3	10.8	10.7
A/C payable	1,027	1,249	1,256	1,112	1,061	D/E (x)	0.0	0.1	0.1	0.1	0.1
Other current liabilities	66	45	82	122	91	Net D/E (x)	(0.0)	0.0	0.0	0.0	0.1
L-T debt	56	138	227	231	269	Interest coverage (x)	1,198.7	714.6	221.6	292.8	151.2
Other liabilities	138	149	141	140	163	Interest rate	2.1	0.8	1.6	1.2	1.7
Minority interest	267	286	257	251	261	Effective tax rate	19.5	19.8	21.4	20.0	20.0
Shareholders' equity	2,948	2,950	3,049	3,197	3,157	ROA	10.6	12.1	12.2	12.1	12.2
Working capital	785	770	1,011	1,099	1,317	ROE	15.7	19.3	20.3	19.7	19.7
Total debt	56	238	284	254	486						
Net debt	(50)	37	151	59	383						

Sources: Company data, Thanachart estimates

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