

Wice Logistics Pcl (WICE TB) - SELL, Price Bt8.35, TP Bt10.50**Results Comment**

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Weak 2Q23 profit, below expectation

- WICE reported 2Q23 net profit of B63m. Excluding FX item, its normalized profit would be Bt55m, falling 64% y-y but rising 7% q-q. 6M23 normalized profit accounted for just 16% of our projection.
- Revenue was down 52% y-y and 5% q-q in 2Q23 with gross margin falling to 18.8% in 2Q23 vs. 17.3% in 2Q22 and 20.5% in 1Q23. There is no detail breakdown by business provided.
- We see downside risk to our number and maintain our SELL call.

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	2,045	1,587	1,316	1,031	975	Revenue	(5)	(52)	28	7,057	6,173
Gross profit	354	293	276	211	183	Gross profit	(13)	(48)	28	1,423	1,171
SG&A	128	118	116	126	97	SG&A	(23)	(24)	44	512	530
Operating profit	226	175	160	85	86	Operating profit	1	(62)	19	911	641
EBITDA	252	203	189	115	121	EBITDA	5	(52)	23	1,034	800
Other income	1	1	1	1	2	Other income	42	131	na	0	0
Other expense	0	0	0	0	0	Other expense					
Interest expense	6	6	5	5	6	Interest expense	10	(9)	96	11	11
Profit before tax	221	170	156	81	82	Profit before tax	1	(63)	18	900	630
Income tax	53	45	31	19	11	Income tax	(45)	(80)	17	180	126
Equity & invest. income	0	0	0	(1)	(1)	Equity & invest. income	na	na	na	0	0
Minority interests	(16)	(18)	(1)	(10)	(16)	Minority interests	na	na	na	(68)	(76)
Extraordinary items	18	23	(29)	4	8	Extraordinary items	97	(55)	na	0	0
Net profit	170	130	96	55	63	Net profit	14	(63)	18	652	428
Normalized profit	152	107	125	51	55	Normalized profit	7	(64)	16	652	428
EPS (Bt)	0.26	0.20	0.15	0.08	0.10	EPS (Bt)	14	(63)	18	1.00	0.66
Normalized EPS (Bt)	0.23	0.16	0.19	0.08	0.08	Normalized EPS (Bt)	7	(64)	16	1.00	0.66

Balance Sheet						Financial Ratios					
(consolidated)						2022 3Q22 4Q22 1Q23 2Q23					
Yr-end Dec (Bt m)	2Q22	3Q22	4Q22	1Q23	2Q23	(%)	2Q22	3Q22	4Q22	1Q23	2Q23
Cash & ST investment	779	1,167	1,206	1,160	809	Sales grow th	20.4	(30.2)	(44.7)	(52.2)	(52.3)
A/C receivable	1,461	1,310	1,069	928	909	Operating profit grow th	41.2	(23.6)	(37.5)	(54.9)	(61.9)
Inventory	0	0	0	0	0	EBITDA grow th	42.5	(18.3)	(32.1)	(46.3)	(52.1)
Other current assets	344	61	64	100	64	Norm profit grow th	46.3	(30.1)	(31.7)	(65.0)	(64.0)
Investment	0	0	0	0	0	Norm EPS grow th	46.3	(30.1)	(31.7)	(65.0)	(64.0)
Fixed assets	347	346	335	323	315	Gross margin	17.3	18.5	21.0	20.5	18.8
Other assets	624	624	658	660	703	Operating margin	11.0	11.0	12.2	8.2	8.8
Total assets	3,554	3,508	3,332	3,169	2,801	EBITDA margin	12.3	12.8	14.4	11.2	12.4
S-T debt	136	136	132	132	127	Norm net margin	7.4	6.7	9.5	5.0	5.6
A/C payable	1,110	912	813	659	581	D/E (x)	0.2	0.1	0.1	0.1	0.1
Other current liabilities	296	310	227	230	195	Net D/E (x)	(0.3)	(0.5)	(0.5)	(0.5)	(0.4)
L-T debt	160	140	119	99	82	Interest coverage (x)	40.5	35.6	38.3	22.3	21.3
Other liabilities	166	168	169	169	197	Interest rate	8.1	8.0	7.5	8.6	10.3
Minority interest	212	233	232	225	241	Effective tax rate	23.9	26.3	19.8	24.0	12.9
Shareholders' equity	1,474	1,609	1,639	1,656	1,378	ROA	17.2	12.1	14.6	6.3	7.3
Working capital	350	397	256	268	328	ROE	41.6	27.7	30.7	12.4	14.4
Total debt	296	276	251	230	209						
Net debt	(483)	(891)	(955)	(929)	(600)						

Sources: Company data, Thanachart estimates

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