

Euroasia Total Logistics (ETL TB) - BUY, Price Bt0.73, TP Bt0.95**Results Comment**

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Making loss in 3Q24

- ETL reported net loss of Bt13m in 3Q24. Excluding FX items, normalized loss would be Bt3m in 3Q24.
- This was much below our expectation on both revenue and gross margin.
- 3Q24 revenue decreased 1% y-y and 11% q-q due to lower volume of fruit export shipments to China through cold chain business which started in 2Q24. China accounted for 40% of total revenue, followed by Malaysia at 33% and Thailand at 27%.
- Gross margin dropped to 6.4% in 3Q24, vs. 12.1% in 2Q24 and 16.1% in 3Q23.
- 9M24 accounts for 26% of our full-year earnings projection. We see downside risk to our number on ETL.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F
Revenue	304	288	270	340	302	Revenue	(11)	(1)	67	1,362	1,445
Gross profit	49	42	44	41	19	Gross profit	(53)	(61)	56	185	204
SG&A	26	35	40	30	27	SG&A	(10)	3	71	136	144
Operating profit	23	7	4	11	(7)	Operating profit	na	na	17	49	59
EBITDA	38	16	18	27	9	EBITDA	(64)	(75)	50	110	137
Other income	3	(4)	4	5	1	Other income	(81)	(67)	85	11	12
Other expense	0	0	0	0	0	Other expense					
Interest expense	4	3	2	3	3	Interest expense	6	(25)	60	12	15
Profit before tax	22	(1)	6	13	(9)	Profit before tax	na	na	22	48	56
Income tax	6	(4)	2	4	(4)	Income tax	na	na	20	12	14
Equity & invest. income	(0)	(0)	0	0	0	Equity & invest. income					
Minority interests	2	2	(0)	(1)	3	Minority interests	na	82	105	1	1
Extraordinary items	(1)	3	4	7	(11)	Extraordinary items	na	na	na	0	0
Net profit	17	8	8	15	(13)	Net profit	na	na	28	37	43
Normalized profit	18	5	4	8	(3)	Normalized profit	na	na	26	37	43
EPS (Bt)	0.03	0.01	0.01	0.02	(0.02)	EPS (Bt)	na	na	28	0.06	0.07
Normalized EPS (Bt)	0.03	0.01	0.01	0.01	(0.00)	Normalized EPS (Bt)	na	na	26	0.06	0.07
Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	(%)	3Q23	4Q23	1Q24	2Q24	3Q24
Cash & ST investment	73	89	88	60	56	Sales grow th	(26.9)	(22.4)	(11.5)	(0.5)	(0.7)
A/C receivable	440	435	359	395	380	Operating profit grow th	(12.9)	(69.6)	(78.9)	(38.2)	na
Inventory	0	0	0	0	0	EBITDA grow th	2.5	(37.4)	(40.0)	(14.9)	(74.8)
Other current assets	31	154	166	112	115	Norm profit grow th	(14.4)	(81.1)	(80.0)	(30.0)	na
Investment	0	0	0	0	0	Norm EPS grow th	(14.4)	(81.1)	(80.0)	(30.0)	na
Fixed assets	177	168	165	207	199	Gross margin	16.1	14.5	16.3	12.1	6.4
Other assets	207	204	200	238	238	Operating margin	7.7	2.3	1.5	3.4	(2.4)
Total assets	929	1,049	979	1,012	988	EBITDA margin	12.4	5.6	6.8	7.8	3.1
S-T debt	137	35	33	29	26	Norm net margin	5.9	1.7	1.6	2.3	(0.8)
A/C payable	271	233	155	150	220	D/E (x)	0.5	0.1	0.1	0.1	0.1
Other current liabilities	44	42	37	49	49	Net D/E (x)	0.3	(0.0)	(0.0)	(0.0)	(0.0)
L-T debt	46	33	26	21	16	Interest coverage (x)	10.3	5.1	9.8	10.3	3.5
Other liabilities	71	64	60	85	80	Interest rate	7.9	10.1	11.9	18.9	23.8
Minority interest	0	(1)	(1)	0	(3)	Effective tax rate	25.8	496.2	26.6	32.8	40.8
Shareholders' equity	360	643	668	677	600	ROA	7.6	2.0	1.7	3.2	(1.0)
Working capital	170	202	203	244	160	ROE	18.4	4.0	2.6	4.7	(1.6)
Total debt	183	68	59	50	42						
Net debt	110	(21)	(29)	(10)	(14)						

Sources: Company data, Thanachart estimates

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