

Rojana Industrial Park (ROJNA TB) - BUY, Price Bt6.90, TP Bt8.00**Results Comment**

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Weak 3Q24 profit, in-line

- ROJNA reported net profit of Bt2.3bn in 3Q24. Excluding extra items mainly unrealized gain on its financial assets' revaluation, normalized profit would be Bt294m, falling 39% y-y and 61% q-q. The drop was mainly due to rising effective tax rate.
- ROJNA's 3Q24 operating profit grew 41% y-y and 12% q-q driven by industrial estate (IE) business.
- IE land transfer (73% of 3Q24 gross profit): revenue increased 78% y-y and flat q-q to Bt2bn in 3Q24. Average IE gross margin was 50% in 3Q24, rising from 41% in 3Q23 and 36% in 2Q24 which we attributed to product mix.
- Power plant (15%): revenue growth was -1% y-y and +8% q-q. Gross margin dropped to 6.8% in 3Q24 from 12.3% in 2Q24 and 12.8% in 3Q23 due to rising gas cost.
- 9M24 normalized profit accounted for 74% of our full-year forecast.

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	4,455	4,963	3,746	5,134	5,347	Revenue	4	20	76	18,673	19,426
Gross profit	903	1,407	572	1,164	1,288	Gross profit	11	43	89	3,390	3,883
SG&A	174	288	154	245	260	SG&A	6	49	80	819	858
Operating profit	729	1,119	419	920	1,028	Operating profit	12	41	92	2,570	3,025
EBITDA	1,171	1,565	858	1,356	1,458	EBITDA	8	25	88	4,189	4,685
Other income	13	32	26	145	39	Other income	(73)	213	173	121	119
Other expense	0	0	0	0	0	Other expense					
Interest expense	258	256	246	229	229	Interest expense	0	(11)	89	791	704
Profit before tax	484	895	198	836	839	Profit before tax	0	73	99	1,901	2,440
Income tax	(23)	70	2	(2)	431	Income tax	na	na	371	116	149
Equity & invest. income	24	34	28	21	21	Equity & invest. income	2	(11)	na	0	0
Minority interests	(48)	(36)	(13)	(101)	(135)	Minority interests	na	na	na	(80)	(101)
Extraordinary items	(216)	(159)	(120)	(130)	1,969	Extraordinary items	na	na	na	0	0
Net profit	268	664	92	629	2,263	Net profit	260	745	175	1,705	2,190
Normalized profit	483	823	212	758	294	Normalized profit	(61)	(39)	74	1,705	2,190
EPS (Bt)	0.13	0.33	0.05	0.31	1.12	EPS (Bt)	260	745	175	0.84	1.08
Normalized EPS (Bt)	0.24	0.41	0.10	0.38	0.15	Normalized EPS (Bt)	(61)	(39)	74	0.84	1.08

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	12,815	11,579	12,649	11,078	13,293	Sales grow th	10.2	(7.1)	(29.0)	12.0	20.0
A/C receivable	1,879	1,776	1,931	1,864	1,936	Operating profit grow th	na	35.5	(28.9)	39.4	41.0
Inventory	8,359	7,734	7,529	6,266	5,303	EBITDA grow th	993.0	27.0	(14.2)	23.9	24.5
Other current assets	636	700	539	860	1,007	Norm profit grow th	na	52.6	(41.9)	38.6	(39.1)
Investment	3,572	3,582	3,610	3,586	3,597	Norm EPS grow th	na	52.6	(41.9)	38.6	(39.1)
Fixed assets	18,093	17,678	17,394	16,898	16,595	Gross margin	20.3	28.3	15.3	22.7	24.1
Other assets	3,490	4,646	4,793	5,492	5,871	Operating margin	16.4	22.5	11.2	17.9	19.2
Total assets	48,846	47,696	48,446	46,044	47,602	EBITDA margin	26.3	31.5	22.9	26.4	27.3
S-T debt	9,822	3,965	5,444	5,917	5,847	Norm net margin	10.8	16.6	5.7	14.8	5.5
A/C payable	1,829	1,516	1,588	1,475	822	D/E (x)	1.2	1.0	0.9	0.8	0.8
Other current liabilities	2,407	5,810	6,656	6,440	5,649	Net D/E (x)	0.6	0.4	0.3	0.3	0.2
L-T debt	14,054	15,236	13,387	11,064	11,472	Interest coverage (x)	4.5	6.1	3.5	5.9	6.4
Other liabilities	1,461	1,234	1,289	1,109	1,381	Interest rate	4.5	4.8	5.2	5.1	5.3
Minority interest	2,808	2,815	2,854	2,955	2,990	Effective tax rate	(4.7)	7.8	0.9	(0.3)	51.3
Shareholders' equity	16,463	17,119	17,227	17,083	19,441	ROA	4.1	6.8	1.8	6.4	2.5
Working capital	8,409	7,993	7,872	6,655	6,417	ROE	11.8	19.6	4.9	17.7	6.4
Total debt	23,877	19,201	18,831	16,981	17,320						
Net debt	11,061	7,622	6,182	5,902	4,027						

Sources: Company data, Thanachart estimates

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