

SCGJWD Logistics Pcl (SJWD TB) - BUY, Price Bt11.90, TP Bt14.00 | Results Comment

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Strong 3Q24, beat on other income

- SJWD's normalized profit increased 67% y-y and 45% q-q to Bt256m in 3Q24. This was better-than-expected on other income. 9M24 accounting for 72% of our full-year forecast.
- The strong growth performance in 3Q24 was mainly due to rising equity income, contribution of new business SCG Inter Vietnam and falling SG&A. 3Q was also higher seasonal quarter.
- Equity income rose by 138% y-y and 15% q-q to Bt136m, driven by improving performance in JVs including 1) higher industrial land sales in Cambodia via PPSP; 2) higher export/import container volume via a container terminal ESCO; 3) revenue contribution from cold storage JV with TU; 4) improving sea freight business in Vietnam via TMS.
- Warehouse, yard management and other logistics services (39% of 2Q24 gross profit) registered gross profit growth of -10% y-y and +9% q-q. Key growth q-q was driven by dangerous goods terminal.
- Transportation business revenue (29%) gross profit growth was +12% y-y and -5% q-q. Growth y-y was due to improving gross margin in B2B transport business owing to improving efficiency.
- Other logistics service (17%) (such as freight business, relocation, self-storage) gross profit growth was -7% y-y and +10% q-q
- Overseas (15%) gross profit growth was 87% y-y and 30% q-q due to contribution from new business SCG Inter Vietnam since June 2024.

Income Statement		(consolidated)				
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	
Revenue	6,417	6,300	6,252	5,777	6,189	
Gross profit	806	924	799	773	797	
SG&A	563	581	509	596	544	
Operating profit	243	343	290	177	254	
EBITDA	440	971	693	567	640	
Other income	42	77	22	43	47	
Other expense	0	0	0	0	0	
Interest expense	120	134	146	162	170	
Profit before tax	165	286	165	58	131	
Income tax	62	42	37	(14)	7	
Equity & invest. income	57	52	52	119	136	
Minority interests	(6)	(28)	(20)	(15)	(3)	
Extraordinary items	(14)	(7)	4	338	(1)	
Net profit	140	261	164	515	255	
Normalized profit	154	268	160	177	256	
EPS (Bt)	0.08	0.14	0.09	0.28	0.14	
Normalized EPS (Bt)	0.08	0.15	0.09	0.10	0.14	

Balance Sheet		(consolidated)				
Yr-end Dec (Bt m)	3Q23	4Q23	1Q24	2Q24	3Q24	
Cash & ST investment	2,828	1,492	2,541	1,424	2,211	
A/C receivable	3,691	3,764	3,714	3,932	3,727	
Inventory	168	134	105	91	97	
Other current assets	571	594	565	622	415	
Investment	3,712	3,702	7,210	7,823	7,927	
Fixed assets	10,527	8,859	8,940	9,287	9,462	
Other assets	17,371	20,653	20,029	19,984	19,914	
Total assets	38,868	39,198	43,102	43,163	43,752	
S-T debt	1,726	884	2,131	2,351	2,307	
A/C payable	2,853	3,083	2,960	3,091	3,010	
Other current liabilities	767	834	1,430	908	921	
L-T debt	7,668	7,586	9,443	9,524	10,396	
Other liabilities	3,295	3,506	3,476	3,541	3,435	
Minority interest	335	975	1,002	1,034	1,015	
Shareholders' equity	22,224	22,330	22,660	22,714	22,669	
Working capital	1,006	815	859	932	813	
Total debt	9,394	8,470	11,574	11,875	12,703	
Net debt	6,566	6,979	9,034	10,451	10,492	

Income Statement		9M as				
(Bt m)	q-q%	y-y%	% 2024F	2024F	2025F	
Revenue	7	(4)	74	24,763	26,107	
Gross profit	3	(1)	72	3,269	3,499	
SG&A	(9)	(3)	74	2,240	2,377	
Operating profit	43	4	70	1,029	1,121	
EBITDA	13	45	58	3,287	4,518	
Other income	10	12	105	106	112	
Other expense						
Interest expense	5	41	79	604	609	
Profit before tax	125	(21)	67	531	625	
Income tax	na	(88)	36	82	125	
Equity & invest. income	15	138	68	450	622	
Minority interests	na	na	na	(69)	(72)	
Extraordinary items	na	na	99	342	0	
Net profit	(50)	82	80	1,172	1,050	
Normalized profit	45	67	72	830	1,050	
EPS (Bt)	(50)	82	80	0.65	0.58	
Normalized EPS (Bt)	45	67	72	0.46	0.58	

Financial Ratios		9M as				
(%)	3Q23	4Q23	1Q24	2Q24	3Q24	
Sales grow th	305.0	298.7	28.0	(5.8)	(3.5)	
Operating profit grow th	91.3	169.0	27.1	(15.4)	4.3	
EBITDA grow th	26.3	212.2	29.0	(15.2)	45.4	
Norm profit grow th	26.0	34.3	(30.6)	40.9	66.8	
Norm EPS grow th	(29.0)	(24.3)	(48.2)	40.9	66.8	
Gross margin	12.6	14.7	12.8	13.4	12.9	
Operating margin	3.8	5.4	4.6	3.1	4.1	
EBITDA margin	6.9	15.4	11.1	9.8	10.3	
Norm net margin	2.4	4.3	2.6	3.1	4.1	
D/E (x)	0.4	0.4	0.5	0.5	0.5	
Net D/E (x)	0.3	0.3	0.4	0.4	0.4	
Interest coverage (x)	3.7	7.2	4.7	3.5	3.8	
Interest rate	5.5	6.0	5.8	5.5	5.5	
Effective tax rate	37.6	14.7	22.2	(24.8)	5.7	
ROA	1.6	2.7	1.6	1.6	2.4	
ROE	2.8	4.8	2.9	3.1	4.5	

Sources: Company data, Thanachart estimates