

Wice Logistics Pcl (WICE TB) - SELL, Price Bt5.40, TP 5.50**Results Comment**

Rata Limsuthiwanpoom | Email: rata.lim@thanachartsec.co.th

Very weak 3Q24, a miss

- WICE reported 3Q24 net profit of B18m. Excluding FX item, its normalized profit would be Bt26m, rising 9% y-y from low base but falling 56% q-q. This was below our expectation on sea freight and cross-border businesses
- Sea freight (33% of gross profit): revenue growth was +88% y-y and +25% q-q to Bt479m, which attributed to both volume and pricing. Gross margin was 12.1% in 3Q24 vs. 17.6% in 3Q23 and 19.8% in 2Q24.
- Air freight (25%): revenue growth was -17% y-y and -22% q-q to Bt203m. Gross margin was 22.2% in 3Q24 vs. 23.6% in 3Q23 and 25.0% in 2Q24.
- Cross-border transport 51%-stake (10%): revenue growth was +3% y-y and -10% q-q. The sequential drop was due to falling fruit export volume to China via new cold chain business. Gross margin was 5.6% in 3Q24 vs. 13.8% in 3Q23 and 8.4% in 2Q24.
- Supply chain solution (32%): revenue grew 83% y-y and 23% q-q. Gross margin was 24.1% in 3Q24 vs. 11.8% in 3Q23 and 16.9% in 2Q24.
- 9M24 normalized profit accounted for 36% of our projection. We see downside risk to our projection and maintain SELL.

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	907	886	963	1,075	1,131	Revenue	5	25	62	5,120	3,982
Gross profit	161	146	184	204	178	Gross profit	(13)	11	61	931	712
SG&A	113	127	136	111	149	SG&A	35	32	83	479	463
Operating profit	48	20	48	93	29	Operating profit	(68)	(39)	38	452	249
EBITDA	84	56	86	129	73	EBITDA	(44)	(13)	47	614	465
Other income	1	1	2	2	1	Other income	(69)	(29)	na	0	0
Other expense	0	0	0	0	0	Other expense				0	0
Interest expense	4	5	3	4	5	Interest expense	19	3	224	5	0
Profit before tax	45	16	47	92	26	Profit before tax	(72)	(43)	37	447	249
Income tax	12	(1)	12	19	9	Income tax	(51)	(22)	45	89	50
Equity & invest. income	(0)	(0)	0	0	0	Equity & invest. income					
Minority interests	(10)	(9)	(10)	(14)	9	Minority interests	na	na	na	(50)	(58)
Extraordinary items	9	12	14	16	(7)	Extraordinary items	na	na	na	0	0
Net profit	32	20	39	75	18	Net profit	(76)	(44)	43	308	141
Normalized profit	23	7	25	59	26	Normalized profit	(56)	9	36	308	141
EPS (Bt)	0.05	0.03	0.06	0.11	0.03	EPS (Bt)	(76)	(44)	43	0.47	0.22
Normalized EPS (Bt)	0.04	0.01	0.04	0.09	0.04	Normalized EPS (Bt)	(56)	9	36	0.47	0.22

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	818	893	810	503	525	Sales grow th	(42.8)	(32.7)	(6.6)	10.2	24.7
A/C receivable	914	844	977	1,076	1,020	Operating profit grow th	(72.3)	(87.7)	(43.2)	8.3	(39.3)
Inventory	0	0	0	0	0	EBITDA grow th	(58.6)	(70.6)	(25.6)	7.0	(13.1)
Other current assets	81	148	147	150	159	Norm profit grow th	(78.1)	(94.0)	(51.0)	7.1	9.0
Investment	0	0	0	0	0	Norm EPS grow th	(78.1)	(94.0)	(51.0)	7.1	9.0
Fixed assets	311	301	359	401	410	Gross margin	17.8	16.5	19.2	19.0	15.8
Other assets	689	682	645	677	682	Operating margin	5.3	2.2	5.0	8.7	2.6
Total assets	2,813	2,868	2,938	2,808	2,797	EBITDA margin	9.2	6.3	8.9	12.0	6.4
S-T debt	123	66	59	54	53	Norm net margin	2.6	0.8	2.6	5.5	2.3
A/C payable	648	561	556	511	592	D/E (x)	0.1	0.1	0.0	0.0	0.1
Other current liabilities	183	118	121	141	115	Net D/E (x)	(0.4)	(0.4)	(0.4)	(0.2)	(0.2)
L-T debt	66	50	36	25	44	Interest coverage (x)	19.2	10.3	30.0	34.3	16.2
Other liabilities	187	197	177	195	204	Interest rate	8.8	14.2	10.8	17.2	20.5
Minority interest	212	416	430	445	1,363	Effective tax rate	26.2	(3.9)	26.2	20.7	35.9
Shareholders' equity	1,394	1,461	1,558	1,437	427	ROA	3.3	1.1	3.5	8.2	3.7
Working capital	266	282	421	565	428	ROE	6.8	2.1	6.6	15.7	11.0
Total debt	190	116	96	80	96						
Net debt	(628)	(777)	(714)	(424)	(429)						

Sources: Company data, Thanachart estimates

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