

Somboon Advance Tech. (SAT TB) - BUY, Price Bt12.1, TP Bt16.0**Results Comment**

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Mediocre 1Q25 profit, as expected

- SAT reported 1Q25 normalized profit of Bt188m, up 3% y-y but down 11% q-q, in line with expectations.
- SAT's auto and agricultural parts revenue in 1Q25 dropped 11% y-y and flat q-q to Bt1.8bn.
- Operating margin improved to 9.1% (vs. 7.9% in 1Q24, but down from 10.0% in 4Q24).
- Lower other income was the key driver of q-q earnings decline.
- 3M25 normalized profit accounted for 28% of our full-year forecast. We expect 2Q25 profit to decline due to seasonality and maintain our projections.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	2,044	1,712	1,853	1,819	1,827	Revenue	0	(11)	23	7,917	8,470
Gross profit	333	267	318	363	349	Gross profit	(4)	5	26	1,316	1,459
SG&A	161	163	174	182	165	SG&A	(9)	3	24	698	718
Operating profit	173	103	144	181	183	Operating profit	1	6	30	619	741
EBITDA	304	228	272	310	309	EBITDA	(0)	2	27	1,163	1,307
Other income	20	40	33	44	24	Other income	(45)	21	24	103	110
Other expense	0	0	0	0	0	Other expense					
Interest expense	1	1	1	1	1	Interest expense	43	111	68	2	3
Profit before tax	192	143	176	224	206	Profit before tax	(8)	7	29	720	849
Income tax	29	18	30	34	32	Income tax	(6)	11	27	119	149
Equity & invest. income	18	13	10	20	13	Equity & invest. income	(33)	(26)	21	63	66
Minority interests	2	2	5	2	1	Minority interests	(66)	(68)	na	0	0
Extraordinary items	3	1	(2)	2	1	Extraordinary items	(63)	(77)	na	0	0
Net profit	187	140	159	215	189	Net profit	(12)	1	29	663	765
Normalized profit	184	140	160	213	188	Normalized profit	(11)	3	28	663	765
EPS (Bt)	0.44	0.33	0.37	0.50	0.44	EPS (Bt)	(12)	1	29	1.56	1.80
Normalized EPS (Bt)	0.43	0.33	0.38	0.50	0.44	Normalized EPS (Bt)	(11)	3	28	1.56	1.80

Balance Sheet						Financial Ratios					
(consolidated)						1Q24 2Q24 3Q24 4Q24 1Q25					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	3,567	3,154	3,285	3,386	3,782	Sales grow th	(18.8)	(20.5)	(20.6)	(12.7)	(10.6)
A/C receivable	1,348	1,207	1,228	1,211	1,211	Operating profit grow th	(37.2)	(53.1)	(46.7)	(11.2)	6.1
Inventory	796	777	777	747	761	EBITDA grow th	(23.9)	(33.9)	(31.1)	(6.6)	1.5
Other current assets	176	164	178	141	141	Norm profit grow th	(32.8)	(35.6)	(39.5)	(2.5)	2.6
Investment	1,135	1,147	1,102	1,132	1,136	Norm EPS grow th	(32.8)	(35.6)	(39.5)	(2.5)	2.6
Fixed assets	3,305	3,241	3,192	3,130	3,060	Gross margin	16.3	15.6	17.2	20.0	19.1
Other assets	288	298	249	310	306	Operating margin	8.4	6.0	7.7	9.9	10.0
Total assets	10,614	9,987	10,011	10,057	10,397	EBITDA margin	14.9	13.3	14.7	17.0	16.9
S-T debt	5	20	26	19	13	Norm net margin	9.0	8.2	8.7	11.7	10.3
A/C payable	1,055	893	908	826	910	D/E (x)	0.0	0.0	0.0	0.0	0.0
Other current liabilities	729	624	570	503	555	Net D/E (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
L-T debt	0	0	0	0	0	Interest coverage (x)	551.8	386.6	339.5	381.2	264.9
Other liabilities	351	356	368	380	402	Interest rate	89.2	18.7	13.8	14.4	29.1
Minority interest	1	(1)	(5)	(8)	(8)	Effective tax rate	15.0	12.4	17.0	15.1	15.4
Shareholders' equity	8,473	8,095	8,143	8,337	8,526	ROA	7.0	5.4	6.4	8.5	7.4
Working capital	1,088	1,091	1,097	1,132	1,062	ROE	8.8	6.7	7.9	10.3	8.9
Total debt	5	20	26	19	13						
Net debt	(3,562)	(3,133)	(3,259)	(3,367)	(3,769)						

Sources: Company data, Thanachart estimates

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