

SCGJWD Logistics Pcl (SJWD TB) - HOLD, Price Bt8.00, TP Bt8.00**Results Comment**

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

Strong 1Q25, beat expectations

- SJWD's net profit was Bt366m. Excluding accounting adjustment in equity income, FX loss and gain on revaluation of derivatives, normalized profit was Bt344m (+115% y-y and 77% q-q) in 1Q25.
- The result was better than expected with 3M25 accounting for 37% of our full-year forecast.
- The earnings beat was mainly from equity income contribution from Thailand-based investment, particularly the Laem Chabang container terminal business (ESCO) and warehouse rental business (Alpha).
- Additional drivers included cost controls resulting in falling SG&A to sales and growth across several segments: automotive logistics & yard management (9% of EBIT and equity income), general warehouse operations (7%), transportation business (28%), other logistics business including freight service (13%) and improving overseas business (20%).
- The overseas performance was supported by a Bt41m gain on industrial land sales from its equity investment in Cambodia, a profit turnaround y-y for its equity investment in Transimex in Vietnam and the consolidation of SCG International Vietnam.
- Despite potential earnings upside to our projection this year, we, however, expect this to be the peak quarter and see potential risk from the economic slowdown and the US tariff impact begins to affect its operations.

Income Statement (consolidated)					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25
Revenue	6,252	5,777	6,189	6,285	6,382
Gross profit	799	773	797	933	913
SG&A	509	596	544	586	502
Operating profit	290	177	254	346	411
EBITDA	693	567	640	690	791
Other income	22	43	47	40	25
Other expense	0	0	0	0	0
Interest expense	146	162	170	182	170
Profit before tax	165	58	131	205	266
Income tax	37	(14)	7	55	62
Equity & invest. income	52	119	136	85	166
Minority interests	(20)	(15)	(3)	(40)	(26)
Extraordinary items	4	338	(1)	(9)	21
Net profit	164	515	255	185	366
Normalized profit	160	177	256	194	344
EPS (Bt)	0.09	0.28	0.14	0.10	0.20
Normalized EPS (Bt)	0.09	0.10	0.14	0.11	0.19

Balance Sheet (consolidated)					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	2,541	1,424	2,211	2,414	1,302
A/C receivable	3,714	3,932	3,727	3,715	3,624
Inventory	105	91	97	84	34
Other current assets	565	622	415	389	667
Investment	7,210	7,823	7,927	7,968	8,214
Fixed assets	8,940	9,287	9,462	9,739	9,766
Other assets	20,029	19,984	19,914	19,728	19,587
Total assets	43,102	43,163	43,752	44,036	43,194
S-T debt	2,131	2,351	2,307	2,355	2,471
A/C payable	2,960	3,091	3,010	3,176	3,107
Other current liabilities	1,430	908	921	903	899
L-T debt	9,443	9,524	10,396	10,407	9,425
Other liabilities	3,476	3,541	3,435	3,284	3,045
Minority interest	1,002	1,034	1,015	1,037	1,019
Shareholders' equity	22,660	22,714	22,669	22,875	23,228
Working capital	859	932	813	624	551
Total debt	11,574	11,875	12,703	12,763	11,896
Net debt	9,034	10,451	10,492	10,349	10,594

Sources: Company data, Thanachart estimates

Income Statement 3M as					
(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	2	2	26	24,479	23,882
Gross profit	(2)	14	27	3,364	3,219
SG&A	(14)	(1)	24	2,095	2,052
Operating profit	19	42	32	1,269	1,167
EBITDA	15	14	17	4,527	4,928
Other income	(37)	17	17	152	148
Other expense					
Interest expense	(7)	16	25	688	660
Profit before tax	30	61	36	733	655
Income tax	12	70	42	147	131
Equity & invest. income	95	222	40	411	383
Minority interests	na	na	na	(78)	(76)
Extraordinary items	na	481	na	0	0
Net profit	97	123	40	919	831
Normalized profit	77	115	37	919	831
EPS (Bt)	97	123	40	0.51	0.46
Normalized EPS (Bt)	77	115	37	0.51	0.46

Financial Ratios					
(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales growth	28.0	(5.8)	(3.5)	(0.2)	2.1
Operating profit growth	27.0	(15.4)	4.3	0.9	41.9
EBITDA growth	29.0	(15.2)	45.4	(29.0)	14.0
Norm profit growth	(30.6)	40.9	66.8	(27.5)	114.8
Norm EPS growth	(48.2)	40.9	66.8	(27.5)	114.8
Gross margin	12.8	13.4	12.9	14.8	14.3
Operating margin	4.6	3.1	4.1	5.5	6.4
EBITDA margin	11.1	9.8	10.3	11.0	12.4
Norm net margin	2.6	3.1	4.1	3.1	5.4
D/E (x)	0.5	0.5	0.5	0.5	0.5
Net D/E (x)	0.4	0.4	0.4	0.4	0.4
Interest coverage (x)	4.7	3.5	3.8	3.8	4.6
Interest rate	5.8	5.5	5.5	5.7	5.5
Effective tax rate	22.2	(24.8)	5.7	27.0	23.3
ROA	1.6	1.6	2.4	1.8	3.2
ROE	2.9	3.1	4.5	3.4	6.0

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