



## Update

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**We reiterate a BUY rating with a target price of Bt9.50, based on 25xPE'21E which is equal to its three years trading average.**

- JWD 4Q20 net profit was Bt76m (-36%YoY, 5%QoQ), missed our forecast by 20%.
- A YoY drop was a result of a weak performance in automotive service, general goods and cold storage unit. QoQ profit recovered progressively as dangerous good and barge throughput increased.
- In 2020, JWD reported net profit at Bt290m (-20%YoY). A weak earnings was dragged by automotive and dangerous good performance during the pandemic.
- We have a positive view on JWD earnings in 1Q21, driven by a recovery in automotive, new capacity in 1Q21, and growth in barge management.

### Valuation table

Year end Dec	18A	19A	20A	21E	22E
PE (x)	37.9	23.5	29.4	21.9	19.9
Recurring net profit growth (%)	(63.3)	61.6	(20.1)	33.9	10.3
Recurring EPS (Bt)	0.2	0.4	0.3	0.4	0.4
Recurring EPS growth (%)	(63.3)	61.6	(20.1)	33.9	10.3
PBV (x)	2.8	2.7	2.7	2.4	2.3
BVPS (Bt)	3.0	3.1	3.1	3.5	3.7
ROE (%)	7.4	11.8	9.3	11.7	11.7
DPS (Bt)	0.2	0.3	0.2	0.2	0.2
Dividend yield (%)	2.5	3.0	2.6	2.1	2.3
Enterprise value (Bt m)	10,224.5	11,165.9	11,688.8	11,307.5	11,346.7
EV-to-EBITDA (x)	17.4	15.4	25.1	13.2	12.3

### JWD Infologistics PCL

**Recommendation: BUY**

**Current price\*: Bt8.35**

**Target price: Bt9.50**

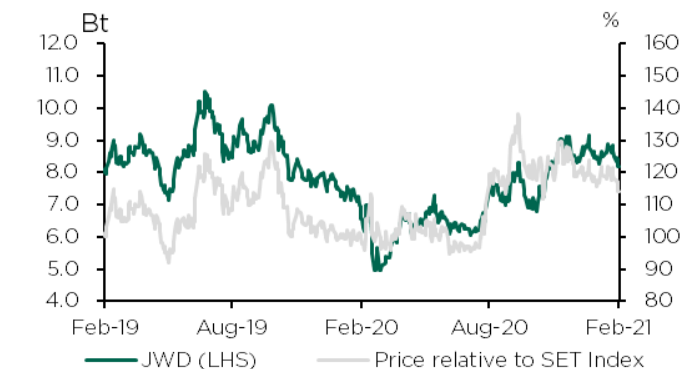
**Up/(downside): 14%**

**IOD: 5 out of 5**

**CAC: N/A**

### Stock data

RIC code	JWD.BK
Index	.SETI
SET Index (26 February 2021)	1,496.78
Market cap (Bt m)	8,466
Shares outstanding (million)	1,020
Par (Bt)	0.50



# JWD: Updated Scorecard

(Bt m)	4Q19	1Q20	2Q20	3Q20	4Q20	YoY (%)	20A	20E	Diff (%)
Revenue	970	943	874	981	1,060	9.3	3,858	3,945	(2.2)
Cost of sales	(690)	(683)	(660)	(747)	(808)	17.0	(2,898)	(2,937)	(1.3)
<b>Gross profit</b>	<b>280</b>	<b>260</b>	<b>214</b>	<b>235</b>	<b>252</b>	<b>(9.8)</b>	<b>960</b>	<b>1,008</b>	<b>(4.8)</b>
SG&A	(182)	(150)	(164)	(160)	(170)	(6.7)	(644)	(704)	(8.6)
Other (exp)/inc	10	16	3	4	9	(10.2)	32	40	(19.0)
<b>EBIT</b>	<b>108</b>	<b>125</b>	<b>53</b>	<b>79</b>	<b>91</b>	<b>(15.2)</b>	<b>348</b>	<b>344</b>	<b>1.3</b>
Finance cost	(27)	(51)	(48)	(43)	(48)	74.5	(191)	(194)	(1.8)
Other inc/(exp)	9	7	11	8	7	(25.8)	33	44	(26.4)
<b>Earnings before taxes</b>	<b>89</b>	<b>81</b>	<b>15</b>	<b>43</b>	<b>50</b>	<b>(43.8)</b>	<b>190</b>	<b>194</b>	<b>(2.0)</b>
Income tax	(11)	(16)	(2)	(4)	(4)	(63.8)	(25)	(31)	(19.1)
<b>Earnings after taxes</b>	<b>78</b>	<b>66</b>	<b>14</b>	<b>40</b>	<b>46</b>	<b>(40.8)</b>	<b>165</b>	<b>163</b>	<b>1.3</b>
Equity income	41	25	31	31	30	(27.5)	117	129	(9.7)
Minority interest	0	3	3	2	0	nm	8	13	(37.3)
<b>Earnings from cont. operations</b>	<b>119</b>	<b>93</b>	<b>48</b>	<b>73</b>	<b>76</b>	<b>(36.1)</b>	<b>290</b>	<b>305</b>	<b>(5.0)</b>
Forex gain/(loss) & unusual items	-	-	-	-	-	nm	-	-	nm
<b>Net profit</b>	<b>119</b>	<b>93</b>	<b>48</b>	<b>73</b>	<b>76</b>	<b>(36.1)</b>	<b>290</b>	<b>305</b>	<b>(5.0)</b>
Recurring profit	119	93	48	73	76	(36.1)	290	305	(5.0)
EBITDA	212	308	245	263	121	(42.9)	465	762	(38.9)
Recurring EPS (Bt)	0.116	0.092	0.047	0.071	0.074	(36.1)	0.284	0.299	(5.0)
Reported EPS (Bt)	0.116	0.092	0.047	0.071	0.074	(36.1)	0.284	0.299	(5.0)
<b>Profits (%)</b>	<b>4Q19</b>	<b>1Q20</b>	<b>2Q20</b>	<b>3Q20</b>	<b>4Q20</b>	<b>Diff (%)</b>	<b>20A</b>	<b>20E</b>	<b>Diff (%)</b>
Gross margin	28.8	27.5	24.5	23.9	23.8	(5.0)	24.9	25.6	(0.7)
Operating margin	11.1	13.3	6.1	8.0	8.6	(2.5)	9.0	8.7	0.3
Net margin	12.2	9.9	5.5	7.4	7.2	(5.1)	7.5	7.7	(0.2)

## Result summary

- JWD 4Q20 net profit was Bt76m (-36%YoY, 5%QoQ), missed our forecast by 20%.
- A YoY drop was a result of a weak performance in automotive service and lower occupancy rate in general goods and cold storage unit. However, dangerous good service was fully recovered (flat YoY). Meanwhile self-storage flipped to profit for the first quarter.
- QoQ profit recovered progressively as dangerous good and barge throughput increased.
- Revenue was Bt1,060m (9%YoY, 8%QoQ), mainly driven by food services.
- GPM fell to 23.8% (-5ppts YoY, flat QoQ) as occupancy rate in general goods and cold storage unit (high margin units) declined while low margin unit (food service) portion increased.
- An increase in financial cost was a result of new TFRS16 accounting basis.
- In 2020, JWD reported net profit at Bt290m (-20%YoY). A weak earnings was dragged by automotive and dangerous good performance during the pandemic.

Story

Sales

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Value

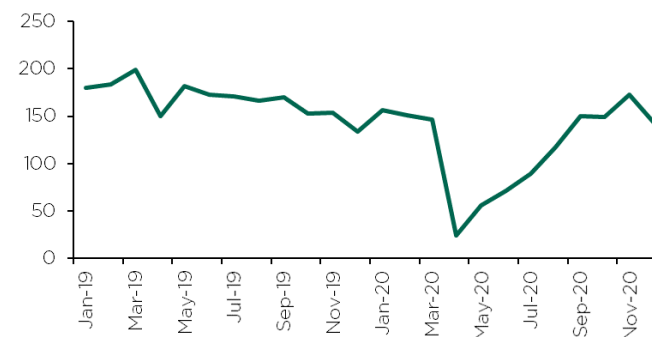
Risks

## Key takeaway from analyst meeting

- We have a positive view on JWD earnings in 1Q21. We expect automotive segment will continuously recover while other warehouse segments will be supported by new capacity.
- In 1Q21, the company will realize revenue from capacity expansion in built to suit warehouse (+5% capacity), cold storage (+10% capacity), and document storage.
- Meanwhile, container throughput in dangerous good and barge terminal will grow following a recovery in import-export sector in 2021.
- The company has announced an establishment of new JV with Origin Company PCL (JWD holds 50%), aiming to expand its build to suit business by 62,000 sq.m. (+48% capacity) in 2022 under Bt1bn investment. We have a positive view on this collaboration and expect more growth opportunity in fulfillment center and self-storage in 2022-23.
- The company expect Bt1bn CAPEX in 2021, comprising of Bt500m in Origin JV project, Bt400m in M&A opportunities and Bt100m for maintenance.
- We expect revenue growth at 12% in 2021, slightly lower than management target at 15%.
- Its 3-5 growth plan remains focus on multi-modal logistics (railyard, barge, seaport), property development (built to suit project) and B2C logistic (cold chain express, JWD store it), together with customer-based expansion to healthcare and pharmaceutical segment.

Projects	First Operation
Built to suit in Nava Nakorn	late 4Q20
ASRS Cold Storage No.9	late 1Q21
ASRS Document Storage	1Q21
MMP Cold storage (JWD hold 40%)	4Q21
JV with Origin company (JWD holds 50%)	1Q22

Car production ramps up to pre-pandemic level  
(thousand unit)



**Background:** JWD is an integrated logistics service provider with operations in Thailand and other ASEAN countries. The company's operations are divided into 6 businesses: (1) warehouse management services covering general goods, dangerous goods, cold chain products and automotive with a total capacity of one million sq.m. in 2019; (2) transportation and distribution including both nation-wide and cross-border services; (3) moving services; (4) record & information management services; (5) food services including raw material procurement and logistics services; and (6) other services covering office rental and IT software services.

# JWD: Revenue breakdown

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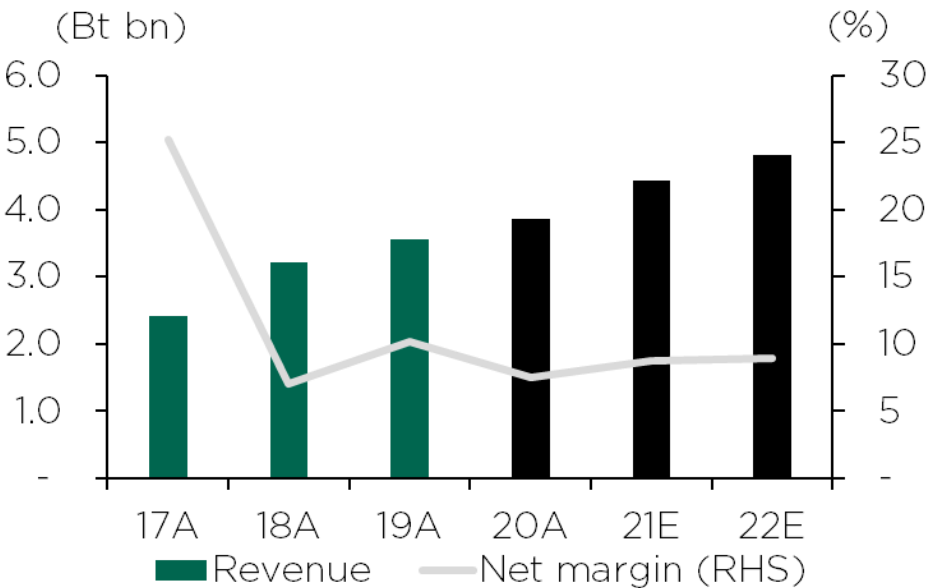
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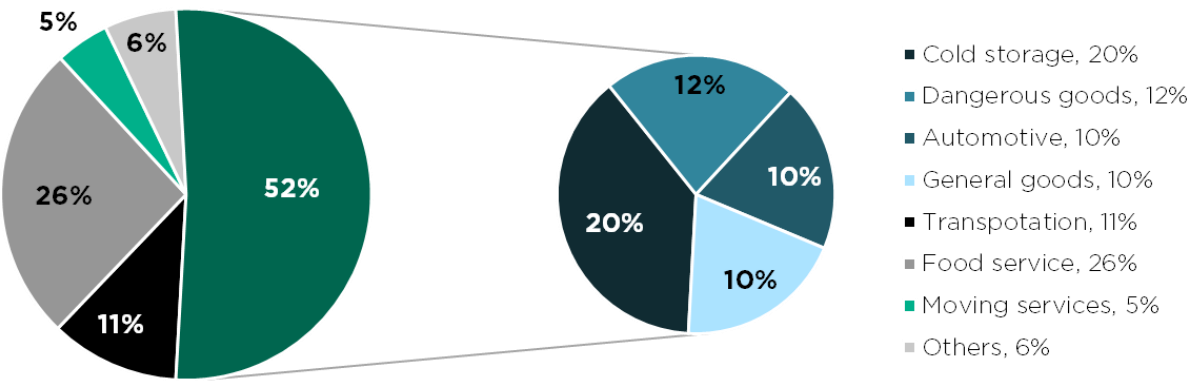
Value

Risks

- JWD's revenue mainly comes from warehouse management services, which contribute 52% to total revenue. This operation can be broken down into 20% cold storage, 12% dangerous goods, 10% automotive and 10% general goods.
- The company provides transportation services for customers, covering all domestic and cross border destinations to Laos, Cambodia and Myanmar. This segment includes new BUs such as barge & rail yard management, fulfillment center and cold chain express. Transportation services accounts for 11% of total revenues.
- Moreover, the company operates a food services business involved in raw material procurement and logistic services. This segment is responsible for 26% of total revenues.
- Moving services account for 5% of total sales. This segment refers to moving household items, office equipment, industrial machines and high-value goods.
- Others (6% sales contribution) refers to document/data storage, office and warehouse rentals and IT solutions for supply-chain management



Revenue by group of income, 2020



## Warehouse Service Capacity

Unit( Sq.m)	2019
General warehouse	117,753
Dangerous goods warehouse	10,032
Cold storage	77,265
Document and data storage	14,815
Other services	9,951

## Yard Service Capacity

Unit( Sq.m)	2,019
Dangerous goods warehouse	173,968
Automotive Yard	395,287
No-site automotive yard	204,800
Total	1,003,871

# JWD: Summary financials

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Profit & loss (Bt m)	18A	19A	20A	21E	22E	Dec '19	Mar '20	Jun '20	Sep '20	Dec '20
Revenue	3,208	3,562	3,858	4,438	4,809	970	943	874	981	1,060
Cost of goods sold	(2,360)	(2,566)	(2,898)	(3,245)	(3,502)	(690)	(683)	(660)	(747)	(808)
Gross profit	848	996	960	1,193	1,307	280	260	214	235	252
SG&A	(572)	(703)	(644)	(825)	(894)	(182)	(150)	(164)	(160)	(170)
Other (exp)/inc	33	42	32	42	44	10	16	3	4	9
Operating profit	309	335	348	410	456	108	125	53	79	91
Finance cost	(82)	(107)	(191)	(184)	(190)	(27)	(51)	(48)	(43)	(48)
Other inc/(exp)	57	56	33	41	40	9	7	11	8	7
Earnings before taxes	283	284	190	267	306	89	81	15	43	50
Income tax	(50)	(47)	(25)	(43)	(49)	(11)	(16)	(2)	(4)	(4)
After-tax profit	233	238	165	224	257	78	66	14	40	46
Equity income	(6)	115	117	147	153	41	25	31	31	30
Minorities	(2)	10	8	17	18	0	3	3	2	0
Earnings from cont. operations	225	363	290	388	428	119	93	48	73	76
Forex gain/(loss) & unusual items	-	-	-	-	-	-	-	-	-	-
Net income	225	363	290	388	428	119	93	48	73	76
Recurring EPS (Bt)	0.22	0.36	0.28	0.38	0.42	0.12	0.09	0.05	0.07	0.07
Weighted average shares (m)	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Balance sheet (Bt m)	18A	19A	20A	21E	22E	Dec '19	Mar '20	Jun '20	Sep '20	Dec '20
Assets	6,330	7,819	9,474	9,059	9,440	7,819	9,098	9,101	9,244	9,474
Liabilities	3,190	4,549	6,222	5,438	5,602	4,549	5,806	5,979	6,033	6,222
Equity	3,017	3,150	3,119	3,531	3,767	3,150	3,179	3,008	3,096	3,119
Invested capital	3,337	3,681	4,021	3,697	3,701	3,681	4,773	4,741	4,391	4,021
Growth (YoY, %)	18A	19A	20A	21E	22E	Dec '19	Mar '20	Jun '20	Sep '20	Dec '20
Revenue	32.4	11.0	8.3	15.0	8.4	2.7	7.3	5.2	11.0	9.3
Operating income	(1.1)	8.6	3.9	17.6	11.4	14.7	54.9	(20.3)	(2.1)	(15.2)
Recurring EPS	(63.3)	61.6	(20.1)	33.9	10.3	85.5	4.8	(39.7)	(3.3)	(36.1)
Assets	14.4	23.5	21.2	(4.4)	4.2	23.5	33.9	31.7	29.6	21.2
Liabilities	31.1	42.6	36.8	(12.6)	3.0	42.6	65.2	56.7	53.5	36.8
Equity	(0.9)	4.4	(1.0)	13.2	6.7	4.4	1.0	1.1	0.3	(1.0)
Profits (%)	18A	19A	20A	21E	22E	Dec '19	Mar '20	Jun '20	Sep '20	Dec '20
Gross margin	26.4	28.0	24.9	26.9	27.2	28.8	27.5	24.5	23.9	23.8
Operating margin	9.6	9.4	9.0	9.2	9.5	11.1	13.3	6.1	8.0	8.6
Net margin	7.0	10.2	7.5	8.7	8.9	12.2	9.9	5.5	7.4	7.2
ROE	7.4	11.8	9.3	11.7	11.7	15.2	11.8	6.2	9.5	9.8
ROIC	8.9	8.0	7.8	8.9	10.4	10.5	9.6	4.0	6.3	8.0



# Disclaimer

## Investment ratings

<b>BUY:</b>	Expected return excluding dividends of more than 10% within the next 12 months.
<b>HOLD:</b>	Expected return excluding dividends between -10% and 10% within the next 12 months.
<b>SELL:</b>	Expected return excluding dividends of less than -10% within the next 12 months.
<b>NR:</b>	Not Rated- Stock is not in our research coverage.

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# JWD

JWD Infologistics PCL

COUNTRY GROUP  
SECURITIES

2 Mar 2021

UPDATE



## เริ่มรับรู้รายได้จากคลังใหม่ใน 1Q21

### BUY

Target Price

## 9.50

#### Valuation table

Year end Dec	19A	20A	21E
PE (x)	23.5	29.4	21.9
Norm. profit (Bt m)	363	290	388
EPS (Bt)	0.36	0.28	0.38
EPS growth (%)	61.6	(20.1)	33.9
PBV (x)	2.7	2.7	2.4
D/E (x)	1.1	1.3	1.0
Dividend yield (%)	3.0	2.6	2.1
ROE (%)	11.8	9.3	11.7

■ บริษัทมีกำไรสุทธิใน 4Q20 เท่ากับ 76 ล้านบาท (-36%YoY, 5%QoQ) ต่ำกว่าคาดการณ์ของเรา 20%

■ กำไรที่หดตัว YoY เป็นผลจากธุรกิจยานยนต์ที่หดตัว คลังสินค้าทั่วไปและคลังห้องเย็นมีอัตราการเช่าลดลง เนื่องจากการหมุนเวียนสินค้าสูงขึ้น

■ กำไรฟื้นตัว QoQ ตามการฟื้นตัวของกลุ่มยานยนต์ และการนำเข้า ส่งออกที่ดีขึ้น

■ เราคงมุมมองบวกต่อการดำเนินงานในปี 21 ซึ่งมีปัจจัยหนุนจากการฟื้นตัวของธุรกิจคลังยานยนต์ การรับรู้รายได้จากคลังใหม่ใน 1Q21 และการเติบโตของธุรกิจท่าเรือชายฝั่ง (Barge terminal)