KASIKORNTHAI EQUITY ANALYSIS

หลักทรัพย์กสิกรไทย 开泰证券 KASIKORN SECURITIES

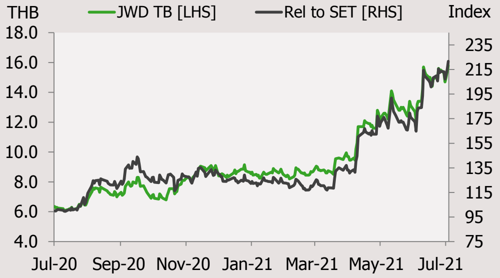
JWD InfoLogistics PCL

JWD TB		Outperform
Target Price	**Bt**	**18.70**
Price (23/07/2021)	**Bt**	**15.80**
Downside	**%**	**18.35**
Valuation		**SOTP**
Sector		**Transportation & Logistics**
Market Cap	**Btm**	**16,116**
30-day avg turnover	**Btm**	**161.90**
No. of shares on issue	**m**	**1,020**
CG Scoring		**Excellent**
Anti-Corruption Indicator		**N/A**

Investment fundamentals

Year end Dec 31	**2020A**	**2021E**	**2022E**	**2023E**
Company Financials				
Revenue (Btmn)	3,858	4,755	5,357	5,651
Core profit (Btmn)	290	432	572	640
Net profit (Btmn)	290	484	572	640
Net EPS (Bt)	0.28	0.47	0.56	0.63
DPS (Bt)	0.22	0.31	0.36	0.41
BVPS (Bt)	3.06	3.31	3.56	3.83
Net EPS growth (%)	-20.07	67.04	18.13	11.88
ROA (%)	3.26	4.82	5.27	5.60
ROE (%)	9.25	14.91	16.32	16.98
Net D/E (x)	1.40	1.57	1.55	1.49
Valuation				
P/E (x)	29.37	33.27	28.17	25.18
P/BV (x)	2.73	4.77	4.43	4.13
EV/EBITDA (x)	13.05	14.91	12.93	11.62
Dividend yield (%)	2.63	1.95	2.31	2.58

JWD TB rel SET performance



Source: Bloomberg (All figures in THB unless noted.)

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27 July 2021
Kasikorn Securities Public Company Limited

Big step toward ambitious growth target

- **We raise our mid-2022 SOTP TP for JWD to Bt18.7 from Bt14.5 to reflect its recent acquisition deal for Smilesun and the value of new JV with ORI.**
- **On top of boosting JWD's 2021-23E earnings by 1.8/10.0/9.4%, Smilesun will provide synergy benefits from its global container port business.**
- **We maintain our Outperform rating for JWD. It seems the company is on track to achieve its 2025 revenue target of Bt10bn with an NPM of 15%.**

Investment Highlights

- **Earnings and value-accretive deal.** We revise up our 2021-23 earnings forecasts by 1.8/10.0/9.4% to reflect the equity income JWD will share from Smilesun, a holding company in which JWD plans to acquire 29.4% stake via JWD Transport (JTS), its 75%-owned subsidiary. JWD will pay Bt495mn to PSA Southeast Asia (PSA), which is the major container port operator in Singapore for the stake. Based on Smilesun's 2020 earnings of about Bt300mn, this indicates an acquisition price at a 2020 PER of only 7.5x compared with 2020 PERs for logistics stocks on the SET ranging from 20-30x. This deal thus will be earnings and value accretive for JWD.
- **Massive synergy benefits expected.** Smilesun's key asset is its 51% stake in Eastern Sea Laem Chabang Terminal Co Ltd (ESCO), which is a full-service container handling facility, operating Terminal B3 and an inland container depot called LICD at Latkrabang. It also holds a 40% stake in LCB1 Container Terminal 1, which operates Terminal B1. ESCO effectively holds 90% of LCMT Co., Ltd. through LCB Container Terminal 1, which operates Terminal A0. These facilities will help enhance JWD's service ability at its existing barge terminal and railyard management businesses at Laem Chabang Port for both referenced customers and in terms of cost control. In addition, the deal will allow JWD to access the global network of PSA given PSA remains the major shareholder in ESCO both via Smilesun and a direct holding. Besides, as JTS has an option to buy a further 9.8% in Smilesun from PSA if it can satisfy certain conditions, it indicates more cooperation between these parties in the future.
- **Recent cooperation will also create incremental value.** JWD is in the process of investing in logistics and industrial property businesses under a new JV with ORI. Although the business plan for this JV earlier set to announce in June has been delayed due to the 3rd wave of COVID-19, we note that it calls for many hundreds of thousands of sq.m. of warehouse units to be built in the next five years, starting with 62K sq.m. in 2021. Once developed, these assets will be sold to a REIT to unlock value and generate cash flow. This is a proven value-creation model widely used in the industry. Moreover, since early this year, JWD entered into a cooperation with the Credit Guarantee and Investment Facility (CGIF) to guarantee its bonds. Thanks to CGIF's FITCH-AAA credit rating, the cost of JWD's recent 5-year bond fell sharply to 2.1% from the rate for its earlier 3-year bond of 4.0% on its own FITCH-BBB minus rating. Clearly this support will help save costs and enhance JWD's value.

Valuation and Recommendation

- We revise up our mid-2022 TP for JWD to Bt18.7 from Bt14.5 to reflect 1) the incremental value from this investment in Smilesun and the JV with ORI and 2) the lower cost of financing from the cooperation with CGIF, which lowers the WACC we use to value the stock to 7.4% from 8.0%. While JWD's share price has surged by 25% over the past month, we still see upside of 18.3% to our new TP. We maintain our Outperform rating for the stock. Rising trend of its quarterly earnings, an announcement of new business and progress of the listing of its transportation business will be key share price driver over the next one year. It is thus on the way to reach its 2025 revenue target of Bt10bn with NPM of 15%.

Investment highlights

A vital piece of the jigsaw filled

To hold 15.0% stake in ESCO, a leading container port operator in Laem Chabang

On Friday (Jul. 23, 2021), JWD informed the SET that JWD Transport (Thailand) Co., Ltd (JTS), a subsidiary in which JWD holds 75%, will buy 29.4% of the common shares and 42.4% of the preferred shares in Smilesun Co., Ltd. for a total investment cost of Bt495mn. PSA S E Asia Pte. Ltd. (PSA) is the seller of the common shares and CY Solution Co., Ltd (CY) is the seller of the preferred shares. The transaction is expected to be completed by October 2021.

Smilesun is an investment holding company that owns 99.9% of the total number of voting shares in Thai Port Ventures Co., Ltd. (TPV). TPV in turn holds 51.0% of the total voting shares in Eastern Sea Laem Chabang Terminal Co Ltd (ESCO).

ESCO is a full-service container handling facility, operating Terminal B3 in Laem Chabang Port and an inland container depot at Lat Krabang called LICD. ESCO holds 40% in LCB1 Container Terminal 1, which operates Terminal B1. ESCO effectively holds 90% in LCMT Co.,Ltd. through LCB Container Terminal 1, which operates Terminal A0.

This means JWD will effectively hold an 11.2% stake in ESCO. However, JTS has an option to buy an additional 9.8% stake in Smilesun at a price of Bt165mn in the event it can satisfy certain conditions to be agreed between JTS and the PSA (the "proposed conditions") within one year from the completion date of the PSA share acquisition. The proposed conditions include the achievement of certain key performance targets between JWD and PSA. In this case, the effective holding of JWD in ESCO will rise to 15.0%

Fig 1 Shareholding structure in Smilesun before and after the transaction

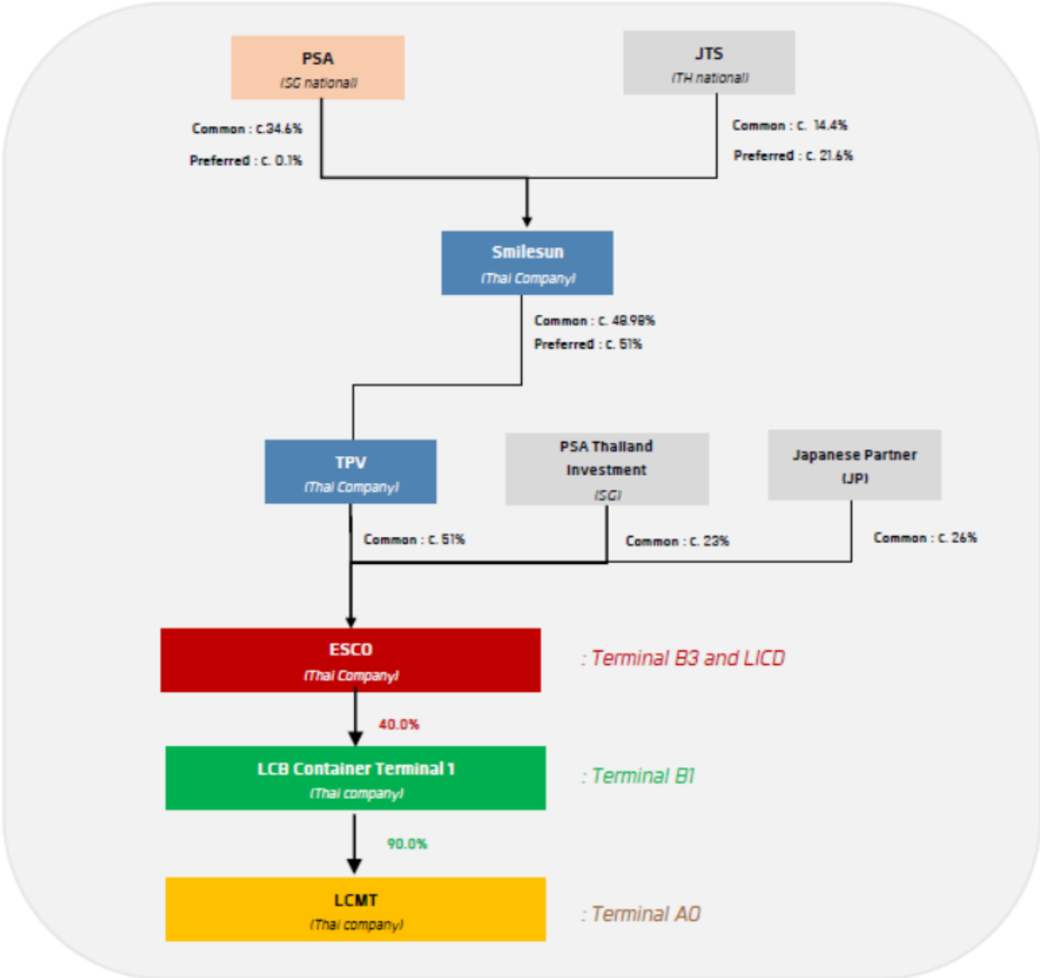
Shareholders	Common shares			
	Before transaction		After transaction	
	No.of shares	% holding	No.of shares	% holding
1 Mr. Goh Mia Hock	1	0.0%	1	0.0%
2 CY	0	0.0%	0	0.0%
3 PSA	4,899	100.0%	3,458	70.6%
4 JTS	0	0.0%	1,441	29.4%

Shareholders	Preferred shares			
	Before transaction		After transaction	
	No.of shares	% holding	No.of shares	% holding
1 Mr. Goh Mia Hock	0	0.0%	0	0.0%
2 CY	5,093	99.9%	2,933	57.6%
3 PSA	7	0.1%	7	0.1%
4 JTS	0	0.0%	2,160	42.4%

Shareholders	Total common and preferred shares			
	Before transaction		After transaction	
	No.of shares	% holding	No.of shares	% holding
1 Mr. Goh Mia Hock	1	0.0%	1	0.0%
2 CY	5,093	50.9%	2,933	29.3%
3 PSA	4,906	49.1%	3,465	34.7%
4 JTS	0	0.0%	3,601	36.0%

Source: Company data and KS Research

Fig 2 Shareholding structure of ESCO after the transaction



Source: Company data and KS Research

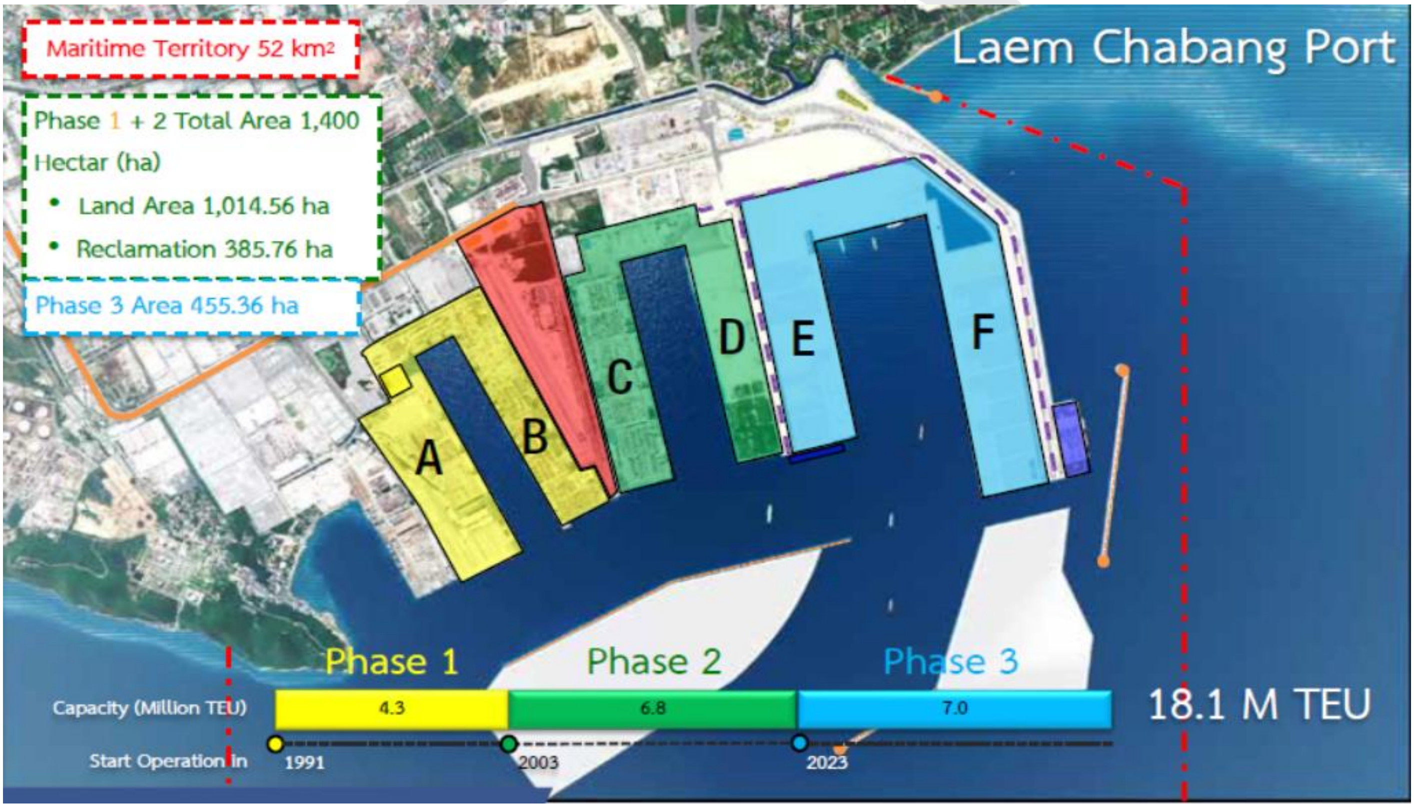
ESCO – a well-established business base in high growth potential business

Established on Dec. 13, 1990, ESCO is currently one of the leading container port operators at Laem Chabang Port. Through B3 terminal and B1 terminal in which ESCO holds a majority share, it offers a draft and berth length that enables it to serve all of the latest generation Post-Panamax vessels. The basins of the B-series terminals also offer excellent wind and wave protection, making vessel berthing operations easy. A massive on-berth container yard provides a more-than-sufficient buffer for inbound and outbound containers while an off-site container yard just a few hundred meters from the terminal manages empty containers for customer convenience. ESCO's B3 terminal has an overall area of 105,000 sq.m. The container yard within the terminal has an area of 25,000 sq.m, capable of storing 6,000 TEUs of dry containers. Including B1 and A0, it has a capacity of over 2.2mn TEUs. Also, it can provide container handling, rail and trucking and custom clearance services.

In 1996, ESCO commenced operations at Module B of the ICD (ESCO Lat Krabang) with a facility spanning 96,600 sq.m with container yards, a container freight station and empty container yards, allowing the company to offer seamless container movement between Laem Chabang and Lat Krabang. At present, ESCO Lat Krabang is owned by Singapore's PSA and Japan's Marubeni and Kamigumi. The operation of the inland container depot is focused on the shipping line's customer: the Thai exporter. Realizing that shipping lines are very sensitive to the way their customers are treated, ESCO goes to great lengths to provide a high level of service at Lat Krabang.

In the future, ESCO plans to participate in the Single Rail Transfer Operator (SRTO) scheme of Laem Chabang Port Phase 3, which is an integrated rail hub at the port that aims to improve logistics efficiency and cost-effectiveness, relieve traffic congestion on roads in the Laem Chabang area and reduce pollution and road-related accidents. The handling capacity of the project is set at 2mn TEUs of containers per year. According to the Port Authority of Thailand (PAT), the SRTO rail hub will be built in Zone 4 of LCP (the Red Zone on the map), which is located between Terminal B and C on an area of approximately 600 rai. Around 370 rai is planned for immediate use, while an additional 230 rai will be held in reserve. Currently, two bids have been submitted by ESCO/TIL consortium and TIPS, which ESCO/TIL consortium submitted the lowest price.

Fig 3 Laem Chabang Port – Overall project perspective



Source: Company data and KS Research

Fig 4 ESCO's exposure at Laem Chabang Port

Source: Company data and KS Research

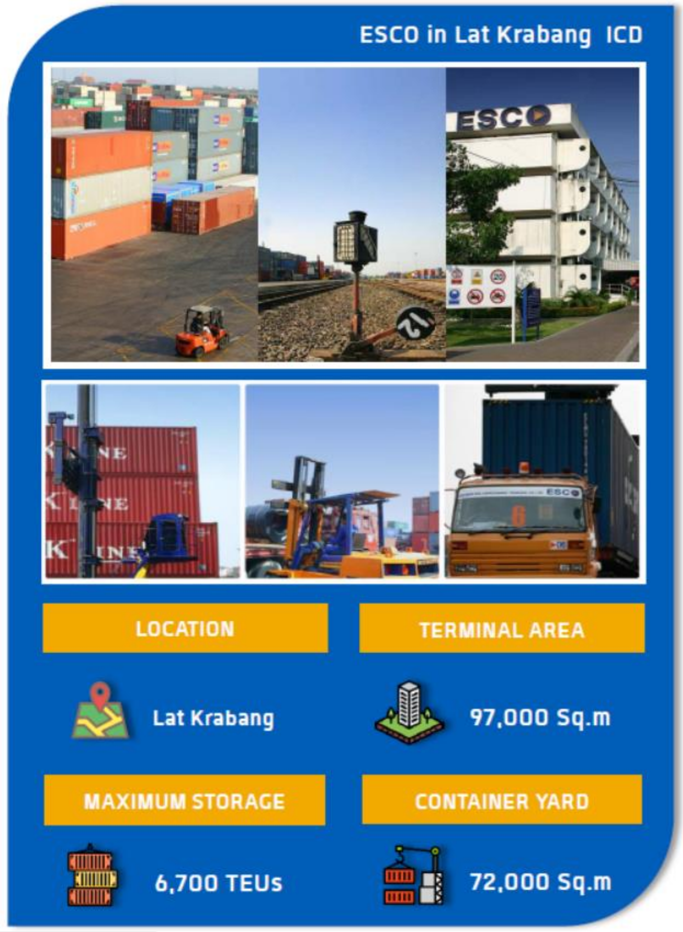
Fig 5 ESCO's exposure at ICD Lat Krabang

Source: Company data and KS Research

Fig 6 ESCO's capacity at Laem Chabang Port

Source: Company data and KS Research

Fig 7 ESCO's capacity at ICD Lat Krabang



Source: Company data and KS Research

Accretive earnings deal plus big synergy benefits

Acquisition will boost earnings immediately at a reasonable price

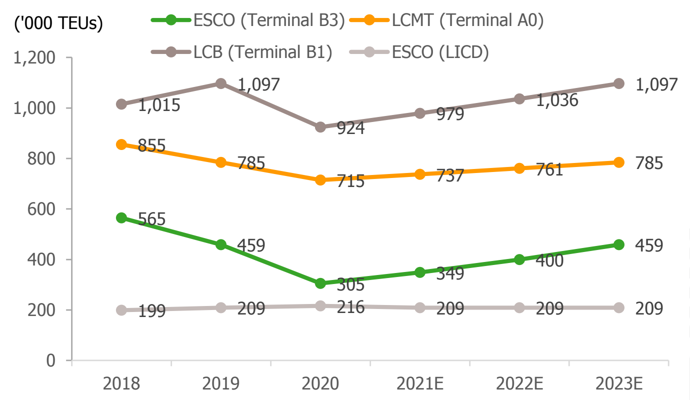
Thanks to its well-established business base in an industry with solid demand and its location in the heart of Thailand's main import and export zone, the operating performance of ESCO has been steady. Along with its low financial leverage, Smilesun was able to produce quite strong 2019-20 earnings of Bt324mn and Bt300mn respectively. Based on the plan for JTS to hold a 29.4% stake in Smilesun, assuming earnings in 2021-23E will grow by 5% p.a. (note that Smilesun's own revenue growth projection is "higher than 5%"), we estimate JWD's 2021-23E earnings will be topped up by Bt12mn, Bt73mn and Bt77mn, respectively, which is equal to 2%, 14% and 13% of our previous 2021-23E earnings forecasts. Meanwhile the upside risk will rise to 2%, 15% and 17% in case it can exercise the option and enlarge its stake in Smilesun to 39.2%. Also, in terms of valuation, JWD will acquire ESCO at a 2020 PER of only 7.5x, which is a very reasonable price given other logistics stocks on the SET are trading in a range of 20-30x for 2020 PER.

Fig 8 2019-20 financial data of Smilesun

Unit: Btmn.	2019	2020
Assets	704	724
Liabilities	0	20
Equity	703	703
Revenue	325	300
Net profit	324	299
ROA (%)	46.1%	41.4%
ROE (%)	46.1%	42.6%

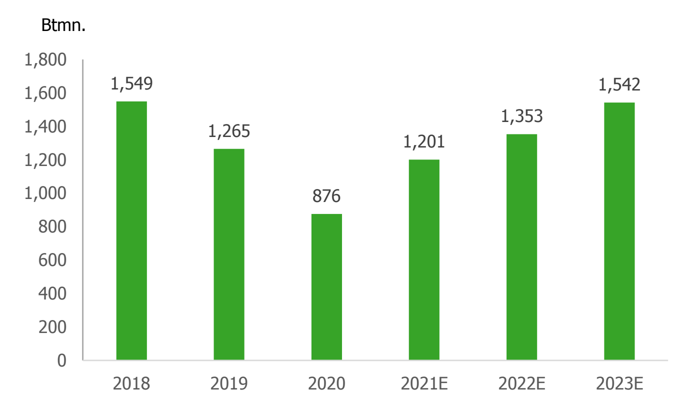
Source: Company data and KS Research

Fig 9 Throughput at ESCO's ports & depots



Source: Company data and KS Research

Fig 10 ESCO's historical revenue and prospect



Source: Company data and KS Research

Fig 11 Potential incremental earnings of JWD from Smilesun deal before interest charge

	2021E	2022E	2023E
JWD - Previous earnings forecast	476	520	585
Smilesun's earnings forecast	315	331	347
Equity income shared to JWD at 29.4 % owned by JTS *	12	73	77
Equity income shared to JWD at 39.2 % owned by JTS **	12	77	102
Upside to 2021-23E previous earnings on 29.4% stake	2%	14%	13%
Upside to 2021-23E previous earnings on 38.2% stake	2%	15%	17%

Remark: * = Starting from Nov 21

** = Starting from Nov 22

Source: Company data and KS Research

Access to ESCO's business platform and global network of PSA Singapore

Apart from the incremental earnings JWD can share from the investment in ESCO via Smilesun, the deal will create synergies for both parties. JWD's railyard management business and barge terminal activities will benefit right away from the cooperation with ESCO from integrated multimodal services as well as the joint opportunity in shared customer bases in both domestic and international markets like Vietnam and Indonesia. Also, the deal will help enhance productivity and cost optimization for both parties given they will be able to share equipment and container movement planning.

Fig 12 Facilities and services of ESCO (1)

Source: Company data and KS Research

Fig 13 Facilities and services of ESCO (2)

Source: Company data and KS Research

Fig 14 Facilities and services of ESCO (3)

Source: Company data and KS Research

Fig 15 Facilities and services of ESCO (4)

Source: Company data and KS Research

Fig 16 Facilities and services of ESCO (5)

Source: Company data and KS Research

Fig 17 Facilities and services of ESCO (6)

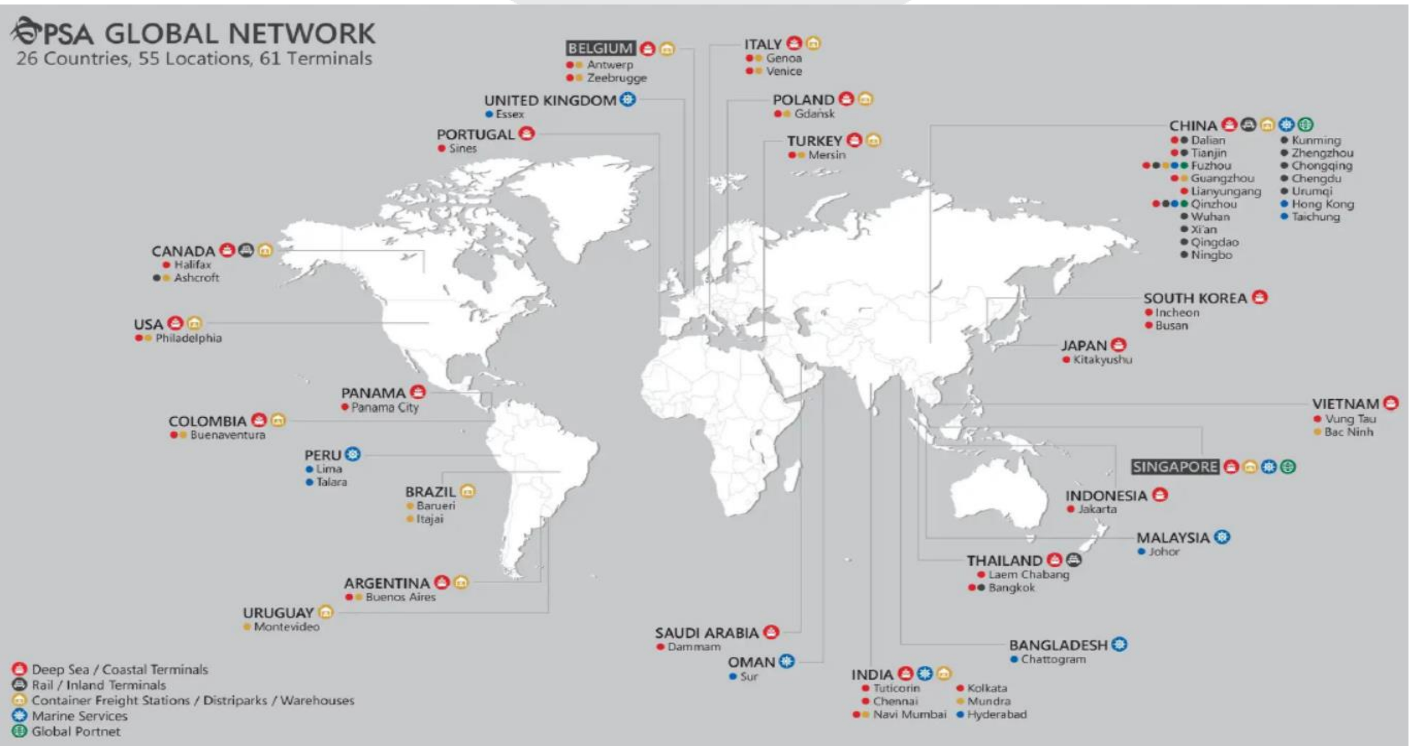
Source: Company data and KS Research

Fig 18 Sample of ESCO's clients

Source: Company data and KS Research

In addition, this investment will allow JWD to access the global network of PSA International Pte Ltd which is one of the world's largest port operators with projects across Asia, Europe and the Americas and flagship operations in the form of PSA Singapore and PSA Antwerp. While PSA SE Asia Pte Ltd, which is the seller of Smilesun, was established only on Feb. 27, 1999, its parent (PSA Singapore; formerly the Port of Singapore Authority) has a much longer history dating back to 1819. PSA's core business is transshipment, which is the transfer of containers from one vessel to another bound for the final destination. The value of transshipment is that it is more cost efficient and time efficient than a vessel making a single direct voyage. Currently PSA's global network spans 26 countries, 55 locations and 61 terminals.

Fig 19 PSA's global network



Source: Company data and KS Research

Logistics & industrial properties venture to create mass value

Cooperation with ORI will bring proven value-creation business model to JWD

On Jan. 21, 2021, JWD formed a joint Venture with ORI called ORIGIN JWD Industrial Asset Co. Ltd, which has since been renamed Alpha Industrial Solutions Co., Ltd. with a 50:50 holding structure to be an investment vehicle in real estate development focusing on logistics-related assets. According to the initial announcement by JWD and ORI, the JV will initially focus on warehouses. When the asset is ready, it will be sold to a REIT. In the 5-year development period, the JV aims to enlarge accumulated sales value to Bt12bn. The investment budget prepared for this business in the early stage (first 2-3 years) is set at Bt1.0bn. The business scope of the JV may also be extended to cold storage, logistics parks and industrial estates as well as utilities such as water, power and energy.

Currently, the JV plans to develop 62K sq.m. of warehouses from the projects in the Bangna Trad area, the center of the warehouse business in Thailand thanks to its location near a number of industrial estates as well as Suvarnabhumi International Airport and deep seaports in Rayong province. One of the projects will be ready to generate income from early 2022 with the sales transaction to the REIT to be done by late 2022 at the earliest. At the moment, the JV is in discussions with potential customers involving more than 100K sq.m. of warehouses.

Assuming the JV can complete such transactions including 1) the sale of 62K sq.m. of warehouse assets to a REIT every year for a 10-year period; 2) achieve a selling price of Bt24K/sq.m.; 3) GPM of 30%; 4) NPM of 15%; 5) leverage ratio of 1:1; 6) WACC of 7% and 7) growth rate of 2%, we estimate the incremental value to JWD's mid-2022 target price at Bt0.63. This potential incremental value will rise to Bt2.09 in the case we apply a terminal value at a terminal growth rate of 2%. This is on top of incremental earnings of about Bt120mn per year generated from the JV (holding stake of 50%).

Fig 20 Initial development target of JV between JWD and ORI

Source: Company data and KS Research

Fig 21 Incremental value to JWD from the JV

JV - DCF Valuation	10 years	10 years + terminal
WACC	7%	7%
Growth rate	2%	2%
PV of free cash flow (Bt.mn)	1,994	1,994
Terminal value (Bt.mn)		2,985
Total value (Bt.mn)	1,994	4,979
Less: Net debt (Bt.mn)	711	711
Equity value (Bt.mn)	1,282	4,268
% holding of JWD in JV	50%	50%
Equity value of JWD (Bt.mn)	641	2,134
No.of JWD's shares (mn)	1,020	1,020
Value per share (Baht)	**0.63**	**2.09**

Source: Company data and KS Research

Cooperation with CGIF (under ADB) enhancing financial ability

Cost-of-funds-reduction program

In early 2021, JWD partnered with Twin Pine Group to issue AAA-rated debentures guaranteed by the Credit Guarantee and Investment Facility (CGIF), a trust fund of the Asian Development Bank (ADB) which was established to promote economic development and resilience in financial markets in the ASEAN+3 group of countries through the sustained development of deep and liquid local currency and regional bond markets.

The guarantees issued by the CGIF are irrevocable and unconditional commitments to pay bondholders upon non-payment by the issuers throughout the tenor of the bonds. This commitment is backed by CGIF's equity capital, which has been fully paid in by all of its contributors. CGIF's general bond guarantee structure is illustrated below (Fig 22).

CGIF has guaranteed JWD first issuance of Bt700mn under its Bt1.9bn Guaranteed Bonds Program with the proceeds to be used in the investment of JWD's domestic logistics and supply chain business and will help to increase the service capability and drive growth according to the set targets. The interest rate of this Bt700mn, 5-year bond issued from Mar. 5, 2021 fell sharply to 2.1% compared to a rate of 4.0% for its previous 3-year bond of Bt600mn issued on Feb. 21, 2020. This will significantly reduce JWD's cost of funds, which will decline further given it still has Bt1.2bn of unissued bonds in this program. Note that its total IBD and net IBD in 1Q21 were Bt6.1bn and Bt4.6bn respectively.

Fig 22 General bond guarantee structure of CGIF

Source: www.cgif-abmi.org and KS Research

Fig 23 CGIF's objective and transaction parameters

Objectives

- Prevention of currency crisis
- Accelerate economic development of ASEAN+3

- Rebalance excessive dependence on bank loans
- Develop capital markets (bond markets) in the region

- Matching currency, match tenor with investments
- Transcend country sovereign ceilings
- Introduce bond issuers to new markets

Transaction Parameters

- Guarantee amount within CGIF's concentration limits:
- Per group exposure / single borrower limit: USD 221m
- Per country industry limit: USD 299m
- Per country limit: USD 598m
- Per aggregate industry limit: USD 598m
- Per currency limit: USD 1,197m
- Tenor: normally, within 10 year; up to 15 years possible subject to credit quality and justification

Source: www.cgif-abmi.org, Company data and KS Research

Valuation and recommendation

Maintain Outperform rating; mid-2022 TP raised to Bt18.70

New businesses to enhance value

We revise up our mid-2022 target price on JWD to Bt18.70 from Bt14.50, mainly to reflect the incremental value from the two new investments (Smilesun and the JV with ORI). In addition, we slice the WACC we use to value its existing businesses to 7.4% from 8.0% after taking into account the benefit of the lower cost of debt it receives from its cooperation with CGIF. Also, we keep the value from potential new businesses at Bt2.0 given JWD is still in the process of searching for new opportunities and we may see an additional deal before the end of this year, according to JWD. Based on these new assumptions, our new target price is derived from Bt16.04 for existing business, Bt2.03 from the potential new business and Bt0.63 from the JV with ORI. Apart from new business, in the later period, the listing of its transportation business (JTS) will play an important role boosting earnings, cash flow and value of the stock. Note that based on the acquisition of Smilesun, we raise our 2021-23E earnings forecasts by 1.8/10.0/9.4%.

Fig 24 Valuation table: SOTP valuation gives mid-2022 TP of Bt18.70

Valuation	
1) Existing business (DCF)	
Discounted value of existing business	22,388
Market value of debt	6,030
Total firm value	16,358
No.of share outstanding	1,020
Value per share	**16.04**
2) New investments (Bt4.0bn)	
Discounted value @ IRR of 13.5%	2,761
Probability applied	75%
Potential incremental value	2,071
No.of share outstanding	1,020
Value per share	**2.03**
3) Investment in JV with ORI (DCF with 50% holding)	
Discounted value of the ten years rent & asset sales transaction of 62K sq.m./year	**0.63**
Value per share	**18.70**
Key assumptions	
Long-term growth (%)	3.0%
WACC (%)	7.4%
Cost of equity (%)	12.4%
Beta	1.18
Risk free rate (%)	3.0%
Market risk premium (%)	8.0%
Cost of borrowing (%)	4.0%

Source: Company data and KS Research

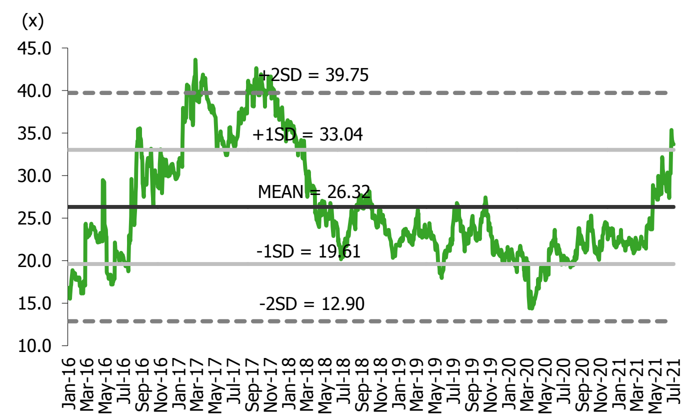
Fig 25 2021-23E earnings revised up by 1.8/10.0/9.4%

Unit: Btmn.	2021E			2022E			2023E		
Profit and loss statements	New	Previous	% change	New	Previous	% change	New	Previous	% change
Sales revenue	4,755	4,755	0.0	5,357	5,357	0.0	5,651	5,651	0.0
Cost of sales	3,516	3,516	0.0	3,901	3,901	0.0	4,076	4,076	0.0
Gross profit	1,239	1,239	0.0	1,456	1,456	0.0	1,575	1,575	0.0
SG&A	746	746	0.0	811	811	0.0	848	848	0.0
Operating profit	545	545	0.0	698	698	0.0	783	783	0.0
EBITDA	1,461	1,461	0.0	1,713	1,713	0.0	1,925	1,925	0.0
Equity income	133	121	9.5	224	151	48.3	243	166	46.1
EBIT	797	785	1.5	958	885	8.2	1,062	986	7.8
Interest expense	229	226	1.4	282	262	7.7	296	278	6.8
EBT	568	559	1.5	676	623	8.5	766	708	8.2
Net Profit	484	476	1.8	572	520	10.0	640	585	9.4
Core profit	432	424	2.0	572	520	10.0	640	585	9.4
Key assumptions (Unit: %) *					52				
Revenue growth - warehouse	13.5	13.5	0.0	9.1	9.1	0.0	5.6	5.6	0.0
Revenue growth - transport	74.0	74.0	0.0	33.5	33.5	0.0	6.0	6.0	0.0
Revenue growth - moving	-7.5	-7.5	0.0	20.0	20.0	0.0	5.0	5.0	0.0
Revenue growth - record & Info	6.0	6.0	0.0	5.0	5.0	0.0	5.0	5.0	0.0
Revenue growth - food services	9.9	9.9	0.0	3.0	3.0	0.0	3.0	3.0	0.0
GPM - warehouse	37.2	37.2	0.0	38.6	38.6	0.0	39.5	39.5	0.0
GPM - transport	16.1	16.1	0.0	16.8	16.8	0.0	16.8	16.8	0.0
GPM - moving	23.6	23.6	0.0	25.0	25.0	0.0	28.0	28.0	0.0
GPM - record & Info	53.0	53.0	0.0	54.0	54.0	0.0	54.0	54.0	0.0
GPM - food services	5.8	5.8	0.0	7.0	7.0	0.0	7.5	7.5	0.0

Remark: * = change in ppt

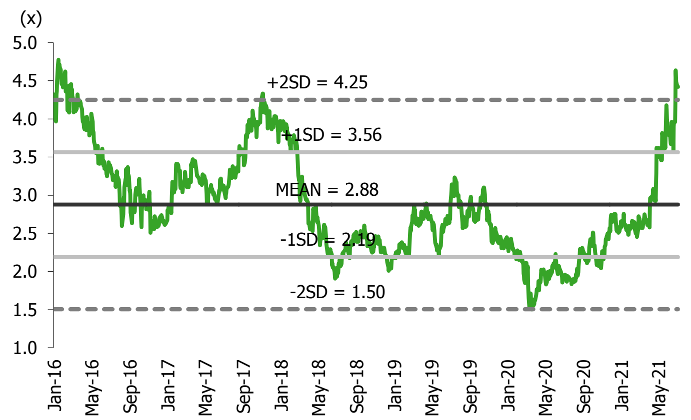
Source: Company data and KS Research

Fig 26 5-year 12M Fwd PER



Source: Bloomberg and KS Research

Fig 27 5-year 12M PBV



Source: Bloomberg and KS Research

Year-end 31 Dec

Income Statement (Btmn)	2019A	2020A	2021E	2022E	2023E
Revenue	3,562	3,858	4,755	5,357	5,651
Cost of sales and services	-2,566	-2,898	-3,516	-3,901	-4,076
Gross Profit	996	960	1,239	1,456	1,575
SG&A	-698	-644	-746	-811	-848
Other income	42	32	52	54	56
EBIT	506	498	797	958	1,062
EBITDA	682	1,011	1,461	1,713	1,925
Interest expense	-107	-191	-229	-282	-296
Equity earnings	115	117	133	224	243
EBT	399	307	568	676	766
Income tax	-47	-25	-82	-90	-105
NPAT	352	282	486	586	661
Minority Interest	10	8	-1	-13	-21
Core Profit	368	290	432	572	640
Extraordinary items	-5	0	52	0	0
FX gain (loss)	0	0	0	0	0
Reported net profit	363	290	484	572	640
Balance Sheet (Btmn)					
Cash & equivalents	886	815	594	670	706
ST investments	1	0	24	27	28
Accounts receivable	952	731	902	1,016	1,071
Inventories	60	113	137	152	159
Other current assets	372	123	155	174	184
Total current assets	2,271	1,783	1,811	2,038	2,149
Investment in subs & others	0	0	0	0	0
Fixed assets-net	3,929	4,259	5,029	5,892	6,642
Other assets	1,619	3,432	3,853	3,594	3,312
Total assets	7,819	9,474	10,694	11,525	12,102
Short-term debt	1,707	1,751	1,238	1,238	1,238
Accounts payable	696	589	715	793	828
Other current assets	60	72	86	96	102
Total current liabilities	2,463	2,411	2,038	2,127	2,168
Long-term debt	1,915	3,616	4,900	5,340	5,573
Other liabilities	171	195	243	273	288
Total liabilities	4,549	6,222	7,181	7,741	8,029
Paid-up capital	510	510	510	510	510
Share premium	1,336	1,336	1,336	1,336	1,336
Reserves & others, net	865	868	868	868	868
Retained earnings	439	404	664	921	1,190
Minority interests	120	133	135	148	169
Total shareholders' equity	3,270	3,252	3,513	3,784	4,073
Total equity & liabilities	7,819	9,474	10,694	11,525	12,102
Key Assumptions					
Revenue growth - warehouse	8.4	-0.8	13.5	9.1	5.6
Revenue growth - transport	-1.4	-11.1	74.0	33.5	6.0
Revenue growth - moving	-13.8	-34.9	-7.5	20.0	5.0
Revenue growth - record & Info	5.0	4.7	6.0	5.0	5.0
Revenue growth - food services	57.3	59.2	9.9	3.0	3.0
GPM - warehouse	37.6	35.9	37.2	38.6	39.5
GPM - transport	16.9	16.2	16.1	16.8	16.8
GPM - moving	29.1	23.1	23.6	25.0	28.0
GPM - record & Info	46.1	48.8	53.0	54.0	54.0
GPM - food services	6.8	4.4	5.8	7.0	7.5

Cashflow (Btmn)	2019A	2020A	2021E	2022E	2023E
Net profit	352	282	486	586	661
Depreciation & amortization	342	663	915	1,014	1,142
Change in working capital	-274	169	-57	-30	-7
Others	31	74	0	0	0
CF from operation activities	452	1,188	1,344	1,570	1,796
Capital expenditure	-1,517	-3,641	-1,404	-1,596	-1,610
Investment in subs and affiliates	-674	-140	-645	0	0
Others	1,168	3,071	-63	-25	-10
CF from investing activities	-1,022	-710	-2,112	-1,621	-1,620
Cash dividend	-214	-255	-224	-315	-372
Net proceeds from debt	2,828	1,815	772	441	232
Capital raising	0	0	0	0	0
Others	-1,624	-2,113	0	0	0
CF from financing activities	990	-553	547	126	-140
Net change in cash	419	-75	-221	75	37
Key Statistics & Ratios					
Per share (Bt)					
Reported EPS	0.36	0.28	0.47	0.56	0.63
Core EPS	0.36	0.28	0.42	0.56	0.63
DPS	0.25	0.22	0.31	0.36	0.41
BV	3.09	3.06	3.31	3.56	3.83
EV	10.75	12.94	21.34	21.71	21.92
Free Cash Flow	-1.04	-2.40	-0.06	-0.03	0.18
Valuation analysis					
Reported P/E (x)	22.35	29.37	33.27	28.17	25.18
Core P/E (x)	22.05	29.37	37.27	28.17	25.18
P/BV (x)	2.57	2.73	4.77	4.43	4.13
EV/EBITDA (x)	16.07	13.05	14.91	12.93	11.62
Price/Cash flow (x)	17.94	7.17	11.99	10.26	8.97
Dividend yield (%)	3.14	2.63	1.95	2.31	2.58
Profitability ratios					
Gross margin (%)	27.96	24.88	26.06	27.18	27.88
EBITDA margin (%)	19.16	26.22	30.71	31.97	34.06
EBIT margin (%)	14.20	12.90	16.75	17.88	18.79
Net profit margin (%)	9.89	7.30	10.22	10.93	11.70
ROA (%)	4.98	3.26	4.82	5.27	5.60
ROE (%)	11.76	9.25	14.91	16.32	16.98
Liquidity ratios					
Current ratio (x)	0.92	0.74	0.89	0.96	0.99
Quick ratio (x)	0.75	0.64	0.75	0.80	0.83
Leverage Ratios					
Liabilities/Equity ratio (x)	1.39	1.91	2.04	2.05	1.97
Net debt/EBITDA (x)	4.01	4.50	3.78	3.43	3.16
Net debt/equity (x)	0.84	1.40	1.57	1.55	1.49
Int. coverage ratio (x)	4.74	2.61	3.48	3.40	3.58
Growth					
Revenue (%)	11.05	8.29	23.27	12.65	5.50
EBITDA (%)	3.30	48.21	44.41	17.25	12.39
Reported net profit (%)	61.59	-20.07	67.04	18.13	11.88
Reported EPS (%)	61.59	-20.07	67.04	18.13	11.88
Core profit (%)	68.88	-21.15	49.11	32.33	11.88
Core EPS (%)	68.88	-21.15	49.11	32.33	11.88

Source: Company, KS estimates

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