



JWD InfoLogistics PCL

JWD TB Outperform

Target Price Bt 22.60

Price (04/02/2022) Bt 19.80

Upside % 14.14

Valuation SOTP

Sector Transportation & Logistics

Market Cap Btm 20,196

30-day avg turnover Btm 199.32

No. of shares on issue m 1,020

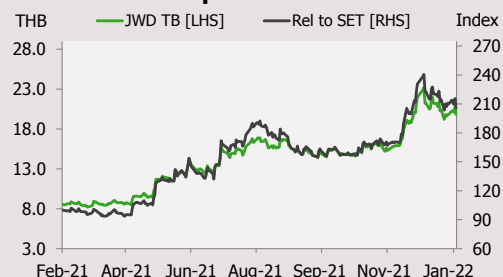
CG Scoring Excellent

Anti-Corruption Indicator N/A

Investment fundamentals

Year end Dec 31	2020A	2021E	2022E	2023E
Company Financials				
Revenue (Btmn)	3,858	5,049	5,937	6,402
Core profit (Btmn)	290	482	605	715
Net profit (Btmn)	290	557	605	715
Net EPS (Bt)	0.28	0.55	0.59	0.70
DPS (Bt)	0.22	0.36	0.39	0.46
BVPS (Bt)	3.06	3.38	3.62	3.94
Net EPS growth (%)	-20.07	92.18	8.57	18.13
ROA (%)	3.26	5.26	5.41	5.99
ROE (%)	9.25	16.96	16.93	18.54
Net D/E (x)	1.40	1.54	1.60	1.50
Valuation				
P/E (x)	29.37	36.24	33.38	28.26
P/BV (x)	2.73	5.85	5.47	5.03
EV/EBITDA (x)	13.05	20.66	15.40	13.53
Dividend yield (%)	2.63	1.79	1.95	2.30

JWD TB rel SET performance



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

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Analyst

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7 February 2022

Kasikorn Securities Public Company Limited

Record high earnings expected in 4Q21

- We upgrade JWD to Outperform from Neutral despite maintaining our 2022-23 earnings forecast. Recent drop in share price has created upside.
- We like JWD for its solid base and recent investments that support a strong growth outlook. New investments will add more excitement.
- Apart from growth in auto, cold chain and transport, land sales at PPSEZ and strong input from TMS will support record high earnings in 4Q21E.

Investment Highlights

- **Exciting 4Q21 earnings expected.** We expect JWD to report 4Q21 earnings of Bt162mn, up 113% YoY and 16% QoQ. Stripping out extra items, 4Q21 earnings should grow 113% YoY and 40% QoQ to a record quarterly high. We attribute this exciting growth not only to a robust revenue expansion, largely driven by its automotive, cold-chain, transportation and food businesses on the return of economic activity in the quarter but also to contribution from many of its recent investments including VNS, ESCO, PPSEZ and TMS. Thanks to this 4Q21E great performance, we see JWD being able to almost double 2021E earnings from 2020.
- **Organic and inorganic growth to drive 4Q21E earnings.** On the back of seasonally strong performances at some business units like food and the boost from recent expansions such as cold chain, automotive and transport, we expect core revenue in 4Q21 to grow 31% YoY and 2% QoQ. While we expect profitability at some business units like the general goods warehousing, logistics infrastructure and self-storage to fall on a drop in volume or a change in revenue mix, or in the case of food, on trouble sourcing raw materials, with overall GPM in 4Q21E to fall by 2.2ppt both YoY and QoQ, we see a jump in equity income on a number of positive developments wiping out the impact of these weak areas. Land sales transactions at PPSEZ and Bok Seng (both in Cambodia), a two-month contribution from ESCO and the great expansion of earnings at Transimex (TMS) on the high demand for logistics and freight business in Vietnam will drive 4Q21E equity income to a new high above Bt100mn from Bt29.6mn in 4Q20 and Bt41.1mn in 3Q21.
- **Earnings to further expand in 2022E.** While JWD should set a very high earnings base in 2021E, we see it being able to grow core earnings and net earnings further in 2022E. Apart from organic growth at all of its core businesses like dangerous goods yards, automotive, cold-chain and transport, full-year contributions from ESCO, VNS and cold-storage No. 9 at Mahachai will be key performance drivers in 2022. Furthermore, the cold-storage JV with MMP International and the new cold-storage facility in Saraburi province that will start up in late March and October respectively will provide a further boost. In addition, the completion of the first warehouse under Alpha in late 2Q22 and progress of the performance of mycloudfulfillment and Fuze Post as well as the opening of many new sites by its self-storage business will help lift 2022E earnings further.

Valuation and Recommendation

- We upgrade JWD to Outperform from Neutral. While we maintain our 2022 SOTP target price of Bt22.6 for the stock, the recent drop in the share price of nearly 20% over the past month has widened the potential upside to our target price to an attractive level. Besides, the exciting 4Q21E earnings outlook should draw back investor interest in the stock in the short term. In the medium term, steady quarterly earnings growth and the progress of investments started in 2021 like Alpha, ESCO, Fuze Post, Mycloud Fulfillment and the many new cold-storage units opened will be key issues for investors to monitor.



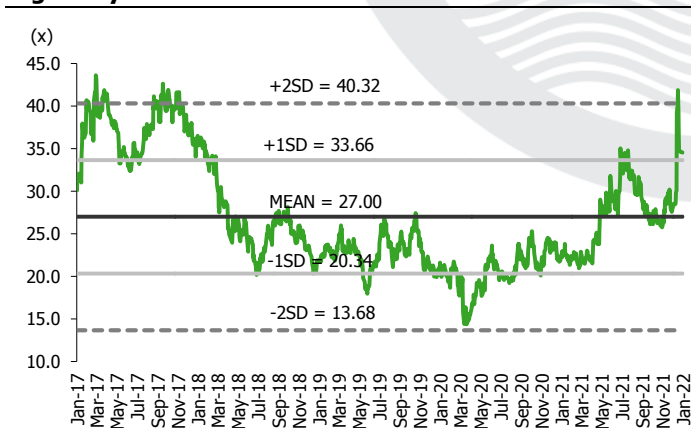
Fig 1 4Q21E earnings to jump 113% YoY and 16% QoQ

	4Q20	1Q21	2Q21	3Q21	4Q21E	%YoY	%QoQ	2020	2021E	% change
Financials										
Sales (Btmn)	1,060	1,050	1,253	1,357	1,389	31.0	2.3	3,858	5,049	30.9
EBITDA (Btmn)	282	357	243	330	318	12.6	-3.8	1,011	1,248	23.4
Operating profit (Btmn)	91	113	150	134	94	2.9	-30.0	348	491	41.0
Core profit (Btmn)	76	97	107	115	162	113.5	40.7	290	482	66.3
Net profit (Btmn)	76	141	116	139	162	113.5	16.4	290	557	92.2
Net EPS (Bt)	0.07	0.14	0.11	0.14	0.16	113.5	16.4	0.28	0.55	92.2
Performance Drivers										
No. of container at Laem Chabang (TEU)	1,953,179	2,127,469	2,129,465	2,131,423	2,134,994	9.3	0.2	7,549,883	8,078,375	7.0
No. of car export (units)	214,385	258,108	215,381	203,992	287,713	34.2	41.0	735,842	825,000	12.1
Net D/E (x)	1.40	1.33	1.45	1.38	1.45	3.6	5.3	1.4	1.54	10.0
Ratios										
						Change		2020	2021E	Change
Gross margin (%) *	23.8	25.7	25.0	23.8	21.6	-2.2	-2.2	24.9	23.9	-1.0
EBITDA margin (%) *	26.6	34.0	19.4	24.3	22.9	-3.7	-1.4	26.2	24.7	-1.5
Optg. margin (%) *	8.6	10.7	12.0	9.9	6.8	-1.9	-3.1	9.0	9.7	0.7
ROE (%) *	9.7	17.3	14.2	16.0	17.8	8.1	1.8	9.3	17.0	7.7

Remark: * = Change in ppt

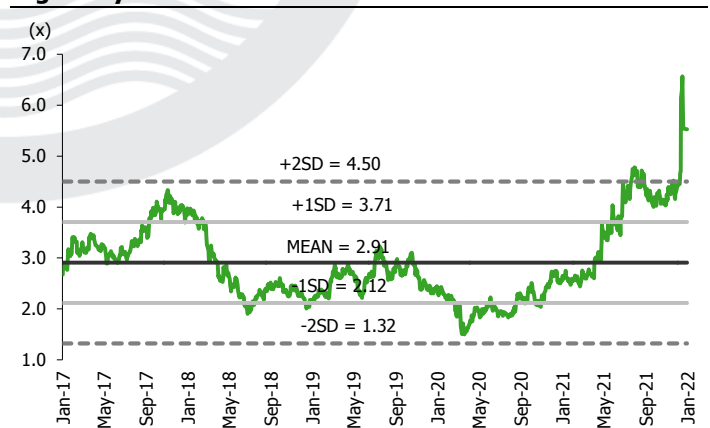
Source: Company data and KS Research

Fig 2 5-year 12M Fwd PER



Source: Bloomberg and KS Research

Fig 3 5-year 12M Fwd PBV



Source: Bloomberg and KS Research



Year-end 31 Dec

Income Statement (Btmn)	2019A	2020A	2021E	2022E	2023E
Revenue	3,562	3,858	5,049	5,937	6,402
Cost of sales and services	-2,566	-2,898	-3,844	-4,468	-4,773
Gross Profit	996	960	1,205	1,470	1,629
SG&A	-698	-644	-756	-830	-871
Other income	42	32	42	43	45
EBIT	506	498	804	992	1,153
EBITDA	682	1,011	1,248	1,715	1,965
Interest expense	-107	-191	-208	-288	-309
Equity earnings	115	117	178	273	312
EBT	399	307	596	704	845
Income tax	-47	-25	-62	-86	-107
NPAT	352	282	534	618	738
Minority Interest	10	8	23	-13	-23
Core Profit	368	290	482	605	715
Extraordinary items	-5	0	75	0	0
FX gain (loss)	0	0	0	0	0
Reported net profit	363	290	557	605	715

Balance Sheet (Btmn)

Cash & equivalents	886	815	631	742	800
ST investments	1	0	25	30	32
Accounts receivable	952	731	957	1,126	1,214
Inventories	60	113	150	174	186
Other current assets	372	123	164	193	208
Total current assets	2,271	1,783	1,927	2,265	2,440
Investment in subs & others	0	0	0	0	0
Fixed assets-net	3,929	4,259	5,029	6,099	6,854
Other assets	1,619	3,432	3,876	3,637	3,364
Total assets	7,819	9,474	10,833	12,001	12,658
Short-term debt	1,707	1,751	1,238	1,238	1,238
Accounts payable	696	589	781	908	970
Other current liabilities	60	72	91	107	115
Total current liabilities	2,463	2,411	2,110	2,253	2,323
Long-term debt	1,915	3,616	4,904	5,628	5,846
Other liabilities	171	195	258	303	327
Total liabilities	4,549	6,222	7,271	8,184	8,496
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	737	980	1,301
Minority interests	120	133	110	123	146
Total shareholders' equity	3,270	3,252	3,561	3,817	4,162
Total equity & liabilities	7,819	9,474	10,833	12,001	12,658

Key Assumptions

Revenue growth - warehouse	8.4	-0.8	14.7	13.6	11.5
Revenue growth - transport	-1.4	-11.1	91.9	49.3	6.6
Revenue growth - moving	-13.8	-34.9	10.3	20.0	3.0
Revenue growth - record & Info	5.0	4.7	-0.8	9.5	5.0
Revenue growth - food services	57.3	59.2	24.9	3.0	3.0
GPM - warehouse	37.6	35.9	36.9	37.4	37.8
GPM - transport	16.9	16.2	14.3	15.4	16.0
GPM - moving	29.1	23.1	23.0	25.0	26.0
GPM - record & Info	46.1	48.8	44.6	47.5	47.5
GPM - food services	6.8	4.4	2.2	6.0	6.0

Source: Company, KS estimates

Cashflow (Btmn)	2019A	2020A	2021E	2022E	2023E
Net profit	352	282	534	618	738
Depreciation & amortization	342	663	757	1,032	1,162
Change in working capital	-274	169	-56	-41	-14
Others	31	74	0	0	0
CF from operation activities	452	1,188	1,235	1,609	1,886
Capital expenditure	-1,517	-3,641	-1,246	-1,821	-1,635
Investment in subs and affiliates	-674	-140	-645	0	0
Others	1,168	3,071	-79	-40	-18
CF from investing activities	-1,022	-710	-1,970	-1,860	-1,653
Cash dividend	-214	-255	-224	-362	-393
Net proceeds from debt	2,828	1,815	775	724	218
Capital raising	0	0	0	0	0
Others	-1,624	-2,113	0	0	0
CF from financing activities	990	-553	551	362	-175
Net change in cash	419	-75	-184	111	58

Key Statistics & Ratios

Per share (Bt)

Reported EPS	0.36	0.28	0.55	0.59	0.70
Core EPS	0.36	0.28	0.47	0.59	0.70
DPS	0.25	0.22	0.36	0.39	0.46
BV	3.09	3.06	3.38	3.62	3.94
EV	10.75	12.94	25.29	25.90	26.07
Free Cash Flow	-1.04	-2.40	-0.01	-0.21	0.25

Valuation analysis

Reported P/E (x)	22.35	29.37	36.24	33.38	28.26
Core P/E (x)	22.05	29.37	41.89	33.38	28.26
P/BV (x)	2.57	2.73	5.85	5.47	5.03
EV/EBITDA (x)	16.07	13.05	20.66	15.40	13.53
Price/Cash flow (x)	17.94	7.17	16.35	12.55	10.71
Dividend yield (%)	3.14	2.63	1.79	1.95	2.30

Profitability ratios

Gross margin (%)	27.96	24.88	23.86	24.75	25.44
EBITDA margin (%)	19.16	26.22	24.72	28.89	30.69
EBIT margin (%)	14.20	12.90	15.93	16.71	18.01
Net profit margin (%)	9.89	7.30	10.58	10.41	11.53
ROA (%)	4.98	3.26	5.26	5.41	5.99
ROE (%)	11.76	9.25	16.96	16.93	18.54

Liquidity ratios

Current ratio (x)	0.92	0.74	0.91	1.01	1.05
Quick ratio (x)	0.75	0.64	0.76	0.84	0.88

Leverage Ratios

Liabilities/Equity ratio (x)	1.39	1.91	2.04	2.14	2.04
Net debt/EBITDA (x)	4.01	4.50	4.39	3.55	3.18
Net debt/equity (x)	0.84	1.40	1.54	1.60	1.50
Int. coverage ratio (x)	4.74	2.61	3.86	3.44	3.74

Growth

Revenue (%)	11.05	8.29	30.89	17.59	7.83
EBITDA (%)	3.30	48.21	23.41	37.40	14.57
Reported net profit (%)	61.59	-20.07	92.18	8.57	18.13
Reported EPS (%)	61.59	-20.07	92.18	8.57	18.13
Core profit (%)	68.88	-21.15	66.25	25.50	18.13
Core EPS (%)	68.88	-21.15	66.25	25.50	18.13



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