

**PPAP (KH100040001CSX)**

**November 30, 2021**

**Performance Highlights**

FY ends Dec (KHR'bn)	3Q21	% QoQ	% YoY	9M21	% YoY
<b>Revenue</b>	<b>36.89</b>	<b>36.8%</b>	<b>19.0%</b>	<b>92.94</b>	<b>11.4%</b>
EBITDA	24.89	62.0%	24.7%	60.42	18.7%
EBIT	21.29	74.4%	24.7%	50.52	18.4%
Finance cost	-1.21	3.4%	9.5%	-3.51	4.5%
PBT	20.08	81.9%	25.7%	47.01	19.6%
<b>Net profit</b>	<b>15.98</b>	<b>84.6%</b>	<b>26.6%</b>	<b>38.61</b>	<b>25.6%</b>
EBITDA margin	67.5%	10.5%pt	3.1%pt	65.0%	4.0%pt
EBIT margin	57.7%	12.4%pt	2.6%pt	54.4%	3.2%pt
<b>Net margin</b>	<b>43.3%</b>	<b>11.2%pt</b>	<b>2.6%pt</b>	<b>41.5%</b>	<b>4.7%pt</b>

Source: PPAP, YSC Research

**3Q21 review: revenue surges on rising export shipments**

**Container throughput soars 27.4% YoY thanks to export shipments growth**

- In 3Q21, container throughputs reached a record high of 109,124 TEUs, an increase of 27.4% compared to the same period last year. The increase in container throughputs can be attributed to the robust growth in export activities handled at PPAP, with container shipment for export surging 30.3% YoY to 248,044 tons. Total container shipments reached an all-time high of 614,014 tons between July and September this year, up 8.2% YoY, despite container shipments for import decreasing slightly by 3% to 365,970 tons. However, in the third quarter, total cargo shipments handled by PPAP decreased slightly by 2.3% YoY to 977,945 tons, as general cargo shipments dropped 21.9% YoY to 178,288 tons, while oil & gas cargo shipments fell 9.4% YoY to 185,643 tons.
- In the first nine months of 2021, container throughputs climbed 15.9% YoY to 256,407 TEUs, from 221,292 in the same period last year. While container shipments for import via PPAP fell 10.5% YoY to 928,600 tons, those for export surged 26.9% to 643,719 tons in the first three quarters of the year. As a result, total container shipments saw a modest growth of 1.8% YoY. Meanwhile general and oil & gas cargo shipments rose solidly by 5.0% YoY and 9.3% YoY, respectively.

**Revenue top KHR36.9bn in 3Q21 as core services income surge**

- PPAP earned KHR36.9bn in total revenue in 3Q21, up 36.8% QoQ and 19.0% YoY, driven by a surge in core services income. Income from stevedoring and lift-on lift-off (LOLO) services soared 20.5% and 17.9% YoY to KHR16.7bn and KHR13.4bn, respectively, while income from storage services surged 32.7% YoY to KHR0.9bn, thanks to the remarkable increase in container shipments for export. On the other hand, port due & charge increased modestly by 3.6% YoY to KHR4.0bn as cargo vessel traffic decreased slightly due likely to the shrinking import shipments. Other income, which include gate fees trucking fees, logistic service fees, stuffing/unstuffing service fees, and more, jumped 53.9% YoY to KHR1.9bn in 3Q21.
- From Jan to Sep 2021, revenue totaled KHR92.9bn, a solid increase of 11.4% YoY. Income from stevedoring, LOLO, and storage services grew robustly by 14.0%, 11.6%, and 17.0% YoY, respectively. Only port due & charge came to a negative growth, decreasing by 6.0% YoY as the number of cargo vessels fell from 1,759 in 9M20 to 1,744 in 9M21. The notable revenue increase in 3Q21 made up for the modest revenue growth in the first half of the year, which saw a single digit growth for the first time in five years.

**Operating profit margin expand as general administrative expenses fall**

- EBITDA and EBIT rose 24.7% YoY to KHR24.9bn and KHR21.3bn in 3Q21, respectively. EBITDA margin expanded 3.1%pt to 67.5%, while EBIT margin increased 2.6%pt to 57.7%. Although the cost of services climbed 23.8% YoY along with the services income growth, general administrative expenses fell 1.6% YoY, driven mainly by 8.6% YoY decrease in salaries and wages, 49.0% YoY decline in donation, and 26.9% drop in business entertainment expenses.
- In the first nine months of the year, EBITDA rose 18.7% YoY to KHR60.4bn with EBITDA margin increasing by 4.0%pt, while EBIT grew 18.4% YoY to KHR50.5bn with EBIT margin expanding by 3.2%pt. The improved operating profit margin is thanks to the drop in general administrative expenses.

**Bottom line surges 25.6% YoY in first nine months**

- PPAP earned almost KHR16.0bn in net income in 3Q21, the largest profitability it has achieved in a single quarter. Between Jan and Sep 2021, the port operator also recorded the highest nine-month net profit of KHR38.6bn. This is an increase of 25.6% YoY, compared to a negative growth of 13.6% during the first nine months of last year when PPAP's business seemed to be affected the global pandemic.

Closing price	<b>KHR 14,620</b>
IPO price	<b>KHR 5,120</b>

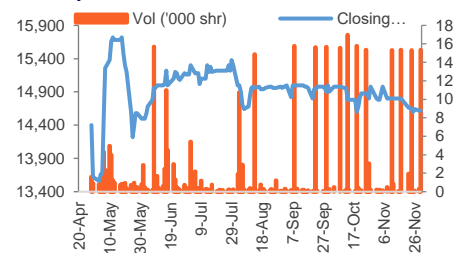
Source: CSX, YSC Research

**Stock info**

Industry	Transport Support Services
Market cap (KHRbn)	302.405
Outstanding shares (mn)	1.7
Majority shareholder	0
Ministry of Economy & Fin (%)	80
Avg daily vol. (last 6 months, shr)	2,322
Free floating shares (last 6 months, %)	16.79
Price low/high (last 6 months, KHR)	14,500 ~ 15,380
EPS (KHR) (ttm)	2,314
P/E (x) (ttm)	6.32
P/B (x) (mrq)	0.44
P/B* (x) (mrq)	0.95
EV/EBITDA (x) (ttm)	4.30
D/E (%) (mrq)	12.18

Note: ttm = trailing twelve months; mrq = most recent quarter; \*Excluding equity of Class C (non-voting) shares.

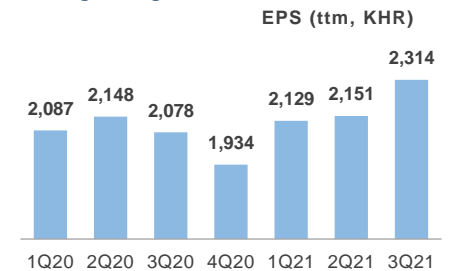
**Stock performance**



**Trading volume & value in last 12 months**

	Monthly trading		Average per day	
	Volume (shr)	Value (KHR'mn)	Volume (shr)	Value (KHR'mn)
Nov-20	4,057	47	214	2
Dec-20	14,467	168	629	7
Jan-21	11,562	135	609	7
Feb-21	9,519	114	476	6
Mar-21	1,409,357	18,233	64,062	829
Apr-21	6,455	84	380	5
May-21	27,867	418	1,393	21
Jun-21	48,118	700	2,291	33
Jul-21	12,521	191	569	9
Aug-21	35,640	513	1,620	23
Sep-21	49,225	674	2,344	32
Oct-21	69,018	944	4,314	59

**Earning strength**



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**Container throughputs**

Container throughputs	3Q21	% QoQ	% YoY	9M21	% YoY
TEUs	109,124	57.76%	27.36%	256,407	15.87%
<b>Tonnage</b>					
Import (tons)	365,970	29.82%	-2.99%	928,600	-10.48%
Export (tons)	248,044	33.38%	30.31%	643,719	26.92%
<b>Total (tons)</b>	<b>614,014</b>	<b>31.24%</b>	<b>8.18%</b>	<b>1,572,319</b>	<b>1.80%</b>

Source: The Company

**Container, general, and oil cargoes**

Ton	3Q21	% QoQ	% YoY	9M21	% YoY
Container	614,014	31.2%	8.2%	1,572,319	1.8%
General	178,288	-6.9%	-21.9%	639,085	5.0%
Oil & gas	185,643	-21.1%	-9.4%	704,472	9.3%
<b>Total</b>	<b>977,945</b>	<b>9.3%</b>	<b>-2.3%</b>	<b>2,915,876</b>	<b>4.2%</b>

Source: The Company

**Breakdown of revenue**

Source of revenue	3Q21	% QoQ	% YoY	9M21	% YoY
Stevedoring	16,725	45.53%	20.50%	41,032	13.95%
LOLO	13,366	39.66%	17.89%	33,468	11.57%
Port services	4,025	26.88%	3.59%	10,789	-5.95%
Storage	914	-5.86%	32.68%	2,649	16.97%
Others	1,864	5.89%	53.85%	5,005	35.14%
<b>Total</b>	<b>36,894</b>	<b>36.81%</b>	<b>19.00%</b>	<b>92,943</b>	<b>11.38%</b>

Source: The Company

**Financial Ratios**

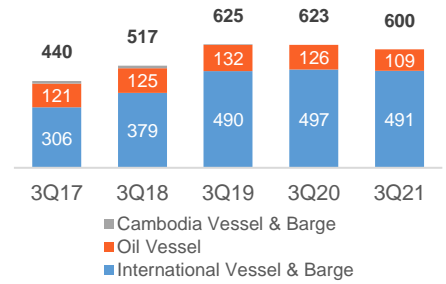
FY end to Dec	2016	2017	2018	2019	2020	TTM
<b>Per share ratios</b>						
EPS (KHR)	801	1,049	1,584	2,263	1,944	2,314
BPS (KHR)	25,195	26,121	27,382	29,926	31,529	33,502
BPS* (KHR, excluding Class C)	7,062	7,988	9,249	11,793	13,396	15,368
EBITDA per share (KHR)	1,647	2,021	2,311	3,707	3,245	3,692
SPS (KHR)	3,194	3,688	4,053	5,326	5,333	5,792
DPS (KHR, of Class A)	256	307	333	333	333	-
Share Price	5,300	5,140	7,680	12,500	11,700	15,000
<b>Valuation ratios</b>						
P/E (x)	6.62	4.90	4.85	5.52	6.02	6.48
P/B (x)	0.21	0.20	0.28	0.42	0.37	0.45
P/B*(x, excluding Class C)	0.75	0.64	0.83	1.06	0.87	0.98
EV/EBITDA (x)	5.85	4.21	3.57	3.31	3.91	4.40
P/S (x)	1.66	1.39	1.90	2.35	2.19	2.59
Dividend yield on end-period close (% Class A)	4.83	5.97	4.33	2.66	2.84	-
Dividend yield on last close (% Class A)	1.71	2.05	2.23	2.23	2.23	-
Dividend yield on IPO price (% Class A)	5.00	6.00	6.50	6.50	6.50	-
Dividend payout (% of Class A)**	31.96	29.28	21.01	14.71	17.12	-
Dividend payout (%)	20.16	16.20	11.83	8.82	10.26	-
<b>Profitability ratios</b>						
EBITDA margin (%)	51.6	54.8	57.0	69.6	60.9	63.8
EBIT (%)	37.0	39.4	42.7	58.1	50.7	53.0
Net margin (%)	25.4	28.3	39.3	42.8	37.3	39.9
ROE (%)	3.2	4.1	5.9	8.0	6.5	7.0
ROE* (% excluding Class C)	11.8	13.9	18.5	21.7	15.8	15.2
ROA (%)	2.6	3.2	4.6	6.0	5.0	5.5
<b>Efficiency ratios</b>						
Asset turnover (x)	0.10	0.11	0.12	0.14	0.13	0.14
Receivables turnover (x)	8.3	8.2	8.6	9.1	3.9	4.8
<b>Financial strength</b>						
Total Debt/ Total Equity (%)	22.4	21.7	19.1	16.4	14.1	12.2
Net debt/equity (%)	17.2	12.9	2.1	-0.8	3.2	3.7
Interest coverage (x)	4.7	5.9	7.6	11.2	12.6	13.8
Inter & ST debt cover (x)	4.7	2.2	2.7	4.5	4.4	13.8
Current ratio (x)	3.5	2.9	4.8	4.2	3.9	3.8
Quick ratio (x)	3.5	2.9	4.8	4.2	3.9	3.8
Net debt/EBITDA (x)	2.6	1.7	0.2	-0.1	0.3	0.3

EPS = Earnings Per Share; BPS = Book value Per Share; SPS = Sales Per Share; DPS = Dividend Per Share;

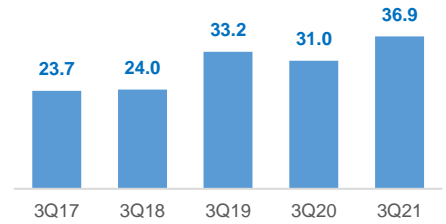
Current price is closing price on the day of the report;

\*Excluding capital of Class C shares that are wholly held by the government; \*\*DPS to Class A shares divided by EPS;

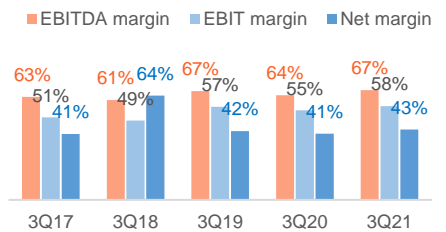
**Cargo vessel traffic in 3<sup>rd</sup> quarter**



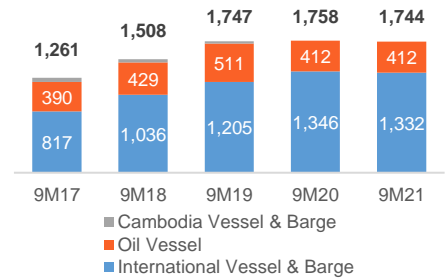
**Revenue in 3<sup>rd</sup> quarter (KHR'bn)**



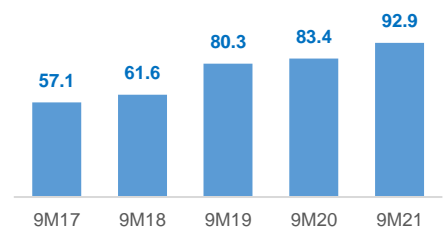
**Profit margin in 3<sup>rd</sup> quarter**



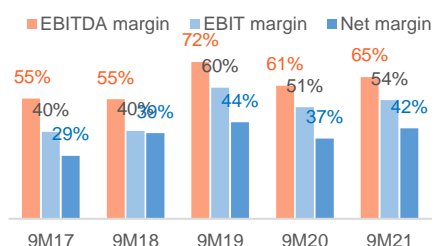
**Cargo vessel traffic in first nine months**



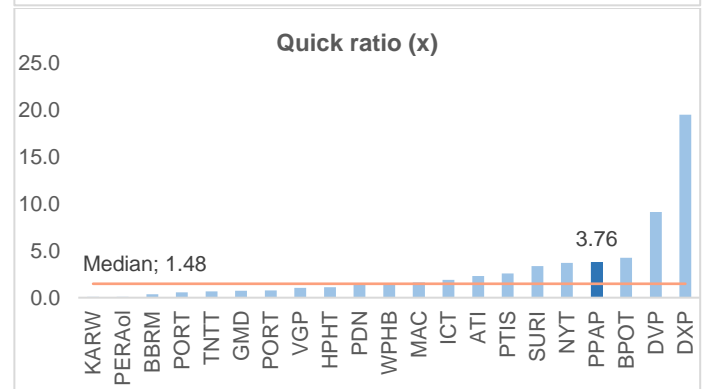
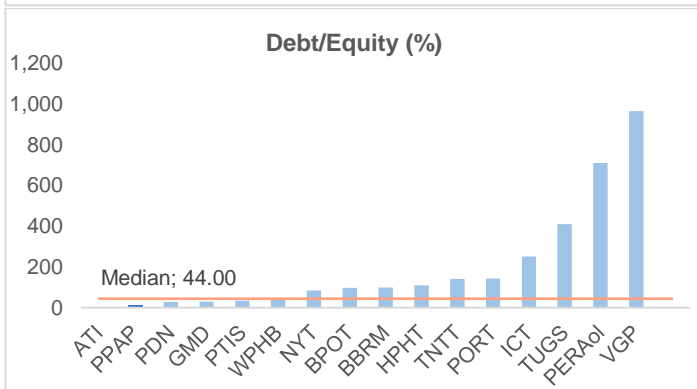
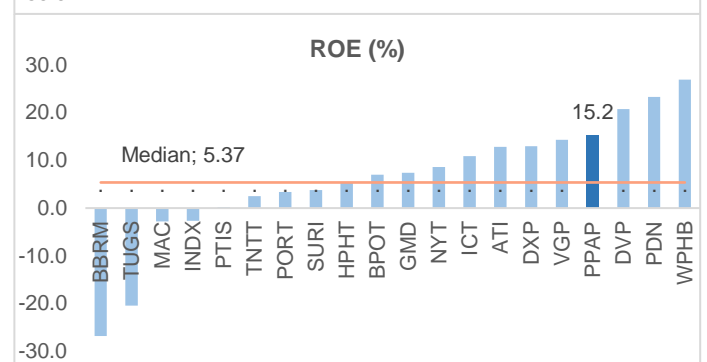
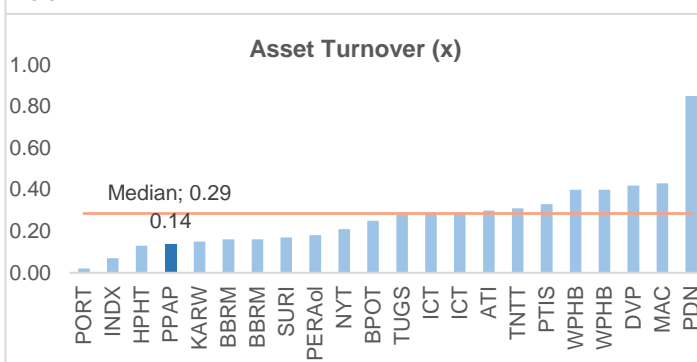
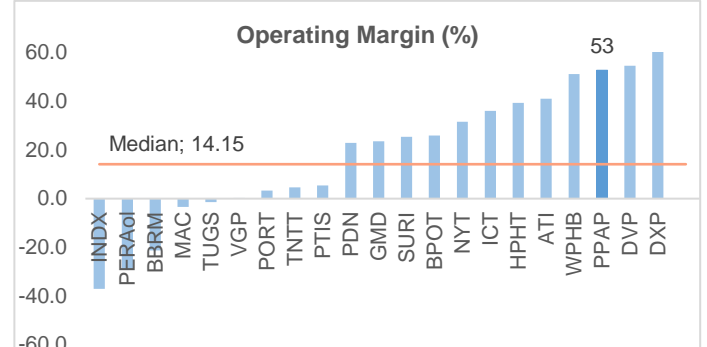
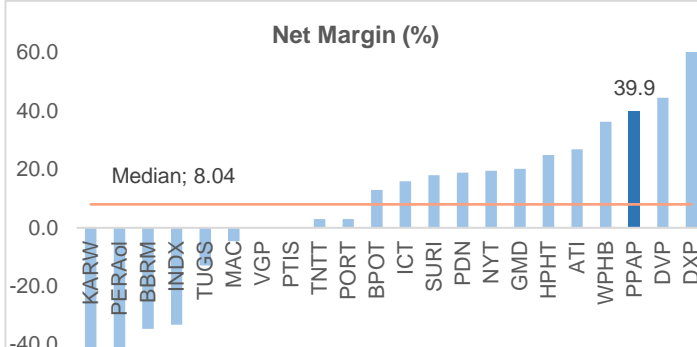
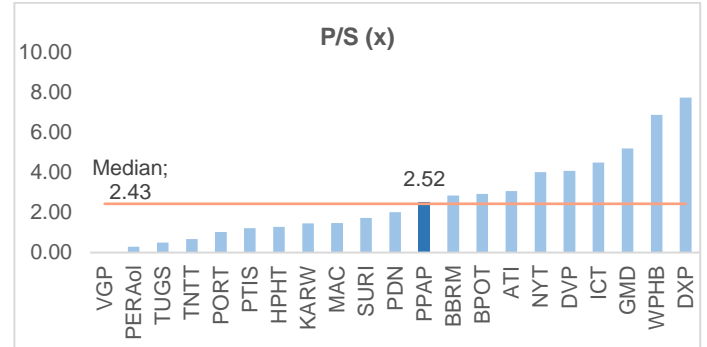
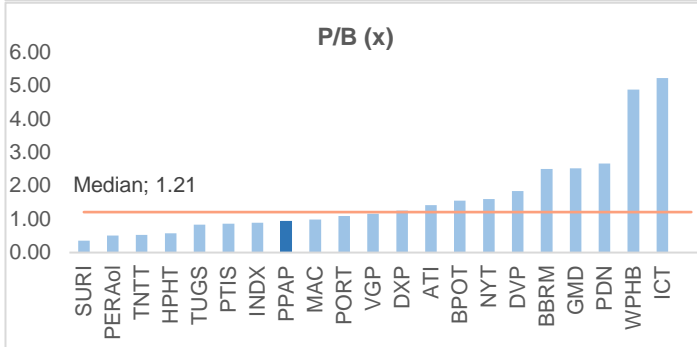
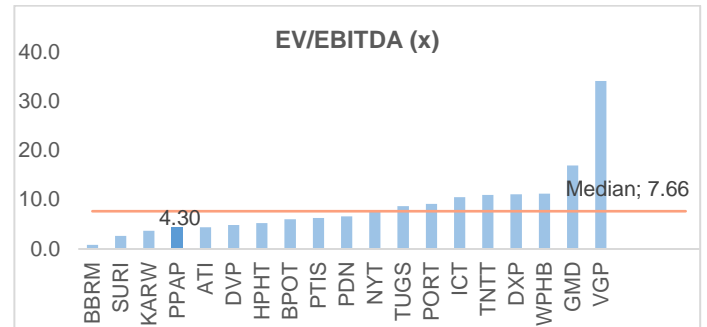
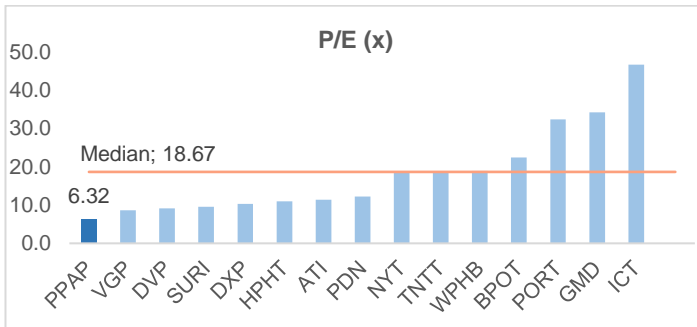
**Nine-month revenue (KHR'bn)**



**Profit margin in first nine months**



**ASEAN Peers Comparison**



Source: Reuters (As of Nov 30, 2021), YSC Research

## Peer Companies Information

No	Stock Symbol	Company Name	Country
1	ATI.PS	Asian Terminals, Inc.	Philippines
2	BPOT.KL	Bintulu Port Holdings Berhad	Malaysia
3	DVP.HM	Dinhvu Port Investment & Development Joint Stock Company	Vietnam
4	DXP.HN	Doan Xa Port Joint Stock Company	Vietnam
5	PDN.HM	Dong Nai Port Joint Stock Company	Vietnam
6	GMD.HM	Gemadept Corporation	Vietnam
7	PORT.PS	Globalport900, Inc.	Philippines
8	TUGS.PS	Harbor Star Shipping Services, Inc.	Philippines
9	HPHT.SI	Hutchison Port Holdings Trust	Singapore
10	ICT.PS	International Container Terminal Services, Inc	Philippines
11	MAC.HN	Marine Supply and Engineering Service Joint Stock Company	Vietnam
12	NYT.BK	Namyong Terminal Public Company Limited	Thailand
13	PERAol.KL	Perak Corporation Berhad	Malaysia
14	KARW.JK	PT ICTSI Jasa Prima Tbk	Indonesia
15	PTIS.JK	PT Indo Straits Tbk	Indonesia
16	BBRM.JK	PT Pelayaran Nasional Bina Buana Raya Tbk	Indonesia
17	INDX.JK	PT Tanah Laut Tbk	Indonesia
18	PORT.BK	Sahathai Terminal PC	Thailand
19	SURI.KL	Suria Capital Holdings Berhad	Malaysia
20	VGP.HN	The Vegetexco Port Joint Stock Company	Vietnam
21	TNTT.KL	Tiong Nam Logistics Holdings Berhad	Malaysia
22	WPHB.KL	Westports Holdings Berhad	Malaysia

## Condensed Financial Statements

Statement of comprehensive income					
FY to Dec (KHR'bn)	2017	2018	2019	2020	9M21
Revenues	76.3	83.8	110.2	110.3	92.9
Operating costs	-36.9	-41.9	-50.2	-53.1	-41.3
Other income	2.4	5.9	16.7	9.9	8.7
<b>EBITDA</b>	<b>41.8</b>	<b>47.8</b>	<b>76.7</b>	<b>67.1</b>	60.4
Depreciation & Amortization	-11.7	-12.0	-12.6	-11.2	-9.9
<b>EBIT</b>	<b>30.1</b>	<b>35.8</b>	<b>64.0</b>	<b>55.9</b>	50.5
Finance costs	-5.1	-4.7	-5.7	-4.5	-3.5
<b>PBT</b>	<b>25.0</b>	<b>31.1</b>	<b>58.3</b>	<b>51.5</b>	47.0
Income tax expense	-3.3	1.7	-11.5	-11.3	-8.4
<b>Net profit of period</b>	<b>21.7</b>	<b>32.8</b>	<b>46.8</b>	<b>40.2</b>	<b>38.6</b>
Re-measurements of defined benefit liability	-0.1	0.1	0.4	0.9	-0.3
<b>Comprehensive income</b>	<b>21.6</b>	<b>32.9</b>	<b>47.2</b>	<b>41.1</b>	<b>38.3</b>

Statement of cash flow					
FY to Dec (KHR'bn)	2017	2018	2019	2020	9M21
<b>Operating cash flow</b>	<b>40.4</b>	<b>98.3</b>	<b>51.8</b>	<b>39.9</b>	<b>44.5</b>
Net profit	21.7	32.8	46.8	40.2	38.6
Depreciation & amortization	11.7	12.0	12.6	11.2	9.9
Change in working capital	0.4	1.2	-9.2	-12.9	-5.3
Others	6.6	52.3	1.6	1.4	1.2
<b>Investing cash flow</b>	<b>-12.9</b>	<b>-32.1</b>	<b>-32.0</b>	<b>-51.7</b>	<b>-25.3</b>
Net CAPEX	-12.3	-32.5	-28.2	-57.6	-42.7
Others	-0.6	0.3	-3.8	6.0	17.4
<b>Financing cash flow</b>	<b>-8.0</b>	<b>-64.1</b>	<b>-16.6</b>	<b>-17.2</b>	<b>-16.4</b>
Net change in share capital	0.0	0.0	0.0	0.0	0.0
Net change in debt	0.0	-8.4	-8.4	-8.4	-8.4
Cash dividend	-3.3	-3.5	-3.9	-4.1	-4.1
<b>Net change in cash &amp; equivalent</b>	<b>19.5</b>	<b>2.1</b>	<b>3.2</b>	<b>-29.0</b>	<b>2.8</b>
Beginning cash & equivalent	15.1	34.5	36.1	39.6	10.9
<b>Ending cash &amp; equivalent</b>	<b>34.5</b>	<b>36.1</b>	<b>39.9</b>	<b>10.9</b>	<b>13.7</b>

Source: The Company, YSC Research

Statement of financial position					
FY to Dec (KHR'bn)	2017	2018	2019	2020	3Q21
<b>Non-current assets</b>	<b>621.0</b>	<b>642.7</b>	<b>683.3</b>	<b>721.4</b>	<b>775.6</b>
Properties, plants & equipment	586.8	296.6	316.1	359.3	395.7
Investment properties	34.2	341.6	345.8	342.6	345.3
Other non-current assets	0.0	4.5	21.5	19.5	34.7
<b>Current assets</b>	<b>59.5</b>	<b>109.2</b>	<b>134.2</b>	<b>115.0</b>	<b>108.6</b>
Trade receivables	12.1	12.7	28.3	43.4	49.9
Cash & cash equivalent	47.3	96.4	105.9	71.6	58.6
<b>Total assets</b>	<b>680.5</b>	<b>751.9</b>	<b>817.5</b>	<b>836.3</b>	<b>884.2</b>
<b>Non-current liabilities</b>	<b>119.4</b>	<b>162.9</b>	<b>166.4</b>	<b>154.4</b>	<b>162.4</b>
Long-term debts	108.6	99.8	92.8	83.7	76.0
Other non-current liabilities	10.8	63.1	73.6	70.7	86.4
<b>Current liabilities</b>	<b>20.8</b>	<b>22.6</b>	<b>32.2</b>	<b>29.7</b>	<b>28.9</b>
Trade & other payables	10.1	10.8	13.6	12.4	12.0
Other current liabilities	10.6	11.7	18.6	17.4	16.9
<b>Total liabilities</b>	<b>140.2</b>	<b>185.5</b>	<b>198.5</b>	<b>184.2</b>	<b>191.3</b>
<b>Shareholders' equity</b>	<b>540.3</b>	<b>566.4</b>	<b>619.0</b>	<b>652.2</b>	<b>693.0</b>
Share capital	457.8	457.8	457.8	457.8	457.8
Reserves	6.4	75.0	104.5	147.8	187.1
Development fund	49.9	0.0	0.0	0.0	0.0
Retained earnings	21.3	31.1	47.2	41.1	38.4
Other capital	4.9	2.5	9.5	5.4	9.7
<b>Total liabilities &amp; equity</b>	<b>680.5</b>	<b>751.9</b>	<b>817.5</b>	<b>836.3</b>	<b>884.2</b>

Yuanta Securities Network

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