

Amata Corporation (AMATA TB) - BUY, Price Bt20.90, TP Bt22.00**Results Comment**

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Weaker-than-expected 3Q21

- AMATA reported 3Q21 net profit of Bt229m. Excluding FX gain from Vietnam operation and power equity investment, we estimate normalized profit of Bt114m, falling by 56% y-y and 41% q-q. The results were weaker than street's and our expectation.
- Key draggers were falling power equity income and low land transfer revenue.
- Normalized equity income dropped 66% y-y and 67% q-q to Bt55m due to falling power income because of rising gas cost.
- Land transfer revenue (20% of revenue) was only Bt181, falling 63% y-y but up 29% q-q. Gross margin on land transfer was 70.6% in 3Q21, rising from 56% in 2Q21 due to higher mix of high margin Chonburi estate in Thailand and flat y-y. Land transfer was 20 rai (-71% y-y, -43% q-q).
- Land pre-sales (new contracts and LOI) in 3Q21 was 254 rai (TH 128rai, VN 126rai) vs. 96 rai in 2Q21 (TH only) and none in 3Q20. Backlog (excluding LOI contracts) was Bt2.77bn as of ending 3Q21.
- Utility sales (54% of revenue) was flat q-q and improved 11% y-y. Rental income mainly factories (26%) increased 14% y-y and 6% q-q.
- Normalized profit 9M21 accounted for 40% of our projection. While we see downside risk to our number for 2021, we reaffirm our BUY call as we expect business momentum post-lockdown to improve from 2022F.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21	(Bt m)	q-q%	y-y%	% 2021F	2021F	2022F
Revenue	949	1,115	819	868	914	Revenue	5	(4)	58	4,462	5,948
Gross profit	509	590	388	417	472	Gross profit	13	(7)	63	2,014	2,744
SG&A	217	174	177	185	176	SG&A	(5)	(19)	66	814	1,097
Operating profit	292	416	212	232	296	Operating profit	27	1	62	1,200	1,646
EBITDA	389	502	296	328	393	EBITDA	20	1	65	1,575	2,038
Other income	47	71	40	37	29	Other income	(20)	(38)	78	136	143
Other expense	0	0	0	0	0	Other expense					
Interest expense	105	117	131	117	98	Interest expense	(16)	(7)	71	490	513
Profit before tax	234	370	121	151	227	Profit before tax	50	(3)	59	846	1,276
Income tax	56	37	25	44	80	Income tax	84	45	110	135	204
Equity & invest. income	158	148	110	165	55	Equity & invest. income	(67)	(66)	53	619	696
Minority interests	(77)	(42)	(86)	(80)	(87)	Minority interests	na	na	99	(256)	(365)
Extraordinary items	9	(43)	67	54	115	Extraordinary items	113	1,219	na	0	0
Net profit	269	397	186	247	229	Net profit	(7)	(15)	62	1,074	1,402
Normalized profit	260	439	119	193	114	Normalized profit	(41)	(56)	40	1,074	1,402
EPS (Bt)	0.25	0.35	0.16	0.21	0.20	EPS (Bt)	(7)	(21)	62	0.93	1.22
Normalized EPS (Bt)	0.24	0.39	0.10	0.17	0.10	Normalized EPS (Bt)	(41)	(59)	40	0.93	1.22
Balance Sheet						Financial Ratios					
(consolidated)						%					
Yr-end Dec (Bt m)	3Q20	4Q20	1Q21	2Q21	3Q21		3Q20	4Q20	1Q21	2Q21	3Q21
Cash & ST investment	851	2,386	2,632	2,707	2,245	Sales growth	(59.3)	(13.7)	(25.4)	(16.5)	(3.7)
A/C receivable	409	342	435	385	377	Operating profit growth	(69.3)	20.9	(26.3)	(28.6)	1.1
Inventory	7,001	7,416	7,449	7,444	8,298	EBITDA growth	(62.3)	18.7	(19.7)	(21.2)	1.0
Other current assets	114	171	382	556	370	Norm profit growth	(66.2)	9.5	(57.6)	12.2	(56.1)
Investment	4,411	4,574	4,610	4,552	4,548	Norm EPS growth	(66.2)	3.7	(60.7)	4.1	(59.3)
Fixed assets	2,068	1,493	1,487	1,504	1,494	Gross margin	53.6	52.9	47.4	48.1	51.6
Other assets	23,794	24,104	24,711	25,313	25,824	Operating margin	30.8	37.3	25.9	26.7	32.3
Total assets	38,496	40,222	41,499	42,275	42,982	EBITDA margin	40.9	45.0	36.2	37.8	43.0
S-T debt	3,473	2,199	2,373	2,560	2,492	Norm net margin	27.4	39.4	14.5	22.3	12.5
A/C payable	512	548	590	573	471	D/E (x)	1.0	1.0	1.0	0.9	0.9
Other current liabilities	1,355	1,133	1,382	1,603	2,315	Net D/E (x)	1.0	0.8	0.8	0.8	0.7
L-T debt	11,548	13,386	13,407	12,858	12,496	Interest coverage (x)	3.7	4.3	2.3	2.8	4.0
Other liabilities	4,104	4,204	4,276	4,198	4,212	Interest rate	2.8	3.1	3.3	3.0	2.6
Minority interest	3,134	3,104	3,491	3,831	4,001	Effective tax rate	23.7	10.1	20.7	28.9	35.4
Shareholders' equity	14,371	15,648	15,980	16,653	16,995	ROA	2.7	4.5	1.2	1.8	1.1
Working capital	6,898	7,211	7,294	7,256	8,204	ROE	7.3	11.7	3.0	4.7	2.7
Total debt	15,021	15,585	15,780	15,418	14,988						
Net debt	14,170	13,199	13,147	12,711	12,743						

Sources: Company data, Thanachart estimates

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