Amata Corporation (AMATA TB) - BUY, Price Bt21.40, TP Bt25.00

Results Comment

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Weaker-than-expected 4Q21 profits

- AMATA reported 4Q21 net profit of Bt741m. Excluding extra items, we estimate normalized profit of Bt319m, falling by 32% y-y but up 186% q-q due to low base of land transfer and equity income. The result was lower than our estimate (and street's) on SG&A and tax.
- Land transfer revenue (70% of revenue) was Bt1.8bn, up 3x y-y and 9x q-q. Transfer in Thailand was Bt685m (177 rai) at gross margin 68%, and VN's was Bt1.1bn (322 rai) at margin 25%. Backlog (excluding LOI contracts) was Bt3.1bn as of ending 4Q21.
- Utility sales (20% of revenue) was flat q-q and improved 5% y-y. Rental income mainly factories (26%) increased 23% y-y and 3% q-q.
- Normalized equity income, mainly power plants and natural gas distribution, dropped 19% y-y due to higher gas cost but recovering 228% q-q post power plant maintenance to Bt179m.
- Extra items: gain on factories sales Bt450m and FX loss from VN operation.
- Normalized profit 12M21 accounted for 93% of our projection. We maintain our earnings projection in 2022F and reaffirm BUY.
- AMATA announced to pay cash dividend Bt0.3/share. Ex-dividend date is 25 April and payment date is 11 May 2022.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21
Revenue	1,115	819	868	914	2,495
Gross profit	**590**	**388**	**417**	**472**	**1,050**
SG&A	174	177	185	176	294
Operating profit	416	212	232	296	756
EBITDA	**502**	**296**	**328**	**393**	**881**
Other income	41	40	37	29	40
Other expense	0	0	0	0	0
Interest expense	117	131	117	98	148
Profit before tax	**340**	**121**	**151**	**227**	**649**
Income tax	37	25	44	80	202
Equity & invest. income	220	110	165	55	179
Minority interests	(42)	(86)	(80)	(87)	(306)
Extraordinary items	(85)	67	54	115	421
Net profit	**397**	**186**	**247**	**229**	**741**
Normalized profit	**482**	**119**	**193**	**114**	**319**
EPS (Bt)	0.35	0.16	0.21	0.20	0.64
Normalized EPS (Bt)	0.43	0.10	0.17	0.10	0.28

Income Statement			12M as		
(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Revenue	173	124	115	5,097	6,633
Gross profit	**122**	**78**	**111**	**2,328**	**3,166**
SG&A	67	69	108	832	970
Operating profit	156	82	113	1,496	2,196
EBITDA	**124**	**76**	**111**	**1,898**	**2,605**
Other income	38	(3)	113	146	144
Other expense					
Interest expense	51	26	104	494	470
Profit before tax	**186**	**91**	**118**	**1,148**	**1,870**
Income tax	151	444	181	352	299
Equity & invest. income	228	(19)	122	524	286
Minority interests	na	na	141	(559)	(484)
Extraordinary items	268	na	na	640	0
Net profit	**224**	**87**	**175**	**1,402**	**1,373**
Normalized profit	**180**	**(34)**	**93**	**762**	**1,373**
EPS (Bt)	224	83	175	1.22	1.19
Normalized EPS (Bt)	180	(35)	93	0.66	1.19

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & ST investment	2,386	2,632	2,707	2,245	2,997
A/C receivable	287	435	385	377	1,054
Inventory	7,416	7,449	7,444	8,298	7,914
Other current assets	226	382	556	370	479
Investment	4,574	4,610	4,552	4,548	4,632
Fixed assets	1,493	1,487	1,504	1,494	1,484
Other assets	24,104	24,711	25,313	25,824	27,454
Total assets	**40,222**	**41,499**	**42,275**	**42,982**	**45,471**
S-T debt	2,199	2,373	2,560	2,492	4,773
A/C payable	548	590	573	471	1,088
Other current liabilities	1,163	1,382	1,603	2,315	2,443
L-T debt	13,847	13,407	12,858	12,496	11,444
Other liabilities	3,712	4,276	4,198	4,212	3,714
Minority interest	3,104	3,491	3,831	4,001	4,285
Shareholders' equity	**15,648**	**15,980**	**16,653**	**16,995**	**17,723**
Working capital	7,155	7,294	7,256	8,204	7,879
Total debt	16,046	15,780	15,418	14,988	16,217
Net debt	**13,660**	**13,147**	**12,711**	**12,743**	**13,220**

Financial Ratios					
(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Sales growth	(13.7)	(25.4)	(16.5)	(3.7)	123.9
Operating profit growth	20.9	(26.3)	(28.6)	1.1	81.8
EBITDA growth	18.7	(19.7)	(21.2)	1.0	75.5
Norm profit growth	57.8	4.6	(35.9)	(48.7)	(33.7)
Norm EPS growth	49.6	(2.9)	(40.5)	(52.4)	(35.0)
Gross margin	52.9	47.4	48.1	51.6	42.1
Operating margin	37.3	25.9	26.7	32.3	30.3
EBITDA margin	45.0	36.2	37.8	43.0	35.3
Norm net margin	43.2	14.5	22.3	12.5	12.8
D/E (x)	1.0	1.0	0.9	0.9	0.9
Net D/E (x)	0.9	0.8	0.8	0.7	0.7
Interest coverage (x)	4.3	2.3	2.8	4.0	6.0
Interest rate	3.0	3.3	3.0	2.6	3.8
Effective tax rate	10.9	20.7	28.9	35.4	31.2
ROA	4.9	1.2	1.8	1.1	2.9
ROE	12.8	3.0	4.7	2.7	7.4

Sources: Company data, Thanachart estimates

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