Amata Corporation (AMATA TB) - BUY, Price Bt18.60, TP Bt25.00

Results Comment

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Weak 1Q22 core profit, in-line

- AMATA reported net profit of Bt553m in 1Q22. Excluding extra items mainly from one-time factories sales in Vietnam, we estimate normalized profit of Bt37m, falling by 69% y-y and 91% q-q due to low land transfer and falling equity income. This was as expected.
- Land transfer revenue (26% of revenue) was up 125% y-y from low base but dropped by 84% q-q to Bt272m (70 rai). The q-q drop was due to huge land transfer in Vietnam in 4Q21 but none in 1Q22. Land pre-sales was 10 rai in 1Q22 (-97% y-y and q-q), from Thailand and none from Vietnam. Backlog (excluding LOI contracts) was Bt4.8bn as of ending 1Q22.
- Utility sales (52% of revenue) grew 10% y-y and q-q on rebounding of manufacturing activities. Rental income mainly factories (22%) increased 9% y-y but dropped 7% q-q due to factory sales in Vietnam.
- Normalized equity income, mainly power plants, dropped 28% y-y and 56% q-q due to higher gas cost impacting power plant profit.
- Normalized profit 3M22 accounted for 3% of our projection. We expect improving earnings momentum driven by industrial estate business. We maintain our 2022F earnings projection and reaffirm BUY.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22
Revenue	819	868	914	2,495	1,044
Gross profit	**388**	**417**	**472**	**1,050**	**523**
SG&A	177	185	176	294	230
Operating profit	212	232	296	756	294
EBITDA	**296**	**328**	**393**	**881**	**394**
Other income	40	37	29	40	57
Other expense	0	0	0	0	0
Interest expense	131	117	98	148	115
Profit before tax	**121**	**151**	**227**	**649**	**236**
Income tax	25	44	80	112	3
Equity & invest. income	110	165	55	179	79
Minority interests	(86)	(80)	(87)	(306)	(275)
Extraordinary items	67	54	115	331	517
Net profit	**186**	**247**	**229**	**741**	**553**
Normalized profit	**119**	**193**	**114**	**409**	**37**
EPS (Bt)	0.16	0.21	0.20	0.64	0.48
Normalized EPS (Bt)	0.10	0.17	0.10	0.36	0.03

Income Statement			3M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	(58)	27	15	6,825	8,697
Gross profit	**(50)**	**35**	**17**	**3,123**	**3,847**
SG&A	(22)	30	22	1,038	1,220
Operating profit	(61)	39	14	2,085	2,627
EBITDA	**(55)**	**33**	**16**	**2,427**	**2,992**
Other income	42	42	39	148	153
Other expense					
Interest expense	(22)	(12)	24	481	475
Profit before tax	**(64)**	**95**	**13**	**1,752**	**2,306**
Income tax	(98)	(89)	1	350	461
Equity & invest. income	(56)	(28)	20	396	597
Minority interests	na	na	55	(497)	(611)
Extraordinary items	56	676	na	0	0
Net profit	**(25)**	**198**	**43**	**1,300**	**1,830**
Normalized profit	**(91)**	**(69)**	**3**	**1,300**	**1,830**
EPS (Bt)	(25)	198	43	1.13	1.59
Normalized EPS (Bt)	(91)	(69)	3	1.13	1.59

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22
Cash & ST investment	2,632	2,707	2,245	2,997	3,068
A/C receivable	435	385	377	1,054	808
Inventory	7,449	7,444	8,298	7,914	7,924
Other current assets	382	556	370	479	508
Investment	4,610	4,552	4,548	4,632	4,726
Fixed assets	1,487	1,504	1,494	1,484	1,761
Other assets	24,711	25,313	25,824	27,454	27,313
Total assets	**41,499**	**42,275**	**42,982**	**45,471**	**45,583**
S-T debt	2,373	2,560	2,492	4,773	4,692
A/C payable	590	573	471	1,088	1,008
Other current liabilities	1,382	1,603	2,315	2,443	2,549
L-T debt	13,407	12,858	12,496	10,497	9,848
Other liabilities	4,276	4,198	4,212	4,661	4,665
Minority interest	3,491	3,831	4,001	4,285	4,503
Shareholders' equity	**15,980**	**16,653**	**16,995**	**17,723**	**18,317**
Working capital	7,294	7,256	8,204	7,879	7,724
Total debt	15,780	15,418	14,988	15,270	14,540
Net debt	**13,147**	**12,711**	**12,743**	**12,274**	**11,471**

Financial Ratios					
(%)	1Q21	2Q21	3Q21	4Q21	1Q22
Sales growth	(25.4)	(16.5)	(3.7)	123.9	27.4
Operating profit growth	(26.3)	(28.6)	1.1	81.8	38.6
EBITDA growth	(19.7)	(21.2)	1.0	75.5	32.9
Norm profit growth	4.6	(35.9)	(48.7)	(15.0)	(69.0)
Norm EPS growth	(2.9)	(40.5)	(52.4)	(16.7)	(69.0)
Gross margin	47.4	48.1	51.6	42.1	50.1
Operating margin	25.9	26.7	32.3	30.3	28.1
EBITDA margin	36.2	37.8	43.0	35.3	37.7
Norm net margin	14.5	22.3	12.5	16.4	3.5
D/E (x)	1.0	0.9	0.9	0.9	0.8
Net D/E (x)	0.8	0.8	0.7	0.7	0.6
Interest coverage (x)	2.3	2.8	4.0	6.0	3.4
Interest rate	3.3	3.0	2.6	3.9	3.1
Effective tax rate	20.7	28.9	35.4	17.3	1.1
ROA	1.2	1.8	1.1	3.7	0.3
ROE	3.0	4.7	2.7	9.4	0.8

Sources: Company data, Thanachart estimates

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