AMATA VN Pcl (AMATAV TB) - SELL, Price Bt7.30, TP Bt6.60

Results Comment

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1Q22 weaker-than-expected core

- AMATAV reported net profit of Bt475m in 1Q22. Excluding FX gain of Bt17m and gain on factory sales of Bt502m, we estimate a normalized loss of Bt44m, turning from profit of Bt191m in 4Q21 and a loss of Bt7m in 1Q21.
- This was weaker than expected on SG&A item while there was zero land pre-sales and transfer in the quarter. Operating profit from rental and service alone was not enough to offset interest expense.
- We maintain our SELL rating as we see AMATAV being fully valued.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22
Revenue	117	123	120	1,252	148
Gross profit	**65**	**67**	**70**	**356**	**63**
SG&A	30	31	41	54	55
Operating profit	35	36	29	303	8
EBITDA	**55**	**57**	**52**	**321**	**25**
Other income	9	16	11	14	23
Other expense	0	0	0	11	0
Interest expense	36	36	36	45	33
Profit before tax	**8**	**16**	**4**	**261**	**(1)**
Income tax	9	6	7	33	(20)
Equity & invest. income	0	0	0	0	0
Minority interests	(7)	(6)	(8)	(38)	(62)
Extraordinary items	56	39	92	341	519
Net profit	**49**	**43**	**81**	**532**	**475**
Normalized profit	**(7)**	**4**	**(11)**	**191**	**(44)**
EPS (Bt)	0.05	0.05	0.09	0.57	0.51
Normalized EPS (Bt)	(0.01)	0.00	(0.01)	0.20	(0.05)

Income Statement			3M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	(88)	26	7	1,997	3,027
Gross profit	**(82)**	**(2)**	**10**	**636**	**892**
SG&A	3	85	32	173	203
Operating profit	(97)	(77)	2	462	689
EBITDA	**(92)**	**(54)**	**5**	**548**	**768**
Other income	67	148	41	57	57
Other expense			-	5	5
Interest expense	(26)	(8)	23	143	137
Profit before tax	**na**	**na**	**(0)**	**371**	**604**
Income tax	na	na	(26)	74	121
Equity & invest. income					
Minority interests	na	na	82	(76)	(109)
Extraordinary items	52	820	65	800	0
Net profit	**(11)**	**864**	**47**	**1,021**	**374**
Normalized profit	**na**	**na**	**(20)**	**221**	**374**
EPS (Bt)	(11)	864	47	1.09	0.40
Normalized EPS (Bt)	na	na	(20)	0.24	0.40

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22
Cash & ST investment	176	617	408	1,075	1,392
A/C receivable	162	80	89	771	540
Inventory	443	457	1,218	1,006	1,050
Other current assets	60	244	291	395	416
Investment	0	0	0	0	0
Fixed assets	645	647	677	603	776
Other assets	7,064	7,532	7,917	7,997	7,937
Total assets	**8,549**	**9,578**	**10,599**	**11,847**	**12,112**
S-T debt	995	1,064	1,183	1,785	1,752
A/C payable	108	89	115	630	591
Other current liabilities	234	475	1,028	826	789
L-T debt	3,265	3,027	2,868	2,656	2,535
Other liabilities	867	790	845	910	953
Minority interest	339	705	733	768	784
Shareholders' equity	**2,742**	**3,428**	**3,827**	**4,272**	**4,707**
Working capital	497	449	1,192	1,147	999
Total debt	4,260	4,091	4,052	4,440	4,287
Net debt	**4,084**	**3,474**	**3,644**	**3,365**	**2,895**

Financial Ratios					
(%)	1Q21	2Q21	3Q21	4Q21	1Q22
Sales growth	(0.5)	2.8	5.1	990.0	26.4
Operating profit growth	20.8	3.0	(8.2)	996.2	(77.1)
EBITDA growth	10.5	1.3	(3.7)	194.7	(53.9)
Norm profit growth	na	(40.0)	na	na	na
Norm EPS growth	na	(40.0)	na	na	na
Gross margin	55.2	54.7	57.9	28.4	42.6
Operating margin	29.7	29.3	23.7	24.2	5.4
EBITDA margin	46.6	46.6	42.9	25.6	17.0
Norm net margin	(6.1)	3.1	(9.4)	15.2	(29.8)
D/E (x)	1.4	1.0	0.9	0.9	0.8
Net D/E (x)	1.3	0.8	0.8	0.7	0.5
Interest coverage (x)	1.5	1.6	1.4	7.2	0.8
Interest rate	3.4	3.5	3.5	4.2	3.0
Effective tax rate	105.3	39.6	189.3	12.4	1,393.2
ROA	(0.3)	0.2	(0.4)	6.8	(1.5)
ROE	(1.1)	0.5	(1.2)	18.8	(3.9)

Sources: Company data, Thanachart estimates

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