

Amata Corporation (AMATA TB) - BUY, Price Bt18.40, TP Bt25.00**Results Comment**

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Strong profit 2Q22, in-line

- AMATA reported net profit of Bt649m in 2Q22. Excluding extra items mainly from one-time factories sales in Vietnam and net FX loss, normalized profit would be Bt391m, rising by 102% y-y and 120% q-q. Key drivers were rising industrial land transfer and power plant equity income. This was as expected with 1H22 normalized profit accounting for 44% of our full-year forecast.
- 2Q22 land transfer revenue (47% of revenue) was up 432% y-y and 175% to Bt748m (129 rai) with decent average gross margin of 54%.
- 2Q22 land pre-sales recovered strongly post-reopening to 164 rai (Thailand 119 rai, Vietnam 45 rai) from 64/10 rai in 2Q21 and 1Q22. 1H22 pre-sales land accounted for only 16% of our full year forecast 1,088 rai. We expect improving land pre-sales momentum into 2H22F. Backlog (excluding LOI contracts) was Bt5.2bn as of ending 2Q22.
- Utility and service revenue (40% of revenue) grew 27% y-y and 17% q-q on rebounding of manufacturing activities and VN's new solar panel manufacturer customer. Gross margin dropped to 26% in 2Q22 vs. 32.7/31.7% in 2Q21 and 1Q22.
- Rental income mainly factories (13% of revenue) dropped 10% y-y and q-q due to factory sales in Vietnam. Gross margin flat q-q at 78.6% but increased from 74.5% in 2Q21.
- Normalized equity income, mainly power plants, increased 117% y-y and 4% q-q due mainly to improving profit from power plant business.
- We expect improving earnings momentum driven by industrial estate business. We maintain our 2022F earnings projection and reaffirm BUY.
- AMATA announced an interim dividend of Bt0.2/share. XD date is 25 August and payment date is 9 September.

Income Statement				(consolidated)	
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Revenue	868	914	2,495	1,044	1,587
Gross profit	417	472	1,050	523	726
SG&A	185	176	294	230	249
Operating profit	232	296	756	294	477
EBITDA	328	393	881	394	565
Other income	37	29	40	57	48
Other expense	0	0	0	0	0
Interest expense	117	98	148	115	116
Profit before tax	151	227	649	236	410
Income tax	44	80	112	3	25
Equity & invest. income	165	55	179	79	171
Minority interests	(80)	(87)	(205)	(134)	(165)
Extraordinary items	54	115	230	376	258
Net profit	247	229	741	553	649
Normalized profit	193	114	510	178	391
EPS (Bt)	0.21	0.20	0.64	0.48	0.56
Normalized EPS (Bt)	0.17	0.10	0.44	0.15	0.34

Balance Sheet				(consolidated)	
Yr-end Dec (Bt m)	2Q21	3Q21	4Q21	1Q22	2Q22
Cash & ST investment	2,707	2,245	2,997	3,068	3,282
A/C receivable	385	377	1,054	808	787
Inventory	7,444	8,298	7,914	7,924	7,727
Other current assets	556	370	456	508	620
Investment	4,552	4,548	4,632	4,726	4,836
Fixed assets	1,504	1,494	1,484	1,761	1,910
Other assets	25,313	25,824	27,478	27,313	28,459
Total assets	42,275	42,982	45,471	45,583	47,097
S-T debt	2,560	2,492	4,773	4,692	5,217
A/C payable	573	471	1,088	1,008	1,040
Other current liabilities	1,603	2,315	2,234	2,549	2,706
L-T debt	12,858	12,496	10,497	9,848	9,576
Other liabilities	4,198	4,212	4,870	4,665	4,943
Minority interest	3,831	4,001	4,285	4,503	4,788
Shareholders' equity	16,653	16,995	17,723	18,317	18,827
Working capital	7,256	8,204	7,879	7,724	7,473
Total debt	15,418	14,988	15,270	14,540	14,793
Net debt	12,711	12,743	12,274	11,471	11,512

Sources: Company data, Thanachart estimates

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	52	83	39	6,825	8,697
Gross profit	39	74	40	3,123	3,847
SG&A	8	34	46	1,038	1,220
Operating profit	62	106	37	2,085	2,627
EBITDA	43	72	40	2,427	2,992
Other income	(15)	32	71	148	153
Other expense					
Interest expense	1	(1)	48	481	475
Profit before tax	74	170	37	1,752	2,306
Income tax	850	(42)	8	350	461
Equity & invest. income	117	4	63	396	597
Minority interests	na	na	60	(497)	(611)
Extraordinary items	(31)	380	na	0	0
Net profit	17	163	92	1,300	1,830
Normalized profit	120	102	44	1,300	1,830
EPS (Bt)	17	163	92	1.13	1.59
Normalized EPS (Bt)	120	102	44	1.13	1.59

Financial Ratios					
(%)	2Q21	3Q21	4Q21	1Q22	2Q22
Sales grow th	(16.5)	(3.7)	123.9	27.4	82.8
Operating profit grow th	(28.6)	1.1	81.8	38.6	105.5
EBITDA grow th	(21.2)	1.0	75.5	32.9	72.3
Norm profit grow th	(35.9)	(48.7)	6.0	49.3	102.0
Norm EPS grow th	(40.5)	(52.4)	3.8	49.3	102.0
Gross margin	48.1	51.6	42.1	50.1	45.7
Operating margin	26.7	32.3	30.3	28.1	30.1
EBITDA margin	37.8	43.0	35.3	37.7	35.6
Norm net margin	22.3	12.5	20.5	17.0	24.6
D/E (x)	0.8	0.7	0.7	0.6	0.6
Net D/E (x)	0.6	0.6	0.6	0.5	0.5
Interest coverage (x)	2.8	4.0	6.0	3.4	4.9
Interest rate	3.0	2.6	3.9	3.1	3.2
Effective tax rate	28.9	35.4	17.3	1.1	6.1
ROA	1.8	1.1	4.6	1.6	3.4
ROE	4.7	2.7	11.8	3.9	8.4

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