

Amata Corporation (AMATA TB) - BUY, Price Bt19.00, TP Bt25.00**Results Comment**

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3Q22 below expectation

- AMATA reported net profit of Bt353m in 3Q22. Excluding extra items mainly from one-time factories sales in Vietnam and net FX loss, normalized profit would be Bt262m, rising by 129% y-y but falling 33% q-q. This was lower than expected due to slow performance of Vietnam's land sales. 9M22 normalized profit accounting for 64% of our full-year forecast.
- 3Q22 land transfer revenue (35% of revenue) was up 208% y-y but down 25% to Bt558m (129 rai) with decent average gross margin of 60%. The drop was due to no land transfer from Vietnam.
- 3Q22 land pre-sales recovered post-reopening to 225 rai (Thailand 225 rai, Vietnam 0 rai) from 163 rai each in 3Q21 and 2Q22. 9M22 pre-sales land accounted for 37% of our full year forecast 1,088 rai. We expect improving land pre-sales momentum into 4Q22F. Backlog (excluding LOI contracts) was Bt5.7bn as of ending 3Q22.
- Utility and service revenue (52% of revenue) grew 68% y-y and 31% q-q on rebounding of manufacturing activities and VN's new solar panel manufacturer customer. Gross margin dropped to 23% in 3Q22 vs. 33/26% in 3Q21 and 2Q22, which we believe due to product mix.
- Rental income mainly factories (12% of revenue) dropped 18% y-y and 4% q-q due to factory sales in Vietnam.
- Normalized equity income, mainly power plants, decreased 47% y-y and 83% q-q due mainly to a lower profitability from its SPP plants given surging gas price but the national electricity price adjustment was heavily delayed by the government.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	914	2,495	1,044	1,587	1,584	Revenue	(0)	73	62	6,825	8,697
Gross profit	472	1,050	523	726	678	Gross profit	(7)	44	62	3,123	3,847
SG&A	176	294	230	249	225	SG&A	(10)	28	68	1,038	1,220
Operating profit	296	756	294	477	453	Operating profit	(5)	53	59	2,085	2,627
EBITDA	393	881	394	565	568	EBITDA	1	45	63	2,427	2,992
Other income	29	40	57	48	70	Other income	46	141	119	148	153
Other expense	0	0	0	0	0	Other expense					
Interest expense	98	148	115	116	121	Interest expense	5	24	73	481	475
Profit before tax	227	649	236	410	402	Profit before tax	(2)	77	60	1,752	2,306
Income tax	80	112	3	25	25	Income tax	(3)	(70)	15	350	461
Equity & invest. income	55	179	79	171	29	Equity & invest. income	(83)	(47)	70	396	597
Minority interests	(87)	(205)	(134)	(165)	(145)	Minority interests	na	na	89	(497)	(611)
Extraordinary items	115	230	376	258	92	Extraordinary items	(64)	(20)	na	0	0
Net profit	229	741	553	649	353	Net profit	(46)	55	120	1,300	1,830
Normalized profit	114	510	178	391	262	Normalized profit	(33)	129	64	1,300	1,830
EPS (Bt)	0.20	0.64	0.48	0.56	0.31	EPS (Bt)	(46)	55	120	1.13	1.59
Normalized EPS (Bt)	0.10	0.44	0.15	0.34	0.23	Normalized EPS (Bt)	(33)	129	64	1.13	1.59

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Cash & ST investment	2,245	2,997	3,068	3,282	3,491	Sales grow th	(3.7)	123.9	27.4	82.8	73.3
A/C receivable	377	1,054	808	787	638	Operating profit grow th	1.1	81.8	38.6	105.5	53.1
Inventory	8,298	7,914	7,924	7,727	7,622	EBITDA grow th	1.0	75.5	32.9	72.3	44.6
Other current assets	370	456	508	620	633	Norm profit grow th	(48.7)	6.0	49.3	102.0	129.1
Investment	4,548	4,632	4,726	4,836	4,732	Norm EPS grow th	(52.4)	3.8	49.3	102.0	129.1
Fixed assets	1,494	1,484	1,761	1,910	1,973	Gross margin	51.6	42.1	50.1	45.7	42.8
Other assets	25,824	27,478	27,313	28,459	29,732	Operating margin	32.3	30.3	28.1	30.1	28.6
Total assets	42,982	45,471	45,583	47,097	48,279	EBITDA margin	43.0	35.3	37.7	35.6	35.9
S-T debt	2,492	4,773	4,692	5,217	6,019	Norm net margin	12.5	20.5	17.0	24.6	16.5
A/C payable	471	1,088	1,008	1,040	1,031	D/E (x)	0.7	0.7	0.6	0.6	0.6
Other current liabilities	2,315	2,234	2,549	2,706	2,710	Net D/E (x)	0.6	0.6	0.5	0.5	0.5
L-T debt	12,496	10,497	9,848	9,576	9,288	Interest coverage (x)	4.0	6.0	3.4	4.9	4.7
Other liabilities	4,212	4,870	4,665	4,943	4,974	Interest rate	2.6	3.9	3.1	3.2	3.2
Minority interest	4,001	4,285	4,503	4,788	5,079	Effective tax rate	35.4	17.3	1.1	6.1	6.1
Shareholders' equity	16,995	17,723	18,317	18,827	19,177	ROA	1.1	4.6	1.6	3.4	2.2
Working capital	8,204	7,879	7,724	7,473	7,229	ROE	2.7	11.8	3.9	8.4	5.5
Total debt	14,988	15,270	14,540	14,793	15,307						
Net debt	12,743	12,274	11,471	11,512	11,816						

Sources: Company data, Thanachart estimates

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