

COMPANY RESULTS

Amata Corporation (AMATA TB)

3Q24: Net Income Misses Expectations But Still Skyrockets yoy And qoq

AMATA posted a 3Q24 net profit of Bt765m (+93% yoy, +231% qoq), 19% and 6% below our and consensus expectations. The key earnings miss was due to lower-than-expected gross margin and loss on forex. Stripping out non-core items, core profit came in at Bt879m, which is above our forecast by 10%. Revenue was high due to robust land transfers. We are still positive on AMATA's outlook. Maintain BUY. Target price: Bt35.00.

3Q24 RESULTS

Year to 31 Dec (Btm)	3Q24	3Q23	2Q24	yoy chg (%)	qoq chg (%)
Net turnover	3,575	2,839	2,647	25.9	35.1
Gross profit	1,233	969	835	27.3	47.7
EBIT	821	669	451	22.7	82.3
EBITDA	926	786	561	17.8	65.1
Net profit	765	396	231	93.0	231.0
EPS (Bt)	0.72	0.37	0.22	93.0	231.3
Core profit	879	498	266	76.4	230.1
Ratio (%)			yoy chg (%)		qoq chg (%)
Gross margin	34.5	34.1	31.5	0.4	3.0
SG&A as % sales	11.5	10.6	14.5	1.0	(3.0)
Net profit margin	21.4	14.0	8.7	7.4	12.7

Source: Amata Corporation, UOB Kay Hian

RESULTS

- **Net income missed our and consensus estimates.** Amata Corporation (AMATA) delivered 3Q24 net profit of Bt765m (+93% yoy, +231% qoq), 19% and 6% below our and consensus' estimates. The key earnings misses were due to lower-than-expected gross margin and loss on forex. Stripping out non-core items, core profit came in at Bt879m, which is above our forecast by 10%.
- **Stellar earnings.** Earnings surged 93% yoy and 231% qoq. Earnings increased yoy due to higher revenue and share of profit from associates. Earnings improved qoq from higher revenue, higher gross margin, lower SG&A-to-sales, and higher share of profit from associates.

KEY FINANCIALS

Year to 31 Dec (Btm)	2022	2023	2024F	2025F	2026F
Net turnover	6,502	9,517	13,487	13,735	13,819
EBITDA	2,511	2,830	3,537	3,897	4,657
Operating profit	2,123	2,452	3,139	3,491	4,242
Net profit (rep./act.)	2,341	1,885	2,547	2,612	3,122
Net profit (adj.)	2,341	1,885	2,547	2,612	3,122
EPS (Bt)	2.2	1.8	2.4	2.4	2.9
PE (x)	13.0	16.1	11.9	11.6	9.7
P/B (x)	1.6	1.5	1.4	1.3	1.2
EV/EBITDA (x)	21.8	19.3	15.5	14.0	11.7
Dividend yield (%)	0.8	2.3	3.9	4.6	5.5
Net margin (%)	36.0	19.8	18.9	19.0	22.6
Net debt/(cash) to equity (%)	69.2	72.6	73.3	60.2	55.1
Interest cover (x)	5.3	4.1	5.4	6.6	9.6
ROE (%)	12.6	9.5	11.9	11.4	12.8
Consensus net profit	-	-	2,425	2,701	3,010
UOBKH/Consensus (x)	-	-	1.05	0.97	1.04

Source: Amata Corporation, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt23.50
Target Price	Bt35.00
Upside	+48.9%

COMPANY DESCRIPTION

AMATA is Thailand's leading industrial estate developer. It operates two industrial estates in Eastern Thailand, which are Amata Nakorn and Amata City, and one in Vietnam, Amata City Bien Hoa.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	AMATA TB
Shares issued (m):	1,150.0
Market cap (Btm):	32,775.0
Market cap (US\$m):	940.0
3-mth avg daily t'over (US\$m):	6.3

Price Performance (%)

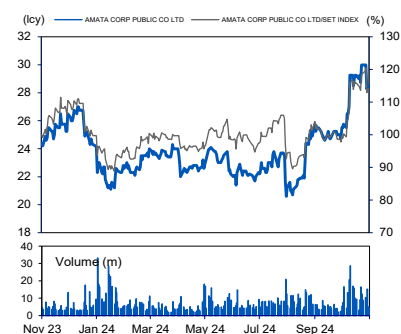
52-week high/low	Bt31.00/Bt20.10			
1mth	3mth	6mth	1yr	YTD
14.0	31.9	22.8	23.4	6.5

Major Shareholders

Mr. Vikrom Kromadit	26.2
Thai NVDR	5.3
Mr. Sirisak Sonsophon	2.5

FY24 NAV/Share (Bt)	20.89
FY24 Net Debt/Share (Bt)	15.31

PRICE CHART



Source: Bloomberg

ANALYST(S)

Tanaporn Visaruthaphong
+662 659 8305
tanaporn@uobkayhian.co.th

ASSISTANT ANALYST

Thachasorn Jutaganon

- High 3Q24 revenue.** AMATA reported 3Q24 revenue of Bt3.6b, up 26% yoy due to improved revenue from all businesses and up 35% qoq due to a strong surge in revenue from the industrial estate business. Revenue from real estate sales was Bt2.2b (+37% yoy, +125% qoq), riding on the number of land transfers and product mix. During 3Q24, AMATA completed 452 rai of land transfers, up 66% yoy and 177% qoq. These land transfers include 51 rai in Chonburi, 311 rai in Rayong, and 90 rai in Vietnam. Revenue of the utilities business came in at Bt1.1b (+11% yoy, -21% qoq), riding on consumption in both Thailand and Vietnam. Revenue from the rental business increased 11% yoy and was flat qoq to Bt239m due to fewer ready-built factories (RBF) for rent.
- Improved gross margin on both yoy and qoq bases.** Gross margin came in at 34.5% (+0.4ppt yoy, +3.0ppt qoq). For the industrial estate business, gross margin was 38.3% (+1.0ppt yoy, -4.8ppt qoq), impacted by product mix.
- SG&A-to-sales increased yoy but dropped significantly qoq.** The company reported SG&A-to-sales of 11.5%, up 0.9ppt due to higher personal expenses from Thailand, Laos, and Vietnam, but down 3.0ppt qoq due to higher revenue.

KEY EARNINGS REVISION

- We fine-tune 2024-25 earnings by about 1-3%.

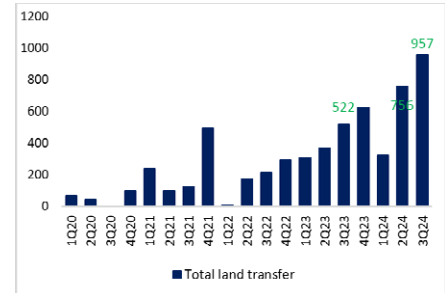
VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt35.00.** Our target price is based on the SOTP methodology, where we value its investment in associate companies at Bt8.50/share pegged to 2025F PE of 13x (average PE of power industry in Thailand) and its core business at Bt27.60/share based on 2025F PE of 18x (+1SD of the industrial estate business in Thailand). We still like AMATA and expect the positive sentiment to continue in 4Q24, with earnings growth in 2025.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

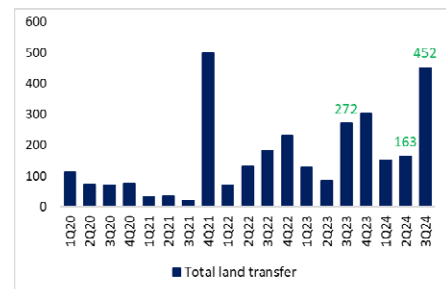
CG Report: 5 SET ESG Rating: AAA
Environmental <ul style="list-style-type: none"> Environmental quality control. Minimises social and environmental impact to protect and restore natural resources, transparently disclosing natural resources and implementing environmental management practices through various channels. Climate resilience. Builds capability to cope with climate change by reducing greenhouse gas emissions and increasing carbon capture in company activities.
Social <ul style="list-style-type: none"> Recognises the impact of human rights on stakeholders throughout the value chain, guided by the "ALL WIN" philosophy. The business operation plays a crucial role in promoting positive human rights impacts by contributing to the local economy, creating employment opportunities, and enhancing overall community well-being.
Governance <ul style="list-style-type: none"> Places a strong emphasis on transparency, integrity, and compliance with laws and regulations, as well as the principles of good corporate governance and a business code of ethics.

QUARTERLY LAND SALES OUTLOOK



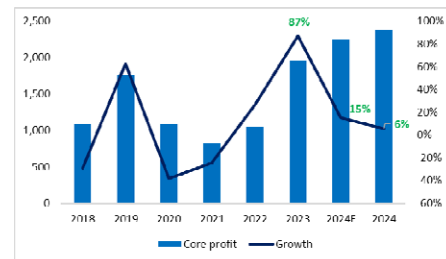
Source: AMATA, UOB Kay Hian

QUARTERLY LAND TRANSFERS OUTLOOK



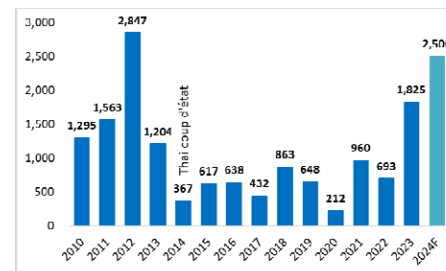
Source: AMATA, UOB Kay Hian

NET PROFIT OUTLOOK



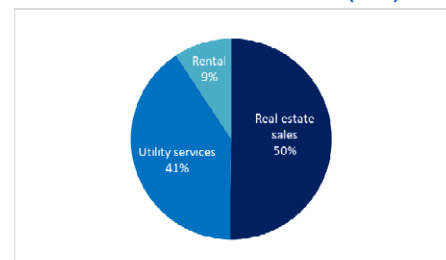
Source: AMATA, UOB Kay Hian

LAND SALES OUTLOOK



Source: AMATA, UOB Kay Hian

EXPECTED REVENUE BREAKDOWN (2024)



Source: AMATA, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
Net turnover	9,517	13,487	13,735	13,819
EBITDA	2,830	3,537	3,897	4,657
Deprec. & amort.	378	397	406	415
EBIT	2,452	3,139	3,491	4,242
Total other non-operating income	110	118	210	231
Associate contributions	1,064	1,019	800	712
Net interest income/(expense)	(687)	(658)	(588)	(485)
Pre-tax profit	2,938	3,619	3,912	4,700
Tax	(477)	(572)	(700)	(798)
Minorities	(576)	(500)	(600)	(780)
Net profit	1,885	2,547	2,612	3,122
Net profit (adj.)	1,885	2,547	2,612	3,122

CASH FLOW

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
Operating	825	4,214	4,865	3,320
Pre-tax profit	2,938	3,390	3,936	4,566
Tax	(477)	(533)	(637)	(771)
Deprec. & amort.	378	397	406	415
Working capital changes	(6,783)	5,172	949	(1,350)
Non-cash items	4,768	(4,212)	209	460
Other operating cashflows	0	0	0	0
Investing	(1,028)	(3,245)	(2,080)	(1,430)
Capex (growth)	(1,230)	(2,296)	(300)	(300)
Investments	(677)	(1,729)	(1,876)	(1,857)
Others	880	780	96	727
Financing	1,394	(2,166)	(1,509)	(1,804)
Dividend payments	(1,003)	(1,142)	(1,509)	(1,805)
Issue of shares	29	(112)	0	1
Proceeds from borrowings	2,542	(1,292)	0	0
Others/interest paid	(174)	379	0	0
Net cash inflow (outflow)	1,191	(1,197)	1,276	86
Beginning cash & cash equivalent	2,582	3,774	2,577	3,853
Ending cash & cash equivalent	3,774	2,577	3,853	3,939

BALANCE SHEET

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
Fixed assets	8,898	10,797	10,691	10,575
Other LT assets	28,386	30,780	32,771	34,880
Cash/ST investment	3,774	2,577	3,853	3,939
Other current assets	16,531	10,946	10,193	11,973
Total assets	57,588	55,100	57,507	61,367
ST debt	6,031	4,740	4,740	4,740
Other current liabilities	9,315	4,691	5,096	5,986
LT debt	12,565	12,565	12,565	12,565
Other LT liabilities	3,950	5,395	5,606	6,585
Shareholders' equity	20,418	22,093	23,495	25,006
Minority interest	5,309	5,617	6,006	6,485
Total liabilities & equity	57,588	55,100	57,507	61,367

KEY METRICS

Year to 31 Dec (%)	2023	2024F	2025F	2026F
Profitability				
EBITDA margin	29.7	42.7	45.9	45.9
Pre-tax margin	30.9	43.4	46.3	45.8
Net margin	19.8	29.2	31.1	30.4
ROA	3.6	4.1	4.7	5.1
ROE	9.5	10.8	11.6	12.5
Growth				
Turnover	46.4	(17.8)	8.6	17.5
EBITDA	12.7	18.1	16.7	17.4
Pre-tax profit	(19.0)	15.4	16.1	16.0
Net profit	(19.5)	21.2	15.5	15.0
Net profit (adj.)	(19.5)	21.2	15.5	15.0
EPS	(19.5)	21.2	15.5	15.0
Leverage				
Debt to total capital	42.0	38.4	37.0	35.5
Debt to equity	91.1	78.3	73.7	69.2
Net debt/(cash) to equity	72.6	66.7	57.3	53.5
Interest cover (x)	4.1	6.9	8.0	9.5

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