FINANSIA SYRUS

EARNINGS RESULTS

22 November 2012

Property Development

AMATA

Amata Corporation

Current	Previous	Close	2013 TP	Exp Return	Support	Resistance	CGR 2011
BUY	BUY	15.20	24.00	+ 57.9%	15.20-15	15.80-16.20	

Consolidated earnings

BT (mn)	2010	2011	2012E	2013E
Normalized earnings	668	932	1,134	1,574
Net profit	696	932	1,241	1,574
EPS (Bt)	0.65	0.87	1.16	1.48
EPS (Bt) - Normalized	0.63	0.87	1.06	1.48
% growth Y-Y	164.19	39.53	21.61	38.83
Dividend (Bt)	0.30	0.40	0.47	0.52
BV/share (Bt)	5.73	6.32	7.25	8.63
EV/EBITDA (x)	14.9	12.4	9.3	8.4
PER (x)	23.3	17.4	13.1	10.3
PER (x) - Normalized	24.3	17.4	14.3	10.3
PBV (x)	2.7	2.4	2.1	1.8
Dividend yield (%)	2.0	2.6	3.1	3.4
YE No. of shares (million)	1,067	1,067	1,067	1,067
No. of shares - full dilution	1,067	1,067	1,067	1,067
Par (Bt)	1.00	1.00	1.00	1.00

Source: Company data, FSS estimates

3Q12 normalized earnings jumped Q-Q and Y-Y to beat our forecast

Higher-than-anticipated 3Q12 normalized earnings

AMATA's 3Q12 normalized earnings soared by 46% Q-Q and 97.4% Y-Y to Bt280mn. This result was 26% higher than our estimate as the company's land sales revenue and service revenue both exceeded our projections by 10%, while its gross margin of 51.9% was wider than our forecast of 49.6%. Meanwhile, AMATA's 3Q12 net profit amounted to Bt388mn (+102.2% Q-Q, +173.4% Y-Y), which included an extra gain of Bt108mn from the adjustment to the fair value of its investment properties.

AMATA's new 2012E land sales target of 2,500 rai (vs. 3,000 rai previously) in line with our forecast

AMATA has lowered its 2012E land sales target to 2,500 rai (vs. 3,000 rai previously), which is equal to our land sales estimate for this year. This downward revision reflects the decision by 2-3 of AMATA's customers to postpone the signing of their contracts to buy a total of 400 rai of land until 2013E. Meanwhile, AMATA's YTD land sales (as of October 4, 2012) reached 1,351 rai with the prospect for a sale of an additional 603 rai based on letters of intent (LOIs). These two figures together would boost the company's land sales to 1,954 rai, which would be equal to 78% of AMATA's new 2012E land sales target of 2,500 rai. These figures suggest that the company's new 2012E land sales target is achievable. As of end-3Q12, AMATA's backlog amounted to 5,800 rai that is expected to be transferred over the next 3-24 months. Meanwhile, the company has 2,700-2,800 rai of land ready for sale and 13,500 rai of vacant land that is ready for development. These figures should be sufficient to secure the company's land sales over the next three years.

1H12 DPS of Bt0.25 for implied yield of 1.6%

AMATA has announced that it will pay a 1H12 DPS of Bt0.25, which implies a dividend yield of 1.6%. The company will go XD on November 23 and pay dividends on December 11, 2012.

Reaffirm 2013E TP of Bt24 (PE 17x) and BUY rating

We maintain our 2012E normalized earnings for AMATA and our 2013E TP of Bt24 (based on PE of 17x, its average historical PE). Meanwhile, we reaffirm our BUY rating on AMATA given the positive prospects for the company's land sales that are benefiting from the rapid expansion of Thailand's auto industry.

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3Q12 Earnings Results					
(Bt mn)	3Q12	2Q12	%Q-Q	3Q11	%Y-Y
Revenues	1,334	1,200	11.1%	752	77.3%
Cost	642	674	-4.7%	367	75.0%
Gross profit	692	527	31.4%	386	79.5%
SG&A	229	229	0.3%	113	102.4%
Interest expense	95	96	-0.5%	76	24.8%
Net profit	388	192	102.2%	142	173.4%
Normalized earnings	280	192	46.0%	142	97.4%
EPS (Bt)	0.36	0.18	102.2%	0.13	173.4%
Normalized EPS (Bt)	0.26	0.18	46.0%	0.13	97.4%
Gross margin (%)	51.9%	43.9%	8.0%	51.2%	0.7%
SG&A as % of sales	17.2%	19.1%	-1.9%	15.1%	2.1%

Source: AMATA

Comment

- AMATA's 3Q12 land transfer revenue rose by 11% Q-Q and 183.7% Y-Y to Bt936mn (230 rai), which was 9% above our projection. This higher-than-anticipated land transfer revenue can be attributed to the company's higher-than-expected selling prices. Meanwhile, AMATA's 3Q12 service revenue increased by 11.4% Q-Q and 23.4% Y-Y to Bt398mn, which beat our estimate by 10% following the gains in the utilization rates of the factories at its industrial estates.
- AMATA's 3Q12 gross margin widened to 51.9% (vs. our projection of 49.6% and its gross margins of 43.9% in 2Q12 and 51.2% in 3Q11) because its land transfers for the quarter came mainly from Amata Nakorn that generates higher gross margins (i.e. at 55% - 60%) than its land transfers from Amata City (i.e. at 50%).
- AMATA's 9M12 normalized earnings of Bt670mn (+58.9% Y-Y) accounted for 59% of our 2012E normalized earnings forecast that remains unchanged at Bt1.13bn (+21.6% Y-Y).

Income Statement (Consolidated)

(Bt mn)	2009	2010	2011	2012E	2013E
Revenue	2,035	3,096	3,748	5,226	6,703
Cost of sales	1,213	1,637	1,888	2,644	3,338
Gross profit	822	1,460	1,860	2,582	3,365
SG&A costs	446	505	620	888	1,139
Operating profit	376	955	1,239	1,693	2,225
Other income	195	82	176	200	150
EBIT	571	1,037	1,415	1,893	2,375
EBITDA	798	1,265	1,617	2,122	2,627
Interest charge	256	239	293	392	280
Tax on income	44	173	177	248	339
Earnings after tax	562	1,125	1,435	2,010	2,597
Minority interests	-101	-83	-150	-272	-345
Normalized earnings	253	668	932	1,134	1,574
Extraordinary items	119	28	0	108	0
Net profit	372	696	932	1,241	1,574

Cash Flow Statement (Consolidated)

(Bt mn)	2009	2010	2011	2012E	2013E
Net profit	372	696	932	1,241	1,574
Depreciation etc.	227	228	202	229	252
Change in working capital	421	1,369	642	252	-223
Other adjustments	-133	-155	-215	0	0
Cash flow from operations	887	2,139	1,562	1,723	1,603
Capital expenditure	-721	-841	-2,457	-900	-900
Others	0	-308	0	0	0
Cash flow from investing	-721	-1,149	-2,457	-900	-900
Free cash flow	166	989	-895	823	703
Net borrowings	523	-552	1,932	-2,434	5,750
Equity capital raised	0	0	0	0	0
Dividends paid	-107	-32	-96	-534	-450
Others	-164	-277	-498	2,716	-7,117
Cash flow from financing	252	-861	1,339	-251	-1,817
Net change in cash	419	128	444	572	-1,115

Balance Sheet (Consolidated)

(Bt mn)	2009	2010	2011	2012E	2013E
Cash	1,038	1,099	1,543	2,115	1,000
Accounts receivable	477	272	203	209	235
Inventory	4,395	4,113	5,198	5,970	6,641
Other current assets	248	126	412	366	469
Total current assets	6,158	5,610	7,356	8,660	8,344
Investments	293	1,127	1,336	1,289	1,452
Plant, property & equipment	6,470	7,213	8,958	9,785	10,590
Other assets	60	430	468	473	479
Total assets	12,982	14,381	18,118	20,207	20,865
Short-term loans	532	966	1,162	1,000	6,750
Accounts payable	85	322	380	507	640
Current maturities	1,460	1,630	1,925	1,591	0
Other current liabilities	430	1,651	2,152	2,836	3,236
Total current liabilities	2,507	4,568	5,618	5,934	10,625
Long-term debt	3,861	2,707	4,147	4,567	0
Other LT liabilities	813	996	1,613	1,966	1,030
Total non-current liabilities	4,674	3,703	5,760	6,533	1,030
Total liabilities	7,181	8,271	11,378	12,467	11,656
Registered capital	0	0	0	0	0
Paid-up capital	1,067	1,067	1,067	1,067	1,067
Share premium	174	174	174	174	174
Legal reserve	107	107	107	107	107
Retained earnings	3,675	4,087	4,691	5,398	6,522
Others	68	6	-14	6	6
Minority Interests	711	669	716	988	1,334
Shareholders' equity	5,802	6,110	6,740	7,740	9,209

Source: Company data, FSS research

Important Ratios (Consolidated)

	2009	2010	2011	2012E	2013E
Growth (%)					
Revenue	-47.3	52.1	21.0	39.4	28.3
EBITDA	-60.2	58.6	27.8	31.2	23.8
Net profit	-68.8	86.9	34.0	33.2	26.8
Normalized earnings	-78.8	164.2	39.5	21.6	38.8
Profitability Ratios (%)					
Gross profit margin	40.4	47.1	49.6	49.4	50.2
EBITDA margin	39.2	40.9	43.2	40.6	39.2
EBIT margin	28.1	33.5	37.8	36.2	35.4
Normalized profit margin	12.4	21.6	24.9	21.7	23.5
Net profit margin	18.3	22.5	24.9	23.8	23.5
Normalized ROA	1.9	4.6	5.1	5.6	7.5
Normalize ROE	4.4	10.9	13.8	14.6	17.1
Normalized ROCE	5.5	10.6	11.3	13.3	23.2
Risk (x)					
D/E	1.24	1.35	1.69	1.61	1.27
Net D/E	0.58	0.42	0.56	0.45	0.62
Net debt/EBITDA	4.21	2.03	2.33	1.63	2.19
Per share data (Bt)					
Reported EPS	0.35	0.65	0.87	1.16	1.48
Normalized EPS	0.24	0.63	0.87	1.06	1.48
EBITDA	0.75	1.19	1.52	1.99	2.46
FCF	0.16	0.93	-0.84	0.77	0.66
Book value	5.44	5.73	6.32	7.25	8.63
Dividend	0.10	0.30	0.40	0.47	0.52
Par	1.0	1.0	1.0	1.0	1.0
Valuations (x)					
P/E	43.6	23.3	17.4	13.1	10.3
Normalized P/E	64.1	24.3	17.4	14.3	10.3
P/BV	2.8	2.7	2.4	2.1	1.8
EV/EBTDA	24.5	14.9	12.4	9.3	8.4
Dividend yield (%)	0.7	2.0	2.6	3.1	3.4

FINANSIA SYRUS

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Patumwan, Bangkok

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Bangkok

Sindhorn 2
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24th Floor, Wireless Road,
Lumpini, Pathumwan,
Bangkok

Sindhorn 3
130-132 Sindhorn Building 3,
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Lumpini, Pathumwan,
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Sukhumvit 21
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Bangkok

Asoke
159 Sermmit Tower 17th Floor,
Soi Sukumvit 21, Sukhumvit Road,
Klongtey North, Wattana,
Bangkok

Silom
191 Silom Complex Building
Unit 2,3-1 21st Floor, Silom Road,
Silom, Bangrak,
Bangkok

Fortune Town
1 Fortune Town Building,
23rd Floor, Zone B3,
Rachadapisek Road, Dindaeng,
Bangkok

Italthai Tower
2034/52 Italthai Tower,
11st Floor, Unit 11-07/01,
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Huaykwang, Bangkok

Thaisummit Tower 1
1768 Thaisammit Tower Building,
2nd Floor, New Petchburi Road,
Bangkapi, Huaykwang,
Bangkok

Thaisummit Tower 2
1768 Thaisammit Tower Building,
4nd, 31th Floor, New Petchburi
Road, Bangkapi, Huaykwang,
Bangkok

Pinklao 1
7/129-221 Central Pinklao Office
Building, Room 1404, 14th Fl.,
Baromratchonnanee Road,
Arunamarin, Bangkoknoi, Bangkok

Pinklao 2
7/3 Central Tower B, Pinklao,
Room 1408, 14th Floor,
Baromratchonnanee Road,
Arunamarin, Bangkoknoi, Bangkok

Pinklao 3
7/3 Central Tower B, Pinklao,
16th Floor, Baromratchonnanee
Road, Arunamarin, Bangkoknoi,
Bangkok

Central Rattanatibet
68/127 Moo 8 Rattanatibet Road,
Tumbon Banggrasor,
Aumphoe Muang,
Nonthaburi

Ladprao
555 Rasa Tower 2, 11st Floor,
Unit 1106, Phaholyothin Road,
Chatuchak, Bangkok

Prachachuen
105/1 B Building, 4th Floor,
Thessabansongkhrao Road,
Ladyao, Jutujak, Bangkok

Bangna
1093 Tower 1 Office, 19th Floor,
Room 1093/105 Moo 12,
Bangna-Trad Road, Bangna,
Bangkok

Bangkapi
3105 N Mark Building, 3rd Floor,
Room A3 R02, Ladprao Road,
Klongjan, Bangkapi, Bangkok

Nakornpathom
28/16-17 Yingpao Road,
Tumbon Sanamjan,
Aumphoe Muang, Nakornpathom

Chonburi
44 Vacheraprakran Road,
Tumbon Bangplasoi,
Aumphoe Muang, Chonburi

Samutsakorn
1045/16-17 Vichienchodok,
Tumbon Mhachai, Aumphoe
Meungsamutsakorn,
Samutsakorn

Chachoengsao
233-233/2 1st Floor, Moo 12,
Sukprayoon Road,
Tumbon Namuang, Aumphoe
Muang, Chachoengsao

Chiangmai 1
308 Chiang Mai Land,
Chang Klan R., Chang Klan
Muang
Chiangmai

Chiangmai 2
310 Chiang Mai Land,
Chang Klan R., Chang Klan
Muang
Chiangmai

Khonkaen 1
311/16 2nd Floor, Klangmeung
Road, Tumbon Nai Meung,
Aumphoe Meung,
Khonkaen

Khonkaen 2
26/9 Moo 7 2nd Floor,
Srijan new Road, Tumbon
Nai Meung, Aumphoe Meung,
Khonkaen

Measai
119 Moo 10,
Tumbon Maesai,
Aumphoe Muang, Cheangrai

Suratthani
173/83-84 Moo 1
Watpho-Bangyai Road.,
Tumbon Makamtia,
Aumphoe Mueang, Suratthani

Hatyai 1
29 Lee Garden Plaza Hotel,
6th Floor, Unit 601/3,
Prachathipat Road, Tumbon
Hatyai, Aumphoe Hatyai, Songkhla

Hatyai 2
106 (Mezzanine) New Season
Hotel, Prachathipat Road,
Aumphoe Hadyai, Songkhla

Hatyai 3
200/222, 200/224, 200/226
Juldis Hadyai Plaza, 2rd Floor,
Building, Niphat Uthit 3 Road,
Aumphoe Hadyai, Songkhla

Phuket
22/16-17 Vanish Plaza Shopping
Mall, Luangporwatchalong Road,
Tumbon Talad Yai,
Aumphoe Meung, Phuket

Trang
59/28 Huaiyod Road,
Tumbon Thaptieng,
Aumphoe Meungtrang, Trang

Krabi
223/20 Mharaj Road,
Tumbon Paknam,
Aumphoe Meung, Krabi

Pattane
300/69-70 Moo 4,
Tumbon Ruramirae,
Aumphoe Meung, Pattane

Udonthani
104/6, 2 fl., ICBC Bank Tower
Udon Dusadee Road,
Tumbon Mak Khaeng,
Aumphoe Muang Udon Thani,
Udon Thani

Khonkaen
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Khang Meung Road,
Tumbon Nai Meung,
Aumphoe Meung Khonkaen,
Khonkaen

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Amnart	Ngosawang	Construction Materials / Transportation	0-2646-9712	amnart.n@fnsyrus.com
Somchai	Anektaweepon	Technical	0-2646-9967	somchai.a@fnsyrus.com
Natapon	Khamthakreauu	Derivatives	0-2646-9820	natapon.k@fnsyrus.com

Recommendation Definitions

BUY	The latest close is below our target price and the estimated upside is 10% or more.
HOLD	The latest close is below our target price and the estimated upside is 0-10%.
SELL	The latest close is above our target price.
TRADING BUY	The latest close is above our target price but the price is expected to be driven by short-term positive factors
OVERWEIGHT	The estimated return is higher than the market average.
NEUTRAL	The estimated return is the same as the market average.
UNDERWEIGHT	The estimated return is lower than the market average

Note: The expected return may change as market risks increase or decline.

Thai Institute of Directors Association (IOD) - Corporate Governance Report Rating 2011

Score Range	Rating	Description
100-90		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
<50	no logo given	n/a

ADVANC	BKI	GRAMMY	LPN	PTTCH**	SC	TIPCO
AOT	BMCL	HEMRAJ	MCOT	PTTEP	SCB	TISCO
BAFS	CPN	ICC	NMG	QH	SCC	TKT
BANPU	CSL	IRPC	PS	RATCH	SE-ED	TMB
BAY	EASTW	KBANK	PSL	ROBINS	SIS	TOP
BBL	EGCO	KK	PTT	RS	THRE	
BCP	ERW	KTB	PTTAR**	SAT	TIP	

ACAP	BROOK	DTC	KCE	MFC	PG	SEAFCO	STEC	TNITY	TYM
AF	BTS	ECL	KEST	MFEC	PHATRA	SFP	SUSCO	TNL	UAC
AMANAH	BWG	FORTH	KGI	MILL	PM	SICCO**	SVI	TOG	UMI
AMATA	CENTEL	GBX	KSL	MINT	PR	SINGER	SYMC	TPC	UP
AP	CGS	GC	KWC	MK	PRANDA	SIRI	SYNTEC	TRC	UPOIC
ASIMAR	CIMBT	GFPT	L&E	MTI	PRG	SITHAI	TASCO	TRT	UV
ASP	CK	GLOW	LANNA	NBC	PT	SMT	TCAP	TRU	VNT
AYUD	CM	HANA	LH	NCH	PYLON	SNC	TFD	TRUE	WACOAL
BEC	CPALL	HMPRO	LOXLEY	NINE	S&J	SPALI	TFI	TSC	WAVE
BECL	CPF	HTC	LRH	NKI	S&P	SPI	THAI	TSTE	ZMICO
BFIT	CSC	IFEC	LST	NOBLE	SABINA	SPPT	THCOM	TSTH	
BH	DELTA	INET	MACO	OCC	SAMCO	SSF	THIP	TTA	
BIGC	DEMCO	INTUCH	MAJOR	OGC	SCCC	SSSC	TIC	TTW	
BJC	DRT	IVL	MAKRO	OISHI	SCG	STA	TK	TUF	
BLA	DTAC	JAS	MBK	PB	SCSMG	STANLY	TMT	TVO	

2S	BAT-3K	CNS	FSS	ITD	MATI	OFM	QLT	SMK	TF	TPIPL	VARO
A	BGT	CNT	GENCO	JTS	MBAX	PAF	RASA	SMM	TGCI	TPP	VIBHA
AEONTS	BLAND	CPI	GFM	JUTHA	M-CHAI	PAP	RCI	SPC	THANA	TR	VNG
AFC	BNC	CPL	GL	KASET	MCS	PATO	RCL	SPC	THANI	TTCL	WG
AGE	BOL	CRANE	GLAND	KDH	MDX	PDI	ROJNA	SST	TICON	TTI	WORK
AH	BROCK	CSP	GLOD	KH	MJD	PHOL	RPC	STAR	TIW	TWFP	YUASA
AHC	BSBM	CSR	GUNKUL	KKC	MOONG	PICO	SAUCE	SUC	TKS	TWZ	
AI	BTNC	CTW	GYT	KMC	MPIC	PL	SCBLIF	SVOA	TLUXE	TYCN	
AIT	CCET	DCC	HFT	KTC	MSC	POST	SCP	SWC	TMD	UBIS	
AJ	CFRESH	DRACO	HTECH	KWH	NC	PPM	SENA	SYNEX	TNH	UEC	
AKR	CHARAN	EASON	IFS	KYE	NEP	PREB	SHANG	TBSP	TNPC	UOBKH	
APRINT	CI	EIC	ILINK	LALIN	NNCL	PRECHA	SIAM	TCB	TOPP	UPF	
APURE	CITY	ESSO	IRC	LEE	NSI	PRIN	SIMAT	TCC	TPA	US	
AS	CMO	FE	IRCP	LHK	NTV	PTL	SKR	TCP	TPAC	UT	
ASK	CMR	FOCUS	IT	MATCH	NWR	Q-CON	SMIT	TEAM	TPCORP	UVAN	

IOD (IOD Disclaimer)

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