

AMATA Corporation PCL

(AMATA.BK/AMATA TB) *

Outperform·Maintained

| | |
|-----------------------------------|-----------|
| Price as of 30 May 2018 | 22.60 |
| 12M target price (Bt/shr) | 30.00 |
| Unchanged / Revised up (down) (%) | Unchanged |
| Upside/downside (%) | 42.9 |

Key messages

AMATA maintained its 2018 land presales target of 925 rai as it expects a boost from the Eastern Economic Corridor (EEC) with land bank of ~10,000 rai. Meanwhile, its leasable platform at Amata City Chonburi is on track and expected to kickoff this year. Recurring income would provide sustainable growth with a target of 80% of total revenue, up from 47% in 2017. We maintain a rating of Outperform with a 2018 target price of Bt30.00.

Chananthorn Pichayapanupat
 66.2658.8888 Ext.8849
 chananthomp@kgi.co.th

Staying on track

Event

AMATA joined Opportunity Day on May 30, 2018.

Impact

Maintained land sales target of 925 rai in 2018

Even though AMATA's 1Q18 land presales were only 28 rai, down 56% YoY, the company maintained its 2018 target of 925 rai on the back of the positive outlook from the Eastern Economic Corridor (EEC). The industry targets would be smart electronics, electric vehicles, aviation, e-logistics, and robotics. As of March 31, 2018, the company's land available for sales was ~2,900 rai and raw land was ~7,700 rai.

Leasable platform to kickoff this year

AMATA continues to implement a leasable platform at Amata City Chonburi with a starting area of 1,000 – 2,000 rai from raw land of ~7,000 rai. The company has 629 rai left for sale at Amata City Chonburi. Since there are only a few details on this platform, we have not included it in our forecast.

Recurring income, other key focus

The company also targets to grow recurring income as it realized this would increase continuously and provide sustainable growth. Recurring income accounted for 47% of its total revenue in 2017 and the company targets this to reach 80%.

Valuation & action

We rate AMATA Outperform with a 2018 target price of Bt30.00 based on the SOTP valuation method. We derive a value of Bt21.90/share for its industrial estate business, based on multiple PER 18.0x, Bt7.90/share for its power business, and Bt0.40/share for REIT investment.

Risks

Geopolitical risk, economic slowdown, natural disaster, land acquisition, sector concentration, insufficient capital.

KGI Locations

| | | |
|-------|----------|---|
| China | Shanghai | Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040 |
| | Shenzhen | Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008 |

| | | |
|--------|--------|--|
| Taiwan | Taipei | 700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691 |
|--------|--------|--|

| | | |
|-----------|--|--|
| Hong Kong | | 41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800 |
|-----------|--|--|

| | | |
|----------|---------|---|
| Thailand | Bangkok | 8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014 |
|----------|---------|---|

| | | |
|-----------|--|--|
| Singapore | | 4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826 |
|-----------|--|--|

KGI's Ratings

| Rating | Definition |
|-------------------|---|
| Outperform (OP) | The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan).. |
| Neutral (N) | The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan) |
| Under perform (U) | The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan). |
| Not Rated (NR) | The stock is not rated by KGI. |
| Restricted (R) | KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i> |
| Note | When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically. |

Disclaimer

KGI Securities (Thailand) Plc. ("The Company") disclaims all warranties with regards to all information contained herein. In no event shall the Company be liable for any direct, indirect or any damages whatsoever resulting from loss of income or profits, arising by utilization and reliance on the information herein. All information hereunder does not constitute a solicitation to buy or sell any securities but constitutes our sole judgment as of this date and are subject to change without notice.