

21 OCTOBER 2021

THAILAND / REAL ESTATE

# AMATA CORPORATION AMATA TB

## BUY

TARGET PRICE	THB27.50
CLOSE	THB20.50
UP/DOWNSIDE	+34.1%
TP vs CONSENSUS	+36.5%

## Winner on reopening & disruptions

### Turning around in 2022, led by the recovery of IE land sales

AMATA, Thailand's leading industrial estate (IE) operator, has suffered from the Covid pandemic due to the lockdowns and travel restrictions. The tables should be turned in 2022 following the country's reopening plus the favourable macro environment due to the investment relocation to diversify the supply chain risk. We expect earnings growth of 44%/18% in 2022/23, driven by 1) the recovery of land presales in Thailand to 600-700 rai; 2) solid demand for land presales in Vietnam; and 3) stable recurring income from its utilities, rental, and power businesses.

### Pent-up demand to boost land sales in Thailand and Vietnam

IE land sales in Thailand plunged 67% y-y in 2020 to 212 rai. We expect it to recover to 400 rai in 2021, though still below Amata's 5-year average of 544 rai (2015-19). We think Thailand's Covid situation should bottom out in 3Q21, and estimate that AMATA's land presales should rebound to 600-700 rai per year in 2022-23. For Vietnam, AMATA currently has 770 rai (123 ha) of land available for sale, of which c212 rai (33.9 ha) was already sold for solar panel manufacturing and is being transferred within 4Q21. We see the potential for higher land demand from this client as well as a number of automotive and pharmaceutical firms, and expect the currently available land for sale (up to 770 rai) to be sold in 2022.

### Windfall from global investment relocation

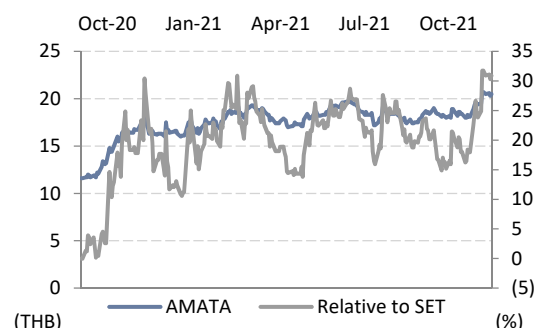
On top of the pent-up demand recovery, we see multiple tailwinds which could boost FDI in Thailand in 2022-23, comprising: 1) global relocation due to the US-China trade war; 2) the zero-emissions policy in China; 3) energy shortages in China; 4) rising electricity costs for industrial usage; and 5) the weakening Baht trend. Given that FDI in China totalled USD187b in 2019 vs USD7.1b for Thailand, we think Thailand could benefit from some FDI shifting from China to Thailand for supply chain diversification, which should drive up the country's land presales demand.

### A prime beneficiary of travel restriction easing

We initiate coverage of AMATA with a BUY rating and an SoTP-based TP of THB27.5. We think AMATA would be a prime winner on the return of FDI after travel restrictions are eased. The current power shortage and environmental issues in China are likely to trigger investment diversification amid the intensifying US-China trade war during the post-Covid era in 2022 onward. AMATA is trading at 15.5x 2022E P/E, or at a slight discount to its 5-year average of 16.2x.

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	4,202	4,720	7,118	8,549
Net profit	1,103	1,054	1,520	1,792
EPS (THB)	1.03	0.92	1.32	1.56
vs Consensus (%)	-	(9.6)	(5.0)	6.9
EBITDA	1,792	1,735	2,702	3,252
Core net profit	1,119	1,054	1,520	1,792
Core EPS (THB)	1.05	0.92	1.32	1.56
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(36.7)	(12.6)	44.2	17.9
Core P/E (x)	19.5	22.4	15.5	13.2
Dividend yield (%)	1.5	1.8	2.6	3.0
EV/EBITDA (x)	22.3	25.5	17.0	14.8
Price/book (x)	1.4	1.4	1.4	1.3
Net debt/Equity (%)	80.1	82.8	81.8	81.2
ROE (%)	7.5	6.6	9.1	10.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.6	13.3	76.7
Relative to country (%)	10.3	6.4	30.7
Mkt cap (USD m)	707		
3m avg. daily turnover (USD m)	6.7		
Free float (%)	62		
Major shareholder	Mr Vikrom Kromadit (25%)		
12m high/low (THB)	21.20/11.40		
Issued shares (m)	1,150.00		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

AMATA is one of the leading industrial estate (IE) operators in Thailand. The IE business has been a victim of the Covid pandemic due to the lockdowns and travel restrictions. The tables should be turned in 2022 following the country's reopening plus the favourable macro environment due to the investment relocation to diversify supply chain risk. Moreover, stagflation (slow economic growth with high inflation) could benefit AMATA, considering that it is one of the key asset plays and is currently trading at deep discounts to its NAV of THB34/shr. Overall, we expect that its earnings could grow by 44%/18% in 2022/23, driven by 1) the recovery of land presales in Thailand to 600-700 rai; 2) solid demand for land presales in Vietnam; and 3) stable recurring income from its utilities, rental, and power businesses.

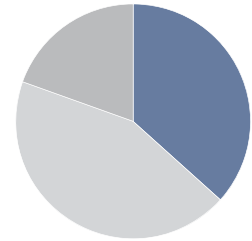
## Company profile

AMATA is a world leading industrial city developer which operates four key businesses: city development, infrastructure and utilities, services management, and investment. Its diversified portfolio provides a cushion from the economic cycle downturn.

[www.amata.com](http://www.amata.com)

## Principal activities (revenue, 2020)

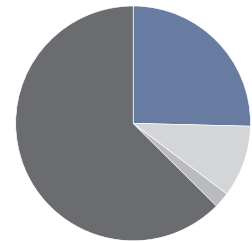
- Real estate sales - 36.7 %
- Utility - 43.8 %
- Rental - 19.5 %



Source: Amata Corporation

## Major shareholders

- Mr Vikrom Kromadit - 25.4 %
- Thai NVDR - 9.9 %
- ITOCHU Enterprise (Thailand) Ltd. - 2.2 %
- Others - 62.6 %



Source: Amata Corporation

## Catalysts

Key potential drivers for AMATA are: 1) travel restriction easing in Thailand and Vietnam; 2) power shortages and environmental issues in China which could cause a capital investment relocation to ASEAN, especially Thailand and Vietnam; and 3) government stimulus packages to boost private investment.

## Risks to our call

Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilisation rate from the utilities business in Vietnam.

## Event calendar

Date	Event
November 2021	3Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
<b>Revenue (THB b)</b>	<b>4,720</b>	<b>7,118</b>	<b>8,549</b>
IE land sales (Thailand) (rai)	500	600	700
IE land sales (Vietnam) (rai)	400	600	700
Utilities revenue (THB b)	1,933	2,030	2,111
Rental revenue (THB b)	878	939	1,018
<b>Gross margin (%)</b>	<b>46.9</b>	<b>49.6</b>	<b>50.7</b>
<b>Equity income (THB b)</b>	<b>623</b>	<b>642</b>	<b>661</b>
<b>Net profit (THB m)</b>	<b>1,054</b>	<b>1,520</b>	<b>1,792</b>

Source: FSSIA estimates

## Earnings sensitivity

- For every 100 rai increase in IE land transfers in Amata City Chonburi, we estimate 2022 net profit to rise THB400m, and vice versa, all else being equal.
- For every 100 rai increase in IE land transfers in Amata City Rayong, we estimate 2022 net profit to rise THB125m, and vice versa, all else being equal.
- For every 100 rai increase in IE land transfers in Vietnam, we estimate 2022 net profit to rise THB62m, and vice versa, all else being equal.

Source: FSSIA estimates

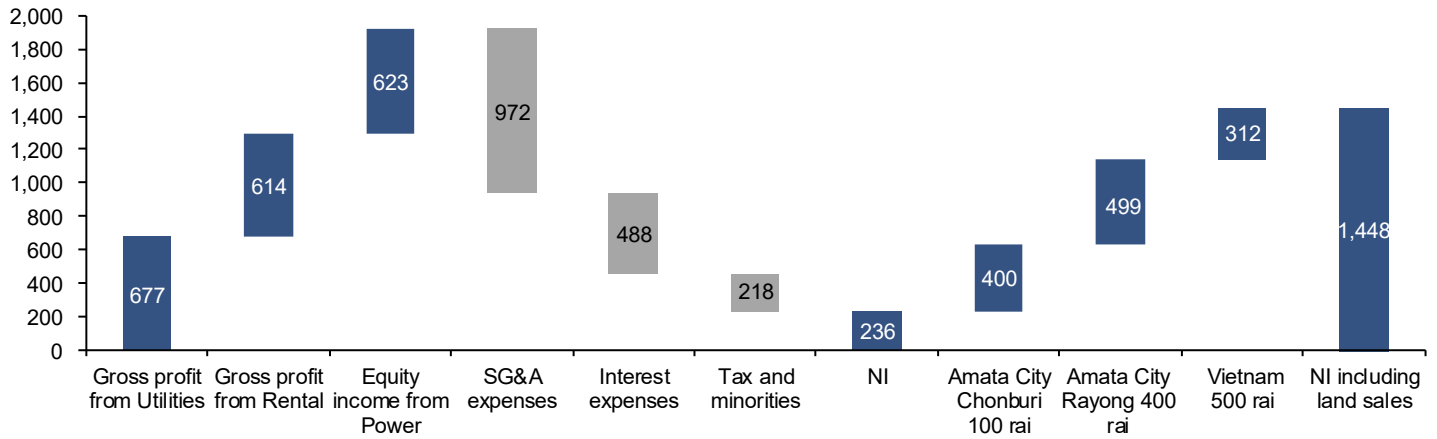
### Prime beneficiary of the country's reopening

AMATA is one of the leading IE operators in Thailand. Like other businesses relying on foreign investment, the IE business has been a victim of the Covid pandemic due to the lockdowns and travel restrictions. The tables should be turned in 2022 following the country's reopening plus the favourable macro environment due to the investment relocation to diversify the business disruption risk.

Moreover, we think the likely stagflation (slow economic growth with high inflation) in 2022-23 could benefit AMATA as one of the key asset plays due to its attractive valuation, trading at deep discounts to its NAV of THB34/shr.

#### Exhibit 1: Positive bottom line during Covid outbreak cushioned by recurring income

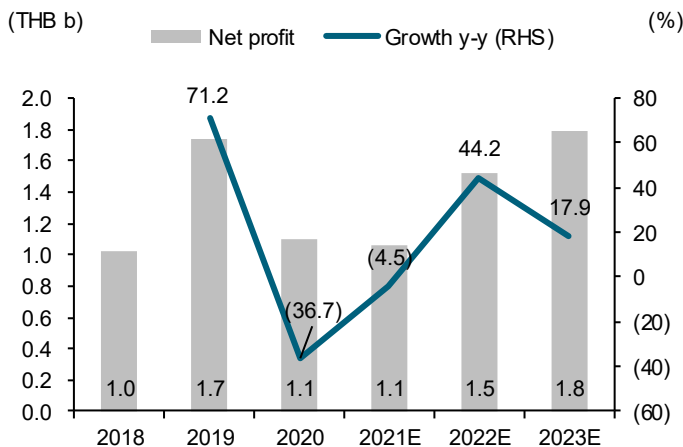
(THB m)



Sources: AMATA; FSSIA estimates

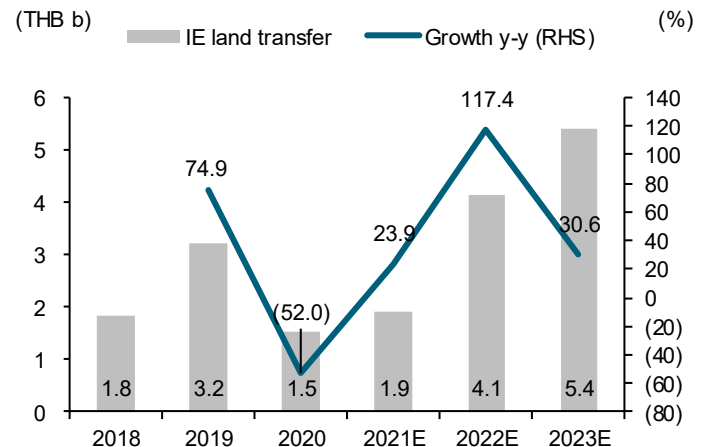
We project AMATA to have net profit growth of 44% y-y in 2022 and 18% y-y in 2023, driven by 1) the recovery of land presales in Thailand to 600-700 rai, its pre-Covid level; 2) solid demand for land presales in Vietnam after the country's easing of the full lockdown in 4Q21; and 3) stable recurring income from its utilities, rental, and power businesses as cash cows for AMATA.

#### Exhibit 2: Expect earnings to pass the pre-Covid level in 2023



Sources: AMATA; FSSIA estimates

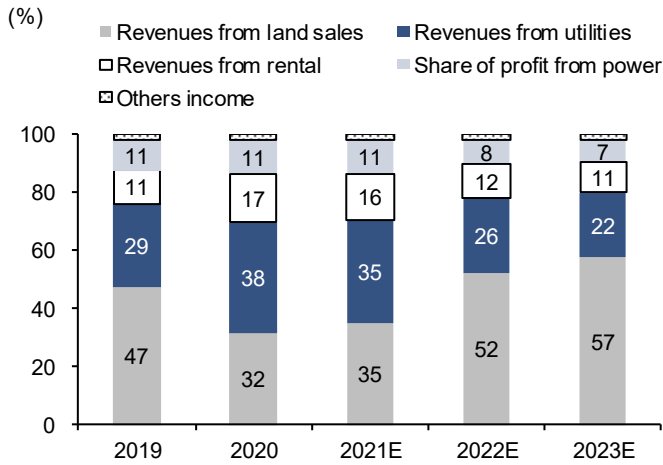
#### Exhibit 3: Estimate revenue from IE land sales to leap in 2022 onward



Sources: AMATA; FSSIA estimates

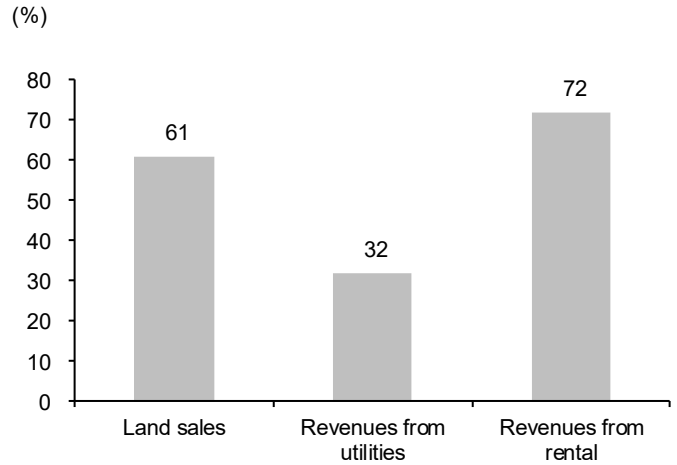
AMATA has a well-diversified business portfolio with a solid recurring income stream from its utilities (water), rental, and power businesses, accounting for 62% of the company’s total revenue estimated in 2021. Despite the severe impact from the multiple lockdowns and travel restrictions due to the Covid-19 pandemic in 2020-21, AMATA’s net profit remains in the black thanks to its highly resilient earnings from its core business of industrial land sales and the low-risk non-IE earnings, with a high gross margin of 72% for the rental business and 32% for utilities vs 61% for IE.

**Exhibit 4: AMATA’s revenue structure**



Note: We include equity income from the power business into the revenue structure  
Sources: AMATA; FSSIA estimates

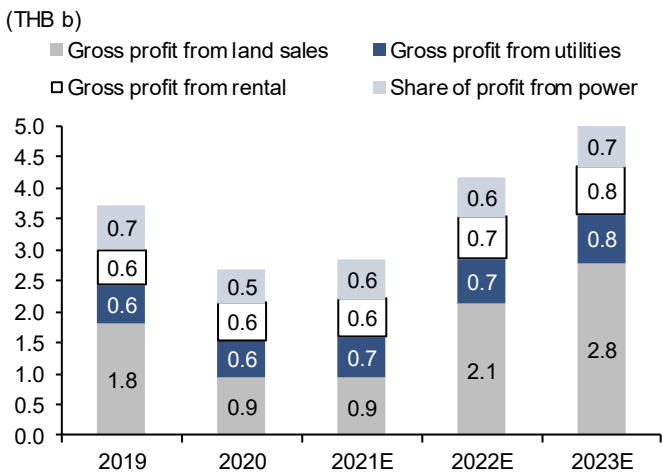
**Exhibit 5: GPM of each business**



Sources: AMATA; FSSIA estimates

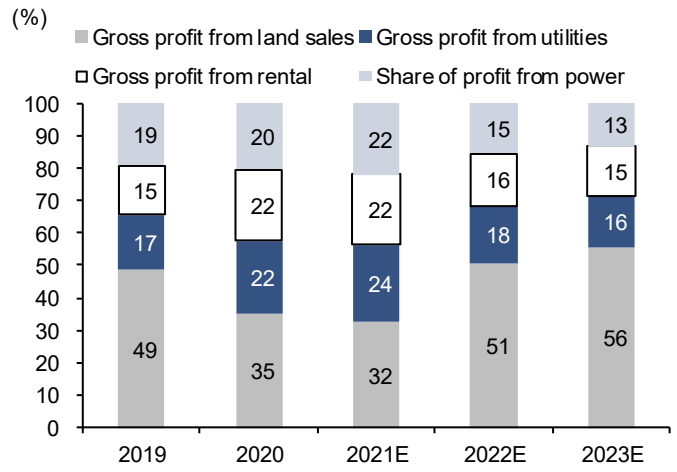
In terms of gross profit, IE normally contributed around 50% of AMATA’s total gross profit during the pre-Covid period in 2019, on par with the 47% proportion to total revenue. This reflects that AMATA’s revenue and gross profit are growing in tandem with one another thanks to the similar gross profit margin (GPM) levels for IE (61%) and non-IE (60%).

**Exhibit 6: AMATA’s gross profit structure**



Sources: AMATA; FSSIA estimates

**Exhibit 7: Gross profit breakdown by business**



Sources: AMATA; FSSIA estimates

## Expect a strong land sales recovery in Thailand in 2022

While AMATA's core business, IE land sales in Thailand, plunged 67% y-y to 212 rai in 2020, we project the land sales to double y-y to 400 rai in 2021, though still below its 5-year average of 544 rai (2015-19) as a result of the lockdown measures and travel restrictions in both Thailand and Vietnam.

We think Thailand's Covid situation should bottom out in 3Q21, and estimate that AMATA's land presales should rebound to exceed its pre-Covid level at 600-700 rai per year in 2022-23. The key driver, in our estimation, is the pent-up demand for land to be used for new investments in IEs, particularly in the areas covering three provinces in Eastern Thailand – Chacheongsao, Chonburi, and Rayong – under the government's Eastern Economic Corridor (EEC) investment scheme.

AMATA has IEs located in Chonburi and Rayong in the EEC zone, which should incentivise foreign investors to choose AMATA's IEs for their foreign direct investment (FDI) in Thailand.

### Exhibit 8: Average selling price and GPM for each of AMATA's IEs

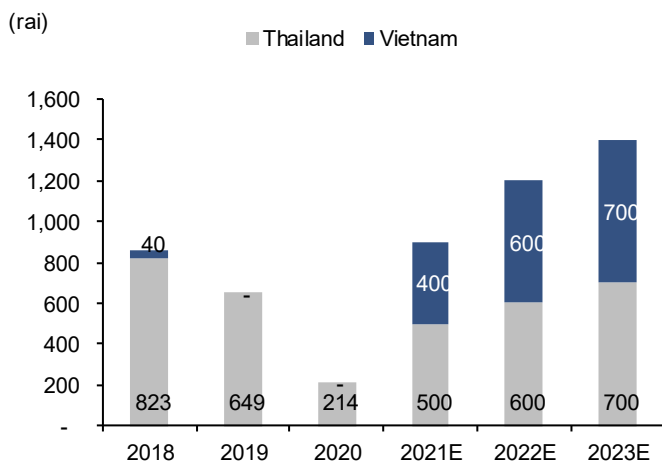
IE	Average selling price (THB/rai)	GPM (%)	Cost (THB/rai)	Profit (THB/rai)
Amata City Chonburi	11.0	70	3.3	7.7
Amata City Rayong and Thai-Chinese	4.0	60	1.6	2.4
Vietnam	4.0	30	2.8	1.2

Sources: AMATA; FSSIA estimates

Amata's land sales target is at 1,150-1,350 rai in 2021, comprising 1) 650 rai of land sales in Thailand (100 rai in Chonburi, 100 rai in Thai-Chinese IE and 450 rai in Rayong); and 2) 500-700 rai in Vietnam.

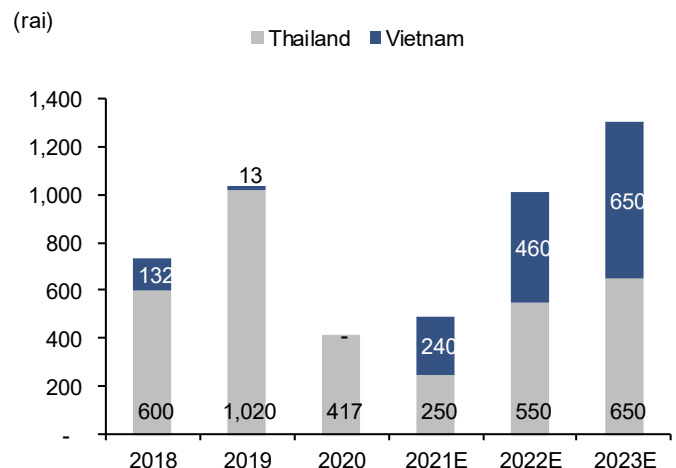
The company has already recognised presales of 343 rai in 1H21 (131 rai in Thailand and 212 rai in Vietnam). AMATA is currently negotiating with over 20 potential customers in a number of Thailand's key export industries (food, rubber, auto parts) and sees a potential land sales demand of 1,000 rai in 2H21, comprising 1) 600 rai in Amata City Chonburi IE and Amata City Rayong; and 2) 400 rai in Thai-Chinese IE in Rayong.

### Exhibit 9: IE land sales



Sources: AMATA; FSSIA estimates

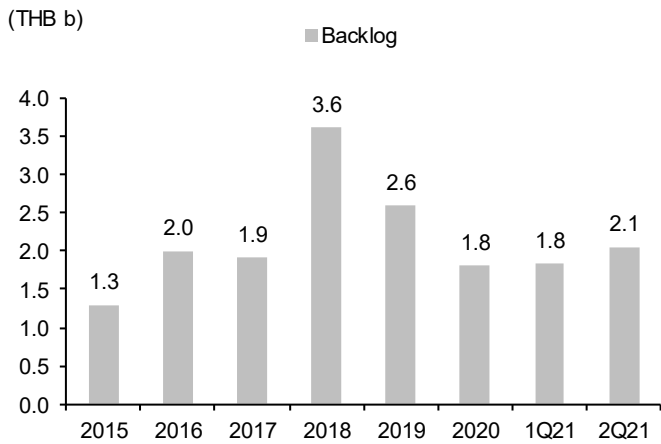
### Exhibit 10: IE land transfers



Sources: AMATA; FSSIA estimates

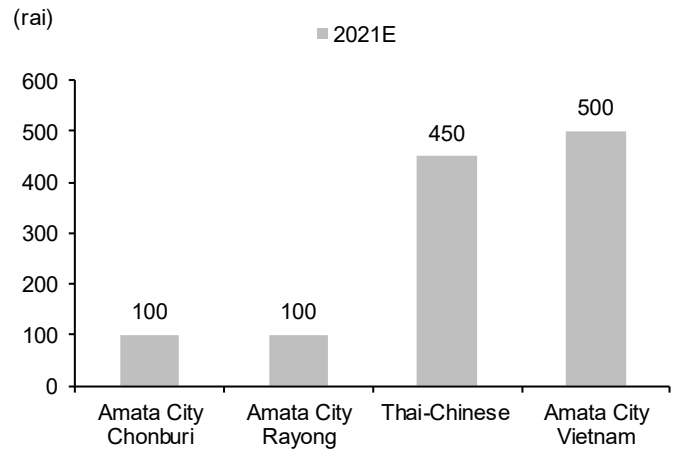
**Backlog is high in 2H21-2022.** AMATA has a land sales backlog of THB2.0b, which it expects to recognise in 4Q21-3Q22, based on the company's guidance. While certain land transfers may be delayed due to the lockdown restrictions in 3Q21, we believe the land transfer should accelerate in 4Q21 onward, given that Thailand's government plans to lift the quarantine for vaccinated visitors in Nov-21, which should allow investors to enter Thailand without any required quarantine period. We expect up to 30-40% of the THB2.0b backlog to be recognised in 2H21, with the remaining backlog to be realised in 2022.

**Exhibit 11: Land sales backlog**



Sources: AMATA; FSSIA's compilation

**Exhibit 12: AMATA's land sales target by IE in 2021**



Sources: AMATA; FSSIA estimates

**Vietnam: Attractive FDI destination with plenty of demand for IE land**

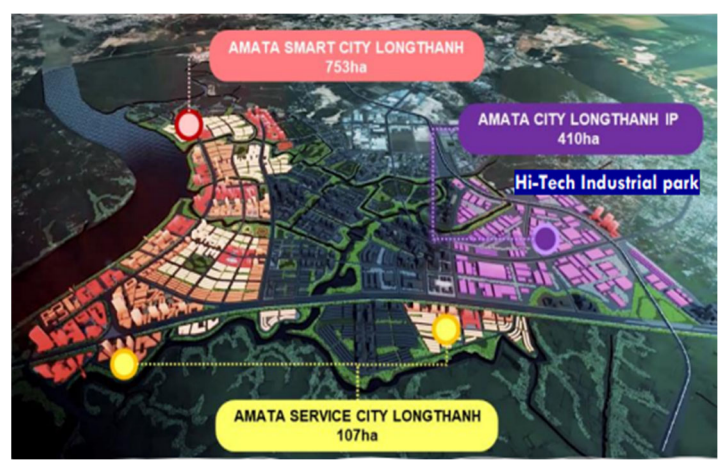
Among AMATA's two IEs with available land for sale in Vietnam – Long Thanh IE and Halong IE – AMATA is currently focusing more on Halong IE due to its more resilient demand.

**Exhibit 13: Amata City Halong**



Source: AMATA

**Exhibit 14: AMATA City Long Thanh**



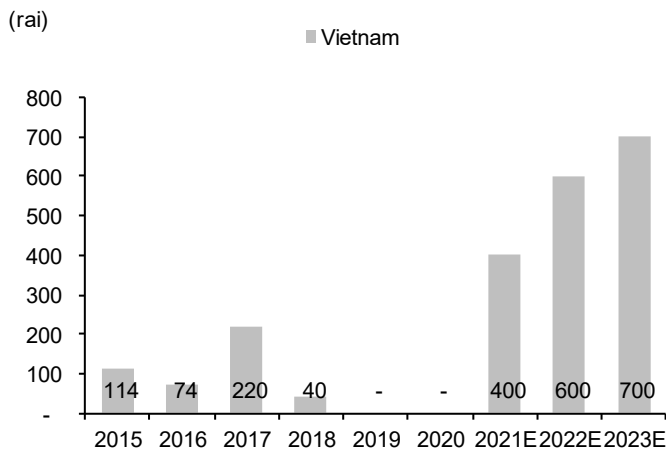
Source: AMATA

**IE #1: Amata City Halong IE** has a total development area of 36,238 rai (5,800 ha). The first phase of 4,463 rai (714 ha) has already been granted an investment registration certificate (IRC). AMATA currently has 770 rai (123 ha) of land available for sale, of which c212 rai (33.9 ha) was already sold to Jinko Solar Hongkong (JKH), a Chinese solar panel manufacturer, and is expected to be transferred by 4Q21.

In addition, JKH signed a memorandum of understanding (MOU) in Sep-21 to purchase another 126 rai (20 ha) from AMATA at an average selling price of cTHB3.6m per rai. We see more potential land demand from JKH, as the company plans to invest in the solar energy industry to serve the growing demand for renewable energy in the global market.

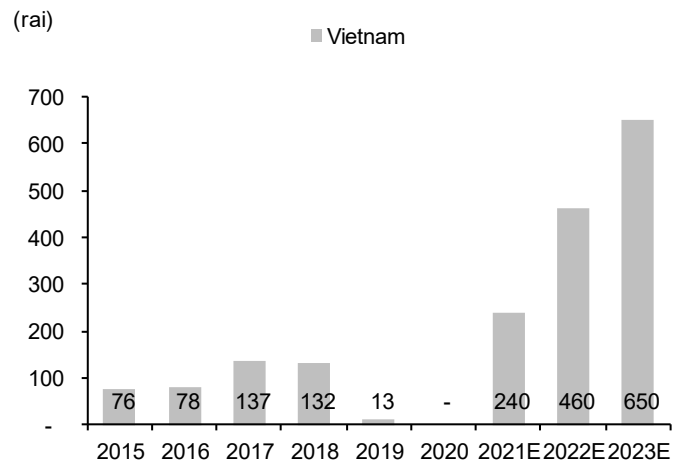
Moreover, AMATA is currently negotiating with a few automotive and pharmaceutical firms, which could turn into eventual land sales to fill up the demand for AMATA's currently available land totalling 770 rai within 2022, based on our estimate.

**Exhibit 15: IE land sales in Vietnam**



Sources: AMATA; FSSIA estimates

**Exhibit 16: IE land transfers in Vietnam**



Sources: AMATA; FSSIA estimates

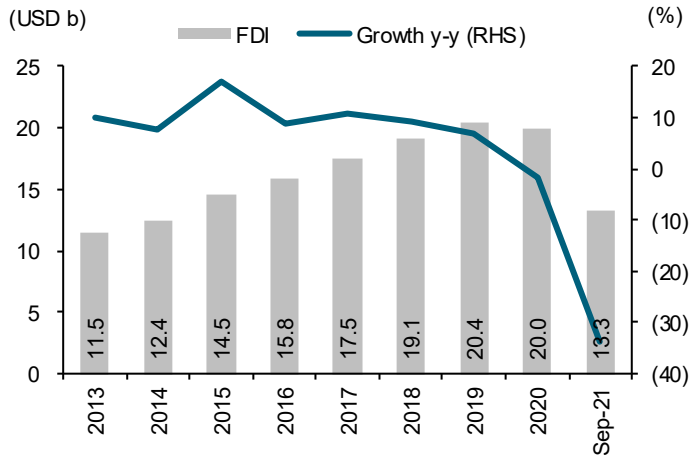
**IE #2: AMATA City Long Thanh (ACLT)** has a total granted area for development of 6,400 rai, comprising 1,700 rai of IE land for sale and 4,700 rai for commercial areas. ACLT is currently under the land expropriation process with the government, and we expect the first phase of 500-600 rai of IE land to be available for sale in 1H22. AMATA sees a potential pent-up demand of 200-300 rai, which could be immediately turned from available land status into land sales based on customers' intentions.

**IE #3: Quang Tri Industrial Park**, located in Quang Ninh province in Northern Vietnam, is AMATA's latest IE in Vietnam which is still in an early phase of development. AMATA is in the process of obtaining Investment Registration Certificate (IRC) approval and expects the IE land to be available for sale by 2024-25.

### Quang Ninh: Vietnam's attractive site for China's manufacturing relocation

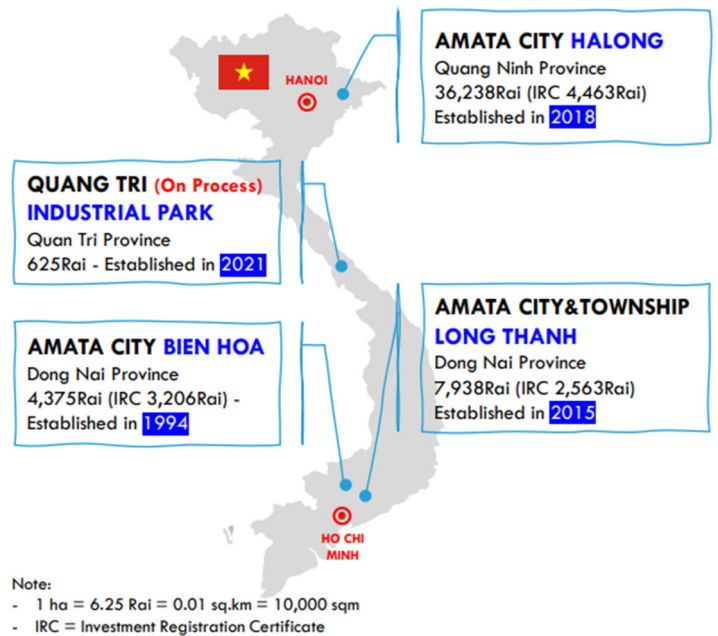
Quang Ninh is a strategic investment location in Northern Vietnam due to two reasons. First, Quang Ninh is the only area in Vietnam that shares both land and sea borders with China. Second, Quang Ninh is located near Guangdong province, one of the main provinces for the light manufacturing industry in China.

**Exhibit 17: FDI in Vietnam temporarily dropped in 2021 following lockdowns and travel restrictions**



Source: Foreign Investment Agency, Ministry of Planning and Investment of Vietnam

**Exhibit 18: AMATA's IE locations in Vietnam**



Source: AMATA

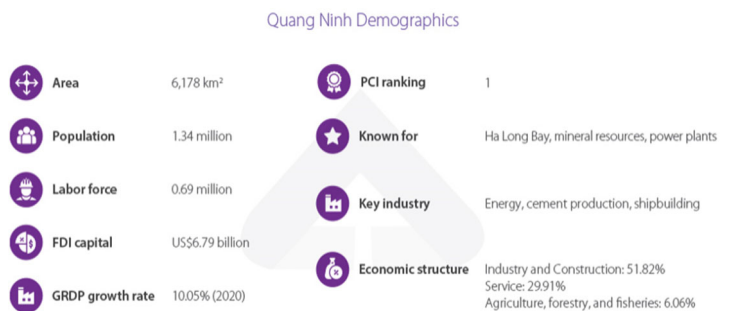
Quang Ninh province ranked third for provinces with the fastest growing GDP in Vietnam in 2020, second only after Bac Giang and Hai Phong provinces. Quang Ninh has held the top rank in the Provincial Competitiveness Index (PCI) for four consecutive years, according to the [Vietnam Briefing website](#).

**Exhibit 19: FDI: top ten provinces, Jan-Apr 2021**



Source: AMATA

**Exhibit 20: Quang Ninh demographics**



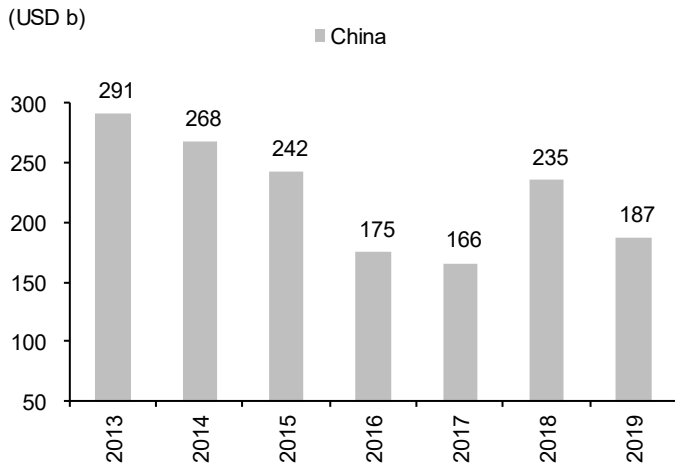
Source: [Vietnam Briefing](#)



## A 'windfall' winner from global relocation

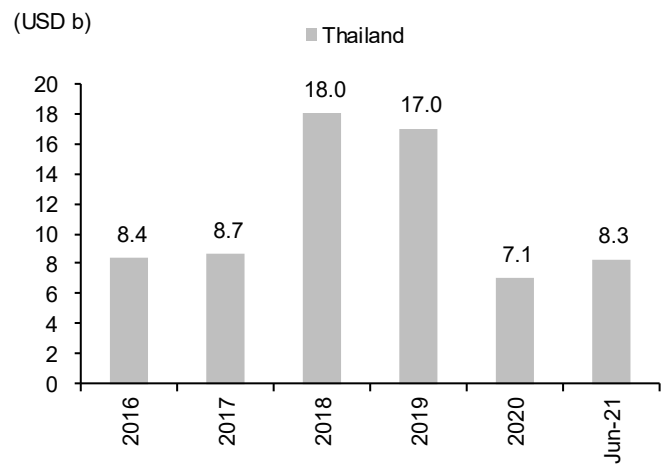
On top of the pent-up demand recovery, we see multiple tailwinds which could boost FDI in Thailand in 2022-23, comprising: 1) global relocation due to the US-China trade war; 2) the zero-emissions policy in China; 3) energy shortages in China; 4) rising electricity costs for industrial usage; and 5) the weakening Baht trend. Given that FDI in China totalled USD187b in 2019, far higher than the USD7.1b FDI in Thailand, we think Thailand could benefit from some FDI shifting from China to Thailand for supply chain diversification, which should drive up the country's land presales demand.

**Exhibit 21: FDI in China**



Source: Bloomberg

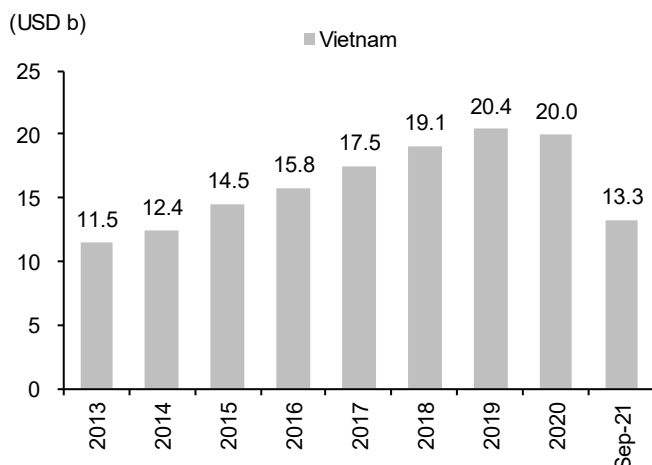
**Exhibit 22: FDI in Thailand**



Sources: Board of Investment (BOI); FSSIA's compilation

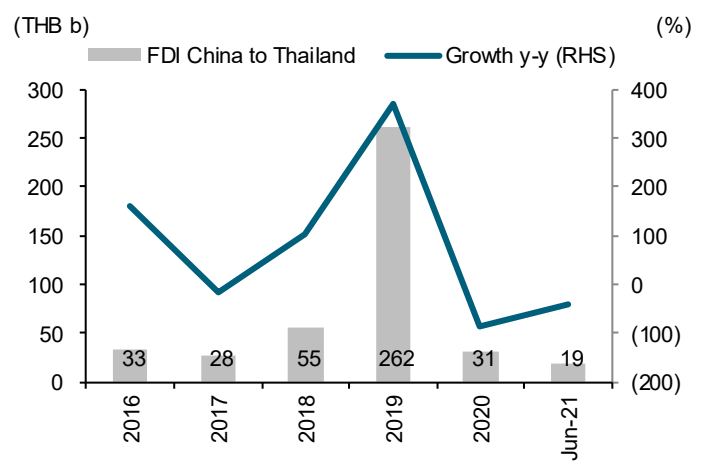
**FDI in Thailand significantly jumped y-y in 1H21.** As of 2Q21, Thailand has already seen a markedly higher FDI of USD8.3b, even higher than the entire FDI of USD7.1b in 2020. We believe FDI, boosted by the EEC and other investments in the government's promoted industries, including electric vehicles (EVs) and related supporting industries to create an extensive cluster for the EV-driven automotive industry, and other biotechnology and information and platform-based industries, should surpass the USD17b-18b FDI levels in the pre-Covid-19 years in 2018-19.

**Exhibit 23: FDI in Vietnam**



Sources: Bloomberg; FSSIA's compilation

**Exhibit 24: FDI from China to Thailand**



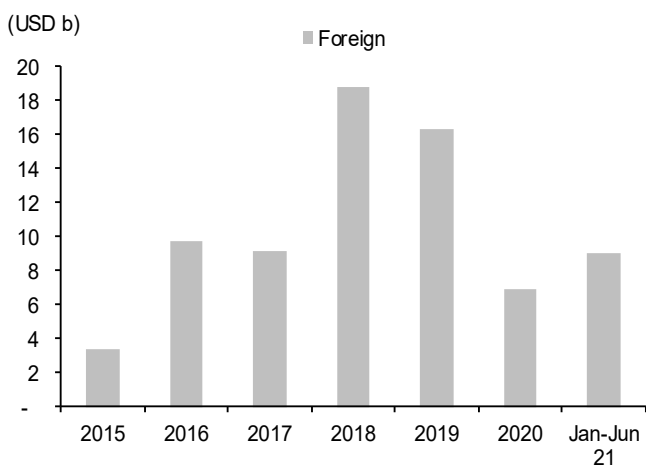
Sources: BOI; FSSIA's compilation

However, FDI from China has remained weak in 1H21 after rising to USD262b in 2019 before the Covid-19 pandemic hit Thailand in 1Q20. Nevertheless, we expect FDI from China to surge meaningfully in 4Q21 onward on the back of Thailand's full reopening for tourism and economic activities, along with a number of attractive investment packages from the Thai government, including tax exemptions and strong supportive infrastructure projects like upgrading U-Tapao Airport and the high-speed train linking all major airports in Central and Eastern Thailand.

**BOI is another engine to boost FDI and demand for land sales in IEs.** Another incentive to draw more FDI into the country is the more attractive investment package from the Board of Investment (BOI) which effectively grants a multi-year tax exemption and reduction for FDI in IEs or the EEC.

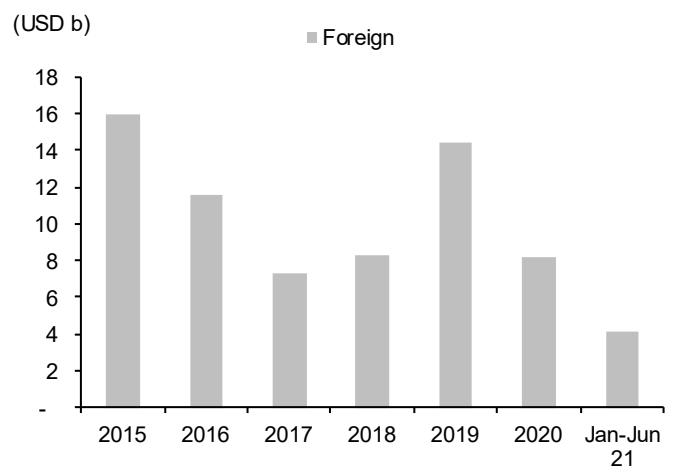
In 1H21, the number of investment projects that had applied for the BOI tax privilege had already surpassed the 2020 level of USD6.2b to USD8.3b in 1H21, and we expect the BOI to approve projects worth over USD4b in 2H21, likely bringing the total BOI-approved investments to exceed the 2020 level of USD7.8b.

#### Exhibit 25: Project value submitted to BOI



Source: BOI

#### Exhibit 26: Project value approved by BOI



Source: BOI

### Five key factors to favour FDI in Thailand in 2022-23

We believe five key factors will lead to higher FDI and land sales for AMATA's IEs in 2022-23, including production site diversification, to:

- 1) Reduce the risks from the US-China trade war and supply chain disruption;
- 2) Avoid China's intensifying environmental and emissions control policies for industrial companies;
- 3) China's current power shortage crisis has led to industrial production shutdowns or cuts as mandated by the Chinese government in many provinces;
- 4) The structurally higher energy costs for industrial production in China;
- 5) Weaker THB currency exchange rate.

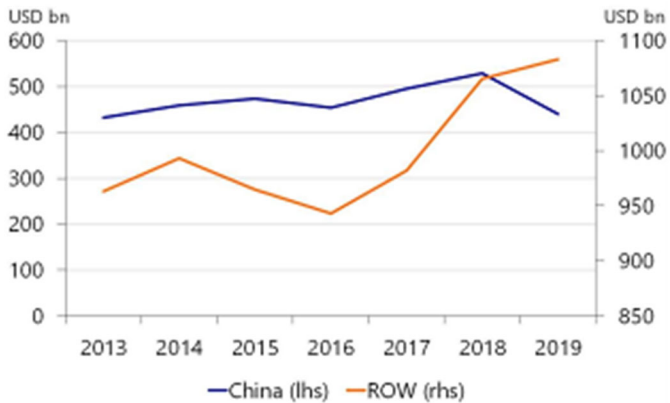
All of these factors should play a significant role in influencing foreign investors to pick Thailand as one of their overseas investment locations of choice, which could eventually lead to higher land sales in IEs for Thai IE companies, including AMATA.

### 1) Global relocation due to US-China trade war

Since 2018, the US-China trade war has caused an investment exodus and the relocation of manufacturing facilities into other countries outside of China. On top of that, the Covid-19 pandemic has increased the incentive to diversify the supply chain from China.

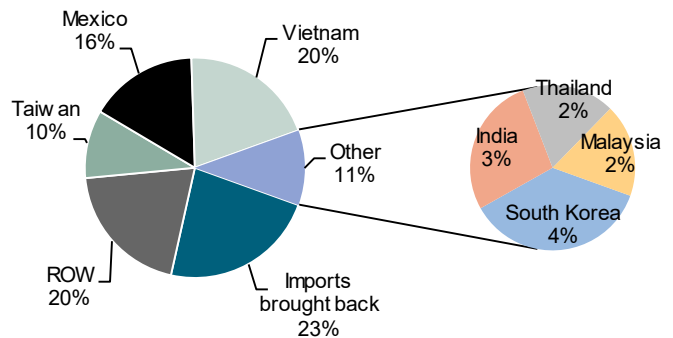
According to the AmCham Supply Chain Survey, 64% of US firms are likely to diversify their supply bases and 24% could relocate manufacturing or sourcing capacities out of China. Hence, the relocation of manufacturers from China should benefit AMATA, which has IEs in both Thailand and Vietnam, in our view.

**Exhibit 27: US imports from China fell, imports from rest of world (ROW) rose**



Source: RaboResearch

**Exhibit 28: Relocation of former manufacturing imports from China (USD88b)**



Source: RaboResearch

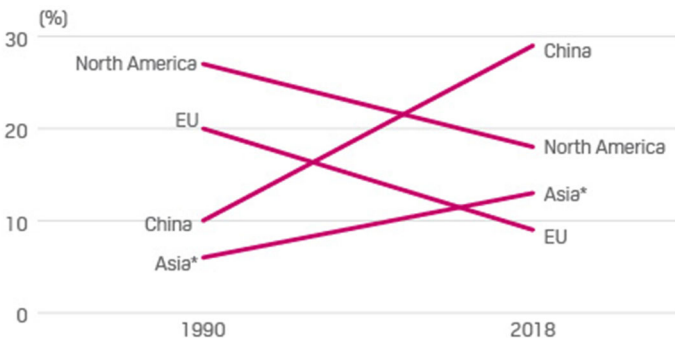
### 2) China's zero emissions policy leading to business operation difficulties

At the UN General Assembly in Sep-20, China vowed to reach its carbon emissions peak before 2030 and is aiming to achieve net zero carbon emissions by 2060.

China's economic planning agency, the National Development and Reform Commission, released a dual-control plan to restrict energy intensive activities and consumption. China aims to cut its energy intensity (the amount of energy consumed per unit of economic growth) by about 3% in 2021 to meet its climate goals. Provincial authorities have enforced the emissions curbs more strictly since Aug-21 after only 10 out of 30 mainland regions were able to achieve their energy goals in 1H21.

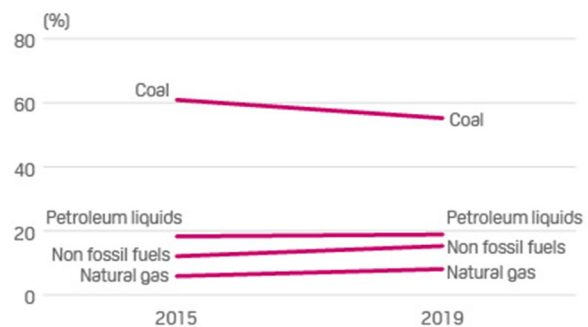
The strict emissions policy is leading to power cuts, as currently more than 50% of China's power generation is derived from coal. Many factories in Jiangsu, Guangdong and Zhejiang, the main industrial provinces in China, received warnings for missing their energy consumption targets. Some factories announced on the Shanghai and Shenzhen stock exchanges that their production output has been hit by power cuts.

**Exhibit 29: Carbon emissions from China have increased over past decade**



Sources: International Energy Agency (IEA); [S&P Global](#)

**Exhibit 30: More than 50% of power generated in China is derived from coal**

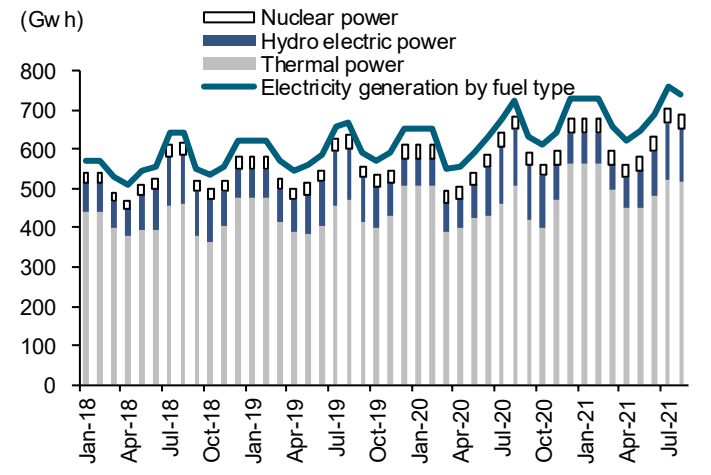


Sources: National Bureau of statistics; [S&P Global](#)

### 3) Power shortage in China

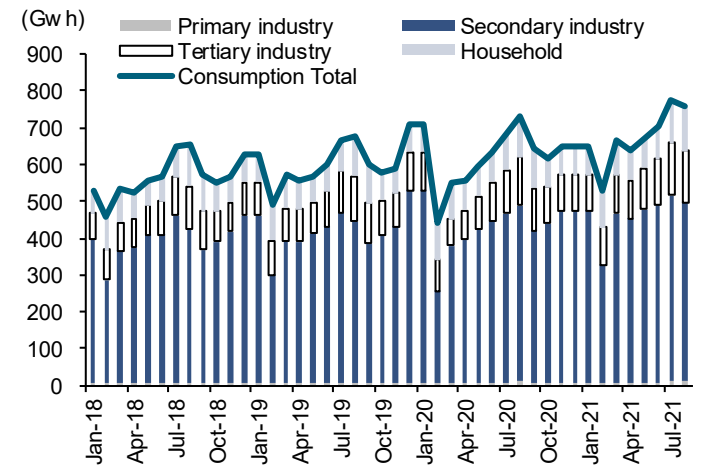
China's zero emissions policy has also contributed to the current power shortage in China following the low investments made in coal mining and the rebound in export demand after the Covid pandemic subsided. Some provincial authorities ordered factories to stop for a few days each week. Power usage has been limited, such as avoiding the use of air conditioners at low temperatures. For example, one factory which normally consumed 1,600kWh of electricity per day was forced to reduce its usage to 640kWh. Moreover, some factories, such as an aluminium manufacturing factory in Dongguan, have had to rely on three back-up generators to run. The cost of renting generators has increased 3x from RMB60k in June to RMB180k currently.

**Exhibit 31: Thermal power (mostly coal-fired) remains China's main power generation capacity**



Source: Bloomberg

**Exhibit 32: China's electricity demand has sharply rebounded above pre-Covid-19 levels**

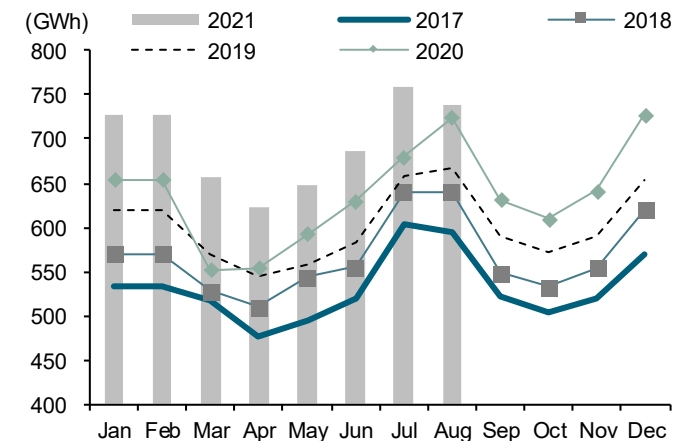


Source: Bloomberg

### 4) Rising industrial electricity costs

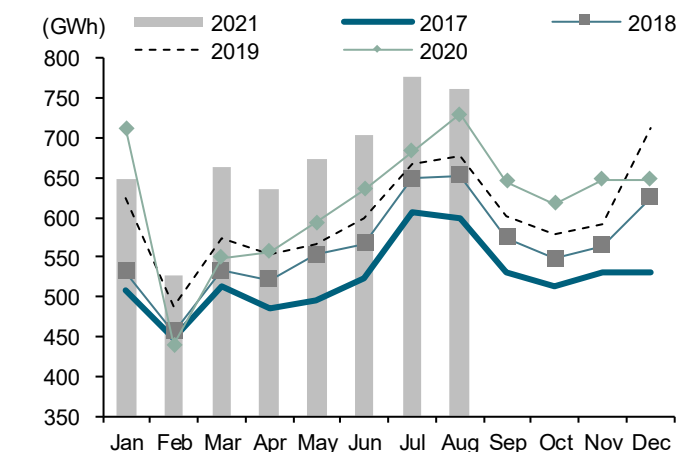
The current spike in the coal price has already led to significantly higher electricity costs for industrial users in China, and we expect many provincial governments in China to increase their power tariff rates to allow power producers to at least break even or reduce their operating losses. In Guangdong province, the government plans to raise the power tariff by 25% during peak hours for industrial users, while household and non-industrial users would be exempted. The National Development and Reform Commission plans to liberate the pricing for power generation from coal-fired plants, and all industrial and commercial users will buy at the market price. This implies that the average power price for these users would increase by c20% from the current price, in our view.

**Exhibit 33: China's electricity generation**



Source: Bloomberg

**Exhibit 34: China's electricity consumption**

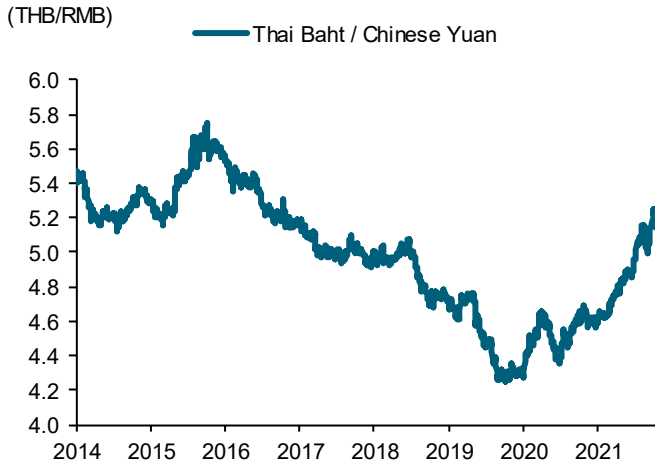


Source: Bloomberg

### 5) Weakening Baht trend

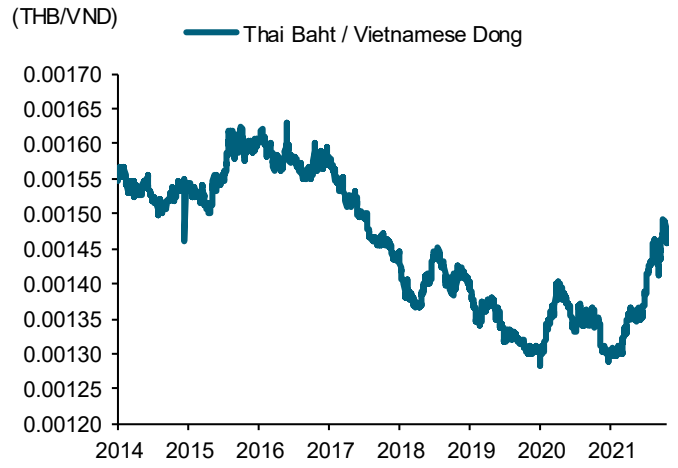
The THB has weakened by c10% YTD against the RMB and VND, making the investment cost much more competitive in Thailand than in China and Vietnam. Hence, the lower investment cost should be another catalyst to make Thailand a more competitive and attractive country.

**Exhibit 35: RMB vs THB**



Source: Bloomberg

**Exhibit 36: VND vs THB**

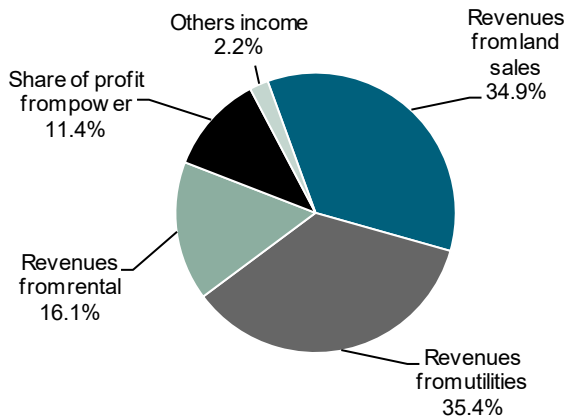


Source: Bloomberg

## Earnings downside risk is limited by recurring income stream

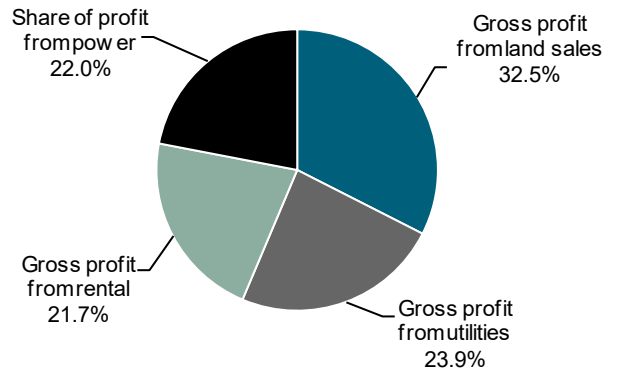
AMATA's recurring income can be divided into three parts: 1) revenue from utilities services (water); 2) rental revenue from its logistics business (built-to-suit warehouses and factories); and 3) equity income from its power business. Combined, these businesses contribute 62% of the total revenue and 68% of the gross profit that we estimate for AMATA in 2021.

**Exhibit 37: AMATA's revenue structure (2021E)**



Sources: AMATA; FSSIA estimates

**Exhibit 38: AMATA's gross profit structure (2021E)**

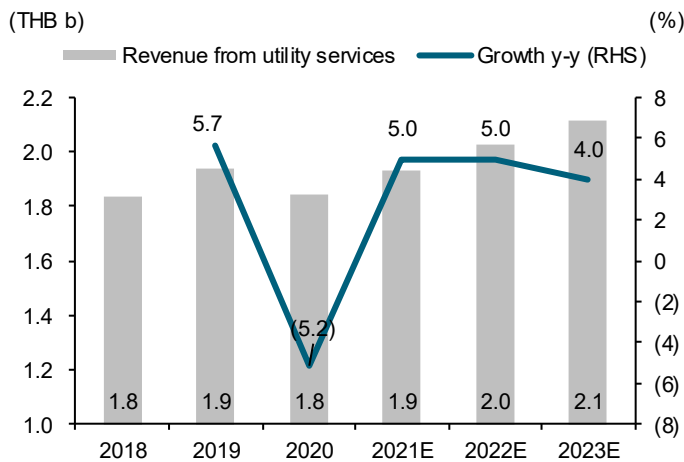


Sources: AMATA; FSSIA estimates

**Utilities (water) has the largest recurring income.** AMATA provides raw water, industrial water, wastewater treatment, and facility services at its own IEs, and the business generated revenue of THB1.8b in 2020. We expect its service revenue to grow by 4-5% in 2021-23, premised on 2% y-y organic growth from existing customers at AMATA's IEs and 3% y-y growth from new customers.

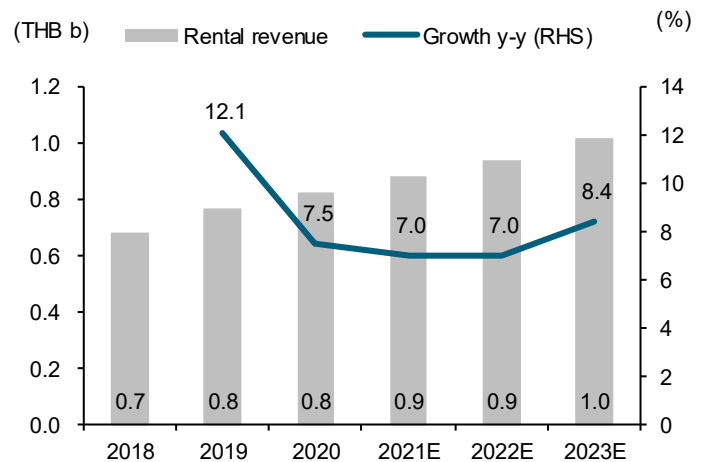
**Rental income is highly sustainable.** Rental income is another source of AMATA's recurring income, which generated revenue of THB0.8b in 2020. AMATA has ready-built factories with a total leasable area of 445k sqm. The occupancy rates are high at 86% in Thailand and 100% in Vietnam. We expect 7-8% rental revenue growth in 2021-23, driven by new rental spaces and a higher occupancy rate in Thailand.

**Exhibit 39: Expect revenue from utilities services to grow 4-5% in 2021-23**



Sources: AMATA; FSSIA estimates

**Exhibit 40: Expect rental revenue to grow 7-8% in 2021-23**



Sources: AMATA; FSSIA estimates

**Power income mainly from SPPs.** Equity income from its power and natural gas business was at THB548m in 2020 and we expect it to grow by 13.6% y-y in 2021 to THB623m due to the low base in 2020. We project it to grow steadily at 3% p.a. in 2022-23.

We see upside risks from the two small power producer (SPP) replacements, Amata B.Grimm Power 1 & 2 (ABP1 and ABP2), whose commercial operation dates (CODs) are scheduled to start in 2022 and fully operate in 2023.

#### Exhibit 41: Details of investment in power business

Power plant	NAV (THB b)	Stake (%)	Equity NAV (THB b)	Capacity (MW)	Equity capacity (MW)
Amata B.Grimm Power 1	15.4	9.5	1.5	166	16
Amata B.Grimm Power 2	16.5	9.5	1.6	171	16
Amata B.Grimm Power 3	8.3	18.3	1.5	133	24
Amata B.Grimm Power 4	10.7	27.0	2.9	131	35
Amata B.Grimm Power 5	10.6	27.0	2.9	131	35
Amata B.Grimm Power (Rayong) 1	8.3	15.2	1.3	123	19
Amata B.Grimm Power (Rayong) 2	14.2	15.2	2.2	124	19
Amata B.Grimm Power (Rayong) 3	26.4	23.7	6.3	133	32
Amata B.Grimm Power (Rayong) 4	20.4	23.7	4.8	133	32
Amata B.Grimm Power (Rayong) 5	21.5	23.7	5.1	133	32
Amata B.Grimm Power	1.5	14.9	0.2	13	2
Net debt at 2022E	(50.5)		(20.5)		
<b>Total</b>	<b>153.8</b>		<b>9.7</b>	<b>1,391</b>	<b>261</b>

Sources: AMATA; FSSIA estimates

According to FSSIA's report on B.Grimm Power (BGRIM TB, BUY, TP THB56), "[B.Grimm Power \(BGRIM TB\) - Growth, gas, and green roadmap](#)", dated 2 Jun-21, the new SPP replacement power purchase agreements (PPAs) for ABP1 and ABP2 should generate higher EIRRs of 35% vs 30% previously. This is due to the better operational efficiency of its power plants, as they require less heat to generate power, with energy requirements declining sharply from the current 8,300mmBTU/kWh (vs the Electricity Generating Authority of Thailand (EGAT)'s contracted heat rate of 8,282mmBTU/kWh-8,600mmBTU/kWh) to 7,000mmBTU/kWh (vs EGAT's new contracted heat rate of 7,409mmBTU/kWh).

#### Exhibit 42: BGRIM's SPP replacement PPAs

Project	----- Existing installed capacity -----				Contracted heat rate (mmBTU/kWh)	----- New installed capacity -----				Contracted heat rate (mmBTU/kWh)	SPP replacement PPA COD
	Stake (%)	Power (MW)	Steam (tph)	Equity capacity (MW)		Stake (%)	Power (MW)	Steam (tph)	Equity capacity (MW)		
<b>BPLC1</b>	100	103	46	103	8,600	100	140	46	140	7,409	Jul-22E
ABP1	51	166	6	85	8,282	51	140	20	71	7,409	Sep-22E
ABP2	15	171	16	26	8,600	51	140	16	71	7,409	Sep-22E
<b>SPP1 #1</b>	75	62	24	46.5	8,282	75	140	48	105	7,409	Dec-22E
<b>SPP1 #2</b>	75	62	24	46.5	8,282	75	140	48	105	7,409	Dec-22E
<b>Total</b>	<b>63</b>	<b>564</b>	<b>116</b>	<b>307</b>	<b>8,282</b>	<b>70</b>	<b>700</b>	<b>178</b>	<b>493</b>	<b>7,409</b>	

Sources: BGRIM; FSSIA estimates

## Valuation and recommendation

We initiate coverage of AMATA with a BUY rating and an SoTP-based TP of THB27.5, comprised of:

- 1) The net asset value (NAV) of the currently developed land and raw land in Thailand;
- 2) The net present value (NPV) of its utilities and rental businesses (7.2% WACC and 2% terminal growth);
- 3) The NPV of its power plant based on AMATA's equity stake (7.2% WACC and 2% terminal growth);
- 4) The market value for its 73% stake in Amata VN (AMATAV TB, not rated) and its 17% stake in Amata Summit Growth Freehold & Leasehold REIT (AMATAR TB, not rated).

We think AMATA will be one of Thailand's key winners on the FDI influx following the easing of travel restrictions and the full economic reopening starting in Nov-21. The current power shortage and environmental issues in China should further trigger an investment relocation to reduce the impact of the US-China trade war and minimise the supply chain risk.

We think AMATA is an attractive investment for the country's upcoming reopening, the pending infrastructure boom, and the industry's ongoing transition to a more diversified production base worldwide. Trading at 15.5x 2022E P/E, or at a slight discount to its 5-year average of 16.2x, AMATA is our top pick in Thailand's IE sector.

### Exhibit 43: SoTP valuation

Net Asset Value (NAV)	Area (rai)	Selling price (THB m/unit)	Total value (THB b)	
<b>IE land value</b>				
Development land (Chonburi)	614	11.0	6.8	
Raw land (Chonburi)	8,409	3.0	25.2	
Development land (Rayong)	1,332	4.0	5.3	
Raw land (Rayong)	873	2.0	1.7	
Commercial area	1,245	1.5	1.9	
<b>Total NAV</b>			<b>40.9</b>	
Recurring business (utilities and rental)		@ 7.2% WACC and 2% terminal growth	5.3	
Power business		@ 7.2% WACC and 2% terminal growth	9.7	
<b>Investment</b>	<b>Equity stake (%)</b>	<b>No. of shares (m shares)</b>	<b>Market/TP (THB)</b>	<b>Total value (THB b)</b>
AMATAV	73	935	7.9	5.3
AMATAR	17	358	8.8	0.5
<b>Total</b>				<b>5.9</b>
<b>NAV</b>		<b>(THB b)</b>		
IE land		40.9		
Recurring business (utilities and rental)		5.3		
Power business		9.7		
Investment		5.9		
Less debt		17.8		
Less minority		4.5		
Total value		39.5		
No. of shares (m shares)		1,150		
Value/share (THB)		34.3		
Discount to NAV (%)		20		
<b>TP</b>		<b>27.5</b>		

Source: FSSIA estimates

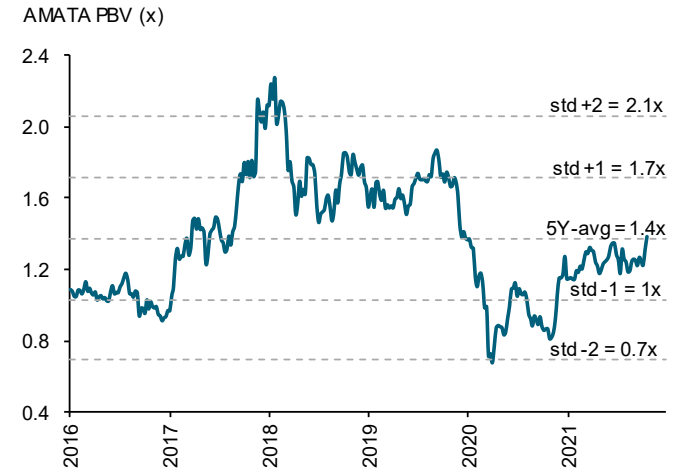


Exhibit 44: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 45: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 46: Peers comparison as of 20 Oct 2021

Company	BBG	Rec	Share Price (LCY)	Target price (LCY)	Up side (%)	Market Cap (USD m)	3Y EPS CAGR (%)	PE		ROE		PBV		EV/EBITDA	
								21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
WHA Corp	WHA TB	BUY	3.38	4.4	30	1,498	14.4	18.3	15.1	9.8	11.7	1.8	1.7	22.8	19.1
Amata Corp	AMATA TB	BUY	20.50	27.5	34	707	14.1	22.4	15.5	6.6	9.1	1.4	1.4	25.5	17.0
Rojna Industrial Park	ROJNA TB	n/a	7	n/a	n/a	424	6.3	13.0	15.3	6.1	5.5	0.9	0.9	10.7	10.4
Frasers Property Thailand	FPT TB	n/a	12	n/a	n/a	834	12.0	15.9	13.7	5.5	6.1	0.8	0.8	23.4	21.4
<b>Thailand avg</b>						<b>3,463</b>	<b>14.0</b>	<b>17.4</b>	<b>14.9</b>	<b>7.0</b>	<b>8.1</b>	<b>1.3</b>	<b>1.2</b>	<b>20.6</b>	<b>17.0</b>

Sources: Bloomberg; FSSIA estimates

Exhibit 47: Overview of AMATA's industrial cities

	AMATA City Chonburi	AMATA City Rayong	AMATA City Bien Hoa	AMATA City Longthanh	AMATA City Halong	Yangon AMATA Smart and Eco City
Company name	Amata Corporation PCL.	Amata City Rayong Co., Ltd.	Amata City Bienhoa Joint Stock Company	Amata City Longthanh Joint Stock Company	Amata City Halong Joint Stock Company	Yangon Amata Smart and Eco City Limited
Establishment	6 March 1989, transformed into public company: 26 December 1994	5 June 1995	31 December 1994	25 June 2015	18 April 2018	27 February 2019
Listed on SET	14 July 1997	-	-	-	-	-
Shareholders as of January 2020 (listed those above 3% only)	Kromadit Family 25.39%, Thai NVDR Co., Ltd 9.88%	Amata Corporation PCL. 83.67%	Amata VN PCL. 90%, Sonadezi Corporation 10%	Amata City Bienhoa JSC. 65%, Amata VN PCL. 35%	Amata VN PCL. 100%	Amata Asia (Myanmar) Limited 100%
Registered capital	THB 1,150,000,000	THB 450,000,000	USD 46,072,890 (Charter capital: USD 20,400,000, Contributed capital: USD 17,000,000)	USD 282,164,000 (Charter / Contributed capital: USD 56,432,800)	USD 155,000,000 (Charter / Contributed capital: USD 23,250,000 (15% x total))	USD 2,000,000
Total area (announced in Royal Gazette)	Total area 4,330 ha (27,067 rai or 10,953 acres) (Amata City Chonburi 1 - 18,840 rai, Amata City Chonburi 2 - 8,227 rai)	2,703 ha (16,895 rai or 6,837 acres)	700 ha	Hi-Tech Industrial Park: 410 ha Service City Long Thanh 1: 55 ha Service City Long Thanh 2: 51 ha Township Long Thanh: 753 ha	714 ha	809 ha (2,000 acres)
Factories in operation / under construction	695	362	170	-	1	-
All (operation, signed, lease, commercial)	781	430	194	-	1	-
Nationalities		33	16	-	-	-

Source: AMATA; FSSIA's compilation

## Corporate Governance - AMATA

### Board structure

Number of Independent Directors (ID)	4* of 7 board members
Percentage of IDs on the board	57%
ID participation/attendance at board meetings	100%
ID participation in audit/remuneration committees	3/3 in audit committee and 3/3 in remuneration committee
ID terms (years of service, re-election/replacement procedures)	9 years consecutively, reappointment subject to the Board of Director's discretion

\* One is in the position for over twenty years and the other is around fourteen years.

Source: AMATA

**Additional comments:** AMATA disclosed in its 2020 annual report (page 106) that the company is still unable to apply the principles from the SEC CG Code 2017 which regulates that 1) The Board of Directors should limit the consecutive years an Independent Director can work in his/her position at 9 years. The Board of Directors must have a sound reason if the Board would like to appoint any Independent Director beyond 9 consecutive years; and 2) The Company should have an external corporate governance specialist or consultant to assist in the guideline set up and Director evaluation at least every 3 years. The results of the work also have to be revealed in the Annual Report.

The company explained that 1) The Company's Board has an appropriate number of members, which is 7. All of the Directors are required to prepare well before the meeting. They understand the operation of the Company. Three Independent Directors have had terms of over 9 years. Each of them is specialized in their field and it is difficult to find others with the same level of expertise to replace. However, the Company has the Policy on Diversity of Directors and a revised Good Corporate Governance Policy with the maximum number of directors not exceeding 12 persons to support the expansion of the Company's business; and 2) The Company performs an evaluation of the Board of Directors as a whole, an evaluation of the sub-committees as respective groups and an evaluation of individual Directors annually. The results of the 2020 evaluation are as follows:

- The average score for the Board of Directors as a whole is 91.31%
- The average score for the sub-committees as respective groups is 92.75%
- The average score for individual Directors is 96.43%

However, the Board of Directors has already assigned the Nomination and Remuneration Committee to study the evaluation via a third-party outside consultant for the upcoming years and report to the Board of Directors for consideration.

### Audit Practices

Auditor	EY Office Limited
Length of service	More than 15 years since 2006
Reporting incidents	None
Fee track record	Remuneration to auditors comprise THB7.77m audit fee, and THB2.38m non-audit fee
Policy on change of audit firm	To review every 5 years

Source: AMATA

**Additional comments:** None

### Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2020, THB 11.44m vs net profit of THB 1,103.44m
Changes/stability in senior management	Stable
Incidents of termination of senior management	None
Track record on insider sales	None

Source: AMATA

**Additional comments:** None

### Shareholders' rights

Communication - shareholder participation in AGMs/EGMs	AGM annually, EGM as appropriate
Related party transactions	To be observed by the Board of Directors for both direct and indirect connected transactions and others with potential conflicts of interest. All must comply with related laws, company's regulations, and regulations of the SEC, SET and good corporate governance.
Voting issues - policies, incidents of rejected proposals	None

Source: AMATA

**Additional comments:** None

## Financial Statements

### Amata Corp

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	5,914	4,202	4,720	7,118	8,549
Cost of goods sold	(2,607)	(1,711)	(2,130)	(3,189)	(3,795)
<b>Gross profit</b>	<b>3,307</b>	<b>2,491</b>	<b>2,590</b>	<b>3,929</b>	<b>4,754</b>
Other operating income	141	116	118	185	231
Operating costs	(1,053)	(815)	(972)	(1,412)	(1,733)
<b>Operating EBITDA</b>	<b>2,396</b>	<b>1,792</b>	<b>1,735</b>	<b>2,702</b>	<b>3,252</b>
Depreciation	(310)	(355)	(378)	(400)	(422)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,085</b>	<b>1,437</b>	<b>1,357</b>	<b>2,302</b>	<b>2,830</b>
Net financing costs	(273)	(404)	(460)	(472)	(473)
Associates	715	548	623	642	661
Recurring non-operating income	715	548	623	642	661
Non-recurring items	(25)	(16)	0	0	0
<b>Profit before tax</b>	<b>2,502</b>	<b>1,566</b>	<b>1,521</b>	<b>2,472</b>	<b>3,018</b>
Tax	(314)	(164)	(180)	(366)	(471)
<b>Profit after tax</b>	<b>2,188</b>	<b>1,402</b>	<b>1,341</b>	<b>2,106</b>	<b>2,547</b>
Minority interests	(446)	(298)	(287)	(586)	(754)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>1,742</b>	<b>1,103</b>	<b>1,054</b>	<b>1,520</b>	<b>1,792</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>25</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,767</b>	<b>1,119</b>	<b>1,054</b>	<b>1,520</b>	<b>1,792</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.66	1.05	0.92	1.32	1.56
Reported EPS	1.63	1.03	0.92	1.32	1.56
DPS	0.45	0.30	0.37	0.53	0.62
Diluted shares (used to calculate per share data)	1,067	1,067	1,150	1,150	1,150
<b>Growth</b>					
Revenue (%)	35.9	(28.9)	12.3	50.8	20.1
Operating EBITDA (%)	45.9	(25.2)	(3.1)	55.7	20.3
Operating EBIT (%)	57.2	(31.1)	(5.5)	69.6	22.9
Recurring EPS (%)	45.1	(36.7)	(12.6)	44.2	17.9
Reported EPS (%)	71.2	(36.7)	(11.4)	44.2	17.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	50.7	50.8	46.9	49.6	50.7
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	40.5	42.6	36.8	38.0	38.0
Operating EBIT margin (%)	35.3	34.2	28.8	32.3	33.1
Net margin (%)	29.9	26.6	22.3	21.4	21.0
Effective tax rate (%)	3.9	3.9	3.9	3.9	3.9
Dividend payout on recurring profit (%)	27.2	28.6	40.0	40.0	40.0
Interest cover (X)	10.3	4.9	4.3	6.2	7.4
Inventory days	1,041.0	1,559.3	1,435.5	1,141.5	1,081.7
Debtor days	33.0	43.2	41.5	27.5	23.8
Creditor days	83.8	131.3	96.2	67.5	59.5
Operating ROIC (%)	21.4	15.5	12.3	17.9	19.7
ROIC (%)	7.4	4.7	4.0	5.5	6.1
ROE (%)	13.1	7.5	6.6	9.1	10.1
ROA (%)	7.0	4.6	4.1	5.6	6.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Real estate sales	3,210	1,541	1,908	4,149	5,419
Utility	1,941	1,841	1,933	2,030	2,111
Rental	763	820	878	939	1,018

Sources: Amata Corp; FSSIA estimates

## Financial Statements

Amata Corp

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	1,767	1,119	1,054	1,520	1,792
Depreciation	310	355	378	400	422
Associates & minorities	-	-	-	-	-
Other non-cash items	339	272	869	586	754
Change in working capital	(17)	(609)	(2,366)	(1,146)	(1,743)
<b>Cash flow from operations</b>	<b>2,399</b>	<b>1,137</b>	<b>(65)</b>	<b>1,361</b>	<b>1,226</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,531)	(3,198)	(1,000)	(1,500)	(1,600)
Net acquisitions & disposals	(777)	(568)	(342)	(353)	(362)
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(3,308)</b>	<b>(3,766)</b>	<b>(1,342)</b>	<b>(1,853)</b>	<b>(1,962)</b>
Dividends paid	(504)	(500)	(422)	(608)	(717)
Equity finance	0	979	0	0	0
Debt finance	1,855	1,151	1,333	1,456	1,850
Other financing cash flows	(418)	(536)	84	86	87
<b>Cash flow from financing</b>	<b>933</b>	<b>1,094</b>	<b>995</b>	<b>933</b>	<b>1,221</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(102)</b>	<b>1,020</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(77)</b>	<b>(516)</b>	<b>(412)</b>	<b>441</b>	<b>484</b>
Free cash flow to firm (FCFF)	(578.89)	(2,193.43)	(919.87)	1.31	(234.69)
Free cash flow to equity (FCFE)	426.72	(995.42)	9.45	1,048.67	1,201.02

### Per share (THB)

FCFF per share	(0.50)	(1.91)	(0.80)	0.00	(0.20)
FCFE per share	0.37	(0.87)	0.01	0.91	1.04
Recurring cash flow per share	2.26	1.64	2.00	2.18	2.58

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	3,788	3,299	3,399	3,499	3,599
Less: Accumulated depreciation	(1,684)	(1,806)	(1,942)	(2,089)	(2,248)
<b>Tangible fixed assets (net)</b>	<b>2,104</b>	<b>1,493</b>	<b>1,458</b>	<b>1,411</b>	<b>1,351</b>
<b>Intangible fixed assets (net)</b>	<b>9,258</b>	<b>11,673</b>	<b>11,723</b>	<b>11,773</b>	<b>11,823</b>
Long-term financial assets	5,176	5,544	5,601	5,647	5,685
Invest. in associates & subsidiaries	1,211	1,827	1,927	2,027	2,127
Cash & equivalents	1,074	559	147	587	1,071
A/C receivable	597	398	677	395	719
Inventories	7,204	7,416	9,336	10,609	11,883
Other current assets	159	115	125	135	145
<b>Current assets</b>	<b>9,035</b>	<b>8,488</b>	<b>10,285</b>	<b>11,726</b>	<b>13,819</b>
Other assets	9,615	11,197	12,197	13,697	15,297
<b>Total assets</b>	<b>36,397</b>	<b>40,222</b>	<b>43,190</b>	<b>46,281</b>	<b>50,102</b>
Common equity	14,055	15,648	16,295	17,207	18,282
Minorities etc.	2,922	3,104	3,959	4,544	5,299
<b>Total shareholders' equity</b>	<b>16,976</b>	<b>18,753</b>	<b>20,254</b>	<b>21,751</b>	<b>23,581</b>
Long term debt	10,443	13,386	13,886	15,886	17,386
Other long-term liabilities	3,798	4,204	4,288	4,373	4,461
<b>Long-term liabilities</b>	<b>14,242</b>	<b>17,590</b>	<b>18,174</b>	<b>20,260</b>	<b>21,847</b>
A/C payable	683	548	575	604	634
Short term debt	2,995	2,199	3,032	2,488	2,838
Other current liabilities	1,501	1,133	1,155	1,178	1,202
<b>Current liabilities</b>	<b>5,179</b>	<b>3,879</b>	<b>4,762</b>	<b>4,270</b>	<b>4,674</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,397</b>	<b>40,222</b>	<b>43,190</b>	<b>46,281</b>	<b>50,102</b>
Net working capital	5,776	6,249	8,408	9,357	10,912
Invested capital	33,139	37,983	41,313	43,911	47,194

\* Includes convertibles and preferred stock which is being treated as debt

### Per share (THB)

Book value per share	13.17	14.67	14.17	14.96	15.90
Tangible book value per share	4.50	3.73	3.98	4.73	5.62

### Financial strength

Net debt/equity (%)	72.8	80.1	82.8	81.8	81.2
Net debt/total assets (%)	34.0	37.4	38.8	38.4	38.2
Current ratio (x)	1.7	2.2	2.2	2.7	3.0
CF interest cover (x)	11.8	6.5	3.2	6.4	6.9

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>12.4</b>	<b>19.5</b>	<b>22.4</b>	<b>15.5</b>	<b>13.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>16.6</b>	<b>26.2</b>	<b>30.0</b>	<b>20.8</b>	<b>17.6</b>
Reported P/E (x)	12.6	19.8	22.4	15.5	13.2
Dividend yield (%)	2.2	1.5	1.8	2.6	3.0
Price/book (x)	1.6	1.4	1.4	1.4	1.3
Price/tangible book (x)	4.6	5.5	5.2	4.3	3.6
EV/EBITDA (x) **	15.5	22.3	25.5	17.0	14.8
EV/EBITDA @ target price (x) **	18.6	26.5	30.2	20.0	17.2
EV/invested capital (x)	1.1	1.1	1.1	1.0	1.0

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Amata Corporation; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

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**ANALYST(S) CERTIFICATION**

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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**History of change in investment rating and/or target price**

**WHA Corporation (WHA TB)**



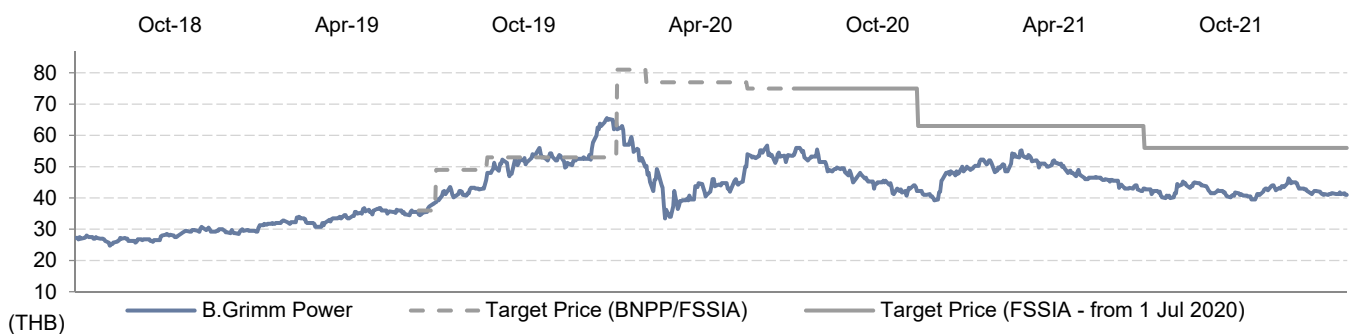
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Jun-2021	BUY	4.40	-	-	-	-	-	-

Karun Intrachai started covering this stock from 29-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

**B.Grimm Power (BGRIM TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Aug-2019	BUY	36.00	25-Feb-2020	BUY	77.00	01-Mar-2021	BUY	63.00
28-Aug-2019	BUY	49.00	22-May-2020	BUY	75.00	28-Apr-2021	BUY	56.00
11-Oct-2019	BUY	53.00	26-Jun-2020	BUY	75.00			
31-Jan-2020	BUY	81.00	15-Oct-2020	BUY	63.00			

Suwat Sinsadok started covering this stock from 13-Aug-2019

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Amata Corporation	AMATA TB	THB 20.50	BUY	Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilisation rate from the utilities business in Vietnam.
WHA Corp	WHA TB	THB 3.38	BUY	Downside risks to our SoTP-derived TP include 1) lower-than-expected IE land sales and transfers in Thailand and Vietnam; and 2) a lower-than-expected utilisation rate from the utilities business in Vietnam.
B.Grimm Power	BGRIM TB	THB 41.00	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) unplanned shutdowns of its SPPs.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 20-Oct-2021 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.