

AMATA CORPORATION PLC

No. 132/2025
8 August 2025

CORPORATES

| | |
|------------------|--------|
| Company Rating: | A- |
| Issue Ratings: | |
| Senior unsecured | A- |
| Outlook: | Stable |

Last Review Date: 31/07/24

Company Rating History:

| Date | Rating | Outlook/Alert |
|----------|--------|---------------|
| 01/07/20 | A- | Stable |
| 27/06/17 | A | Stable |

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RATIONALE

TRIS Rating affirms the company rating on Amata Corporation PLC (AMATA) and the ratings on AMATA's senior unsecured debentures at "A-", with a "stable" outlook.

The ratings continue to reflect the company's strong record as a leading industrial estate developer in Thailand. The company's strengths are underpinned by substantial stream of recurring revenue from utility service sales and dividend income derived from its investments in multiple power plants. Additionally, the company's significant backlog will partly secure future revenue and earnings.

However, the ratings remain tempered by the inherent volatility of the industrial property sector, together with the country and regulatory risks linked to AMATA's overseas operations. The ratings also consider the persistent challenges arising from trade tariffs and geopolitical tensions, factors that have the potential to disrupt supply chains and influence investment decisions.

KEY RATING CONSIDERATIONS

Thailand's softening land sales expected after the recent surge

In recent years, AMATA has experienced a significant surge in annual land sales to 1,500-2,500 rai in 2023-2024, up from 500-650 rai in 2021-2022. This growth was primarily driven by manufacturers relocating from China and Taiwan, especially in electrical appliances, electronics, and auto parts, as well as the openings of AMATA's new industrial estates.

Looking forward, we expect AMATA's land sales in Thailand to moderate from a recent peak, as investors delay their decisions amid uncertainties surrounding trade tariffs. In addition, the company's inventory of readily available industrial land for sale is currently running low as it awaits Environmental Impact Assessment (EIA) approvals for certain development projects.

However, the recently announced US reciprocal tariff rate of 19%, a substantially lower rate from the previously announced 36%, is likely to bolster Thailand's position as a manufacturing base, on par with other major manufacturing-base countries in the region. This should help sustain future demand for industrial land in Thailand. AMATA's business prospect is also supported by its plentiful land banks, currently totaling 19,000 rai, all strategically located in the Eastern Economic Corridor (EEC) area of Rayong and Chonburi provinces. Under our base-case scenario, land sales in Thailand are projected at 800-1,000 rai annually for 2025-2027.

Land sales in Vietnam may decline as inventory runs low

AMATA's revenue from land sales in Vietnam has increased over the past few years. The volume of land sales was 370-470 rai annually in 2023-2024, up from a total of 320 rai during 2021-2022, driven by new supplies from Halong and Long Thanh. As a result, revenue from land sales escalated to THB2.3-THB2.4 billion in 2023-2024, compared with THB0.2-THB1.1 billion in 2021-2022.

However, the company's land sales in Vietnam are constrained by low inventory of readily available land for sale. Our projections incorporate land availability in Halong and Long Thanh. Subsequent phases in these locations and other projects are still undergoing license applications, which will take

time and are uncertain. Our base case projects land sales to fall to 200 rai in 2025, primarily due to delayed investments resulting from the U.S. tariff issues. However, a recovery is anticipated, with annual land sales rising to 220-350 rai during 2026-2027. Revenue from land sales is forecast at THB1.5-THB2.4 billion per year over the same period.

Substantial backlog supports revenue growth

Thanks to the substantial land sales over the past few years, AMATA's backlog has increased considerably. As of March 2025, the company's backlog in Thailand stood at THB20 billion, a significant increase from THB12 billion in 2024 and THB3-THB5 billion in previous years. TRIS Rating sees low cancellation risk, as sales are secured by deposits averaging 50% of backlog value.

Looking forward, this robust backlog is poised to gradually translate into recognized revenue over the coming years. As a result, the company's annual revenue from land sales in Thailand is projected to range from THB7.3-THB8.8 billion for the period 2025 to 2027, surpassing the level of THB6.6 billion in 2024 and THB2.6 billion annually in 2022-2023.

Recurring revenue cushions businesses from economic slowdowns

AMATA provides a range of utility services including the supply of raw and processed water, and wastewater treatment. In Thailand, revenue from utility services has edged up steadily to THB1.9 billion in 2024 from THB1.2 billion in 2014, a compound annual growth rate of 4.9% over the past 10 years. The growth has been driven by increasing numbers of new customers and rising demand from power plants located in AMATA's industrial estates.

In Vietnam, a surge in demand for utilities and power from new customers propelled revenues from utility services to THB2.9 billion in 2024 and THB0.7 billion in the first quarter of 2025, up from THB1.9 billion in 2023.

Under the base-case scenario, we project total recurring revenue from utility services to continue to grow steadily, reaching an estimated THB4.5 to THB5.5 billion per annum for the period 2025 to 2027, compared to THB4.8 billion recorded in 2024.

Dividend income has proved a reliable source of cash flow

AMATA has consistently received dividend income from several joint power generation investments with B.Grimm Power Ltd. The company has a total installed power generation capacity of 260 megawatts (MW), proportionate to its stakes in the power plants. AMATA, through a joint venture, also holds a 4% equity stake in the AMATA B.Grimm Power Plant Infrastructure Fund (ABPIF), which owns two power plants in Chonburi Province.

Under our base-case scenario, investments in the power business are expected to yield dividends totaling THB500-THB600 million per year during the forecast period.

Financial leverage should remain moderate

AMATA's net debt to EBITDA ratio fell from 4.3 times in 2023 to 2.8-3.4 times in 2024 and the first quarter of 2025. This improvement was mainly driven by EBITDA expansion and higher upfront proceeds generated from land sales.

Looking forward, the leverage is expected to rise as the company acquires additional land plots both domestically and abroad to support its growth strategy. Capital expenditures and real estate inventory investments are projected at THB9-THB14 billion annually between 2025 and 2027. These investments will encompass the purchase and development of new sites in Thailand as well as several industrial estates in Vietnam and the Lao People's Democratic Republic (Lao PDR).

Under the base-case scenario, EBITDA should hover around THB5.2-THB6.1 billion per year through 2025-2027. The net debt to EBITDA ratio is projected at around 4.3-5 times, while total debt to capitalization should stay between 42% and 45% during this period.

Manageable liquidity

AMATA's debt maturing within the next 12 months amounts to THB6.1 billion, comprising THB1.8 billion in short-term loans, THB1.7 billion in senior unsecured debentures and THB2.6 billion in long-term loans. While capital expenditures and real estate investments are anticipated to total around THB14 billion in 2025.

The company's sources of liquidity at the end of March 2025 included cash on hand and short-term investments of TH5.3 billion, undrawn bank facilities from several banks of THB4 billion, and expected funds from operations (FFO) of about THB3.6 billion over the next 12 months. Additionally, the company has received approval for new long-term bank facilities amounting to THB8 billion in the second quarter of 2025.

The financial covenant on AMATA's debenture issues requires the company's interest-bearing debt to equity ratio to remain below 2.5 times. As of March 2025, the ratio was 1.4 times. We expect the company to remain in compliance with the financial covenant over the forecast period.

Debt structure

As of March 2025, AMATA had consolidated debt (excluding lease liabilities) of THB21.1 billion. The company's priority debt totaled THB8.9 billion, most of which was unsecured debt at the subsidiary level. The priority debt to total debt ratio was about 42%.

BASE CASE ASSUMPTIONS

- Total operating revenue to range from THB15-THB18 billion annually in 2025-2027.
- EBITDA margins to hover around 34%-36% in 2025-2027.
- Total capital spending and land development costs to range from THB9-THB14 billion per annum.

RATING OUTLOOK

The "stable" outlook reflects TRIS Rating's expectation that AMATA will be able to maintain its leading position in the domestic industrial property sector. We expect recurring income from the utility services business, dividends from the power plants, and income from rental properties to provide a significant cushion against the adverse effects of an uncertain economic environment.

RATING SENSITIVITIES

The ratings could be upgraded if the company is able to lower its leverage, with the net debt to EBITDA ratio staying below 3.5 times on a sustained basis. On the contrary, the ratings could be downgraded if the company's operating performance is materially weaker than expected or larger-than-budgeted CAPEX, such that the net debt to EBITDA ratio rises above 5 times for an extended period.

COMPANY OVERVIEW

AMATA was founded in 1989 by Mr. Vikrom Kromadit (Acting Chief Executive Officer) and listed on the Stock Exchange of Thailand in 1997. Since the company's inception, the Kromadit family has been the main shareholder and is actively involved in the management of AMATA. The Kromadit family held approximately 26.3% of the outstanding shares of the company as of December 2024.

AMATA owns industrial estates in Chonburi and Rayong Provinces. AMATA has also entered into a joint venture with a Chinese partner to develop a Thai-Chinese industrial estate in Rayong Province, to serve demand from Chinese investors. As of March 2025, AMATA had 1,449 rai of land available for sale and 885 rai of commercial area in Thailand. The company also had 16,904 rai of raw land pending, awaiting development.

AMATA entered the Vietnam market in 1994 with the launch of its first industrial estate, AMATA City Bien Hoa (ACBH). Currently, the company owns three industrial estates, which are ACBH, AMATA City Long Thanh (ACLT) in the southern part of the country, and AMATA City Halong (ACHL) in the north. As of March 2025, the company had available land inventories in ACHL and ACLT totaling 542 rai.

Besides, AMATA has entered into a joint venture agreement with Vietnam-Singapore Industrial Park (VSIP) and Sumitomo Corporation to develop a new industrial estate, Quang Tri Industrial Park, in central Vietnam. AMATA is also involved in industrial estate developments in the Lao PDR and Myanmar. However, investments in Myanmar have been suspended owing to the ongoing political turbulence.

Apart from selling land, AMATA provides infrastructure, facilities, and maintenance services to customers in its industrial estates. These services include the supply of raw, potable and clarified water, wastewater treatment, and maintenance. The company, through a joint venture, also sells or leases ready-built factories to small- and medium-sized enterprises. AMATA owns equity stakes in several power plants in Thailand, with holdings ranging from 15% to 20%.

KEY OPERATING PERFORMANCE

Table 1: AMATA's Revenue Breakdown

Unit: %

| Revenue | 2020 | 2021 | 2022 | 2023 | 2024 | Jan-Mar 2025 |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Sales | | | | | | |
| - Industrial land | 37 | 43 | 44 | 50 | 61 | 57 |
| Total sales | 37 | 43 | 44 | 50 | 61 | 57 |
| Recurring income | | | | | | |
| - Utilities & services | 44 | 39 | 43 | 41 | 33 | 35 |
| - Rental | 20 | 19 | 13 | 9 | 6 | 8 |
| Total recurring income | 63 | 57 | 56 | 50 | 39 | 43 |
| Total revenue | 100 | 100 | 100 | 100 | 100 | 100 |
| Total revenue (mil. THB) | 4,202 | 5,097 | 6,502 | 9,517 | 14,724 | 3,329 |

Source: AMATA

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

| | Jan-Mar 2025 | -----Year Ended 31 December ----- | | | |
|--|--------------|-----------------------------------|--------|--------|--------|
| | | 2024 | 2023 | 2022 | 2021 |
| Total operating revenues | 3,371 | 14,856 | 9,627 | 6,612 | 5,201 |
| Earnings before interest and taxes (EBIT) | 1,291 | 4,659 | 3,626 | 4,101 | 2,807 |
| Earnings before interest, taxes, depreciation, and amortization (EBITDA) | 1,174 | 4,938 | 3,573 | 4,305 | 3,206 |
| Funds from operations (FFO) | 819 | 3,733 | 2,438 | 3,478 | 2,401 |
| Adjusted interest expense | 169 | 707 | 687 | 472 | 494 |
| Capital expenditures | 312 | 1,166 | 2,061 | 984 | 394 |
| Total assets | 69,662 | 64,941 | 57,588 | 47,659 | 45,471 |
| Adjusted debt | 17,909 | 13,823 | 15,338 | 13,470 | 13,682 |
| Adjusted equity | 28,959 | 28,088 | 25,727 | 24,415 | 22,008 |
| Adjusted Ratios | | | | | |
| EBITDA margin (%) | 34.8 | 33.2 | 37.1 | 65.1 | 61.6 |
| Pretax return on permanent capital (%) | 10.4 ** | 10.2 | 8.6 | 10.4 | 7.7 |
| EBITDA interest coverage (times) | 6.9 | 7.0 | 5.2 | 9.1 | 6.5 |
| Debt to EBITDA (times) | 3.4 ** | 2.8 | 4.3 | 3.1 | 4.3 |
| FFO to debt (%) | 22.2 ** | 27.0 | 15.9 | 25.8 | 17.6 |
| Debt to capitalization (%) | 38.2 | 33.0 | 37.3 | 35.6 | 38.3 |

* Pro forma consolidated financial statements

** Annualized with trailing 12 months

RELATED CRITERIA

- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

AMATA Corporation PLC (AMATA)

| | |
|--|--------|
| Company Rating: | A- |
| Issue Ratings: | |
| AMATA25OA: THB1,000 million senior unsecured debentures due 2025 | A- |
| AMATA25OB: THB450 million senior unsecured debentures due 2025 | A- |
| AMATA27OA: THB500 million senior unsecured debentures due 2027 | A- |
| AMATA288A: THB750 million senior unsecured debentures due 2028 | A- |
| Rating Outlook: | Stable |

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