

AP (THAILAND) AP TB

THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

กำไร 1Q23 ออกมาดีตามคาด

- กำไรสุทธิ 1Q23 อยู่ที่ 1.48 พันลบ. (+28% q-q, -15% y-y) ไกลเคียงกับที่เรคาดไฮไลต์คืออัตรากำไรขั้นต้นที่อยู่ระดับสูง ปรับขึ้น q-q และ y-y
- โมเมนต์มรายไตรมาสเป็นบวกทั้งยอดขายและกำไร
- เรคาดกำไรปี 2023 ทำสถิติสูงสุดใหม่ติดต่อกันเป็นปีที่ 4 ปีอยู่ที่ 6.3 พันลบ. (+7% y-y) และคงราคาเป้าหมายที่ 14 บาท

TARGET PRICE	THB14.00
CLOSE	THB12.20
UP/DOWNSIDE	+14.8%
TP vs CONSENSUS	-3.1%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	38,539	42,223	43,979	45,724
Net profit	5,877	6,274	6,450	6,568
EPS (THB)	1.87	1.99	2.05	2.09
vs Consensus (%)	-	1.6	-	0.0
EBITDA	6,107	6,627	6,894	7,178
Core net profit	5,874	6,274	6,450	6,568
Core EPS (THB)	1.87	1.99	2.05	2.09
EPS growth (%)	29.3	6.8	2.8	1.8
Core P/E (x)	6.5	6.1	6.0	5.8
Dividend yield (%)	5.3	5.7	5.8	5.9
EV/EBITDA (x)	9.8	8.6	8.3	7.7
Price/book (x)	1.0	0.9	0.9	0.8
Net debt/Equity (%)	58.5	46.4	41.5	34.8
ROE (%)	17.0	16.2	15.0	13.9

กำไร 1Q23 เติบโตขึ้น q-q แต่ลดลง y-y

AP รายงานกำไรสุทธิ 1Q23 ที่ 1.48 พันลบ. (+28% q-q, -15% y-y) ไกลเคียงกับที่เรคาดโดยยอดขายอยู่ที่ 9.1 พันลบ. เพิ่มขึ้น 6% q-q เนื่องจากมีคอนโดสร้างใหม่ 1 แห่ง แต่ลดลง 14% y-y เทียบกับฐานสูงใน 1Q22 ที่ทำสถิติสูงสุดใหม่ โดยยอดขายโครงการแนวราบอยู่ในเกณฑ์ดีที่ 8.7 พันลบ. (+4% q-q, -11% y-y) ส่วนยอดขายคอนโดอยู่ที่ 487 ลบ. เพิ่มขึ้น 75% q-q เนื่องจากบริษัท เริ่มรับรื้อคอนโดใหม่อย่าง Aspire Rattanathibet Weston แต่ลดลง 43% y-y ตามมูลค่าโครงการใหม่ที่ลดลง สำหรับส่วนแบ่งกำไรจากกิจการร่วมค้าอยู่ที่ 238 ลบ. (-16% q-q, -4% y-y) หลักๆมาจากคอนโดใหม่ (Rhythm Charoenkrung Pavillion) ขณะที่ไฮไลต์คืออัตรากำไรขั้นต้นการขายอสังหาริมทรัพย์ที่อยู่ระดับสูงและดีกว่าเรคาดที่ 35.5% ตัวเลขดังกล่าวสูงที่สุดในรอบ 10 ปีเนื่องจากโครงการแนวราบบางแห่งมีอัตรากำไรที่สูง.

ทิศทางยอดขายปรับตัวดีขึ้นตั้งแต่เดือน มิ.ย. เป็นต้นไป

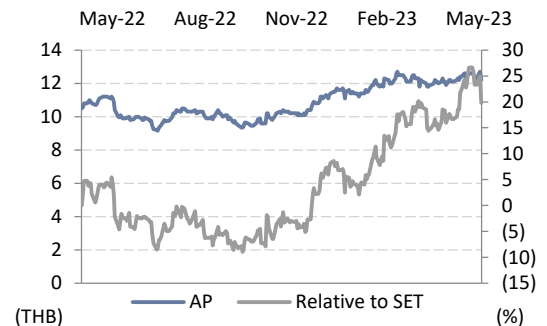
ยอดขายในช่วง 4M23 ลดลง 12% y-y มาอยู่ที่ 14.3 พันลบ. คิดเป็น 25% ของเป้าหมายปีของบริษัท สาเหตุจากยอดขายโครงการแนวราบลดลงเหลือ 10.6 พันลบ. (-22% y-y) เนื่องจากบริษัท มีการเปิดตัวโครงการใหม่เพียง 4 โครงการ (เทียบกับ 9 โครงการใหม่ใน 1Q22) นอกจากนี้ความต้องการที่อยู่อาศัยยังลดลงในระยะสั้นจากฐานที่สูงใน 4Q22 หลังลูกค้าเร่งซื้อก่อนสิ้นสุดมาตรการผ่อนคลายนโยบาย LTV ในช่วงสิ้นปี 2022 อย่างไรก็ตาม ยอดขายคอนโดกระโดดเพิ่ม 39% y-y เป็น 3.7 พันลบ. จากทิศทางขายที่ดีขึ้นและผู้ซื้อชาวจีนที่มากขึ้น ขณะที่ผู้บริหารเชื่อว่ายอดขายจะขยับขึ้นตั้งแต่เดือน มิ.ย. เป็นต้นไป ตามการเปิดโครงการใหม่ที่มีจำนวนมาก โดยในปี 2Q23 AP วางแผนเปิด 15 โครงการแนวราบมูลค่ารวม 17.5 พันลบ. และคอนโด 1 โครงการ (Life Phahon-Ladprao, มูลค่า 3.5 พันลบ.) ซึ่งวางเป้า take-up rate ที่ 30%

โมเมนต์มกำไรจะเป็นบวกต่อเดือน

ผลประกอบการ 1Q23 คิดเป็น 24% ของประมาณการกำไรปี 2023 ของเรา เรคาดว่ากำไรทยอยปรับขึ้น q-q ตั้งแต่ 2Q23 เป็นต้นไปจากการเปิดตัวโครงการแนวราบใหม่ที่มีจำนวนมาก มูลค่ารวม 17.5 พันลบ. ใน 2Q23 และ 43.5 พันลบ. ในช่วง 2H23 (เทียบกับ 4.2 พันลบ. ใน 1Q23) พร้อมคอนโดสร้างเสร็จใหม่ 2 โครงการใน 3Q23 ท่ามกลางความคาดหวังเศรษฐกิจฟื้นตัวหลังการเลือกตั้ง

คงแนะนำซื้อที่ราคาเป้าหมาย 14 บาท

เราคงประมาณการกำไรสุทธิปี 2023 ที่ 6.3 พันลบ. (+7% y-y) ปัจจุบันหุ้นซื้อขายบน P/E 2023E ที่ 6.1x พร้อมคาดผลตอบแทนปันผลเกณฑ์ดีที่ 5.7% เรามองว่าความสำเร็จในการเปิดตัวโครงการใหม่และกำไรที่อยู่ในเกณฑ์ดีจะเป็นปัจจัยสนับสนุนราคาหุ้น



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.5	3.4	11.9
Relative to country (%)	4.4	10.0	16.1
Mkt cap (USD m)	1,140		
3m avg. daily turnover (USD m)	7.0		
Free float (%)	66		
Major shareholder	Mr. Anuphong Assavabhokhin (21%)		
12m high/low (THB)	12.80/9.00		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimat



Thanayatorn Songwutti

thanyatorn.s@fssia.com

+66 2646 9805

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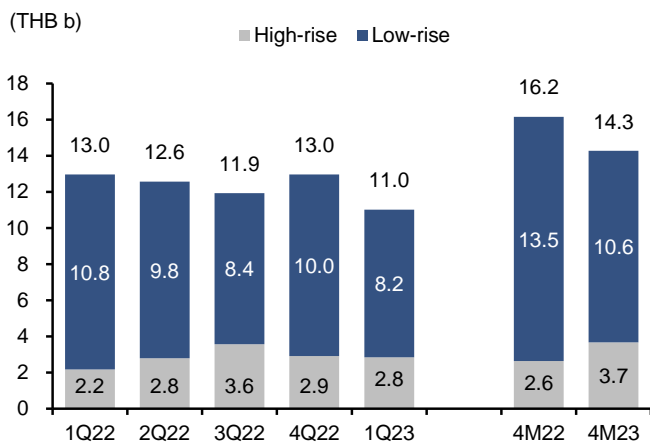
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 10 พฤษภาคม 2023

Exhibit 1: 1Q23 results summary

	1Q22	2Q22	3Q22	4Q22	1Q23	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	10,849	9,862	8,982	8,846	9,409	6	(13)
Gross profit	3,616	3,313	3,046	3,090	3,445	11	(5)
SG&A	(1,709)	(1,715)	(1,805)	(2,020)	(1,853)	n/a	n/a
Operating profit	1,907	1,598	1,241	1,070	1,592	49	(17)
Other income	9	18	122	14	33	126	253
Interest expense	(28)	(14)	(18)	(45)	(76)	n/a	n/a
Profit before tax	1,883	1,508	1,345	1,134	1,549	37	(18)
Tax	(400)	(312)	(251)	(267)	(309)	n/a	n/a
Associates	247	378	324	284	238	(16)	(4)
Reported net profit	1,730	1,574	1,419	1,155	1,478	28	(15)
Normalised profit	1,730	1,574	1,419	1,151	1,478	28	(15)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Property gross margin	32.3	32.4	32.4	33.7	35.5	1.8	3.2
Gross margin	33.3	33.6	33.9	34.9	36.6	1.7	3.3
Operating margin	17.6	16.2	13.8	12.1	16.9	4.8	(0.7)
Net profit margin	15.9	16.0	15.8	13.1	15.7	2.7	(0.2)
Normalised profit margin	15.9	16.0	15.8	13.0	15.7	2.7	(0.2)
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Property transfers	10,621	9,620	8,689	8,592	9,144	6	(14)
-- Low-rise	9,768	9,139	8,384	8,314	8,657	4	(11)
-- High-rise	853	481	305	278	487	75	(43)
Presales	12,959	12,572	11,924	12,960	11,016	(15)	(15)
-- Low-rise	10,798	9,774	8,354	10,049	8,172	(19)	(24)
-- High-rise	2,161	2,798	3,570	2,911	2,844	(2)	32

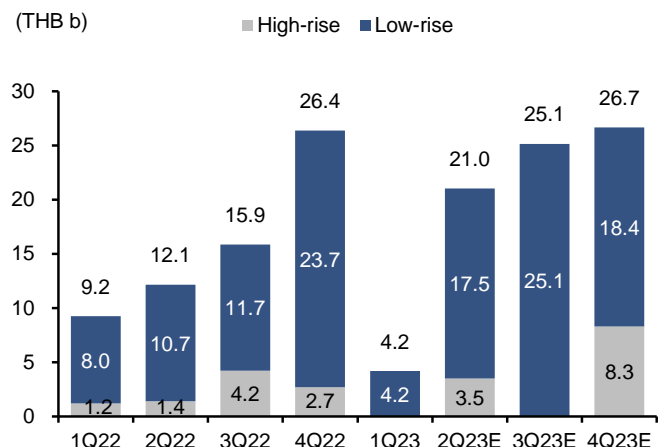
Sources: AP; FSSIA's compilation

Exhibit 2: Quarterly presales



Sources: AP; FSSIA's compilation

Exhibit 3: Quarterly new launches



Sources: AP; FSSIA's compilation

Exhibit 4: Condo values to be transferred in 2023

Transfer	Project	Value	% sold
		(THB m)	(%)
1Q23	Aspire Rattanathibet – Weston	1,600	29
	Rhythm Charoenkrung Pavillion (JV)	4,800	73
3Q23	Aspire Pinklao – Arunamarin	1,200	76
	The Address Siam – Ratchathewi (JV)	8,600	37

Sources: AP; FSSIA's compilation

Financial Statements

AP (Thailand)

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	31,794	38,539	42,223	43,979	45,724
Cost of goods sold	(21,204)	(25,184)	(27,658)	(28,817)	(29,950)
Gross profit	10,590	13,355	14,565	15,162	15,774
Other operating income	0	0	0	0	0
Operating costs	(5,828)	(7,248)	(7,938)	(8,268)	(8,596)
Operating EBITDA	4,763	6,107	6,627	6,894	7,178
Depreciation	(279)	(291)	(168)	(185)	(202)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	4,484	5,816	6,458	6,709	6,976
Net financing costs	(248)	(99)	(115)	(136)	(128)
Associates	999	1,233	1,151	1,130	1,024
Recurring non-operating income	1,175	1,385	1,211	1,208	1,106
Non-recurring items	0	4	0	0	0
Profit before tax	5,411	7,106	7,555	7,780	7,954
Tax	(869)	(1,230)	(1,281)	(1,330)	(1,386)
Profit after tax	4,542	5,876	6,274	6,450	6,568
Minority interests	0	1	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	4,542	5,877	6,274	6,450	6,568
Non-recurring items & goodwill (net)	0	(4)	0	0	0
Recurring net profit	4,542	5,874	6,274	6,450	6,568
Per share (THB)					
Recurring EPS *	1.44	1.87	1.99	2.05	2.09
Reported EPS	1.44	1.87	1.99	2.05	2.09
DPS	0.50	0.65	0.70	0.71	0.72
Diluted shares (used to calculate per share data)	3,146	3,146	3,146	3,146	3,146
Growth					
Revenue (%)	6.4	21.2	9.6	4.2	4.0
Operating EBITDA (%)	34.6	28.2	8.5	4.0	4.1
Operating EBIT (%)	37.1	29.7	11.0	3.9	4.0
Recurring EPS (%)	7.5	29.3	6.8	2.8	1.8
Reported EPS (%)	7.5	29.4	6.7	2.8	1.8
Operating performance					
Gross margin inc. depreciation (%)	32.4	33.9	34.1	34.1	34.1
Gross margin of key business (%)	31.1	32.7	32.9	32.9	32.9
Operating EBITDA margin (%)	15.0	15.8	15.7	15.7	15.7
Operating EBIT margin (%)	14.1	15.1	15.3	15.3	15.3
Net margin (%)	14.3	15.2	14.9	14.7	14.4
Effective tax rate (%)	19.7	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	34.6	34.8	35.0	34.5	34.5
Interest cover (X)	22.8	72.7	66.9	58.2	63.2
Inventory days	804.9	743.8	724.4	714.3	725.9
Debtor days	1.1	1.1	1.2	1.4	1.4
Creditor days	36.8	41.0	41.4	39.6	39.7
Operating ROIC (%)	8.3	9.7	10.2	10.3	10.1
ROIC (%)	8.8	10.3	10.3	10.2	9.8
ROE (%)	14.7	17.0	16.2	15.0	13.9
ROA (%)	8.0	9.3	9.2	9.1	8.8

* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2021	2022	2023E	2024E	2025E
Sales	30,879	37,522	41,107	42,841	44,563
Service income	915	1,017	1,116	1,138	1,161

Sources: AP (Thailand); FSSIA estimates

Financial Statements

AP (Thailand)

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	4,542	5,874	6,274	6,450	6,568
Depreciation	279	291	168	185	202
Associates & minorities	-	-	-	-	-
Other non-cash items	0	4	0	0	0
Change in working capital	(1,046)	(6,585)	93	(3,544)	(2,405)
Cash flow from operations	3,775	(417)	6,535	3,092	4,365
Capex - maintenance	0	0	0	0	0
Capex - new investment	(941)	(179)	(1,805)	(592)	(606)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(941)	(179)	(1,805)	(592)	(606)
Dividends paid	(1,382)	(1,572)	(2,196)	(2,225)	(2,266)
Equity finance	0	0	0	0	0
Debt finance	(2,122)	1,749	(1,915)	17	(1,332)
Other financing cash flows	0	(1)	0	0	0
Cash flow from financing	(3,504)	176	(4,111)	(2,209)	(3,598)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(670)	(420)	620	291	160
Free cash flow to firm (FCFF)	3,088.77	(491.91)	4,847.51	2,637.76	3,888.07
Free cash flow to equity (FCFE)	711.53	1,152.31	2,815.93	2,516.51	2,426.31

Per share (THB)

FCFF per share	0.98	(0.16)	1.54	0.84	1.24
FCFE per share	0.23	0.37	0.90	0.80	0.77
Recurring cash flow per share	1.53	1.96	2.05	2.11	2.15

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	1,841	1,904	1,455	1,527	1,599
Less: Accumulated depreciation	(279)	(291)	(168)	(185)	(202)
Tangible fixed assets (net)	1,562	1,614	1,286	1,341	1,396
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	1
Invest. in associates & subsidiaries	6,645	6,481	8,445	8,796	9,145
Cash & equivalents	2,070	1,650	2,270	2,561	2,722
A/C receivable	118	104	169	176	183
Inventories	47,379	55,261	54,527	58,264	60,855
Other current assets	1,386	1,874	1,689	1,759	1,829
Current assets	50,953	58,889	58,655	62,760	65,589
Other assets	1,250	1,243	1,478	1,539	1,600
Total assets	60,409	68,227	69,863	74,437	77,731
Common equity	32,442	36,747	40,825	45,050	49,353
Minorities etc.	(18)	(19)	(19)	(19)	(19)
Total shareholders' equity	32,423	36,728	40,806	45,031	49,334
Long term debt	15,024	15,284	15,805	9,564	8,919
Other long-term liabilities	523	675	612	638	663
Long-term liabilities	15,546	15,959	16,418	10,202	9,582
A/C payable	2,449	3,211	3,061	3,190	3,317
Short term debt	6,352	7,841	5,405	11,663	10,976
Other current liabilities	3,637	4,487	4,174	4,350	4,523
Current liabilities	12,439	15,539	12,640	19,204	18,815
Total liabilities and shareholders' equity	60,409	68,227	69,863	74,437	77,731
Net working capital	42,796	49,540	49,150	52,658	55,028
Invested capital	52,253	58,878	60,358	64,335	67,170

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

Per share (THB)

Book value per share	10.31	11.68	12.98	14.32	15.69
Tangible book value per share	10.31	11.68	12.98	14.32	15.69

Financial strength

Net debt/equity (%)	59.5	58.5	46.4	41.5	34.8
Net debt/total assets (%)	32.0	31.5	27.1	25.1	22.1
Current ratio (x)	4.1	3.8	4.6	3.3	3.5
CF interest cover (x)	7.7	14.4	41.3	23.9	24.7

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	8.5	6.5	6.1	6.0	5.8
Recurring P/E @ target price (x) *	9.7	7.5	7.0	6.8	6.7
Reported P/E (x)	8.5	6.5	6.1	6.0	5.8
Dividend yield (%)	4.1	5.3	5.7	5.8	5.9
Price/book (x)	1.2	1.0	0.9	0.9	0.8
Price/tangible book (x)	1.2	1.0	0.9	0.9	0.8
EV/EBITDA (x) **	12.1	9.8	8.6	8.3	7.7
EV/EBITDA @ target price (x) **	13.3	10.7	9.5	9.1	8.5
EV/invested capital (x)	1.1	1.0	0.9	0.9	0.8

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

Sources: AP (Thailand); FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

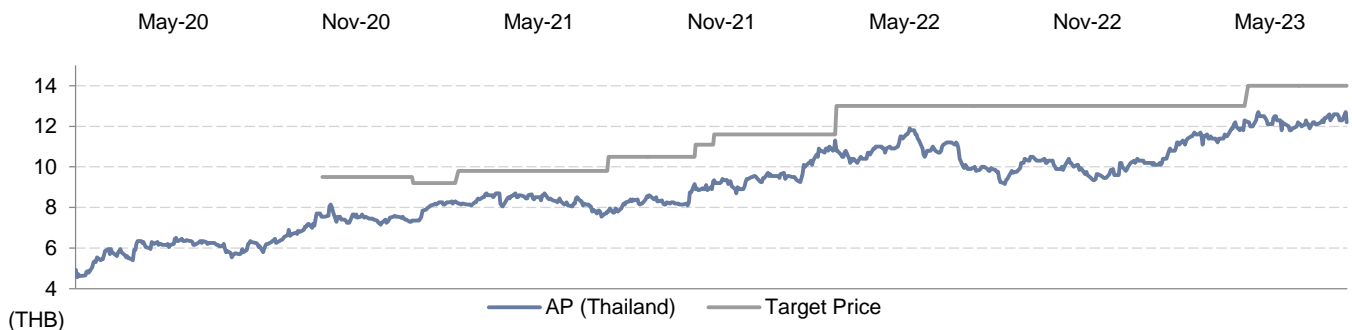
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History of change in investment rating and/or target price

AP (Thailand) (AP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Dec-2020	BUY	9.50	11-Aug-2021	BUY	10.50	23-Feb-2022	BUY	13.00
24-Feb-2021	BUY	9.20	25-Oct-2021	BUY	11.10	10-Feb-2023	BUY	14.00
02-Apr-2021	BUY	9.80	10-Nov-2021	BUY	11.60			

Thanyatorn Songwutti started covering this stock from 08-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AP (Thailand)	AP TB	THB 12.20	BUY	Downside risks to our P/E-based TP include 1) rising competition in the low-rise market, such that it could hurt take-up rates; 2) weaker-than-expected take-up rates of new launches; 3) construction delays from labour shortages; 4) increasing raw material prices; and 5) the impact of the expiration of the loan-to-value (LTV) limit easing.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 09-May-2023 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.