

SUPALAI SPALI TB

THAILAND / PROPERTY DEVELOPMENT

HOLD

FROM BUY

TARGET PRICE	THB22.20
CLOSE	THB20.50
UP/DOWNSIDE	+8.3%
PRIOR TP	THB24.00
CHANGE IN TP	-7.5%
TP vs CONSENSUS	-4.5%

คาดการณ์ 1Q24 อ่อนแอสุดของปี

- ยอด Presales 1Q24 ไม่เด่น +29% q-q แต่ -23% y-y จากแนวราบยังชบเซา ส่วนคอนโดไม่มีเปิดโครงการใหม่ ทำให้คิดเป็น 19% ของเป้าบริษัทปีนี้
- คาดการณ์ 1Q24 -64% q-q, -33% y-y กดดันจากยอดโอนและมาร์จิ้นลดลง
- ปรับลดประมาณการและราคาเหมาะสมเป็น 22.20 บาท แนะนำถือรับปันผล

ยอด Presales 1Q24 +29% q-q แต่ -23% y-y คิดเป็น 19% ของเป้าปีนี้

ยอด Presales 1Q24 อยู่ที่ 6.9 พันล้านบาท (+29% q-q, -23% y-y) เป็นสัดส่วนแนวราบ 75% ที่ 5.2 พันล้านบาท (+35% q-q, -19% y-y) แม้มูลค่าโครงการใหม่เพิ่มเป็น 15 โครงการ มูลค่ารวม 1.66 หมื่นล้านบาท แต่เปิดตัวในช่วงปลายไตรมาส และอุปสงค์ชบเซาท่ามกลางดอกเบี้ยและอัตราปฏิเสธสินเชื่อสูง ส่วนยอดขายคอนโด 1.7 พันล้านบาท (+16% q-q, -34% y-y) เนื่องจากไม่มีการเปิดตัวใหม่ ทำให้ยอด Presales 1Q24 เพียง 19% ของเป้าบริษัทปีนี้ที่ 3.6 หมื่นล้านบาท (+25% y-y) ซึ่งมองว่าท้าทาย

ประเมินกำไร 1Q24 หดตัว q-q, y-y กดดันทั้งยอดโอนและมาร์จิ้น

เราประเมินกำไรสุทธิ 1Q24 ลดลง 64% q-q และ 33% y-y ที่ 728 ล้านบาท (ต่ำกว่าเคยมองว่ามากกว่า 800 ล้านบาท) จากยอดโอนหด 4.8 พันล้านบาท (-52% q-q, -15% y-y) จาก 4Q23 ที่มีการเร่งโอนก่อนมาตรการสิ้นสุดและยอดขายชบเซา แม้ 1Q24 มีคอนโดสร้างเสร็จใหม่อย่าง Supalai City Home Rayong แต่โครงการเล็กและรับรู้ไม่มาก ทำให้สัดส่วนยอดโอนหลักมาจากแนวราบที่สูงขึ้นเป็น 80% กดดันอัตรากำไรขั้นต้นขายอสังหาริมทรัพย์เป็น 34.5% จาก 34.8% ใน 4Q23 และ 36.4% ใน 1Q23 อีกทั้ง คาดส่วนแบ่งกำไร JV โครงการออสเตรเลียลดลงอย่างมีนัยตามยอดโอนที่หดตัว

ปรับลดประมาณการ แต่มองว่า 1Q24 ต่ำสุดของปีก่อนหน้าใน 2Q24

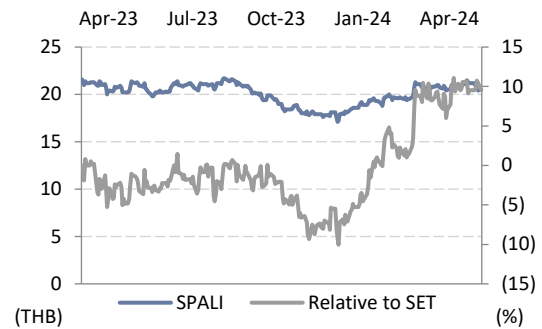
คาดผลประกอบการ 1Q24 เป็นระดับต่ำสุดของปีก่อนหน้าใน 2Q24 จากเริ่มโอนคอนโดใหม่ 3 โครงการ รวมถึงการเน้นขายและโอนแนวราบที่รุกเปิดตัวใน 1H24 มูลค่ารวม 3.1 หมื่นล้านบาท อีกทั้ง มีส่วนช่วยจากมาตรการลดค่าโอน-จดจำนองเหลือ 0.01% ในราคาไม่เกิน 7 ล้านบาท ซึ่งบริษัทมีพอร์ตราคาคงกล่าวสัดส่วน 90% อย่างไรก็ตาม เราปรับประมาณการกำไรปี 2024 ลง 6% เป็น 6.2 พันล้านบาท (+3% y-y) โดยปรับลดยอดโอนเป็น 3.2 หมื่นล้านบาท (+4% y-y) ต่ำกว่าเป้าบริษัท 11% ด้วยมุมมองระมัดระวังต่อการฟื้นตัวของตลาดที่ยังต้องอาศัยแรงผลักดันจากเศรษฐกิจ โดยปัจจุบันมี Backlog รอรับรู้ช่วงที่เหลือของปี 1.5 หมื่นล้านบาท รองรับยอดโอนแล้ว 61% นอกจากนี้ ปรับลดส่วนแบ่งกำไร JV จากความล่าช้าการลงทุนใหม่ในออสเตรเลีย 12 โครงการ (SPALI ถือ 49.9%) คาดเสร็จสิ้นและเริ่มรับรู้ใน 3Q24 จากเดิม 2Q24

ปรับราคาเหมาะสมลงเป็น 22.20 บาท ลดคำแนะนำเป็นถือ

เราปรับราคาเหมาะสมจาก 24 บาท เป็น 22.20 บาท (อิง PER เดิม 7x) ราคาหุ้นมี Upside ต่ำกว่า 10% จึงลดคำแนะนำจากซื้อเป็นถือ ระยะสั้น 1Q24 นำผิดหวัง แต่ปันผลงวด 2H23 ที่ 0.75 บาท/หุ้น Yield 3.7% ขึ้น XD 7 พ.ค. ช่วยจำกัด Downside

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	31,177	32,519	31,836	33,429
Net profit	5,989	6,176	6,193	6,483
EPS (THB)	3.07	3.16	3.17	3.32
vs Consensus (%)	-	(5.8)	(8.3)	(8.8)
EBITDA	7,386	7,605	7,360	7,727
Recurring net profit	5,989	6,176	6,193	6,483
Core EPS (THB)	3.07	3.16	3.17	3.32
Chg. In EPS est. (%)	-	(6.3)	(0.1)	0.0
EPS growth (%)	(26.7)	3.1	0.3	4.7
Core P/E (x)	6.7	6.5	6.5	6.2
Dividend yield (%)	3.5	6.9	7.0	7.3
EV/EBITDA (x)	8.6	8.5	8.6	8.0
Price/book (x)	0.8	0.7	0.7	0.7
Net debt/Equity (%)	43.6	43.1	37.6	32.4
ROE (%)	12.4	11.8	11.1	11.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	7.9	(9.7)
Relative to country (%)	2.3	9.5	4.3
Mkt cap (USD m)	1,082		
3m avg. daily turnover (USD m)	3.1		
Free float (%)	60		
Major shareholder	Tangmatitham Family (30%)		
12m high/low (THB)	22.80/17.10		
Issued shares (m)	1,953.05		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SPALI เป็นผู้พัฒนาอสังหาริมทรัพย์ระดับแนวหน้าของประเทศ และมีแบรนด์เป็นที่ยอมรับจากลูกค้า จุดแข็งคือมีพอร์ตสินค้าที่ยืดหยุ่นและกระจายตัวได้ดี ทั้งประเภทอสังหาริมทรัพย์ ประกอบด้วย บ้านเดี่ยว บ้านแฝด ทาวน์โฮม และอาคารชุด ซึ่งมีกลยุทธ์ขยายการเติบโตในด้านทำเลที่หลากหลายอย่างกรุงเทพฯและปริมณฑล รวมถึงต่างจังหวัดรวม 28 จังหวัดในปี 2023 และมีแผนเพิ่มจังหวัดต่อเนื่องทุกปี อีกทั้ง ยังมีการลงทุนโครงการในออสเตรเลีย นอกจากนี้ บริษัทมีฐานะการเงินแข็งแกร่ง และสามารถรักษาค่าราคาไว้ระดับให้อยู่ในระดับที่สูงกว่าคู่แข่ง

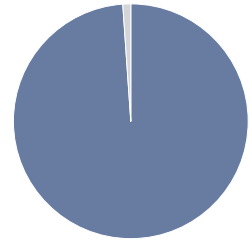
Company profile

SPALI ก่อตั้งวันที่ 26 มิ.ย. 1989 และจดทะเบียนในตลาดหลักทรัพย์เมื่อวันที่ 26 มิ.ย. 1993 บริษัทประกอบธุรกิจพัฒนาอสังหาริมทรัพย์เพื่อเป็นที่อยู่อาศัยและเพื่อการพาณิชย์ ขณะที่ปี 2014 ได้ขยายการลงทุนไปยังประเทศออสเตรเลีย โดยเป็นการร่วมลงทุนกับบริษัทพัฒนาอสังหาริมทรัพย์ใหญ่ของประเทศออสเตรเลีย ทั้งนี้ ในปี 2023 มีสัดส่วนรายได้จากโครงการแนวราบ, คอนโด และออสเตรเลียที่ 54%, 46% และ 2% ของรายได้รวม ตามลำดับ

www.supalai.com

Principal activities (revenue, 2023)

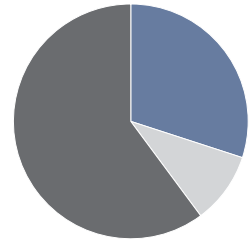
- Real estate - 98.9 %
- Rentals & Services - 1.1 %



Source: Supalai

Major shareholders

- Tangmatitham Family - 30.0 %
- Thai NVDR - 9.9 %
- Others - 60.2 %



Source: Supalai

Catalysts

ปัจจัยบวกต่อราคาหุ้นคือ 1) ความสำเร็จของการรุกเปิดโครงการใหม่ 2) ความคืบหน้าการขายสต็อกคอนโดเหลือขาย 3) ส่วนแบ่งกำไรจากการลงทุนในโครงการในออสเตรเลียสูงกว่าคาด 4) ผลบวกจากมาตรการกระตุ้นอสังหาริมทรัพย์ โดยเฉพาะการเพิ่มราคาที่อยู่อาศัยจากไม่เกิน 3 ลบ. เป็นไม่เกิน 7 ลบ. ที่ได้ลดค่าธรรมเนียมโอน-จดจำนองเหลือ 0.01%

Risks to our call

ความเสี่ยงต่อประมาณการ 1) เศรษฐกิจและตลาดอสังหาริมทรัพย์ชะลอตัวมากกว่าคาด 2) อัตราการขายโครงการต่ำกว่าคาด และการเปิดโครงการใหม่ล่าช้ากว่าแผน 3) ดอกเบี้ยขาขึ้นกระทบกำลังซื้อ 4) อัตราการปฏิเสธสินเชื่อจากธนาคารและยอดยกเลิกจากลูกค้าสูงขึ้น 5) การก่อสร้างล่าช้าและการขาดแคลนแรงงาน 6) การแข่งขันรุนแรง 7) ผลประกอบการในโครงการออสเตรเลียต่ำกว่าคาด และ 8) ความล่าช้าของการลงทุนใหม่ในออสเตรเลีย

Event calendar

Date	Event
14 May 2024	1Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Project sales (THB m)	32,161	31,461	33,035
Rental and services income (THB m)	357	375	394
Property GPM (%)	35.7	35.8	35.8
GPM (%)	35.8	35.9	35.9
SG&A to sales (%)	12.8	13.2	13.2

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 net profit to rise by 6%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 net profit to rise by 2%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2024 net profit to fall by 2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 1Q24 results preview

	1Q23	2Q23	3Q23	4Q23	1Q24E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	5,734	8,165	7,166	10,111	4,890	(52)	(15)
Cost of sales	3,638	5,306	4,546	6,580	3,195	(51)	(12)
Gross profit	2,096	2,859	2,620	3,531	1,695	(52)	(19)
SG&A	815	957	982	1,103	778	(29)	(5)
Operating profit	2,911	3,816	3,602	4,634	2,473	(47)	(15)
Other income	168	279	26	169	160	(5)	(5)
Interest expense	96	103	137	132	135	2	41
Profit before tax	1,353	2,078	1,527	2,465	942	(62)	(30)
Tax	318	483	327	459	198	(57)	(38)
Associates	66	127	4	49	4	(92)	(94)
Reported net profit	1,080	1,701	1,191	2,018	728	(64)	(33)
Normalized profit	1,080	1,701	1,191	2,018	728	(64)	(33)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Property gross margin	36.4	35.0	36.6	34.8	34.5	(0.3)	(1.9)
Gross margin	36.6	35.0	36.6	34.9	34.7	(0.3)	(1.9)
Operating margin	50.8	46.7	50.3	45.8	50.6	4.7	(0.2)
Net profit margin	18.8	20.8	16.6	20.0	14.9	(5.1)	(3.9)
Normalized profit margin	18.8	20.8	16.6	20.0	14.9	(5.1)	(3.9)
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Property transfers	5,641	8,089	7,089	10,017	4,800	(52)	(15)
-- Low-rise	3,893	5,015	4,395	7,049	3,840	(46)	(1)
-- High-rise	1,749	3,074	2,694	2,968	960	(68)	(45)

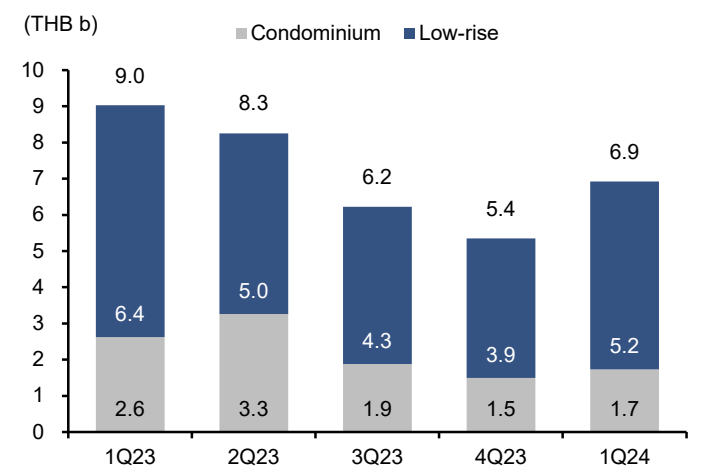
Sources: SPALI; FSSIA estimates

Exhibit 2: Key assumptions for SPALI

	Actual	Current				Previous			Change		
	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	
Revenue	31,177	32,519	31,836	33,429	33,869	32,360	33,868	(4)	(2)	(1)	
- Transfers	30,836	32,161	31,461	33,035	33,512	31,984	33,475	(4)	(2)	(1)	
- Management fees	340	357	375	394	357	375	394	0	0	0	
Property gross margin (%)	35.6	35.7	35.8	35.8	36.0	35.8	35.8	(0.3)	0.0	0.0	
Gross margin (%)	35.6	35.8	35.9	35.9	36.1	35.9	35.9	(0.3)	0.0	0.0	
SG&A to revenue (%)	12.4	12.8	13.2	13.2	12.8	13.4	13.4	(0.0)	(0.2)	(0.2)	
Equity income	247	300	450	450	450	450	450	(33)	0	0	
Core profit	5,989	6,176	6,193	6,483	6,589	6,197	6,480	(6)	(0)	0	
Net profit	5,989	6,176	6,193	6,483	6,589	6,197	6,480	(6)	(0)	0	

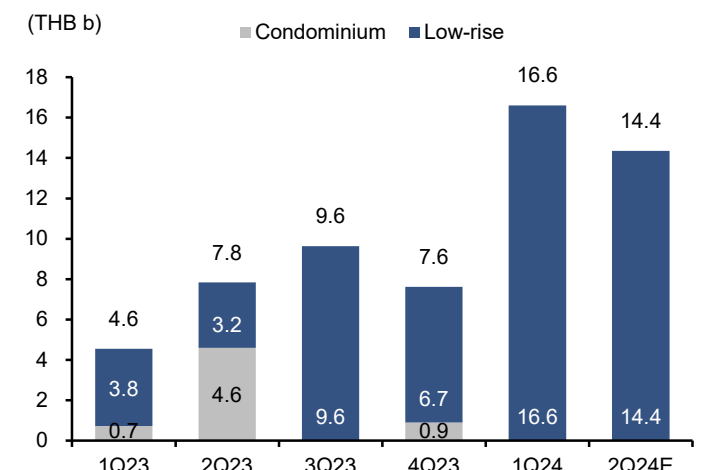
Source: FSSIA estimates

Exhibit 3: Quarterly presales



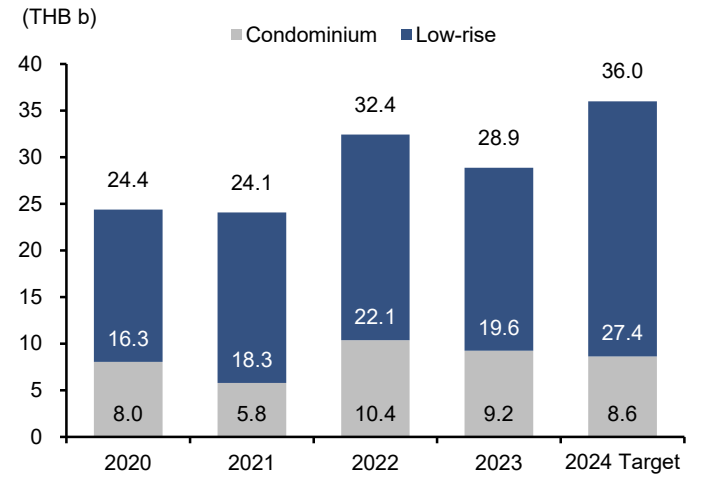
Sources: SPALI; FSSIA's compilations

Exhibit 4: Quarterly new launches



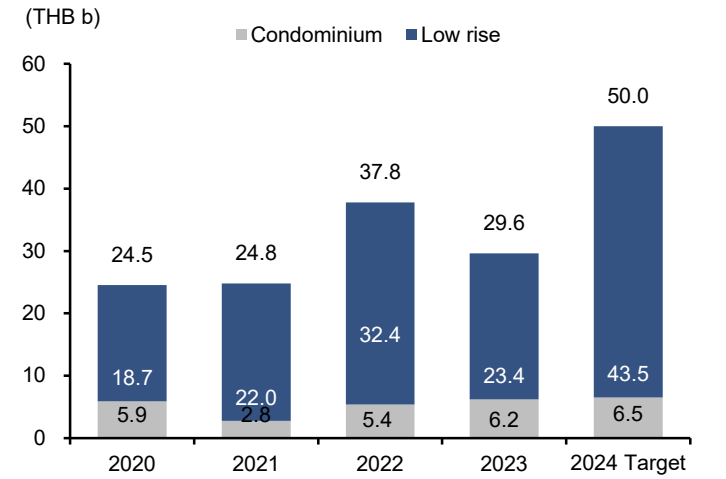
Sources: SPALI; FSSIA's compilations

Exhibit 5: Yearly presales



Sources: SPALI; FSSIA's compilations

Exhibit 6: Yearly new launches



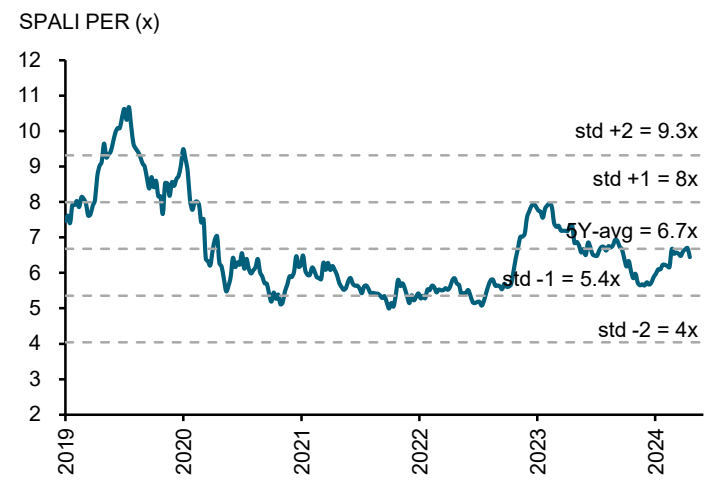
Sources: SPALI; FSSIA's compilations

Exhibit 7: Condo value to be transferred in 2024

<p>SUPALAI CITY HOME RAYONG</p> <p>PROJECT VALUE : 300 MB SOLD : 20% TRANSFER : Q1</p>	<p>CITY HOME SANAMBINNAM – RATTANATHIBET</p> <p>PROJECT VALUE : 730 MB SOLD : 37% TRANSFER : Q2</p>	<p>SUPALAI ICON SATHORN</p> <p>PROJECT VALUE : 12,300 MB SOLD : 23% TRANSFER : Q2</p>	<p>SUPALAI PREMIER SAMSEN – RATCHAWAT</p> <p>PROJECT VALUE : 1,600 MB SOLD : 62% TRANSFER : Q2</p>	<p>SUPALAI LOFT PHASI CHAROEN STATION</p> <p>PROJECT VALUE : 1,100 MB SOLD : 88% TRANSFER : Q3</p>
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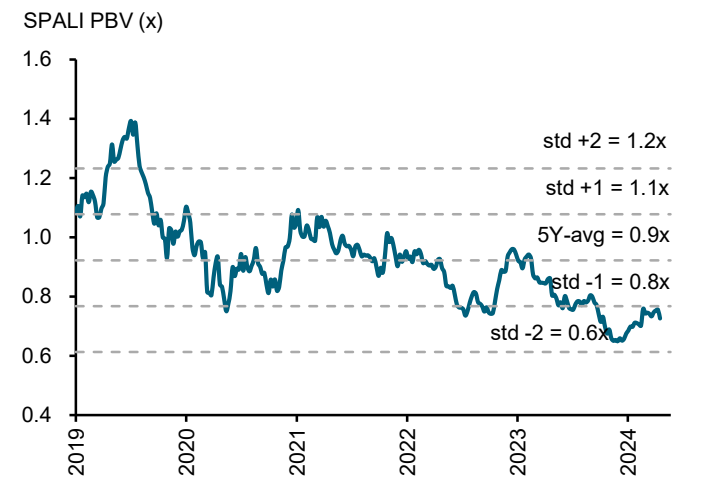
Source: SPALI

Exhibit 8: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Supalai

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	34,486	31,177	32,519	31,836	33,429
Cost of goods sold	(21,070)	(20,071)	(20,882)	(20,410)	(21,431)
Gross profit	13,416	11,106	11,637	11,426	11,997
Other operating income	0	0	0	0	0
Operating costs	(4,029)	(3,857)	(4,165)	(4,204)	(4,415)
Operating EBITDA	9,514	7,386	7,605	7,360	7,727
Depreciation	(127)	(138)	(133)	(138)	(144)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,387	7,249	7,472	7,221	7,583
Net financing costs	(277)	(467)	(463)	(366)	(349)
Associates	390	247	300	450	450
Recurring non-operating income	1,405	888	930	1,080	1,080
Non-recurring items	0	0	0	0	0
Profit before tax	10,515	7,670	7,940	7,936	8,314
Tax	(2,212)	(1,586)	(1,665)	(1,647)	(1,730)
Profit after tax	8,303	6,083	6,274	6,289	6,584
Minority interests	(130)	(94)	(98)	(96)	(101)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	8,173	5,989	6,176	6,193	6,483
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	8,173	5,989	6,176	6,193	6,483
Per share (THB)					
Recurring EPS *	4.18	3.07	3.16	3.17	3.32
Reported EPS	4.18	3.07	3.16	3.17	3.32
DPS	1.45	0.73	1.42	1.43	1.49
Diluted shares (used to calculate per share data)	1,953	1,953	1,953	1,953	1,953
Growth					
Revenue (%)	18.3	(9.6)	4.3	(2.1)	5.0
Operating EBITDA (%)	12.7	(22.4)	3.0	(3.2)	5.0
Operating EBIT (%)	12.8	(22.8)	3.1	(3.4)	5.0
Recurring EPS (%)	27.0	(26.7)	3.1	0.3	4.7
Reported EPS (%)	27.0	(26.7)	3.1	0.3	4.7
Operating performance					
Gross margin inc. depreciation (%)	38.9	35.6	35.8	35.9	35.9
Gross margin exc. depreciation (%)	39.3	36.1	36.2	36.3	36.3
Operating EBITDA margin (%)	27.6	23.7	23.4	23.1	23.1
Operating EBIT margin (%)	27.2	23.3	23.0	22.7	22.7
Net margin (%)	23.7	19.2	19.0	19.5	19.4
Effective tax rate (%)	21.8	21.4	21.8	22.0	22.0
Dividend payout on recurring profit (%)	34.6	23.6	45.0	45.0	45.0
Interest cover (X)	39.0	17.4	18.2	22.7	24.9
Inventory days	1,113.5	1,252.5	1,298.9	1,394.5	1,358.8
Debtor days	0.5	0.6	0.7	0.7	0.7
Creditor days	47.1	56.1	57.5	59.5	57.4
Operating ROIC (%)	12.3	8.8	8.3	7.7	7.9
ROIC (%)	12.6	8.8	8.5	8.1	8.2
ROE (%)	18.5	12.4	11.8	11.1	11.0
ROA (%)	11.3	7.8	7.6	7.4	7.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Real estate	34,222	30,836	32,161	31,461	33,035
Rentals & Services	264	340	357	375	394

Sources: Supalai; FSSIA estimates

Financial Statements

Supalai

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	8,173	5,989	6,176	6,193	6,483
Depreciation	127	138	133	138	144
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(5,013)	(5,562)	(4,515)	(1,946)	(1,491)
Cash flow from operations	3,288	565	1,794	4,385	5,137
Capex - maintenance	-	-	-	-	-
Capex - new investment	(4,608)	-	(343)	-	-
Net acquisitions & disposals	-	2,190	-	15	(476)
Other investments (net)	-	-	-	-	-
Cash flow from investing	(4,608)	2,190	(343)	15	(476)
Dividends paid	(5,111)	(2,476)	(2,779)	(2,787)	(2,918)
Equity finance	1,474	488	98	96	101
Debt finance	4,646	2,628	(2,164)	(2,150)	(1,068)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	1,010	641	(4,845)	(4,841)	(3,884)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(311)	3,396	(3,394)	(441)	777
Free cash flow to firm (FCFF)	(1,043.62)	3,222.83	1,913.53	4,765.90	5,010.11
Free cash flow to equity (FCFE)	3,325.97	5,383.69	(713.23)	2,250.30	3,594.09

Per share (THB)

FCFF per share	(0.53)	1.65	0.98	2.44	2.57
FCFE per share	1.70	2.76	(0.37)	1.15	1.84
Recurring cash flow per share	4.25	3.14	3.23	3.24	3.39

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	2,970	3,015	3,131	3,259	3,401
Less: Accumulated depreciation	(1,444)	(1,555)	(1,689)	(1,827)	(1,971)
Tangible fixed assets (net)	1,527	1,459	1,443	1,432	1,429
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	8,863	6,602	6,829	6,685	7,020
Cash & equivalents	1,315	4,711	1,316	876	1,653
A/C receivable	38	60	65	64	67
Inventories	65,675	71,125	76,546	78,349	80,141
Other current assets	2,065	1,838	1,789	1,751	1,839
Current assets	69,093	77,734	79,716	81,039	83,700
Other assets	441	330	325	318	334
Total assets	79,924	86,126	88,312	89,476	92,483
Common equity	46,514	50,475	53,872	57,278	60,844
Minorities etc.	949	990	1,088	1,184	1,284
Total shareholders' equity	47,463	51,465	54,960	58,462	62,128
Long term debt	3,886	6,684	6,250	6,083	5,602
Other long-term liabilities	804	819	835	816	857
Long-term liabilities	4,690	7,504	7,085	6,899	6,459
A/C payable	2,939	3,192	3,341	3,266	3,429
Short term debt	20,650	20,480	18,750	16,768	16,180
Other current liabilities	4,182	3,486	4,176	4,082	4,286
Current liabilities	27,772	27,157	26,268	24,115	23,896
Total liabilities and shareholders' equity	79,924	86,126	88,312	89,476	92,483
Net working capital	60,657	66,346	70,882	72,816	74,331
Invested capital	71,488	74,737	79,478	81,252	83,115

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

Per share (THB)

Book value per share	23.82	25.84	27.58	29.33	31.15
Tangible book value per share	23.82	25.84	27.58	29.33	31.15

Financial strength

Net debt/equity (%)	48.9	43.6	43.1	37.6	32.4
Net debt/total assets (%)	29.1	26.1	26.8	24.6	21.8
Current ratio (x)	2.5	2.9	3.0	3.4	3.5
CF interest cover (x)	29.7	12.5	0.2	7.2	11.3

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	4.9	6.7	6.5	6.5	6.2
Recurring P/E @ target price (x) *	5.3	7.2	7.0	7.0	6.7
Reported P/E (x)	4.9	6.7	6.5	6.5	6.2
Dividend yield (%)	7.1	3.5	6.9	7.0	7.3
Price/book (x)	0.9	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.9	0.8	0.7	0.7	0.7
EV/EBITDA (x) **	6.7	8.6	8.5	8.6	8.0
EV/EBITDA @ target price (x) **	7.1	9.0	9.0	9.0	8.4
EV/invested capital (x)	0.9	0.8	0.8	0.8	0.7

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

Sources: Supalai; FSSIA estimates

Supalai PCL (SPALI TB)

FSSIA ESG rating

59.80 /100
Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
NOBLE	30.88	--	Y	Y	5.00	5.00	Certified	--	--	--	--	--	7.00	--	--
ORI	53.22	--	Y	Y	5.00	5.00	Certified	Medium	41.33	--	--	48.60	--	3.82	52.01
SC	60.14	--	Y	Y	5.00	4.00	Certified	Low	45.20	--	--	70.85	25.00	2.34	42.60
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.80	2.22	2.06	2.11	2.06	2.05	1.98	2.19
BESG environmental pillar score	0.00	0.67	0.67	0.67	0.67	0.67	0.71	1.14
BESG social pillar score	5.95	5.91	3.67	3.67	3.67	3.67	3.67	3.67
BESG governance pillar score	4.06	3.78	3.93	4.12	3.95	3.92	3.60	3.37
ESG disclosure score	40.17	41.80	41.62	41.62	41.62	41.73	42.11	42.36
Environmental disclosure score	14.80	16.49	16.49	16.49	16.49	16.82	17.97	17.97
Social disclosure score	21.95	25.15	24.61	24.61	24.61	24.61	24.61	25.36
Governance disclosure score	83.59	83.59	83.59	83.59	83.59	83.59	83.59	83.59
Environmental								
Emissions reduction initiatives	No	No	No	No	No	No	Yes	Yes
Climate change policy	No	No	No	No	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	Yes	Yes
GHG scope 1	--	--	--	--	--	--	--	--
GHG scope 2 location-based	--	--	--	--	--	--	--	--
GHG Scope 3	--	--	--	--	--	--	--	--
Carbon per unit of production	--	--	--	--	--	--	--	--
Biodiversity policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	--	--	--	--	--	--	--	--
Renewable energy use	--	--	--	--	--	--	--	--
Electricity used	--	--	--	--	--	--	--	--
Fuel used - natural gas	--	--	--	--	--	--	--	--

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	No	No	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	49	47	47	48	48	48	49	49
Pct disabled in workforce	0	0	0	0	0	0	0	0
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	1	1	1	1	0	0	0	—
Training policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	924	1,061	1,383	1,495	1,558	1,617	1,645	1,725
Employee turnover pct	—	12	12	11	10	7	10	11
Total hours spent by firm - employee training	25,253	28,997	36,318	39,677	39,168	35,234	12,091	80,454
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	11	11	11	10	10	10	10	10
No. of independent directors (ID)	5	5	5	4	4	4	4	4
No. of women on board	1	1	1	1	1	1	1	1
No. of non-executive directors on board	7	7	7	6	6	6	6	6
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	12	13	12	13	12	12
Board meeting attendance pct	96	98	99	99	99	99	100	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	37	38	39	40	41	42	43	44
Age of the oldest director	73	74	77	78	79	80	81	82
No. of executives / company managers	9	10	12	10	14	14	13	13
No. of female executives	3	3	4	4	5	5	5	5
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	12	12	12	12	12	12	12	12
Audit meeting attendance %	92	100	100	100	94	100	97	97
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	2	2	2	2	1	1	2	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	2	2	2	2	1	1	2	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > 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.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating 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.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
0-10	10-20	20-30	30-40	40+																										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

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**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

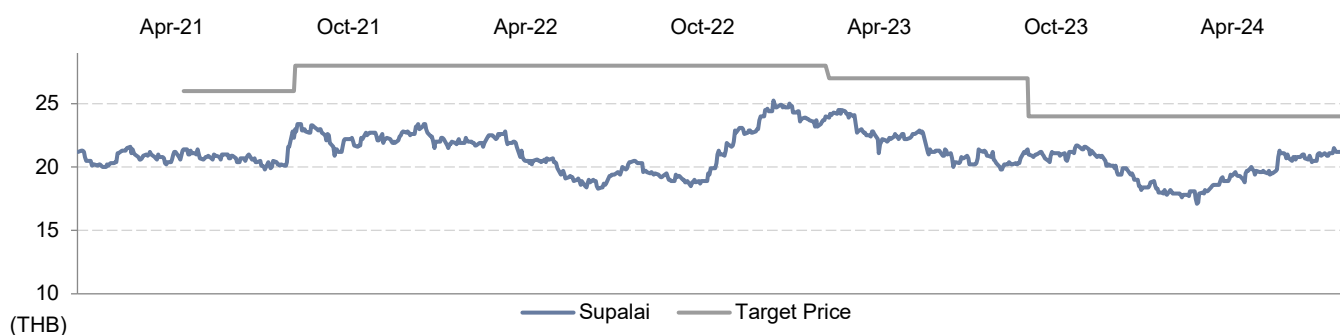
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Supalai (SPALI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Jul-2021	BUY	26.00	27-Jan-2023	BUY	27.00	-	-	-
26-Oct-2021	BUY	28.00	20-Jul-2023	BUY	24.00			

Thanyatorn Songwutti started covering this stock from 27-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Supalai	SPALI TB	THB 20.50	HOLD	Downside risks to our P/E TP include 1) a more sluggish economy and property market than expected, 2) a lower-than-expected take-up rate and slower introduction of new projects than planned, 3) the interest rate uptrend, which would affect purchasing power, 4) a higher rejection rate and customers' cancellation, 5) construction delay and labor shortages, 6) fierce competition, and 7) weaker operating performance from the Australian projects than expected. And upside risks are 1) benefits from the property stimulus measures, 2) a faster-than-expected low-rise market recovery and 3) the progress of its inventory sales.

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 Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 22-Apr-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

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.