

8 DECEMBER 2020

THAILAND / REAL ESTATE

AP (THAILAND) AP TB

BUY

TARGET PRICE THB9.50
CLOSE THB7.70
UP/DOWNSIDE +23.4%
TP vs CONSENSUS +18.9%

กำไรสุทธิสูงเป็นประวัติการณ์แม้ว่ามีโรคระบาด

กำไรมีความชัดเจนสูง การประเมินมูลค่าอยู่ในระดับต่ำ และให้ผลตอบแทนดี เรขอบ AP จาก 1) ความชัดเจนของกำไรของบริษัทฯ อยู่ในระดับสูงในปี 2021-22E โดย AP มียอดขายโครงการคอนโดจำนวนมากในช่วง 2Q17-1Q19 ซึ่งอยู่ที่มากกว่า 5.0 พัน ลบ. ต่อไตรมาส ซึ่งจะทยอยรับรู้เป็นรายได้ในปี 2020-22 เนื่องจากโครงการดังกล่าวมีระยะเวลาก่อสร้างเฉลี่ยอยู่ที่ 2-3 ปี; 2) แนวโน้มยอดขายที่ดีสำหรับโครงการแนวราบ ซึ่งอาจเปลี่ยนเป็นรายได้ภายใน 1 ไตรมาส; 3) ระดับการประเมินมูลค่าที่ต่ำ; และ 4) ผลตอบแทนในรูปเงินปันผลที่ดีในปี 2021-22E โดยอยู่ที่ 5.8-6.3%

ยอดขายโครงการแนวราบสูงเป็นประวัติการณ์ใน 3Q20

AP วางแผนเปิดตัว 12 โครงการมูลค่ารวม 14.0 พัน ลบ. ใน 4Q20 (11 พัน ลบ. เป็นโครงการแนวราบ) ซึ่งทำให้มูลค่าโครงการเปิดตัวใหม่ในปี 2020 อยู่ที่ 45.0 พัน ลบ. (เทียบกับ 47.9 พัน ลบ. ในปี 2019) โครงการใหม่ดังกล่าวจะช่วยสนับสนุนแนวโน้มยอดขายโครงการใน 4Q20-1H21 AP รายงานยอดขายโครงการแนวราบรายไตรมาสสูงเป็นประวัติการณ์ โดยอยู่ที่ 8.1 พัน ลบ. ใน 3Q20 พร้อมกับยอดขายโครงการคอนโดจำนวน 900 ลบ. ทำให้ยอดขายโครงการของบริษัทฯ ในช่วง 9M20 อยู่ที่ 24.1 พัน ลบ. คิดเป็นประมาณ 72% ของเป้าหมายทั้งปีที่ 33.5 พัน ลบ. AP วางแผนเปิดตัว 5 โครงการในต่างจังหวัดใน 4Q20 รวมมูลค่า 4.7 พัน ลบ. เราคาดว่าโครงการดังกล่าวจะมีอัตราการจองเฉลี่ยอยู่ที่ 10% จากชื่อเสียงของโครงการซึ่งเป็นที่รู้จักและราคาที่แข่งขันได้ในตลาด อัตราการไต่ขึ้นต้นอาจลดลงเหลือ 27-28% เมื่อเทียบกับอัตราการไต่ขึ้นต้นเฉลี่ยสำหรับโครงการแนวราบที่ 30% เนื่องจากยังอยู่ในช่วงเริ่มต้นของการบุกตลาดต่างจังหวัด

ยอดขายรับรู้เป็นรายได้มีคุณภาพดี รองรับ 61% ของประมาณการรายได้ในปี 2021

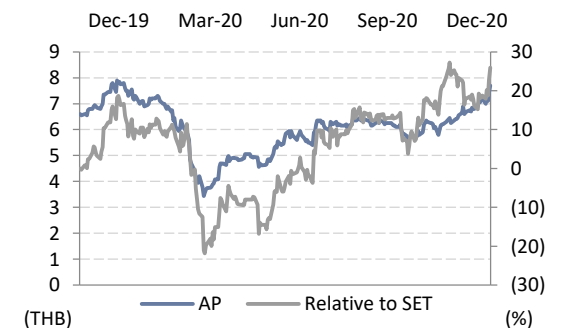
AP รายงานยอดขายคอนโดรับรู้เป็นรายได้จำนวน 37 พัน ลบ. ใน 3Q20 จากตัวเลขดังกล่าว บริษัทฯ ควรรับรู้ประมาณ 15.0 พัน ลบ. และ 11.0 พัน ลบ. เป็นรายได้ในปี 2021-22 เรามองว่ายอดขายให้ลูกค้าในต่างประเทศ (ประมาณ 30% ของยอดขายรวม) มีความเสี่ยงที่จะถูกยกเลิกต่ำ เนื่องจาก AP เก็บเงินมัดจำ 20-30% (เทียบกับอัตราปกติที่ 10-15% ของลูกค้าในประเทศ) เราคาดว่าบริษัทฯ จะขายโครงการคอนโดพร้อมขายในราคาปกติ ยกเว้น Life Sathorn Sirrea (มูลค่า 6.3 พัน ลบ., ขายได้ 23%, เปิดตัว 3Q19) โครงการดังกล่าวอยู่ในตลาดพลู ซึ่งเป็นทำเลที่มีการแข่งขันสูงและมีราคาขายเฉลี่ยอยู่ที่ 80k-90k/ตรม. โดยบริษัทฯ ตั้งเป้าจับตลาดระดับกลางถึงล่าง ซึ่งอาจได้รับผลกระทบจากมาตรการลดอัตราส่วนสินเชื่อต่อมูลค่าบ้าน (LTV)

หุ้นเด่นในกลุ่มอสังหาริมทรัพย์

เรากลับมาเริ่มรายงาน AP ด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 9.5 บาท ราคาดังกล่าวคิดจากค่า 2021E P/E ที่ 7.5x เทียบเท่า 0.5SD ของค่าเฉลี่ยย้อนหลัง 5 ปี แม้ว่ากำไรของ AP ในปี 2021 มีแนวโน้มทรงตัว อัตราการเติบโตดังกล่าวเกิดจากฐานที่สูงในปี 2020E เนื่องจากเราคาดว่าบริษัทฯ จะรายงานกำไรสูงเป็นประวัติการณ์ในปีนี้ ปัจจุบันหุ้นมีการประเมินมูลค่าในระดับที่ต่ำเพียง 6.1x ของค่า 2021E P/E เทียบกับค่าเฉลี่ยของกลุ่มฯ ที่ 9.3x นอกจากนี้เรายังเห็นโอกาสที่ผลประโยชน์จะสูงเกินคาดจากโครงการใหม่ในต่างจังหวัด ซึ่งมีอัตราการจองที่น่าพึงพอใจ

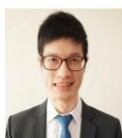
KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	23,802	28,794	28,188	29,231
Net profit	3,068	4,026	3,980	4,363
EPS (THB)	0.98	1.28	1.27	1.39
vs Consensus (%)	-	8.9	9.6	18.0
EBITDA	2,851	3,349	3,610	3,888
Core net profit	2,991	4,026	3,980	4,363
Core EPS (THB)	0.95	1.28	1.27	1.39
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(24.4)	34.6	(1.1)	9.6
Core P/E (x)	8.1	6.0	6.1	5.6
Dividend yield (%)	5.2	5.2	5.8	6.3
EV/EBITDA (x)	18.0	15.6	12.9	11.5
Price/book (x)	0.9	0.8	0.8	0.7
Net debt/Equity (%)	102.8	96.0	70.1	59.0
ROE (%)	11.8	14.5	13.1	13.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	20.3	23.2	16.7
Relative to country (%)	1.4	11.5	26.0
Mkt cap (USD m)	803		
3m avg. daily turnover (USD m)	3.2		
Free float (%)	66		
Major shareholder	Mr. Anuphong Assavabhokhin (21%)		
12m high/low (THB)	7.95/3.40		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimates



Karun Intrachai

karun.int@fssia.com

+66 2611 3555

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 8 ธันวาคม 2020

Investment thesis

In 2014, AP formed a JV with MJRT, a subsidiary of Mitsubishi Estate (8802 JP), with a 51% stake. the JV strategy allowed AP to undertake more condo projects and helped to ease the capital intensity of condo development. For condo projects that have been launched, the average take-up rate was 75% at end-2019, driven by AP's Japanese partner which has provided its interior and exterior design know-how.

We like AP due to 1) its high earnings visibility in 2021-22E. AP achieved high condominium presales during 2Q17-1Q19 at above THB5.0b per quarter which should be recognized in 2020-22 due to the average construction period of 2-3 years; 2) its solid presales momentum from low-rise projects which could turn to revenue within a quarter; 3) its undemanding valuation; and 4) its decent 2021-22E dividend yield at or above 6%.

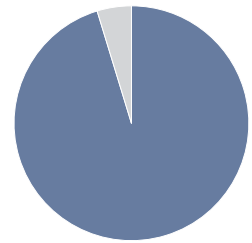
Company profile

Founded by Mr Anuphong Assavabhokhin and Mr Pichet Vipavasuphakorn in 1991, AP was listed in 2000 after being merged with the PCM Precast Floors Plc, which was founded by Land & Houses Plc. AP has no cross shareholdings with LH.

www.apthai.com

Principal activities (revenue, 2019)

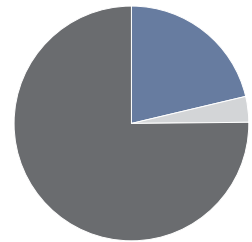
- Sales - 95.3 %
- Service income - 4.7 %



Source: AP (Thailand)

Major shareholders

- Mr. Anuphong Assavabhokhin - 21.3 %
- Vipavasuphakorn Family - 3.5 %
- Others - 75.2 %



Source: AP (Thailand)

Catalyst

Potential catalysts to drive AP's share price include:

- 1) New launches with successful take-up rates from condominiums;
- 2) Higher-than-expected feedback from their provincial projects.

Risk to our call

Downside risks to our TP are declining profitability from rising cost pressure in tandem with weakening pricing power and increased competition, such that it hurts take-up rates. This is especially true for condominium projects which typically have more units than low-rise projects.

Event calendar

Date	Event
February 2021	4Q20 results announcement

Key assumptions

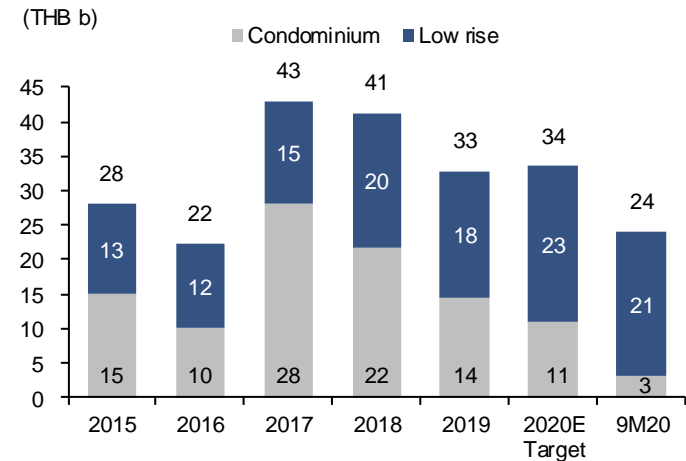
	2019	2020E	2021E	2022E
	(%)	(%)	(%)	(%)
Residential sales (THB m)	22,679	27,637	26,996	28,003
Residential sales growth	(13.4)	21.9	(2.3)	3.7
Residential GPM	32.1	30.3	31.4	31.9
SG&A to sales	22.9	20.7	20.9	20.9
Equity income from JV (THB m)	1,009	1,700	1,445	1,589

Source: FSSIA estimates

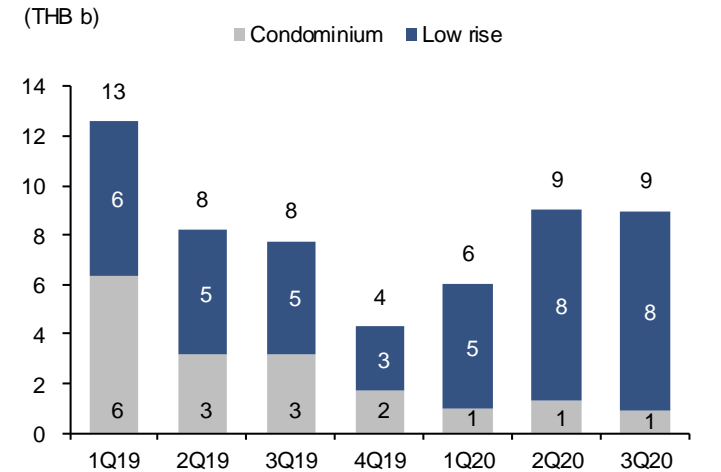
Earnings sensitivity

- For every 1% increase in residential revenue, we project 2021 earnings to rise by 0.6%, and vice versa, all else being equal.
- For every 1% increase in GPM, we project 2021 earnings to rise by 5.9%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2021 earnings to drop by 5.8%, and vice versa, all else being equal.

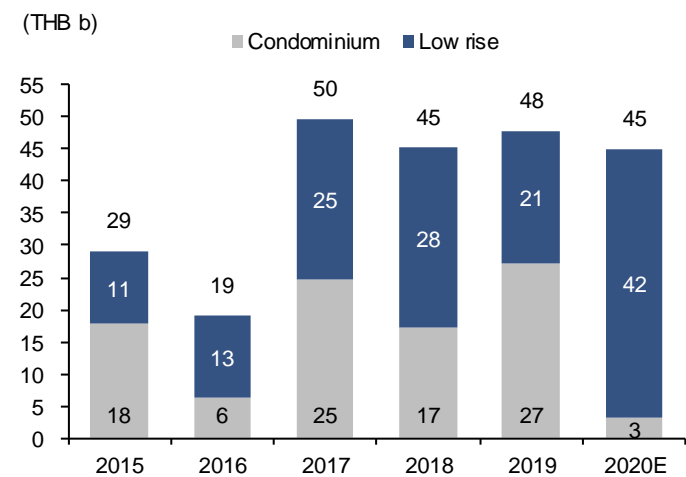
Source: FSSIA estimates

Exhibit 1: Yearly presales and target

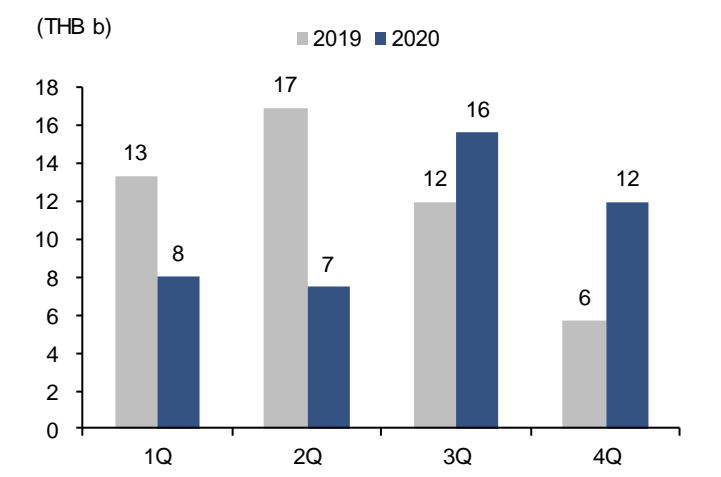
Sources: AP; FSSIA's compilation

Exhibit 2: Quarterly presales

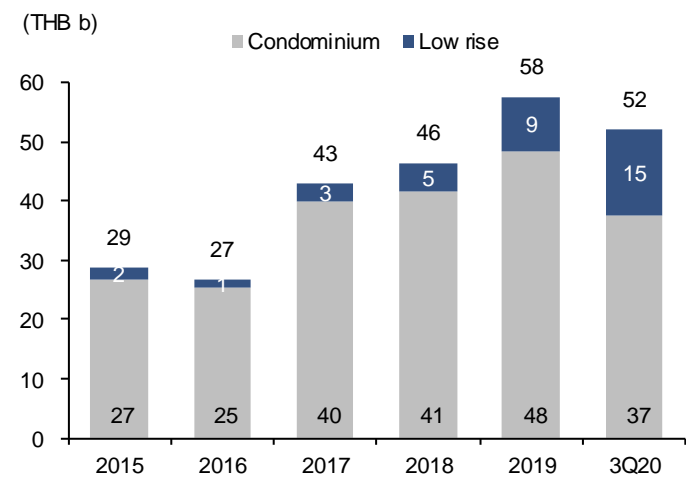
Sources: AP; FSSIA's compilation

Exhibit 3: New launch plan

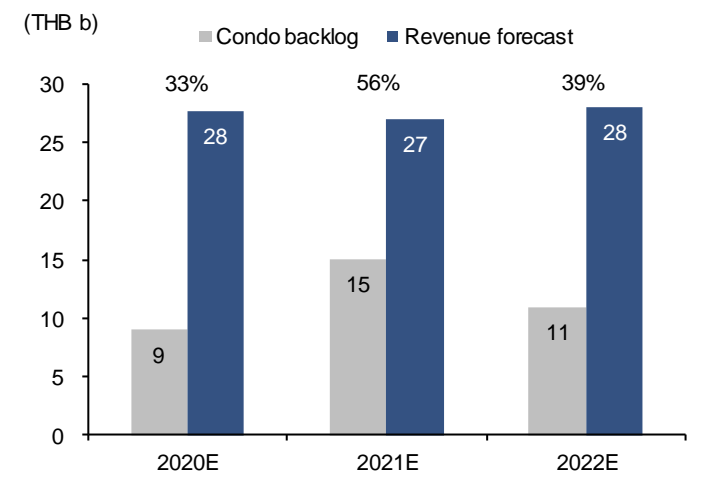
Source: AP estimates

Exhibit 4: Launch plan by quarter

Sources: AP; FSSIA's compilation

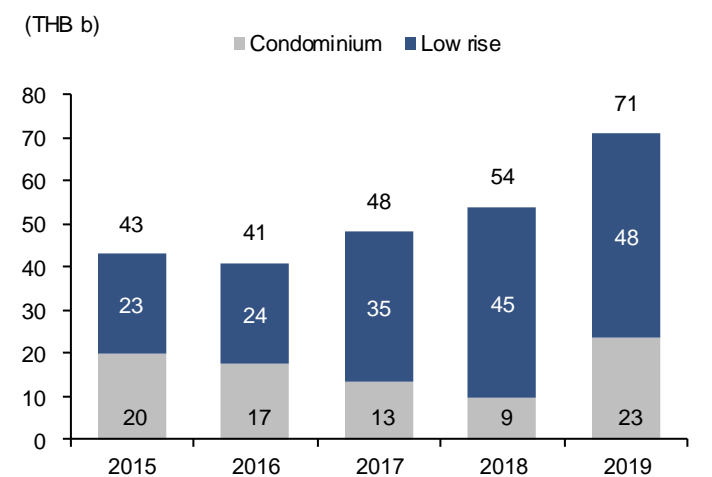
Exhibit 5: Backlog

Sources: AP; FSSIA's compilation

Exhibit 6: Condo backlog transfer schedule vs revenue forecast

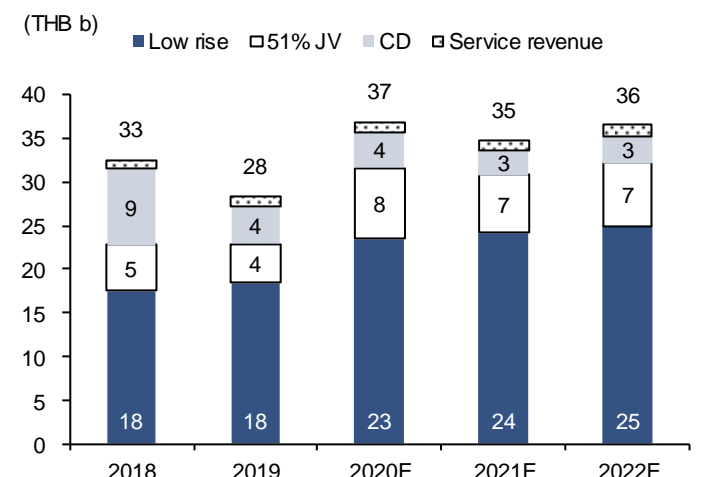
Sources: AP; FSSIA estimates

Exhibit 7: Inventory



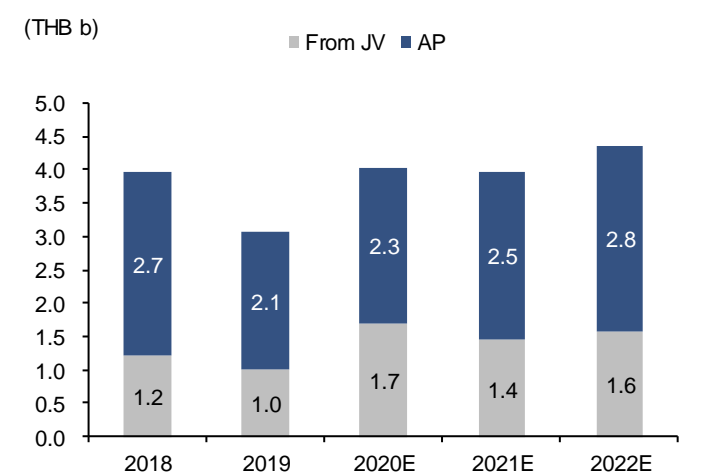
Sources: AP; FSSIA's compilation

Exhibit 8: Revenue breakdown



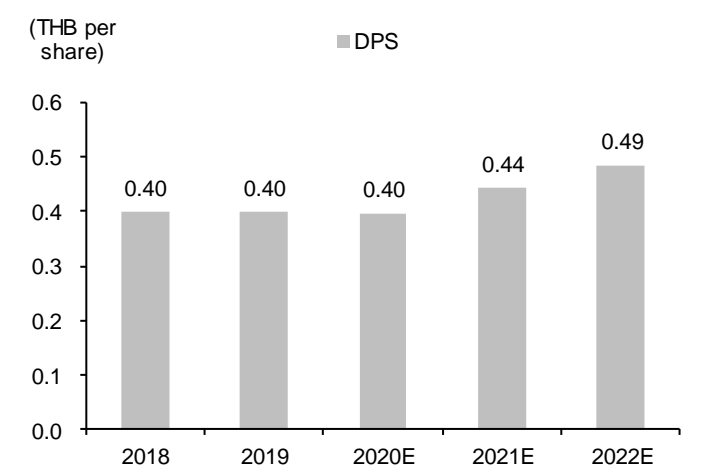
Sources: AP; FSSIA estimates

Exhibit 9: Net profit contribution breakdown



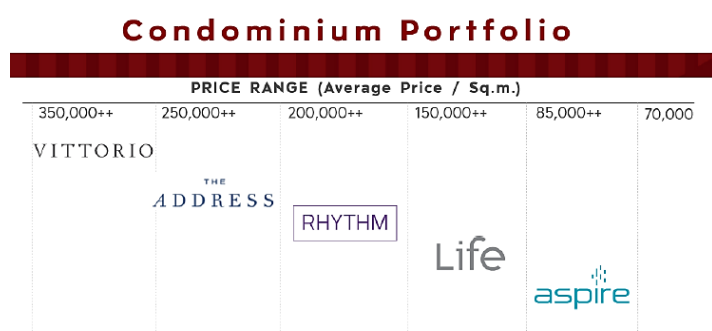
Sources: AP; FSSIA estimates

Exhibit 10: Dividend per share



Sources: AP; FSSIA estimates

Exhibit 11: Condominium portfolio



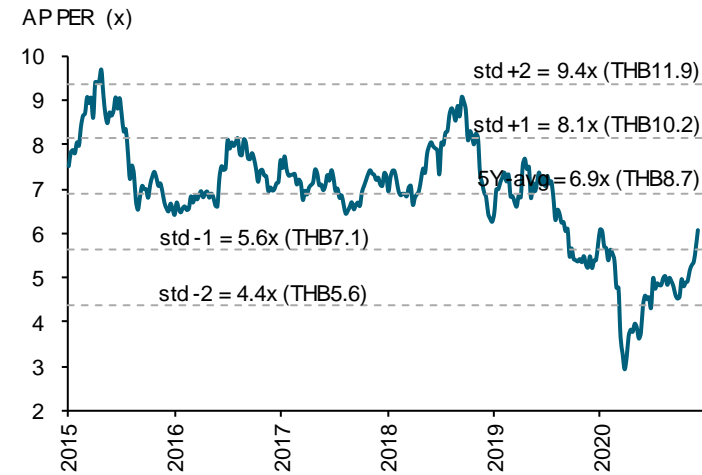
Source: AP

Exhibit 12: Low-rise portfolio



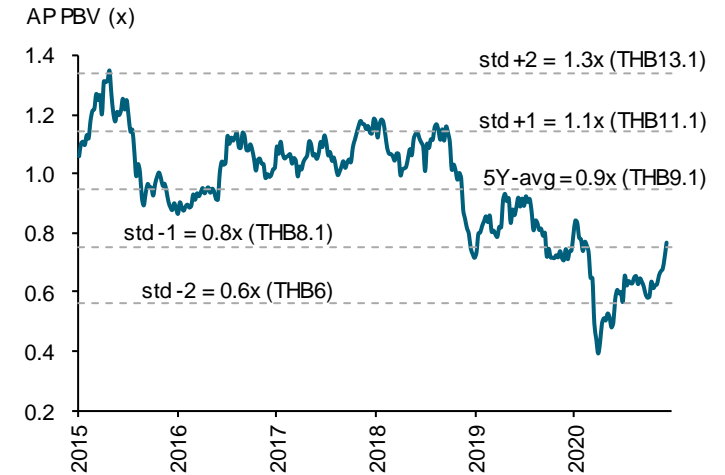
Source: AP

Exhibit 13: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Schedule of condominium transfers as of 30 Sep 2020

Condo projects	Project value	Total units	Units sold	Accumulated transfer 2019	20E	21E	22E	23E	24E	Launch year	Estimated transfer start	Estimated transfer finish
	(THB m)	(no.)	(%)	(%)	(%)	(%)	(%)	(%)	(%)			
Aspire Ngamwongwan	2,750	1,458	100	93	7					4Q10	4Q16	Completed
Vittorio	3,200	88	100	99	1					1Q13	2Q18	Completed
Aspire Udonthani	620	413	100	95	5					1Q13	1Q15	Completed
Aspire Rattanaibet II	2,900	1,428	87	75	15	10				1Q13	1Q16	4Q21
Coo Phitsanulok	650	448	100	87	13					4Q13	4Q15	Completed
Aspire Erawan Phase 1	3,500	1,576	100	85	15					3Q15	4Q17	4Q20
Aspire Sathorn-Taksin Phase 3	1,260	613	100	98	2					2Q16	4Q16	Completed
Aspire Sathorn-Ratchaphreuk	3,000	1,049	97	58	25	17				1Q18	4Q18	4Q21
Aspire Sukhumvit-Onnut Phase I	1,600	553	44	0	60	40				1Q19	1Q20	4Q21
Aspire Asoke-Ratchada	2,900	1,025	95	0	45	55				1Q19	3Q20	4Q21
Aspire Erawan Prime	3,200	1,275	0	0			35	35	30	4Q20	4Q22	4Q24
Total	25,580	9,926	93									
JV projects												
Life Pinklao	2,800	803	100	90	10					4Q15	4Q17	Completed
Life Ladprao	8,000	1,615	93	0	55	45				2Q17	1Q20	4Q21
Life One Wireless	8,050	1,344	93	44	56					3Q17	4Q19	4Q20
Life Asoke - Rama 9	9,800	2,248	94	0	40	45	15			4Q17	3Q20	2Q22
Life Sukhumvit 62	2,050	438	100	52	48					1Q18	4Q19	4Q20
Life Ladprao Valley	6,400	1,140	69	0		40	50	10		3Q18	3Q21	2Q23
Life Asoke - Hype	5,700	1,253	79	0		35	40	25		4Q18	4Q21	2Q23
Rhythm Ekkamai Estate	3,200	303	31	0		50	50			1Q19	3Q21	4Q22
The Address Siam - Ratchathewi	8,800	880	34	0			30	45	25	2Q19	2Q22	2Q24
Life Sathorn Sierra	6,300	1,971	31	0			40	30	30	3Q19	2Q22	3Q24
Rhythm Charoenkrung Pavillion	4,700	421	55	0			20	55	25	4Q19	4Q22	2Q24
Total of JV projects	65,800	12,416	73									

Sources: AP; FSSIA's compilation

Exhibit 16: Projects launches in 2020

Project name	Area	Units	Project value	% sold unit*	Launch period
	(rai)	(no.)	(THB m)	(%)	
Pleno Ratchapruek - Chaengwattana	30	301	770	20	1Q20
Pleno Ramintra - Bangchan station	27	252	850	26	1Q20
Pleno Rama 9 - Krungthep Kreetha 2	32	316	1,200	17	1Q20
Baan Klang Muang The Edition Bangna - Wongwaen (Business district)	2	17	180	47	2Q20
District Theparak	4	40	180	20	3Q20
Pleno Rattanathibet - Bangyai	39	421	1,050	13	3Q20
Baan Klang Muang The Edition Sathorn - Suksawat	34	299	1,725	8	3Q20
Pleno Srinakarin - Thepharak	31	299	940	17	3Q20
Pleno Tiwanon	50	498	1,400	7	3Q20
Pleno Suksawat - Prachauthit	54	492	1,185	10	3Q20
Pleno Suksawat 30 (2)	29	342	1,180	13	3Q20
Baan Klang Muang Ratchapruek - Sathorn	37	364	1,780	8	3Q20
Pleno Rangsit	31	358	700		4Q20
Baan Klang Muang Phahol - Ramintra	27	272	1,400		4Q20
Grande Pleno Ramintra - Wongwaen	18	80	430		4Q20
Pleno Ramintra - Jatuchote	18	171	540		4Q20
Baan Klang Muang Ramintra 83 station	53	458	2,270		4Q20
Baan Klang Muang Srinakarin - Onnut	14	155	750		4Q20
Townhouse			18,530		
Centro Bangna - Kingkaew	62	294	1,930	14	1Q20
The City Saphan Mahachesadabodin	27	76	1,165	21	1Q20
Centro Chaiyapruet 345	33	161	870	22	1Q20
The City Suksawat 64	30	116	1,240	17	1Q20
Centro Saphan Mahachesadabodin 2	28	102	900	24	2Q20
Centro Prachauthit 90	51	256	1,150	19	2Q20
The City Rama 9 - Krungthep Kreetha	21	76	1,000	28	2Q20
Centro Sathorn - Kalpapruet	38	173	1,500	34	2Q20
The City Ramintra 2	33	114	1,140	27	2Q20
The City Sathorn - Kalpapruet	31	121	1,580	20	2Q20
The City Rama 2 - Phuttha Bucha	30	112	1,210	12	3Q20
The Palazzo Pinklao	30	45	1,440	16	3Q20
Centro Ratchapruek - Suan Phak 2	16	68	570	56	3Q20
The City Rama 9 - Ramkhamhaeng	36	130	1,650	4	3Q20
Centro rama 9 - Krungthep Kreetha	32	127	1,135	9	3Q20
The City Sathorn - Suksawat 2	4	6	150	100	3Q20
The City Boromarajonani - Thawiwatthana	32	82	950		4Q20
The City Sukhumvit - Onnut	24	88	1,280		4Q20
Single Detached House			20,860		
Api Town Nakhonsrithammarat	35	215	650		4Q20
Api Town Rayong	46	286	800		4Q20
Api Town Khonkaen	45	279	980		4Q20
Upcountry			2,430		
Aspire Erawan Prime	6	1,275	3,200		4Q20
Condo			3,200		
Total new launch			45,020		

Sources: AP; FSSIA's compilation

Exhibit 17: Active projects

Brand	Projects	Units	Project value	% sold units	Available for sales
	(no.)	(no.)	(THB m)	(%)	(THB m)
Single-detached house					
Palazzo	2	97	3,249	44	1,761
Mind	2	123	907	95	51
City	15	1,644	21,736	40	12,796
Centro	23	4,823	30,239	55	13,693
SDH - Available for sales	42		56,131		28,300
Townhouse					
Baan Klang Muang	19	3,773	20,873	49	10,836
Pleno	33	10,543	31,401	46	16,893
District	2	76	606	55	167
Sonne	1	56	673	55	300
TH - Available for sales	55		53,553		28,197
Condominium (AP)					
Aspire	5	5,631	13,900	90	1,535
Condo - Available for sales (excl. JV)	5		13,900		1,535
Total ongoing projects available for sales (excl. JV)	102		123,584		58,032
Brand	Projects	Units	Project value	% sold units	Available for sales
	(no.)	(no.)	(THB m)	(%)	(THB m)
The Address	1	880	8,800	34	5,830
Rhythm	2	724	7,900	45	4,329
Life	7	10,009	46,300	77	8,450
JV - Available for sales	10		63,000		18,609

Sources: AP; FSSIA's compilation

Exhibit 18: Key valuations of companies under coverage

	BBG	Rec	---Share price---		Up(down)	Market	EPS growth		--- PE ---		-- DivYld --		--- ROE ---		--- PBV ---	
			Current	Target	side	Cap	21E	22E	21E	22E	21E	22E	21E	22E	21E	22E
			(THB)	(THB)	(%)	(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)
AP (Thailand)	AP TB	BUY	7.70	9.50	23	803	(1.1)	9.6	6.1	5.6	5.8	6.3	13.1	13.2	0.8	0.7
Land and Houses	LH TB	BUY	8.20	9.60	17	3,250	17.4	12.2	13.2	11.8	6.3	7.1	13.4	14.5	1.7	1.7
LPN Development	LPN TB	HOLD	4.94	4.70	(5)	238	2.0	4.9	9.5	9.1	5.3	5.5	6.4	6.5	0.6	0.6
Pruksa Holding	PSH TB	HOLD	12.70	12.90	2	922	11.8	11.7	8.1	7.3	7.4	8.2	7.6	8.2	0.6	0.6
Quality Houses	QH TB	HOLD	2.36	2.50	6	839	12.4	11.1	11.4	10.2	6.6	7.3	8.0	8.7	0.9	0.9
Supalai	SPALI TB	BUY	18.80	21.00	12	1,215	21.5	9.8	8.1	7.4	5.9	6.1	12.4	12.7	1.0	0.9
Coverage						7,266	12.6	10.8	9.8	8.8	6.3	6.9	10.8	11.5	1.0	1.0

Share prices as of 4 December 2020

Source: FSSIA estimates

Financial Statements

AP (Thailand)

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	27,271	23,802	28,794	28,188	29,231
Cost of goods sold	(18,253)	(15,508)	(19,478)	(18,683)	(19,230)
Gross profit	9,018	8,294	9,316	9,505	10,001
Other operating income	0	0	0	0	0
Operating costs	(5,295)	(5,443)	(5,967)	(5,895)	(6,114)
Operating EBITDA	3,723	2,851	3,349	3,610	3,888
Depreciation	(86)	(118)	(121)	(134)	(148)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,637	2,732	3,229	3,475	3,740
Net financing costs	(113)	(238)	(301)	(275)	(235)
Associates	1,218	1,009	1,700	1,445	1,589
Recurring non operating income	1,203	1,074	1,782	1,525	1,672
Non recurring items	5	77	0	0	0
Profit before tax	4,732	3,645	4,709	4,725	5,177
Tax	(779)	(581)	(683)	(745)	(815)
Profit after tax	3,953	3,064	4,026	3,980	4,363
Minority interests	10	4	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	3,963	3,068	4,026	3,980	4,363
Non recurring items & goodwill (net)	(5)	(77)	0	0	0
Recurring net profit	3,958	2,991	4,026	3,980	4,363
Per share (THB)					
Recurring EPS *	1.26	0.95	1.28	1.27	1.39
Reported EPS	1.26	0.98	1.28	1.27	1.39
DPS	0.40	0.40	0.40	0.44	0.49
Diluted shares (used to calculate per share data)	3,146	3,146	3,146	3,146	3,146
Growth					
Revenue (%)	23.0	(12.7)	21.0	(2.1)	3.7
Operating EBITDA (%)	8.3	(23.4)	17.5	7.8	7.7
Operating EBIT (%)	7.9	(24.9)	18.2	7.6	7.6
Recurring EPS (%)	28.1	(24.4)	34.6	(1.1)	9.6
Reported EPS (%)	25.5	(22.6)	31.2	(1.1)	9.6
Operating performance					
Gross margin inc depreciation (%)	32.8	34.3	31.9	33.2	33.7
Gross margin of key business (%)	31.0	32.1	30.3	31.4	31.9
Operating EBITDA margin (%)	13.7	12.0	11.6	12.8	13.3
Operating EBIT margin (%)	13.3	11.5	11.2	12.3	12.8
Net margin (%)	14.5	12.6	14.0	14.1	14.9
Effective tax rate (%)	22.2	22.7	22.7	22.7	22.7
Dividend payout on recurring profit (%)	31.8	42.1	31.0	35.0	35.0
Interest cover (X)	42.8	16.0	16.6	18.2	23.0
Inventory days	765.6	1,069.3	968.9	1,018.0	968.2
Debtor days	3.6	2.4	2.4	2.6	2.5
Creditor days	28.5	39.7	37.0	42.1	40.7
Operating ROIC (%)	7.8	4.9	5.1	5.5	6.0
ROIC (%)	9.0	6.0	6.9	6.9	7.6
ROE (%)	17.2	11.8	14.5	13.1	13.2
ROA (%)	8.6	5.9	7.0	6.8	7.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Sales	26,200	22,679	27,637	26,996	28,003
Service income	1,071	1,123	1,157	1,192	1,228

Sources: AP (Thailand); FSSIA estimates

Financial Statements

AP (Thailand)

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	3,958	2,991	4,026	3,980	4,363
Depreciation	86	118	121	134	148
Associates & minorities	0	0	0	0	0
Other non-cash items	(379)	(341)	(239)	(291)	(222)
Change in working capital	(4,879)	(8,333)	(3,501)	3,167	(916)
Cash flow from operations	(1,215)	(5,565)	407	6,990	3,373
Capex - maintenance	(217)	(150)	(150)	(150)	(150)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	268	(1,010)	(198)	(6)	(63)
Other investments (net)	283	270	302	276	236
Cash flow from investing	334	(890)	(45)	120	24
Dividends paid	(1,258)	(1,258)	(1,248)	(1,393)	(1,527)
Equity finance	163	0	0	0	0
Debt finance	1,873	7,333	775	(5,655)	(1,720)
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	777	6,074	(473)	(7,048)	(3,247)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(103)	(381)	(111)	62	149
Free cash flow to firm (FCFF)	(757.34)	(6,207.67)	663.77	7,386.27	3,632.41
Free cash flow to equity (FCFE)	992.54	877.36	1,136.86	1,455.15	1,675.96

Per share (THB)

FCFF per share	(0.24)	(1.97)	0.21	2.35	1.15
FCFE per share	0.32	0.28	0.36	0.46	0.53
Recurring cash flow per share	1.16	0.88	1.24	1.22	1.36

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	868	966	1,115	1,265	1,415
Less: Accumulated depreciation	(386)	(425)	(518)	(626)	(746)
Tangible fixed assets (Net)	483	541	597	639	668
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	4,497	5,453	5,453	5,453	5,453
Cash & equivalents	951	570	459	521	670
A/C receivable	141	169	205	200	208
Inventories	41,149	49,715	53,695	50,523	51,495
Other current assets	1,044	1,016	1,229	1,204	1,248
Current assets	43,286	51,470	55,588	52,448	53,621
Other assets	1,129	1,330	1,609	1,575	1,634
Total assets	49,395	58,794	63,247	60,116	61,376
Common equity	24,504	26,313	29,091	31,678	34,514
Minorities etc.	(13)	(17)	(17)	(17)	(17)
Total Shareholders' equity	24,491	26,296	29,074	31,661	34,497
Long term debt	13,240	14,927	15,978	12,795	11,826
Other long-term liabilities	417	514	622	609	632
Long-term liabilities	13,657	15,441	16,600	13,404	12,458
A/C payable	1,617	1,753	2,199	2,112	2,174
Short term debt	7,035	12,680	12,404	9,933	9,181
Other current liabilities	2,595	2,623	2,969	3,006	3,066
Current liabilities	11,247	17,057	17,572	15,051	14,421
Total liabilities and shareholders' equity	49,395	58,794	63,247	60,116	61,376
Net working capital	38,122	46,524	49,961	46,810	47,711
Invested capital	44,231	53,847	57,620	54,477	55,466

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

Per share (THB)

Book value per share	7.79	8.36	9.25	10.07	10.97
Tangible book value per share	7.79	8.36	9.25	10.07	10.97

Financial strength

Net debt/Equity (%)	78.9	102.8	96.0	70.1	59.0
Net debt/total assets (%)	39.1	46.0	44.2	36.9	33.1
Current ratio (x)	3.8	3.0	3.2	3.5	3.7
CF interest cover (x)	9.8	4.7	4.8	6.3	8.1

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	6.1	8.1	6.0	6.1	5.6
Recurring P/E @ target price (x) *	7.6	10.0	7.4	7.5	6.9
Reported P/E (x)	6.1	7.9	6.0	6.1	5.6
Dividend yield (%)	5.2	5.2	5.2	5.8	6.3
Price/book (x)	1.0	0.9	0.8	0.8	0.7
Price/tangible book (x)	1.0	0.9	0.8	0.8	0.7
EV/EBITDA (x) **	11.7	18.0	15.6	12.9	11.5
EV/EBITDA @ target price (x) **	13.2	20.0	17.3	14.4	12.9
EV/invested capital (x)	1.0	1.0	0.9	0.9	0.8

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

Sources: AP (Thailand); FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGC	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANAH
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIUK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range		Number of Logo					Description			
90-100							Excellent			
80-89							Very Good			
70-79							Good			
60-69							Satisfactory			
50-59							Pass			
Less than 50		No logo given					-			

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

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

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:

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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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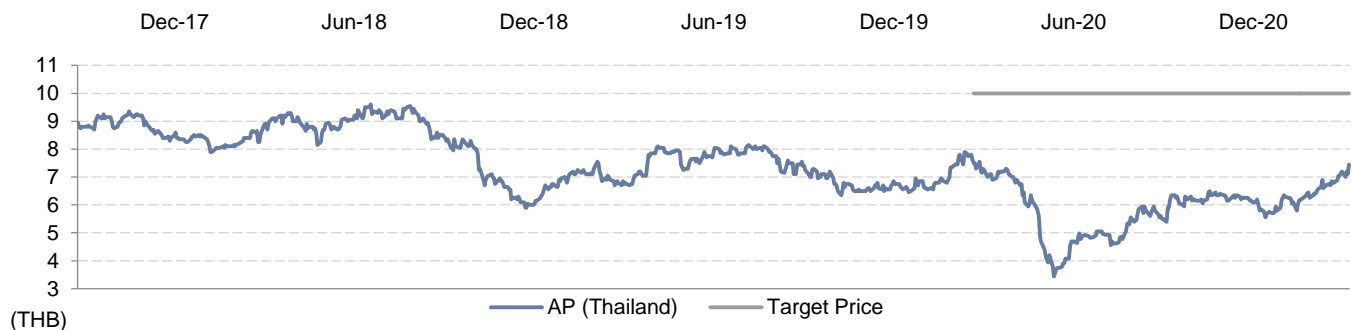
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History of change in investment rating and/or target price

AP (Thailand) (AP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Jan-2020	BUY	10.00	-	-	-	-	-	-

Karun Intrachai 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 7.70	BUY	Downside risks to our TP are declining profitability from rising cost pressure in tandem with weakening pricing power and increased competition, such that it hurts take-up rates. This is especially true for condominium projects which typically have more units than low-rise projects.

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

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All share prices are as at market close on 04-Dec-2020 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.