

8 DECEMBER 2020

THAILAND / REAL ESTATE

LPN DEVELOPMENT LPN TB

HOLD

TARGET PRICE THB4.70
CLOSE THB4.94
UP/DOWNSIDE -4.9%
TP vs CONSENSUS +23.2%

This too shall pass

กำไรมีความชัดเจนต่ำ มียอดขายรองรับกำไรเพียง 14% ในปี 2021

เรามีความกังวลเกี่ยวกับความชัดเจนของกำไรของ LPN เนื่องจากบริษัท มียอดขายรองรับกำไรเป็นรายได้เพียง 800 ลบ. ในปี 2021 คิดเป็น 14% ของประมาณการรายได้จากการขาย อสังหาริมทรัพย์ในปี 2021 ของเราที่ 6 พัน ลบ. และบริษัท อาจไม่สามารถปิดช่องว่างโดยการขายสินค้าคงคลัง กว่า 50% ของโครงการคอนโดพร้อมขายมูลค่า 7.5 พัน ลบ. มีราคาขายเฉลี่ยสูงกว่า 2.5 ลบ. ต่อหน่วย ซึ่งมีแนวโน้มขายได้ในอัตราที่ช้ากว่าเมื่อเทียบกับยูนิตที่ราคาต่ำกว่า 1.5 ลบ. นอกจากนี้ตลาดคอนโดราคาถูกดูอ่อนแอจากมาตรการปฏิเสธรสชช.ที่อยู่ในระดับสูง โดยพุ่งขึ้นถึง 38% ในช่วง 9M20 เทียบกับค่าเฉลี่ยที่ 10-15%

ปีที่เลวร้ายที่สุดได้ผ่านไปแล้ว

ยอดขายโครงการของ LPN ในรอบ 9M20 อยู่ที่ 8.2 พัน ลบ. คิดเป็น 82% ของเป้าหมายปีที่ 1 หมื่น ลบ. LPN วางแผนเปิด 4 โครงการคอนโดใหม่มูลค่ารวม 3.5 พัน ลบ. ใน 4Q20 จาก 4 โครงการดังกล่าว บริษัท จะรับรู้สองโครงการ กล่าวคือ Selected Jaran 65 (มูลค่า 1.1 พัน ลบ.) และ Ville Chaeng Watthana 10 (มูลค่า 0.5 พัน ลบ.) ใน 4Q21 ในช่วง 4Q20 บริษัท จะโอนและรับรู้ 3 โครงการ ซึ่งมียอดขายรองรับกำไรเป็นรายได้รวม 1.7 พัน ลบ. (ขายได้ 46% โดยเฉลี่ย) ดังนั้นเราจึงคาดว่ากำไรใน 4Q20 จะสูงที่สุดในปีนี้ และเรคาดว่าบริษัท อาจจะบรรลุเป้าหมายได้ในปี 2020 ของเราที่ 7.1 พัน ลบ.

2021 จะเป็นปีที่ยากลำบากอีกปีหนึ่ง

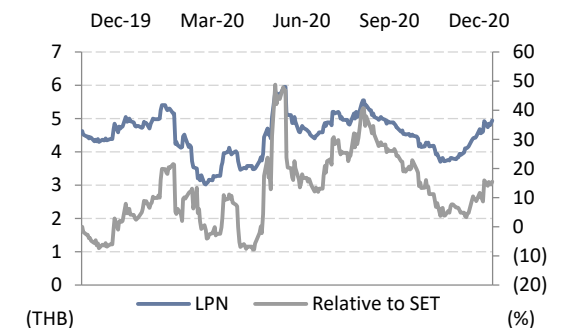
2021 อาจเป็นอีกหนึ่งปีที่ยากลำบากสำหรับ LPN ผู้บริหารวางเป้าหมายรายได้ที่ 7.0 พัน ลบ. สำหรับปีดังกล่าว ซึ่งเรามองว่าค่อนข้างท้าทายในสภาวะเศรษฐกิจมหภาคที่อ่อนแอในปัจจุบัน LPN พุ่งเป้าไปที่โครงการแนวราบ ซึ่งมีระยะเวลาก่อสร้าง 1 ปีและมูลค่าต่อยูนิตต่ำกว่า 1.2 ลบ. มากยิ่งขึ้น ซึ่งอาจช่วยเพิ่มอัตราหมุนเวียนสินค้าคงคลัง โครงการดังกล่าวมีเกณฑ์ที่ได้สิทธิ์ BOI โดยจะได้รับยกเว้นภาษี 20% LPN ได้ลดราคาขายคอนโดให้ต่ำลงเพื่อช่วยกระตุ้นยอดขายในสภาวะที่อำนาจในการจับจ่ายใช้สอยอ่อนแอในปัจจุบัน อัตรากำไรขั้นต้นของโครงการเหล่านี้อาจลดลงเหลือ 24-25% เทียบกับระดับปกติที่ 30% อย่างไรก็ดี อัตรากำไรสุทธิอาจอยู่ในระดับเดิมที่ 10% จากผลของการได้รับยกเว้นภาษี

กลับมาเริ่มรายงานด้วยคำแนะนำถือที่ราคาเป้าหมาย 4.7 บาท

เรากลับมาเริ่มรายงาน LPN ด้วยคำแนะนำถือที่ราคาเป้าหมายที่ 4.7 บาท ราคาดังกล่าวคิดจากค่า 2021E P/E ที่ 9.0x เทียบเท่า -1.0 SD ของค่าเฉลี่ย ลูกค้านะดับกลางถึงต่ำอาจเป็นผู้ได้รับผลกระทบสูงสุดจากมาตรการ LTV ซึ่งจะบังคับให้ธนาคารพาณิชย์ปรับสินเชื่อกู้ยืมอาศัยให้เข้มงวดมากยิ่งขึ้น ดังนั้นเราจึงคาดว่าตลาดดังกล่าวจะฟื้นตัวหลังสุด ถ้ารัฐบาลไม่ออกมาตรการกระตุ้นหรือธนาคารแห่งประเทศไทยไม่ผ่อนคลายกฎระเบียบให้เข้มงวดน้อยลง LPN มีความน่าสนใจเพียงประการเดียว โดยอยู่ที่ผลตอบแทนในรูปเงินปันผลที่คาดว่าจะอยู่ที่ 5.3-5.5% ในปี 2021-22

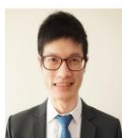
KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	9,954	7,051	7,015	7,211
Net profit	1,256	752	767	804
EPS (THB)	0.85	0.51	0.52	0.55
vs Consensus (%)	-	(2.5)	(7.6)	0.4
EBITDA	1,589	979	1,011	1,073
Core net profit	1,256	752	767	804
Core EPS (THB)	0.85	0.51	0.52	0.55
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(8.1)	(40.2)	2.0	4.9
Core P/E (x)	5.8	9.7	9.5	9.1
Dividend yield (%)	12.1	28.3	5.3	5.5
EV/EBITDA (x)	9.1	15.0	15.4	12.7
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	54.1	62.5	67.2	49.5
ROE (%)	9.6	6.0	6.4	6.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	28.6	1.2	6.9
Relative to country (%)	8.5	(8.4)	15.5
Mkt cap (USD m)	238		
3m avg. daily turnover (USD m)	1.0		
Free float (%)	94		
Major shareholder	Techakraisri family (6%)		
12m high/low (THB)	6.45/3.00		
Issued shares (m)	1,475.74		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 8 ธันวาคม 2020

Investment thesis

LPN is a pioneer of affordable mass-market residential condominiums in Bangkok. It has diversified its products in the low-rise segment with low-rise property and rental income. Its earnings outlook has been affected by the loan-to-value (LTV) restriction and the COVID-19 outbreak, as its main customer target is the affordable segment. Moreover, the demand for low-priced condo products has been undermined by the limited borrowing capacity and prolonged economic stagnation. Due to bank's tightened lending measures, LPN's target client base has been hit harder than higher-priced segments.

As a result, unless stimulus measures from the government or more relaxed regulations from the Bank of Thailand are forthcoming, we expect LPN's earnings outlook to remain muted.

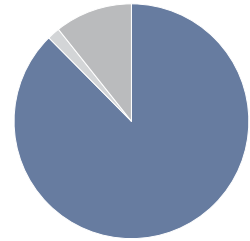
Company profile

LPN is one of the best value-for-money condo developers in the mass-market segment. Its strength lies in its after-sales service and project quality, which enhances its asset/resale prices.

www.lpn.co.th

Principal activities (revenue, 2019)

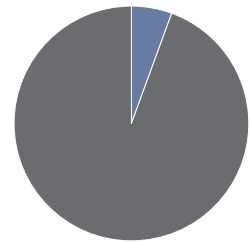
- Sales - 87.6 %
- Rental and service fees - 1.7 %
- Management business - 10.7 %



Source: LPN Development

Major shareholders

- Techakraisri family - 5.6 %
- Others - 94.4 %



Source: LPN Development

Catalyst

Potential catalysts to drive LPN's share price include:

- 1) LTV cancellation or relaxation;
- 2) Government stimulus packages;
- 3) Economic conditions improving, such as lower household debt or higher consumer confidence.

Risk to our call

Upside risks to our TP are revivals in new launches and better than-expected take-up rates of new launches. Downside risks to our call are lower profitability from inventory clearance and delays in new launches.

Event calendar

Date	Event
February 2021	4Q20 results announcement

Key assumptions

	2019	2020E	2021E	2022E
	(%)	(%)	(%)	(%)
Residential sales (THB m)	8,717	5,946	5,887	6,050
Residential sales growth	(14.4)	(31.8)	(1.0)	2.8
GPM	31.7	29.2	29.4	29.5
SG&A to sales	17.0	17.2	17.1	16.9

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in residential revenue, we project 2021 earnings to rise by 0.7%, 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 5.9%, and vice versa, all else being equal.

Source: FSSIA estimates

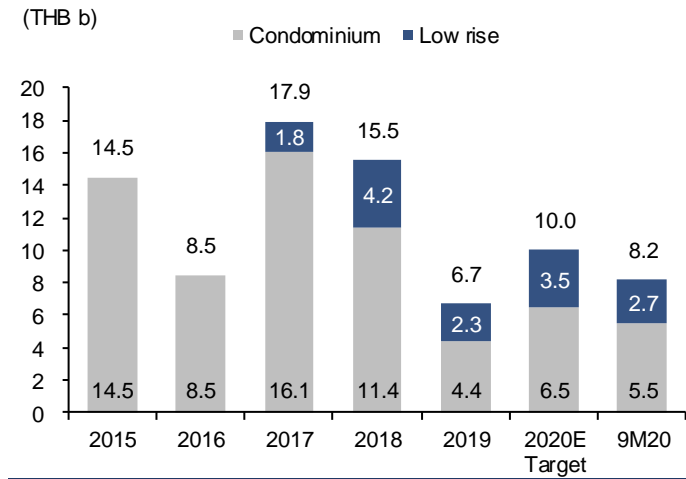
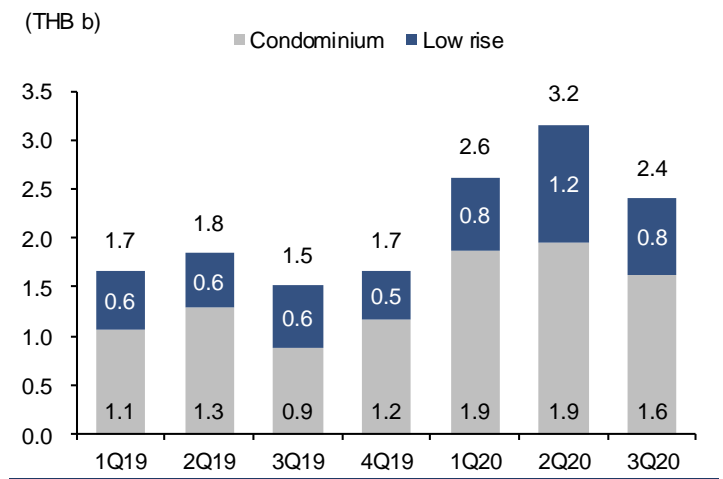
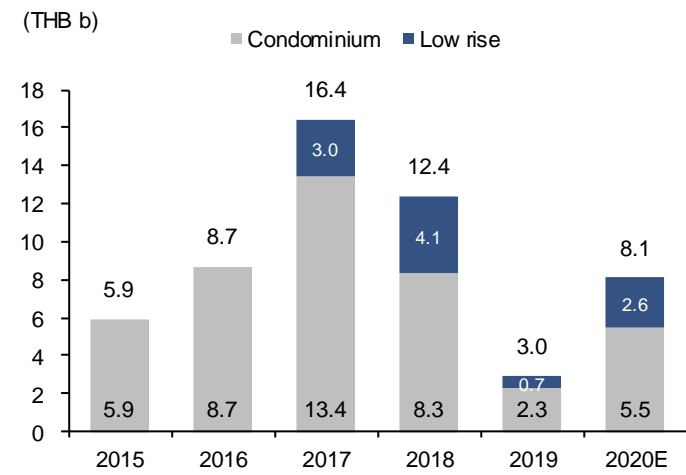
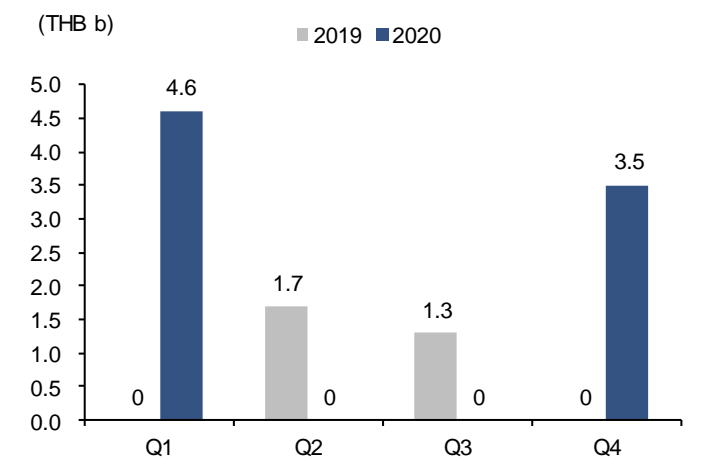
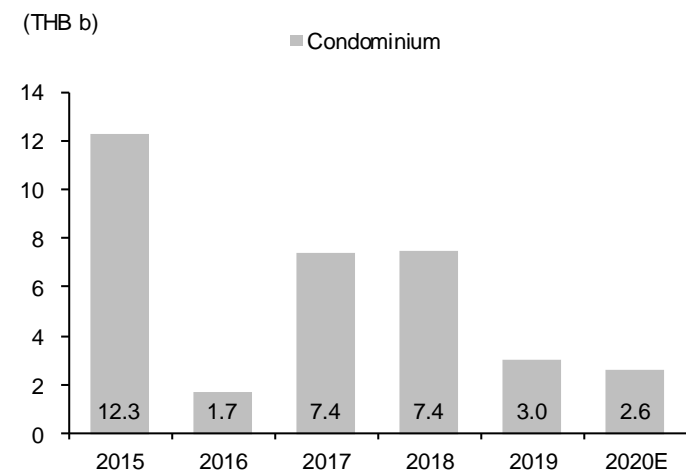
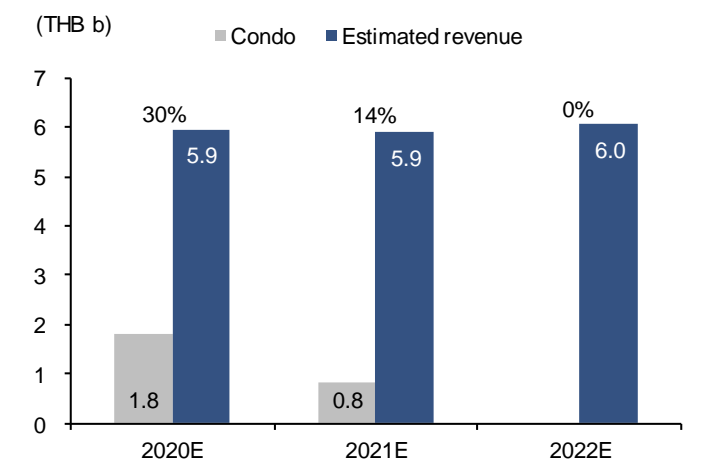
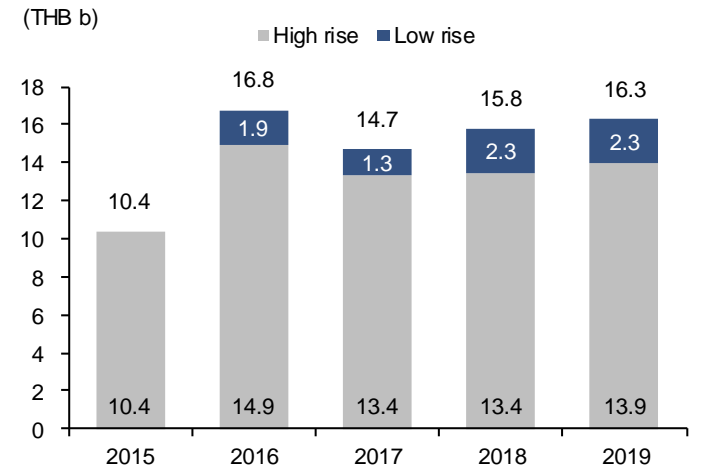
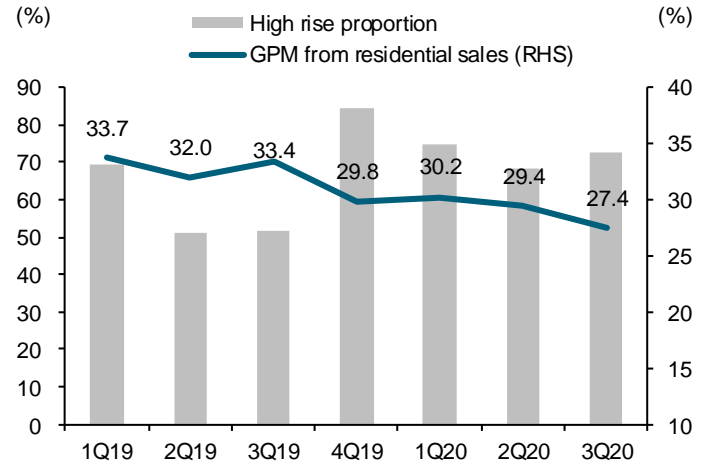
Exhibit 1: Yearly presales and target**Exhibit 2: Quarterly presales****Exhibit 3: New launch plan****Exhibit 4: Project launches by quarter****Exhibit 5: Backlog****Exhibit 6: Condo backlog transfer schedule vs revenue forecast**

Exhibit 7: Inventory



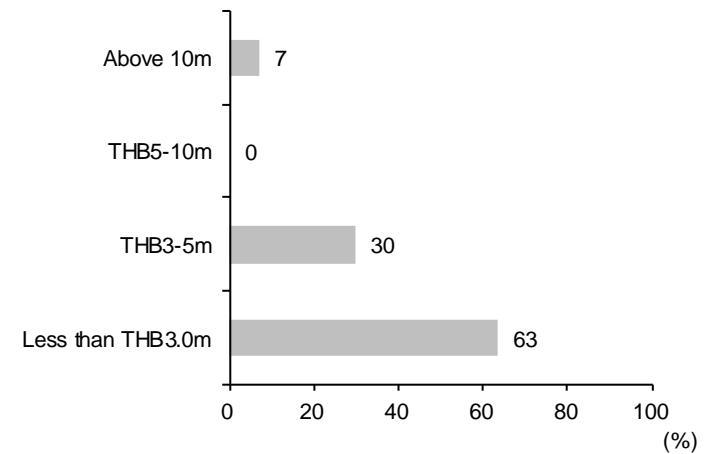
Sources: LPN; FSSIA's compilation

Exhibit 8: Revenue breakdown by segment vs GPM from residential sales



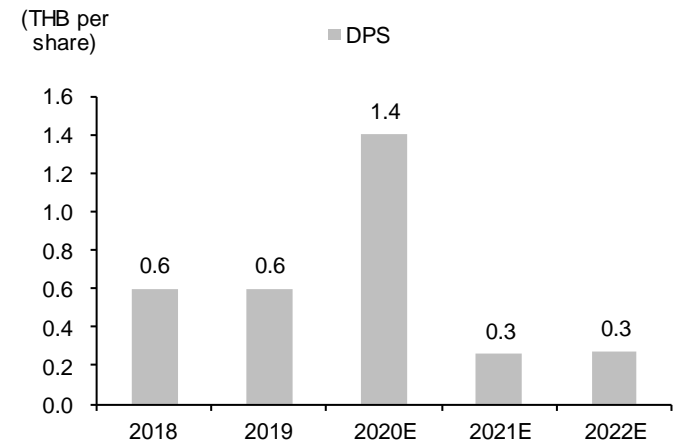
Sources: LPN; FSSIA's compilation

Exhibit 9: Inventory distribution by price range



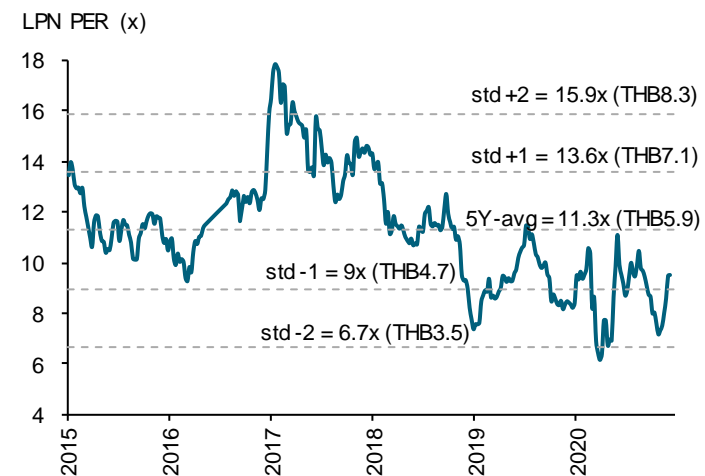
Sources: LPN; FSSIA's compilation

Exhibit 10: Dividend per share



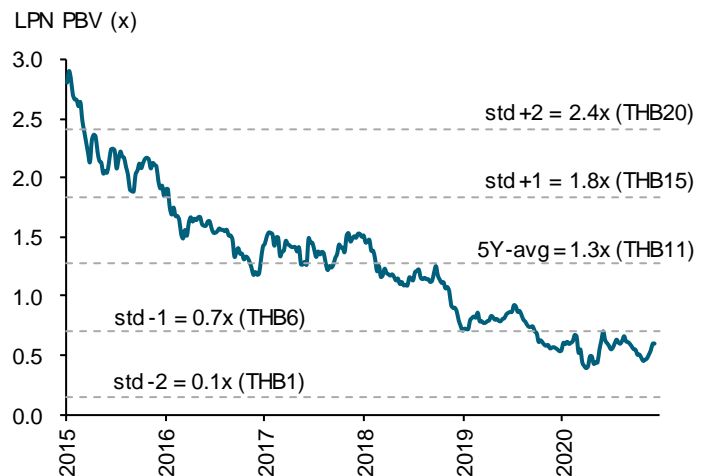
Sources: LPN; FSSIA estimates

Exhibit 11: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Planned new launches in 2020-21

As of Sep-20	Condo & Housing Launch Projects 2020-2021		Project value	No. of units	Average price	Launch	Realized
			(THB m)	(no.)	(THB/unit)		
Condominium	1	Lumpini Place Taopoon Interchange	1,700	710	2.4	1Q20	4Q21
	2	Lumpini Selected Jaran 65 - Sirindhorn Station	1,100	514	2.1	4Q20	4Q21
	3	Lumpini Ville Chaeng Watthana 10	540	476	1.1	4Q20	4Q21
	4	Lumpini Ville Chaeng Watthana - Pak Kret 17	1,065	647	1.6	4Q20	1Q22
	5	Lumpini Condotown Ekkachai 48 (phase 1)	1,130	1,085	1.0	4Q20	1Q22
		Total	5,535	3,432	1.6		
Housing	1	Baan Lumpini Town Place Sukhumvit - Srinakarin	750	133	5.6	1Q20	3Q20
	2	Baan Lumpini Town Ville Phahonyothin - Saphanmai	900	262	3.4	1Q20	3Q20
	3	Baan Lumpini Town Ville Latkrabang - Suvarnabhumi	1,250	334	3.7	1Q20	3Q20
		Total	2,900	729	4.0		

Sources: LPN; FSSIA's compilation

Exhibit 14: Details of active high-rise projects

Condominium projects as of Sep-20			Project value	Units	Sold	Transferred	Launch	Realized	Remaining value
			(THB m)	(no.)	(%)	(%)			(THB m)
Inventory	1	Lumpini Park Beach Jomtien	4,254	1,846	99	99	4/11	2/13-3/13	43
	2	Lumpini Ville Naklua-Wong Amat	2,914	2,168	98	98	4/11	3/13-1/14	58
	3	Lumpini Place Udon-Posri	2,114	1,370	90	89	1/13	4/14	211
	4	Lumpini Township Rangsit-Klong 1 (P1)	2,400	3,472	98	98	4/13	3/15	48
	5	Lumpini Township Rangsit-Klong 1 (P2)	2,600	3,674	73	69	1/16	1/16	702
	6	Lumpini Park Petchakasem 98 (P1)	1,750	1,352	98	98	2/14	2/16	35
	7	Lumpini Ville Ratchaphruek-Bang Waek	1,300	1,085	100	100	1/16	2/17	0
	8	Lumpini SeaView Chaam (B)	570	453	98	95	2/16	4/17	11
	9	Lumpini Ville Ratburana - RiverView 2	900	700	99	96	1/17	1/18	9
	10	Lumpini ParkBeach Chaam 2	430	124	30	27	1/17	1/18	301
	11	Lumpini Park Petchakasem 98 (P2)	1,850	1,354	53	52	2/16	1/18	870
	12	Lumpini Ville Phranangklaow - RiverView	1,000	909	57	56	1/17	2/18	430
	13	Lumpini SeaView Chaam (A Building)	700	536	31	29	1/18	3/18	483
	14	Lumpini Suite Phetchaburi - Makkasan	2,700	636	94	93	1/17	4/18	162
	15	Lumpini Suite Dindaeng-Ratchaprarop	1,750	491	74	74	2/17	4/18	455
	16	Lumpini Ville Sukhumvit 76-Bearing Station (2)	700	406	95	94	1/18	1/19	35
	17	Lumpini Place Ratchada-Sathu	1,640	543	62	59	4/17	4/19	623
	18	Lumpini Park Phahol 32	2,000	546	20	15	3/17	4/19	1,600
	19	Lumpini Selected - Sutthisan-Saphan-Khwal	1,200	389	55	53	2/18	4/19	540
	20	Lumpini Park Vibhavadi - Chatuchak	2,000	736	74	71	2/18	4/19	520
	21	Lumpini Ville Suksawat Rama 2	700	377	53	53	3/18	4/19	329
		Total inventory	35,472	23,167	79	78			7,465
Finish 2020	1	Lumpini Place Rama 3 - Riverine	1,640	719	28	22	4/17	1/20	1,181
	2	Lumpini Park Boromarajonani - Sirindhorn	1,550	649	35	-	2/18	4/20	1,008
	3	Lumpini Ville Pattanakarn - Srinakarin	1,460	795	63	-	3/18	4/20	540
	4	Lumpini Ville Sukhumvit 101/1 Punnawithi	700	328	34	-	2/19	4/20	462
		Total finish 2020	5,350	2,491	40	7			3,191
Finish 2021	1	Lumpini Place Taopoon Interchange	1,700	710	48	-	1/20	4/21	884
		Total finish 2021	1,700	710	48	n/a			884
Housing	1	Baan 365 Rama 3	3,200	99	73	65	3/18	4/18	864
		Total inventory	3,200	99	73	65			864
Grand total			45,722	26,467					12,404

Sources: LPN; FSSIA's compilation

Exhibit 15: Details of active low-rise projects

Housing projects as of Sep-20			Project value	Units	Sold	Transferred	Launch	Realized	Remaining value
			(THB m)	(no.)	(%)	(%)			(THB m)
Inventory	1	Baan Lumpini Town Ville Permsin - Wacharapon	680	250	96	96	4/15	2/16	27
	2	Baan Lumpini Town Ville Rangsit Klong 2	440	262	92	85	1/17	2/17	35
	3	Baan Lumpini Town Ville Ratpladuk - Bangpai Station	395	200	59	55	2/17	4/17	162
	4	Baan Lumpini Town Ville Ratchaphruek - Pinklao	1,000	349	63	55	2/17	4/17	370
	5	Baan Lumpini Town Park Thakham - Rama2	850	248	92	88	2/18	4/18	68
	6	Baan Lumpini Town Place Rama2 - Thakham	650	105	18	13	3/19	4/19	533
	7	Baan Lumpini Town Place Sukhumvit - Srinakarin	750	133	20	4	1/20	3/20	600
	8	Baan Lumpini Town Ville Phahonyothin - Saphanmai	900	262	56	4	1/20	3/20	396
	9	Baan Lumpini Town Ville Latkrabang - Suvarnabhumi	1,250	334	21	1	1/20	3/20	988
Total inventory			6,915	2,143	54	39			3,179

Sources: LPN; FSSIA's compilation

Exhibit 16: 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

LPN Development

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	11,252	9,954	7,051	7,015	7,211
Cost of goods sold	(7,702)	(6,670)	(4,859)	(4,804)	(4,920)
Gross profit	3,551	3,284	2,192	2,210	2,292
Other operating income	0	0	0	0	0
Operating costs	(1,783)	(1,695)	(1,213)	(1,200)	(1,219)
Operating EBITDA	1,768	1,589	979	1,011	1,073
Depreciation	(72)	(84)	(88)	(104)	(121)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,696	1,505	891	906	952
Net financing costs	5	1	5	9	8
Associates	0	(6)	(7)	(7)	(7)
Recurring non operating income	42	75	51	51	53
Non recurring items	0	0	0	0	0
Profit before tax	1,743	1,581	947	966	1,013
Tax	(369)	(321)	(193)	(196)	(206)
Profit after tax	1,373	1,260	754	769	807
Minority interests	(6)	(4)	(3)	(3)	(3)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	1,367	1,256	752	767	804
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,367	1,256	752	767	804
Per share (THB)					
Recurring EPS *	0.93	0.85	0.51	0.52	0.55
Reported EPS	0.93	0.85	0.51	0.52	0.55
DPS	0.60	0.60	1.40	0.26	0.27
Diluted shares (used to calculate per share data)	1,476	1,476	1,476	1,476	1,476
Growth					
Revenue (%)	17.1	(11.5)	(29.2)	(0.5)	2.8
Operating EBITDA (%)	27.7	(10.1)	(38.4)	3.2	6.2
Operating EBIT (%)	28.5	(11.2)	(40.8)	1.7	5.1
Recurring EPS (%)	28.7	(8.1)	(40.2)	2.0	4.9
Reported EPS (%)	28.7	(8.1)	(40.2)	2.0	4.9
Operating performance					
Gross margin inc depreciation (%)	30.9	32.2	29.8	30.0	30.1
Gross margin of key business (%)	30.7	31.7	29.2	29.4	29.5
Operating EBITDA margin (%)	15.7	16.0	13.9	14.4	14.9
Operating EBIT margin (%)	15.1	15.1	12.6	12.9	13.2
Net margin (%)	12.2	12.6	10.7	10.9	11.2
Effective tax rate (%)	21.2	20.2	20.2	20.2	20.2
Dividend payout on recurring profit (%)	64.8	70.5	275.0	50.0	50.0
Interest cover (X)	(356.0)	(1,565.1)	(198.3)	(112.0)	(120.2)
Inventory days	803.1	984.3	1,402.5	1,435.8	1,389.4
Debtor days	13.7	13.3	14.4	12.0	11.8
Creditor days	96.4	113.1	120.0	102.3	100.8
Operating ROIC (%)	8.6	7.3	4.0	4.0	4.3
ROIC (%)	7.4	6.4	3.7	3.8	4.0
ROE (%)	10.8	9.6	6.0	6.4	6.5
ROA (%)	6.5	5.6	3.3	3.3	3.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Sales	10,187	8,717	5,946	5,887	6,050
Rental and service fees	132	173	147	151	156
Management business	933	1,064	957	977	1,006

Sources: LPN Development; FSSIA estimates

Financial Statements

LPN Development

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	1,367	1,256	752	767	804
Depreciation	72	84	88	104	121
Associates & minorities	0	(14)	0	0	0
Other non-cash items	(256)	(295)	(374)	(417)	(388)
Change in working capital	702	(2,549)	336	(1,214)	1,580
Cash flow from operations	1,885	(1,518)	801	(760)	2,117
Capex - maintenance	(77)	(112)	(100)	(100)	(100)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(421)	(61)	710	9	(48)
Other investments (net)	262	299	377	420	391
Cash flow from investing	(236)	126	987	329	243
Dividends paid	(885)	(885)	(2,067)	(383)	(402)
Equity finance	71	(32)	0	0	0
Debt finance	(879)	2,388	978	851	(2,095)
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	(1,693)	1,471	(1,089)	467	(2,497)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(44)	79	700	36	(137)
Free cash flow to firm (FCFF)	1,651.87	(1,387.32)	1,793.98	(425.44)	2,365.85
Free cash flow to equity (FCFE)	770.44	996.76	2,766.35	419.31	265.17

Per share (THB)

FCFF per share	1.12	(0.94)	1.22	(0.29)	1.60
FCFE per share	0.52	0.68	1.87	0.28	0.18
Recurring cash flow per share	0.80	0.70	0.32	0.31	0.36

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	457	488	588	688	788
Less: Accumulated depreciation	(199)	(202)	(290)	(395)	(516)
Tangible fixed assets (Net)	258	286	298	293	273
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	49	90	90	90	90
Cash & equivalents	422	501	1,201	1,237	1,100
A/C receivable	402	326	231	230	236
Inventories	16,928	19,044	18,298	19,500	17,952
Other current assets	34	69	49	49	50
Current assets	17,786	19,940	19,779	21,016	19,338
Other assets	3,157	3,157	2,236	2,225	2,287
Total assets	21,250	23,473	22,403	23,624	21,988
Common equity	12,901	13,135	11,820	12,203	12,606
Minorities etc.	34	24	27	30	32
Total Shareholders' equity	12,935	13,159	11,847	12,233	12,638
Long term debt	1,989	4,148	4,680	5,143	4,003
Other long-term liabilities	638	722	511	509	523
Long-term liabilities	2,627	4,870	5,191	5,652	4,526
A/C payable	2,290	1,845	1,351	1,341	1,377
Short term debt	3,246	3,476	3,921	4,309	3,354
Other current liabilities	153	124	92	89	93
Current liabilities	5,688	5,444	5,365	5,739	4,824
Total liabilities and shareholders' equity	21,250	23,473	22,403	23,624	21,988
Net working capital	14,921	17,471	17,135	18,349	16,769
Invested capital	18,386	21,003	19,759	20,957	19,418

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

Per share (THB)

Book value per share	8.74	8.90	8.01	8.27	8.54
Tangible book value per share	8.74	8.90	8.01	8.27	8.54

Financial strength

Net debt/Equity (%)	37.2	54.1	62.5	67.2	49.5
Net debt/total assets (%)	22.7	30.3	33.0	34.8	28.5
Current ratio (x)	3.1	3.7	3.7	3.7	4.0
CF interest cover (x)	(156.8)	(986.6)	(581.2)	(48.1)	(30.7)

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	5.3	5.8	9.7	9.5	9.1
Recurring P/E @ target price (x) *	5.1	5.5	9.2	9.0	8.6
Reported P/E (x)	5.3	5.8	9.7	9.5	9.1
Dividend yield (%)	12.1	12.1	28.3	5.3	5.5
Price/book (x)	0.6	0.6	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x) **	6.9	9.1	15.0	15.4	12.7
EV/EBITDA @ target price (x) **	6.7	8.9	14.7	15.0	12.3
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7

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

Sources: LPN Development; 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	SMPG	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
WIIK	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)

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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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

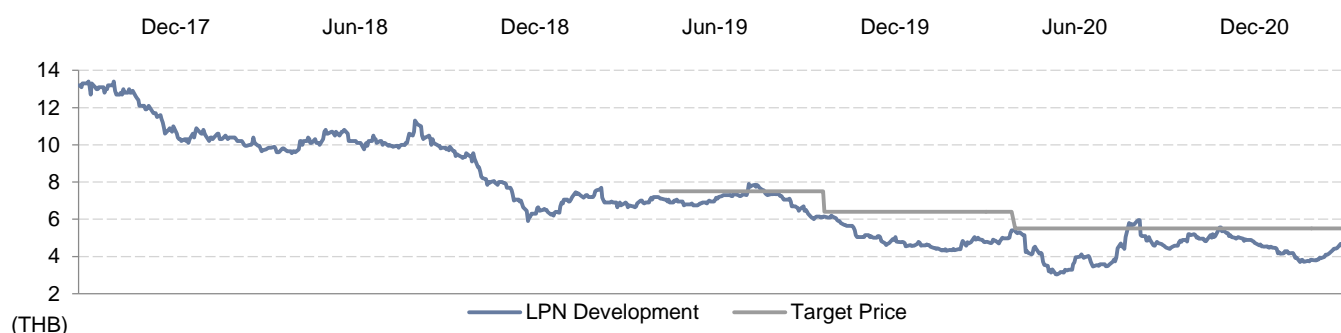
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History of change in investment rating and/or target price

LPN Development (LPN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Apr-2019	HOLD	7.50	06-Sep-2019	HOLD	6.40	17-Feb-2020	HOLD	5.50

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
LPN Development	LPN TB	THB 4.94	HOLD	Upside risks to our TP are revivals in new launches and better-than-expected take-up rates of new launches. Downside risks to our call are lower profitability from inventory clearance and delays in new launches.

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.