

8 DECEMBER 2020

THAILAND / REAL ESTATE

PRUKSA HOLDING PSH TB

HOLD

TARGET PRICE THB12.90
CLOSE THB12.70
UP/DOWNSIDE +1.6%
TP vs CONSENSUS +23.7%

Not-so-affordable homes

อยู่ที่จุดต่ำสุดและกำลังฟื้นตัว

รายได้และกำไรของ PSH อยู่ในแนวโน้มขาลงนับตั้งแต่พุ่งขึ้นสูงสุดที่ 51 พัน ลบ. และ 7.7 พัน ลบ. ในปี 2015 ตามลำดับ นอกจากนี้ การเปิดตัวโครงการใหม่ก็ลดลงจาก 6 หมื่น ลบ. ในปี 2016 เหลือเพียง 1.6 หมื่น ลบ. ตามเป้าในปี 2020 จากการบริหารเชิงอนุรักษ์นิยมของบริษัทฯ PSH มุ่งเน้นไปที่การลดสินค้าคงคลัง ซึ่งปัจจุบันอยู่ในระดับสูงถึง 95.2 พัน ลบ. ผ่านการให้ส่วนลดและออกรายการส่งเสริมการขายเพิ่มขึ้น การกระทำดังกล่าวส่งผลกระทบต่ออัตรากำไรขั้นต้นของบริษัทฯ ในประมาณการปี 2020 โดยทำให้อัตรากำไรขั้นต้นลดลงเหลือ 32.7% เทียบกับค่าเฉลี่ยของบริษัทฯ ที่ประมาณ 35% PSH เป็นหุ้นอสังหาฯ ที่ได้รับผลกระทบอย่างรุนแรงจากปัญหาหนี้สินครัวเรือนที่อยู่ในระดับสูง มาตรการลดสัดส่วนสินเชื่อต่อมูลค่าบ้าน (LTV) และ COVID-19 เนื่องจากกลุ่มลูกค้าเป้าหมายของบริษัทฯ อยู่ในตลาดบ้านระดับกลางถึงล่าง

คาดการณ์ 4Q20 จะสูงสุดในปีนี้

PSH รายงานยอดขายโครงการในรอบ 9M20 อยู่ที่ 16 พัน ลบ. เทียบกับเป้าในปี 2020 ของบริษัทฯ ที่ 28 พัน ลบ. ทำให้บริษัทฯ อาจพลาดเป้าหมายยอดขายโครงการ เนื่องจากบริษัทฯ มีแผนเปิดโครงการแนวราบเพียง 2 โครงการใน 4Q20 รวมมูลค่า 2.1 พัน ลบ. อย่างไรก็ตาม กำไรของ PSH ใน 4Q20 อาจสูงสุดในปีนี้ โดยเราคาดว่าอยู่ที่ 1.1 พัน ลบ. หลังบริษัทฯ เริ่มโอนโครงการ The Reseve Suhumvit 61 (มูลค่า 2.7 พัน ลบ. ขายได้ 98%) ทำให้ PSH อาจบรรลุเป้าหมายรายได้ของบริษัทฯ ที่ 30 พัน ลบ. ซึ่งใกล้เคียงกับประมาณการของเรา PSH มียอดขายโครงการคอนโดมิเนียมเป็นรายได้อยู่ที่ 23.3 พัน ลบ. จากยอดดังกล่าวบริษัทฯ ควรรับรู้ 9.1 พัน ลบ. และ 8.2 พัน ลบ. ได้ในปี 2021/2022 อย่างไรก็ตาม เราเห็นความเสี่ยงในด้านการยกเลิกการจอง เนื่องจากยอดขาย ดังกล่าวมีเงินวางมัดจำเฉลี่ยอยู่ที่ประมาณ 10-15% ของมูลค่ารวมเท่านั้น

วางแผนเปิดตัวเชิงรุกมากยิ่งขึ้นในปี 2021

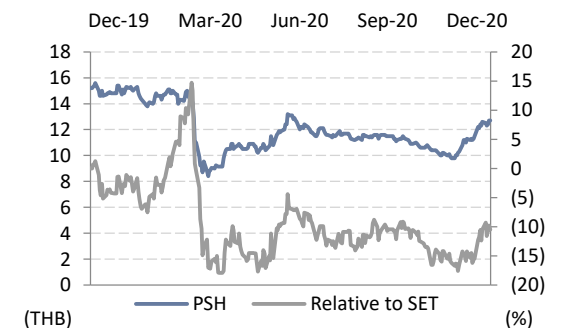
PSH ตั้งเป้าเปิด 30-35 โครงการใหม่มูลค่ารวม 30-35 พัน ลบ. ในปี 2021 ทำให้อัตรากำไรขั้นต้นของบริษัทฯ อาจปรับขึ้นเป็นประมาณ 33% เนื่องจากการส่งเสริมการขายจะไม่รุนแรงเท่าเดิมและมีสัดส่วนโครงการคอนโดมากขึ้นเป็น 20% เทียบกับ 10% ในปี 2020E สมมติให้สัดส่วนค่าใช้จ่ายการขายและการบริหารต่อยอดขายอยู่ที่ 16-17% อัตรากำไรสุทธิของธุรกิจอสังหาฯ จะอยู่ที่ 11-12% ในขณะที่โรงพยาบาลวิมุตซึ่งมีกำหนดเปิดให้บริการในช่วง 2Q21 มีค่าใช้จ่ายก่อนเปิดให้บริการอยู่ที่ 300 ลบ. ผู้บริหารคาดว่าโรงพยาบาลดังกล่าวจะ break even EBITDA ในปี 2023 และเริ่มทำกำไรได้ในปี 2026

เป็นเวลาที่ไม่น่าสนใจสำหรับสินค้านำระดับกลางถึงล่าง

เรากลับมาเริ่มรายงาน PSH ด้วยคำแนะนำถือที่ราคาเป้าหมาย 12.9 บาท ราคาตั้งกล่าวใช้ค่า 2021E P/E ที่ 8.3x เทียบเท่า -0.5SD ของค่าเฉลี่ยย้อนหลัง 5 ปี PSH ให้ผลตอบแทนในรูปเงินปันผลที่ดีโดยอยู่ที่ 7.4-8.2% ในปี 2021-22E อย่างไรก็ตาม เรามีความกังวลเกี่ยวกับความชัดเจนของกำไรของบริษัทฯ ในปี 2021 เนื่องจากประมาณ 80% ของสินค้าคงคลังมีกลุ่มเป้าหมายเป็นผู้มีรายได้น้อยถึงปานกลาง ซึ่งเป็นตลาดที่ได้รับผลกระทบจากมาตรการ LTV และปัญหาการแพร่ระบาด COVID มากที่สุด

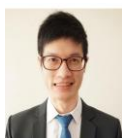
KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	39,885	29,850	31,940	33,537
Net profit	5,359	3,053	3,413	3,814
EPS (THB)	2.45	1.39	1.56	1.74
vs Consensus (%)	-	(1.6)	2.5	0.4
EBITDA	7,522	4,622	5,126	5,678
Core net profit	5,359	3,053	3,413	3,814
Core EPS (THB)	2.45	1.39	1.56	1.74
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(11.0)	(43.0)	11.8	11.7
Core P/E (x)	5.2	9.1	8.1	7.3
Dividend yield (%)	12.2	6.6	7.4	8.2
EV/EBITDA (x)	7.7	13.1	11.6	10.8
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	67.0	71.1	66.3	68.1
ROE (%)	12.7	7.0	7.6	8.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	27.0	10.4	(17.0)
Relative to country (%)	7.1	(0.1)	(10.4)
Mkt cap (USD m)	922		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	23		
Major shareholder	Vijitpongpun Family (72%)		
12m high/low (THB)	15.70/8.30		
Issued shares (m)	2,188.50		

Sources: Bloomberg consensus; FSSIA estimates



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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

PSH is a holding company with residential properties as its core business, mainly for low- and middle-income groups. PSH has diversified its business into the healthcare industry, with its first hospital project targeted for commercial operations in May 2021. PSH's revenue and earnings have been in a downward trend since peaking at THB51b and THB7.7b, respectively, in 2015, as PSH's main customer segment has been hard hit by loan-to-value (LTV) regulations and the COVID-19 pandemic.

Moreover, we believe PSH's first hospital, Vimut, will start operating in tough times, and could be a burden over the next three years, as it is located in a highly competitive location and the travel restrictions have caused foreign patients to disappear.

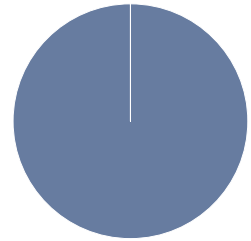
Company profile

PSH was founded by Mr. Thongma Vijitpongpan in 1993. The company initially focused on developing townhouses for low-income buyers but later expanded into other product segments, including condominiums. PS is a pioneer in prefabrication technology.

www.psh.co.th

Principal activities (revenue, 2019)

■ Sales of real estate - 100.0 %

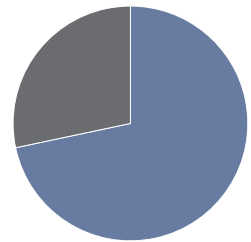


Source: Pruksa Holding

Major shareholders

■ Vijitpongpan Family - 71.7 %

■ Others - 28.3 %



Source: Pruksa Holding

Catalyst

Potential catalysts to drive PSH's share price include:

- 1) Faster-than-expected breakeven in the hospital business;
- 2) Aggressive new residential project launches after the slowdown in 2020;
- 3) Improving economic conditions, such as lower household debt or higher consumer confidence.

Risk to our call

Key downside risks to our TP are a weaker-than-expected take-up rate for new launches, declining utilisation at factories and softening profitability. Key upside risks are a better-than-expected take up rate for new launches, profitability expansions and faster-than-expected asset turnover.

Event calendar

Date	Event
February 2021	4Q20 results announcement

Key assumptions

	2019	2020E	2021E	2022E
	(%)	(%)	(%)	(%)
Residential sales (THB m)	39,885	29,850	31,940	33,536
Residential sales growth	(11.2)	(25.2)	7.0	5.0
GPM	35.4	32.7	33.0	33.5
SG&A to sales	17.7	18.8	18.6	18.3

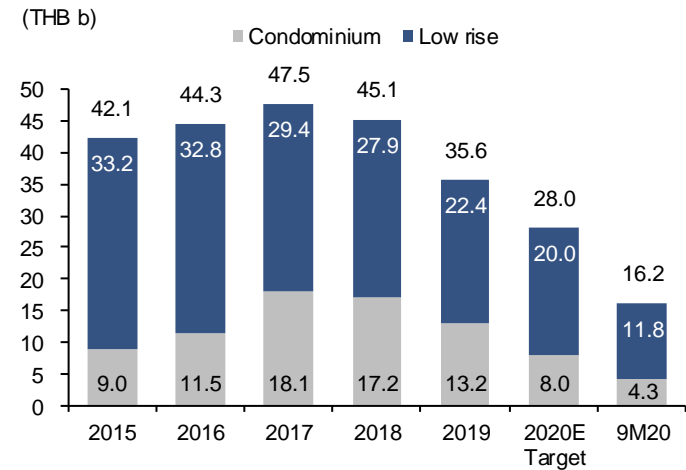
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in residential revenue, we project 2021 earnings to rise by 0.9%, and vice versa, all else being equal.
- For every 1% increase in GPM, we project 2021 earnings to rise by 7.2%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2021 earnings to drop by 7.0%, and vice versa, all else being equal.

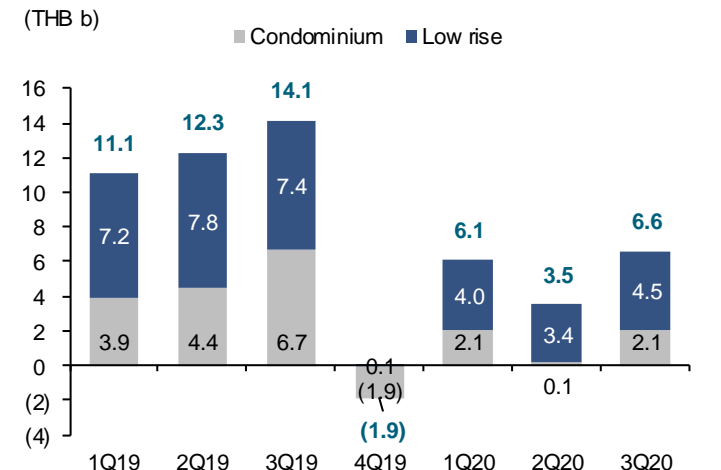
Source: FSSIA estimates

Exhibit 1: Yearly presales and target



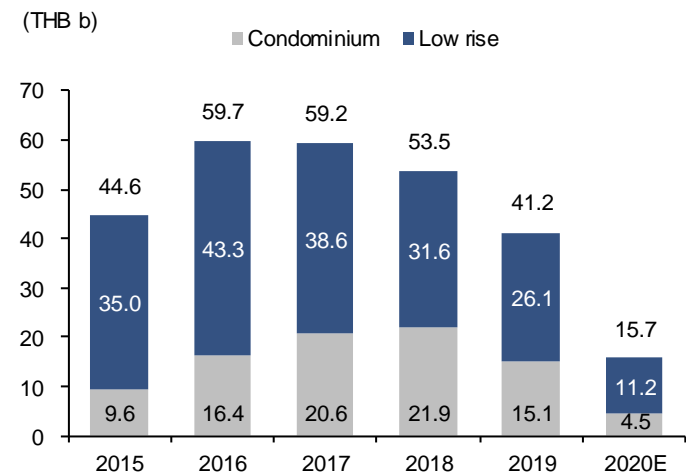
Sources: PSH; FSSIA estimates

Exhibit 2: Quarterly presales



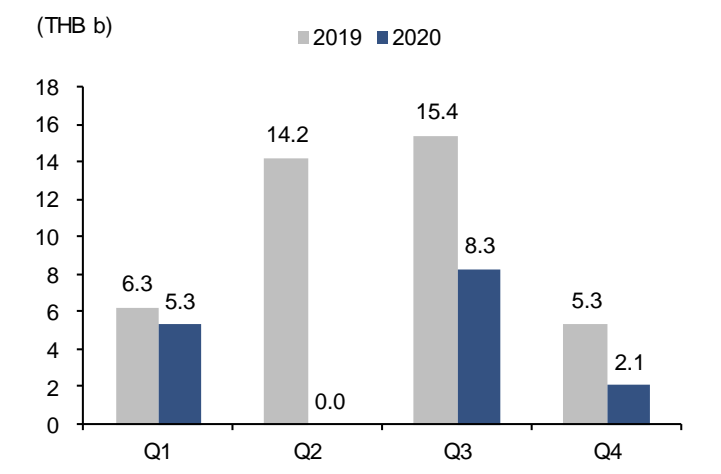
Source: PSH

Exhibit 3: New launch plan



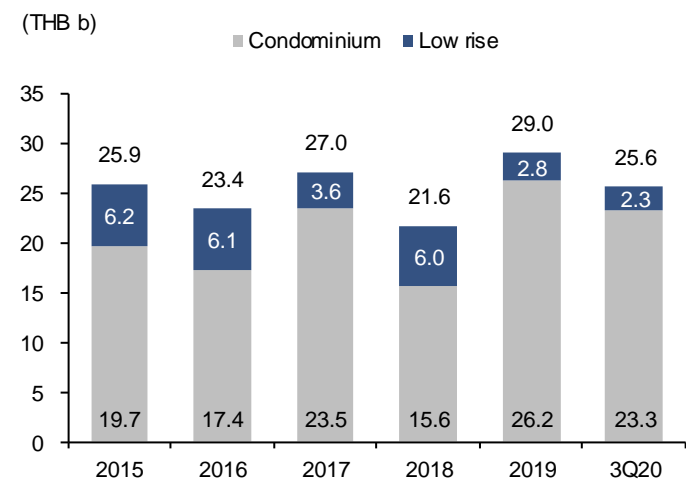
Sources: PSH; FSSIA estimates

Exhibit 4: Launch plan by quarter



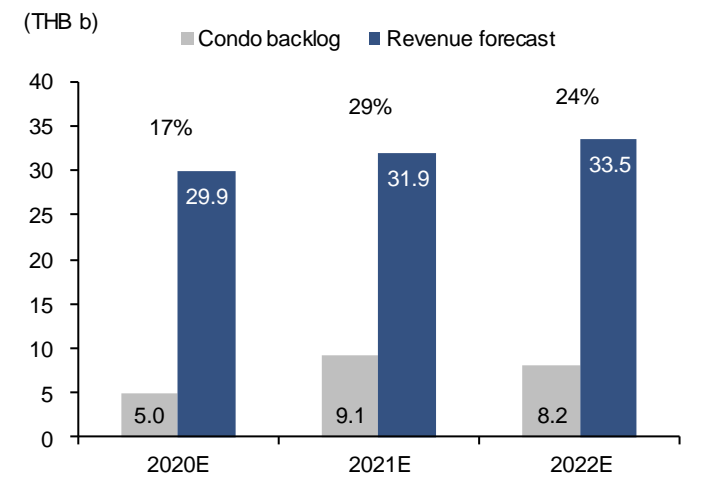
Source: PSH

Exhibit 5: Backlog



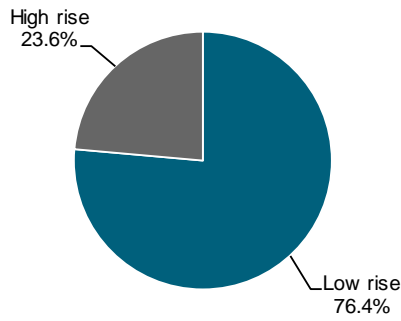
Source: PSH

Exhibit 6: Condo backlog transfer schedule vs revenue forecast



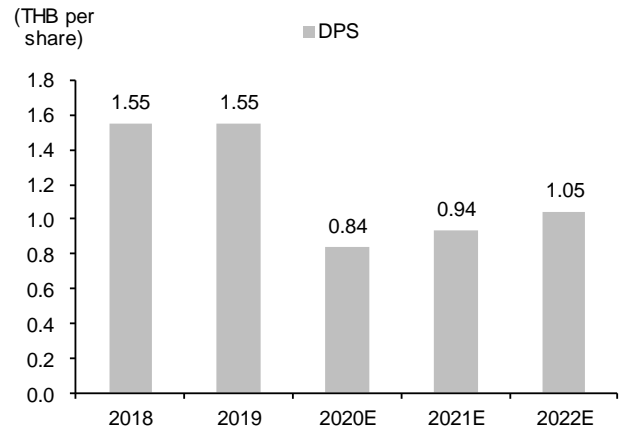
Sources: PSH; FSSIA estimates

Exhibit 7: Inventory value is at THB95.2b as of 3Q20



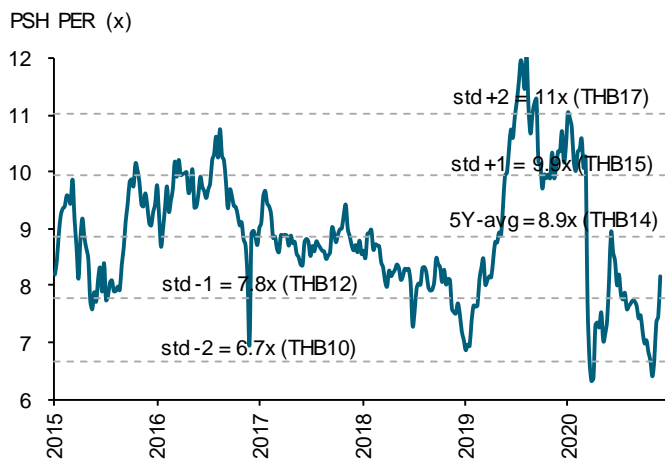
Source: PSH

Exhibit 8: Dividend per share



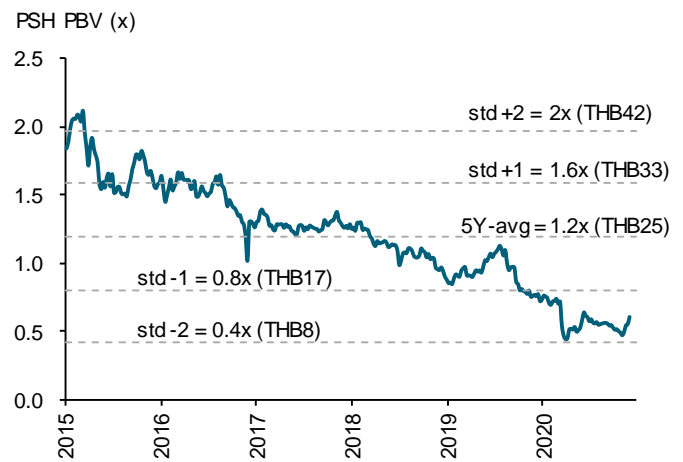
Sources: PSH; FSSIA estimates

Exhibit 9: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Active projects as of end-3Q20

	Projects			Revenue		Price	Backlog		Sold		Unsold	
	(no.)	(units)	(THB m)	(units)	(THB m)	(THB/unit)	(units)	(THB m)	(units)	(THB m)	(units)	(THB m)
GRAND TOTAL	166	54,546	182,352	22,800	62,206	2.7	4,823	25,604	27,375	87,201	27,171	95,151
Baan Prukka	33	12,105	25,042	5,455	10,505	1.9	155	357	5,610	10,862	6,495	14,180
Patio	8	1,696	6,849	844	3,097	3.7	26	116	870	3,212	826	3,637
Prukka Town	5	1,844	5,800	931	2,739	2.9	7	23	938	2,763	906	3,038
Prukka Village	1	197	1,106	13	55	4.2	2	9	15	64	182	1,041
Prukka Ville	37	10,347	28,680	5,058	12,678	2.5	187	588	5,245	13,266	5,102	15,414
The Connect	12	4,163	11,894	1,612	4,170	2.6	99	346	1,711	4,516	2,452	7,378
Villette	1	390	1,004	235	560	2.4	7	19	242	579	148	425
Total Townhouse	97	30,742	80,375	14,148	33,804	2.4	483	1,458	14,631	35,262	16,111	45,113
Passorn	16	3,310	21,863	1,322	7,959	6.0	42	282	1,364	8,241	1,946	13,621
Prukka Village	8	1,938	7,553	623	2,366	3.8	9	41	632	2,407	1,306	5,146
The Palm	2	292	3,012	47	487	10.4	12	133	59	620	233	2,391
The Plant	12	2,897	12,020	1,372	5,272	3.8	32	151	1,404	5,423	1,493	6,597
Prukka Town	3	718	2,947	260	1,018	3.9	1	4	261	1,023	457	1,925
Prukka Nara	1	300	1,062	239	845	3.5	-	0	239	845	61	217
Total SDH	42	9,455	48,458	3,863	17,948	4.6	96	612	3,959	18,560	5,496	29,898
Plum Condo	6	5,760	10,237	2,810	4,271	1.5	649	1,245	3,459	5,516	2,301	4,721
Privacy	5	3,377	11,436	1,124	3,056	2.7	894	3,435	2,018	6,491	1,359	4,946
The Tree	7	2,634	9,837	503	1,508	3.0	813	2,786	1,316	4,293	1,318	5,544
Urbano	1	325	1,270	205	789	3.8	11	39	216	828	109	442
Total Condo (Value)	19	12,096	32,779	4,642	9,623	2.1	2,367	7,504	7,009	17,127	5,087	15,652
Chapter One	4	1,522	10,570	-	0	n/a	1,264	8,799	1,264	8,799	258	1,771
The Reserve	4	731	10,170	147	831	5.7	365	6,622	512	7,453	219	2,717
Total Premium	8	2,253	20,740	147	831	5.7	1,629	15,421	1,776	16,252	477	4,488
Almost Closed							248	609				95,151

Sources: PSH; FSSIA's compilation

Exhibit 12: Condominium backlog transfer schedule as of end-3Q20

Project name	Launch	----- Projects -----		----- Presales -----		Transfer	Backlog	Presales	----- Transferred -----	
		(unit)	(THB m)	(unit)	(THB m)	(THB m)	(THB m)	(%)	(%)	Planned
The Tree Interchange	Sep-11	1,735	4,511	1,732	4,497	4,497	0	100	100	3Q15
Plum Paholyothin 89 (Phase 1-5)	Mar-13	5,076	4,633	4,850	4,428	4,347	81	96	94	4Q15
The Tree Rio Station	Sep-14	1,420	3,973	1,413	3,929	3,929	0	99	99	2Q17
Plum Condo Central Station (Phase 2)	Aug-15	1,016	1,912	930	1,746	1,715	31	91	90	4Q17
The Tree Sukhumvit 64	Oct-16	149	578	129	502	461	41	87	80	1Q18
Plum Condo Changwattana (Phase 3)	Apr-17	1,172	2,102	1,141	1,893	1,794	100	90	85	2Q18
Plum Condo Ramkamhaeng Station)	Jul-16	1,003	2,246	1,003	2,246	2,246	0	100	100	3Q18
Plum Condo Pinklao Station	Aug-16	968	2,496	924	2,366	2,315	51	95	93	3Q18
Urbano Rajavithi	Oct-16	325	1,270	216	828	789	39	65	62	4Q18
Plum Condo Ram 60 Interchange	Nov-17	962	1,762	670	1,177	1,117	60	67	63	1Q19
The Tree Sukhumvit 71 (Ekkamai)	Mar-17	886	2,617	863	2,505	2,407	98	96	92	1Q19
The Tree Charansanitwong 30	Jun-17	307	1,087	180	573	470	103	53	43	3Q19
The Privacy Rama 9	Sep-17	860	2,312	754	2,001	1,872	129	87	81	4Q19
Plum Condo Mix Changwattana	Nov-18	1,141	2,261	627	1,139	942	197	50	42	4Q19
The Privacy Tha-Phar Interchange	Aug-17	795	2,339	474	1,399	1,184	214	60	51	4Q19
Plum Condo Rangsit Alive	Sep-18	2,065	2,862	1,655	2,236	1,881	356	78	66	4Q19
The Tree Dindaeng - Ratchaprarop	Jul-18	226	551	208	498	424	74	90	77	1Q20
Plum Condo Saphanmai Station	Aug-18	681	1,163	319	515	331	184	44	28	2Q20
The Tree Hua-Mak	Oct-18	590	2,162	192	565	153	411	26	7	3Q20
The Privacy Sukhumvit 101	Aug-19	391	1,311	200	655	0	655	50	-	4Q21
The Privacy Taopoon Interchange Phase 1	Mar-19	487	1,712	235	786	0	786	46	-	4Q21
The Tree Pattanakarn - Ekkamai	Sep-19	699	2,051	392	1,078	0	1,078	53	-	4Q21
The Privacy Jatujak	Sep-18	844	3,762	355	1,650	0	1,650	44	-	3Q22
Plum Condo Donmuang - Airport	Sep-19	486	1,090	59	132	0	132	12	-	4Q22
The Tree Sukhumvit - Rama 4	Jan-20	409	2,010	155	761	0	761	38	-	1Q23
The Tree Victory Monument	Jan-20	254	1,398	60	316	0	316	23	-	1Q24
Plum Condo Sukhumvit 97.1	Jul-20	425	1,098	129	316	0	316	29	-	4Q21
Total Value Business		25,372	57,270	19,865	40,738			71%		
Chapter One Eco	Oct-16	1,851	5,434	1,850	5,421	5,391	31	100	99	4Q18
Chapter One Shine Bangpo	May-17	609	1,585	584	1,437	1,417	20	91	89	3Q19
The Reserve Phahol - Pradipat	Aug-17	260	1,598	160	923	831	92	58	52	4Q19
The Reserve Sukhumvit 61	Dec-17	182	2,725	176	2,659	-	2,659	98	-	4Q20
Chapter One Flow Bangpo	Aug-18	386	1,875	315	1,550	-	1,550	83	-	3Q21
Chapter Thonglor 25	Dec-18	288	2,023	130	847	-	847	42	-	3Q21
The Reserve Sathorn	Jun-18	134	2,723	67	1,511	-	1,511	56	-	4Q21
The Reserve 61 Hideaway	Dec-18	155	3,124	109	2,360	-	2,360	76	-	4Q21
Chapter Chula - Samyan	Apr-19	179	1,480	153	1,261	-	1,261	85	-	3Q22
Chapter Charoennakhon - Riverside	May-19	669	5,193	666	5,141	-	5,141	99	-	3Q22
Total Premium Business		4,713	27,759	4,210	23,111			83%		
Grand Total		30,085	85,030	24,075	63,849			75%		

Sources: PSH; FSSIA's compilation

Exhibit 13: 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

Pruksa Holding

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	44,901	39,885	29,850	31,940	33,537
Cost of goods sold	(28,317)	(25,303)	(19,616)	(20,873)	(21,721)
Gross profit	16,583	14,582	10,234	11,066	11,815
Other operating income	0	0	0	0	0
Operating costs	(8,430)	(7,060)	(5,612)	(5,941)	(6,137)
Operating EBITDA	8,153	7,522	4,622	5,126	5,678
Depreciation	(497)	(451)	(473)	(526)	(580)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,656	7,071	4,149	4,599	5,098
Net financing costs	(139)	(324)	(439)	(446)	(449)
Associates	0	0	0	0	0
Recurring non operating income	169	267	200	214	225
Non recurring items	0	0	0	0	0
Profit before tax	7,686	7,014	3,910	4,367	4,873
Tax	(1,556)	(1,555)	(782)	(873)	(975)
Profit after tax	6,131	5,459	3,128	3,494	3,898
Minority interests	(108)	(100)	(75)	(80)	(84)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	6,022	5,359	3,053	3,413	3,814
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	6,022	5,359	3,053	3,413	3,814
Per share (THB)					
Recurring EPS *	2.75	2.45	1.39	1.56	1.74
Reported EPS	2.75	2.45	1.39	1.56	1.74
DPS	1.55	1.55	0.84	0.94	1.05
Diluted shares (used to calculate per share data)	2,189	2,189	2,189	2,189	2,189
Growth					
Revenue (%)	2.2	(11.2)	(25.2)	7.0	5.0
Operating EBITDA (%)	6.7	(7.7)	(38.5)	10.9	10.8
Operating EBIT (%)	6.7	(7.6)	(41.3)	10.8	10.8
Recurring EPS (%)	10.4	(11.0)	(43.0)	11.8	11.7
Reported EPS (%)	10.4	(11.0)	(43.0)	11.8	11.7
Operating performance					
Gross margin inc depreciation (%)	35.8	35.4	32.7	33.0	33.5
Gross margin of key business (%)	35.8	35.4	32.7	33.0	33.5
Operating EBITDA margin (%)	18.2	18.9	15.5	16.0	16.9
Operating EBIT margin (%)	17.1	17.7	13.9	14.4	15.2
Net margin (%)	13.4	13.4	10.2	10.7	11.4
Effective tax rate (%)	20.2	22.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	56.3	63.3	60.0	60.0	60.0
Interest cover (X)	56.4	22.7	9.9	10.8	11.8
Inventory days	874.9	1,068.9	1,426.2	1,350.3	1,327.9
Debtor days	-	-	-	-	-
Creditor days	58.7	64.1	63.8	54.3	55.0
Operating ROIC (%)	9.6	8.0	4.5	4.8	5.3
ROIC (%)	9.6	8.1	4.6	5.0	5.4
ROE (%)	15.2	12.7	7.0	7.6	8.2
ROA (%)	8.1	6.8	4.0	4.4	4.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Sales of real estate	44,901	39,885	29,850	31,940	33,537

Sources: Pruksa Holding; FSSIA estimates

Financial Statements

Pruksa Holding

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	6,022	5,359	3,053	3,413	3,814
Depreciation	497	451	473	526	580
Associates & minorities	(155)	(67)	0	0	0
Other non-cash items	235	(158)	(82)	47	63
Change in working capital	(6,183)	(4,566)	(3,412)	333	(3,045)
Cash flow from operations	416	1,019	32	4,319	1,413
Capex - maintenance	(603)	(950)	(969)	(989)	(1,009)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(4)	(380)	51	(11)	(8)
Other investments (net)	249	115	49	50	50
Cash flow from investing	(359)	(1,215)	(870)	(950)	(967)
Dividends paid	(3,392)	(3,392)	(1,832)	(2,048)	(2,288)
Equity finance	632	(82)	(49)	(49)	(49)
Debt finance	2,800	4,000	2,492	(1,499)	1,957
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	39	526	611	(3,596)	(380)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	97	330	(226)	(227)	66
Free cash flow to firm (FCFF)	196.38	127.72	(397.91)	3,815.58	895.61
Free cash flow to equity (FCFE)	2,857.53	3,803.95	1,654.55	1,870.23	2,403.67

Per share (THB)

FCFF per share	0.09	0.06	(0.18)	1.74	0.41
FCFE per share	1.31	1.74	0.76	0.85	1.10
Recurring cash flow per share	3.02	2.55	1.57	1.82	2.04

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	7,834	8,232	9,201	10,190	11,199
Less: Accumulated depreciation	(3,095)	(2,994)	(3,467)	(3,993)	(4,573)
Tangible fixed assets (Net)	4,739	5,238	5,735	6,197	6,625
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	814	1,120	1,120	1,120	1,120
Cash & equivalents	1,445	1,774	1,548	1,321	1,387
A/C receivable	0	0	0	0	0
Inventories	71,960	76,244	77,054	77,390	80,653
Other current assets	2,263	1,737	1,300	1,391	1,461
Current assets	75,668	79,756	79,903	80,103	83,501
Other assets	625	668	500	535	561
Total assets	81,845	86,782	87,257	87,954	91,808
Common equity	41,171	43,056	44,227	45,543	47,020
Minorities etc.	704	736	811	892	976
Total Shareholders' equity	41,874	43,792	45,039	46,435	47,996
Long term debt	15,100	17,950	19,388	18,523	19,653
Other long-term liabilities	497	466	349	373	392
Long-term liabilities	15,597	18,416	19,737	18,896	20,044
A/C payable	5,038	3,855	3,007	3,203	3,338
Short term debt	12,000	13,150	14,204	13,570	14,397
Other current liabilities	7,335	7,569	5,271	5,850	6,032
Current liabilities	24,374	24,574	22,481	22,623	23,768
Total liabilities and shareholders' equity	81,845	86,782	87,257	87,954	91,808
Net working capital	61,849	66,558	70,077	69,728	72,744
Invested capital	68,027	73,583	77,431	77,580	81,050

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

Per share (THB)

Book value per share	18.81	19.67	20.21	20.81	21.48
Tangible book value per share	18.81	19.67	20.21	20.81	21.48

Financial strength


Net debt/Equity (%)	61.3	67.0	71.1	66.3	68.1
Net debt/total assets (%)	31.3	33.8	36.7	35.0	35.6
Current ratio (x)	3.1	3.2	3.6	3.5	3.5
CF interest cover (x)	21.6	12.7	4.8	5.2	6.4

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	4.6	5.2	9.1	8.1	7.3
Recurring P/E @ target price (x) *	4.7	5.3	9.2	8.3	7.4
Reported P/E (x)	4.6	5.2	9.1	8.1	7.3
Dividend yield (%)	12.2	12.2	6.6	7.4	8.2
Price/book (x)	0.7	0.6	0.6	0.6	0.6
Price/tangible book (x)	0.7	0.6	0.6	0.6	0.6
EV/EBITDA (x) **	6.6	7.7	13.1	11.6	10.8
EV/EBITDA @ target price (x) **	6.7	7.7	13.2	11.7	10.9
EV/invested capital (x)	0.8	0.8	0.8	0.8	0.8

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

Sources: Pruksa Holding; 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	SEAFECO	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	DDC	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					-			

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* 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

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Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

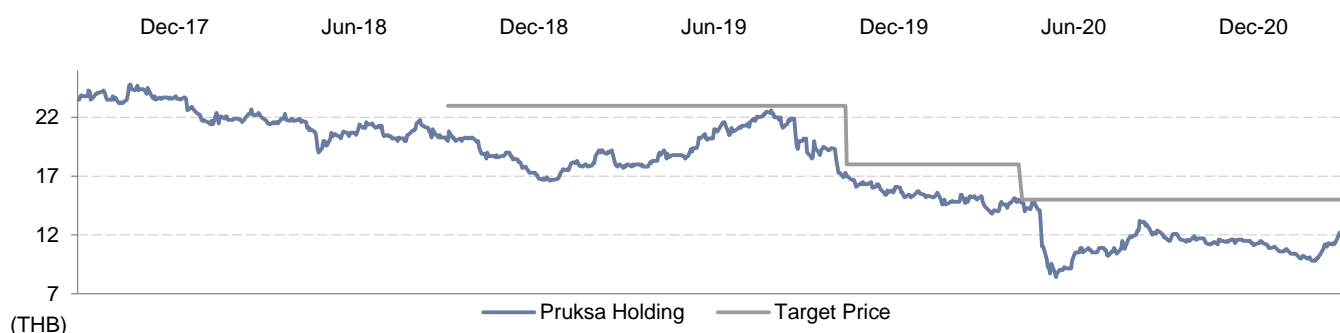
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History of change in investment rating and/or target price

Pruksa Holding (PSH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Oct-2018	BUY	23.00	26-Sep-2019	HOLD	18.00	24-Feb-2020	HOLD	15.00

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
Pruksa Holding	PSH TB	THB 12.70	HOLD	Key downside risks to our DCF-based TP are a weaker-than-expected take-up rate for new launches, declining utilisation at factories and softening profitability. Key upside risks are a better-than-expected take up rate for new launches, profitability expansions and faster-than-expected asset turnover.

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.