

5 NOVEMBER 2021

THAILAND / REAL ESTATE

LPN DEVELOPMENT LPN TB

HOLD

UNCHANGED

TARGET PRICE	THB4.60
CLOSE	THB4.90
UP/DOWNSIDE	-6.1%
PRIOR TP	THB5.10
CHANGE IN TP	-9.8%
TP vs CONSENSUS	+9.6%

Still in the doldrums

Weak and disappointing 3Q21 results

LPN reported a net profit of THB26m in 3Q21 (-78% q-q, -74% y-y), missing Bloomberg's consensus estimate by 65%. The weak results were dragged down by lower transfers from the low-rise segment and a weak GPM. 9M21 earnings account for only 63% of our full-year forecast of THB428m.

Delay in low-rise transfers and weak GPM were the key drags

Residential sales dropped 17% q-q and 19% y-y in 3Q21 to THB814m following the lower transfer rate of low-rise projects due to the one-month closure of construction camps. The residential GPM plunged to 20.9% in 3Q21 (vs 25.8% in 2Q21 and 27.4% in 3Q20) following the aggressive promotional campaign to clear inventory. Presales were at THB2.1b in 3Q21 (+3% q-q), supported by two new launches – 1) Lumpini Ville Charun Fai Chai (THB960m, 14% take-up rate), and Lumpini Town Place Lat Phrao 101 (THB620m, 5% take-up rate). 9M21 presales account for only 63% of LPN's full-year target of THB10b.

No sign of a recovery in 4Q21

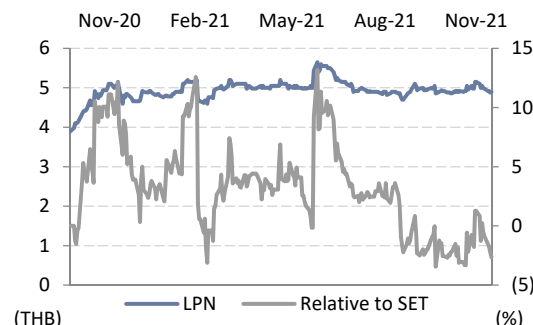
LPN plans to launch one low-rise project – Lumpini Town Ville Sai Mai18 (THB580m). 2021E new launches should amount to THB4.9b, far below LPN's initial plan of THB10b. Hence, presales should be similar to 9M21. LPN's 4Q21 earnings outlook remains weak following the delay in the transfer of Lumpini Place Taopoon Interchange (THB1.7b, 53% sold) to 1Q22 from 4Q21. LPN has a total backlog of THB2.9b – THB1.9b from high-rises and THB1.0b from low-rises – of which THB0.6b will be recognised in 4Q21. Its GPM is under pressure at c21-22% (vs 5-year average of 30.2%) due to the aggressive promotion to clear inventory.

Maintain HOLD with lower TP to THB4.6 (from THB5.1)

We revise down our 2021E earnings by 43% to reflect the weaker-than-expected 9M21 performance, and cut our 2022-23E earnings by 14% after fine-tuning our GPM assumption. Our TP is pegged to 9.6x 2022E P/E, or -0.5 SD of its mean. We see no near-term catalysts but expect solid earnings growth in 2022 due to the low base. We expect LPN to launch more new projects in 2022, which could improve its presales and GPM.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	7,363	5,191	6,460	6,659
Net profit	716	428	704	761
EPS (THB)	0.49	0.29	0.48	0.52
vs Consensus (%)	-	(27.5)	(9.3)	(6.6)
EBITDA	1,039	586	937	1,024
Core net profit	716	428	704	761
Core EPS (THB)	0.49	0.29	0.48	0.52
Chg. In EPS est. (%)	-	(43.1)	(14.0)	(14.1)
EPS growth (%)	(43.0)	(40.2)	64.4	8.1
Core P/E (x)	10.1	16.9	10.3	9.5
Dividend yield (%)	28.6	3.0	4.9	5.3
EV/EBITDA (x)	14.5	17.9	13.8	12.7
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	66.3	27.3	46.3	45.4
ROE (%)	5.7	3.6	5.8	6.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.4)	0.0	27.6
Relative to country (%)	(1.1)	(4.9)	(4.1)
Mkt cap (USD m)	213		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	94		
Major shareholder	Techakraisri family (6%)		
12m high/low (THB)	5.80/3.84		
Issued shares (m)	1,475.74		

Sources: Bloomberg consensus; FSSIA estimates


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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 banks' tightened lending measures, LPN's target client base has been hit harder than higher-priced segments.

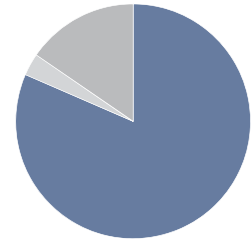
Company profile

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, 2020)

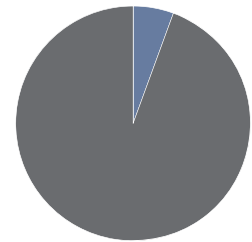
- Sales - 81.5 %
- Rental and service fees - 3.1 %
- Management business - 15.4 %



Source: LPN Development

Major shareholders

- Techakraisri family - 5.6 %
- Others - 94.4 %



Source: LPN Development

Catalysts

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.

Risks to our call

Upside risks to our P/E-based 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 2022	4Q21 results announcement

Key assumptions

	2020	2021E	2022E	2023E
	(%)	(%)	(%)	(%)
Residential sales (THB m)	6,001	3,800	5,027	5,184
Residential sales growth y-y	(31.2)	(36.7)	32.3	3.1
GPM	28.6	28.6	24.5	29.0
SG&A to sales	17.1	17.3	17.1	16.8

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.

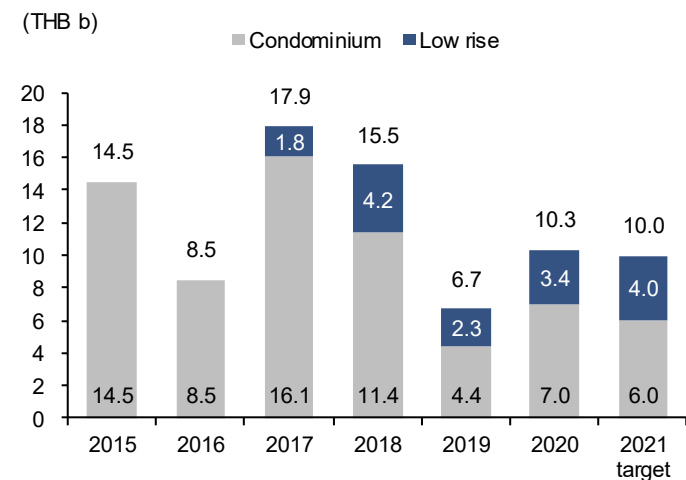
Source: FSSIA estimates

Exhibit 1: 3Q21 results summary

Year to Dec 31	3Q20	4Q20	1Q21	2Q21	3Q21	Change		9M21			2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	%21E	(THB m)	(y-y%)
Sales	1,354	2,649	1,423	1,361	1,183	(13)	(13)	3,967	(16)	76	5,191	(29)
Gross profit	411	745	448	431	328	(24)	(20)	1,208	(17)	87	1,395	(37)
Operating costs	(261)	(411)	(250)	(235)	(253)	8	(3)	(738)	(13)	82	(898)	(29)
Operating profit	150	335	198	196	75	(62)	(50)	470	(23)	95	497	(47)
Operating EBITDA	174	337	223	199	99	(50)	(43)	521	(21)	89	586	(44)
Other income	16	24	4	8	7	(12)	(53)	19	(73)	36	54	(43)
Interest expense	(25)	(34)	(46)	(54)	(47)	(13)	90	(146)	129	3,269	(4)	(95)
Profit before tax	141	324	157	151	36	(76)	(75)	343	(45)	63	546	(42)
Tax	(37)	(80)	(33)	(29)	(8)	(72)	(79)	(69)	(50)	63	(110)	(49)
Reported net profit	103	243	123	121	26	(78)	(74)	270	(43)	63	428	(40)
Recurring net profit	103	243	123	121	26	(78)	(74)	270	(43)	63	428	(40)
EPS (THB)	0.07	0.16	0.08	0.08	0.02	(78)	(74)	0.18	(43)	63	0.29	(40)
Recurring EPS (THB)	0.07	0.16	0.08	0.08	0.02	(78)	(74)	0.18	(43)	63	0.29	(40)
Key Ratios (%)						(ppt)	(ppt)					
Gross margin	30.4	28.1	31.5	31.7	27.8	(3.9)	(2.6)	30.4	(0.5)		26.9	(3.1)
Gross margin from residential sales	27.4	27.7	25.6	25.8	20.9	(4.8)	(6.5)					
Operating margin	11.1	12.6	13.9	14.4	6.3	(8.1)	(4.7)	11.8	(1.1)		9.6	(3.3)
EBITDA margin	12.8	12.7	15.6	14.6	8.4	(6.2)	(4.4)	13.1	(0.8)		11.3	(2.8)
Recurring net margin	7.6	9.2	8.6	8.9	2.2	(6.7)	(5.3)	6.8	(3.2)		8.2	(1.5)
SG&A / Sales	19.3	15.5	17.6	17.3	21.4	4.2	2.1	18.6	0.6		17.3	0.2
Effective tax rate	26.5	24.7	20.8	19.1	22.3	3.1	(4.2)	20.2	(2.0)		20.2	(2.9)
Key operating stat (THB m)												
Presales	2,400	2,220	2,100	2,070	2,130	3	(11)	6,300	(23)			
High-rise	1,630	1,550	1,500	1,240	1,460	18	(10)	4,200	(23)			
Low-rise	770	670	600	830	670	(19)	(13)	2,100	(23)			
Sales of real estate	1,007	2,274	1,057	977	814	(17)	(19)	2,848	(24)			
High-rise	729	1,596	674	532	567	7	(22)	1,773	(34)			
Low-rise	278	678	383	445	247	(45)	(11)	1,074	3			
% High-rise	72.4	70.2	63.8	54.5	69.7							
% Low-rise	27.6	29.8	36.2	45.5	30.3							
Backlog	3,845	2,200	2,480	2,700	2,960	10	(23)					

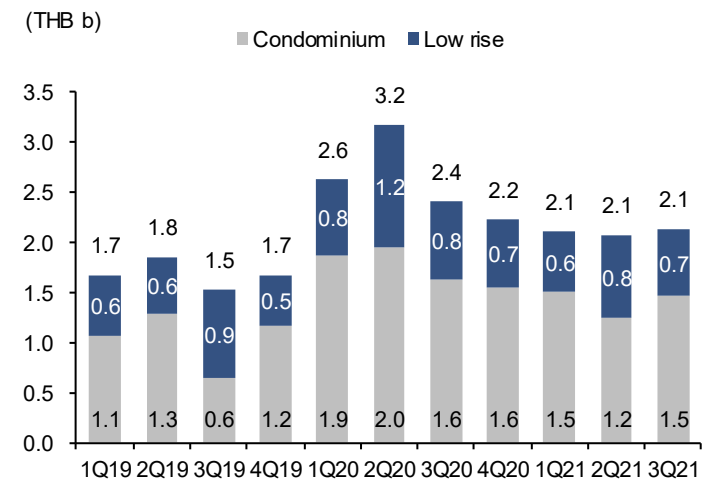
Sources: LPN; FSSIA estimates

Exhibit 2: Yearly presales and target



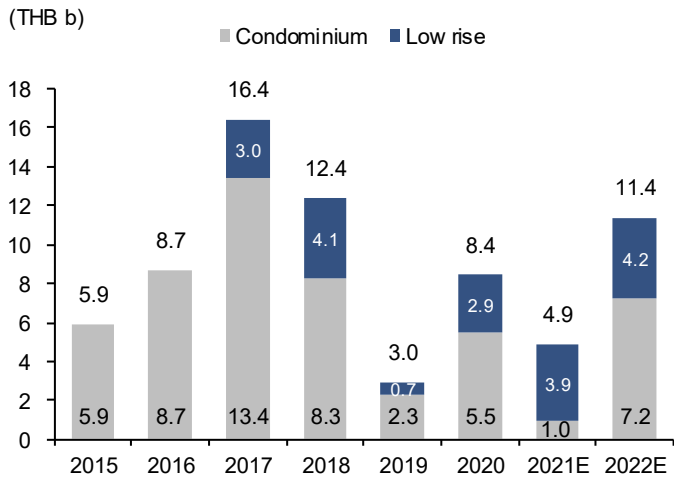
Sources: LPN target; FSSIA's compilation

Exhibit 3: Quarterly presales



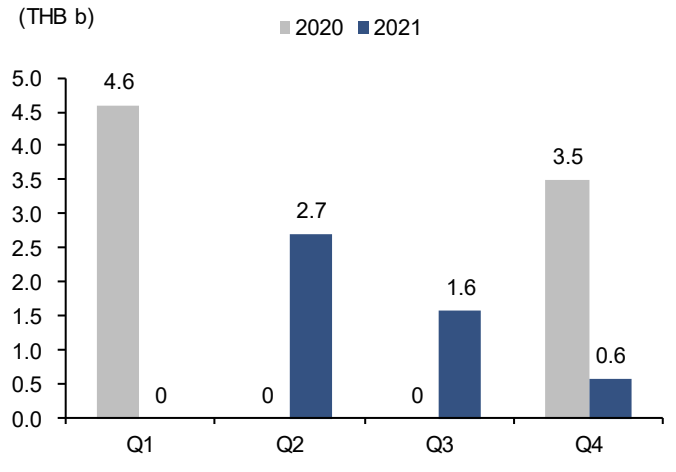
Sources: LPN; FSSIA's compilation

Exhibit 4: New launch plan



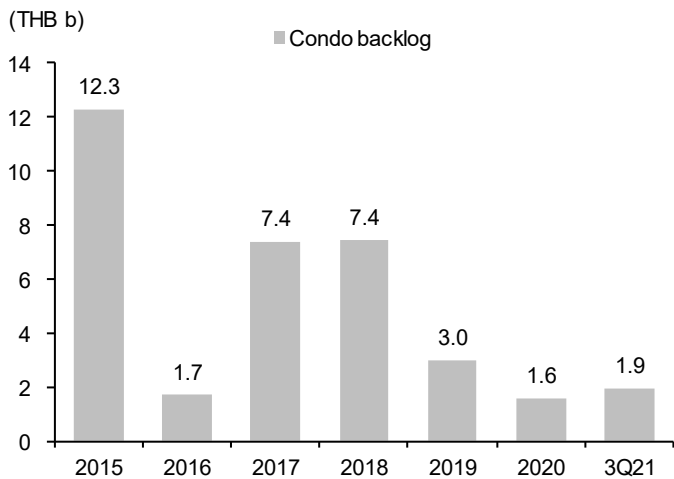
Sources: LPN; FSSIA estimates

Exhibit 5: New launches by quarter



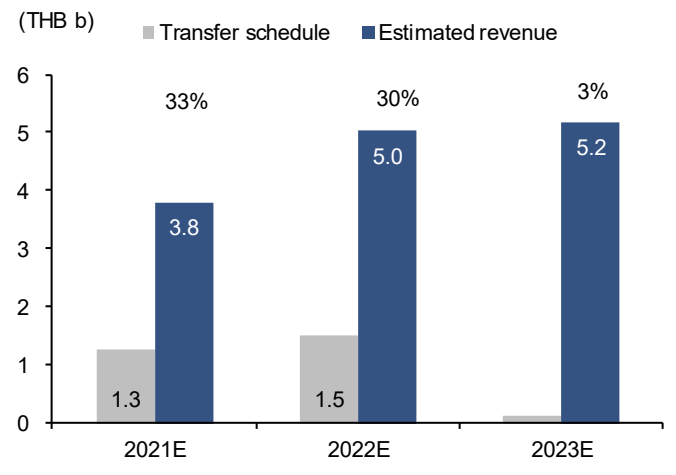
Sources: LPN; FSSIA's compilation

Exhibit 6: Condominium backlog



Source: LPN

Exhibit 7: Condo transfer schedule vs revenue forecast



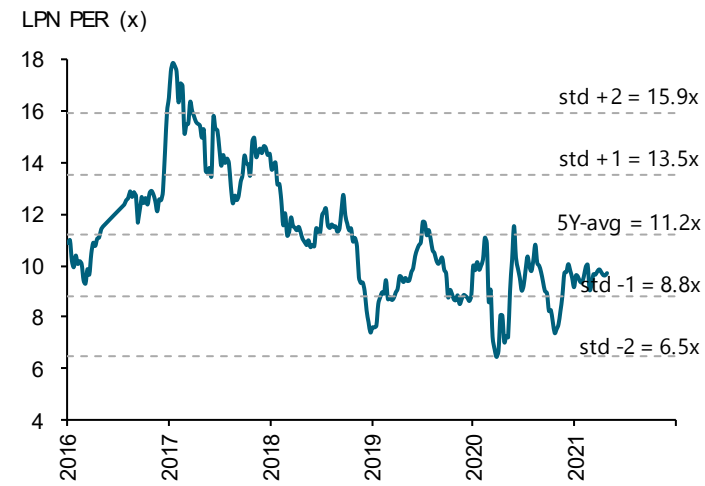
Percentages on top of bars are % of condo transfer to estimated revenue from backlog
Sources: LPN condo backlog; FSSIA estimates

Exhibit 8: Revised assumptions

Key assumptions	Current			Previous			Change		
	2021E (THB m)	2022E (THB m)	2023E (THB m)	2021E (THB m)	2022E (THB m)	2023E (THB m)	2021E (%)	2022E (%)	2023E (%)
Residential sales	3,800	5,027	5,184	5,887	6,185	6,357	(35.4)	(18.7)	(18.5)
Residential sales growth (%)	(36.7)	32.3	3.1	(1.9)	2.8	2.8	(34.8)	29.5	0.3
Residential GPM (%)	28.6	24.5	29.0	28.6	28.6	29.0	0.0	(4.1)	0.0
SG&A to sales (%)	17.3	17.1	16.8	17.3	17.1	16.8	0.0	0.0	0.0
Net profit	428	704	761	752	819	886	(43.1)	(14.0)	(14.1)

Note: Change of items in percentage terms are represented in ppt change
Source: 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: Planned new launches in 2021-22

As end of Sep-21		Project value (THB m)	Units (no.)	Average price (THB/unit)	Launch	Realised	
Condominium	1	Lumpini Ville Charan Fai Chai (Phase 1)	960	526	1.8	Mar-21	2023
	2	Lumpini Charan Fai Chai (Phase 2)	2,250	956	2.4	2022	2023
	3	Lumpini Place Chaengwathana Pakkret Station	1,220	566	2.2	2022	2024
	4	Lumpini Mixx Narathiwat - Ratchada	2,500	967	2.6	2022	2023
	5	Lumpini Condotown Ekkachai 48 (Phase 2)	1,150	1,110	1.0	2022	2024
	6	Lumpini Town Rangsit-Klong 2	80	-	-	2022	2022
Total		8,160	4,125	2.0			
Housing	1	BAAN 365 Muangthong	2,600	190	13.7	Feb-21	2022
	2	Lumpini Town Place Lat Phrao 101 - Pho Kao	620	95	6.5	Mar-21	2022
	3	Lumpini Town Ville Sai Mai18 - Phahonyothin	580	184	3.2	Apr-21	2022
	4	BAAN 365 Ratchaphruek Inthrawat	760	18	42.2	2022	2022
	5	Villa 168 @ Westgate	355	49	7.2	2022	2022
	6	Lumpini Ratchaphruek Bangplub	890	295	3.0	2022	2022
	7	Lumpini Ratpladuk	1,000	-	-	2022	2022
	8	Lumpini Lam Luk la - Klong 3	1,200	-	-	2022	2022
Total		8,005	831	9.6			

Sources: LPN; FSSIA's compilation

Financial Statements

LPN Development

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	9,954	7,363	5,191	6,460	6,659
Cost of goods sold	(6,670)	(5,065)	(3,707)	(4,419)	(4,516)
Gross profit	3,284	2,298	1,484	2,041	2,143
Other operating income	0	0	0	0	0
Operating costs	(1,695)	(1,259)	(898)	(1,105)	(1,119)
Operating EBITDA	1,589	1,039	586	937	1,024
Depreciation	(84)	(93)	(89)	(106)	(122)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,505	946	497	831	902
Net financing costs	1	(89)	8	10	9
Associates	(6)	(8)	(7)	(7)	(7)
Recurring non-operating income	75	78	35	45	46
Non-recurring items	0	0	0	0	0
Profit before tax	1,581	935	540	886	957
Tax	(321)	(217)	(110)	(180)	(195)
Profit after tax	1,260	718	429	705	763
Minority interests	(4)	(1)	(1)	(1)	(1)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	1,256	716	428	704	761
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,256	716	428	704	761
Per share (THB)					
Recurring EPS *	0.85	0.49	0.29	0.48	0.52
Reported EPS	0.85	0.49	0.29	0.48	0.52
DPS	0.60	1.40	0.15	0.24	0.26
Diluted shares (used to calculate per share data)	1,476	1,476	1,476	1,476	1,476
Growth					
Revenue (%)	(11.5)	(26.0)	(29.5)	24.4	3.1
Operating EBITDA (%)	(10.1)	(34.6)	(43.6)	59.8	9.4
Operating EBIT (%)	(11.2)	(37.2)	(47.5)	67.3	8.6
Recurring EPS (%)	(8.1)	(43.0)	(40.2)	64.4	8.1
Reported EPS (%)	(8.1)	(43.0)	(40.2)	64.4	8.1
Operating performance					
Gross margin inc. depreciation (%)	32.2	29.9	26.9	30.0	30.3
Gross margin of key business (%)	31.7	28.6	24.5	29.0	29.5
Operating EBITDA margin (%)	16.0	14.1	11.3	14.5	15.4
Operating EBIT margin (%)	15.1	12.8	9.6	12.9	13.5
Net margin (%)	12.6	9.7	8.2	10.9	11.4
Effective tax rate (%)	20.2	23.1	20.2	20.2	20.2
Dividend payout on recurring profit (%)	70.5	288.4	50.0	50.0	50.0
Interest cover (X)	(1,565.1)	11.5	(62.9)	(85.9)	(106.8)
Inventory days	984.3	1,304.7	1,518.3	1,230.3	1,318.8
Debtor days	13.3	16.9	18.5	10.8	11.8
Creditor days	113.1	112.1	113.4	93.9	101.1
Operating ROIC (%)	7.3	4.2	2.7	4.6	4.6
ROIC (%)	6.4	3.7	2.2	3.9	3.8
ROE (%)	9.6	5.7	3.6	5.8	6.1
ROA (%)	5.6	3.3	2.0	3.4	3.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	8,717	6,001	3,800	5,027	5,184
Rental and service fees	173	225	232	239	246
Management business	1,064	1,136	1,159	1,194	1,230

Sources: LPN Development; FSSIA estimates

Financial Statements

LPN Development

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	1,256	716	428	704	761
Depreciation	84	93	89	106	122
Associates & minorities	(14)	(25)	0	0	0
Other non-cash items	(295)	(286)	(307)	(263)	(319)
Change in working capital	(2,549)	1,182	3,458	(2,289)	(381)
Cash flow from operations	(1,518)	1,680	3,670	(1,742)	183
Capex - maintenance	(112)	(98)	(100)	(100)	(100)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(61)	(556)	891	(521)	(82)
Other investments (net)	299	288	308	264	321
Cash flow from investing	126	(367)	1,099	(357)	139
Dividends paid	(885)	(2,066)	(214)	(352)	(381)
Equity finance	(32)	36	0	0	0
Debt finance	2,388	1,132	(4,234)	2,314	114
Other financing cash flows	0	0	0	0	0
Cash flow from financing	1,471	(898)	(4,448)	1,962	(267)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	79	415	320	(137)	55
Free cash flow to firm (FCFF)	(1,387.32)	1,410.57	4,772.52	(2,095.21)	326.60
Free cash flow to equity (FCFE)	996.76	2,445.28	534.39	215.05	435.65

Per share (THB)

FCFF per share	(0.94)	0.96	3.23	(1.42)	0.22
FCFE per share	0.68	1.66	0.36	0.15	0.30
Recurring cash flow per share	0.70	0.34	0.14	0.37	0.38

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	488	496	596	696	796
Less: Accumulated depreciation	(202)	(205)	(294)	(400)	(522)
Tangible fixed assets (net)	286	291	302	296	274
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	90	61	61	61	61
Cash & equivalents	501	917	1,237	1,100	1,155
A/C receivable	326	357	170	212	218
Inventories	19,044	17,166	13,674	16,115	16,520
Other current assets	69	125	88	109	113
Current assets	19,940	18,564	15,169	17,536	18,006
Other assets	3,157	4,703	3,316	4,126	4,253
Total assets	23,473	23,619	18,847	22,019	22,594
Common equity	13,135	11,822	12,036	12,388	12,769
Minorities etc.	24	0	1	2	4
Total shareholders' equity	13,159	11,822	12,037	12,390	12,772
Long term debt	4,148	2,168	2,461	3,720	3,781
Other long-term liabilities	722	1,682	1,186	1,476	1,521
Long-term liabilities	4,870	3,850	3,646	5,196	5,303
A/C payable	1,845	1,267	1,037	1,236	1,267
Short term debt	3,476	6,588	2,062	3,117	3,169
Other current liabilities	124	92	65	81	83
Current liabilities	5,444	7,947	3,163	4,433	4,519
Total liabilities and shareholders' equity	23,473	23,619	18,847	22,019	22,594
Net working capital	17,471	16,289	12,830	15,120	15,501
Invested capital	21,003	21,343	16,508	19,603	20,089

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

Per share (THB)

Book value per share	8.90	8.01	8.16	8.39	8.65
Tangible book value per share	8.90	8.01	8.16	8.39	8.65

Financial strength

Net debt/equity (%)	54.1	66.3	27.3	46.3	45.4
Net debt/total assets (%)	30.3	33.2	17.4	26.1	25.6
Current ratio (x)	3.7	2.3	4.8	4.0	4.0
CF interest cover (x)	(986.6)	28.6	(62.3)	(20.1)	(48.1)

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	5.8	10.1	16.9	10.3	9.5
Recurring P/E @ target price (x) *	5.4	9.5	15.9	9.6	8.9
Reported P/E (x)	5.8	10.1	16.9	10.3	9.5
Dividend yield (%)	12.2	28.6	3.0	4.9	5.3
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) **	9.0	14.5	17.9	13.8	12.7
EV/EBITDA @ target price (x) **	8.8	14.1	17.2	13.4	12.3
EV/invested capital (x)	0.7	0.7	0.6	0.7	0.6

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

Sources: LPN Development; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

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

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

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

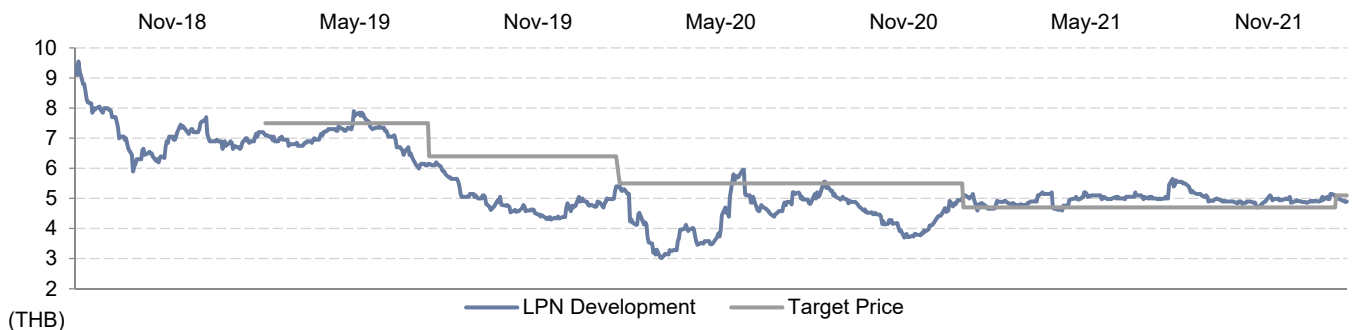
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

LPN Development (LPN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Apr-2019	HOLD	7.50	02-Apr-2020	HOLD	5.50	02-Apr-2021	HOLD	4.70
06-Sep-2019	HOLD	6.40	08-Dec-2020	HOLD	4.70	07-May-2021	HOLD	4.70
17-Feb-2020	HOLD	5.50	15-Feb-2021	HOLD	4.70	25-Oct-2021	HOLD	5.10

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 4.90	HOLD	Upside risks to our P/E-based 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 Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 04-Nov-2021 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.