

AP (THAILAND)

THAILAND / REAL ESTATE

AP TB

BUY

UNCHANGED

3rd consecutive record high NP in sight

- AP booked a net profit of THB1b in 4Q21 (-4% q-q, +5% y-y), in line with the market's expectation.
- Solid presales momentum continues in 1Q22; aggressive launch plan with high presales and transfer targets at THB50b/THB36.5b.
- Maintain BUY with higher TP to THB13 (from THB11.6).

TARGET PRICE	THB13.00
CLOSE	THB10.90
UP/DOWNSIDE	+19.3%
PRIOR TP	THB11.60
CHANGE IN TP	+12.1%
TP vs CONSENSUS	+12.3%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	31,794	37,450	39,503	40,834
Net profit	4,542	4,853	5,001	5,187
EPS (THB)	1.44	1.54	1.59	1.65
vs Consensus (%)	-	2.7	4.1	-
EBITDA	4,763	4,871	5,105	5,367
Core net profit	4,542	4,853	5,001	5,187
Core EPS (THB)	1.44	1.54	1.59	1.65
Chg. In EPS est. (%)	nm	3.5	4.9	nm
EPS growth (%)	7.5	6.9	3.0	3.7
Core P/E (x)	7.5	7.1	6.9	6.6
Dividend yield (%)	4.6	4.9	5.1	5.2
EV/EBITDA (x)	11.2	11.7	11.0	10.0
Price/book (x)	1.1	1.0	0.9	0.8
Net debt/Equity (%)	59.2	64.0	55.2	44.8
ROE (%)	14.7	14.2	13.3	12.6

Record high earnings in 2021

AP booked a net profit of THB1b in 4Q21 (-4% q-q, +5% y-y), in line with BBG's consensus expectation. 2021 net profit grew 7% y-y to THB4.5b; the second consecutive year AP has posted record high earnings. 4Q21 GPM was healthy at 33.5% (vs 32.0% in 3Q21 and 31.7% in 4Q20). We are positive on this number as AP has not applied a price-cutting strategy to gain more market share. AP announced a cash dividend of THB0.5/shr, implying a 4.6% dividend yield. The XD date is 10 May.

Aggressive launch plan worth THB78b in 2022

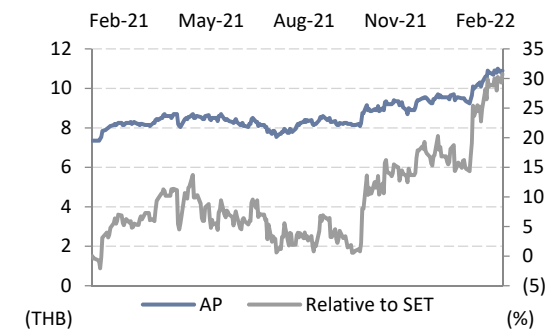
We received positive feedback from the analyst meeting. QTD presales (1.5 months) are at THB7.2b, comprising low-rise presales of THB6.1b (+52% y-y) and high-rise presales of THB1.1b (+255% y-y) vs presales of THB7.6b in 4Q21. AP's new launch plan in 2022 is for a record high launch value at THB78b (+247% y-y) on a high low-rise project launch value of THB65b. AP has 90% of the land secured for the new project launches in 2022. Its presales and transfer targets are still high at THB50b (+43% y-y) and THB36.5b (18% y-y), respectively. AP has a current low-rise backlog of THB17.7b which will be transferred in 2022, and a condo backlog of THB1.5b, of which THB1.3b will be transferred in 2022. Hence, we believe AP has strong earnings visibility, as c53% of our THB36.3b revenue forecast is secured by the current backlog.

Stepping up the earnings trend in 2022

The three low-rise project launches in 1Q22 worth THB2.5b have been well received, with an average take-up rate of 15-25%. Hence, we expect AP's quarterly earnings to ramp up and peak in 4Q22, in line with the new project launches which will be aggressively launched in 2Q and 3Q.

Top pick in property sector

We revise up our 2022-23E net profit by 3.5-4.9% to reflect the solid presales and transfer outlook. We raise our TP to THB13, pegged to 8.4x (from 7.8x) 2022E P/E, +1.5SD of its 5-year average, to reflect the earnings uptrend. AP is still our top pick in the property sector as we believe 1) its solid presales outlook should continue; 2) its earnings could reach a record high in 2023; and 3) it has an undemanding valuation as it is trading at 7.1x 2022E P/E with a decent dividend yield at 4.9-5.2%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	16.6	16.6	50.1
Relative to country (%)	13.9	13.7	31.2
Mkt cap (USD m)	1,059		
3m avg. daily turnover (USD m)	5.0		
Free float (%)	66		
Major shareholder	Mr. Anuphong Assavabhokhin (21%)		
12m high/low (THB)	11.20/7.16		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

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

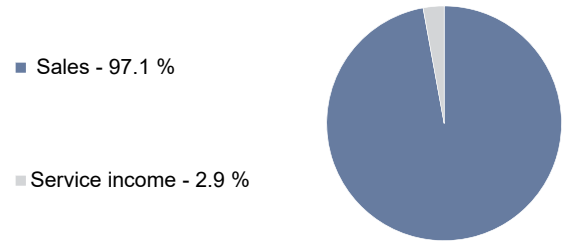
We like AP for 1) its high earnings visibility in 2022-23 – AP achieved high condominium presales during 2Q17-1Q19 at above THB5.0b per quarter, which should be recognised in 2022 due to the average construction period of 2-3 years; 2) its solid presales momentum from low-rise projects which could turn to revenue within a quarter; 3) its undemanding valuation; and 4) its decent 2022-23E dividend yield at or above 5%.

Company profile

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

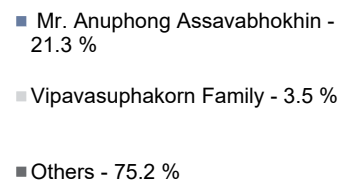
www.apthai.com

Principal activities (revenue, 2021)



Source: AP (Thailand)

Major shareholders



Source: AP (Thailand)

Catalysts

Potential catalysts to drive AP's share price include:

- 1) New launches with successful take-up rates from condominiums;
- 2) A higher-than-expected positive response from its provincial projects.

Risks to our call

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

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Residential sales (THB m)	36,306	38,302	39,596
Residential sales growth	17.6	5.5	3.4
Residential GPM	31.2	31.2	31.2
SG&A to sales	20.0	20.1	19.9
Equity income from JV (THB m)	1,100	1,071	1,037
Earnings (THB m)	4,853	5,001	5,187

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in residential revenue, we project 2022 earnings to rise by 0.6%, and vice versa, all else being equal.
- For every 1% increase in GPM, we project 2022 earnings to rise by 5.9%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2022 earnings to drop by 5.8%, and vice versa, all else being equal.

Source: FSSIA estimates

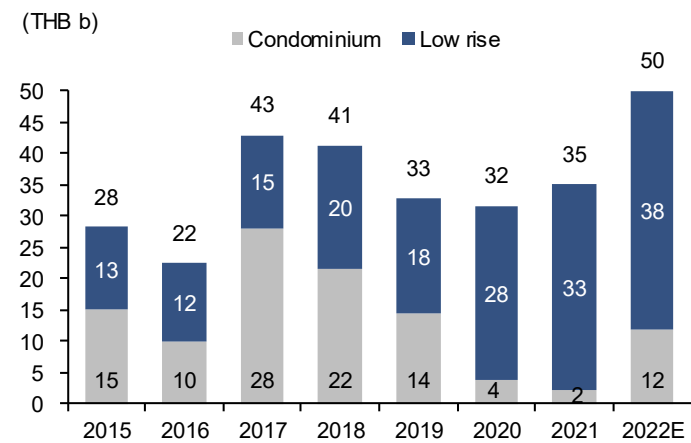
Exhibit 1: 4Q21 results summary

Year to Dec 31	4Q20	1Q21	2Q21	3Q21	4Q21	Change			2021	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%21A		
Sales	7,547	9,106	8,035	7,152	7,501	5	(1)	24	31,794	6
Gross profit	2,393	2,967	2,542	2,292	2,511	10	5	24	10,311	9
Operating costs	(1,579)	(1,425)	(1,392)	(1,430)	(1,581)	11	0	27	(5,828)	(5)
Operating profit	814	1,542	1,149	862	930	8	14	21	4,484	37
Operating EBITDA	884	1,611	1,221	931	1,001	8	13	21	4,763	35
Other income	16	120	28	18	20	11	27	11	186	165
Other expense	1	(2)	(1)	(0)	1	n/a	23	(30)	(3)	(56)
Interest expense	(95)	(102)	(79)	(48)	(25)	(48)	(74)	10	(255)	(31)
Profit before tax	735	1,558	1,097	831	926	11	26	21	4,412	49
Tax	(191)	(329)	(163)	(167)	(210)	26	10	24	(869)	26
Associates	398	175	181	366	277	(24)	(30)	28	999	(49)
Minority interests	(0)	(0)	0	0	0	nm	nm	nm	0	nm
Non-recurring items	0	0	0	0	0	nm	nm	nm	0	nm
Reported net profit	942	1,403	1,115	1,031	993	(4)	5	22	4,542	7
Recurring net profit	942	1,403	1,115	1,031	993	(4)	5	22	4,542	7
EPS (THB)	0.30	0.45	0.35	0.33	0.32	(4)	5	22	1.44	7
Recurring EPS (THB)	0.30	0.45	0.35	0.33	0.32	(4)	5	22	1.44	7
BV/share (THB)	9.31	9.76	9.67	10.00	10.31	3	11		10.31	11
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(ppt)
Gross margin	31.7	32.6	31.6	32.0	33.5	1.4	1.8		32.4	0.9
Operating margin	10.8	16.9	14.3	12.1	12.4	0.4	1.6		14.1	3.2
Recurring net margin	12.5	15.4	13.9	14.4	13.2	(1.2)	0.8		14.3	0.1
SG&A / Sales	20.9	15.6	17.3	20.0	21.1	1.1	0.1		18.3	(2.3)
Effective tax rate	26.0	21.1	14.9	20.0	22.7	2.6	(3.3)		19.7	(3.5)
Key operating stat	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)			
Sales by products	7,304	8,879	7,836	6,916	7,249	5	(1)			
Low-rise	5,887	8,040	7,515	6,670	7,014	5	19			
High-rise	1,417	839	321	246	235	(4)	(83)			
Presales	7,585	7,967	9,850	9,423	7,809	(17)	3			
Low-rise	6,925	7,293	9,137	8,818	7,593	(14)	10			
High-rise	660	674	713	605	216	(64)	(67)			

Note: Change of items in percentage terms are represented in ppt change

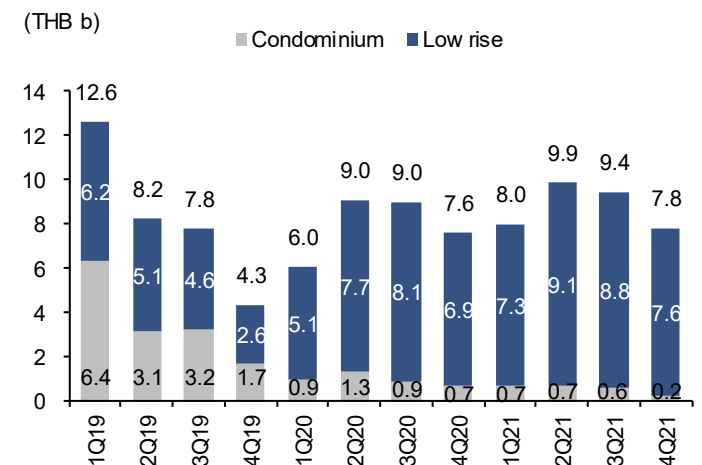
Sources: AP; FSSIA estimates

Exhibit 2: Yearly presales and target



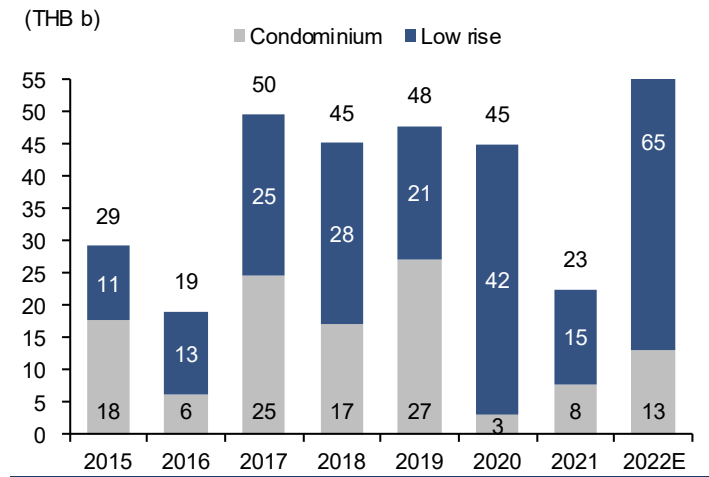
Sources: AP; FSSIA's compilation

Exhibit 3: Quarterly presales



Sources: AP; FSSIA's compilation

Exhibit 4: New launch plan



Source: AP estimates

Exhibit 5: 2022 launch plan by quarter

Product	1Q (no.)	2Q (no.)	3Q (no.)	4Q (no.)	Total (no.)
SDH	4	3	13	6	26
TH	7	12	4	6	29
CD	1	2	-	2	5
Upcountry	-	1	2	2	5
Total	12	18	19	16	65

Sources: AP; FSSIA's compilation

Net profit and target price revisions

We revise up our 2022-23E net profit by 3.5-4.9% to reflect the solid presales and transfer outlook. We raise our TP to THB13, pegged to 8.4x 2022E P/E, +1.5SD of its 5-year average, to reflect the earnings uptrend. AP is still our top pick in the property sector as we believe 1) its solid presales outlook should continue; 2) its earnings could reach a record high in 2023; and 3) it has an undemanding valuation as it is trading at 7.1x 2022E P/E with a decent dividend yield at 4.9-5.2%.

Exhibit 6: Revised assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Residential sales	36,306	38,302	39,596	35,532	37,605	39,596	2.2	1.9	0.0
Residential sales growth (%)	17.6	5.5	3.4	9.1	5.8	3.4	8.5	(0.3)	0.0
Residential GPM (%)	31.2	31.2	31.2	31.7	33.0	31.2	(0.5)	(1.8)	0.0
SG&A to sales (%)	20.0	20.1	19.9	20.5	20.4	19.9	(0.5)	(0.3)	0.0
Equity income from JV	1,100	1,071	1,037	1,589	1,071	1,037	(30.8)	0.0	0.0
Earnings	4,853	5,001	5,187	4,688	4,766	5,187	3.5	4.9	0.0

Note: Change of items in percentage terms are represented in ppt change

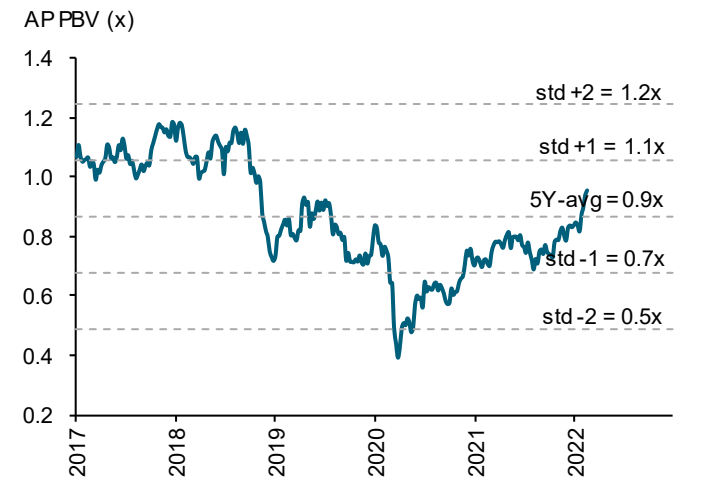
Sources: FSSIA estimates

Exhibit 7: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Key valuations of companies under coverage

	BBG	Rec	---Share price---		Up(down) side	Market Cap (USD m)	EPS growth		--- PE ---		-- DivYld --		--- ROE ---		--- PBV ---	
			Current (THB)	Target (THB)			21E (%)	22E (%)	21E (x)	22E (x)	21E (%)	22E (%)	21E (%)	22E (%)	21E (x)	22E (x)
AP (Thailand)	AP TB	BUY	10.90	13.00	19	1,059	7.5	6.9	7.5	7.1	4.6	4.9	14.7	14.2	1.1	1.0
Land and Houses	LH TB	BUY	9.45	10.20	8	3,489	4.6	17.6	16.5	14.0	5.1	6.0	13.7	16.2	2.3	2.3
LPN Development	LPN TB	HOLD	4.78	4.60	(4)	215	(57.8)	132.4	23.3	10.0	29.3	7.0	2.6	6.1	0.6	0.6
Pruksa Holding	PSH TB	BUY	14.70	15.00	2	994	(4.5)	30.4	12.2	9.3	6.2	8.1	6.1	8.0	0.7	0.7
Quality Houses	QH TB	HOLD	2.32	2.50	8	768	0.1	20.3	11.7	9.7	5.2	6.2	7.9	9.2	0.9	0.9
Supalai	SPALI TB	BUY	22.40	28.00	25	1,348	44.8	11.8	7.8	7.0	6.1	6.4	15.3	17.1	1.2	1.2
Average						7,873	4.4	20.6	13.0	10.7	6.0	6.2	12.3	14.1	1.6	1.5
Central Pattana	CPN TB	BUY	56.75	68.00	20	7,838	(22.8)	94.9	58.7	30.1	0.6	1.1	6.2	11.3	3.6	3.3

Share prices as of 22 Feb 2022

Source: FSSIA estimates

Exhibit 10: Schedule of condominium transfers as of 31 Dec 2021

Condo Projects	Project value	Total units	Units sold	Accumulated transfers 2021	22E	23E	24E	25E	26E	Launch year	Estimated transfer start	Estimated transfer finish
	(THB m)	(no.)	(%)	(%)	(%)	(%)	(%)	(%)	(%)			
Aspire Rattanaibet II	2,850	1,428	99	99	1					1Q13	1Q16	1Q22
Aspire Sukhumvit-Onnut Phase I	1,500	553	70	69	31					1Q19	1Q20	4Q22
Aspire Asoke-Ratchada	2,900	1,025	99	98	2					1Q19	3Q20	1Q22
Aspire Erawan Prime	3,200	1,275	34	0	39	39	22			4Q20	1Q22	3Q24
Aspire Rattanaibet - Weston	1,600	854	13	0		35	35	30		4Q21	1Q23	3Q25
Aspire Pinklao - Arunamarin	1,200	396	0			50	50			1Q22	2Q23	4Q24
Aspire Ratchayotin	1,400	633	0			14	65	21		2Q22	4Q23	2Q25
Total	14,650	6,164	65									
JV projects												
Life Ladprao	8,300	1,615	98	97	3					2Q17	1Q20	2Q22
Life One Wireless	7,900	1,344	93	92	8					3Q17	4Q19	4Q22
Life Asoke - Rama 9	9,800	2,248	89	85	15					4Q17	3Q20	4Q22
Life Ladprao Valley	6,450	1,140	62	35	42	23				3Q18	3Q21	3Q23
Life Asoke -Hype	5,880	1,253	59	26	35	26	13			4Q18	2Q21	2Q24
Rhythm Ekkamai Estate	3,350	303	30	0	25	34	34	7		1Q19	3Q22	2Q25
The Address Siam-Ratchathewi	8,800	880	32	0		25	31	31	13	2Q19	2Q23	4Q26
Life Sathorn Sierra	6,250	1,971	49	0	40	35	25			3Q19	3Q22	4Q24
Rhythm Charoenkrung Pavillion	4,700	421	65	0		80	20			4Q19	1Q23	2Q24
Life Rama 4 - Asoke	6,300	1,237	17	0			55	45		4Q21	2Q24	4Q25
Life Ladprao Station	3,500	589					60	40		4Q22	2Q24	2Q25
Aspire Sukumvit - Rama 4	4,200	1,323						55	45	4Q22	2Q25	4Q26
Aspire Onnut Station	2,700	736						69	31	4Q22	1Q25	3Q26
Total of JV projects	78,130	15,060	65									

Sources: AP; FSSIA's compilation

Exhibit 11: Project launches in 2021 as of 31 Dec 2021

Project name	Area	Units	Project value	% units sold	Launch period
	(rai)	(no.)	(THB m)	(%)	
District Ramintra - Chatuchote	3	25	110	88	2Q21
Grande Pleno Phaholyothin - Vibhavadi	45	414	1,120	35	4Q21
Pleno Pinklao Charan 2	10	65	270	69	4Q21
Pleno Pinklao Charan 3	8	79	300	30	4Q21
Pleno Bangna Onnut 2	6	44	180	23	4Q21
Grande Pleno Bangna Onnut	13	82	410	23	4Q21
Baan Klang Muang Sukhumvit - Onnut	12	155	650	17	4Q21
Baan Klang Muang The Edition Phaholyothin - Ramintra	11	64	630	20	4Q21
Townhouse: 8 projects			3,670		
Centro Phahol - Vibhavadi 2	50	249	1,250	48	2Q21
Centro Ratchapruet - Suan Phak 3	11	43	400	86	2Q21
The City Pinklao - Boromratchachonnani 2	49	105	2,060	63	3Q21
The City Ramintra - Wongwaen	33	108	1,270	19	3Q21
Centro Vibhavadi	56	233	2,090	18	3Q21
Baan Klang Krung Sathupradit - Rama 3	2	13	400	69	3Q21
Centro Ratchapruet 345	42	187	1,200	19	3Q21
Single Detached House: 7 projects			8,670		
Api Town Chiang Rai	43	155	900	11	1Q21
Api Town Ayutthaya	66	436	1,400	20	1Q21
Upcountry: 2 projects			2,300		
Life Rama 4 - Asoke (JV)	6	1,237	6,300	17	4Q21
Aspire Rattanaibet - Weston	4	854	1,600	13	4Q21
Condo: 2 projects			7,900		
Total new launches: 19 projects			22,540		

Sources: AP; FSSIA's compilation

Financial Statements

AP (Thailand)

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	29,888	31,794	37,450	39,503	40,834
Cost of goods sold	(20,189)	(21,204)	(25,102)	(26,472)	(27,354)
Gross profit	9,699	10,590	12,348	13,032	13,480
Other operating income	0	0	0	0	0
Operating costs	(6,160)	(5,828)	(7,477)	(7,927)	(8,112)
Operating EBITDA	3,540	4,763	4,871	5,105	5,367
Depreciation	(269)	(279)	(152)	(168)	(185)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,270	4,484	4,720	4,936	5,182
Net financing costs	(361)	(248)	(253)	(261)	(240)
Associates	1,948	999	1,100	1,071	1,037
Recurring non-operating income	2,006	1,175	1,308	1,290	1,264
Non-recurring items	0	0	0	0	0
Profit before tax	4,915	5,411	5,774	5,965	6,206
Tax	(690)	(869)	(921)	(964)	(1,018)
Profit after tax	4,225	4,542	4,853	5,001	5,187
Minority interests	1	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	4,227	4,542	4,853	5,001	5,187
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	4,227	4,542	4,853	5,001	5,187
Per share (THB)					
Recurring EPS *	1.34	1.44	1.54	1.59	1.65
Reported EPS	1.34	1.44	1.54	1.59	1.65
DPS	0.45	0.50	0.53	0.55	0.57
Diluted shares (used to calculate per share data)	3,146	3,146	3,146	3,146	3,146
Growth					
Revenue (%)	25.6	6.4	17.8	5.5	3.4
Operating EBITDA (%)	24.2	34.6	2.3	4.8	5.1
Operating EBIT (%)	19.7	37.1	5.3	4.6	5.0
Recurring EPS (%)	41.3	7.5	6.9	3.0	3.7
Reported EPS (%)	37.8	7.5	6.9	3.0	3.7
Operating performance					
Gross margin inc. depreciation (%)	31.6	32.4	32.6	32.6	32.6
Gross margin of key business (%)	30.1	31.1	31.2	31.2	31.2
Operating EBITDA margin (%)	11.8	15.0	13.0	12.9	13.1
Operating EBIT margin (%)	10.9	14.1	12.6	12.5	12.7
Net margin (%)	14.1	14.3	13.0	12.7	12.7
Effective tax rate (%)	23.2	19.7	19.7	19.7	19.7
Dividend payout on recurring profit (%)	33.5	34.6	34.6	34.6	34.6
Interest cover (X)	14.6	22.8	23.8	23.8	26.8
Inventory days	866.5	804.9	744.4	774.2	772.4
Debtor days	1.5	1.1	1.3	1.3	1.3
Creditor days	32.3	36.8	38.7	40.8	41.2
Operating ROIC (%)	5.6	8.5	8.2	7.8	7.9
ROIC (%)	7.8	8.9	8.7	8.3	8.3
ROE (%)	15.2	14.7	14.2	13.3	12.6
ROA (%)	7.7	8.0	7.9	7.6	7.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	28,949	30,879	36,306	38,302	39,597
Service income	939	915	1,144	1,201	1,237

Sources: AP (Thailand); FSSIA estimates

Financial Statements

AP (Thailand)

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	4,227	4,542	4,853	5,001	5,187
Depreciation	269	279	152	168	185
Associates & minorities	0	0	0	0	0
Other non-cash items	(207)	(143)	(132)	(154)	(150)
Change in working capital	4,903	(1,080)	(6,703)	(2,064)	(954)
Cash flow from operations	9,192	3,597	(1,830)	2,952	4,268
Capex - maintenance	(174)	(188)	(188)	(188)	(188)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(1,574)	(736)	(379)	(169)	(128)
Other investments (net)	213	167	168	172	158
Cash flow from investing	(1,536)	(757)	(399)	(186)	(157)
Dividends paid	(1,416)	(1,573)	(1,681)	(1,732)	(1,796)
Equity finance	157	191	191	191	191
Debt finance	(4,228)	(2,129)	2,319	(1,192)	(2,471)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(5,487)	(3,510)	829	(2,733)	(4,076)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	2,170	(670)	(1,400)	34	35
Free cash flow to firm (FCFF)	8,023.30	3,095.17	(1,972.91)	3,029.08	4,352.47
Free cash flow to equity (FCFE)	3,427.81	711.53	89.74	1,574.09	1,640.25

Per share (THB)					
FCFF per share	2.55	0.98	(0.63)	0.96	1.38
FCFE per share	1.09	0.23	0.03	0.50	0.52
Recurring cash flow per share	1.36	1.49	1.55	1.59	1.66

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	986	1,032	1,220	1,408	1,596
Less: Accumulated depreciation	(502)	(588)	(690)	(808)	(943)
Tangible fixed assets (net)	484	443	530	600	653
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	6,462	6,644	6,644	6,644	6,644
Cash & equivalents	2,740	2,070	670	704	739
A/C receivable	80	118	139	147	152
Inventories	46,140	47,379	55,002	57,293	58,472
Other current assets	938	1,386	1,632	1,722	1,780
Current assets	49,897	50,953	57,443	59,865	61,142
Other assets	1,881	2,369	2,790	2,943	3,042
Total assets	58,724	60,409	67,408	70,052	71,481
Common equity	29,281	32,442	35,805	39,266	42,848
Minorities etc.	(18)	(18)	(18)	(18)	(18)
Total shareholders' equity	29,263	32,423	35,787	39,248	42,830
Long term debt	15,666	15,024	17,323	16,447	14,631
Other long-term liabilities	538	523	616	649	671
Long-term liabilities	16,204	15,546	17,939	17,096	15,302
A/C payable	1,824	2,449	2,879	3,037	3,140
Short term debt	7,713	6,227	6,246	5,930	5,275
Other current liabilities	3,719	3,763	4,557	4,741	4,935
Current liabilities	13,256	12,439	13,682	13,708	13,350
Total liabilities and shareholders' equity	58,724	60,409	67,408	70,052	71,481
Net working capital	41,614	42,670	49,337	51,383	52,329
Invested capital	50,441	52,127	59,302	61,570	62,668

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

Per share (THB)					
Book value per share	9.31	10.31	11.38	12.48	13.62
Tangible book value per share	9.31	10.31	11.38	12.48	13.62

Financial strength					
Net debt/equity (%)	70.5	59.2	64.0	55.2	44.8
Net debt/total assets (%)	35.1	31.8	34.0	30.9	26.8
Current ratio (x)	3.8	4.1	4.2	4.4	4.6
CF interest cover (x)	10.5	3.9	1.4	7.0	7.8

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	8.1	7.5	7.1	6.9	6.6
Recurring P/E @ target price (x) *	9.7	9.0	8.4	8.2	7.9
Reported P/E (x)	8.1	7.5	7.1	6.9	6.6
Dividend yield (%)	4.1	4.6	4.9	5.1	5.2
Price/book (x)	1.2	1.1	1.0	0.9	0.8
Price/tangible book (x)	1.2	1.1	1.0	0.9	0.8
EV/EBITDA (x) **	15.5	11.2	11.7	11.0	10.0
EV/EBITDA @ target price (x) **	17.4	12.6	13.1	12.3	11.2
EV/invested capital (x)	1.1	1.0	1.0	0.9	0.9

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

Sources: AP (Thailand); 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	AMANAH	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

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Company	Ticker	Price	Rating	Valuation & Risks
AP (Thailand)	AP TB	THB 10.90	BUY	Downside risks to our P/E based TP are declining profitability from rising cost pressure in tandem with weakening pricing power and increased competition, such that it hurts take-up rates. This is especially true for condominium projects which typically have more units than low-rise projects.
Land and Houses	LH TB	THB 9.45	BUY	Key downside risks to our SoTP-based TP are slower responses to new launches and new project postponements. Key risks on the macro front include 1) a slower market expansion than we assume; 2) intensifying competition, which could undermine profitability; and 3) rising cost pressure.
LPN Development	LPN TB	THB 4.78	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.
Prukha Holding	PSH TB	THB 14.70	BUY	Key downside risks to our P/E based TP are a weaker-than-expected take-up rate for new launches, declining utilisation at factories and softening profitability.
Quality Houses	QH TB	THB 2.32	HOLD	Key downside risks to our call are delays in new launches, poor demand for new launches, rising competition, residential supply and a lower-than-expected gross profit margin. Key upside risks are a better-than-expected take-up rate of new launches, profitability expansions and faster-than-expected asset turnovers.
Supalai	SPALI TB	THB 22.40	BUY	Downside risks to our P/E derived TP are cost overruns, delays or poor reception of new launches, presale cancellations, homebuyers' inability to obtain mortgage financing, weak take-up rates and reduced pricing power from rising competition.
Central Pattana	CPN TB	THB 56.75	BUY	Key downside risks to our DCF-derived TP are deviations to our estimates on rental rate, occupancy rate, returns on its new investments, capex and interest rate.

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 22-Feb-2022 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.