

SUPALAI SPALI TB

THAILAND / PROPERTY DEVELOPMENT

BUY

Slower performance but still safe

- Our forecast calls for a 4Q22 net profit of THB2.1b (-24% q-q, -28% y-y). We expect 2022 earnings to grow by 14% y-y but drop by 11% y-y in 2023 from the high base and lower new condo transfers.
- 2023 presales target +11% y-y, supported by 37 new projects.
- Re-initiate with a BUY call and TP of THB27 (7.4x 2023E P/E).

TARGET PRICE	THB27.00
CLOSE	THB23.70
UP/DOWNSIDE	+13.9%
TP vs CONSENSUS	-0.4%

Expect 4Q22 profit to decrease q-q and y-y

We anticipate a 4Q22 net profit of THB2.1b (-24% q-q, -28% y-y) due to the lack of new condo transfers, and lower transfers after the high base in 3Q22 and 4Q21. We expect project sales to fall by 13% q-q and 11% y-y to THB9.6b and property gross margin to drop to 38.0% (vs 39.6% in 3Q22 and 40.4% in 4Q21) due to the lower proportion of condo transfers from high margin projects. However, profit sharing from its JV is expected to jump by 80% q-q to THB153m, supported by the completion of projects in Australia.

2023 presales target set at THB36.0b (+11% y-y)

SPALI's 2023 presales target aims for 11% y-y growth to THB36.0b, split 70:30 between low-rise and condo projects. This implies that low-rise presales could surge by 14% y-y as condo presales inch up 4% y-y. It also plans to introduce 37 new projects with a combined value of Bt41.0bn (+8% y-y) in Bangkok and the provinces. Of that, 80% will be low-rise projects and the remaining 20% condos. Also, more luxury low-rise projects priced from THB10m-THB30m are being planned.

Robust earnings in 2022 but challenges ahead in 2023

Our forecast calls for SPALI's 2022 net profit to reach a two-year record high of THB8.1b (+14% y-y). However, we expect 2023 earnings to decrease to THB7.2b (-11% y-y) as project sales drop by 6% y-y to THB32.3b and our property GPM assumption falls to 38.0% (vs 39.1% in 2022). This reflects the transfer of only two new condo projects, down from seven in 2022. Its resilient backlog is enough to secure 46% of our 2023 transfer estimate.

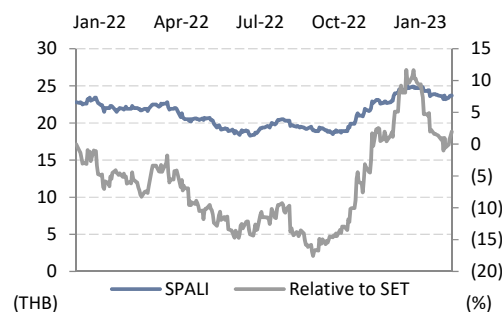
Re-initiate with a BUY rating and TP of THB27

Our 2023 TP at THB27 assumes a PER of 7.4x, within its five-year historical average. Currently, the company trades at 6.4x 2023 PE. Also, we expect it to offer a dividend yield of 3.7% in 2H22 (2H22 DPS of THB0.87) and 5.9% in 2023. SPALI's strength is its strong financial position, with a net gearing of 0.5-0.6x at the end of 4Q22E. Second, we expect its cTHB19b backlog to be realised within three years. Finally, its portfolio is flexible and well diversified in both products and locations. We re-initiate coverage of SPALI with a BUY call.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	29,160	34,476	32,565	33,865
Net profit	7,070	8,088	7,177	7,404
EPS (THB)	3.30	4.14	3.67	3.79
vs Consensus (%)	-	10.1	(0.4)	4.1
EBITDA	8,444	9,658	8,772	9,113
Core net profit	7,070	8,088	7,177	7,404
Core EPS (THB)	3.30	4.14	3.67	3.79
EPS growth (%)	66.3	25.7	(11.3)	3.2

Core P/E (x)	7.2	5.7	6.4	6.3
Dividend yield (%)	5.3	6.6	5.9	6.1
EV/EBITDA (x)	8.3	6.4	7.4	7.2
Price/book (x)	1.2	1.0	0.9	0.8
Net debt/Equity (%)	42.5	31.5	32.8	31.0
ROE (%)	18.0	18.3	14.7	13.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.0)	12.9	5.3
Relative to country (%)	(6.6)	7.8	3.6
Mkt cap (USD m)	1,413		
3m avg. daily turnover (USD m)	7.9		
Free float (%)	60		
Major shareholder	Tangmatitham Family (30%)		
12m high/low (THB)	25.25/18.10		
Issued shares (m)	1,953.05		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SPALI's strengths are its competitive prices, value-for-money, and functionality. Also, its portfolio is flexible and well diversified in both products and location (Bangkok and the provinces). Moreover, its wide gross margin of 37%-40% is among the highest in the property development sector.

Its resilient backlog of cTHB19b as of 31 Dec-2022 – to be gradually realised until 2025 – is already enough to secure 46% of our transfer estimate for 2023, which should help limit downside. Meanwhile, the backlog is of good quality, in our view, due to the high average down payment at 18%-20% vs c15% currently.

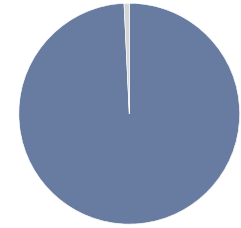
Company profile

Supalai was established on 26 Jun-89, listed in 1993 and hit by the economic crisis in 1997. SPALI started restructuring THB8,113m in debt in 1999 which was completed in 2002. The company is currently one of the leading listed developers in Thailand.

www.supalai.com

Principal activities (revenue, 2021)

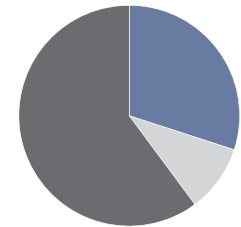
- Real estate - 99.2 %
- Rentals & Services - 0.8 %



Source: Supalai

Major shareholders

- Tangmatitham Family - 30.0 %
- Thai NVDR - 9.9 %
- Others - 60.2 %



Source: Supalai

Catalysts

Potential catalysts to drive SPALI's share price include: 1) stronger-than-expected presales momentum for both low-rise and condominium projects; and 2) faster-than-expected project completions and a better GPM.

Risks to our call

Downside risks to our P/E derived TP are cost overruns; delays or poor receptions for new launches; presale cancellations; inability of homebuyers to obtain mortgage financing; and weak take-up rates and reduced pricing power from rising competition.

Event calendar

Date	Event
21 February 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Project sales (THB m)	34,221	32,297	33,583
Rental and services income (THB m)	256	268	282
Property GPM (%)	39.1	38.0	37.8
GPM (%)	39.0	38.0	37.8
SG&A to sales (%)	11.4	11.4	11.3

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 5.9%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 1.7%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2023 net profit to fall by 1.7%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 4Q22 results preview

	4Q21	1Q22	2Q22	3Q22	4Q22E	Change		2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
Sales	10,938	5,433	8,198	11,133	9,710	(13)	(11)	34,476
Gross profit	4,409	2,129	3,231	4,404	3,685	(16)	(16)	13,460
Operating costs	(1,101)	(717)	(940)	(1,124)	(1,146)	2	4	(3,927)
Operating profit	3,307	1,412	2,291	3,281	2,539	(23)	(23)	9,533
Operating EBITDA	3,338	1,442	2,320	3,312	2,570	(22)	(23)	9,658
Other income	187	105	357	229	70	(69)	(63)	761
Interest expense	(61)	(59)	(61)	(75)	(80)	6	31	(272)
Profit before tax	3,434	1,458	2,587	3,435	2,529	(26)	(26)	10,022
Tax	(698)	(322)	(564)	(729)	(551)	(24)	(21)	(2,175)
Associates	169	58	83	85	153	80	(10)	378
Reported net profit	2,879	1,178	2,075	2,749	2,080	(24)	(28)	8,088
Recurring net profit	2,879	1,178	2,075	2,749	2,080	(24)	(28)	8,088
EPS (THB)	1.34	0.55	0.97	1.28	1.07	(17)	(21)	4.14
Recurring EPS (THB)	1.34	0.55	0.97	1.28	1.07	(17)	(21)	4.14
Key Ratio (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	40.3	39.2	39.4	39.6	37.9	(1.6)	(2.4)	39.0
Operating margin	30.2	26.0	27.9	29.5	26.1	(3.3)	(4.1)	27.6
EBITDA margin	30.5	26.5	28.3	29.7	26.5	(3.3)	(4.1)	28.0
Recurring net margin	26.3	21.7	25.3	24.7	21.4	(3.3)	(4.9)	23.5
SG&A / Sales	10.1	13.2	11.5	10.1	11.8	1.7	1.7	11.4
Effective tax rate	20.3	22.1	21.8	21.2	0.0	(0.6)	1.0	21.7
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	
Property transfer	10,883	5,372	8,136	11,068	9,645	(13)	(11)	
-- Low-rise	5,115	2,525	3,824	5,202	6,752	30	32	
-- High-rise	5,768	2,847	4,312	5,866	2,894	(51)	(50)	
Presales	6,516	8,852	9,364	6,809	7,408	9	14	
-- Low-rise	1,915	2,567	2,833	4,880	4,787	(2)	150	
-- High-rise	4,601	6,285	6,531	1,929	2,621	36	(43)	
New launches	4,900	11,010	9,700	5,910	11,800	100	141	
Backlog	27,443	28,137	27,962	23,016	19,173	(17)	(30)	

Sources: SPALI; FSSIA estimates

Exhibit 2: Condo value transferred in 2022

Transfer	Project	Value	% Sold
		(THB m)	(%)
1Q22	Supalai City Resort Sukhumvit 107	2,000	16
	Supalai Veranda Sukhumvit 117	2,800	42
	Supalai Loft Prajadhipok-Wongwian Yai	1,500	87
2Q22	Supalai Lite Thaphra-Wongwian Yai	1,200	53
	Supalai Park Yaek Fai Chai Station	2,270	40
	Supalai Veranda Ramkhamhaeng	6,050	83
3Q22	Supalai City Resort Charan 91	2,100	62

Source: SPALI

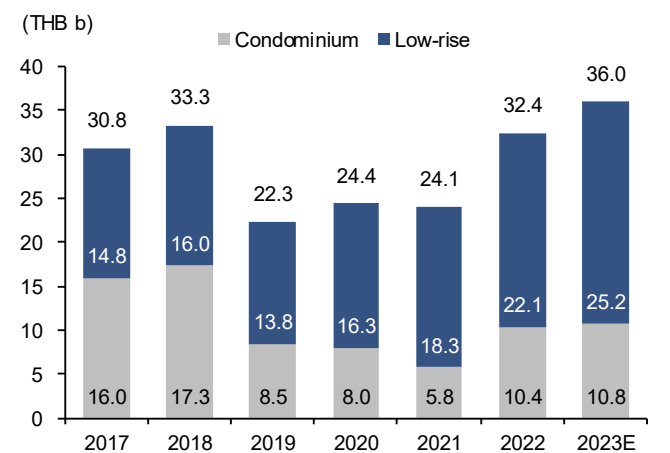
2023 business plan

In 4Q22, presales were healthy at THB7.4b (+9% q-q, +14% y-y). Of that, 65% were from low-rise projects and 35% were condo units. This was supported by 11 new projects with a combined value of THB10.8b. Presales in 4Q22 hit a peak for last year, especially from the 10 new low-rise projects. We project SPALI's 2022 presales – split 68:32 between low-rise and condo projects – at THB32.4b (+35% y-y), which is 16% higher than the company's target of THB28.0b due mainly to the high number of completed condo projects. It. In 2022, 31 new projects were launched with a combined value of THB37.8b (86% low-rise and 14% condo).

In 2023, management believes that presales and transfers should be supported by strong growth momentum from more completed low-rise and condo projects. Also, more overseas customers, especially after China's border reopening and the end of travel restrictions. However, it will monitor the impact of an expiration of the easing of the loan-to-value (LTV) limits. We expect a lower impact than when the LTV rules were introduced in 2019. Meanwhile, the key points of its 2023 business plan are as follows:

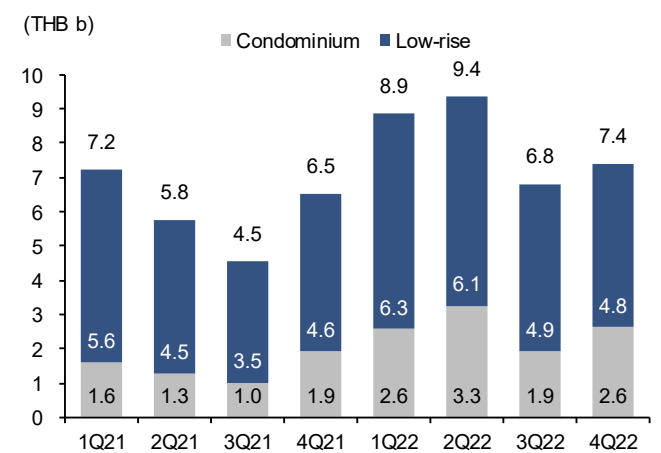
- SPALI's presales and revenue target of THB36.0b, which implies 11% higher y-y presales growth, is split 70:30 between low-rise and condo projects. We think low-rise presales should surge by 14% y-y while condo presales inch up 4% y-y.
- The company plans to introduce 37 new projects with a combined value of THB41b (+8% y-y). Of the total, 80% will be low-rise projects and 20% condos. The low-rise projects being planned comprise 14 in Greater Bangkok and 20 in provinces where SPALI already has developments, along with five new provinces: Lamphun, Lampang, Nakhon Pathom, Chanthaburi, and Ratchaburi. The remaining three projects will be condos in Greater Bangkok with a combined value of THB8.2b.
- More luxury low-rise projects are in the works, with prices ranging from THB10m-THB30m, such as Supalai Elegance Phaholyothin 50, a luxury detached home project located on Thep Rak Road. Moreover, it will introduce new home designs.
- To diversify risks from its property business by generating recurring income, SPALI has invested THB9.75b over the past decade to develop 12 residential projects with a combined value of THB52.6b. It plans to continue this type of investment this year.

Exhibit 3: Yearly presales and 2023 target



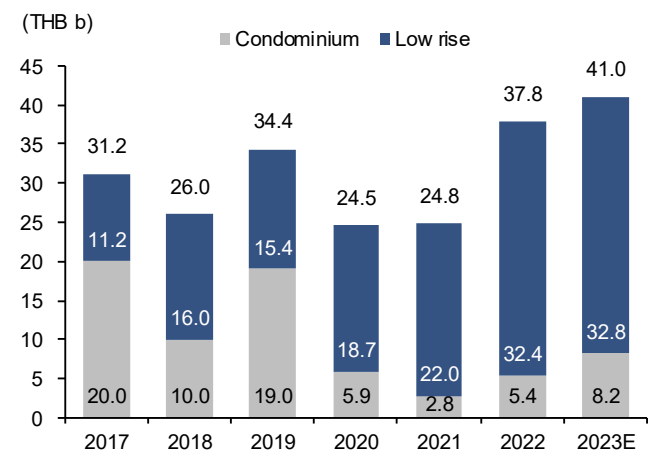
Sources: SPALI; FSSIA's compilation

Exhibit 4: Quarterly presales



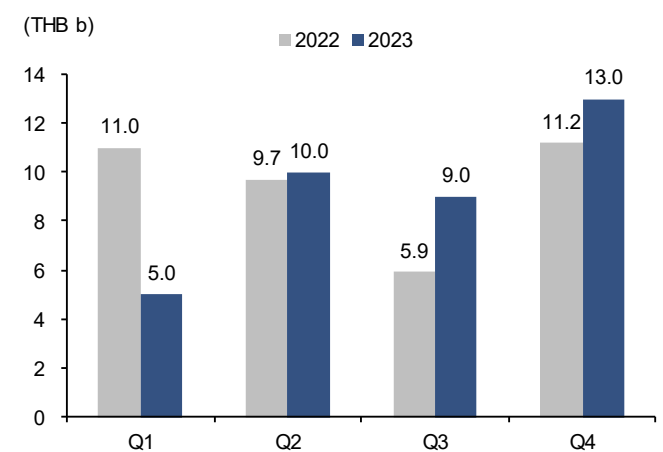
Sources: SPALI; FSSIA's compilation

Exhibit 5: Yearly planned new launches



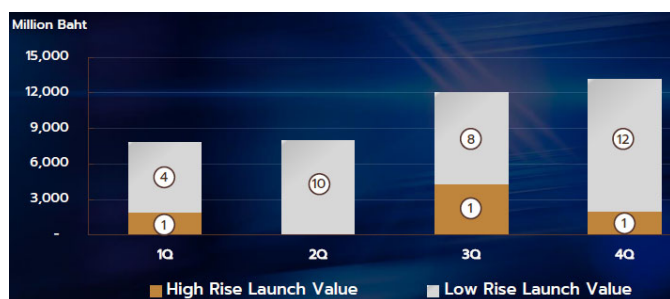
Sources: SPALI; FSSIA's compilation

Exhibit 6: New launch plans by quarter



Sources: SPALI; FSSIA's compilation

Exhibit 7: New launch plans for 2023



Source: SPALI

Exhibit 8: New project launches in 1Q23

No.	Location	Type	Unit (no.)	Value (THB m)
1	Supalai Lake Ville Srisaman - Pathumthani	LR	321	2,180
2	Supalai Elegance Phaholyothin 50	LR	159	2,390
3	Supalai Ville Phetkasem - Phutthasakhon	LR	166	690
4	Palmsprings Bright @ Airport-Hatyai	LR	201	680
5	City Home Sanambinnam - Rattanaithibeth	CD	562	1,900
Total 1Q23			1,409	7,840

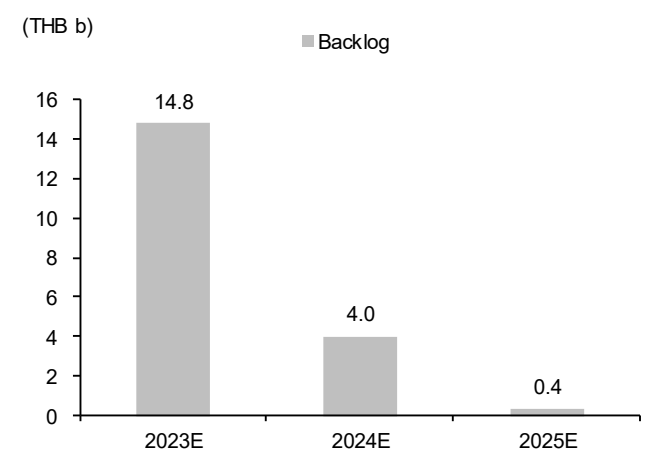
Sources: SPALI; FSSIA's compilation

Exhibit 9: Condo value to be transferred in 2023



Source: SPALI

Exhibit 10: Backlog



Sources: SPALI; FSSIA estimates

Exhibit 11: Supalai Elegance Phaholyothin 50



Source: SPALI

Exhibit 12: New products



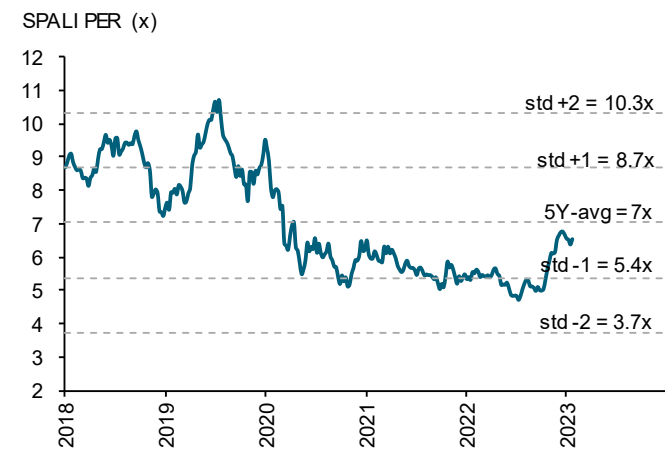
Source: SPALI

Exhibit 13: Projects in Australia

Item	Project	Development type	Location	Project value (AUD m)	Land area (Hectare)	Land area (rai)	No. of lots/unit (lots/unit)	Supalai's stake (%)	% Sold (%)
1	Balmoral Quay	Townhouse, Apartment	Geelong	240	2.7	17	190	100	46
2	Officer	Land sub-division	Melbourne	550	130	813	1,828	25	94
3	Arena	Land sub-division	Melbourne	500	198	1,238	1,405	25	72
4	Gen Fyansford	Land sub-division	Geelong	310	100	625	772	50	66
5	Eden's Crossing	Land sub-division	Brisbane	280	122	763	1,151	50	57
6	Whole Green	Land sub-division	Melbourne	770	171	1,069	2,361	49.90	53
7	Narangba	Land sub-division	Brisbane	210	45	281	682	16.95	66
8	Eglinton	Land sub-division	Perth	260	81	506	1,031	18.55	8
9	Ballarat Street	Apartment	Melbourne	100	0.3	1.9	123	50	59
10	Madora Bay	Land sub-division	Perth	180	143	894	1,659	11.11	17
11	Donnybrook Road	Land sub-division	Melbourne	490	90	562	1,542	50	33
12	Smiths Lane	Land sub-division	Melbourne	1,200	173	1,081	2,170	50	14

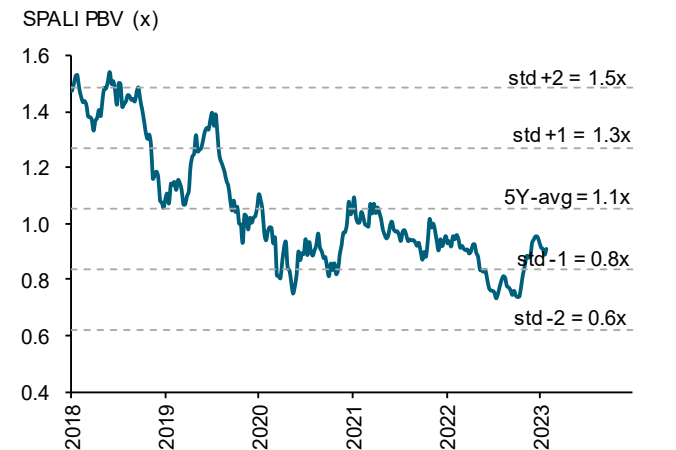
Sources: SPALI; FSSIA's compilation

Exhibit 14: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Peer comparisons as of 26 Jan-23

Company	BBG	Rec	Market Cap (USD m)	3Y EPS CAGR (%)	PE		DivYld		ROE		PBV	
					22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Nobel Development	NOBLE TB	BUY	240	19	17.6	7.3	4.5	8.2	7.8	17.8	1.3	1.3
SC Asset Corp	SC TB	BUY	558	10	7.6	7.2	5.3	5.6	11.4	11.3	0.8	0.8
Supalai	SPALI TB	BUY	1,413	5	5.7	6.4	6.6	5.9	18.3	14.7	1.0	0.9
AP Thailand	AP TB	n/a	1,102	10	6.4	6.2	5.4	5.6	16.2	15.1	1.0	0.9
Assetwise	ASW TB	n/a	210	8	7.6	6.3	6.8	6.8	16.4	18.9	1.3	1.2
Britania	BRI TB	n/a	286	24	8.0	7.0	5.3	5.7	29.9	28.0	2.1	1.8
Land & Houses	LH TB	n/a	3,568	9	14.4	13.2	5.9	6.4	15.9	16.7	2.2	2.2
LPN Development	LPN TB	n/a	201	35	10.1	10.2	6.6	6.3	5.7	5.5	0.6	0.6
Origin Property	ORI TB	n/a	880	20	9.1	8.0	5.2	5.8	21.2	19.7	1.7	1.5
Pruksa Holding	PSH TB	n/a	874	7	10.7	10.3	7.0	6.9	6.1	6.3	0.6	0.6
Quality Houses	QH TB	n/a	764	15	11.0	10.3	5.7	6.1	8.2	8.5	0.9	0.9
Sansiri	SIRI TB	n/a	807	16	7.5	7.5	5.8	5.5	8.4	8.1	0.6	0.6
Average			10,903	11	9.7	8.3	5.8	6.2	13.8	14.2	1.2	1.1

Sources: Bloomberg; FSSIA estimates

Financial Statements

Supalai

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	20,588	29,160	34,476	32,565	33,865
Cost of goods sold	(12,636)	(17,395)	(20,891)	(20,076)	(20,936)
Gross profit	7,952	11,765	13,585	12,489	12,928
Other operating income	0	0	0	0	0
Operating costs	(2,589)	(3,321)	(3,927)	(3,717)	(3,815)
Operating EBITDA	5,363	8,444	9,658	8,772	9,113
Depreciation	(117)	(123)	(126)	(130)	(135)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	5,246	8,321	9,533	8,642	8,979
Net financing costs	(242)	(259)	(272)	(279)	(323)
Associates	209	533	378	350	350
Recurring non-operating income	590	1,020	1,139	936	943
Non-recurring items	0	0	0	0	0
Profit before tax	5,594	9,083	10,400	9,299	9,598
Tax	(1,266)	(1,943)	(2,175)	(1,942)	(2,007)
Profit after tax	4,327	7,139	8,225	7,357	7,591
Minority interests	(76)	(69)	(137)	(180)	(187)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	4,251	7,070	8,088	7,177	7,404
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	4,251	7,070	8,088	7,177	7,404
Per share (THB)					
Recurring EPS *	1.98	3.30	4.14	3.67	3.79
Reported EPS	1.98	3.30	4.14	3.67	3.79
DPS	1.00	1.25	1.57	1.40	1.44
Diluted shares (used to calculate per share data)	2,146	2,146	1,953	1,953	1,953
Growth					
Revenue (%)	(12.6)	41.6	18.2	(5.5)	4.0
Operating EBITDA (%)	(18.0)	57.4	14.4	(9.2)	3.9
Operating EBIT (%)	(18.3)	58.6	14.6	(9.3)	3.9
Recurring EPS (%)	(21.3)	66.3	25.7	(11.3)	3.2
Reported EPS (%)	(21.3)	66.3	25.7	(11.3)	3.2
Operating performance					
Gross margin inc. depreciation (%)	38.1	39.9	39.0	38.0	37.8
Gross margin of key business (%)	38.1	40.0	39.1	38.0	37.8
Operating EBITDA margin (%)	26.0	29.0	28.0	26.9	26.9
Operating EBIT margin (%)	25.5	28.5	27.6	26.5	26.5
Net margin (%)	20.6	24.2	23.5	22.0	21.9
Effective tax rate (%)	23.5	22.7	21.7	21.7	21.7
Dividend payout on recurring profit (%)	50.4	37.9	38.0	38.0	38.0
Interest cover (X)	24.1	36.1	39.3	34.3	30.7
Inventory days	1,638.9	1,280.5	1,099.5	1,214.5	1,263.1
Debtor days	0.6	0.6	0.6	0.8	0.7
Creditor days	68.6	51.4	47.3	52.5	50.4
Operating ROIC (%)	7.9	11.6	13.0	11.1	10.5
ROIC (%)	8.2	12.0	13.4	11.3	10.7
ROE (%)	11.5	18.0	18.3	14.7	13.9
ROA (%)	7.0	10.5	11.4	9.5	9.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Real estate	20,336	28,938	34,221	32,297	33,583
Rentals & Services	252	222	256	268	282

Sources: Supalai; FSSIA estimates

Financial Statements

Supalai

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	4,251	7,070	8,088	7,177	7,404
Depreciation	117	123	126	130	135
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(6,335)	(2,648)	(531)	(6,675)	(5,112)
Cash flow from operations	(1,967)	4,545	7,682	632	2,426
Capex - maintenance	-	-	-	-	-
Capex - new investment	(950)	(1,272)	(772)	(236)	(324)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(950)	(1,272)	(772)	(236)	(324)
Dividends paid	(2,062)	(1,864)	(6,074)	(2,727)	(2,813)
Equity finance	(2,643)	324	2,494	180	187
Debt finance	7,635	(1,442)	(990)	2,048	1,221
Other financing cash flows	0	0	0	0	0
Cash flow from financing	2,930	(2,982)	(4,569)	(499)	(1,405)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	13	291	2,341	(103)	697
Free cash flow to firm (FCFF)	(2,674.42)	3,532.04	7,181.60	674.95	2,425.38
Free cash flow to equity (FCFE)	4,717.84	1,830.99	5,920.46	2,444.02	3,323.00

Per share (THB)

FCFF per share	(1.37)	1.81	3.68	0.35	1.24
FCFE per share	2.42	0.94	3.03	1.25	1.70
Recurring cash flow per share	2.04	3.35	4.21	3.74	3.86

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	2,787	2,850	2,947	3,053	3,169
Less: Accumulated depreciation	(1,247)	(1,346)	(1,471)	(1,601)	(1,736)
Tangible fixed assets (net)	1,540	1,505	1,476	1,451	1,433
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	3,220	4,404	5,080	5,210	5,418
Cash & equivalents	1,334	1,626	3,966	3,863	4,560
A/C receivable	47	51	69	65	68
Inventories	59,945	62,104	63,763	69,842	75,065
Other current assets	1,074	1,407	1,724	1,791	1,863
Current assets	62,401	65,188	69,522	75,561	81,555
Other assets	1,046	336	345	488	508
Total assets	68,207	71,432	76,423	82,712	88,915
Common equity	36,579	42,070	46,441	50,891	55,481
Minorities etc.	817	857	994	1,174	1,361
Total shareholders' equity	37,396	42,926	47,435	52,064	56,842
Long term debt	6,376	3,976	4,273	8,469	6,226
Other long-term liabilities	552	713	841	808	843
Long-term liabilities	6,928	4,689	5,114	9,277	7,069
A/C payable	2,434	2,469	2,942	2,829	2,950
Short term debt	14,956	15,913	14,627	12,479	15,943
Other current liabilities	6,493	5,435	6,305	6,062	6,111
Current liabilities	23,882	23,817	23,874	21,370	25,004
Total liabilities and shareholders' equity	68,207	71,432	76,423	82,712	88,915
Net working capital	52,140	55,659	56,309	62,807	67,935
Invested capital	57,945	61,903	63,209	69,958	75,294

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

Per share (THB)

Book value per share	17.05	19.61	23.78	26.06	28.41
Tangible book value per share	17.05	19.61	23.78	26.06	28.41

Financial strength

Net debt/equity (%)	53.5	42.5	31.5	32.8	31.0
Net debt/total assets (%)	29.3	25.6	19.5	20.7	19.8
Current ratio (x)	2.6	2.7	2.9	3.5	3.3
CF interest cover (x)	24.4	13.0	25.6	10.6	12.3

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	12.0	7.2	5.7	6.4	6.3
Recurring P/E @ target price (x) *	13.6	8.2	6.5	7.3	7.1
Reported P/E (x)	12.0	7.2	5.7	6.4	6.3
Dividend yield (%)	4.2	5.3	6.6	5.9	6.1
Price/book (x)	1.4	1.2	1.0	0.9	0.8
Price/tangible book (x)	1.4	1.2	1.0	0.9	0.8
EV/EBITDA (x) **	13.4	8.3	6.4	7.4	7.2
EV/EBITDA @ target price (x) **	14.7	9.1	7.1	8.1	7.9
EV/invested capital (x)	1.2	1.1	1.0	0.9	0.9

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

Sources: Supalai; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIIK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

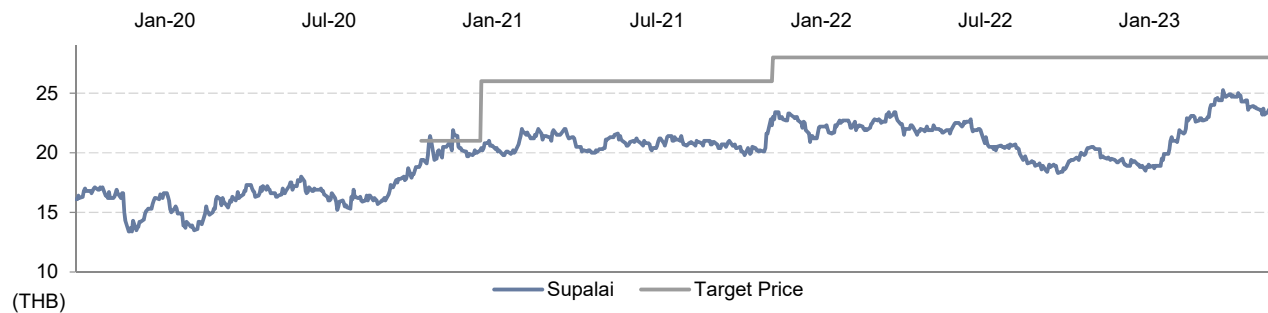
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Supalai (SPALI TB)



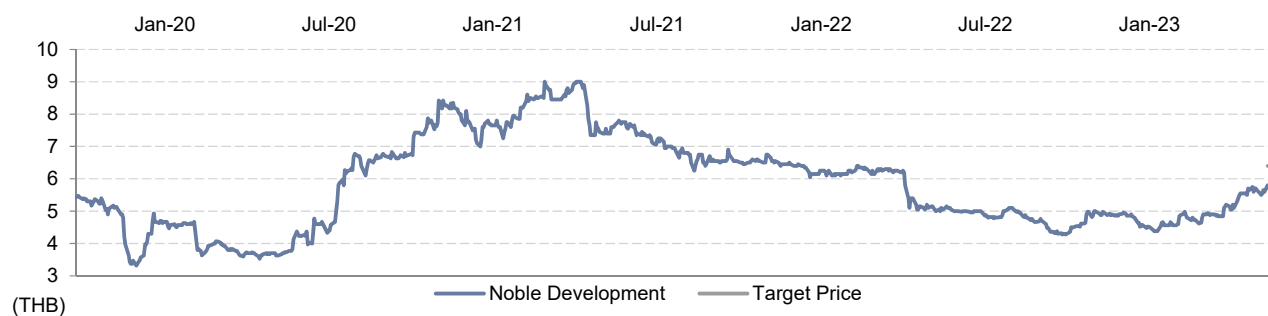
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Dec-2020	BUY	21.00	01-Feb-2021	BUY	26.00	26-Oct-2021	BUY	28.00

Thanyatorn Songwutti started covering this stock from 27-Jan-2022

Price and TP are in local currency

Source: FSSIA estimates

Noble Development (NOBLE TB)



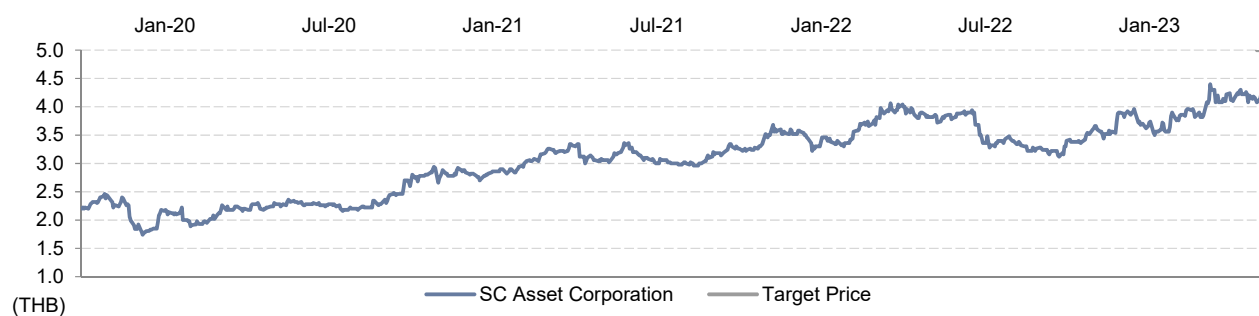
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Jan-2023	BUY	6.40	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 20-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

SC Asset Corporation (SC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Jan-2023	BUY	5.00	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 12-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Supalai	SPALI TB	THB 23.70	BUY	Downside risks to our P/E derived TP are cost overruns; delays or poor reception for new launches; presale cancellations; inability of homebuyers to obtain mortgage financing; and weak take-up rates and reduced pricing power from rising competition.
Noble Development	NOBLE TB	THB 5.75	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected purchasing power; 2) cancellation of presales; 3) bank loan rejections; 4) delays in construction work and transfers; and 5) fierce competition.
SC Asset Corporation	SC TB	THB 4.32	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected purchasing power; 2) cancellation of presales; 3) bank loan rejections; and 4) construction delays.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 26-Jan-2023 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.