

AP (THAILAND) AP TB

THAILAND / PROPERTY DEVELOPMENT

BUY

Set an aggressive plan for 2023

- 4Q22 net profit should drop q-q due to lack of new transfers from its JV and high SG&A. However, we expect its earnings to rise y-y.
- We anticipate 2022-2023 earnings to grow by 29% and 7%, respectively, supported by its aggressive business plan.
- Reinitiate with BUY call and TP of THB14, based on 7x 2023E P/E.

TARGET PRICE	THB14.00
CLOSE	THB11.80
UP/DOWNSIDE	+18.6%
TP vs CONSENSUS	+0.6%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	31,794	38,543	42,223	43,979
Net profit	4,542	5,870	6,274	6,450
EPS (THB)	1.44	1.87	1.99	2.05
vs Consensus (%)	-	3.4	7.1	7.9
EBITDA	4,763	6,003	6,627	6,894
Core net profit	4,542	5,870	6,274	6,450
Core EPS (THB)	1.44	1.87	1.99	2.05
EPS growth (%)	7.5	29.2	6.9	2.8

Core P/E (x)	8.2	6.3	5.9	5.8
Dividend yield (%)	4.2	5.5	5.9	6.0
EV/EBITDA (x)	11.8	9.3	8.5	8.2
Price/book (x)	1.1	1.0	0.9	0.8
Net debt/Equity (%)	59.5	51.3	48.3	43.1
ROE (%)	14.7	17.1	16.4	15.2

Expect 4Q22 earnings to drop q-q but grow y-y

Our forecast calls for AP's 4Q22 net profit to come in at THB1.14b (-20% q-q, +15% y-y). We project the q-q decrease to result from a decline in profit-sharing from its JV and high SG&A following the newly launched projects. However, we estimate the y-y increase to come from a greater property gross margin. First, we expect 4Q22 transfer revenue of THB8.85b (-2% q-q, +18% y-y), mainly from the realisation of newly launched low-rise projects. Second, we assume the property gross margin will increase to 33.5% in 4Q22 (vs 32.4% in 3Q22 and 32.1% in 4Q21), supported by a higher margin for the new low-rise projects. Finally, we expect profit-sharing from its JV to amount to THB261m (-20% q-q, -6% y-y) in 4Q22 due to the lack of new transfers from its JV.

Set to make 2023 year of inclusive growth

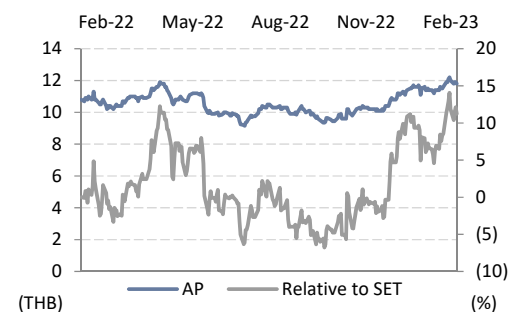
In 2023, AP has set aggressive targets to hit record highs in the following areas: 1) it plans to launch 58 new projects worth THB77.0b (+21% y-y), comprising 85% low-rise and 15% condos; 2) its presales target is THB58.0b (+15% y-y), split 78:22 between low-rise and condo projects; and 3) it targets transfer revenue (including 100% JV) at THB56.3b vs THB48b in 2022 (company's estimate). AP will especially focus on the luxury market and plans to expand into five new provinces.

2023 performance should reach a four-year record high

We project 2022 net profit of THB5.9b (+29% y-y). In 2023, we expect its earnings to remain strong and hit a four-year record high of THB6.3b (+7% y-y). Transfer revenue should rise 10% y-y to THB41.1b and property gross margin should inch up 25bps y-y to 32.9%. This reflects the large number of new low-rise projects and four newly built condos. Its current backlog is enough to secure 40% of our 2023 transfer estimate.

Initiate coverage with a BUY rating and TP of THB14

Our 2023 TP at THB14 assumes a PER of 7x, within its five-year historical average of +1SD. We reinitiate coverage of AP with a BUY call. In our view, AP has a strong portfolio, which is flexible and well diversified in terms of product segment and location. The stock trades at 5.9x 2023E P/E, lower than the sector's average of 8.4x. We expect the stock to pay an annual DPS of THB0.65 in 2022, implying a dividend yield of 5.5%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.7	14.6	8.3
Relative to country (%)	3.1	11.4	10.5
Mkt cap (USD m)	1,109		
3m avg. daily turnover (USD m)	5.7		
Free float (%)	66		
Major shareholder	Mr. Anuphong Assavabhokhin (21%)		
12m high/low (THB)	12.30/9.00		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Management has revealed an aggressive 2023 business plan as follows: 1) 58 new project launches planned worth THB77.0b (+21% y-y), comprising 85% low-rise and 15% condos; 2) a presales target of THB58.0b (+15% y-y), split 78:22 between low-rise and condo projects; and 3) a transfer revenue target (including 100% JV) of THB56.3b. In particular, AP will focus more on the luxury market. It will also expand to five new provinces by launching five low-rise projects.

AP's strengths are its flexible and well-diversified portfolio. It covers both low-rise and condo projects in every market segment. Furthermore, its projects are located in Bangkok and provinces with high potential growth.

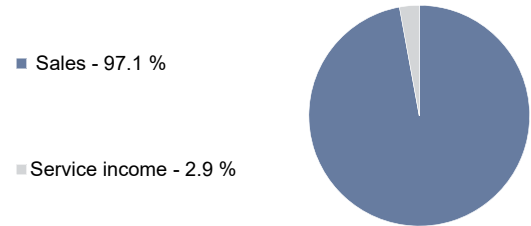
Company profile

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.

AP operates a property development business, i.e., single-detached house (SDH), townhouse, duplex home and condominium projects, in residential areas in metropolitan Bangkok and the provinces.

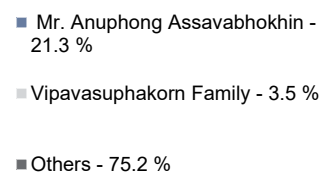
www.apthai.com

Principal activities (revenue, 2021)



Source: AP (Thailand)

Major shareholders



Source: AP (Thailand)

Catalysts

Key potential growth drivers include:

- 1) The success of new launches in the low-rise segment;
- 2) Higher-than-expected take-up rates for new condominiums;
- 3) The potential for provincial projects.

Risks to our call

Downside risks to our P/E-based TP include 1) rising competition in the low-rise market, such that it could hurt take-up rates; 2) weaker-than-expected take-up rates of new launches; 3) construction delays from labour shortages; 4) increasing raw material prices; and 5) the impact of the expiration of the loan-to-value (LTV) limit easing.

Event calendar

Date	Event
21 February 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Transfer revenue (THB m)	37,480	41,107	42,841
Service income (THB m)	1,063	1,116	1,138
Property GPM (%)	32.6	32.9	32.9
GPM (%)	33.9	34.1	34.1
SG&A to sales (%)	18.7	18.8	18.8

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 3.7%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 2.7%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2023 net profit to fall by 2.7%, 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)
Total revenue	7,501	10,849	9,862	8,982	8,850	(1)	18	38,543
Gross profit	2,511	3,616	3,313	3,046	3,101	2	24	13,075
Operating costs	(1,581)	(1,709)	(1,715)	(1,805)	(1,997)	n/a	n/a	(7,224)
Operating profit	930	1,907	1,598	1,241	1,105	(11)	19	5,851
Operating EBITDA	1,001	1,978	1,671	1,315	1,179	(10)	18	6,003
Other income	20	9	18	122	20	(84)	1	169
Interest expense	(25)	(28)	(14)	(18)	(20)	n/a	n/a	(79)
Profit before tax	926	1,883	1,508	1,345	1,105	(18)	19	5,840
Tax	(210)	(400)	(312)	(251)	(226)	n/a	n/a	(1,180)
Associates	277	247	378	324	261	(20)	(6)	1,210
Reported net profit	993	1,730	1,574	1,419	1,139	(20)	15	5,870
Recurring net profit	993	1,730	1,574	1,419	1,139	(20)	15	5,870
EPS (THB)	0.32	0.55	0.50	0.45	0.36	(20)	15	1.87
Recurring EPS (THB)	0.32	0.55	0.50	0.45	0.36	(20)	15	1.87
Key Ratio (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Property gross margin								
Gross margin	32.1	32.3	32.4	32.4	33.5	1.1	1.4	32.6
Operating margin	33.5	33.3	33.6	33.9	35.0	1.1	1.6	33.9
Recurring net margin	12.4	17.6	16.2	13.8	12.5	(1.3)	0.1	15.2
SG&A / Sales	13.2	15.9	16.0	15.8	12.9	(2.9)	(0.4)	15.2
Effective tax rate	21.1	15.7	17.4	20.1	22.6	2.5	1.5	18.7
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	
Property transfer	7,249	10,621	9,620	8,689	8,550	(2)	18	
-- Low-rise	7,014	9,768	9,139	8,384	8,253	(2)	18	
-- High-rise	235	853	481	305	297	(3)	26	
Presales	7,809	12,959	12,572	11,924	12,960	9	66	
-- Low-rise	7,593	10,798	9,774	8,354	10,049	20	32	
-- High-rise	216	2,161	2,798	3,570	2,911	(18)	1,248	

Sources: AP; FSSIA estimates

Exhibit 2: Condo values transferred in 2022

Transfer	Project	Value (THB m)	% Sold (%)
1Q22	Aspire Erawan Prime	3,200	47
3Q22	Life Sathorn Sierra (JV)	6,250	60
	Rhythm Ekkamai Estate (JV)	3,350	31

Source: AP

Exhibit 3: Condo transferred in 3Q22



Source: AP

Exhibit 4: Condo transferred in 3Q22



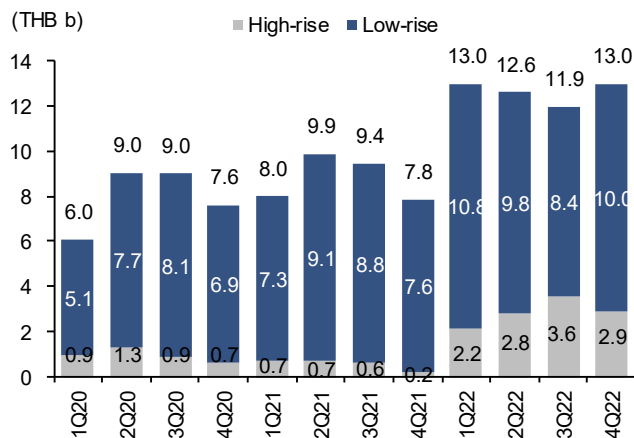
Source: AP

2023 business plan

Management has revealed an aggressive 2023 business plan, with the aim of hitting record highs in terms of new launches, presales and revenue. Even though the property market is facing a number of challenges like 1) the upward trend in interest rates; 2) the increasing cost of construction materials; and 3) rising competition, AP has a positive view on its outlook for this year. This should be supported by the economic recovery and the reopening of cross-border travel. The key points of AP's 2023 business strategy is as follows:

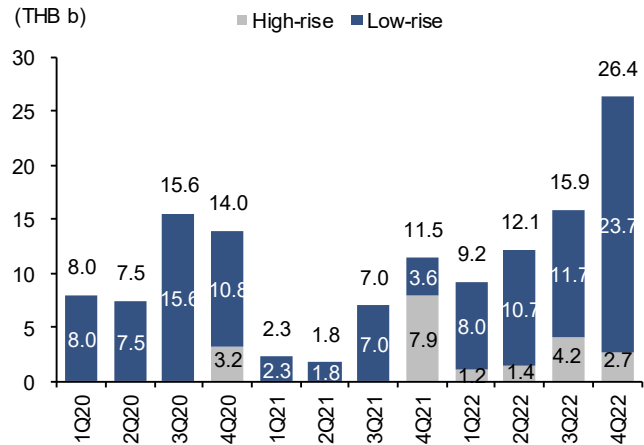
- AP plans to introduce 58 projects with a combined value of THB77.0b (+21% y-y), increasing from 51 projects worth THB63.6b in 2022. Of the total, 85% will be low-rise projects and 15% condominiums.
 - Low-rise projects: 54 projects worth THB65.2b (+25% y-y), comprising 22 single-detached home projects (worth THB34.8b), 27 townhome and duplex home projects (worth THB26.4b), and 5 upcountry projects (worth THB4.0b).
 - Condominium projects: 4 projects worth THB11.8b (+24% y-y), comprising 2 AP projects and 2 JV projects. Its new projects are well diversified in terms of product segment, from the mid to high-end under the Aspire, Life and Rhythm brands (vs 4 new condo projects under the Aspire brand in 2022), located in four prime locations of Bangkok.
- Presales target of THB58.0b (+15% y-y), split 78:22 between low-rise and condo projects. That means low-rise presales should grow by 15% y-y to THB45.0b, while condo presales should post an increase of 14% y-y to THB13.0b.
- AP targets growth in transfer revenue (including 100% JV) to THB56.3b (vs the company's estimate of THB48.0b in 2022), with 75% coming from low-rise and 25% from condos.
- The company will focus more on the luxury market with the following strategies:
 - 1) Unveiling new home models. For example, it will introduce plus-sized, modern luxury single-detached homes under The City brand, with a land area of 100-120 sq.w and a usage area of 386-560 sq.m. The unit prices will start at THB25m-40m (vs the old series with a land area of 54 sq.w and a usage area of 190 sq.m).
 - 2) Seeking more super-luxury single-detached home market share under brands that were well received, such as Baan Klang Krung, with unit prices of THB30m-50m, and The Palazzo, with prices ranging from THB70m-100m.
 - 3) Grabbing a bigger share of the 3-story and 2-story duplex home market with a wide frontage of up to 11 metres under the Baan Klang Muang The Edition and Grande Pleno brands, with unit prices of THB15m-20m.
- AP plans to launch more projects in the upcountry market – 5 new projects with a combined value of THB4.0b (5% of total project launches in 2023) – in new provinces with high potential growth, such as Ubon Ratchathani, Nakhon Pathom, and Surat Thani. AP intends to continue its expansion into the upcountry market with a total of 12 low-rise projects located in 12 provinces by the end of 2023.
- It has also set a budget of THB20.0b for its capital expenditure to purchase land for development, increasing from THB16.0b in 2022.

Exhibit 5: Quarterly presales



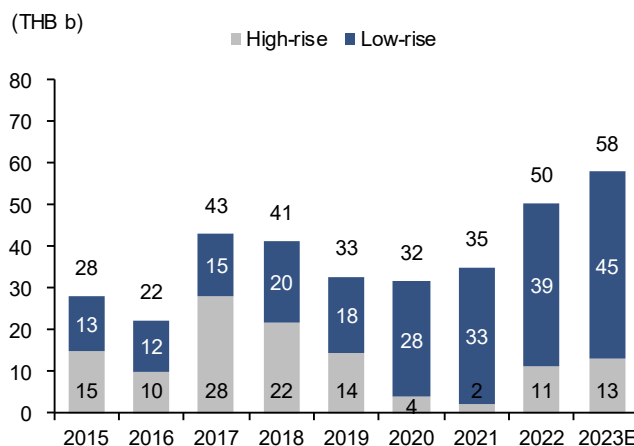
Sources: AP; FSSIA's compilation

Exhibit 6: New launch plans by quarter



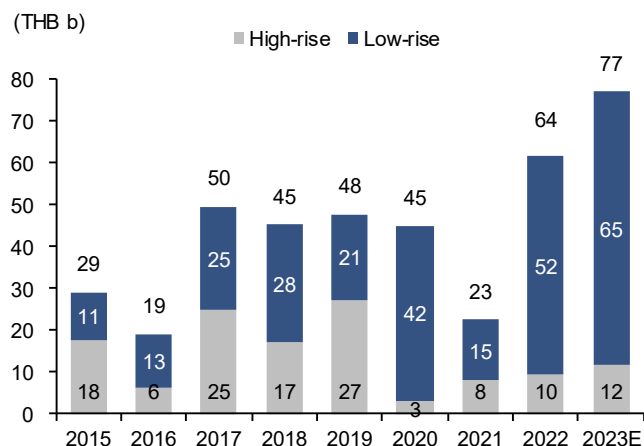
Sources: AP; FSSIA's compilation

Exhibit 7: Yearly presales and 2023 target



Sources: AP; FSSIA's compilation

Exhibit 8: Yearly planned new launches



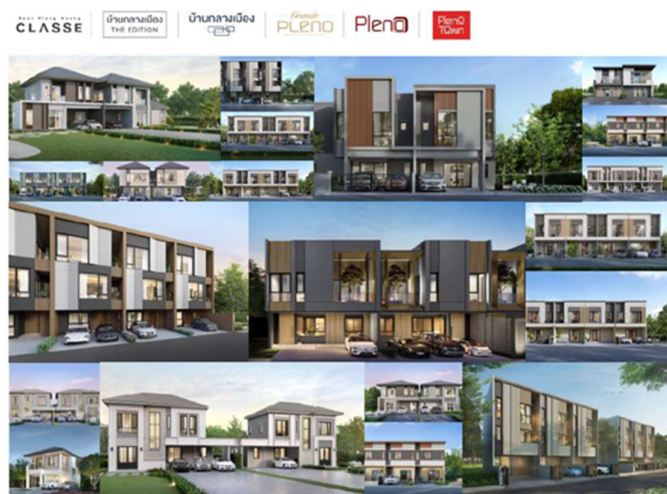
Sources: AP; FSSIA's compilation

Exhibit 9: New condo launch plans for 2023

Project	Units (no.)	Value (THB m)	Launch
Life Phahon – Ladprao (JV)	598	3,500	June 2023
Rhythm (JV)	584	4,500	4Q23
Aspire Vibha – Victory	593	2,300	4Q23
Aspire Kaset – Phahon 49	622	1,500	4Q23

Sources: AP; FSSIA's compilation

Exhibit 10: New townhome & duplex projects in 2023



Source: AP

Exhibit 11: New townhome projects in 2023

	No. of Projects	Project Value	Price Range
	1 project	1,350 MB	15-25 MB
	5 projects	5,000 MB	8-12 MB
	1 projects	750 MB	4.59-8 MB
	9 projects	8,700 MB	4-6 MB
	5 projects	4,750 MB	3-5 MB
	6 project	5,850 MB	1.69 – 3.59 MB

Source: AP

Exhibit 12: Plus-size series of SDH under The City brand



Source: AP

Exhibit 13: Upcountry market



Source: AP

Exhibit 14: Condo values to be transferred in 2023-2024

Transfer	Project	Value (THB m)	% sold (%)
1Q23	Aspire Rattanathibet – Weston	1,600	19
	Rhythm Charoenkrung Pavillion (JV)	4,700	68
2Q23	Aspire Pinklao – Arunamarin	1,200	62
3Q23	The Address Siam – Ratchathewi (JV)	8,800	31
1Q24	Aspire Ratchayotin	1,400	41
2Q24	Life Rama 4 – Asoke (JV)	6,300	22
	Life Phahon – Ladprao (JV)	3,500	Launch 2Q23

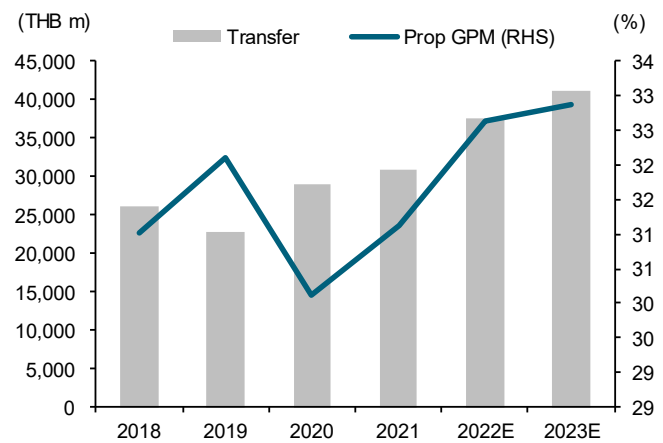
Sources: AP; FSSIA's compilation

Exhibit 15: Four new condos transferring in 2023



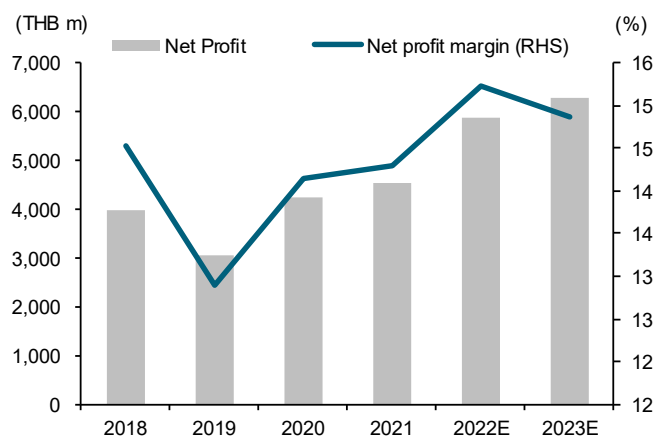
Source: AP

Exhibit 16: Yearly transfers and property GPM



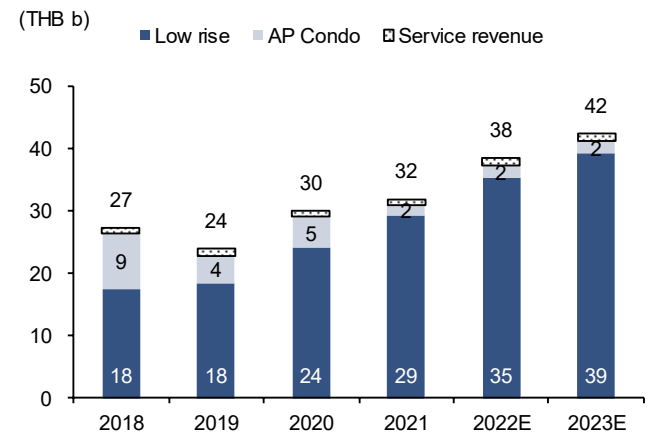
Sources: AP; FSSIA estimates

Exhibit 17: Yearly net profit and net profit margin



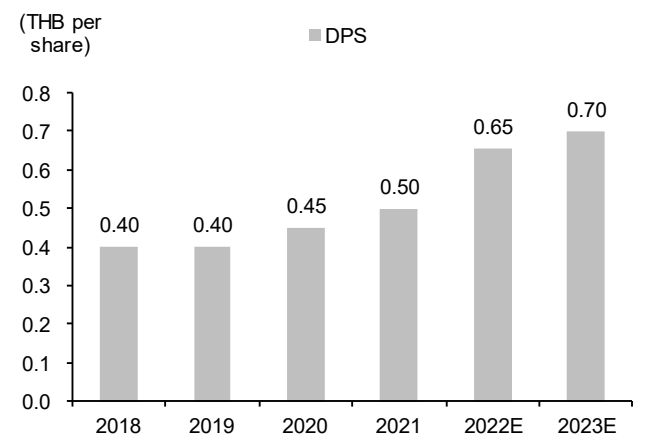
Sources: AP; FSSIA estimates

Exhibit 18: Revenue breakdown



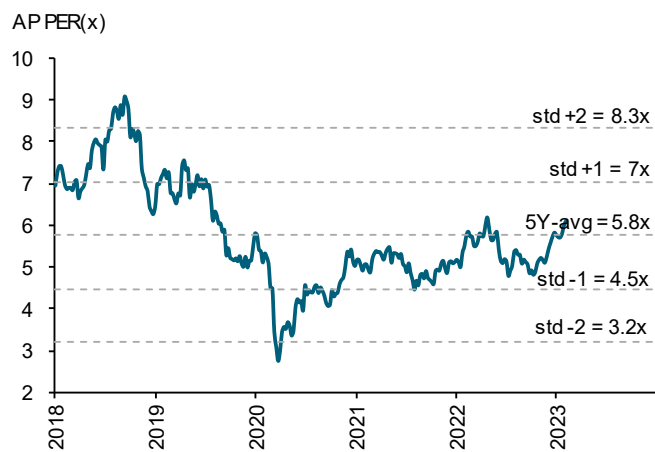
Sources: AP; FSSIA estimates

Exhibit 19: DPS



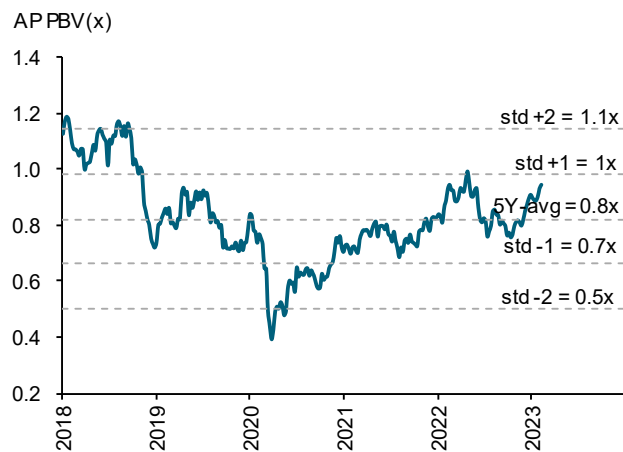
Sources: AP; FSSIA estimates

Exhibit 20: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 21: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 22: Peer comparisons as of 9 Feb-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)
Thailand												
Noble Development	NOBLE TB	BUY	229	19	17.2	7.1	4.7	8.4	7.8	17.8	1.3	1.2
SC Asset Corp	SC TB	BUY	574	10	8.0	7.5	5.0	5.3	11.4	11.3	0.9	0.8
Supalai	SPALI TB	BUY	1,413	5	5.8	6.6	6.5	5.8	18.3	14.7	1.0	0.9
Sansiri	SIRI TB	BUY	853	26	7.0	7.0	6.7	6.4	10.0	10.2	0.7	0.7
AP Thailand	AP TB	BUY	1,109	12	6.3	5.9	5.5	5.9	17.1	16.4	1.0	0.9
Assetwise	ASW TB	n/a	219	8	8.1	6.8	6.4	6.4	16.4	18.9	1.3	1.3
Britania	BRI TB	n/a	299	24	8.6	7.5	5.0	5.3	29.9	28.0	2.3	1.9
Land & Houses	LH TB	n/a	3,485	9	14.3	13.2	5.9	6.4	15.8	16.7	2.2	2.2
LPN Development	LPN TB	n/a	198	35	10.3	10.1	6.5	6.4	5.7	5.6	0.6	0.6
Origin Property	ORI TB	n/a	881	20	9.5	8.3	5.1	5.7	21.6	20.8	1.8	1.6
Pruksa Holding	PSH TB	n/a	853	7	10.7	10.4	7.1	7.0	6.1	6.2	0.6	0.6
Quality Houses	QH TB	n/a	753	15	11.0	10.3	5.3	6.1	8.3	8.6	0.9	0.9
Average			10,868	12	9.7	8.4	5.8	6.3	14.0	14.6	1.2	1.1

Sources: Bloomberg; FSSIA estimates

Financial Statements

AP (Thailand)

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	29,888	31,794	38,543	42,223	43,979
Cost of goods sold	(20,189)	(21,204)	(25,316)	(27,658)	(28,817)
Gross profit	9,699	10,590	13,227	14,565	15,162
Other operating income	0	0	0	0	0
Operating costs	(6,160)	(5,828)	(7,224)	(7,938)	(8,268)
Operating EBITDA	3,540	4,763	6,003	6,627	6,894
Depreciation	(269)	(279)	(152)	(168)	(185)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,270	4,484	5,851	6,458	6,709
Net financing costs	(361)	(248)	(77)	(115)	(136)
Associates	1,948	999	1,210	1,151	1,130
Recurring non-operating income	2,006	1,175	1,276	1,211	1,208
Non-recurring items	0	0	0	0	0
Profit before tax	4,915	5,411	7,050	7,555	7,780
Tax	(690)	(869)	(1,180)	(1,281)	(1,330)
Profit after tax	4,225	4,542	5,870	6,274	6,450
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	5,870	6,274	6,450
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	4,227	4,542	5,870	6,274	6,450
Per share (THB)					
Recurring EPS *	1.34	1.44	1.87	1.99	2.05
Reported EPS	1.34	1.44	1.87	1.99	2.05
DPS	0.45	0.50	0.65	0.70	0.71
Diluted shares (used to calculate per share data)	3,146	3,146	3,146	3,146	3,146
Growth					
Revenue (%)	25.6	6.4	21.2	9.5	4.2
Operating EBITDA (%)	24.2	34.6	26.0	10.4	4.0
Operating EBIT (%)	19.7	37.1	30.5	10.4	3.9
Recurring EPS (%)	41.3	7.5	29.2	6.9	2.8
Reported EPS (%)	37.8	7.5	29.2	6.9	2.8
Operating performance					
Gross margin inc. depreciation (%)	31.6	32.4	33.9	34.1	34.1
Gross margin of key business (%)	30.1	31.1	32.6	32.9	32.9
Operating EBITDA margin (%)	11.8	15.0	15.6	15.7	15.7
Operating EBIT margin (%)	10.9	14.1	15.2	15.3	15.3
Net margin (%)	14.1	14.3	15.2	14.9	14.7
Effective tax rate (%)	23.2	19.7	20.2	20.0	20.0
Dividend payout on recurring profit (%)	33.5	34.6	35.0	35.0	34.5
Interest cover (X)	14.6	22.8	92.5	66.9	58.2
Inventory days	866.5	804.9	699.3	687.3	714.4
Debtor days	1.5	1.1	1.3	1.4	1.4
Creditor days	32.3	36.8	37.9	38.7	39.6
Operating ROIC (%)	5.5	8.3	10.3	10.7	10.3
ROIC (%)	7.8	8.8	10.6	10.6	10.1
ROE (%)	15.2	14.7	17.1	16.4	15.2
ROA (%)	7.7	8.0	9.5	9.5	9.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2020	2021	2022E	2023E	2024E
Sales	28,949	30,879	37,480	41,107	42,841
Service income	939	915	1,063	1,116	1,138

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	5,870	6,274	6,450
Depreciation	269	279	152	168	185
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	4,183	(1,046)	(1,969)	(4,534)	(3,544)
Cash flow from operations	8,679	3,775	4,053	1,909	3,092
Capex - maintenance	0	0	0	0	0
Capex - new investment	(1,140)	(941)	(1,274)	(613)	(592)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,140)	(941)	(1,274)	(613)	(592)
Dividends paid	(1,258)	(1,382)	(2,055)	(2,196)	(2,225)
Equity finance	0	0	0	0	0
Debt finance	(4,110)	(2,122)	(632)	466	17
Other financing cash flows	(1)	0	0	0	0
Cash flow from financing	(5,369)	(3,504)	(2,686)	(1,730)	(2,209)
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)	93	(434)	291
Free cash flow to firm (FCFF)	7,905.84	3,088.77	2,858.86	1,413.08	2,637.76
Free cash flow to equity (FCFE)	3,427.86	711.53	2,148.09	1,762.35	2,516.51

Per share (THB)

FCFF per share	2.51	0.98	0.91	0.45	0.84
FCFE per share	1.09	0.23	0.68	0.56	0.80
Recurring cash flow per share	1.43	1.53	1.91	2.05	2.11

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	1,351	1,841	1,771	1,496	1,568
Less: Accumulated depreciation	(269)	(279)	(152)	(168)	(185)
Tangible fixed assets (net)	1,081	1,562	1,620	1,328	1,383
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	6,463	6,645	7,709	8,445	8,796
Cash & equivalents	2,740	2,070	2,163	1,730	2,021
A/C receivable	80	118	154	169	176
Inventories	46,140	47,379	49,629	54,537	58,274
Other current assets	938	1,386	1,542	1,689	1,759
Current assets	49,897	50,953	53,488	58,124	62,230
Other assets	1,283	1,250	1,349	1,478	1,539
Total assets	58,724	60,409	64,165	69,375	73,948
Common equity	29,281	32,442	36,257	40,336	44,561
Minorities etc.	(18)	(18)	(18)	(18)	(18)
Total shareholders' equity	29,263	32,423	36,239	40,317	44,542
Long term debt	15,666	15,024	14,669	15,805	9,564
Other long-term liabilities	538	523	560	612	638
Long-term liabilities	16,204	15,546	15,229	16,418	10,202
A/C payable	1,824	2,449	2,801	3,061	3,190
Short term debt	7,832	6,352	6,076	5,405	11,663
Other current liabilities	3,600	3,637	3,820	4,174	4,350
Current liabilities	13,256	12,439	12,697	12,640	19,204
Total liabilities and shareholders' equity	58,724	60,409	64,165	69,375	73,948
Net working capital	41,733	42,796	44,703	49,160	52,669
Invested capital	50,560	52,253	55,381	60,410	64,387

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

Per share (THB)

Book value per share	9.31	10.31	11.53	12.82	14.16
Tangible book value per share	9.31	10.31	11.53	12.82	14.16

Financial strength

Net debt/equity (%)	70.9	59.5	51.3	48.3	43.1
Net debt/total assets (%)	35.3	32.0	29.0	28.1	26.0
Current ratio (x)	3.8	4.1	4.2	4.6	3.2
CF interest cover (x)	13.7	7.7	45.4	21.7	23.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	8.8	8.2	6.3	5.9	5.8
Recurring P/E @ target price (x) *	10.4	9.7	7.5	7.0	6.8
Reported P/E (x)	8.8	8.2	6.3	5.9	5.8
Dividend yield (%)	3.8	4.2	5.5	5.9	6.0
Price/book (x)	1.3	1.1	1.0	0.9	0.8
Price/tangible book (x)	1.3	1.1	1.0	0.9	0.8
EV/EBITDA (x) **	16.3	11.8	9.3	8.5	8.2
EV/EBITDA @ target price (x) **	18.3	13.3	10.4	9.6	9.2
EV/invested capital (x)	1.1	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: AP (Thailand); FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100											
AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTA	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89											
2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPLI	WIHK
AIT	BIG	CSC	GTB	KCAR	MTSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCMC	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79											
A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

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

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

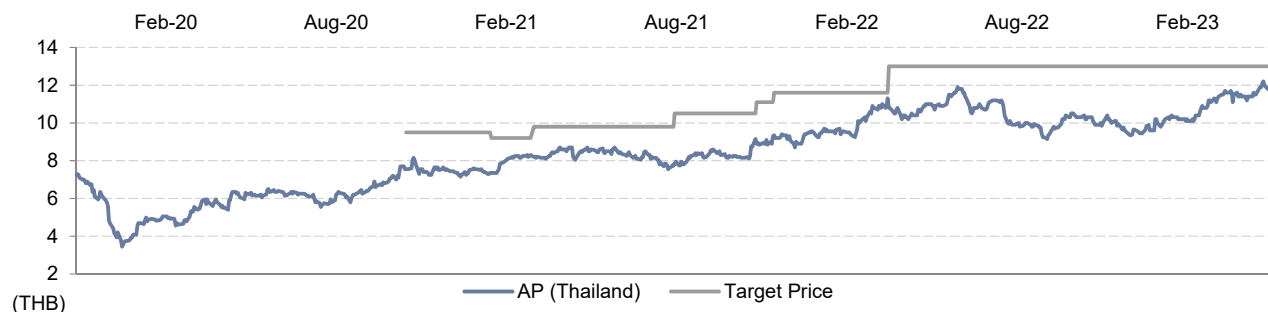
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

AP (Thailand) (AP TB)



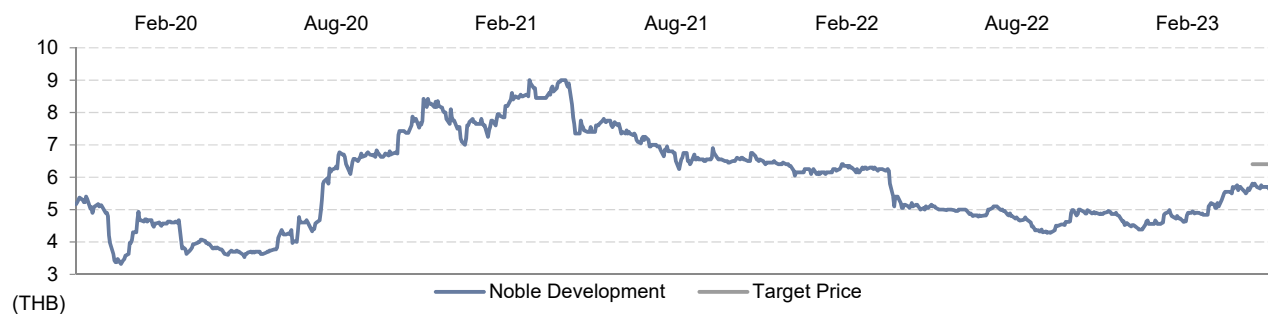
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Dec-2020	BUY	9.50	11-Aug-2021	BUY	10.50	23-Feb-2022	BUY	13.00
24-Feb-2021	BUY	9.20	25-Oct-2021	BUY	11.10			
02-Apr-2021	BUY	9.80	10-Nov-2021	BUY	11.60			

Thanyatorn Songwutti started covering this stock from 10-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Noble Development (NOBLE TB)



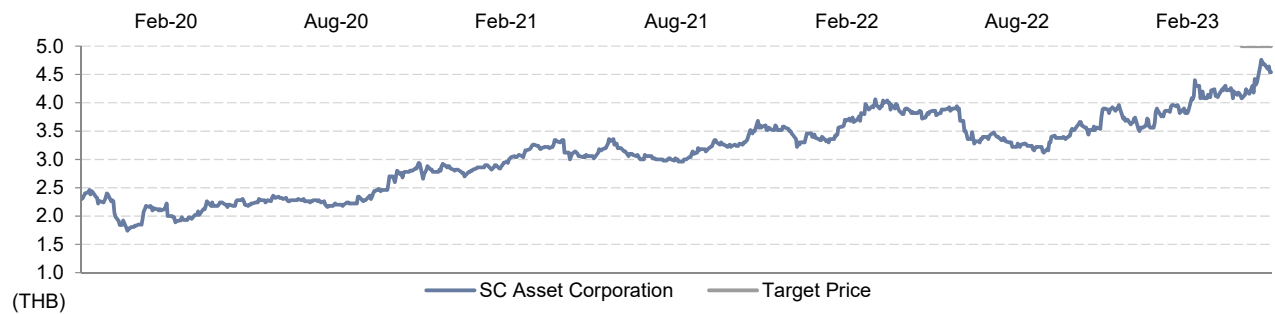
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Jan-2023	BUY	6.40	-	-	-	-	-	-

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)



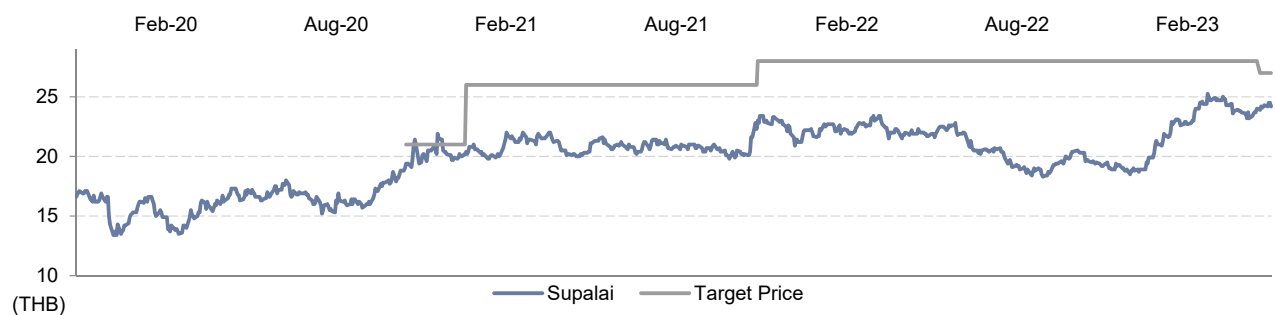
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Jan-2023	BUY	5.00	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 12-Jan-20233

Price and TP are in local currency

Source: FSSIA estimates

Supalai (SPALI TB)



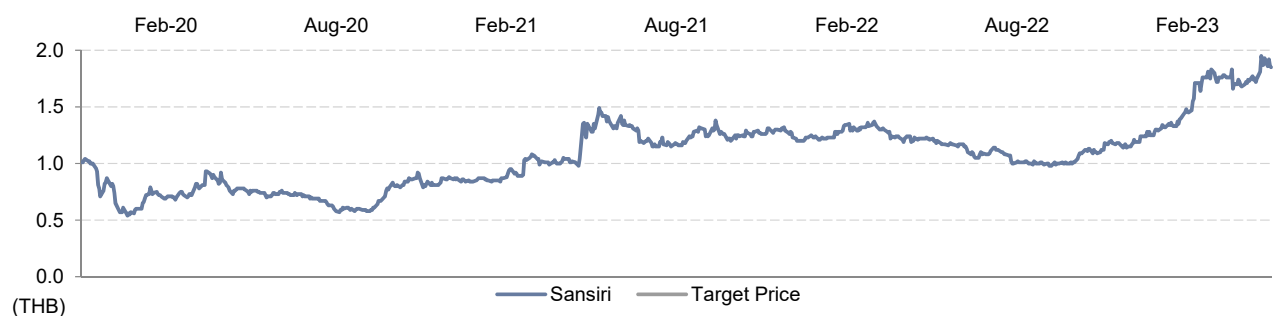
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Dec-2020	BUY	21.00	26-Oct-2021	BUY	28.00	-	-	-
01-Feb-2021	BUY	26.00	27-Jan-2023	BUY	27.00	-	-	-

Thanyatorn Songwutti started covering this stock from 27-Jan-20233

Price and TP are in local currency

Source: FSSIA estimates

Sansiri (SIRI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Feb-2023	BUY	2.20	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 06-Feb-20233

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AP (Thailand)	AP TB	THB 11.80	BUY	Downside risks to our P/E-based TP include 1) rising competition in the low-rise market, such that it could hurt take-up rates; 2) weaker-than-expected take-up rates of new launches; 3) construction delays from labour shortages; 4) increasing raw material prices; and 5) the impact of the expiration of the loan-to-value (LTV) limit easing.
Noble Development	NOBLE TB	THB 5.60	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 4.54	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.
Supalai	SPALI TB	THB 24.20	BUY	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.
Sansiri	SIRI TB	THB 1.85	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) rising competition; 3) construction delays and increasing raw materials; 4) the impact of the expiration of the easing of the loan-to-value (LTV) limits; and 5) high level of IBD/E.

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 09-Feb-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.