

ASSETWISE ASW TB

THAILAND / PROPERTY DEVELOPMENT

BUY

Strong earnings growth potential

- We expect a strong recovery in 4Q22 earnings despite a 27% y-y drop in 2022E core profit. 2023 core profit should jump by 57% y-y.
- In 2023, ASW aggressively targets record highs in new project launches, presales, and transfer revenue.
- BUY call with TP of THB9.6, based on 8x 2023E P/E.

TARGET PRICE	THB9.60
CLOSE	THB8.20
UP/DOWNSIDE	+17.1%
TP vs CONSENSUS	-

New key player in property development sector

ASW is a real estate developer of condos and horizontal projects, especially low-rise, eight-storey condos with prices averaging THB2m-4m. Its competitive strength is providing a common area, allocating maximum functionality to each room, and providing facilities that truly meet the needs of a variety of lifestyles. Also, its blue-ocean strategy targets optimal locations with high potential demand.

Bright earnings prospects in 4Q22 and 2023

We expect ASW's 4Q22 net profit to rise to THB415m (+117% q-q, +93% y-y), with transfer revenue jumping 125% q-q and 19% y-y to THB1.78b following the transfers of two new condos, Kave Ava and Modiz Collection Bangpho. Also, we expect its property gross margin to rise to 40.0% from 36.6% in 3Q22 from the realisation of its high-margin Kave brand project. Even though our forecast calls for ASW's 2022 normalised earnings to drop by 27% y-y to THB649m, we project a 57% jump y-y to THB1.0b in 2023. This reflects nine newly built condos worth THB14.8b with 60% presales, on average.

Going forward with an aggressive expansion plan in 2023

ASW's aggressive expansion plan for 2023 includes: 1) 12 new project launches with a combined value of THB22.5b (+2.1x y-y), of which 70% will be condominiums under the Kave brand, along with three new low-rise projects; 2) a presales target of THB15.0b (+6% y-y); and 3) growth in transfer revenue to THB7.2b vs our estimate of THB5.2b in 2022.

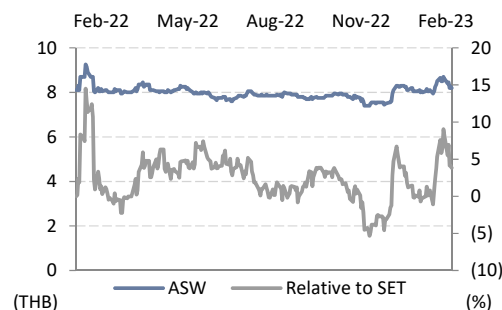
BUY rating with TP of THB9.6

Our 2023 TP at THB9.6 assumes a P/E ratio of 8x. We have a BUY rating on ASW. In our view, the key catalysts for the stock are its strong earnings recovery in 4Q22 and a stellar 2023 profit outlook, well above the property sector's overall average. Also, we expect the stock to deliver an attractive dividend of THB0.55 per share for its performance in 2022, implying an annual dividend yield of 6.7%. Meanwhile, ASW's valuation looks cheap at only 6.9x 2023E P/E, below the sector's average of 8.4x. This report represents a continuation of FSSIA's coverage of ASW, which was previously published under FSS Research.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	4,928	5,495	7,420	8,017
Net profit	951	1,106	1,020	1,119
EPS (THB)	1.11	1.29	1.19	1.25
vs Consensus (%)	-	21.7	(6.3)	(13.8)
EBITDA	1,426	1,169	1,355	1,381
Core net profit	885	649	1,020	1,119
Core EPS (THB)	1.03	0.76	1.19	1.25
EPS growth (%)	(34.4)	(26.7)	57.3	4.8

Core P/E (x)	7.9	10.8	6.9	6.6
Dividend yield (%)	6.7	6.7	6.7	7.0
EV/EBITDA (x)	7.7	11.1	10.1	10.6
Price/book (x)	1.5	1.3	1.2	1.1
Net debt/Equity (%)	79.2	102.0	103.8	101.8
ROE (%)	24.7	12.6	17.7	17.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.2	5.8	0.6
Relative to country (%)	3.0	3.5	4.3
Mkt cap (USD m)	203		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	0		
Major shareholder	Vipapong Family (71%)		
12m high/low (THB)	9.40/7.35		
Issued shares (m)	856.12		

Sources: Bloomberg consensus; FSSIA estimates



Thanyatorn Songwutti

thanyatorn.s@fssia.com
+66 2646 9805

Investment thesis

Management has a positive view on the outlook for the property market and has unveiled an aggressive 2023 business plan, with the aim of breaking company records in the following key areas: 1) 12 new project launches with a combined value of THB22.5b (+2.1x y-y), 70% of which will be condos under the Kave brand, along with three low-rise projects; 2) a presales target of THB15.0b (+6% y-y); and 3) transfer revenue growth to THB7.2b vs our estimate of THB5.2b in 2022.

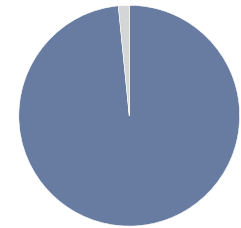
Company profile

Established in 2005, AssetWise currently operates as a holding company principally engaged in the business of real estate development for sale and lease. It also operates a real estate agency and offers intermediary services for international payments. ASW listed on the Stock Exchange of Thailand on 28 Apr-21.

www.assetwise.co.th

Principal activities (revenue, 2021)

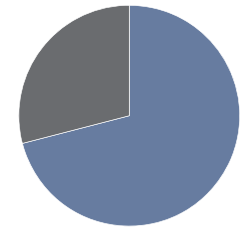
- Project sales - 98.4 %
- Rental and services - 1.6 %



Source: Assetwise

Major shareholders

- Vipanpong Family - 71.0 %
- Others - 29.0 %



Source: Assetwise

Catalysts

Key potential growth drivers include 1) more project launches; 2) higher-than-expected take-up rates for new projects and inventory; 3) faster-than-expected backlog realisation; 4) new businesses expansion; and 5) new JV project development.

Risks to our call

Downside risks to our P/E-based TP include 1) weaker than expected consumer purchasing power; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) intense competition; and 6) rising construction costs.

Event calendar

Date	Event
23 February 2023	4Q22 results announcement
28 February 2023	4Q22 results meeting

Key assumptions

	2022E	2023E	2024E
Project sales (THB m)	5,195	7,105	7,690
Rental and services income (THB m)	300.0	315.0	327.0
Property GPM (%)	40.6	38.0	37.6
GPM (%)	42.3	39.6	39.2
SG&A to sales (%)	23.8	23.4	24.1

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 6.5%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 2.8%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2023 net profit to fall by 2.7%, and vice versa, all else being equal.

Source: FSSIA estimates

New key player in property development sector







AssetWise Public Company Limited (ASW)'s core business is residential real estate development, mainly condominiums and horizontal real estate. Residential property development was its largest revenue source at 94.6% of total revenue in 9M22, mainly from low-rise, eight-storey condominium projects offered at reasonable prices of THB2m-4m. Its property development projects are marketed under nine main brands which are differentiated according to their designs and the lifestyles of target customers. Its competitive strength is providing a common area, maximum functionality in each room, and facilities that truly meet the needs of a variety of lifestyles. In addition, its focus on serving real customer demand and its blue-ocean strategy offers optimal locations in uncontested market spaces.

The company develops both high-rise and low-rise projects. Kave, its most popular brand, features eight-storey campus-style condos located near leading educational institutions such as Bangkok University, Thammasat University Rangsit Campus, and Mahidol University at prices ranging from THB63,000-72,000 per sq m and unit prices averaging THB2m. The brand features large common areas and a diverse range of functions to accommodate the lifestyles and diverse activities of young people and university students, such as e-sports rooms, co-working spaces, and workshop rooms. The company launched nine projects under the Kave brand in 2017-22, four of which were 100% sold out as presales.

In addition, it offers horizontal real estate projects comprising single-detached homes, townhomes, and home offices. Its products are offered under various brands and at different price ranges. Its luxury segment brands Glam and Baan Puri Puri feature townhomes with prices averaging THB15m, and its super-luxury Honor brand offers three-storey single homes with unit prices of THB30m. Its Esta brand offers single-detached and detached homes at prices ranging from THB4m-7m.

Besides its own projects, ASW has developed condominium projects under JV agreements with leading property business specialists since 2021 to enable faster investment expansion. Its current business JVs are with Takara Leben, Ideal Real Co Ltd, and Tokyo Tatemono, with a combined project value of THB6.98b.

Exhibit 1: Product brand segmentation

CONDOMINIUM		HOUSING	
<p>HIGHRISE</p> <p>MODIZ</p> <p>> 90K / SQ.M.</p>		<p>DETACHED HOUSE</p> <p>HONOR</p> <p>25-60 MB / UNIT</p>	
<p>LOWRISE</p> <p>AMMOZ</p> <p>65-90K / SQ.M.</p>		<p>PRIVATE TOWNHOME</p> <p>baan puri puri</p> <p>10-18 MB / UNIT</p>	
<p>CAMPUS CONDO</p> <p>KAVE</p> <p>60-75K / SQ.M.</p>		<p>SEMI-DETACHED HOUSE AND DETACHED HOUSE</p> <p>ESTA</p> <p>4-7 MB / UNIT</p>	

Source: ASW

Exhibit 2: Kave brand



Source: ASW

Exhibit 3: Horizontal projects



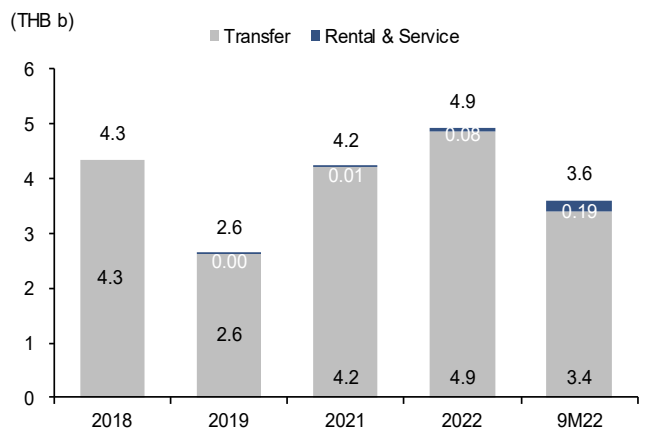
Source: ASW

The remaining 5.4% of its revenue in 9M22 came from real estate development-related rental and services income, including leasing, consignment sales, agency business, and project management.

It operates two community mall projects, comprising a total leased area of 12,600 sq m that includes restaurants, stores, and common areas. The first project, built under the name Mingle Mall, is in front of its Kave Town condo project. Later, it opened Mingle Market located near Thammasat University's Rangsit campus. We think that the community mall developments help to expand its sources of recurring income and generate residential customer traffic. ASW also provides property management services as a consignor and sales and lease agent for all its real estate projects via a website for customer convenience. Meanwhile, its proportion of rental and services income is on the rise due to higher recognition of service and construction management fees from a growing number of newly launched joint venture projects since 2021.

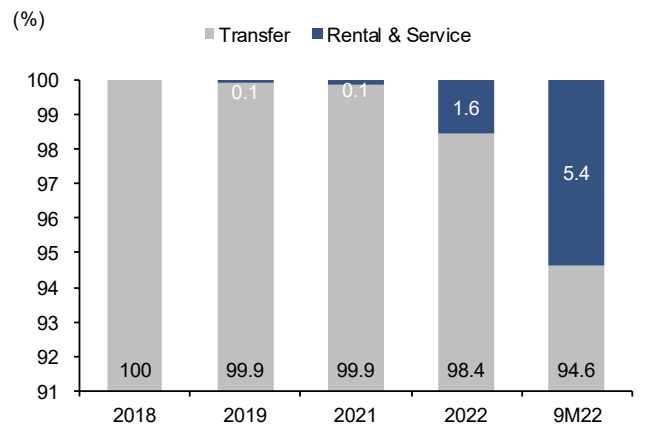
Moreover, ASW has expanded into the lifestyle and entertainment business. In Oct-22, it bought a 41.18% stake in ZAAP World Entertainment, an organiser of events, festivals, and concerts, with the aim of fostering a sense of community and a positive view of the company in its customer target group.

Exhibit 4: Revenue breakdown (THB m)



Sources: ASW; FSSIA's compilation

Exhibit 5: Revenue breakdown (%)



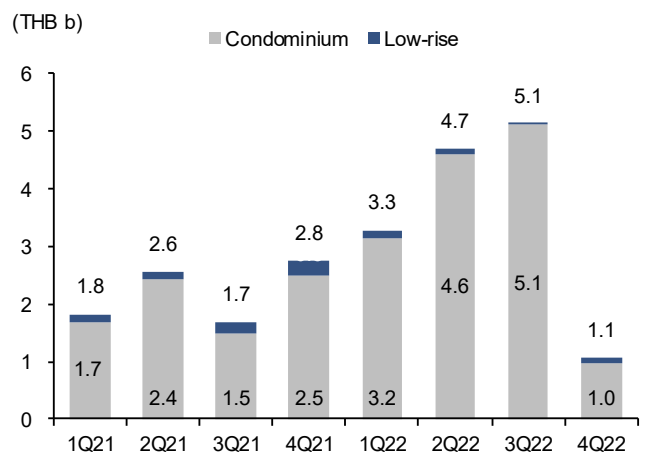
Sources: ASW; FSSIA's compilation

Going forward with an aggressive expansion plan in 2023

Management has a positive view on the outlook for the property market in 2023 based on the economic recovery, the return to normal life after the pandemic, and a resurgence in tourism from the reopening of cross-border travel. The company has revealed an aggressive 2023 business plan, with the aim of hitting record highs in terms of new launches, presales, and revenue. The key points of ASW's 2023 business plan are as follows:

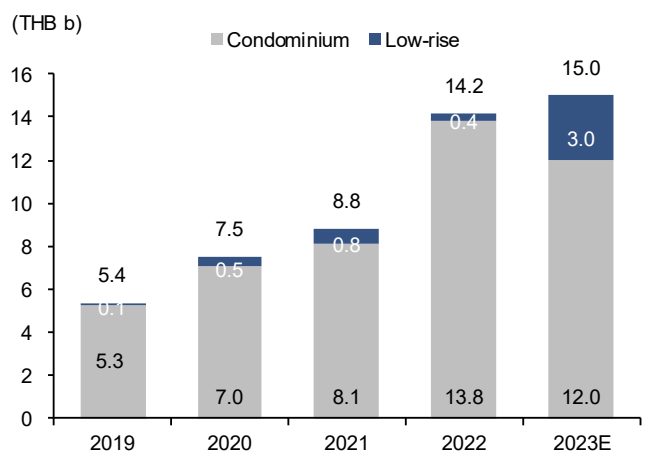
- ASW plans to launch 12 projects with a combined value of THB22.5b (+110% y-y), up from eight projects worth THB10.7b in 2022. Of the total, 70% will be condominiums and 30% low-rise projects (vs 94% condos and 6% low-rise projects in 2022).
 - **Condominiums:** Nine projects worth THB15.8b (+58% y-y), comprising five Kave, two Atmoz, and two Modiz branded projects. Kave projects will continue to dominate its portfolio in terms of value at THB8.98b (40% of total project launches in 2023). In our view, these projects should continue to receive a positive response based on their locations and the success of earlier Kave projects near Mahidol University, Thammasat University Rangsit campus, Bangkok University, and Burapha University. A new location near Rajamangala University of Technology Thanyaburi has been added.
 - **Low-rise:** Three projects worth THB6.67b (+10x y-y), including The Honor Yothinpattana, a luxury single-home project valued at THB4.2b featuring 450-700 sq m of useable area at prices ranging from THB40m-60m. The remaining two projects are packaged under a new nature-oriented brand named The Arbor with a combined value of THB2.47b, located in Ramintra-Watcharapol and Donmueng-Chaengwattana.
- The company has set its presales target at THB15.0b (+6% y-y), split 80:20 between condos and low-rise projects. That means overall presales should be supported by low-rise presales jumping from THB355m in 2022 to THB3.0b (+8.5x y-y) in 2023 following the new launches. Meanwhile, ASW's 2023 condo presales target at THB12.0b vs THB13.8b in 2022 is based on the company's conservative expectations and the high base seen in 2022 that saw a high proportion of presales from inventory, especially for the Kave brand after university students returned to on-site classes.
- ASW targets growth in transfer revenue (excluding JVs) to THB7.2b vs our estimate of THB5.2b in 2022.
- ASW intends to continue its expansion into locations both in Bangkok and the upcountry market. ASW recently began partnering with Botanica Luxury Phuket Co Ltd, a Phuket-based property developer, to develop a luxury project named Botanica Avenue on Bang Tao Beach, Phuket province. This project offers luxury villas with pools on 178 rai of land worth THB10.0b, and is to be launched in 1Q23 following the strong tourism recovery. The JV with Botanica Luxury Phuket has ASW maintaining a 30% share. In addition, it is currently seeking opportunities in other businesses (i.e., healthcare) to diversify its portfolio.

Exhibit 6: Quarterly presales



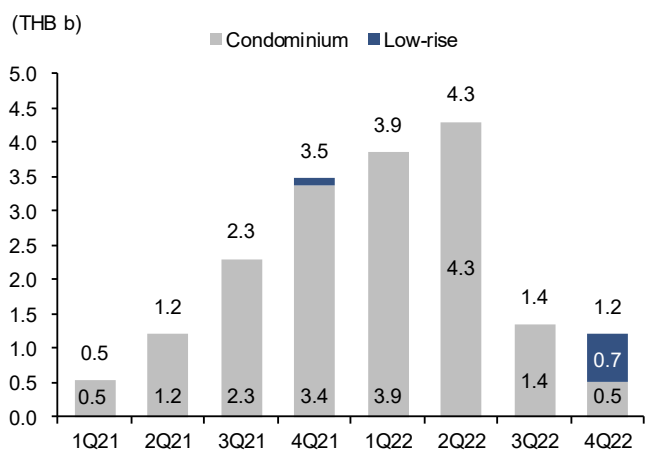
Sources: ASW; FSSIA's compilation

Exhibit 7: Yearly presales and 2023 target



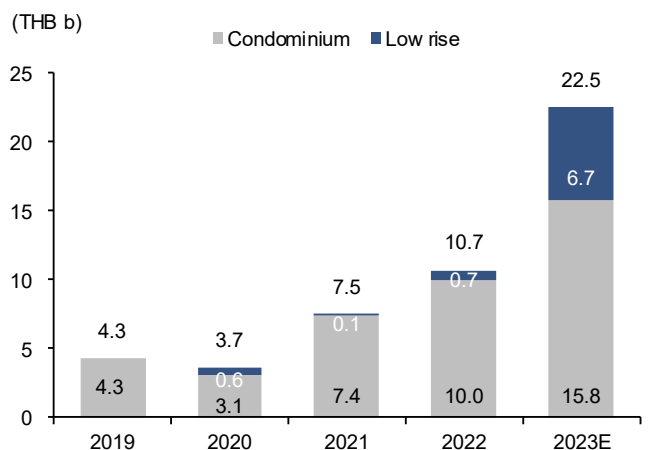
Sources: ASW; FSSIA's compilation

Exhibit 8: New launch plans by quarter



Sources: ASW; FSSIA's compilation

Exhibit 9: Yearly planned new launches



Sources: ASW; FSSIA's compilation

Exhibit 10: New launch plans for 2023

Brand	Project	Value (THB m)
Kave	Kave Pop Salaya	8,980
	Kave Wonderland	
	Kave Town Island	
	Kave Coco Bangsaen	
	Kave Embryo Rangsit	
Atmoz	Atmoz Palacio Ladprao-Wanghin	2,850
	Atmoz Season Ladkrabang	
Modiz	Modiz Vault Kaset Sripatum	4,000
	Modiz Avantgarde	
The Honor	The Honor Yothinpattana	4,200
The Arbor	The Arbor Ramintra-Watcharapol	2,470
	The Arbor Donmueng-Chaengwatthana	

Sources: ASW; FSSIA's compilation

Exhibit 11: 2023 project launches



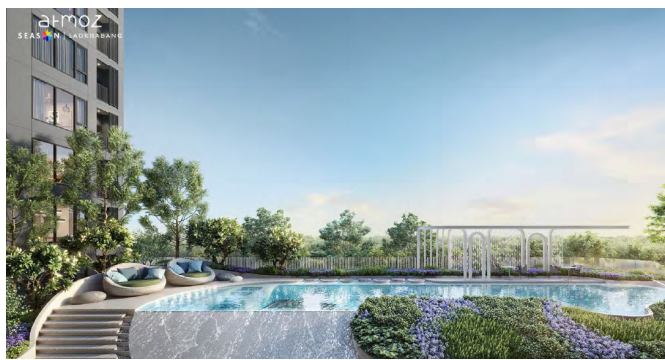
Source: ASW

Exhibit 12: Kave Embryo Rangsit



Source: ASW

Exhibit 13: Atmoz Season Ladkrabang



Source: ASW

Exhibit 14: The Honor Yothinpattana



Source: ASW

Exhibit 15: The Arbor



Source: ASW

Exhibit 16: Botanica Avenue



Source: ASW

Expect a strong earnings recovery in 4Q22

We project a strong recovery in 4Q22 performance. Our forecast calls for 4Q22 net profit to hit THB415m (+117% q-q, +93% y-y). Excluding gains from investments after signing a new JV project worth THB180m, we expect 4Q22 normalised earnings of THB235m (+302% q-q, +9% y-y). Transfer revenue should jump 125% q-q and 19% y-y to THB1.8b following two new condo transfers, Kave Ava (THB2.4b, 48% sold) and Modiz Collection Bangpho (THB1.2b, 71% sold). Also, we estimate its property gross margin should rise to 40.0% from 36.6% in 3Q22 from the realisation of high-margin projects under the Kave brand, especially Kave Ava.

Assuming in-line 4Q22 results, ASW's 2022 net profit and core profit would be THB1.1b (+16% y-y) and THB649m (-27% y-y), respectively.

Exhibit 17: 4Q22 results preview

	4Q21	1Q22	2Q22	3Q22	4Q22E	----- Change -----		2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Total revenue	1,513	1,118	1,609	881	1,877	113.0	24.0	4,928	5,495	11.5
Cost of sales	891	660	891	532	1,086	104.0	21.9	2,727	3,171	16.3
Gross profit	622	458	718	349	791	126.8	27.1	2,202	2,324	5.6
SG&A	251	271	320	305	409	34.2	62.9	882	1,306	48.2
Operating profit	371	187	398	44	382	769.1	2.8	1,320	1,018	(22.9)
Tax expense	87	47	92	18	83	359.4	(5.1)	302	244	(19.2)
Associates	(6)	(36)	(4)	35	35	0.1	na	135	231	71.0
Reported net profit	216	226	273	191	415	117.3	92.6	951	1,106	16.3
Core profit	216	81	273	59	235	301.7	9.1	885	649	(26.7)
Key ratios (%)						(ppt)	(ppt)			(ppt)
Gross margin	41.1	41.0	44.6	39.6	42.1	2.6	1.0	44.7	42.3	(2.4)
SG&A / Sales	16.6	24.2	19.9	34.6	21.8	(12.8)	5.2	17.9	23.8	5.9
Operating margin	24.5	16.8	24.7	5.0	20.3	15.4	(4.2)	26.8	18.5	(8.3)
Net margin	14.2	20.2	16.9	21.7	22.1	0.4	7.9	19.3	20.1	0.8
Norm margin	14.2	7.2	16.9	6.6	12.5	5.9	(1.7)	18.0	11.8	(6.2)
Revenue breakdown										
Residential	1,499	1,050	1,574	791	1,780	124.9	18.8	4,851	5,195	7.1
Rental & Services	15	68	35	90	97	7.9	559.1	78	300	285.9
Gross margin by business										
Residential	41.3	38.8	44.5	36.6	40.0	3.4	(1.3)	44.7	40.6	(4.1)
Rental & Services	29.2	74.0	51.3	65.8	81.4	15.7	52.3	41.4	71.7	30.3

Sources: ASW; FSSIA's estimate

Exhibit 18: Modiz Collection Bangpho



Source: ASW

Exhibit 19: Kave Ava



Source: ASW

Bright 2023 earnings prospects

In 2023, we anticipate robust performance, with normalised profit to reach a record high of THB1.0b (+57% y-y). This should be supported by the start of transfers for nine new condominium projects in every quarter with a combined value of THB14.8b and account for 60% of presales on average, such as Modiz Launch (THB1.2b, 100% sold) and Modiz Rhyme Hill (THB1.8b, 66% sold). Also, more newly launched low-rise projects should be realised. We expect transfer revenue to grow 37% y-y in 2023 to THB7.1b. Furthermore, we estimate ASW's property gross margin at 38%, in line with the company's expectation of more than 35%, but decreasing from 40% in 2022E due to the project mix's greater proportion of low-rise projects which have a lower margin than condos.

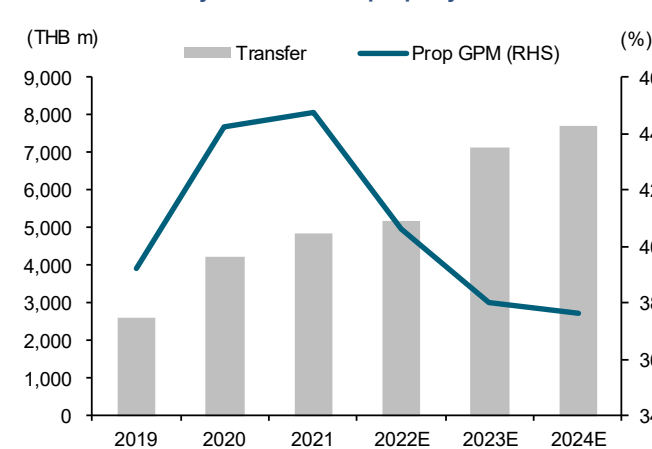
Besides its own projects, we think that ASW might develop more projects under JV agreements, which leaves room for more potential upside from one-time gains on investments.

Exhibit 20: Value of expected transfers by condo project in 2023

Transfer	Project	Value (THB m)	% Sold (%)
1Q23	Modiz Launch	1,225	100
	Admoz Bangna (JV)	2,295	57
2Q23	Modiz Rhyme hill	1,810	66
	Atmoz Sriracha	1,165	69
3Q23	Atmoz Portrait Srisaman	1,215	46
4Q23	Atmoz Kanaal Rangsit	1,700	45
	Atmoz Oasis Onnut (JV)	2,220	37
	Atmoz Flow Minburi	1,390	43
	Kave Town Colony	1,810	81

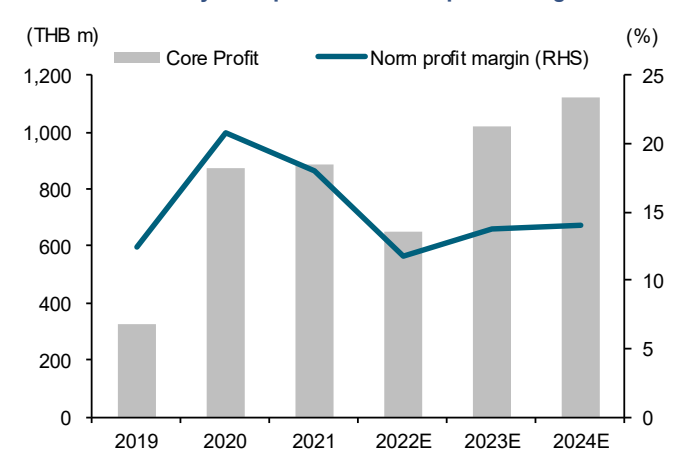
Sources: ASW; FSSIA's compilation

Exhibit 21: Yearly transfers and property GPM



Sources: ASW; FSSIA's estimate

Exhibit 22: Yearly core profit and norm profit margin



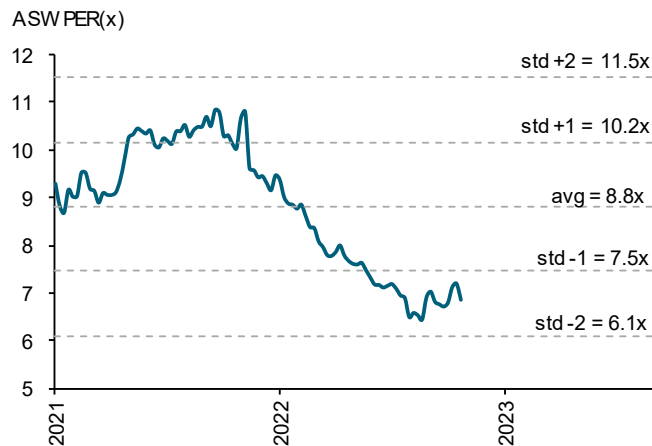
Sources: ASW; FSSIA's estimate

Valuation and recommendation

We have a BUY rating on ASW. We derive our 2023 TP of THB9.6 for ASW based on a P/E ratio of 8x, in line with local peers. Note that our assumptions have not included dilution from ASW-W1 and ASW-W2 as these warrants are currently out-of-the-money with an exercise price of THB12 per share.

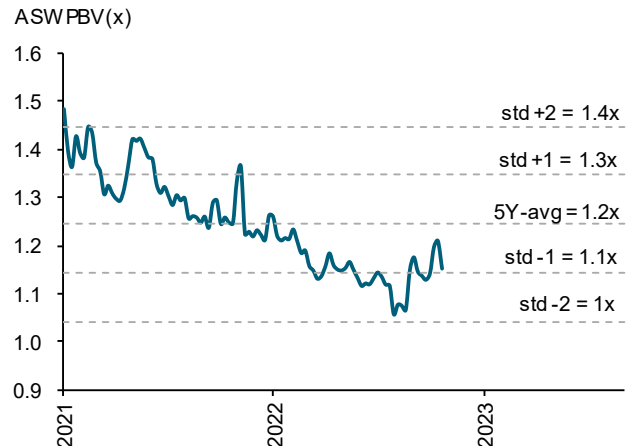
In our view, the catalysts for the stock are the company's projected earnings recovery in 4Q22 and its stellar 2023 profit outlook, well above the property sector overall. Also, we expect the stock to deliver an attractive dividend of THB0.55 per share for its performance in 2022, implying an annual dividend yield of 6.7%. Meanwhile, ASW's valuation looks cheap at only 6.9x 2023E P/E, below the sector's average of 8.4x.

Exhibit 23: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 24: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 25: Peer comparisons as of 17 Feb 2023

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)
AssetWise	ASW TB	BUY	203	7	10.8	6.9	6.7	6.7	12.6	17.7	1.3	1.2
Noble Development	NOBLE TB	BUY	214	19	16.6	6.8	4.8	8.8	7.8	17.8	1.3	1.2
SC Asset Corp	SC TB	BUY	562	10	7.4	7.6	5.4	5.2	12.4	11.2	0.9	0.8
Supalai	SPALI TB	BUY	1,365	5	5.8	6.6	6.5	5.8	18.3	14.7	1.0	0.9
Sansiri	SIRI TB	BUY	811	26	6.9	6.9	6.8	6.5	10.0	10.2	0.7	0.7
AP Thailand	AP TB	BUY	1,090	12	6.4	6.0	5.4	5.8	17.1	16.4	1.0	0.9
Britania	BRI TB	n/a	285	24	8.4	7.3	5.1	5.5	29.9	28.0	2.2	1.9
Land & Houses	LH TB	n/a	3,381	9	14.2	13.1	5.9	6.5	15.8	16.7	2.2	2.2
LPN Development	LPN TB	n/a	181	31	9.7	10.8	6.9	5.4	5.7	4.9	0.5	0.5
Origin Property	ORI TB	n/a	852	20	9.6	8.3	5.2	5.7	21.3	20.6	1.7	1.5
Pruksa Holding	PSH TB	n/a	864	7	11.1	10.8	6.8	6.8	6.1	6.2	0.7	0.7
Quality Houses	QH TB	n/a	721	15	10.8	10.0	5.5	6.3	8.3	8.7	0.9	0.9
Average			10,529	12	9.8	8.4	5.9	6.2	13.8	14.4	1.2	1.1

Sources: Bloomberg; FSSIA estimates

Financial Statements

Assetwise

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	4,205	4,928	5,495	7,420	8,017
Cost of goods sold	(2,302)	(2,660)	(3,100)	(4,405)	(4,786)
Gross profit	1,903	2,268	2,396	3,014	3,230
Other operating income	24	39	80	80	80
Operating costs	(808)	(882)	(1,306)	(1,739)	(1,930)
Operating EBITDA	1,119	1,426	1,169	1,355	1,381
Depreciation	(46)	(67)	(71)	(77)	(84)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,073	1,359	1,098	1,277	1,297
Net financing costs	(8)	(4)	(5)	(10)	(12)
Associates	0	(33)	31	115	155
Recurring non-operating income	0	(33)	31	115	155
Non-recurring items	0	66	458	0	0
Profit before tax	1,064	1,388	1,581	1,383	1,440
Tax	(194)	(302)	(244)	(254)	(263)
Profit after tax	871	1,087	1,338	1,129	1,177
Minority interests	3	(135)	(231)	(109)	(57)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	874	951	1,106	1,020	1,119
Non-recurring items & goodwill (net)	0	(66)	(458)	0	0
Recurring net profit	874	885	649	1,020	1,119
Per share (THB)					
Recurring EPS *	1.57	1.03	0.76	1.19	1.25
Reported EPS	1.57	1.11	1.29	1.19	1.25
DPS	0.52	0.55	0.55	0.55	0.57
Diluted shares (used to calculate per share data)	555	856	856	856	896
Growth					
Revenue (%)	60.2	17.2	11.5	35.0	8.0
Operating EBITDA (%)	158.8	27.4	(18.0)	15.9	1.9
Operating EBIT (%)	169.1	26.7	(19.2)	16.4	1.5
Recurring EPS (%)	(97.3)	(34.4)	(26.7)	57.3	4.8
Reported EPS (%)	(97.3)	(29.4)	16.3	(7.8)	4.8
Operating performance					
Gross margin inc. depreciation (%)	44.2	44.7	42.3	39.6	39.2
Gross margin of key business (%)	44.2	44.7	42.3	39.6	39.2
Operating EBITDA margin (%)	26.6	28.9	21.3	18.3	17.2
Operating EBIT margin (%)	25.5	27.6	20.0	17.2	16.2
Net margin (%)	20.8	18.0	11.8	13.8	14.0
Effective tax rate (%)	18.2	21.7	15.4	18.3	18.3
Dividend payout on recurring profit (%)	33.0	52.9	72.6	46.0	46.0
Interest cover (X)	127.1	316.6	236.3	145.8	121.6
Inventory days	952.0	1,031.8	1,147.6	994.3	1,021.8
Debtor days	31.9	26.1	29.1	26.7	29.5
Creditor days	227.7	217.9	188.2	163.1	180.5
Operating ROIC (%)	15.4	14.8	8.7	8.5	7.9
ROIC (%)	15.2	14.2	8.8	9.2	8.7
ROE (%)	42.9	24.7	12.6	17.7	17.6
ROA (%)	11.7	10.5	6.8	7.3	6.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Preject sales	4,199	4,851	5,195	7,105	7,690
Rental and services	6	78	300	315	327

Sources: Assetwise; FSSIA estimates

Financial Statements

Assetwise

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	874	885	649	1,020	1,119
Depreciation	46	67	71	77	84
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	(584)	(2,680)	(2,588)	(1,175)	(1,120)
Cash flow from operations	336	(1,728)	(1,868)	(77)	84
Capex - maintenance	-	-	-	-	-
Capex - new investment	(201)	(234)	(151)	(127)	(145)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(201)	(234)	(151)	(127)	(145)
Dividends paid	(290)	(408)	-	(469)	(515)
Equity finance	(3)	2,163	99	0	40
Debt finance	191	676	2,401	505	720
Other financing cash flows	-	-	15	-	-
Cash flow from financing	(102)	2,431	2,516	36	245
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	34	469	496	(168)	184
Free cash flow to firm (FCFF)	143.88	(1,957.93)	(2,014.37)	(194.29)	(49.30)
Free cash flow to equity (FCFE)	326.80	(1,286.40)	397.32	301.16	658.76

Per share (THB)

FCFF per share	0.17	(2.29)	(2.35)	(0.23)	(0.06)
FCFE per share	0.38	(1.50)	0.46	0.35	0.77
Recurring cash flow per share	1.66	1.11	0.84	1.28	1.34

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	674	864	940	1,021	1,108
Less: Accumulated depreciation	(67)	(113)	(158)	(210)	(266)
Tangible fixed assets (net)	607	751	781	811	842
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	3	3	3	3
Invest. in associates & subsidiaries	0	20	70	90	120
Cash & equivalents	317	785	1,282	1,114	1,298
A/C receivable	289	416	462	623	673
Inventories	6,751	8,289	11,203	12,798	14,000
Other current assets	77	948	714	742	802
Current assets	7,434	10,438	13,661	15,277	16,772
Other assets	118	122	121	148	160
Total assets	8,160	11,335	14,636	16,329	17,897
Common equity	2,328	4,836	5,500	6,051	6,695
Minorities etc.	(32)	101	200	200	200
Total shareholders' equity	2,297	4,937	5,700	6,251	6,895
Long term debt	2,679	3,665	3,795	4,325	4,320
Other long-term liabilities	25	40	42	57	62
Long-term liabilities	2,704	3,705	3,837	4,382	4,382
A/C payable	1,642	1,533	1,662	2,273	2,461
Short term debt	1,339	1,029	3,300	3,275	4,000
Other current liabilities	178	132	137	148	160
Current liabilities	3,160	2,694	5,100	5,697	6,621
Total liabilities and shareholders' equity	8,160	11,335	14,636	16,329	17,897
Net working capital	5,297	7,987	10,579	11,741	12,854
Invested capital	6,023	8,885	11,554	12,794	13,979

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

Per share (THB)

Book value per share	4.20	5.65	6.42	7.07	7.47
Tangible book value per share	4.20	5.65	6.42	7.07	7.47

Financial strength

Net debt/equity (%)	161.1	79.2	102.0	103.8	101.8
Net debt/total assets (%)	45.4	34.5	39.7	39.7	39.2
Current ratio (x)	2.4	3.9	2.7	2.7	2.5
CF interest cover (x)	63.5	(250.2)	115.8	45.8	68.3

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	5.2	7.9	10.8	6.9	6.6
Recurring P/E @ target price (x) *	6.1	9.3	12.7	8.1	7.7
Reported P/E (x)	5.2	7.4	6.3	6.9	6.6
Dividend yield (%)	6.3	6.7	6.7	6.7	7.0
Price/book (x)	2.0	1.5	1.3	1.2	1.1
Price/tangible book (x)	2.0	1.5	1.3	1.2	1.1
EV/EBITDA (x) **	7.3	7.7	11.1	10.1	10.6
EV/EBITDA @ target price (x) **	8.0	8.6	12.2	11.0	11.5
EV/invested capital (x)	1.4	1.2	1.1	1.1	1.0

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

Sources: Assetwise; 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	GFC	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	TCCM	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)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 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

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Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
AssetWise	ASW TB	THB 8.20	BUY	Downside risks to our P/E-based TP include 1) weaker than expected consumer purchasing power; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) intense competition; and 6) rising construction costs.
Noble Development	NOBLE TB	THB 5.40	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 4.58	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 1.82	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 an expiration of the easing of the loan-to-value (LTV) limits; and 5) high level of IBD/E.
AP (Thailand)	AP TB	THB 12.00	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.

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 17-Feb-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.