

NOBLE DEVELOPMENT
THAILAND / PROPERTY DEVELOPMENT

NOBLE TB

HOLD

FROM BUY

ขาดปัจจัยบวกในระยะสั้น

- NOBLE วางแผนขายเงินลงทุนในคอนโด JV 2 แห่งและบันทึกกำไรพิเศษจากการขายที่ประมาณ 400 ลบ. ใน 3Q23
- คาดการณ์ 2Q23 จะยังคงอ่อนแอเนื่องจากไม่มีโครงการใหม่
- ปรับลดประมาณการปี 2023 ลง 22% เพื่อสะท้อนการระบายสต็อกที่ชะลอตัว ปรับลดคำแนะนำเป็นถือที่ราคาเป้าหมายใหม่ที่ 4.7 บาท

TARGET PRICE	THB4.70
CLOSE	THB4.52
UP/DOWNSIDE	+4.0%
PRIOR TP	THB6.40
CHANGE IN TP	-26.6%
TP vs CONSENSUS	-22.3%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	8,215	9,777	10,660	10,620
Net profit	455	836	789	890
EPS (THB)	0.33	0.61	0.58	0.65
vs Consensus (%)	-	(21.8)	(30.1)	(25.3)
EBITDA	1,161	1,337	1,547	1,612
Core net profit	298	436	789	890
Core EPS (THB)	0.22	0.32	0.58	0.65
Chg. In EPS est. (%)	-	(59.1)	(30.7)	(25.1)
EPS growth (%)	(55.6)	46.2	81.2	12.8
Core P/E (x)	20.8	14.2	7.8	7.0
Dividend yield (%)	4.4	6.7	7.0	7.9
EV/EBITDA (x)	15.6	13.4	11.5	10.7
Price/book (x)	1.0	1.0	0.9	0.9
Net debt/Equity (%)	200.4	184.6	172.0	156.5
ROE (%)	5.2	7.1	12.1	12.9

คาดการณ์การขายเงินลงทุนในโครงการ JV 2 แห่งใน 3Q23

คณะกรรมการบริหารของ NOBLE ได้อนุมัติการขายหุ้นสามัญที่บริษัท ถืออยู่ในคอนโด JV 2 แห่งให้แก่ Proud Real Estate PLC (PROUD TB, NR) รวมมูลค่า 867 ลบ. โครงการดังกล่าว JV กับ Thanulux PCL (TNL TB, NR) ซึ่ง NOBLE ถือหุ้นอยู่ 50% ประกอบด้วยคอนโด Nue Cross Khu Khot Station (2.1 พันลพ., ขายได้ 100%) และ Nue District R9 (6.5 พันลพ., ขายได้ 75%) ซึ่งมีแผนเริ่มรับรู้ใน 1Q24 และ 2Q25 ตามลำดับ บริษัท คาดว่าการขายดังกล่าวจะแล้วเสร็จและบริษัท จะสามารถรับรู้กำไรพิเศษจากการขายประมาณ 400 ลบ. ในปลายเดือนก.ค. โดย NOBLE จะยังรับรู้ค่าธรรมเนียมบริหารโครงการจาก PROUD จนกว่าคอนโดทั้งสองจะแล้วเสร็จ ทั้งนี้ การขายดังกล่าวจะทำให้โครงการมีค่า IRR และผลตอบแทนต่อส่วนผู้ถือหุ้น (ROE) ที่สูงขึ้น รวมถึงโครงสร้างเงินทุนและสภาพคล่องที่ดีขึ้นด้วย ขณะที่ในอนาคตบริษัท มีโอกาสขายเงินลงทุนในโครงการที่กำลังดำเนินอยู่ให้กับนักลงทุนเพิ่มเติม ซึ่งมองว่ามี 6 โครงการที่มีศักยภาพ

แนวโน้มผลประกอบการ 2Q23 คาดยังทรงตัวต่ำ

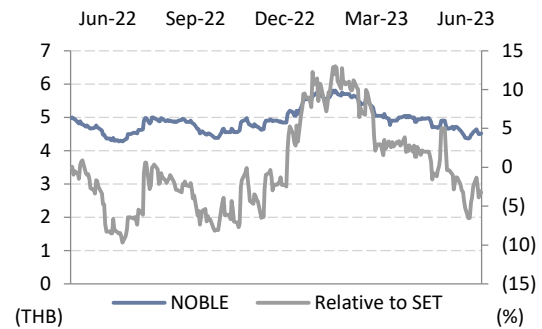
ใน 2Q23 NOBLE ไม่ได้เปิดตัวโครงการใหม่ และบริษัท เลื่อนเปิดตัวไปอยู่ใน 2H23 ทั้งหมด 7 โครงการแนวราบ มูลค่ารวม 9.6 พันลพ. และคอนโด 1 โครงการมูลค่า 9.9 พันลพ. เราคาดว่าผลประกอบการ 2Q23 จะยังอ่อนแอเช่นเดียวกับ 1Q23 เนื่องจากบริษัท ไม่มีโครงการคอนโดสร้างเสร็จใหม่ โดยบริษัท ต้องพึ่งพาการขายสินค้าพร้อมโอนที่มีมูลค่ารวม 11 พันลพ. ท่ามกลางวันหยุดยาวและความไม่แน่นอนทางการเมือง ขณะที่อัตราค่าไถ่ขั้นต่ำคาดว่าจะได้รับแรงกดดันจากการทำโปรโมชันส่งเสริมการขาย

ปรับลดประมาณการกำไรสุทธิปี 2023 เพื่อสะท้อนยอดขายที่ชะลอตัว

เราปรับลดประมาณการกำไรสุทธิปี 2023 ลง 22% มาอยู่ที่ 836 ลบ. (+84% y-y) เพื่อสะท้อน 1) การระบายสต็อกในมือที่ไปได้ช้า; 2) การกลับมาของผู้ซื้อจากต่างประเทศที่ช้ากว่าคาดจากข้อบังคับในด้านการเดินทางของจีน; 3) การเลื่อนการเปิดโครงการใหม่; และ 4) อัตราค่าไถ่ขั้นต่ำที่ลดลงจากการแข่งขันด้านราคา ในขณะที่เดียวกัน NOBLE มี Backlog ที่ 22.4 พันลพ. ณ สิ้นไตรมาส 1Q23 ซึ่งจะบันทึก 2.75 พันลพ. ในช่วงที่เหลือของปีนี้ และรองรับ 53% ของประมาณการยอดขายในปี 2023 ของเรา เราประเมินว่ากำไรจะฟื้นตัวใน 3Q23 จากกำไรพิเศษจากการขายเงินลงทุนใน JV และมีคอนโดสร้างเสร็จใหม่ 1 แห่งอย่าง Nue Z-Square Suan Luang Station ในช่วงปลาย 3Q23

ปรับลดคำแนะนำเป็นถือ ปรับราคาเป้าหมายลงเป็น 4.7 บาท

เราปรับลดราคาเป้าหมายลงเหลือ 4.7 บาท อิง PE 2023E ที่ 7.8x ใกล้เคียงกับคู่แข่งในประเทศ หุ้นมี Upside จำกัดเพียง 4% เรามองว่าหุ้นขาดปัจจัยบวกระยะสั้นประกอบกับแนวโน้ม 2Q23 ยังไม่น่าสนใจ ด้วยเหตุดังกล่าวเราปรับลดคำแนะนำเป็นถือจากซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.4)	(10.5)	(11.4)
Relative to country (%)	(5.6)	(5.7)	(4.6)
Mkt cap (USD m)			179
3m avg. daily turnover (USD m)			0.3
Free float (%)			51
Major shareholder	Raffles Nominees (Pte) Limited (20%)		
12m high/low (THB)	5.90/4.26		
Issued shares (m)	1,369.41		

Sources: Bloomberg consensus; FSSIA estimates



Thanayatorn Songwutti

thanayatorn.s@fssia.com

+66 2646 9805

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 6 มิถุนายน 2023

Investment thesis

NOBLE is a leading residential developer in prime locations in Greater Bangkok. Its core business is property development, including single-detached homes, townhomes, low-rise condominiums, and high-rise condominiums under its two main brands, Noble and NUE. Its competitive strength is its strong overseas buyer market share. Domestically, NOBLE’s projects accounted for 52% of all Bangkok condominiums sold in 2021.

It targets becoming a top-five property developer in Thailand via its key strategies: 1) the penetration of high-growth segments; 2) a more aggressive and sustainable investment portfolio; 3) strategic partnerships; and 4) overseas expansion.

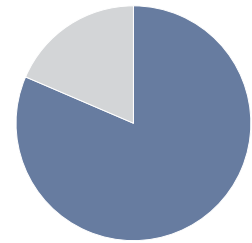
Company profile

Noble Development builds a wide range of residential projects from affordable to high-end, both low-rise and high-rise. In 2019, Noble and Hongkong Land entered into a joint venture agreement to develop high-rise condominiums in the luxury market segment to extend their businesses internationally.

www.noblehome.com

Principal activities (revenue, 2022)

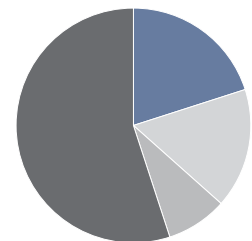
- Real estate - 81.5 %
- Rental & service - 18.5 %



Source: Noble Development

Major shareholders

- Raffles Nominees (Pte) Limited - 20.1 %
- Citibank Nominees Singapore Pte Ltd-Ubs Switzerland Ag - 16.5 %
- BTS Group Holdings PCL - 8.4 %
- Others - 55.0 %



Source: Noble Development

Catalysts

Key potential growth drivers include 1) the success of new launches; 2) more overseas customers; and 3) the monetisation of other projects via sales to investors.

Risks to our call

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. An upside risk would be 1) a stronger-than-expected presales; and 2) a sooner-than-expected overseas buyer recovery; and 3) selling other projects to investors so that it might book extra gains from sales.

Event calendar

Date	Event
August 2023	2Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Project sales (THB m)	6,777	7,660	8,620
Rental and services income (THB m)	3,000	3,000	2,000
Property GPM (%)	28.5	29.0	29.0
GPM (%)	22.8	23.7	25.4
SG&A to sales (%)	16.4	16.0	17.3

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 5.4%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 3.2%, 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 4.4%, and vice versa, all else being equal.

Source: FSSIA estimates

Profitability plunged q-q in 1Q23

NOBLE reported a 1Q23 net profit of THB73m, diving 79% q-q but turning profitable from a loss of THB7m in 1Q22. Even though earnings improved from the low base last year, overall 1Q23 operations were softer than expected.

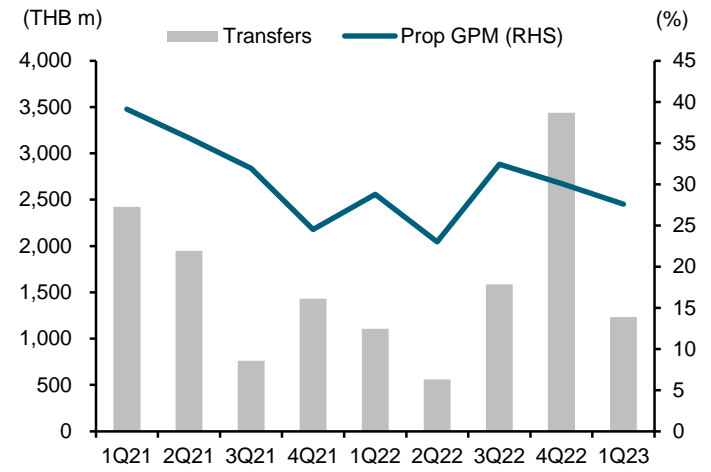
1Q23 transfers dropped to THB1.2b, up 11% y-y from the low base in 1Q22, but down 64% q-q. This reflects the lack of new condo transfers (vs three newly built condos in 4Q22) as well as soft inventory presales. Its property gross margin sharply dropped to 27.6% (vs 30.1% in 4Q22 and 28.8% in 1Q22) since it used pricing promotions to clear inventory. Meanwhile, it introduced two new JV projects worth THB3.6b in 1Q23. It posted higher management fees of THB722m (+93% q-q, +111% y-y), but had a wider share of loss from its JV of THB61m (vs a loss of THB49m in 4Q22 and THB10m in 1Q22) due to higher expenses and no projects to start transferring from.

Exhibit 1: 1Q23 results summary

	1Q22	2Q22	3Q22	4Q22	1Q23	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	1,451	914	2,036	3,815	1,955	(48.8)	34.8
Gross profit	371	154	536	1,025	454	(55.7)	22.4
SG&A	326	318	376	574	350	(39.0)	7.4
Operating profit	45	(164)	160	450	104	(76.9)	131.7
Interest expense	84	82	87	107	120	11.3	42.4
Tax expense	5	(5)	46	97	32	(66.4)	530.0
Associates	(10)	(50)	(46)	(49)	(61)	na	na
Reported net profit	(7)	(14)	137	338	73	(78.6)	na
Normalised profit	(8)	(161)	139	328	71	(78.3)	na
Key ratios (%)						(ppt)	(ppt)
Gross margin	25.6	16.9	26.3	26.9	23.2	(3.6)	(2.3)
SG&A / Sales	22.5	34.8	18.5	15.1	17.9	2.9	(4.6)
Operating margin	3.1	(18.0)	7.8	11.8	5.3	(6.5)	2.2
Net profit margin	(0.5)	(1.5)	6.7	8.9	3.7	(5.2)	4.2
Normalised profit margin	(0.6)	(17.6)	6.8	8.6	3.6	(5.0)	4.2
Revenue breakdown							
Residential	1,108	559	1,585	3,440	1,233	(64.2)	11.3
Rental & services	343	355	451	375	722	92.6	110.6
Gross margin by business							
Residential	28.8	23.0	32.4	30.1	27.6	(2.5)	(1.2)
Rental & services	15.2	7.2	4.7	(2.7)	15.8	18.5	0.6

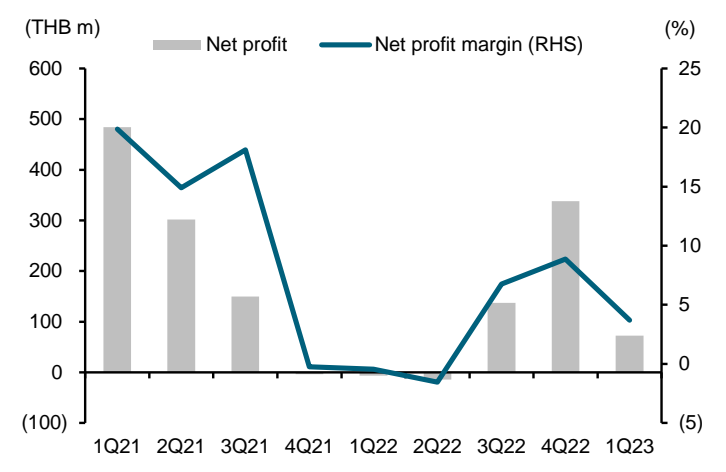
Sources: NOBLE; FSSIA's compilation

Exhibit 2: Quarterly transfers and property GPM



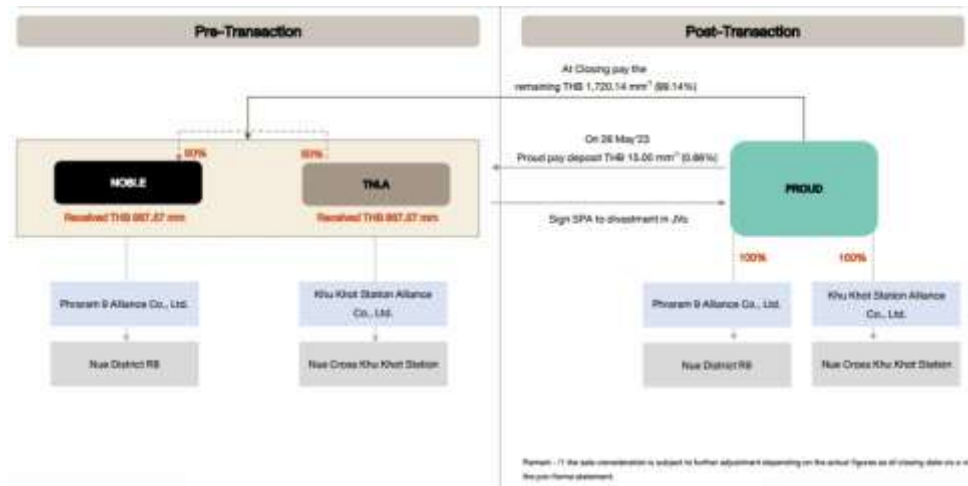
Sources: NOBLE; FSSIA's compilation

Exhibit 3: Quarterly net profit and net profit margin



Sources: NOBLE; FSSIA's compilation

Exhibit 4: NOBLE-PROUD transaction



Source: NOBLE

Exhibit 5: Key Execution Timeline



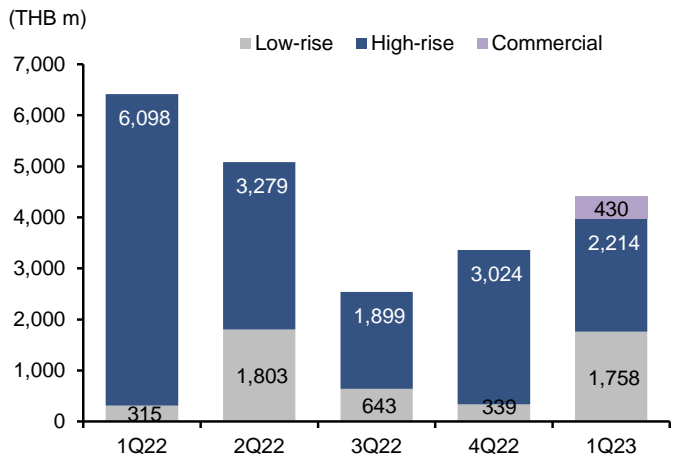
Source: NOBLE

Exhibit 6: Projects might become in monetization plan



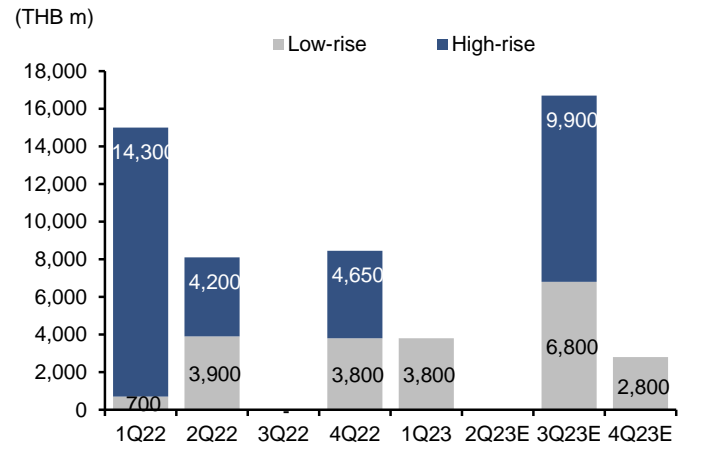
Source: NOBLE

Exhibit 7: Quarterly presales



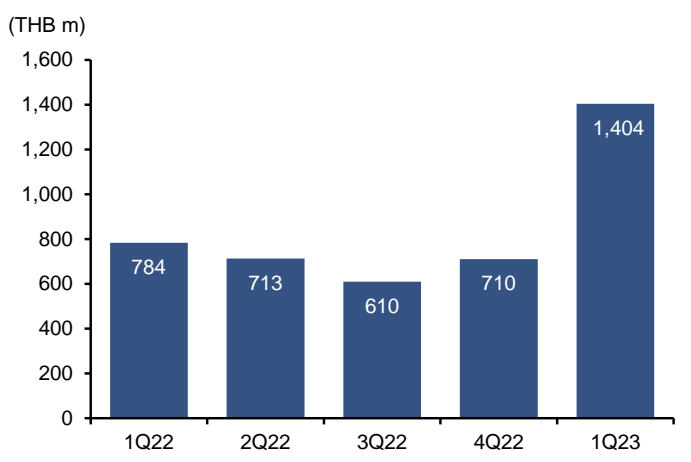
Sources: NOBLE; FSSIA's compilation

Exhibit 8: Quarterly new launches



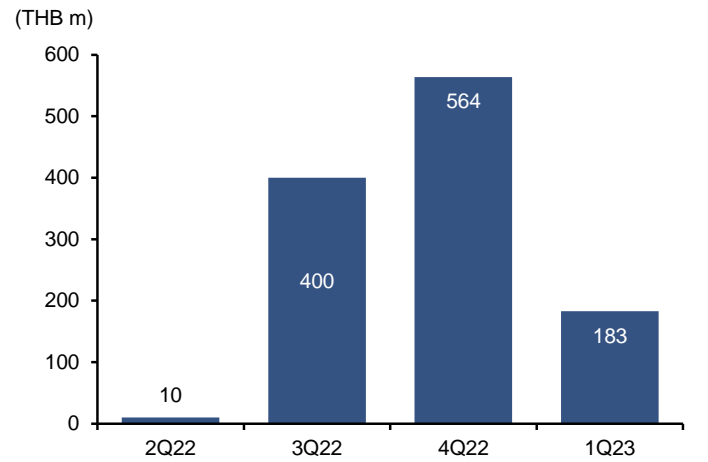
Sources: NOBLE; FSSIA's compilation

Exhibit 9: Quarterly overseas presales



Sources: NOBLE; FSSIA's compilation

Exhibit 10: Quarterly overseas transfers



Sources: NOBLE; FSSIA's compilation

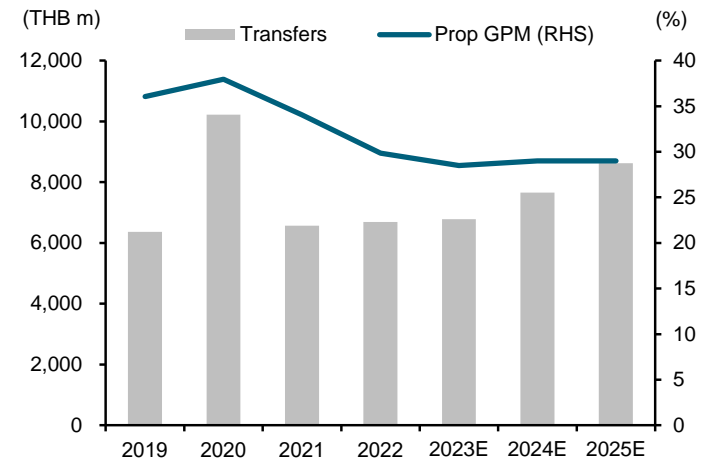
Exhibit 11: Key assumptions for NOBLE

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)

Revenue (THB m)	9,777	10,660	10,620	12,949	13,285	11,630	(24)	(20)	(9)
- Transfers	6,777	7,660	8,620	9,949	10,285	8,630	(32)	(26)	(0)
- Management fees	3,000	3,000	2,000	3,000	3,000	3,000	0	0	(33)
Property gross margin (%)	28.5	29.0	29.0	31.0	31.0	31.0	(2.5)	(2.0)	(2.0)
Gross margin (%)	22.8	23.7	25.4	25.4	25.6	24.8	(2.6)	(1.9)	0.6
SG&A to revenue (%)	16.4	16.0	17.3	15.8	16.0	17.6	0.6	(0.0)	(0.3)
Associates (THB m)	(96)	110	177	61	112	512	na	(1)	(65)
Core profit (THB m)	436	789	890	1,066	1,139	1,189	(59)	(31)	(25)
Net profit (THB m)	836	789	890	1,066	1,139	1,189	(22)	(31)	(25)

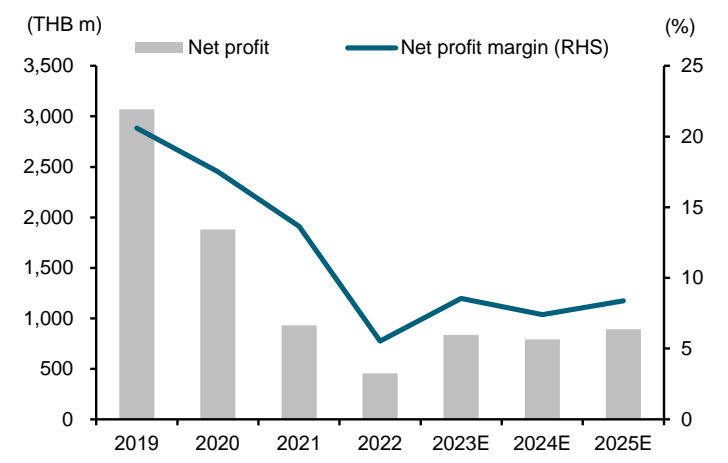
Source: FSSIA estimates

Exhibit 12: Yearly transfers and property GPM



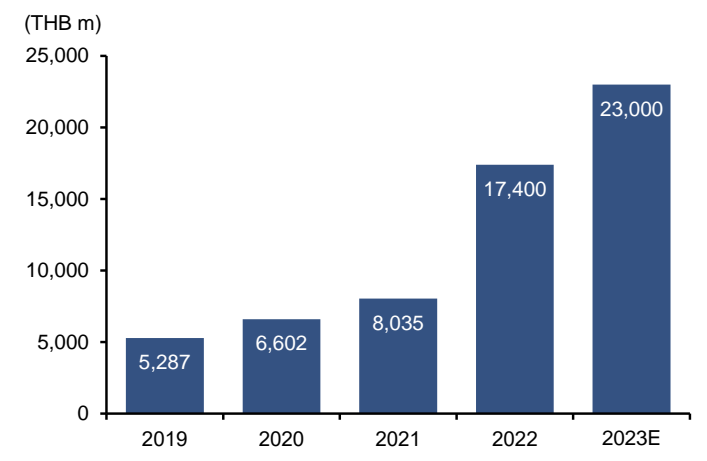
Sources: NOBLE; FSSIA estimates

Exhibit 13: Yearly net profit and net profit margin



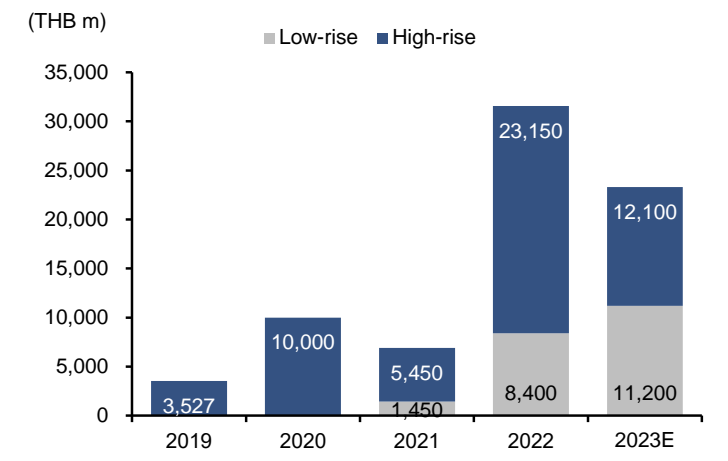
Sources: NOBLE; FSSIA estimates

Exhibit 14: Yearly presales and 2023 target



Sources: NOBLE; FSSIA's compilation

Exhibit 15: Yearly planned new launches



Sources: NOBLE; FSSIA's compilation

Exhibit 16: New projects in 1Q23

LAUNCHED

1Q2023

nue CORE
KHU KHUOY STATION

Project Size:	THB 2,200 mm
% Equity:	60%
Product:	Low Rise Condo
Expected Transfer:	4Q2023

nue HYBE
SUKSAWAT

Project Size:	THB 1,800 mm
% Equity:	60%
Product:	Townhouse
Expected Transfer:	3Q2023

Source: NOBLE

Exhibit 17: New projects in 2H23

3Q2023

noble AWAY CHAIYAM BEACH FRONT	noble THE EMBASSY WIRELESS	noble TEGGA KAMAS-DUMAI
Project Size: THB 600 mm	Project Size: THB 6,900 mm	Project Size: THB 1,400 mm
% Equity: 100%	% Equity: 20%	% Equity: 100%
Product: Land Plot	Product: High Rise Condo	Product: SDH
Expected Transfer: 3Q2023	Expected Transfer: 1Q2024	Expected Transfer: 3Q2023

noble AQUA OVERFRONT RATBURANA	nue VERSE KRUNGTHERP - KREETHA	noble KRUNGTHERP - KREETHA
Project Size: THB 1,800 mm	Project Size: THB 1,800 mm	Project Size: THB 1,300 mm
% Equity: 50%	% Equity: 100%	% Equity: 100%
Product: SDH	Product: Townhouse	Product: SDH
Expected Transfer: 3Q2023	Expected Transfer: 4Q2023	Expected Transfer: 4Q2023

4Q2023

nue RATCHAPRUK 345
Project Size: THB 1,800 mm
% Equity: 100%
Product: SDH
Expected Transfer: 4Q2023

nue WESTGATGE KHLONGBANGPHAI
Project Size: THB 1,300 mm
% Equity: 100%
Product: Townhouse
Expected Transfer: 4Q2023

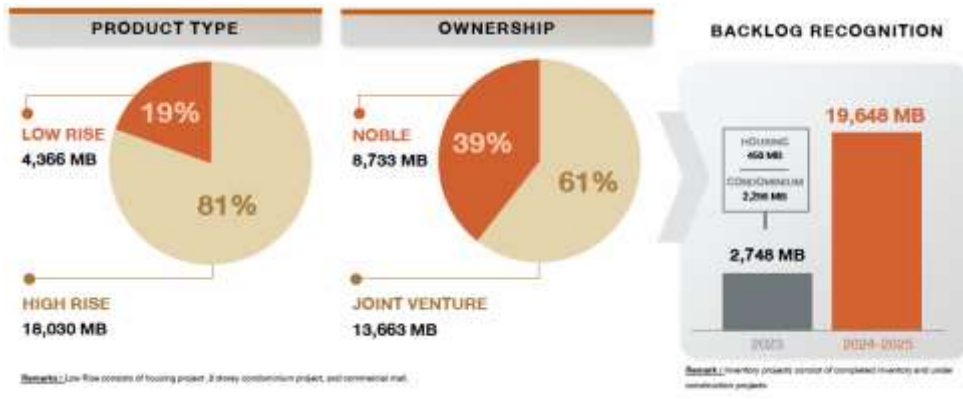
Source: NOBLE

Exhibit 18: Value of expected transfers by condo project

Transfer	Project	Value	% Sold
		(THB m)	(%)
3Q23	Nue Z-Square Suan Luang Station	670	23
4Q23	Nue Noble Fai Chai-Wanglang	1,110	59
1Q24	Nue Noble Ratchada-Lat Phrao (JV)	2,000	60
	Nue Connex Condo Don Mueang 2	2,360	34
4Q24	Noble From Thonglor (JV)	5,420	18
1Q25	Nue Mega Plus Bangna	3,130	62
3Q25	Noble Create (JV)	4,230	27
	Nue Riverest Ratburana (JV)	4,670	30
4Q25	Nue Evo Ari	3,010	62

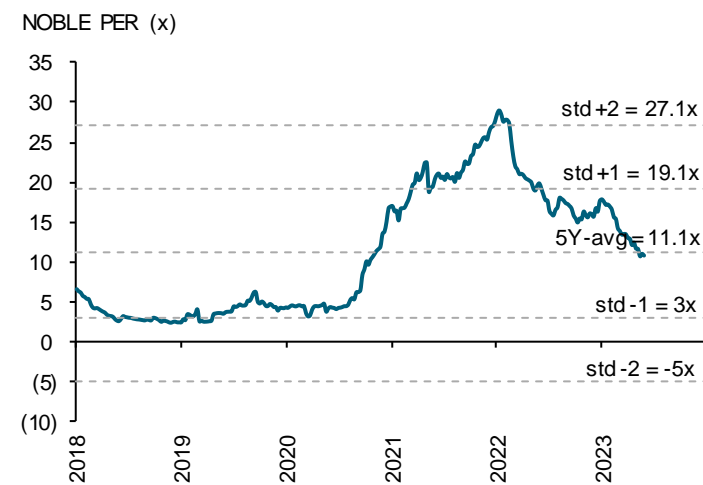
Source: NOBLE

Exhibit 19: Backlog



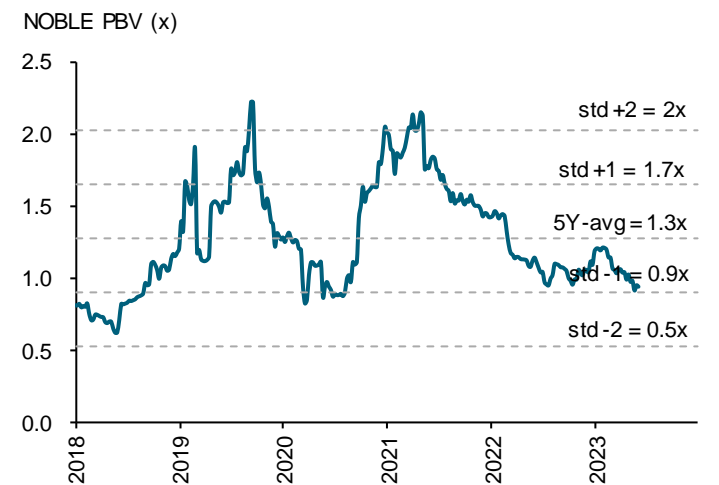
Source: NOBLE

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 2 June 2023

Company	BBG	Rec	Market Cap	3Y EPS CAGR	PE		DivYld		ROE		PBV	
					23E	24E	23E	24E	23E	24E	23E	24E
			(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand												
Assetwise	ASW TB	BUY	208	18	7.0	6.7	6.4	6.7	17.6	17.5	1.2	1.1
Noble Development	NOBLE TB	HOLD	179	44	14.2	7.8	5.4	5.4	7.0	11.8	1.0	0.9
SC Asset Corp	SC TB	BUY	534	2	6.8	6.7	5.8	5.9	11.7	11.3	0.8	0.7
Supalai	SPALI TB	BUY	1,142	(5)	5.5	5.3	7.2	7.2	14.7	13.9	0.8	0.7
Sansiri	SIRI TB	BUY	799	(0)	6.6	6.5	7.8	8.0	10.1	9.7	0.6	0.6
AP Thailand	AP TB	BUY	1,029	4	5.7	5.5	6.2	6.3	16.2	15.0	0.9	0.8
Britania	BRI TB	BUY	245	20	5.7	5.2	7.4	8.1	28.1	26.2	1.5	1.3
Origin Property	ORI TB	BUY	785	13	8.1	7.2	6.8	6.9	17.5	18.0	1.4	1.2
Land & Houses	LH TB	n/a	2,886	8	11.4	10.7	7.3	8.0	16.4	17.3	1.9	1.8
LPN Development	LPN TB	n/a	183	30	11.1	9.8	5.2	5.8	4.8	5.5	0.5	0.5
Pruksa Holding	PSH TB	n/a	786	6	9.8	9.8	7.4	7.4	6.2	6.2	0.6	0.6
Quality Houses	QH TB	n/a	708	15	10.0	9.3	6.4	6.7	8.7	9.1	0.8	0.8
Average			9,485	7	8.5	7.5	6.6	6.9	13.3	13.5	1.0	0.9

Sources: Bloomberg; FSSIA estimates

Financial Statements

Noble Development

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	6,827	8,215	9,777	10,660	10,620
Cost of goods sold	(4,431)	(5,923)	(7,335)	(7,910)	(7,671)
Gross profit	2,396	2,292	2,442	2,750	2,949
Other operating income	593	463	500	500	500
Operating costs	(1,668)	(1,595)	(1,605)	(1,702)	(1,837)
Operating EBITDA	1,321	1,161	1,337	1,547	1,612
Depreciation	(141)	(207)	(210)	(228)	(249)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,181	954	1,126	1,319	1,363
Net financing costs	(245)	(360)	(461)	(470)	(471)
Associates	(19)	(154)	(96)	110	177
Recurring non-operating income	(19)	(154)	(96)	110	177
Non-recurring items	260	157	400	0	0
Profit before tax	1,177	597	969	959	1,069
Tax	(245)	(142)	(133)	(170)	(178)
Profit after tax	932	455	836	789	890
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	932	455	836	789	890
Non-recurring items & goodwill (net)	(260)	(157)	(400)	0	0
Recurring net profit	672	298	436	789	890
Per share (THB)					
Recurring EPS *	0.49	0.22	0.32	0.58	0.65
Reported EPS	0.68	0.33	0.61	0.58	0.65
DPS	0.43	0.20	0.31	0.32	0.36
Diluted shares (used to calculate per share data)	1,369	1,369	1,369	1,369	1,369
Growth					
Revenue (%)	(36.3)	20.3	19.0	9.0	(0.4)
Operating EBITDA (%)	(49.9)	(12.1)	15.2	15.8	4.2
Operating EBIT (%)	(53.7)	(19.2)	18.1	17.1	3.3
Recurring EPS (%)	(62.5)	(55.6)	46.2	81.2	12.8
Reported EPS (%)	(50.4)	(51.2)	83.7	(5.5)	12.8
Operating performance					
Gross margin inc. depreciation (%)	33.0	25.4	22.8	23.7	25.4
Gross margin of key business (%)	33.0	25.4	22.8	23.7	25.4
Operating EBITDA margin (%)	19.3	14.1	13.7	14.5	15.2
Operating EBIT margin (%)	17.3	11.6	11.5	12.4	12.8
Net margin (%)	9.8	3.6	4.5	7.4	8.4
Effective tax rate (%)	20.8	23.8	13.7	17.7	16.7
Dividend payout on recurring profit (%)	87.7	91.9	95.9	55.0	55.0
Interest cover (X)	4.7	2.2	2.2	3.0	3.3
Inventory days	1,134.9	863.7	702.4	656.3	675.4
Debtor days	44.5	112.3	125.6	105.0	109.7
Creditor days	87.1	81.1	66.2	54.3	57.3
Operating ROIC (%)	8.0	5.3	5.9	7.0	7.2
ROIC (%)	6.3	3.8	4.5	6.2	6.7
ROE (%)	11.7	5.2	7.1	12.1	12.9
ROA (%)	4.4	2.7	3.6	5.1	5.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Real estate	6,563	6,692	6,777	7,660	8,620
Rental & service	264	1,523	3,000	3,000	2,000
Land sales	0	0	0	0	0

Sources: Noble Development; FSSIA estimates

Financial Statements

Noble Development

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	672	298	436	789	890
Depreciation	141	207	210	228	249
Associates & minorities	-	-	-	-	-
Other non-cash items	260	157	400	0	0
Change in working capital	(2,445)	(2,656)	548	(145)	39
Cash flow from operations	(1,373)	(1,994)	1,594	873	1,178
Capex - maintenance	-	-	-	-	-
Capex - new investment	(500)	(569)	(1,009)	(251)	(270)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(500)	(569)	(1,009)	(251)	(270)
Dividends paid	(589)	(274)	(418)	(434)	(490)
Equity finance	(4)	(31)	0	0	0
Debt finance	2,650	1,892	(284)	20	20
Other financing cash flows	-	-	-	-	-
Cash flow from financing	2,058	1,587	(701)	(414)	(470)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	1,303	0	0	0
Net other adjustments	(575)	1,303	0	0	0
Movement in cash	(391)	327	(116)	208	438
Free cash flow to firm (FCFF)	(1,628.55)	(2,203.73)	1,046.45	1,092.43	1,378.90
Free cash flow to equity (FCFE)	201.92	631.63	301.29	642.03	927.80

Per share (THB)

FCFF per share	(1.19)	(1.61)	0.76	0.80	1.01
FCFE per share	0.15	0.46	0.22	0.47	0.68
Recurring cash flow per share	0.78	0.48	0.76	0.74	0.83

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	510	497	571	656	755
Less: Accumulated depreciation	(283)	(339)	(414)	(490)	(582)
Tangible fixed assets (net)	228	158	157	167	173
Intangible fixed assets (net)	1,186	1,089	1,083	1,083	1,083
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	200	211	942	955	969
Cash & equivalents	1,478	1,805	1,689	1,897	2,335
A/C receivable	1,258	3,797	2,933	3,198	3,186
Inventories	13,992	14,037	14,192	14,254	14,133
Other current assets	244	245	293	320	382
Current assets	16,972	19,885	19,107	19,668	20,036
Other assets	1,694	1,154	1,250	1,275	1,303
Total assets	20,280	22,497	22,539	23,148	23,565
Common equity	5,627	5,941	6,359	6,714	7,115
Minorities etc.	1	1	1	1	1
Total shareholders' equity	5,628	5,942	6,360	6,715	7,116
Long term debt	7,266	8,263	7,934	7,953	7,972
Other long-term liabilities	81	161	151	163	198
Long-term liabilities	7,346	8,424	8,085	8,116	8,170
A/C payable	1,103	1,529	1,132	1,221	1,188
Short term debt	4,556	5,451	5,496	5,497	5,498
Other current liabilities	1,647	1,151	1,466	1,599	1,593
Current liabilities	7,306	8,130	8,094	8,317	8,279
Total liabilities and shareholders' equity	20,280	22,496	22,539	23,148	23,565
Net working capital	12,744	15,401	14,820	14,952	14,921
Invested capital	16,052	18,012	18,252	18,432	18,449

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

Per share (THB)

Book value per share	4.11	4.34	4.64	4.90	5.20
Tangible book value per share	3.24	3.54	3.85	4.11	4.40

Financial strength

Net debt/equity (%)	183.8	200.4	184.6	172.0	156.5
Net debt/total assets (%)	51.0	52.9	52.1	49.9	47.3
Current ratio (x)	2.3	2.4	2.4	2.4	2.4
CF interest cover (x)	3.9	4.3	3.8	2.9	3.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	9.2	20.8	14.2	7.8	7.0
Recurring P/E @ target price (x) *	9.6	21.6	14.8	8.2	7.2
Reported P/E (x)	6.6	13.6	7.4	7.8	7.0
Dividend yield (%)	9.5	4.4	6.7	7.0	7.9
Price/book (x)	1.1	1.0	1.0	0.9	0.9
Price/tangible book (x)	1.4	1.3	1.2	1.1	1.0
EV/EBITDA (x) **	12.5	15.6	13.4	11.5	10.7
EV/EBITDA @ target price (x) **	12.7	15.8	13.6	11.6	10.9
EV/invested capital (x)	1.0	1.0	1.0	1.0	0.9

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

Sources: Noble Development; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

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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Company	Ticker	Price	Rating	Valuation & Risks
Noble Development	NOBLE TB	THB 4.52	HOLD	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. An upside risk would be 1) a stronger-than-expected presales; and 2) a sooner-than-expected overseas buyer recovery; and 3) selling other projects to investors so that it might book extra gains from sales.
Assetwise	ASW TB	THB 8.40	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.
SC Asset Corporation	SC TB	THB 4.32	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) weak purchasing power; 3) cancellation of presales; 4) bank loan rejections; and 5) construction delays.
Supalai	SPALI TB	THB 20.20	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 1.74	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 material prices; 4) the impact of the expiration of loan-to-value (LTV) limit easing; and 5) a high level of IBD/E.
AP (Thailand)	AP TB	THB 11.30	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.
Britania	BRI TB	THB 9.90	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) a slower-than-expected economic recovery and weak purchasing power; 3) intense competition; 4) construction delays and labour shortages; 5) an increase in raw material costs; and 6) challenging new launches in the upcountry market.
Origin Property	ORI TB	THB 10.90	BUY	Downside risks to our SoTP-based TP include 1) a slower-than-expected economic recovery; 2) weaker-than-expected presales; 3) a high cancellation rate of presales and rejections from banks; 4) delays in construction and/or a labour shortage; 5) intense competition and an increase in raw material costs; and 6) lower-than-expected performance for its subsidiaries.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 02-Jun-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.