

NOBLE DEVELOPMENT  
THAILAND / PROPERTY DEVELOPMENT

## NOBLE TB

HOLD

UNCHANGED

## รายงานผลประกอบการ 2Q23

กำไรปรับตัวดีขึ้นใน 2Q23 แต่ยังไม่ฟื้นตัว

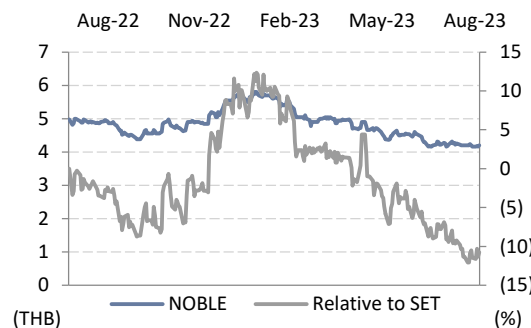
TARGET PRICE	THB4.70
CLOSE	THB4.20
UP/DOWNSIDE	+11.9%
TP vs CONSENSUS	-12.6%

## Highlights

- NOBLE รายงานกำไร 2Q23 อยู่ที่ 112 ลบ. เพิ่มขึ้น 54% q-q และพลิกเป็นกำไรจากที่เคยขาดทุน 14 ลบ. ใน 2Q22 หลังมีโครงการในมือเพิ่มขึ้น เมื่อหักรายการพิเศษ กำไรปกติอยู่ที่ 108 ลบ. (เทียบกับ 71 ลบ. ใน 1Q23 และผลขาดทุน 161 ลบ. ใน 2Q22)
- ปัจจัยหนุนสำคัญที่ทำให้กำไร 2Q23 ดีขึ้น q-q อยู่ที่ 1) อัตรากำไรขั้นต้นของธุรกิจอสังหาริมทรัพย์ที่ฟื้นตัวเป็น 33.1% ใน 2Q23 (เทียบกับ 27.6% ใน 1Q23 และ 23% ใน 2Q22) จากการทยอยปรับราคาขายของสต็อกในมือ; และ 2) รายได้ค่าเช่าและบริการที่เพิ่มเป็น 919 ลบ. (+27% q-q, +159% y-y) จากค่าธรรมเนียมบริหารงานก่อสร้างที่เพิ่มขึ้นจากโครงการกิจการร่วมค้า รวมถึงการเริ่มธุรกิจบริหารโครงการอสังหาริมทรัพย์ และบริการหลังการขาย
- ใน 2Q23 ยอดโอนทรงตัวใกล้เคียงกับ 1Q23 ที่ 1.3 พัน ลบ. (+5% q-q, +132% y-y) จากเน้นระบาย NOBLE สต็อกเหลือขาย เนื่องจากบริษัท ไม่มีคอนโดใหม่ในช่วง 1H23 ในขณะที่กิจการร่วมค้าให้ส่วนแบ่งผลขาดทุน 56 ลบ. ใน 2Q23 (เทียบกับส่วนแบ่งผลขาดทุน 61 ลบ. ใน 1Q23 และ 50 ลบ. ใน 2Q22) เนื่องจากกิจการ ไม่มีคอนโดสร้างเสร็จใหม่
- NOBLE ประกาศจ่ายเงินปันผลต่อหุ้น 0.081 บาทสำหรับผลประกอบการในช่วง 1H23 คิดเป็นผลตอบแทนในรูปแบบเงินปันผลที่ 1.9% หุ้นจะขึ้น XD ในวันที่ 24 ส.ค. และบริษัท จะจ่ายเงินปันผลในวันที่ 8 ก.ย. 2023
- เราคาดว่ากำไรปกติ 2H23 จะฟื้นตัว h-h โดยได้ปัจจัยหนุนจาก 2 โครงการคอนโดสร้างเสร็จใหม่ประกอบด้วย: Nue Z-Square Suan Luang Station (700 ลบ., ขายได้ 32%) ใน 3Q23 และ Nue Noble Fai Chai-Wanglang (1.1 พัน ลบ., ขายได้ 67%) ใน 4Q23 นอกจากนี้บริษัท ยังขายโครงการที่ดินเปล่าชื่อ Noble Away Beachfront Cha-Am (300 ลบ.) ให้แก่บริษัทพัฒนาอสังหาริมทรัพย์ ในท้องถิ่นใน 3Q23 ซึ่งบริษัท จะทยอยรับรู้รายได้ใน 3Q23-1Q24 ที่ประมาณ 100 ลบ. ต่อไตรมาสซึ่งมีอัตรากำไรที่อยู่ในระดับสูง
- อย่างไรก็ดี เราคิดว่ากำไรปกติ 2H23 อาจลดลง y-y จากคอนโดใหม่ที่มีขนาดเล็กเทียบกับ 5 คอนโดใหม่ขนาดใหญ่ใน 2H22 ทั้งนี้ ยังไม่รวมกำไรพิเศษจากการขายการลงทุนในคอนโดของกิจการร่วมค้า 2 แห่งให้แก่ PROUD ใน 3Q23 ซึ่งคาดมีกำไรพิเศษมากกว่า 400 ลบ.
- เราคงประมาณการกำไรปกติปี 2023 ไว้ที่ 436 ลบ. (+46% y-y) ต่ำกว่ากำไรปี 2021 โดย NOBLE มี Backlog อยู่ที่ 17.9 พัน ลบ. ณ. สิ้น 2Q23 จากตัวเลขดังกล่าวบริษัท จะบันทึก 3.7 พัน ลบ. เป็นรายได้ในปีนี้ ซึ่งรองรับ 93% ของประมาณการยอดโอนปี 2023 ของเรา อย่างไรก็ตาม เราคาดว่ารายได้โอนในปี 2023 ที่ 1 พัน ลบ. มีความท้าทายท่ามกลางการฟื้นตัวของผู้อยู่อาศัยต่างชาติที่ช้ากว่าที่คาด เราคงแนะนำถือ NOBLE

## 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 (%)	-	90.6	-	-
EBITDA	1,161	1,337	1,547	1,612
Recurring net profit	298	436	789	890
Core EPS (THB)	0.22	0.32	0.58	0.65
EPS growth (%)	(55.6)	46.2	81.2	12.8
Core P/E (x)	19.3	13.2	7.3	6.5
Dividend yield (%)	4.8	7.3	7.5	8.5
EV/EBITDA (x)	15.2	13.1	11.2	10.5
Price/book (x)	1.0	0.9	0.9	0.8
Net debt/Equity (%)	200.4	184.6	172.0	156.5
ROE (%)	5.2	7.1	12.1	12.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.9)	(10.6)	(14.3)
Relative to country (%)	(4.2)	(8.5)	(9.6)
Mkt cap (USD m)			164
3m avg. daily turnover (USD m)			0.1
Free float (%)			51
Major shareholder	Raffles Nominees (Pte) Limited (20%)		
12m high/low (THB)	5.90/4.12		
Issued shares (m)	1,369.41		

Sources: Bloomberg consensus; FSSIA estimates



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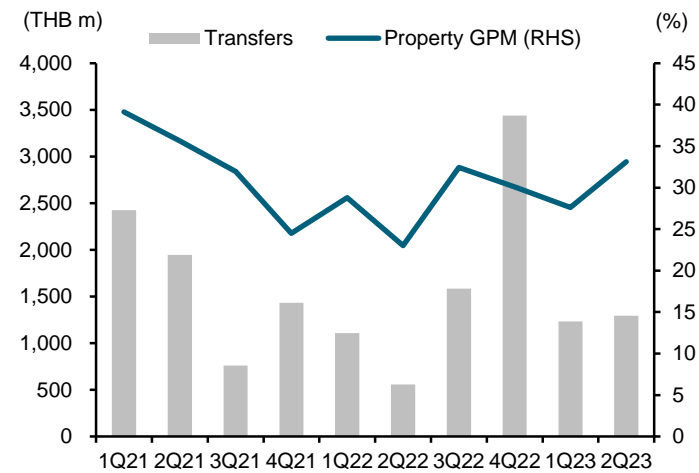
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 11 สิงหาคม 2023

**Exhibit 1: NOBLE – 2Q23 operations summary**

	2Q22	3Q22	4Q22	1Q23	2Q23	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	914	2,036	3,815	1,955	2,213	13.2	142.3
Gross profit	154	536	1,025	454	547	20.5	255.5
SG&A	318	376	574	350	371	5.9	16.5
Operating profit	(164)	160	450	104	176	70.0	(207.4)
Interest expense	82	87	107	120	119	(0.6)	45.7
Tax expense	(5)	46	97	32	22	(30.8)	(539.8)
Associates	(50)	(46)	(49)	(61)	(56)	n/a	n/a
Reported net profit	(14)	137	338	73	112	54.2	na
Normalised profit	(161)	139	328	71	108	52.4	na
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	16.9	26.3	26.9	23.2	24.7	1.5	7.9
SG&A / Sales	34.8	18.5	15.1	17.9	16.8	(1.2)	(18.1)
Operating margin	(18.0)	7.8	11.8	5.3	8.0	2.7	26.0
Net profit margin	(1.5)	6.7	8.9	3.7	5.1	1.3	6.6
Normalised profit margin	(17.6)	6.8	8.6	3.6	4.9	1.3	22.5
<b>Revenue breakdown</b>							
Residential	559	1,585	3,440	1,233	1,294	5.0	131.6
Rental & services	355	451	375	722	919	27.3	159.2
<b>Gross margin by business</b>							
Residential	23.0	32.4	30.1	27.6	33.1	5.5	10.1
Rental & services	7.2	4.7	(2.7)	15.8	12.9	(2.8)	5.8

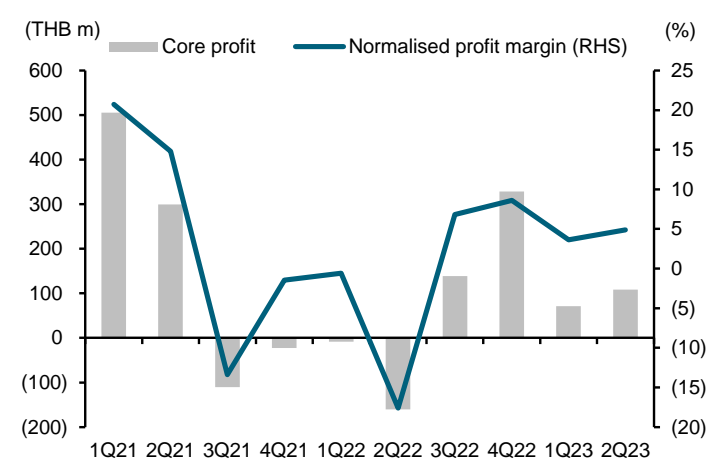
Sources: NOBLE; FSSIA's compilation

**Exhibit 2: Quarterly transfers and property GPM**



Sources: NOBLE; FSSIA's compilation

**Exhibit 3: Quarterly core profit and normalised profit margin**



Sources: NOBLE; FSSIA's compilation

## 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	(4,572)	(6,130)	(7,545)	(8,139)	(7,920)
<b>Gross profit</b>	<b>2,255</b>	<b>2,086</b>	<b>2,231</b>	<b>2,521</b>	<b>2,700</b>
Other operating income	593	463	500	500	500
Operating costs	(1,668)	(1,595)	(1,605)	(1,702)	(1,837)
<b>Operating EBITDA</b>	<b>1,321</b>	<b>1,161</b>	<b>1,337</b>	<b>1,547</b>	<b>1,612</b>
Depreciation	(141)	(207)	(210)	(228)	(249)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,181</b>	<b>954</b>	<b>1,126</b>	<b>1,319</b>	<b>1,363</b>
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
<b>Profit before tax</b>	<b>1,177</b>	<b>597</b>	<b>969</b>	<b>959</b>	<b>1,069</b>
Tax	(245)	(142)	(133)	(170)	(178)
<b>Profit after tax</b>	<b>932</b>	<b>455</b>	<b>836</b>	<b>789</b>	<b>890</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>932</b>	<b>455</b>	<b>836</b>	<b>789</b>	<b>890</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(260)</b>	<b>(157)</b>	<b>(400)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>672</b>	<b>298</b>	<b>436</b>	<b>789</b>	<b>890</b>
<b>Per share (THB)</b>					
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
<b>Growth</b>					
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
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.0	25.4	22.8	23.7	25.4
Gross margin exc. depreciation (%)	35.1	27.9	25.0	25.8	27.8
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					
<b>Revenue by Division (THB m)</b>					
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
<b>Cash flow from operations</b>	<b>(1,373)</b>	<b>(1,994)</b>	<b>1,594</b>	<b>873</b>	<b>1,178</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(500)	(569)	(1,009)	(251)	(270)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(500)</b>	<b>(569)</b>	<b>(1,009)</b>	<b>(251)</b>	<b>(270)</b>
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	-	-	-	-	-
<b>Cash flow from financing</b>	<b>2,058</b>	<b>1,587</b>	<b>(701)</b>	<b>(414)</b>	<b>(470)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	1,303	0	0	0
<b>Net other adjustments</b>	<b>(575)</b>	<b>1,303</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(391)</b>	<b>327</b>	<b>(116)</b>	<b>208</b>	<b>438</b>
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)
<b>Tangible fixed assets (net)</b>	<b>228</b>	<b>158</b>	<b>157</b>	<b>167</b>	<b>173</b>
<b>Intangible fixed assets (net)</b>	<b>1,186</b>	<b>1,089</b>	<b>1,083</b>	<b>1,083</b>	<b>1,083</b>
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
<b>Current assets</b>	<b>16,972</b>	<b>19,885</b>	<b>19,107</b>	<b>19,668</b>	<b>20,036</b>
Other assets	1,694	1,154	1,250	1,275	1,303
<b>Total assets</b>	<b>20,280</b>	<b>22,497</b>	<b>22,539</b>	<b>23,148</b>	<b>23,565</b>
Common equity	5,627	5,941	6,359	6,714	7,115
Minorities etc.	1	1	1	1	1
<b>Total shareholders' equity</b>	<b>5,628</b>	<b>5,942</b>	<b>6,360</b>	<b>6,715</b>	<b>7,116</b>
Long term debt	7,266	8,263	7,934	7,953	7,972
Other long-term liabilities	81	161	151	163	198
<b>Long-term liabilities</b>	<b>7,346</b>	<b>8,424</b>	<b>8,085</b>	<b>8,116</b>	<b>8,170</b>
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
<b>Current liabilities</b>	<b>7,306</b>	<b>8,130</b>	<b>8,094</b>	<b>8,317</b>	<b>8,279</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,280</b>	<b>22,496</b>	<b>22,539</b>	<b>23,148</b>	<b>23,565</b>
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
<b>Recurring P/E (x) *</b>	<b>8.6</b>	<b>19.3</b>	<b>13.2</b>	<b>7.3</b>	<b>6.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>9.6</b>	<b>21.6</b>	<b>14.8</b>	<b>8.2</b>	<b>7.2</b>
Reported P/E (x)	6.2	12.6	6.9	7.3	6.5
Dividend yield (%)	10.2	4.8	7.3	7.5	8.5
Price/book (x)	1.0	1.0	0.9	0.9	0.8
Price/tangible book (x)	1.3	1.2	1.1	1.0	1.0
EV/EBITDA (x) **	12.2	15.2	13.1	11.2	10.5
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	0.9	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)<sup>1</sup>

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).

### Corporate Governance Report Disclaimer

The disclosure of the survey result 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 companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). 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 data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

### AGM Checklist by the Thai Investors Association (TIA)<sup>2</sup>

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)<sup>3</sup>

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)<sup>4</sup> by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. 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: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (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 Indices<sup>5</sup> (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:

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

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

<sup>5</sup> 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

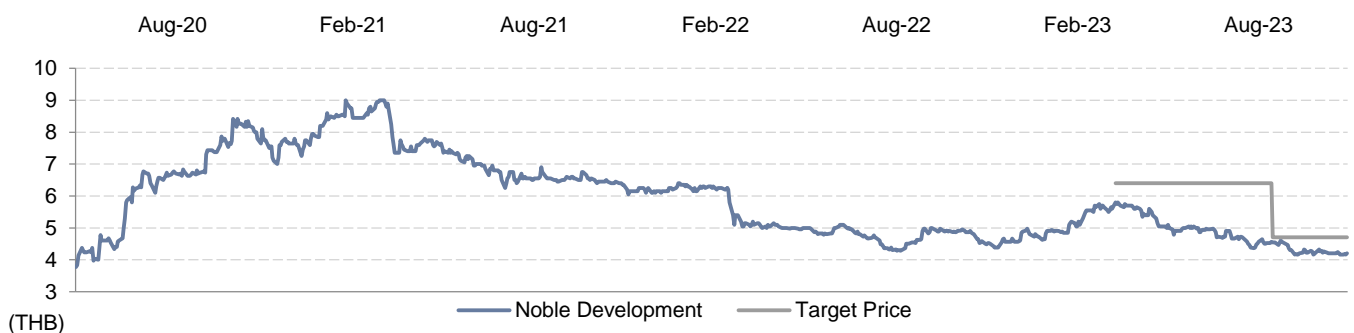
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**History of change in investment rating and/or target price**

**Noble Development (NOBLE TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Jan-2023	BUY	6.40	06-Jun-2023	HOLD	4.70	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Noble Development	NOBLE TB	THB 4.20	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. Upside risks would be 1) 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.

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 10-Aug-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.