

AP (THAILAND) AP TB

THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

TARGET PRICE	THB14.00
CLOSE	THB11.10
UP/DOWNSIDE	+26.1%
PRIOR TP	THB14.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-3.1%

3Q23 presales weaken, but profit growth should continue

- 3Q23 presales decreased (-8% q-q, -2% y-y) due mainly to lower condo presales after no new condo launches during the quarter, while low-rise presales were flat amid the market slowdown.
- Despite a c10% downside due to low-rise, the 2023 presales should grow by c10%.
- We expect the profit to increase q-q and y-y in 3Q23 and remain solid in 4Q23, in line with rising transfers.

3Q23 presales were down due to no new condo launches, while low-rise presales were steady

AP reported its 3Q23 presales at Bt12bn (-8% q-q, -2% y-y) due mainly to its condo presales of Bt3.2bn (-21% q-q, -11% y-y) after it did not introduce any new condo during the quarter (vs. one new condo in 2Q23 and 3Q22). However, the presales of existing condos were positive, particularly Aspire Sukhumvit-Rama 4 and Aspire Onnut Station. They generated presales of over Bt900mn, over 50% of which came from foreign customers, such as China and Taiwan. Meanwhile, low-rise presales stood at Bt8.5bn (-1% q-q, +2% y-y), in line with the low-rise market slowdown. In 3Q23, AP introduced 14 new projects with a total value of Bt18.5bn. Of the 14, the highlight was The City Pinklao – Sirindhorn (Bt2.2bn), which recorded 30% presales.

Despite a c10% downside due to low-rise, the 2023 presales should grow y-y

9M23 presales stood at Bt36bn (-6% y-y), securing 61% of the full-year target. In 2H23, the low-rise market slowdown may exceed estimates. It could pressure low-rise presales to be lower than AP's projection. Note that the low-rise projects launched in 3Q23 had a take-up rate of 15%, down from 20% in 2Q23. However, the impact should ease due to higher-than-expected condo presales. Although we expect a c10% downside to the full-year target of Bt58bn, presales should still rise by c5% y-y. We view that our 2023E transfer of Bt41bn (+10% y-y) is still possible since it is more conservative than AP's assumption by c7%. Also, the current backlog of Bt25bn is enough to secure 90% of our estimate.

3Q23 profit should increase q-q and y-y

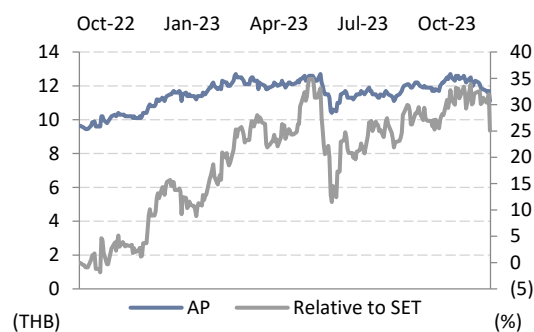
Initially, we anticipate a solid 3Q23 profit of Bt1.6bn (+3% q-q, +12% y-y), in line with rising transfers after AP realized its low-rise backlog. Also, it started to transfer two new condos (one from AP and one from its JV). Meanwhile, the low-rise projects launched in 1H23 received a good response. They should help the gross margin to remain high at 35% (+/-).

Maintain our profit estimate and BUY rating at our TP of Bt14

Yesterday, AP dropped by 5% to reflect its lackluster presales outlook. However, we expect continued profit growth in 3Q23 (vs. flat and lower y-y profit for other developers). Also, the earnings should continue increasing q-q and y-y in 4Q23. AP's strategy to introduce projects in high-potential locations still contributes to its solid market share. Moreover, it plans to introduce three new condos in November. If they receive a good response, it would benefit the share price. AP currently trades on a 2024 PE of only 5.4x and should offer an annual dividend yield of 6% (paid annually). Hence, we retain our BUY rating on AP.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	38,539	42,223	43,979	45,724
Net profit	5,877	6,274	6,450	6,568
EPS (THB)	1.87	1.99	2.05	2.09
vs Consensus (%)	-	1.8	(0.1)	(1.2)
EBITDA	6,107	6,627	6,894	7,178
Recurring net profit	5,874	6,274	6,450	6,568
Core EPS (THB)	1.87	1.99	2.05	2.09
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	29.3	6.8	2.8	1.8
Core P/E (x)	5.9	5.6	5.4	5.3
Dividend yield (%)	5.9	6.3	6.4	6.5
EV/EBITDA (x)	9.2	8.1	7.8	7.3
Price/book (x)	1.0	0.9	0.8	0.7
Net debt/Equity (%)	58.5	46.4	41.5	34.8
ROE (%)	17.0	16.2	15.0	13.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(11.9)	(5.1)	18.1
Relative to country (%)	(6.1)	(1.4)	28.5
Mkt cap (USD m)	945		
3m avg. daily turnover (USD m)	2.9		
Free float (%)	66		
Major shareholder	Mr. Anuphong Assavabhokhin (21%)		
12m high/low (THB)	12.80/9.35		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimates



Thanayatorn Songwutti

Fundamental Investment Analyst on Securities; License no. 101203
 thanayatorn.s@fssia.com, +66 2646 9805

Investment thesis

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

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

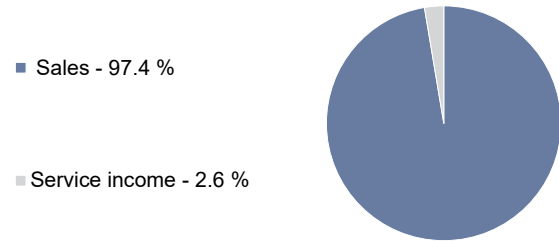
Company profile

Founded by Mr Anuphong Assavabhokhin and Mr Pichet Vipavasuphakorn in 1991, AP was listed in 2000 after being merged with PCM Precast Floors Plc, which was founded by Land & Houses Plc (LH). AP has no cross shareholdings with LH.

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

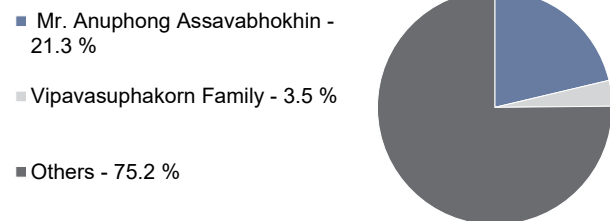
www.apthai.com

Principal activities (revenue, 2022)



Source: AP (Thailand)

Major shareholders



Source: AP (Thailand)

Catalysts

Key potential growth drivers include:

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

Risks to our call

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

Event calendar

Date	Event
7 November 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Transfer revenue (THB m)	41,107	42,841	44,563
Service income (THB m)	1,116	1,138	1,161
Property GPM (%)	32.9	32.9	32.9
GPM (%)	34.1	34.1	34.1
SG&A to sales (%)	18.8	18.8	18.8

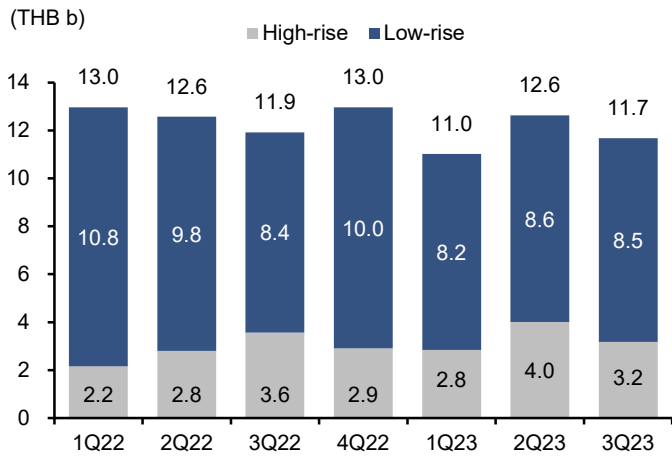
Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 3.7%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 2.7%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2023 net profit to fall by 2.7%, and vice versa, all else being equal.

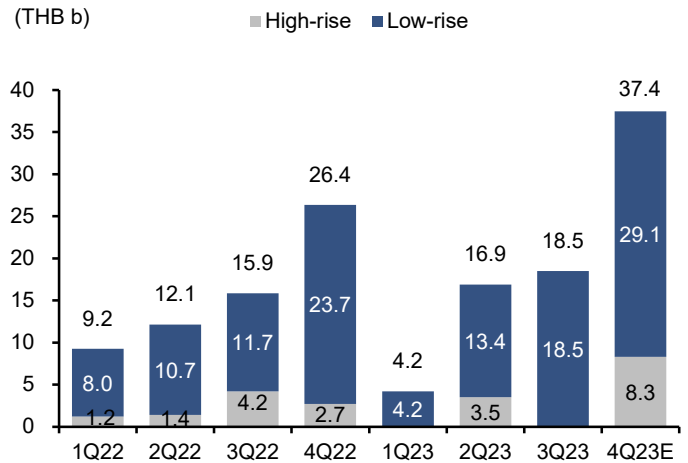
Source: FSSIA estimates

Exhibit 1: Quarterly presales



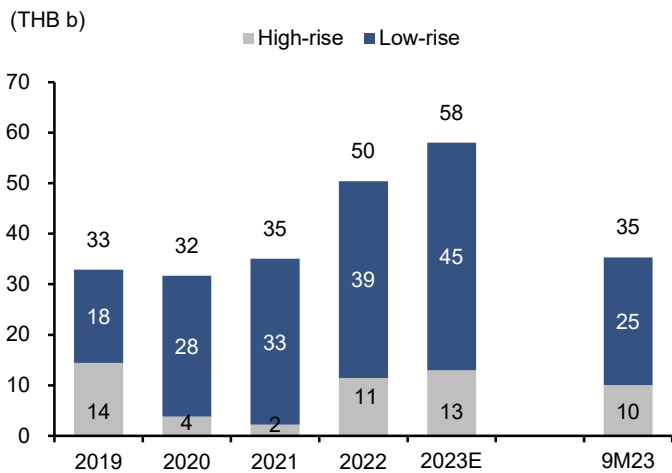
Sources: AP; FSSIA's compilation

Exhibit 2: Quarterly new launches



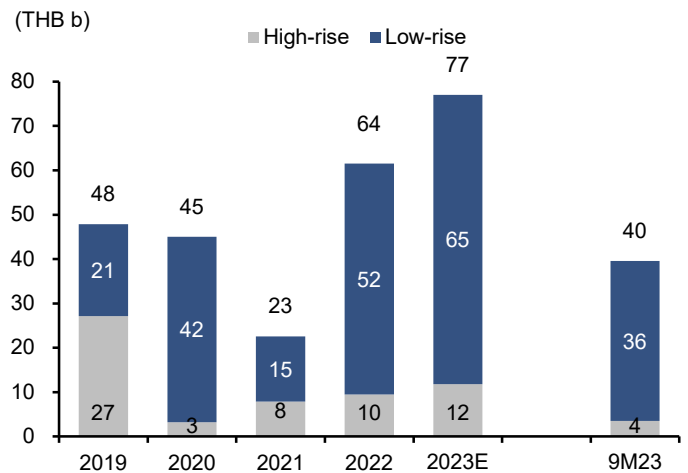
Sources: AP; FSSIA's compilation

Exhibit 3: Yearly presales



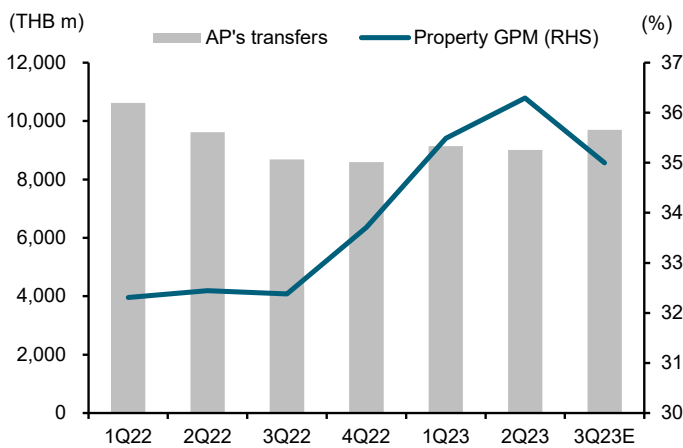
Sources: AP; FSSIA's compilation

Exhibit 4: Yearly new launches



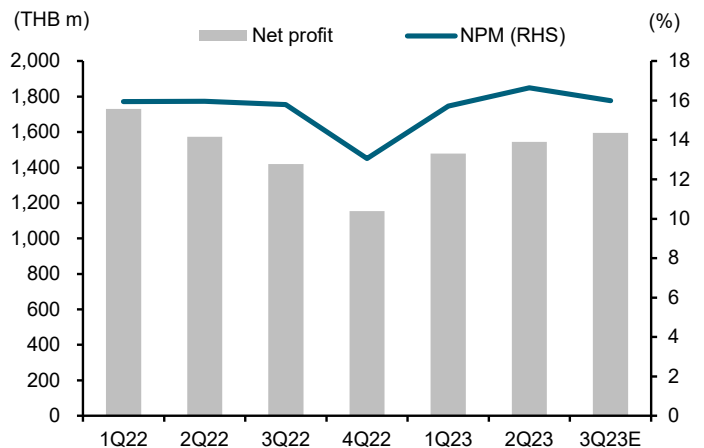
Sources: AP; FSSIA's compilation

Exhibit 5: Quarterly transfers and property GPM



Sources: AP; FSSIA estimates

Exhibit 6: Quarterly net profit and NPM



Sources: AP; FSSIA estimates

Exhibit 7: New projects in 3Q23

2023 AP **INCLUSIVE GROWTH**
DIVE DEEPER in property business

Q3 2023

Launched Summary

14 PROJECTS

(18,500 MB)

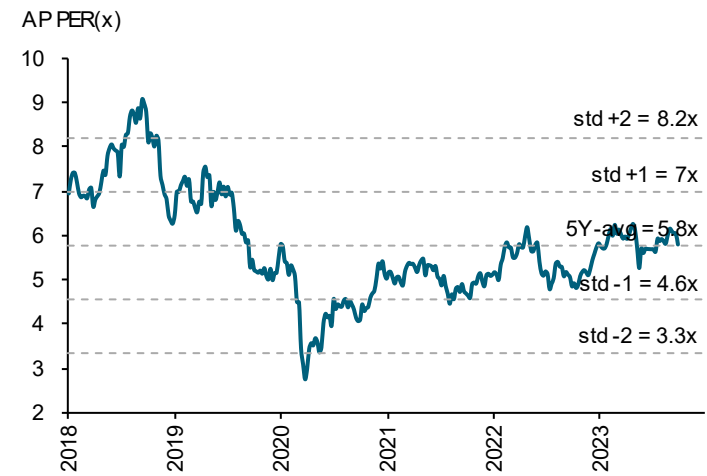
SDH : 6 Projects (10,350 MB)

TH : 6 Projects (6,200 MB)

UPC : 2 Projects (1,950 MB)

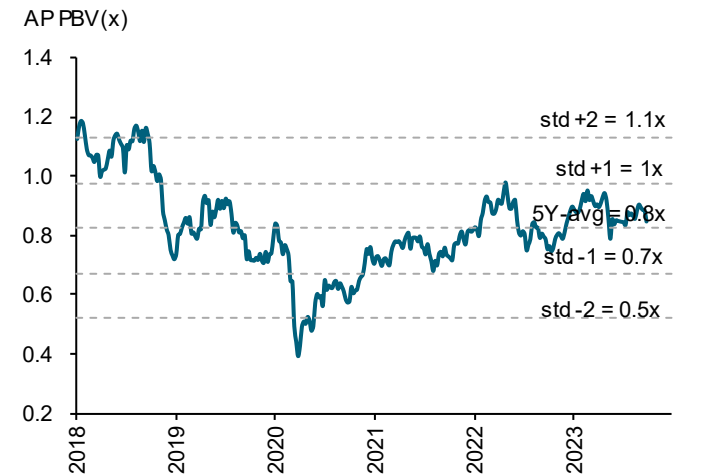
Source: AP

Exhibit 8: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

AP (Thailand)

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	31,794	38,539	42,223	43,979	45,724
Cost of goods sold	(21,483)	(25,475)	(27,826)	(29,002)	(30,152)
Gross profit	10,311	13,064	14,396	14,977	15,572
Other operating income	0	0	0	0	0
Operating costs	(5,828)	(7,248)	(7,938)	(8,268)	(8,596)
Operating EBITDA	4,763	6,107	6,627	6,894	7,178
Depreciation	(279)	(291)	(168)	(185)	(202)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	4,484	5,816	6,458	6,709	6,976
Net financing costs	(248)	(99)	(115)	(136)	(128)
Associates	999	1,233	1,151	1,130	1,024
Recurring non-operating income	1,175	1,385	1,211	1,208	1,106
Non-recurring items	0	4	0	0	0
Profit before tax	5,411	7,106	7,555	7,780	7,954
Tax	(869)	(1,230)	(1,281)	(1,330)	(1,386)
Profit after tax	4,542	5,876	6,274	6,450	6,568
Minority interests	0	1	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	4,542	5,877	6,274	6,450	6,568
Non-recurring items & goodwill (net)	0	(4)	0	0	0
Recurring net profit	4,542	5,874	6,274	6,450	6,568
Per share (THB)					
Recurring EPS *	1.44	1.87	1.99	2.05	2.09
Reported EPS	1.44	1.87	1.99	2.05	2.09
DPS	0.50	0.65	0.70	0.71	0.72
Diluted shares (used to calculate per share data)	3,146	3,146	3,146	3,146	3,146
Growth					
Revenue (%)	6.4	21.2	9.6	4.2	4.0
Operating EBITDA (%)	34.6	28.2	8.5	4.0	4.1
Operating EBIT (%)	37.1	29.7	11.0	3.9	4.0
Recurring EPS (%)	7.5	29.3	6.8	2.8	1.8
Reported EPS (%)	7.5	29.4	6.7	2.8	1.8
Operating performance					
Gross margin inc. depreciation (%)	32.4	33.9	34.1	34.1	34.1
Gross margin exc. depreciation (%)	33.3	34.7	34.5	34.5	34.5
Operating EBITDA margin (%)	15.0	15.8	15.7	15.7	15.7
Operating EBIT margin (%)	14.1	15.1	15.3	15.3	15.3
Net margin (%)	14.3	15.2	14.9	14.7	14.4
Effective tax rate (%)	19.7	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	34.6	34.8	35.0	34.5	34.5
Interest cover (X)	22.8	72.7	66.9	58.2	63.2
Inventory days	804.9	743.8	724.4	714.3	725.9
Debtor days	1.1	1.1	1.2	1.4	1.4
Creditor days	36.8	41.0	41.4	39.6	39.7
Operating ROIC (%)	8.3	9.7	10.2	10.3	10.1
ROIC (%)	8.8	10.3	10.3	10.2	9.8
ROE (%)	14.7	17.0	16.2	15.0	13.9
ROA (%)	8.0	9.3	9.2	9.1	8.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	30,879	37,522	41,107	42,841	44,563
Service income	915	1,017	1,116	1,138	1,161

Sources: AP (Thailand); FSSIA estimates

Financial Statements

AP (Thailand)

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	4,542	5,874	6,274	6,450	6,568
Depreciation	279	291	168	185	202
Associates & minorities	-	-	-	-	-
Other non-cash items	0	4	0	0	0
Change in working capital	(1,046)	(6,585)	93	(3,544)	(2,405)
Cash flow from operations	3,775	(417)	6,535	3,092	4,365
Capex - maintenance	0	0	0	0	0
Capex - new investment	(941)	(179)	(1,805)	(592)	(606)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(941)	(179)	(1,805)	(592)	(606)
Dividends paid	(1,382)	(1,572)	(2,196)	(2,225)	(2,266)
Equity finance	0	0	0	0	0
Debt finance	(2,122)	1,749	(1,915)	17	(1,332)
Other financing cash flows	0	(1)	0	0	0
Cash flow from financing	(3,504)	176	(4,111)	(2,209)	(3,598)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(670)	(420)	620	291	160
Free cash flow to firm (FCFF)	3,088.77	(491.91)	4,847.51	2,637.76	3,888.07
Free cash flow to equity (FCFE)	711.53	1,152.31	2,815.93	2,516.51	2,426.31

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	0.98	(0.16)	1.54	0.84	1.24
FCFE per share	0.23	0.37	0.90	0.80	0.77
Recurring cash flow per share	1.53	1.96	2.05	2.11	2.15

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	1,841	1,904	1,455	1,527	1,599
Less: Accumulated depreciation	(279)	(291)	(168)	(185)	(202)
Tangible fixed assets (net)	1,562	1,614	1,286	1,341	1,396
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	1
Invest. in associates & subsidiaries	6,645	6,481	8,445	8,796	9,145
Cash & equivalents	2,070	1,650	2,270	2,561	2,722
A/C receivable	118	104	169	176	183
Inventories	47,379	55,261	54,527	58,264	60,855
Other current assets	1,386	1,874	1,689	1,759	1,829
Current assets	50,953	58,889	58,655	62,760	65,589
Other assets	1,250	1,243	1,478	1,539	1,600
Total assets	60,409	68,227	69,863	74,437	77,731
Common equity	32,442	36,747	40,825	45,050	49,353
Minorities etc.	(18)	(19)	(19)	(19)	(19)
Total shareholders' equity	32,423	36,728	40,806	45,031	49,334
Long term debt	15,024	15,284	15,805	9,564	8,919
Other long-term liabilities	523	675	612	638	663
Long-term liabilities	15,546	15,959	16,418	10,202	9,582
A/C payable	2,449	3,211	3,061	3,190	3,317
Short term debt	6,352	7,841	5,405	11,663	10,976
Other current liabilities	3,637	4,487	4,174	4,350	4,523
Current liabilities	12,439	15,539	12,640	19,204	18,815
Total liabilities and shareholders' equity	60,409	68,227	69,863	74,437	77,731
Net working capital	42,796	49,540	49,150	52,658	55,028
Invested capital	52,253	58,878	60,358	64,335	67,170

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

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	10.31	11.68	12.98	14.32	15.69
Tangible book value per share	10.31	11.68	12.98	14.32	15.69

Financial strength	2021	2022	2023E	2024E	2025E
Net debt/equity (%)	59.5	58.5	46.4	41.5	34.8
Net debt/total assets (%)	32.0	31.5	27.1	25.1	22.1
Current ratio (x)	4.1	3.8	4.6	3.3	3.5
CF interest cover (x)	7.7	14.4	41.3	23.9	24.7

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	7.7	5.9	5.6	5.4	5.3
Recurring P/E @ target price (x) *	9.7	7.5	7.0	6.8	6.7
Reported P/E (x)	7.7	5.9	5.6	5.4	5.3
Dividend yield (%)	4.5	5.9	6.3	6.4	6.5
Price/book (x)	1.1	1.0	0.9	0.8	0.7
Price/tangible book (x)	1.1	1.0	0.9	0.8	0.7
EV/EBITDA (x) **	11.4	9.2	8.1	7.8	7.3
EV/EBITDA @ target price (x) **	13.3	10.7	9.5	9.1	8.5
EV/invested capital (x)	1.0	1.0	0.9	0.8	0.8

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

Sources: AP (Thailand); 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).

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)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 **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 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

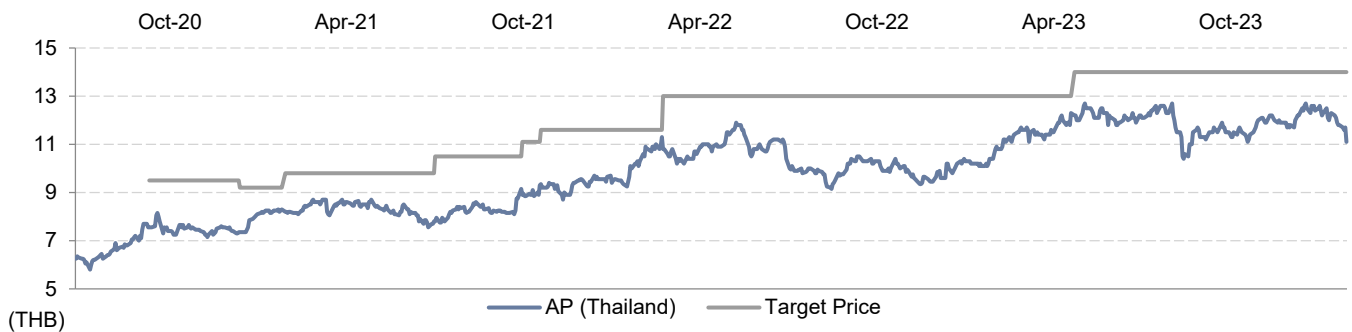
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

AP (Thailand) (AP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Dec-2020	BUY	9.50	11-Aug-2021	BUY	10.50	23-Feb-2022	BUY	13.00
24-Feb-2021	BUY	9.20	25-Oct-2021	BUY	11.10	10-Feb-2023	BUY	14.00
02-Apr-2021	BUY	9.80	10-Nov-2021	BUY	11.60			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
AP (Thailand)	AP TB	THB 11.10	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.

All share prices are as at market close on 05-Oct-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.