

Thailand Property

Weak low-rise pressures 3Q23 presales to be sluggish

- The 3Q23 aggregate presales of the Thai property sector decreased (-3% q-q, -10% y-y) due to low-rise contraction. Although a continued condo recovery is likely, we expect 2023E presales to see a 10-15% downside. Also, it may end flat y-y.
- We now expect their 3Q23 aggregate profit to weaken q-q and y-y, lower than our previous estimate, due to lower-than-expected low-rise presales.
- Maintain our Neutral rating. Our top picks are AP and ASW due to their strong 2H23 and 2024 profit outlook.

3Q23 presales decrease 3% q-q and 10% y-y due to contraction in low-rise while condo recovery continues

The overall 3Q23 property market was dull due to weakness in the 3Q23 aggregate presales of the 12 companies under our coverage to THB72b (-3% q-q, -10% y-y), diverging from the value of their new launches, which jumped (+17% q-q, +23% y-y) to THB110b. In detail, their low-rise presales stood at THB40b (-2% q-q, -18% y-y) (vs their new launches of THB80b (+36% q-q, +14% y-y)) due to sluggish presales, particularly in Jul - Aug, amid political uncertainty. It resulted in customers delaying their decision. Also, it saw pressure from the rising interest rate outlook and tighter credit approvals, resulting in a higher rejection rate. However, condo demand may extend its recovery after presales of THB31.5b (-4% q-q, +3% y-y). During the quarter, their new launches amounted to THB26b (-18% q-q, +63% y-y), mainly in the mid-end segment (THB2-3m/unit). It reported a high average take-up rate of 37% (vs 32% in 2Q23). Also, they saw progress in inventory sales to Thai and foreigners, mainly Chinese and Taiwanese.

2023 presales may end flat due to potentially lower-than-expected low-rise

Their 9M23 aggregate presales equaled THB220b (-5% y-y), securing 64% of their 2023 aggregate target of THB340b, which we expect a 10-15% downside to THB300b (+3% y-y) after their 9M23 aggregate presales missed the estimate by 15% y-y. However, their condo presales (+12% y-y) were better than expected. In 4Q23, we expect the new government to drive the economy, which should support the sentiment. Also, developers should introduce new campaigns to boost presales. They plan to introduce new projects of over THB200b, up by nearly 2x from 3Q23 and 4Q22. However, we expect some to delay to 2024. Among them, we believe that only ASW and ORI will achieve their 2023 presales target, while LH should report the highest miss of 30-40 %.

Expect 3Q23 to decrease before a recovery in 4Q23

We now forecast that their 3Q23 performance will weaken q-q and y-y (vs. our previous estimate for q-q improvement and y-y weakness) due mainly to a decrease in their low-rise transfers, in line with presales. Of all, AP and ASW should report the most outstanding 3Q23 profit result (+q-q, +y-y) after starting to transfer new condos. LH, PSH, and SPAL should decrease q-q and y-y due to their dependence on low-rise. In 4Q23, their aggregate profit should recover q-q, the best quarter of this year, in line with seasonality. Also, they would accelerate their new launches and complete more condos. However, it would decrease y-y due to its high base.

Maintain our Neutral rating; AP and ASW are our top pick

We retain our Neutral rating on the sector amid several challenges and potential estimate cuts. However, it trades on a 2024 PE of 7.4x, lower than its five-year historical average of 9.1x. Also, we expect an annual dividend yield of c7%. AP and ASW are our top picks due to their 2H23 and 2024 profit growth outlook. In particular, we expect their aggregate profit to increase q-q and y-y in 3Q23 and continued strength in 4Q23. They have limited downside due to their end-2Q23 backlog, which already secures 80-100% of our 2023 transfer estimates. Also, AP has flexible condo and low-rise portfolios with solid market share, while ASW benefits from the recovering condo outlook.



Thanyatorn Songwutti

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

Exhibit 1: Total presales in 3Q23

Presales	3Q22	2Q23	3Q23	Change		9M22	9M23	Change	% to 2023 target
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(%)
AP	11,924	12,631	11,677	(7.6)	(2.1)	37,455	35,324	(5.7)	60.9
ASW	5,122	3,674	4,615	25.6	(9.9)	13,104	11,784	(10.1)	78.6
BRI	2,843	2,840	3,119	9.8	9.7	7,839	8,504	8.5	65.4
LH	9,235	3,995	5,500	37.7	(40.4)	24,644	14,295	(42.0)	40.8
LPN	4,569	2,621	2,581	(1.5)	(43.5)	9,326	7,988	(14.3)	61.4
NOBLE	2,542	4,030	2,300	(42.9)	(9.5)	14,037	10,732	(23.5)	71.5
ORI	11,626	12,461	12,475	0.1	7.3	29,404	36,940	25.6	82.1
PSH	2,858	4,650	5,120	10.1	79.1	14,544	14,235	(2.1)	59.3
QH	2,355	1,872	2,434	30.0	3.3	6,474	6,354	(1.9)	70.6
SC	5,161	7,328	8,434	15.1	63.4	17,182	20,680	20.4	71.3
SIRI	15,337	10,030	7,575	(24.5)	(50.6)	28,634	25,694	(10.3)	54.7
SPALI	6,809	8,256	6,227	(24.6)	(8.5)	25,025	23,512	(6.0)	65.3
Total	80,381	74,388	72,056	(3.1)	(10.4)	227,668	216,041	(5.1)	63.7

Sources: Company data; FSSIA's compilation

Exhibit 2: 3Q23 presales broken down by product

	Low-rise presales			Condo presales		
	(THB m)	(q-q %)	(y-y %)	(THB m)	(q-q %)	(y-y %)
AP	8,499	(1.4)	1.7	3,178	(20.7)	(11.0)
ASW	111	295.3	551.1	4,504	23.5	(11.8)
BRI	3,119	9.8	9.7	0	n/a	n/a
LH	5,300	48.0	(38.6)	200	(51.8)	(67.1)
LPN	498	9.2	(28.7)	2,083	(3.8)	(46.2)
NOBLE	500	(58.6)	363.0	1,800	(36.2)	(26.0)
ORI	3,119	9.8	9.7	9,356	(2.8)	6.5
PSH	3,640	(3.4)	34.7	1,480	67.6	854.8
QH	2,224	(72.5)	7.6	210	(29.5)	(27.3)
SC	4,295	(20.3)	2.7	4,139	113.5	322.3
SIRI	4,849	(20.4)	(60.8)	2,726	(30.9)	(8.3)
SPALI	4,359	(12.8)	(10.7)	1,868	(42.7)	(3.1)
Total	40,512	(2.1)	(18.5)	31,545	(4.4)	2.8

Sources: Company data; FSSIA's compilation

Exhibit 3: New launches in 3Q23

New launches	3Q22	2Q23	3Q23	Change		9M22	9M23	Change	% to 2023 target
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(%)
AP	15,860	16,880	18,500	9.6	16.6	37,240	39,560	6.2	51.4
ASW	1,350	6,450	7,050	9.3	422.2	9,500	18,910	99.1	84.0
BRI	4,750	3,800	5,800	52.6	22.1	7,750	10,800	39.4	48.0
LH	14,350	6,130	6,280	2.4	(56.2)	25,140	13,775	(45.2)	39.4
LPN	2,770	1,875	5,660	201.9	104.3	6,320	10,925	72.9	78.0
NOBLE	0	0	13,500	n/a	n/a	23,100	17,500	(24.2)	75.1
ORI	11,010	9,735	13,100	34.6	19.0	29,750	34,495	15.9	64.4
PSH	2,432	3,090	3,750	21.4	54.2	7,169	8,598	19.9	36.6
QH	3,603	0	2,598	n/a	(27.9)	7,598	4,857	(36.1)	45.7
SC	9,940	18,600	8,900	(52.2)	(10.5)	25,240	28,430	12.6	66.7
SIRI	14,074	15,830	11,180	(29.4)	(20.6)	32,882	29,450	(10.4)	39.3
SPALI	5,911	7,840	9,650	23.1	63.3	26,621	22,040	(17.2)	53.8
Total	86,050	90,230	105,968	17.4	23.1	238,310	239,340	0.4	54.4

Sources: Company data; FSSIA's compilation

Exhibit 4: New low-rise projects in 3Q23

New low-rise projects	3Q22	2Q23	3Q23	----- Change -----	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	11,660	13,380	18,500	38.3	58.7
ASW	0	0	5,250	n/a	n/a
BRI	4,750	3,800	5,800	52.6	22.1
LH	14,350	6,130	6,280	2.4	(56.2)
LPN	520	0	3,560	n/a	584.6
NOBLE	0	0	3,600	n/a	n/a
ORI	4,750	3,800	5,800	52.6	22.1
PSH	1,499	1,648	1,410	(14.4)	(5.9)
QH	3,603	0	2,598	n/a	(27.9)
SC	9,940	12,600	8,900	(29.4)	(10.5)
SIRI	13,347	14,560	9,020	(38.0)	(32.4)
SPALI	5,911	3,240	9,650	197.8	63.3
Total	70,330	59,158	80,368	35.9	14.3

Sources: Company data; FSSIA's compilation

Exhibit 5: New condo projects in 3Q23

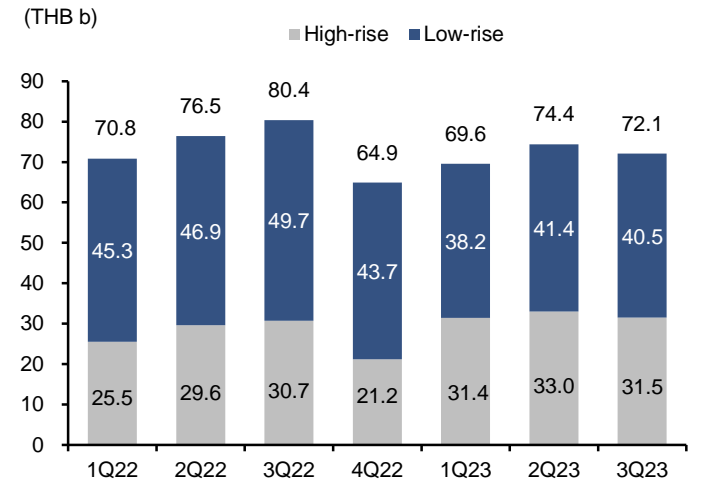
New condo projects	3Q22	2Q23	3Q23	----- Change -----	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	4,200	3,500	0	n/a	n/a
ASW	1,350	6,450	1,800	(72.1)	33.3
BRI	0	0	0	n/a	n/a
LH	0	0	0	n/a	n/a
LPN	2,250	1,875	2,100	12.0	(6.7)
NOBLE	0	0	9,900	n/a	n/a
ORI	6,260	5,935	7,300	23.0	16.6
PSH	933	1,442	2,340	62.3	150.8
QH	0	0	0	n/a	n/a
SC	0	6,000	0	n/a	n/a
SIRI	727	1,270	2,160	70.1	197.1
SPALI	0	4,600	0	n/a	n/a
Total	15,720	31,072	25,600	(17.6)	62.8

Sources: Company data; FSSIA's compilation

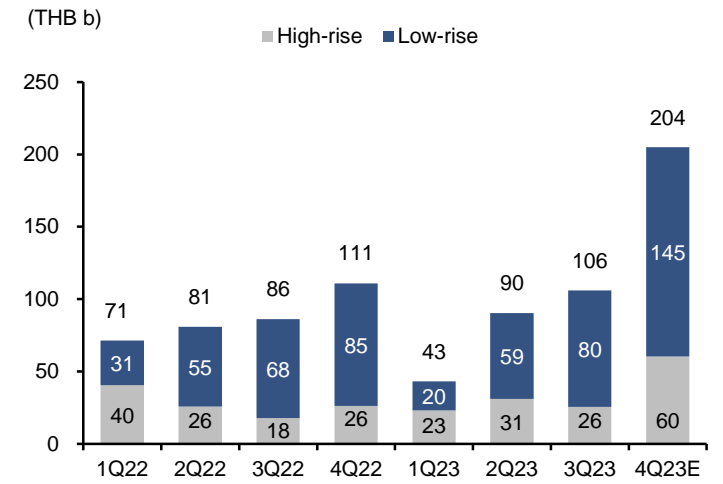
Exhibit 6: New condos in 3Q23

Developer	Project	Project value (THB m)	Take-up rate (%)
ASW	Modiz Avantgarde	1,800	100
LPN	EARN by LPN Amata	2,100	9
NOBLE	The Embassy Wireless	9,900	n/a
ORI	Grand Hampton Thonglor	4,200	38
	The Origin Kathu-Patong	1,350	36
	The Origin Oasis Bangsaen	950	20
	Origin Place Khon Kaen Kanlapaphruek	800	55
PSH	Plum Condo New West	2,340	31
SIRI	NIA by Sansiri	1,300	20
	dcondo Vale, Sriracha	800	20
Total		25,540	37

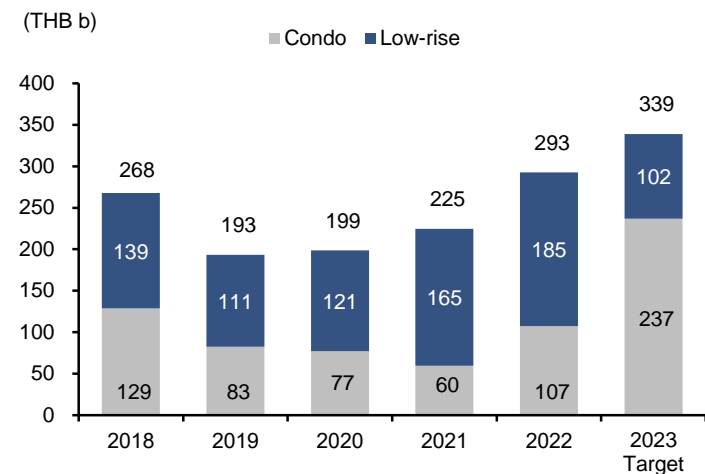
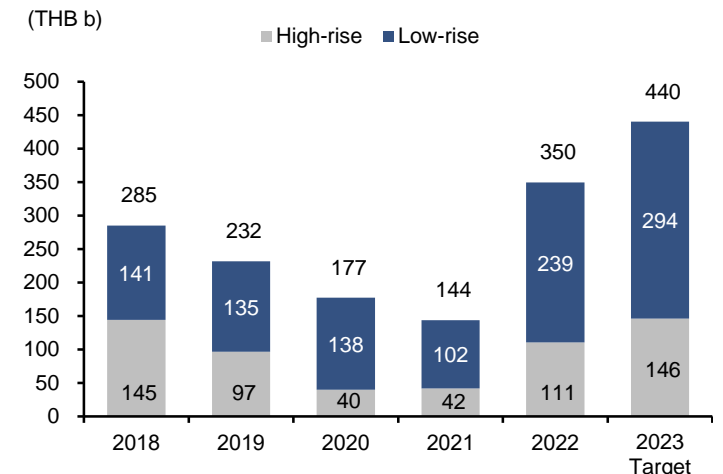
Sources: Company data; FSSIA's compilation

Exhibit 7: Quarterly presales

Sources: Company data; FSSIA's compilation

Exhibit 8: Quarterly new launches

Sources: Company data; FSSIA's compilation

Exhibit 9: Yearly presalesNote: ASW and BRI were listed in 2021
Sources: Company data; FSSIA's compilation**Exhibit 10: Yearly new launches**Note: ASW and BRI were listed in 2021
Sources: Company data; FSSIA's compilation**Exhibit 11: 3Q23E performances**

3Q23E performances	Net profit		Core profit	
	(q-q %)	(y-y %)	(q-q %)	(y-y %)
AP	+	+	+	+
ASW	+	+	+	+
BRI	-	+	-	+
LH	-	-	-	-
LPN	0	-	0	-
NOBLE	+	+	+	0
ORI	0	+	+	+
PSH	-	-	-	-
QH	-	+	-	+
SC	+	-	+	-
SIRI	-	+	+	+
SPALI	-	-	-	-
Total	-	-	-	-

Source: FSSIA estimates

Exhibit 12: Current Situation Index

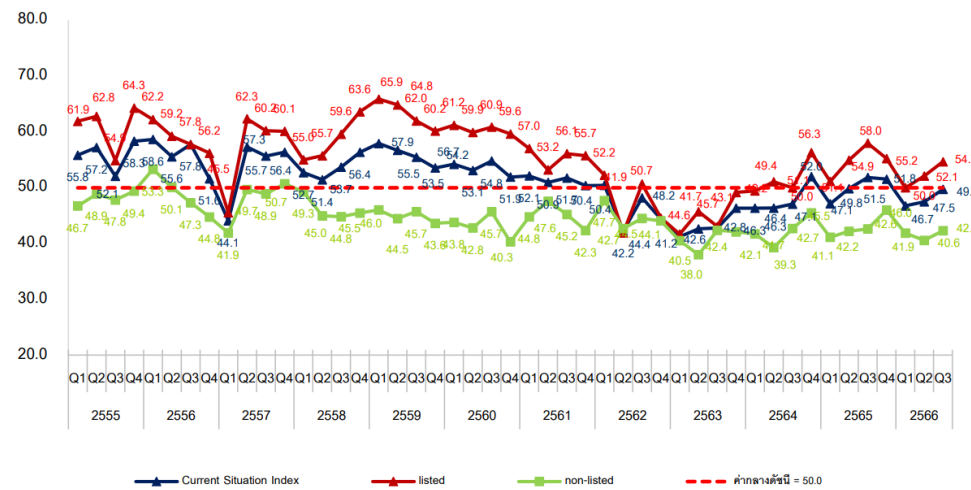


Exhibit 13: Expectations Index

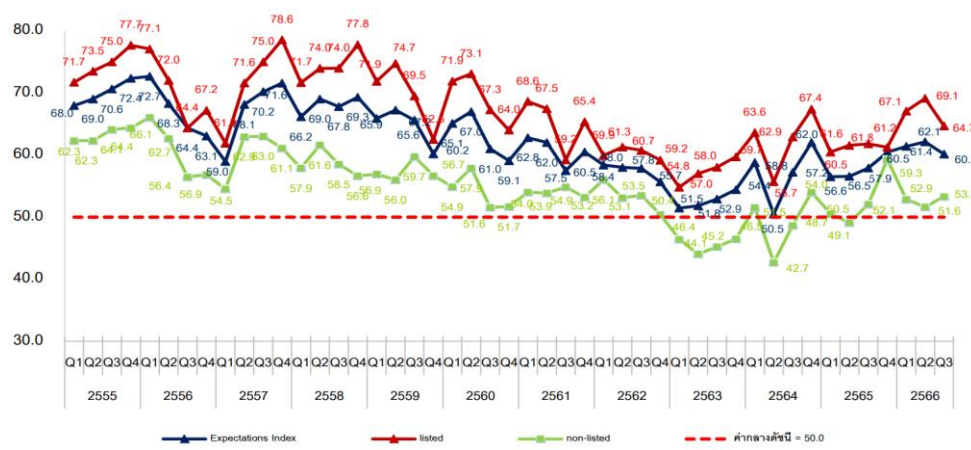


Exhibit 14: SETPROP index and Policy interest rate

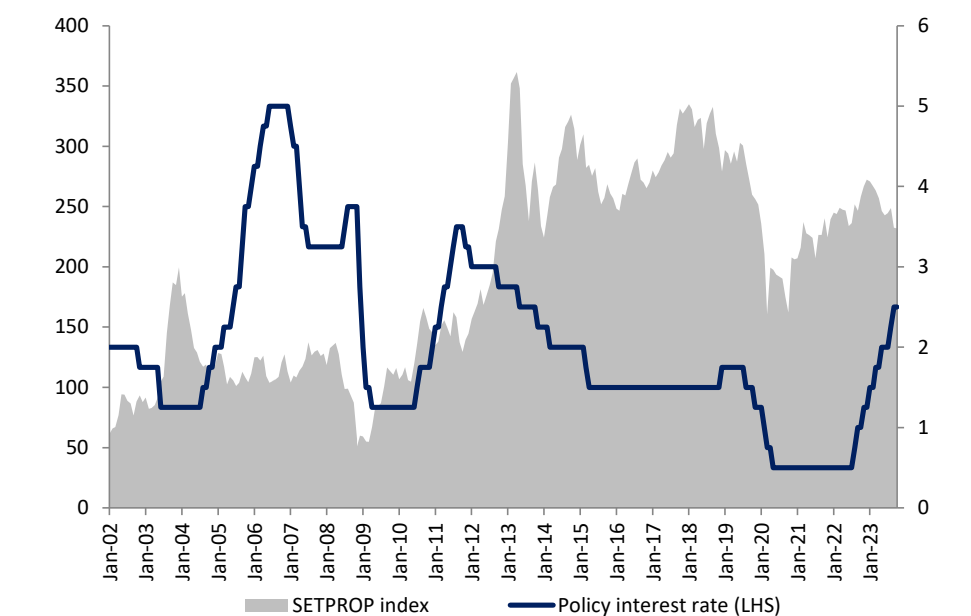


Exhibit 15: Peer comparisons as of 12 October 2023

Company	BBG	Rec	Rec profit growth		----- PE -----		----- DivYld -----		----- ROE -----		----- PBV -----		PE
			23E	24E	23E	24E	23E	24E	23E	24E	23E	24E	5Y-avg
			(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)	(x)
Thailand													
Assetwise	ASW TB	BUY	46.8	27.1	7.9	6.5	5.9	6.2	17.3	19.4	1.3	1.2	8.2
Noble Development	NOBLE TB	HOLD	46.2	81.2	12.0	6.6	8.0	8.3	7.1	12.1	0.8	0.8	10.9
SC Asset Corp	SC TB	BUY	1.5	2.6	6.5	6.3	6.1	6.2	11.7	11.3	0.7	0.7	6.8
Supalai	SPALI TB	BUY	(22.5)	4.4	6.1	5.9	6.5	6.5	13.1	12.6	0.8	0.7	7.0
Sansiri	SIRI TB	BUY	23.0	(5.4)	5.8	6.1	10.4	8.7	11.1	9.8	0.6	0.6	7.8
AP Thailand	AP TB	BUY	6.8	2.8	5.9	5.8	5.9	6.0	16.2	15.0	0.9	0.8	5.8
Britania	BRI TB	BUY	41.0	9.3	4.8	4.4	8.7	9.5	28.1	26.2	1.3	1.1	6.7
Origin Property	ORI TB	BUY	26.6	11.9	7.6	6.8	7.2	7.3	17.5	18.0	1.3	1.2	8.1
Land & Houses	LH TB	n/a	(0)	5	11.5	10.9	7.5	7.9	15.4	15.9	1.7	1.7	13.0
LPN Development	LPN TB	n/a	(10)	15	11.0	9.5	5.1	5.7	4.6	5.2	0.5	0.5	12.3
Pruksa Holding	PSH TB	n/a	(11)	6	10.9	10.9	7.0	6.1	5.8	5.7	0.6	0.6	10.2
Quality Houses	QH TB	n/a	4	7	10.0	9.7	6.6	6.6	8.7	8.9	0.8	0.8	12.2
Average			2	6	8.3	7.4	7.1	7.1	13.0	13.3	0.9	0.9	9.1

Sources: Bloomberg; 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 **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.

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Company	Ticker	Price	Rating	Valuation & Risks
Assetwise	ASW TB	THB 8.85	BUY	Downside risks to our P/E-based TP include 1) weaker than expected consumer purchasing power and presales; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) slower than expected backlog realisation; 6) intense competition; and 7) rising construction costs.
Noble Development	NOBLE TB	THB 3.82	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.
SC Asset Corporation	SC TB	THB 4.10	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 19.90	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 1.68	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 11.80	BUY	Downside risks to our P/E-based TP include 1) rising competition in the low-rise market, such that it could hurt take-up rates; 2) weaker-than-expected take-up rates of new launches; 3) construction delays from labour shortages; 4) increasing raw material prices; and 5) the impact of the expiration of the loan-to-value (LTV) limit easing.
Britania	BRI TB	THB 8.40	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 10.30	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 Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 12-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.