

SUPALAI SPALI TB

THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

คาดการณ์ 3Q23 ไม่สดใส หดตัว q-q และ y-y

- ยอด Presales 3Q23 -25% q-q, -9% y-y ต่ำกว่าคาด กดดันจากทั้งการลดลงของแนวราบและคอนโด ส่งผลให้เป้าหมายบริษัทมี Downside และคาดจบปีลดลง 5% y-y
- คาดการณ์ 3Q23 อยู่ที่ 1.4 พันล้านบาท (-15% q-q, -47% y-y) ตามยอดโอนที่ลดลง
- หุ้นขาด Catalyst จากงบ 3Q23 อ่อนแอ แต่ Valuation โชนต่ำและมี Upside กว้าง

TARGET PRICE	THB24.00
CLOSE	THB19.00
UP/DOWNSIDE	+26.3%
PRIOR TP	THB24.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-5.3%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	34,486	32,565	33,865	32,357
Net profit	8,173	6,332	6,612	6,173
EPS (THB)	4.18	3.24	3.39	3.16
vs Consensus (%)	-	(9.7)	(10.7)	(20.0)
EBITDA	9,514	8,000	8,358	7,815
Recurring net profit	8,173	6,332	6,612	6,173
Core EPS (THB)	4.18	3.24	3.39	3.16
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	27.0	(22.5)	4.4	(6.6)
Core P/E (x)	4.5	5.9	5.6	6.0
Dividend yield (%)	7.6	6.8	6.8	6.8
EV/EBITDA (x)	6.4	7.4	7.1	7.9
Price/book (x)	0.8	0.7	0.7	0.6
Net debt/Equity (%)	48.9	40.1	37.6	38.8
ROE (%)	18.5	13.1	12.6	11.0

ยอด Presales 3Q23 อ่อนแอกว่าคาด ตามตลาดอสังหาริมทรัพย์

SPALI รายงานยอด Presales 3Q23 ที่ 6.2 พันล้านบาท (-25% q-q, -9% y-y) แบ่งเป็นแนวราบ 4.3 พันล้านบาท (-13% q-q, -11% y-y) และคอนโด 1.9 พันล้านบาท (-42% q-q, -2% y-y) โดยเปิดตัวแนวราบใหม่ 9 แห่ง มูลค่า 9.6 พันล้านบาท แต่อัตราการขายช้าลงเทียบกับ 1H23 จากความกังวลของความไม่แน่นอนการเมืองช่วงต้นไตรมาส รวมถึงดอกเบี้ยขาขึ้นและสถาบันการเงินเข้มงวดขึ้นในการปล่อยสินเชื่อ ทั้งนี้ ยอด Presales 9M23 อยู่ที่ 2.35 หมื่นล้านบาท (-6% y-y) คิดเป็น 65% ของเป้าหมายปี 2023 ของบริษัทที่ 3.6 หมื่นล้านบาท แม้ 4Q23 มีแผนเปิดโครงการใหม่เป็นแนวราบ 11 แห่ง และคอนโด 1 แห่ง มูลค่ารวม 1.4 หมื่นล้านบาท แต่การขาย 3Q23 ที่อ่อนแอกว่าคาดและตลาดที่ยังไม่เอื้ออำนวย จึงประเมินว่าจบปีจะอยู่ที่ราว 3.1 หมื่นล้านบาท (-5% y-y)

คาดการณ์ 3Q23 ลดลง 15% q-q และ 47% y-y

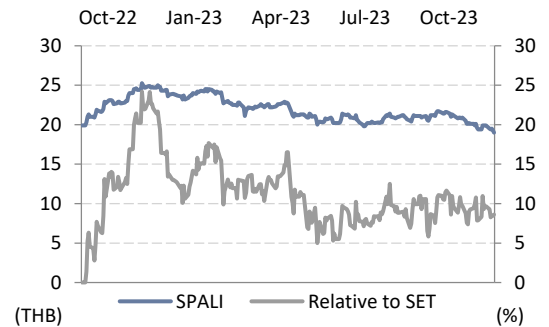
เราประเมินกำไรสุทธิ 3Q23 หดตัวเป็น 1.4 พันล้านบาท (-15% q-q, -47% y-y) สาเหตุหลักมาจากยอดโอนขาดลดลง 8% q-q และ 33% y-y ที่ 7.4 พันล้านบาท สอดคล้องกับยอดขายที่ชะลอตัว แม้มีคอนโดสร้างเสร็จใหม่ 1 แห่งอย่าง Supalai Premier Si Phraya-Samyang (มูลค่า 2.3 พันล้านบาท, ขายแล้ว 94%) แต่เริ่มโอนในช่วงปลายไตรมาส รวมถึงส่วนแบ่งกำไรจากโครงการอสังหาริมทรัพย์ลดลงตามปัจจัยฤดูกาล ขณะที่คาดการณ์กำไรขั้นต้นที่ 35.8% ปรับลงจาก 39.6% ใน 3Q22 ซึ่งโอนคอนโดที่มาร์จิ้นสูง

แนวโน้มกำไร 4Q23 ขึ้นตัว q-q ตามปัจจัยฤดูกาล

หาก 3Q23 ตามคาด กำไร 9M23 อยู่ที่ 4.2 พันล้านบาท (-30% y-y) คิดเป็น 67% ของประมาณการทั้งปีที่ 6.3 พันล้านบาท (-23% y-y) ซึ่งมองว่ามีโอกาสใกล้เคียง แนวโน้มกำไร 4Q23 คาดขึ้นตัว q-q จากการรับรู้ Backlog ยกมาจาก 3Q23 ราว 8.5 พันล้านบาท รวมถึงทำแคมเปญเร่งขายและโอนช่วงท้ายปี แต่เทียบกับ 4Q22 คาดลดลง y-y จากฐานสูง ส่วนปี 2024 คาดขึ้นเล็กน้อย +4% y-y ที่ 6.6 พันล้านบาท โดยมี Backlog ณ สิ้น 3Q23 รองรับ 27% ของคาดการณ์ยอดโอน ขณะที่ต้องพึ่งพาการขายแนวราบที่มีแผนเปิดตัวใหม่ และสต็อกเหลือขายคอนโดสร้างเสร็จใหม่ในปีก่อนอีก 5 แห่ง

ระยะสั้นขาด Catalyst แต่ราคาหุ้นปรับลงจนมี Upside กว้าง

เราปรับไปใช้ราคาเหมาะสมปี 2024 ที่ 24 บาท (อิง PER 7x หรือค่าเฉลี่ยในอดีต) ระยะสั้นหุ้นขาด Catalyst บวกจากงบ 3Q23 คาดหดตัวทั้ง q-q และ y-y (ต่ำกว่าที่มองก่อนหน้านี้ว่าจะขึ้นตัว q-q) รวมถึง Consensus มีโอกาสปรับประมาณการลง อย่างไรก็ตาม ราคาหุ้นปรับลง 9% ภายใน 1 เดือน ปัจจุบันเทรดบน PE2024 ที่ 5.6x และคาดปันผล 2H23 ที่ 0.60 บาท/หุ้น Yield 3% ราคาหุ้นมี Upside ราว 26% จึงคงคำแนะนำซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.1)	(11.2)	(4.5)
Relative to country (%)	(1.1)	(3.0)	8.6
Mkt cap (USD m)	1,016		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	60		
Major shareholder	Tangmatittham Family (30%)		
12m high/low (THB)	25.25/18.90		
Issued shares (m)	1,953.05		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SPALI เป็นผู้พัฒนาอสังหาริมทรัพย์ระดับแนวหน้าของประเทศ และมีแบรนด์เป็นที่ยอมรับจากลูกค้า จุดแข็งคือมีพอร์ตสินค้าที่ยืดหยุ่นและกระจายตัวได้ดี ทั้งประเภทอสังหาริมทรัพย์ ประกอบด้วย บ้านเดี่ยว บ้านแฝด ทาวน์โฮม และอาคารชุด ซึ่งมีกลยุทธ์ขยายการเติบโตในด้านทำเลที่หลากหลายอย่างกรุงเทพฯและปริมณฑล รวมถึงต่างจังหวัดรวม 28 จังหวัดในปี 2023 และมีแผนเพิ่มจังหวัดต่อเนืองทุกปี อีกทั้ง ยังมีการลงทุนโครงการในออสเตรเลีย นอกจากนี้ บริษัทมีฐานะการเงินแข็งแกร่ง และสามารถรักษาค่าราคาไว้ขั้นต่ำให้อยู่ในระดับที่สูงกว่าคู่แข่ง

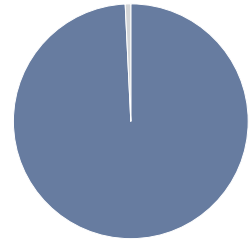
Company profile

SPALI ก่อตั้งวันที่ 26 มิ.ย. 1989 และจดทะเบียนในตลาดหลักทรัพย์ 17 พ.ย. 1993 บริษัทประกอบธุรกิจพัฒนาอสังหาริมทรัพย์เพื่อเป็นที่อยู่อาศัยและการพาณิชย์ ขณะที่ปี 2014 ได้ขยายการลงทุนไปยังประเทศออสเตรเลีย โดยเป็นการร่วมลงทุนกับบริษัทพัฒนาอสังหาริมทรัพย์ใหญ่ของประเทศออสเตรเลีย ทั้งนี้ ในปี 2023 มีสัดส่วนรายได้จากโครงการแนวราบ, คอนโด และออสเตรเลียที่ 54%, 46% และ 2% ของรายได้รวม ตามลำดับ

www.supalai.com

Principal activities (revenue, 2022)

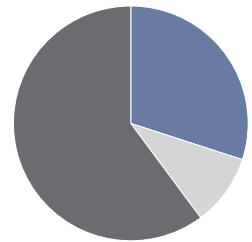
- Real estate - 99.2 %
- Rentals & Services - 0.8 %



Source: Supalai

Major shareholders

- Tangmatitham Family - 30.0 %
- Thai NVDR - 9.9 %
- Others - 60.2 %



Source: Supalai

Catalysts

ปัจจัยบวกต่อราคาหุ้นคือ 1) ความสำเร็จของการรุกเปิดโครงการใหม่ 2) ความคืบหน้าการขายสต็อกคอนโดเหลือขาย 3) ส่วนแบ่งกำไรจากการลงทุนในโครงการในออสเตรเลียสูงกว่าคาด

Risks to our call

ความเสี่ยงต่อประมาณการ 1) เศรษฐกิจและตลาดอสังหาริมทรัพย์ชะลอตัวมากกว่าคาด 2) อัตราการขายโครงการต่ำกว่าคาด และการเปิดโครงการใหม่ล่าช้ากว่าแผน 3) ดอกเบี้ยขาขึ้นกระทบกำลังซื้อ 4) อัตราการปฏิเสธสินเชื่อจากธนาคารและยอดยกเลิกจากลูกค้าสูงขึ้น 5) การก่อสร้างล่าช้าและการขาดแคลนแรงงาน และ 6) การแข่งขันรุนแรง

Event calendar

Date	Event
14 November 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Project sales (THB m)	32,297	33,583	32,061
Rental and services income (THB m)	268	282	296
Property GPM (%)	36.3	36.3	36.0
GPM (%)	36.4	36.3	36.0
SG&A to sales (%)	12.2	12.0	12.3

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 5.8%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 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 2%, and vice versa, all else being equal.

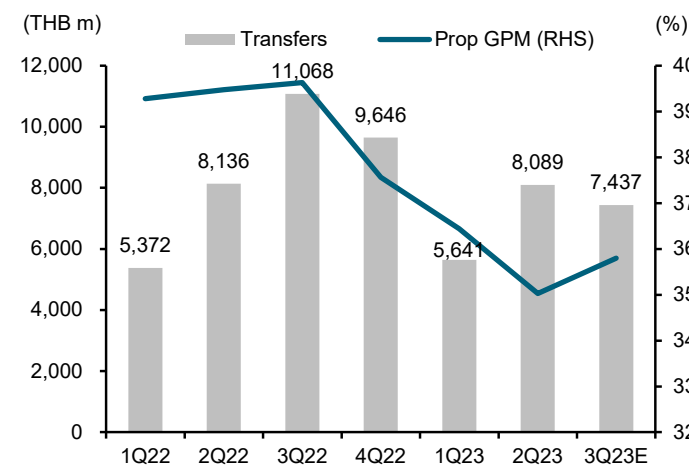
Source: FSSIA estimates

Exhibit 1: 3Q23 results preview

	3Q22	4Q22	1Q23	2Q23	3Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	11,133	9,723	5,734	8,165	7,517	(8)	(32)
Cost of sales	6,728	6,071	3,638	5,306	4,827	(9)	(28)
Gross profit	4,404	3,652	2,096	2,859	2,690	(6)	(39)
SG&A	1,124	1,248	815	957	946	(1)	(16)
Operating profit	5,528	4,900	2,911	3,816	3,636	(5)	(34)
Other income	229	323	168	279	200	(28)	(13)
Interest expense	75	81	96	103	105	2	40
Profit before tax	3,435	2,646	1,353	2,078	1,839	(12)	(46)
Tax	729	596	318	483	423	(12)	(42)
Associates	85	165	66	127	50	(61)	(41)
Reported net profit	2,749	2,171	1,080	1,701	1,444	(15)	(47)
Normalised profit	2,749	2,171	1,080	1,701	1,444	(15)	(47)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Property gross margin	39.6	37.6	36.4	35.0	35.8	0.8	(3.8)
Gross margin	39.6	37.6	36.6	35.0	35.8	0.8	(3.8)
Operating margin	49.7	50.4	50.8	46.7	48.4	1.6	(1.3)
Net profit margin	24.7	22.3	18.8	20.8	19.2	(1.6)	(5.5)
Normalised profit margin	24.7	22.3	18.8	20.8	19.2	(1.6)	(5.5)
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Property transfers	11,068	9,646	5,641	8,089	7,437	(8)	(33)
-- Low-rise	5,202	5,795	3,893	5,015	4,611	(8)	(11)
-- High-rise	5,866	3,851	1,749	3,074	2,826	(8)	(52)
Presales	6,809	7,408	9,029	8,256	6,227	(25)	(9)
-- Low-rise	4,880	4,787	6,411	4,998	4,345	(13)	(11)
-- High-rise	1,929	2,621	2,618	3,258	1,882	(42)	(2)

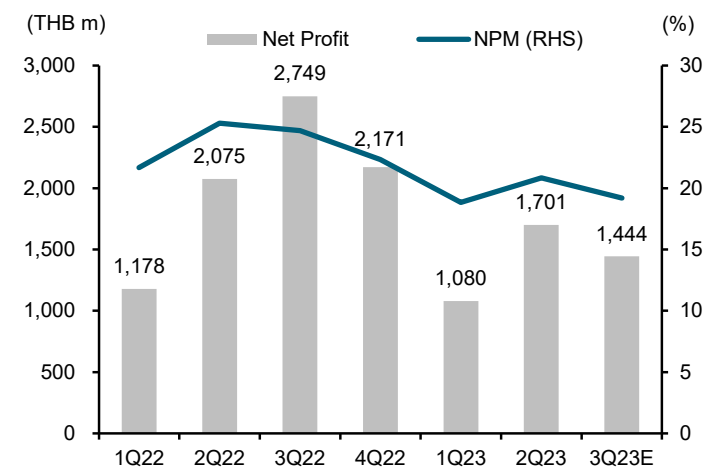
Sources: SPALI; FSSIA estimates

Exhibit 2: Quarterly transfers and property GPM



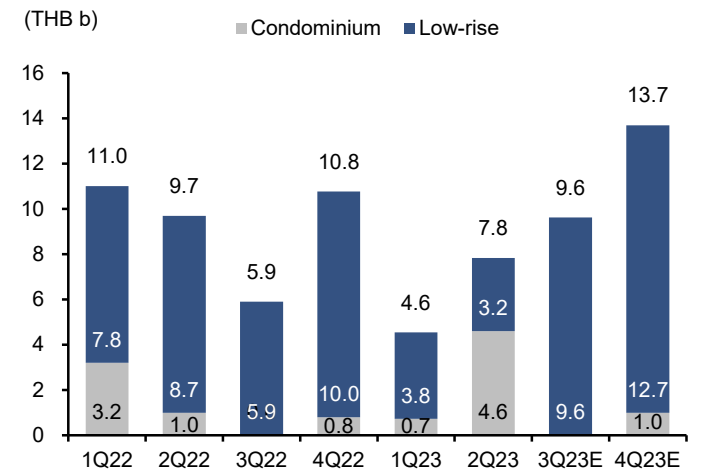
Sources: SPALI; FSSIA estimates

Exhibit 3: Quarterly net profit and NPM



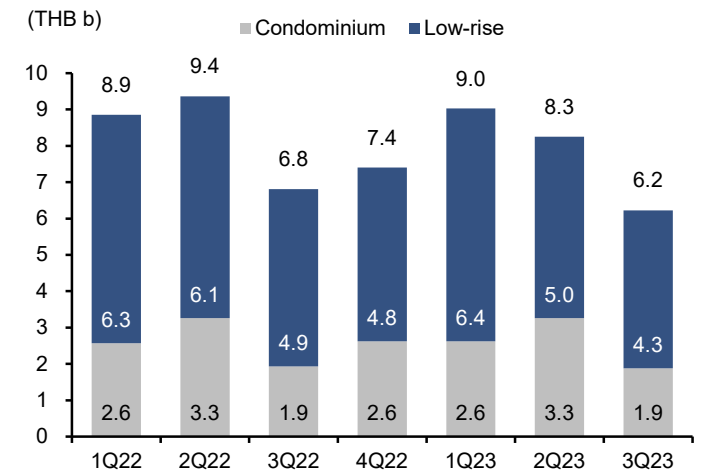
Sources: SPALI; FSSIA estimates

Exhibit 4: Quarterly new launches



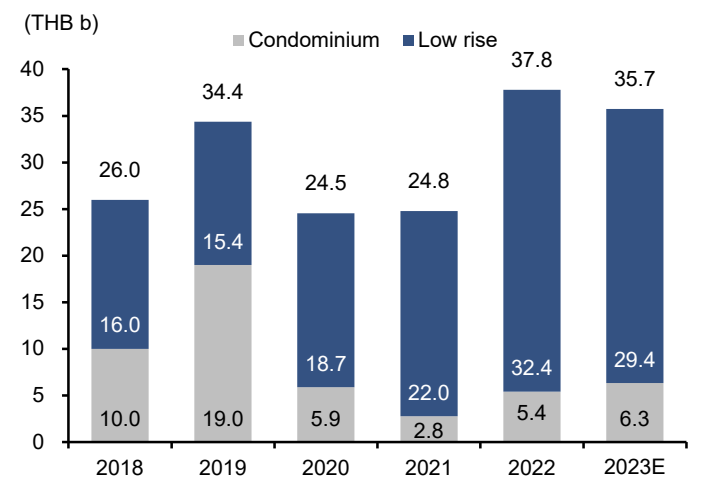
Sources: SPALI; FSSIA's compilation

Exhibit 5: Quarterly presales



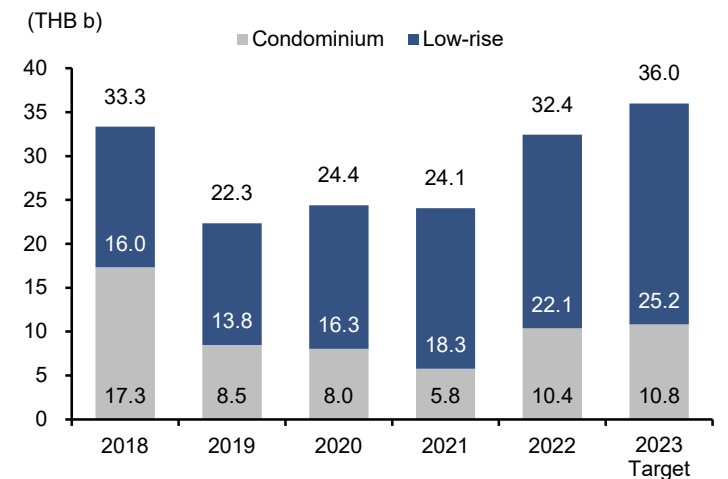
Sources: SPALI; FSSIA's compilation

Exhibit 6: Yearly new launches



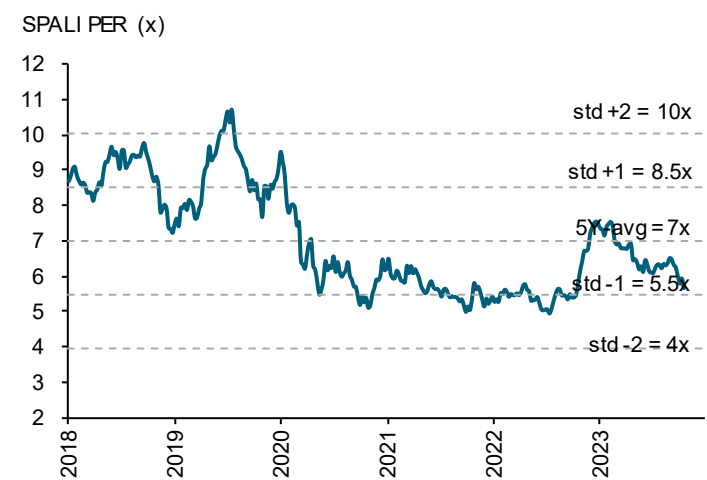
Sources: SPALI; FSSIA's compilation

Exhibit 7: Yearly presales



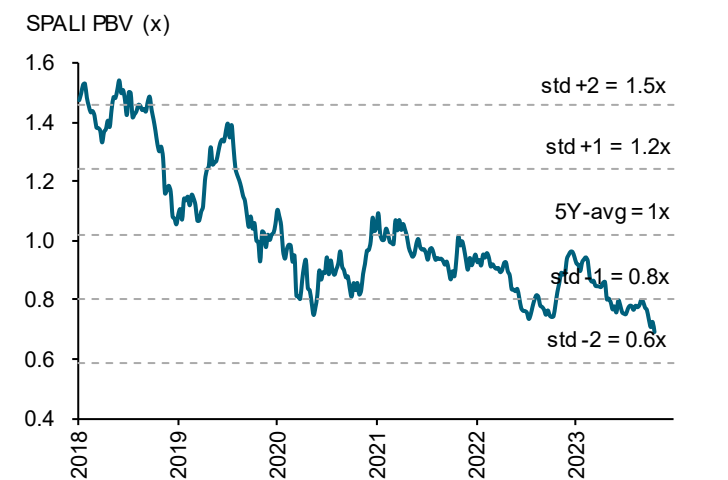
Sources: SPALI; FSSIA's compilation

Exhibit 8: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

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Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	29,160	34,486	32,565	33,865	32,357
Cost of goods sold	(17,518)	(21,070)	(20,725)	(21,566)	(20,698)
Gross profit	11,642	13,416	11,840	12,299	11,659
Other operating income	0	0	0	0	0
Operating costs	(3,321)	(4,029)	(3,971)	(4,076)	(3,984)
Operating EBITDA	8,444	9,514	8,000	8,358	7,815
Depreciation	(123)	(127)	(130)	(135)	(140)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	8,321	9,387	7,870	8,224	7,675
Net financing costs	(259)	(277)	(371)	(383)	(415)
Associates	533	390	300	300	300
Recurring non-operating income	1,020	1,405	900	900	900
Non-recurring items	0	0	0	0	0
Profit before tax	9,083	10,515	8,399	8,740	8,160
Tax	(1,943)	(2,212)	(1,887)	(1,941)	(1,808)
Profit after tax	7,139	8,303	6,512	6,799	6,352
Minority interests	(69)	(130)	(180)	(187)	(179)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	7,070	8,173	6,332	6,612	6,173
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	7,070	8,173	6,332	6,612	6,173
Per share (THB)					
Recurring EPS *	3.30	4.18	3.24	3.39	3.16
Reported EPS	3.30	4.18	3.24	3.39	3.16
DPS	1.25	1.45	1.30	1.30	1.30
Diluted shares (used to calculate per share data)	2,146	1,953	1,953	1,953	1,953
Growth					
Revenue (%)	41.6	18.3	(5.6)	4.0	(4.5)
Operating EBITDA (%)	57.4	12.7	(15.9)	4.5	(6.5)
Operating EBIT (%)	58.6	12.8	(16.2)	4.5	(6.7)
Recurring EPS (%)	66.3	27.0	(22.5)	4.4	(6.6)
Reported EPS (%)	66.3	27.0	(22.5)	4.4	(6.6)
Operating performance					
Gross margin inc. depreciation (%)	39.9	38.9	36.4	36.3	36.0
Gross margin exc. depreciation (%)	40.3	39.3	36.8	36.7	36.5
Operating EBITDA margin (%)	29.0	27.6	24.6	24.7	24.2
Operating EBIT margin (%)	28.5	27.2	24.2	24.3	23.7
Net margin (%)	24.2	23.7	19.4	19.5	19.1
Effective tax rate (%)	22.7	21.7	23.3	23.0	23.0
Dividend payout on recurring profit (%)	37.9	34.6	40.0	38.4	41.0
Interest cover (X)	36.1	39.0	23.6	23.8	20.7
Inventory days	1,280.5	1,113.5	1,195.5	1,219.3	1,362.2
Debtor days	0.6	0.5	0.6	0.7	0.7
Creditor days	51.4	47.1	51.8	50.4	52.5
Operating ROIC (%)	11.6	12.3	9.6	9.6	8.3
ROIC (%)	12.0	12.7	9.3	9.3	8.2
ROE (%)	18.0	18.5	13.1	12.6	11.0
ROA (%)	10.5	11.3	8.3	8.3	7.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Real estate	28,938	34,222	32,297	33,583	32,061
Rentals & Services	222	264	268	282	296

Sources: Supalai; FSSIA estimates

Financial Statements

Supalai

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	7,070	8,173	6,332	6,612	6,173
Depreciation	123	127	130	135	140
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(2,648)	(5,013)	(1,343)	(4,601)	(5,871)
Cash flow from operations	4,545	3,288	5,119	2,146	443
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,272)	(4,608)	(147)	(135)	(214)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,272)	(4,608)	(147)	(135)	(214)
Dividends paid	(1,864)	(5,111)	(2,533)	(2,539)	(2,531)
Equity finance	324	1,474	180	187	179
Debt finance	(1,442)	4,646	(2,719)	721	1,879
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(2,982)	1,010	(5,072)	(1,631)	(473)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	291	(311)	(101)	380	(244)
Free cash flow to firm (FCFF)	3,532.04	(1,043.62)	5,342.11	2,394.09	644.00
Free cash flow to equity (FCFE)	1,830.99	3,325.97	2,251.95	2,731.95	2,108.17

Per share (THB)

FCFF per share	1.81	(0.53)	2.74	1.23	0.33
FCFE per share	0.94	1.70	1.15	1.40	1.08
Recurring cash flow per share	3.35	4.25	3.31	3.45	3.23

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	2,850	2,947	3,053	3,169	3,298
Less: Accumulated depreciation	(1,346)	(1,471)	(1,601)	(1,736)	(1,876)
Tangible fixed assets (net)	1,505	1,476	1,451	1,433	1,421
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	1
Invest. in associates & subsidiaries	4,404	8,863	8,955	8,974	9,060
Cash & equivalents	1,626	1,315	1,214	1,594	1,350
A/C receivable	51	38	65	68	65
Inventories	62,104	65,675	69,241	73,936	79,507
Other current assets	1,407	2,065	1,791	1,863	1,780
Current assets	65,188	69,093	72,311	77,460	82,702
Other assets	336	441	488	508	485
Total assets	71,432	79,873	83,207	88,376	93,669
Common equity	42,070	46,514	50,313	54,386	58,030
Minorities etc.	857	949	1,129	1,316	1,495
Total shareholders' equity	42,926	47,463	51,442	55,702	59,524
Long term debt	3,976	3,886	8,338	5,742	5,988
Other long-term liabilities	713	804	829	863	829
Long-term liabilities	4,689	4,690	9,167	6,605	6,817
A/C payable	2,469	2,939	2,902	3,019	2,898
Short term debt	15,913	20,650	13,479	16,796	18,429
Other current liabilities	5,435	4,182	6,218	6,254	6,003
Current liabilities	23,817	27,772	22,598	26,069	27,331
Total liabilities and shareholders' equity	71,432	79,924	83,207	88,376	93,671
Net working capital	55,659	60,657	61,978	66,593	72,450
Invested capital	61,903	71,437	72,874	77,508	83,418

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

Per share (THB)

Book value per share	19.61	23.82	25.76	27.85	29.71
Tangible book value per share	19.61	23.82	25.76	27.85	29.71

Financial strength

Net debt/equity (%)	42.5	48.9	40.1	37.6	38.8
Net debt/total assets (%)	25.6	29.1	24.8	23.7	24.6
Current ratio (x)	2.7	2.5	3.2	3.0	3.0
CF interest cover (x)	13.0	29.7	7.5	8.5	6.6

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	5.8	4.5	5.9	5.6	6.0
Recurring P/E @ target price (x) *	7.3	5.7	7.4	7.1	7.6
Reported P/E (x)	5.8	4.5	5.9	5.6	6.0
Dividend yield (%)	6.6	7.6	6.8	6.8	6.8
Price/book (x)	1.0	0.8	0.7	0.7	0.6
Price/tangible book (x)	1.0	0.8	0.7	0.7	0.6
EV/EBITDA (x) **	7.1	6.4	7.4	7.1	7.9
EV/EBITDA @ target price (x) **	8.4	7.5	8.6	8.3	9.1
EV/invested capital (x)	1.0	0.9	0.8	0.8	0.7

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

Sources: Supalai; FSSIA estimates

SUPALAI PCL (SPALI TB)

FSSIA ESG rating

59.8/100
Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.2	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.1	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
ORI	53.22	--	Y	Y	5.00	5.00	Certified	Medium	41.33	--	--	48.60	--	3.82	52.01
SC	60.14	--	Y	Y	5.00	4.00	Certified	Low	45.20	--	--	70.85	25.00	2.34	42.60
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.80	2.22	2.06	2.11	2.06	2.05	1.98	2.19
BESG environmental pillar score	0.00	0.67	0.67	0.67	0.67	0.67	0.71	1.14
BESG social pillar score	5.95	5.91	3.67	3.67	3.67	3.67	3.67	3.67
BESG governance pillar score	4.06	3.78	3.93	4.12	3.95	3.92	3.60	3.37
ESG disclosure score	40.17	41.80	41.62	41.62	41.62	41.73	42.11	42.36
Environmental disclosure score	14.80	16.49	16.49	16.49	16.49	16.82	17.97	17.97
Social disclosure score	21.95	25.15	24.61	24.61	24.61	24.61	24.61	25.36
Governance disclosure score	83.59	83.59	83.59	83.59	83.59	83.59	83.59	83.59
Environmental								
Emissions reduction initiatives	Yes	No	No	No	No	No	No	No
Climate change policy	Yes	No	No	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	Yes	No	No	No	No	No	No	No
GHG scope 1	--	--	--	--	--	--	--	--
GHG scope 2 location-based	--	--	--	--	--	--	--	--
GHG Scope 3	--	--	--	--	--	--	--	--
Carbon per unit of production	--	--	--	--	--	--	--	--
Biodiversity policy	Yes	No	No	No	No	No	No	No
Energy efficiency policy	Yes	No	No	No	No	No	No	No
Total energy consumption	--	--	--	--	--	--	--	--
Renewable energy use	--	--	--	--	--	--	--	--
Electricity used	--	--	--	--	--	--	--	--
Fuel used - natural gas	--	--	--	--	--	--	--	--
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	No	No	No	No	No	No	No
Hazardous waste	--	--	--	--	--	--	--	--
Total waste	--	--	--	--	--	--	--	--
Waste recycled	--	--	--	--	--	--	--	--
Waste sent to landfills	--	--	--	--	--	--	--	--
Environmental supply chain management	Yes	No	No	No	No	No	No	No
Water policy	Yes	No	No	No	No	No	No	No
Water consumption	--	--	--	--	--	--	--	--

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.80	2.22	2.06	2.11	2.06	2.05	1.98	2.19
ESG disclosure score	40.17	41.80	41.62	41.62	41.62	41.73	42.11	42.36
Social								
Human rights policy	Yes	No	No	No	No	No	No	No
Policy against child labor	Yes	No	No	No	No	No	No	No
Quality assurance and recall policy	Yes	No	No	No	No	No	No	No
Consumer data protection policy	Yes	No	No	No	No	No	No	No
Equal opportunity policy	Yes	No	No	No	No	No	No	No
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	49	47	47	48	48	48	49	49
Pct disabled in workforce	0	0	0	0	0	0	0	0
Business ethics policy	Yes	No	No	No	No	No	No	No
Anti-bribery ethics policy	Yes	No	No	No	No	No	No	No
Health and safety policy	Yes	No	No	No	No	No	No	No
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	1	1	1	1	0	0	0	—
Training policy	Yes	No	No	No	No	No	No	No
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	924	1,061	1,383	1,495	1,558	1,617	1,645	1,725
Employee turnover pct	—	12	12	11	10	7	10	11
Total hours spent by firm - employee training	25,253	28,997	36,318	39,677	39,168	35,234	12,091	80,454
Social supply chain management	Yes	No	No	No	No	No	No	No
Governance								
Board size	11	11	11	10	10	10	10	10
No. of independent directors (ID)	5	5	5	4	4	4	4	4
No. of women on board	1	1	1	1	1	1	1	1
No. of non-executive directors on board	7	7	7	6	6	6	6	6
Company conducts board evaluations	Yes	No	No	No	No	No	No	No
No. of board meetings for the year	12	12	12	13	12	13	12	12
Board meeting attendance pct	96	98	99	99	99	99	100	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	37	38	39	40	41	42	43	44
Age of the oldest director	73	74	77	78	79	80	81	82
No. of executives / company managers	9	10	12	10	14	14	13	13
No. of female executives	3	3	4	4	5	5	5	5
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	12	12	12	12	12	12	12	12
Audit meeting attendance %	92	100	100	100	94	100	97	97
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	2	2	2	2	1	1	2	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	2	2	2	2	1	1	2	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > 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.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating 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.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
0-10	10-20	20-30	30-40	40+																										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Source: FSSIA's compilation

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ANALYST(S) CERTIFICATION

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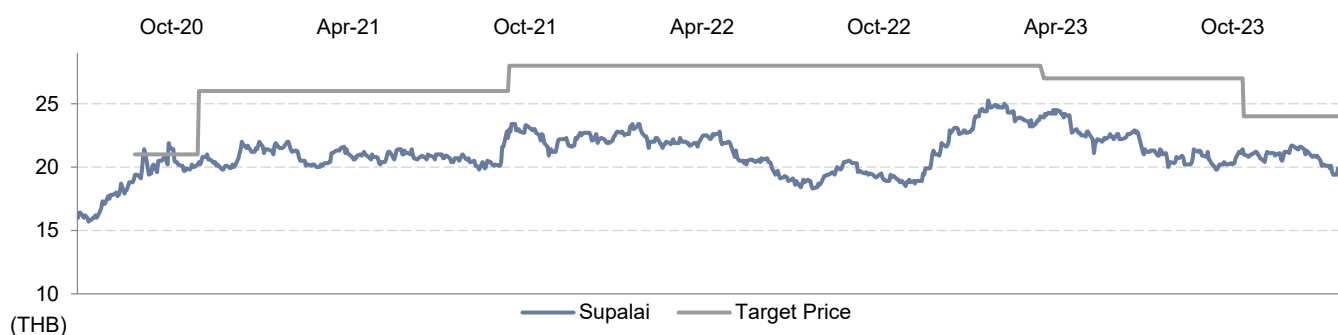
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History of change in investment rating and/or target price

Supalai (SPALI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Dec-2020	BUY	21.00	26-Oct-2021	BUY	28.00	20-Jul-2023	BUY	24.00
01-Feb-2021	BUY	26.00	27-Jan-2023	BUY	27.00			

Thanyatorn Songwutti started covering this stock from 08-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Supalai	SPALI TB	THB 19.00	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.

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 20-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.