

# AP (THAILAND) AP TB

## THAILAND / PROPERTY DEVELOPMENT

# BUY

UNCHANGED

TARGET PRICE	THB14.40
CLOSE	THB10.80
UP/DOWNSIDE	+33.3%
PRIOR TP	THB14.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.6%

## Better-than-expected response for new condos

- The success of two new condos with higher-than-expected presales of 45-75% and its plan for several new low-rises should support outstanding q-q and y-y 4Q23 presales strength.
- Expect a solid 4Q23 profit (+y-y) and record-high earnings for 2023.
- Maintain our BUY call at our TP of THB14.40. Keep AP as our top pick in the property sector.

### A catalyst from two new condos with higher-than-expected presales of 45-75%

The presales for October – November 2023 improved to THB12b. It equaled THB6b a month, up from its average of THB3.9-4.3b in 3Q23 and 4Q22, supported by the success of two new condos launched in November, including 1) Aspire Vibha-Victory (THB2.3b, selling prices of THB110-120k/SQM, a take-up rate of 45-50%, scheduled transfers starting in 3Q25) and 2) Rhythm Charoennakhon Iconic (THB5b, selling prices of THB170-180k/SQM, a take-up rate of 75%, scheduled transfers starting in 2Q26). Their presales exceeded the target of 30% due to their locations and layouts. Although their main customers are Thai, foreign buyers account for 10-25% of their presales. They are mainly from Myanmar, followed by China and Taiwan.

### Continued low-rise launches should drive 4Q23 presales

Generally, the low-rise presales steadied from 3Q23. In 4Q23, AP has launched 12 projects with a combined project value of THB12b. All are townhomes. They have an average take-up rate of 15-20%, close to 3Q23. In mid-December, AP plans to introduce nine more low-rises with a combined project value of THB16b. Several will replace sold-out projects. They should help AP achieve its 4Q23 presales target of THB15b, a record quarterly high and up from THB12b in 3Q23 and THB13b in 4Q22. As a result, the 2023 presales should end close to 2022 of THB50-51b (vs THB47b YTD).

### Expect a solid 4Q23 profit (+y-y) and another new high for 2023

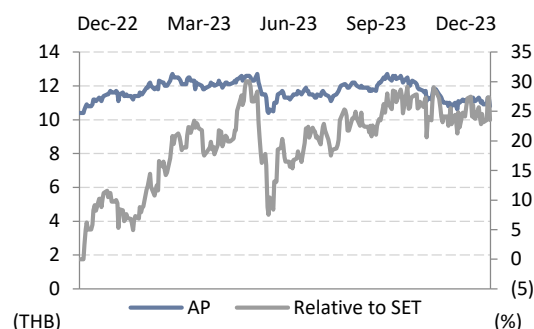
Initially, we anticipate 4Q23 transfers of THB10b, up from THB9.8b in 3Q23 and THB8.6b in 4Q22 due mainly to the gradual realization of a THB16b backlog moved from previous quarters. Since AP plans several new launches, we expect higher SG&A expenses. Also, the profit-sharing from JVs should decrease q-q, in line with their lower inventory. Therefore, we project a 4Q23 net profit of THB1.5-1.6b, up from THB1.15b in 4Q22 and down from THB1.7b in 3Q23.

### Maintain BUY rating at our TP of THB14.40 on solid fundamentals and attractive valuations

We retain our 2023-2024E profit of THB6.3b (+7% y-y) and THB6.5b (+3% y-y), respectively, extended record highs. We reaffirm our BUY call at our TP of THB14.40. AP trades on a 2024 PE of only 5.3x, its historical average - 0.5SD. Besides, we expect an annual dividend yield of 6.5% (paid annually). Note that the MPC maintained its policy rate and did not signal any rate hike at its meeting on November 29. It should help ease the pressure on the property sector.

## 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 (%)	-	0.9	1.3	1.9
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)	5.8	5.4	5.3	5.2
Dividend yield (%)	6.0	6.5	6.5	6.7
EV/EBITDA (x)	9.1	8.0	7.6	7.1
Price/book (x)	0.9	0.8	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 (%)	0.0	(15.0)	6.9
Relative to country (%)	0.1	(3.5)	26.7
Mkt cap (USD m)	965		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	66		
Major shareholder	Mr. Anuphong Assavabhokhin (21%)		
12m high/low (THB)	12.80/10.10		
Issued shares (m)	3,145.90		

Sources: Bloomberg consensus; FSSIA estimates


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## 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

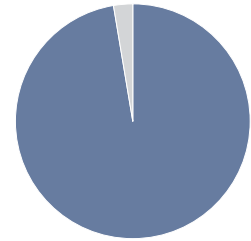
Founded by Mr Anuphong Assavabhokhin and Mr Pichet Vipavasuphakorn in 1991, AP was listed in 2000 after being merged with PCM Precast Floors Plc, which was founded by Land & Houses Plc (LH). AP has no cross shareholdings with LH.

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](http://www.apthai.com)

## Principal activities (revenue, 2022)

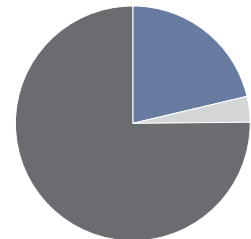
- Sales - 97.4 %
- Service income - 2.6 %



Source: AP (Thailand)

## Major shareholders

- Mr. Anuphong Assavabhokhin - 21.3 %
- Vipavasuphakorn Family - 3.5 %
- Others - 75.2 %



Source: AP (Thailand)

## Catalysts

Key potential growth drivers include:

- 1) The success of new launches;
- 2) Positive response for the new low-rise projects;
- 3) Sooner-than-expected recovery in the property market;
- 4) Extended new high profits in 2023-2024;
- 5) Stimulus measures and LTV easing

## Risks to our call

Downside risks to our P/E-based TP include 1) a higher-than-expected slowdown in the low-rise market; 2) lower-than-expected new launches and take-up rates; 3) a slow economic recovery; 4) an impact from the interest rate uptrend on purchasing power; 5) a higher rejection rate and customer cancellation; 6) construction delay and labor shortages; and 7) fierce competition.

## Event calendar

Date	Event
February 2024	4Q23 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

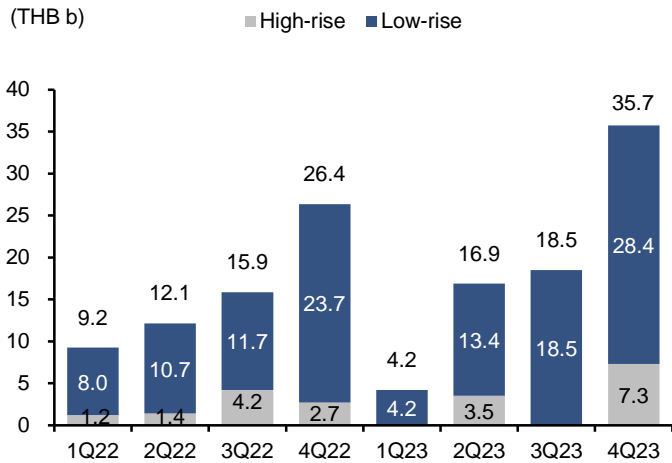
Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 net profit to rise by 4%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 net profit to rise by 2.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2024 net profit to fall by 2.7%, and vice versa, all else being equal.

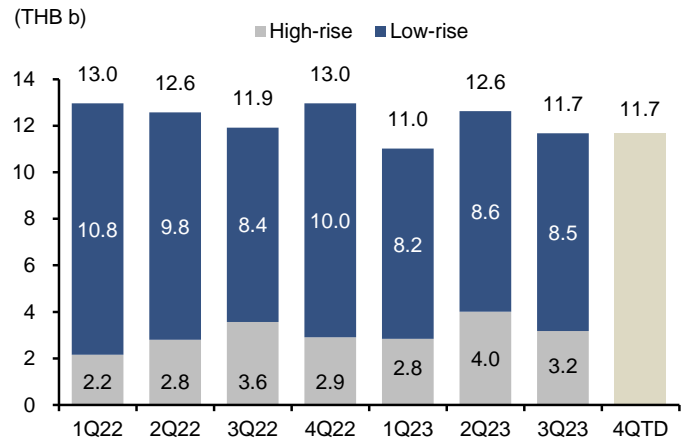
Source: FSSIA estimates

**Exhibit 1: Quarterly new launches**



Sources: AP; FSSIA's compilations

**Exhibit 2: Quarterly presales**



Sources: AP; FSSIA's compilations

**Exhibit 3: New projects in 4Q23**

 <b>SDH</b> 9 Projects (16,450 MB)	THE CITY กัลปพฤกษ์ THE CITY สาทร - สุขสวัสดิ์ 3 THE CITY ทวีวัฒนา CENTRO อ่อนนุช - ลาดกระบัง CENTRO รามอินทรา - จุดไชด์ 3 CENTRO เพชรเกษม - บางแค CENTRO ทวีวัฒนา CENTRO ตีवानนท์ - ศรีสยาม MODEN เพชรเกษม 81
 <b>TH</b> 11 Projects (11,050 MB)	CLASSE RATCHAYOTHIN บ้านกลางเมือง THE EDITION ชั้นเกล้า-บนฯ 2 Grande PLENO พระราม 9 - มอเตอร์เวย์ Grande PLENO รามอินทรา-บางชัน สดชื่น Pleno บางใหญ่ Pleno แพนชั่น - รามอินทรา Pleno ชั้นเกล้า-กาญจนาฯ Pleno ทาวน์ รังสิตคลอง 4-วงแหวน Pleno ทาวน์ พลโยธิน-วิภาวดี
<b>UPC</b> 1 Project (940 MB)	 <b>อภิตานันท์</b> นครสวรรค์
<b>CONDO</b> 2 Projects (7,300 MB)	RHYTHM CHAROENNAKHON ICONIC aspire VIBHA - VICTORY

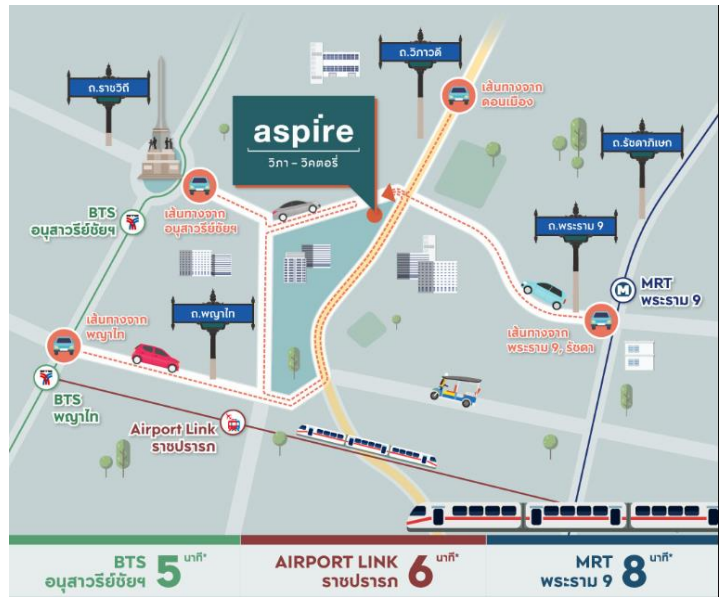
Source: AP

Exhibit 4: Aspire Vibha-Victory



Source: AP

Exhibit 5: Aspire Vibha-Victory location



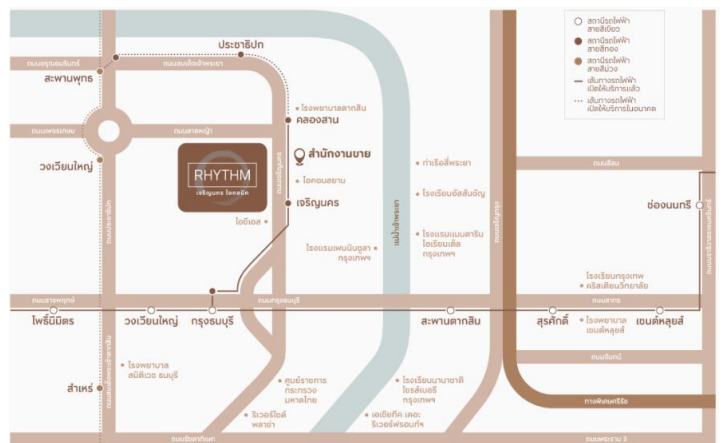
Source: AP

Exhibit 6: Rhythm Charoennakhon Iconic



Source: AP

Exhibit 7: Rhythm Charoennakhon Iconic location



Source: AP



Exhibit 8: New detached house projects in 4Q23



Exhibit 9: Historical P/E band

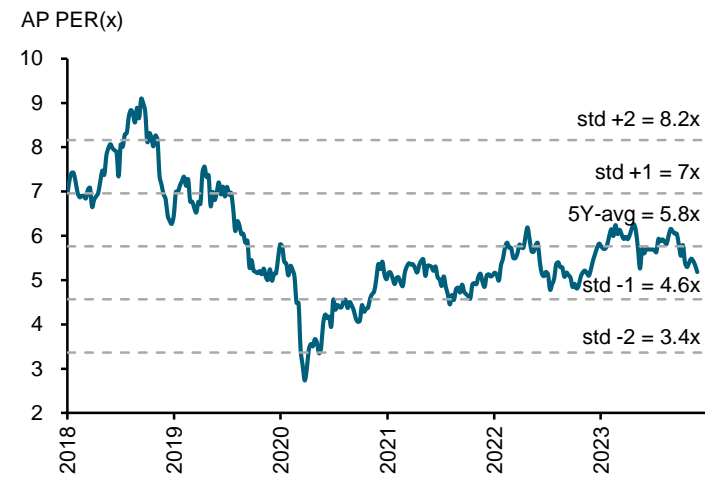
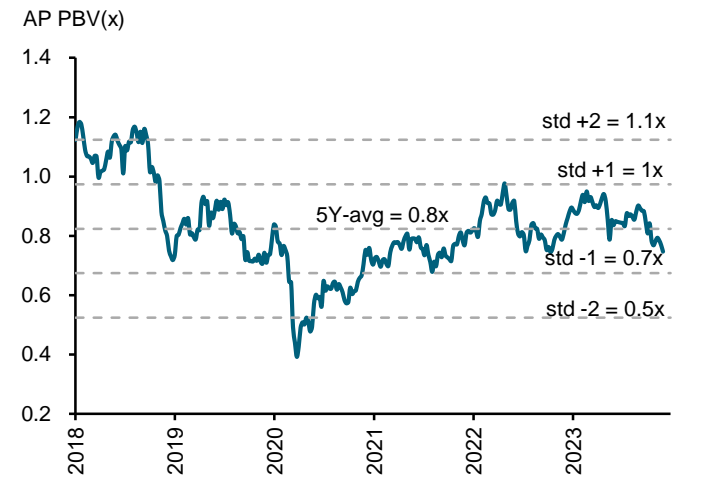


Exhibit 10: Historical P/BV band



## 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)
<b>Gross profit</b>	<b>10,311</b>	<b>13,064</b>	<b>14,396</b>	<b>14,977</b>	<b>15,572</b>
Other operating income	0	0	0	0	0
Operating costs	(5,828)	(7,248)	(7,938)	(8,268)	(8,596)
<b>Operating EBITDA</b>	<b>4,763</b>	<b>6,107</b>	<b>6,627</b>	<b>6,894</b>	<b>7,178</b>
Depreciation	(279)	(291)	(168)	(185)	(202)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>4,484</b>	<b>5,816</b>	<b>6,458</b>	<b>6,709</b>	<b>6,976</b>
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
<b>Profit before tax</b>	<b>5,411</b>	<b>7,106</b>	<b>7,555</b>	<b>7,780</b>	<b>7,954</b>
Tax	(869)	(1,230)	(1,281)	(1,330)	(1,386)
<b>Profit after tax</b>	<b>4,542</b>	<b>5,876</b>	<b>6,274</b>	<b>6,450</b>	<b>6,568</b>
Minority interests	0	1	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>4,542</b>	<b>5,877</b>	<b>6,274</b>	<b>6,450</b>	<b>6,568</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(4)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>4,542</b>	<b>5,874</b>	<b>6,274</b>	<b>6,450</b>	<b>6,568</b>
<b>Per share (THB)</b>					
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
<b>Growth</b>					
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
<b>Operating performance</b>					
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					
<b>Revenue by Division (THB m)</b>					
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)
<b>Cash flow from operations</b>	<b>3,775</b>	<b>(417)</b>	<b>6,535</b>	<b>3,092</b>	<b>4,365</b>
Capex - maintenance	0	0	0	0	0
Capex - new investment	(941)	(179)	(1,805)	(592)	(606)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(941)</b>	<b>(179)</b>	<b>(1,805)</b>	<b>(592)</b>	<b>(606)</b>
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
<b>Cash flow from financing</b>	<b>(3,504)</b>	<b>176</b>	<b>(4,111)</b>	<b>(2,209)</b>	<b>(3,598)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(670)</b>	<b>(420)</b>	<b>620</b>	<b>291</b>	<b>160</b>
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)

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)
<b>Tangible fixed assets (net)</b>	<b>1,562</b>	<b>1,614</b>	<b>1,286</b>	<b>1,341</b>	<b>1,396</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>Current assets</b>	<b>50,953</b>	<b>58,889</b>	<b>58,655</b>	<b>62,760</b>	<b>65,589</b>
Other assets	1,250	1,243	1,478	1,539	1,600
<b>Total assets</b>	<b>60,409</b>	<b>68,227</b>	<b>69,863</b>	<b>74,437</b>	<b>77,731</b>
Common equity	32,442	36,747	40,825	45,050	49,353
Minorities etc.	(18)	(19)	(19)	(19)	(19)
<b>Total shareholders' equity</b>	<b>32,423</b>	<b>36,728</b>	<b>40,806</b>	<b>45,031</b>	<b>49,334</b>
Long term debt	15,024	15,284	15,805	9,564	8,919
Other long-term liabilities	523	675	612	638	663
<b>Long-term liabilities</b>	<b>15,546</b>	<b>15,959</b>	<b>16,418</b>	<b>10,202</b>	<b>9,582</b>
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
<b>Current liabilities</b>	<b>12,439</b>	<b>15,539</b>	<b>12,640</b>	<b>19,204</b>	<b>18,815</b>
<b>Total liabilities and shareholders' equity</b>	<b>60,409</b>	<b>68,227</b>	<b>69,863</b>	<b>74,437</b>	<b>77,731</b>
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)

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

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
<b>Recurring P/E (x) *</b>	<b>7.5</b>	<b>5.8</b>	<b>5.4</b>	<b>5.3</b>	<b>5.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>10.0</b>	<b>7.7</b>	<b>7.2</b>	<b>7.0</b>	<b>6.9</b>
Reported P/E (x)	7.5	5.8	5.4	5.3	5.2
Dividend yield (%)	4.6	6.0	6.5	6.5	6.7
Price/book (x)	1.0	0.9	0.8	0.8	0.7
Price/tangible book (x)	1.0	0.9	0.8	0.8	0.7
EV/EBITDA (x) **	11.2	9.1	8.0	7.6	7.1
EV/EBITDA @ target price (x) **	13.6	10.9	9.7	9.3	8.7
EV/invested capital (x)	1.0	0.9	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

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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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.																			
<b>CG Score</b> 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 (50-59), 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%).																			
<b>AGM level</b> 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&amp;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.																			
<b>Thai CAC</b> 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.																			
<b>Morningstar Sustainalytics</b>	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 &amp; 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+									
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<b>ESG Book</b>	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.																			
<b>MSCI</b>	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><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>Moody's ESG solutions</b>	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.																				
<b>Refinitiv ESG rating</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<b>S&amp;P Global</b>	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.																				
<b>Bloomberg</b>	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.																			

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"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

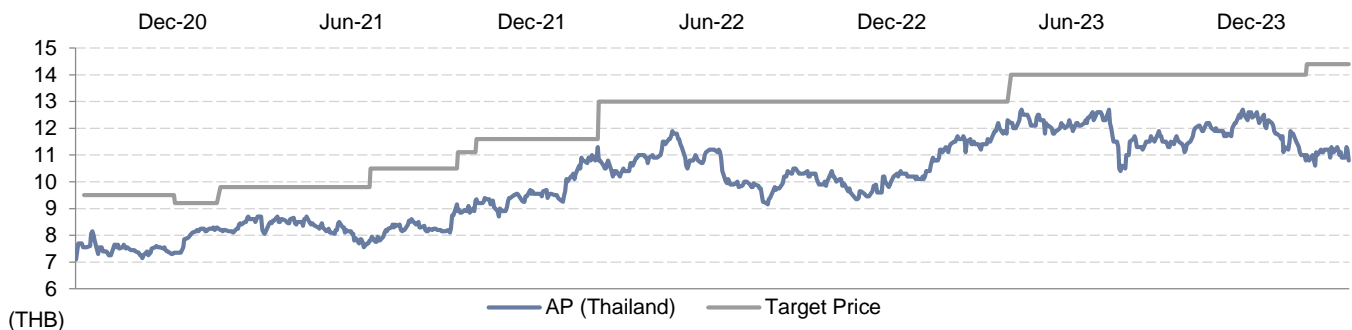
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### History of change in investment rating and/or target price

#### 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	24-Oct-2023	BUY	14.40

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 10.80	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.

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 30-Nov-2023 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.