

# AP (THAILAND) AP TB

## THAILAND / PROPERTY DEVELOPMENT

# BUY

UNCHANGED

## In-line 4Q23 with cautious 2024 growth target

- The in-line 4Q23 profit (-21% q-q, +16% y-y) helped its 2023 to hit another new high (+3% y-y).
- Although 2024 new launches may drop 24% y-y, presales would jump 11% y-y due to sales of ongoing projects and an economic recovery in 2H24.
- Decrease 2024-2025E profit by 4%, resulting in a new TP of THB13.20 but retain our BUY rating.

TARGET PRICE	THB13.20
CLOSE	THB10.90
UP/DOWNSIDE	+21.1%
PRIOR TP	THB14.40
CHANGE IN TP	-8.3%
TP vs CONSENSUS	-4.7%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	38,045	39,723	41,224	44,246
Net profit	6,054	6,164	6,330	6,574
EPS (THB)	1.92	1.96	2.01	2.09
vs Consensus (%)	-	0.7	0.4	1.5
EBITDA	6,668	6,625	6,894	7,389
Recurring net profit	6,043	6,164	6,330	6,574
Core EPS (THB)	1.92	1.96	2.01	2.09
Chg. In EPS est. (%)	nm	(4.4)	(3.6)	nm
EPS growth (%)	2.9	2.0	2.7	3.9
Core P/E (x)	5.7	5.6	5.4	5.2
Dividend yield (%)	6.4	6.5	6.6	6.9
EV/EBITDA (x)	10.0	9.5	8.8	7.8
Price/book (x)	0.8	0.8	0.7	0.6
Net debt/Equity (%)	79.4	64.8	54.2	44.8
ROE (%)	15.6	14.4	13.5	12.9

## 4Q23 profit (-21% q-q, +16% y-y) is in line

AP reported an in-line 4Q23 net profit of THB1.3b (-21% q-q, +16% y-y). It dropped q-q due to an absence of newly built condos (vs one AP and JV condo each in 3Q23). In 4Q23, transfers amounted to THB9b (-8% q-q, +5% y-y). The y-y strength had support from continued condo realization from 3Q23. The gross margin of property sales was solid at 35.2% (+100bps q-q, +146bps y-y) due to high presales of new low-rises. However, the profit sharing from JVs dropped by 34% q-q and 26% y-y to THB211m, in line with their lower inventory. Given 4Q23, the 2023 net profit ended at THB6b (+3% y-y), the fourth straight new high.

## 2024 plan: growth amid challenges with an improvement in 2H24

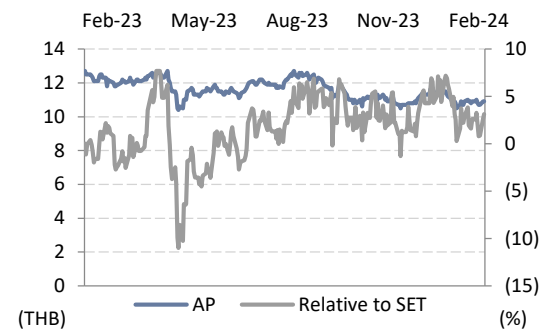
Management is cautious about the 2024 outlook amid concerns over economic uncertainties. It believed demand would slow from 2023, while financial institutions should continue imposing strict credit underwriting. However, it anticipated a recovery in 2H24 due to interest rate cuts and the government stimulus. AP disclosed its 2024 plan to open 48 new projects with a combined value of THB58b (-24% y-y). 78% would be low-rises and 22% condos. The planned new launches and inventory sales help drive a presales target of THB57b (+11% y-y). Low-rises should contribute THB39b (+16.5% y-y), while condos should be flat at THB18b.

## Decrease 2024-2025 estimate to reflect lower-than-expected new launches

We have trimmed our 2024-2025E profit by 4% to THB6.2b (+2% y-y) and THB6.3b (+3% y-y) due to lower-than-expected low-rise launches and a more conservative guidance. In particular, we have cut our transfer estimate to THB38b (+4% y-y), 6% lower than the guidance. In this regard, AP has a THB19b backlog that it can realize this year. It is enough to secure 46% of our transfer estimate. The 1Q24 profit should hit the bottom of this year before an acceleration in 2Q24 due to transfers of three new condos and aggressive low-rise launches.

## Lower TP to THB13.20 but retain BUY rating

Similarly, we have cut our TP to THB13.20 after decreasing our PE target from 7x to 6.7x (its historical average +0.25SD) to reflect a lower growth. However, we maintain our BUY call on solid fundamentals, including consistently high earnings performance, a solid balance sheet, and a high market share with a comprehensive product portfolio that helps create competitive advantages. Also, AP traded on an undemanding valuation at a 2024 PE of only 5.6x. It announced a 2023 DPS of THB0.70, implying a dividend yield of 6.4%. It will go XD on May 8 and pay its dividend on May 23, 2024.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.7)	(3.5)	(11.4)
Relative to country (%)	(2.6)	(0.9)	6.4
Mkt cap (USD m)	951		
3m avg. daily turnover (USD m)	2.7		
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

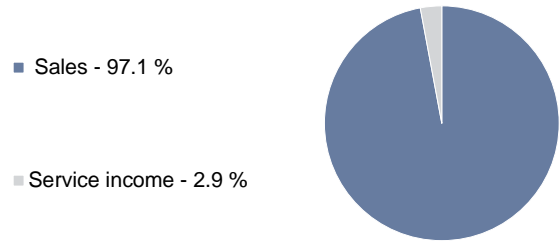
AP has strengths in its flexible and well-diversified portfolio. It covers low-rise and condo projects in every market segment in Bangkok and other provinces, which should help increase growth potential. Also, the strategy for continuously aggressive new launches in multiple locations would support a high market share.

### Company profile

AP develops property for sale, including condos, townhomes, detached houses, semi-detached, and home offices. They are in urban areas and business centers, offering convenience and designs that answer each customer group's demand. Also, it provides comprehensive property-related services under its affiliates.

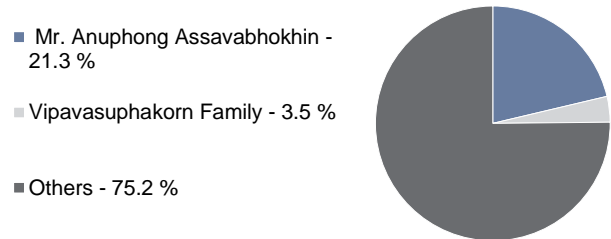
[www.apthai.com](http://www.apthai.com)

### Principal activities (revenue, 2023)



Source: AP (Thailand)

### Major shareholders



Source: AP (Thailand)

### Catalysts

Key potential growth drivers include:

- 1) The success of new condo launches;
- 2) Positive response for the new low-rise projects;
- 3) Sooner-than-expected recovery in the economy and property market;
- 4) Extended new high profits;
- 5) Property stimulus and LTV easing;
- 6) An interest rate downtrend.

### 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
May 2024	1Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Transfer revenue (THB m)	38,549	39,991	42,951
Service income (THB m)	1,174	1,233	1,294
Property GPM (%)	33.5	33.5	33.5
GPM (%)	34.8	34.8	34.8
SG&A to sales (%)	18.6	18.6	18.6

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%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2024 net profit to fall by 3%, and vice versa, all else being equal.

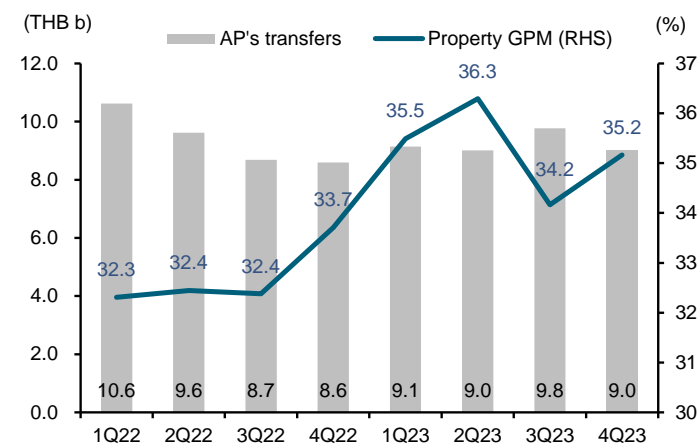
Source: FSSIA estimates

## Exhibit 1: AP - 4Q23 results summary

	4Q22	1Q23	2Q23	3Q23	4Q23	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	8,846	9,409	9,282	10,068	9,287	(8)	5
Gross profit	3,090	3,445	3,486	3,572	3,394	(5)	10
SG&A	(2,020)	(1,853)	(1,725)	(1,818)	(2,125)	n/a	n/a
Operating profit	1,070	1,592	1,761	1,755	1,269	(28)	19
Other income	14	33	108	22	179	709	1,145
Interest expense	(45)	(76)	(81)	(49)	(56)	n/a	n/a
Profit before tax	1,134	1,549	1,608	1,717	1,417	(17)	25
Tax	(267)	(309)	(353)	(338)	(305)	n/a	n/a
Associates	284	238	289	317	211	(34)	(26)
Reported net profit	1,155	1,478	1,544	1,696	1,335	(21)	16
Normalised profit	1,151	1,478	1,544	1,696	1,323	(22)	15
<b>Key ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Property gross margin	33.7	35.5	36.3	34.2	35.2	1.0	1.5
Gross margin	34.9	36.6	37.6	35.5	36.5	1.1	1.6
Operating margin	12.1	16.9	19.0	17.4	13.7	(3.8)	1.6
Net profit margin	13.1	15.7	16.6	16.9	14.4	(2.5)	1.3
Normalised profit margin	13.0	15.7	16.6	16.9	14.2	(2.6)	1.2
<b>Operating statistics</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q%)</b>	<b>(y-y%)</b>
<b>Property transfers</b>	<b>8,592</b>	<b>9,144</b>	<b>9,009</b>	<b>9,765</b>	<b>9,009</b>	<b>(8)</b>	<b>5</b>
-- Low-rise	8,314	8,657	8,701	8,664	8,433	(3)	1
-- High-rise	278	487	308	1,101	576	(48)	107
<b>Presales</b>	<b>12,960</b>	<b>11,016</b>	<b>12,631</b>	<b>11,677</b>	<b>16,067</b>	<b>38</b>	<b>24</b>
-- Low-rise	10,049	8,172	8,622	8,499	8,190	(4)	(18)
-- High-rise	2,911	2,844	4,009	3,178	7,877	148	171

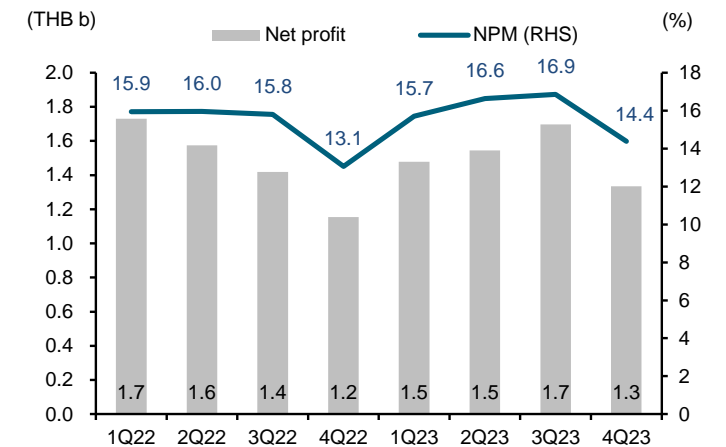
Sources: AP; FSSIA's compilation

## Exhibit 2: Quarterly transfers and property GPM



Sources: AP; FSSIA's compilation

## Exhibit 3: Quarterly net profit and NPM



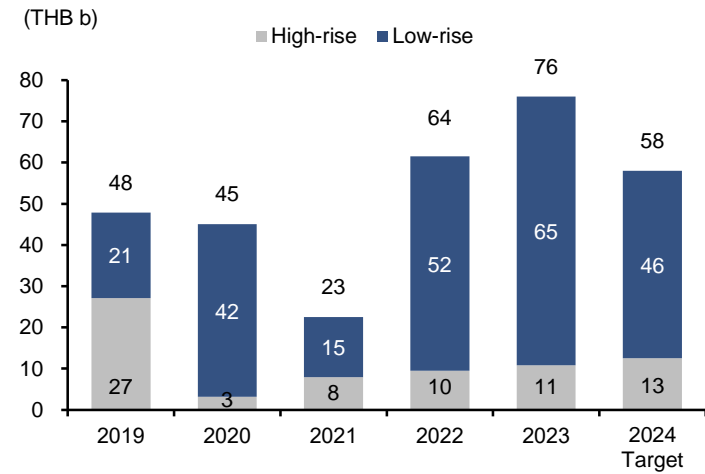
Sources: AP; FSSIA's compilation

## Exhibit 4: Key assumptions for AP

	Actual	Current		Previous		Change	
	2023	2024E	2025E	2024E	2025E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Total revenue	38,045	39,723	41,224	43,979	45,724	(10)	(10)
Property revenue	36,927	38,549	39,991	42,841	44,563	(10)	(10)
Service income	1,118	1,174	1,233	1,138	1,161	3	6
Property gross margin (%)	35.3	33.5	33.5	32.9	32.9	0.6	0.6
Gross margin (%)	36.5	34.8	34.8	34.1	34.1	0.8	0.8
SG&A	7,520	7,388	7,668	8,268	8,596	(11)	(11)
SG&A to revenue (%)	19.8	18.6	18.6	18.8	18.8	(0.2)	(0.2)
Share profit/loss from JV	1,055	1,073	999	1,130	1,024	(5)	(3)
Core profit	6,043	6,164	6,330	6,450	6,568	(4)	(4)
Net profit	6,054	6,164	6,330	6,450	6,568	(4)	(4)

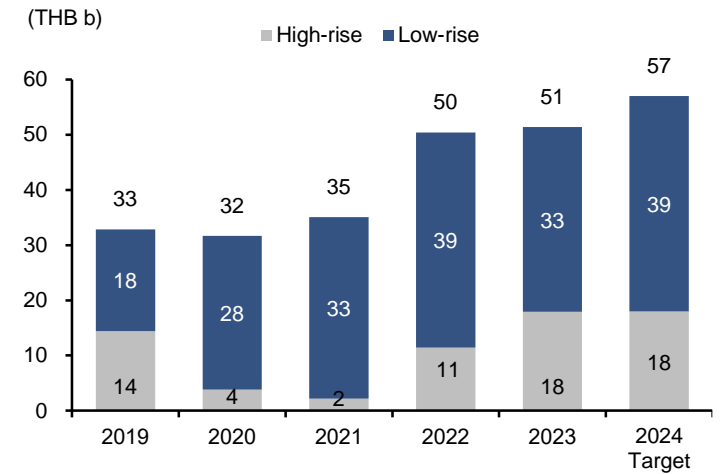
Source: FSSIA estimates

**Exhibit 5: Yearly new launches**



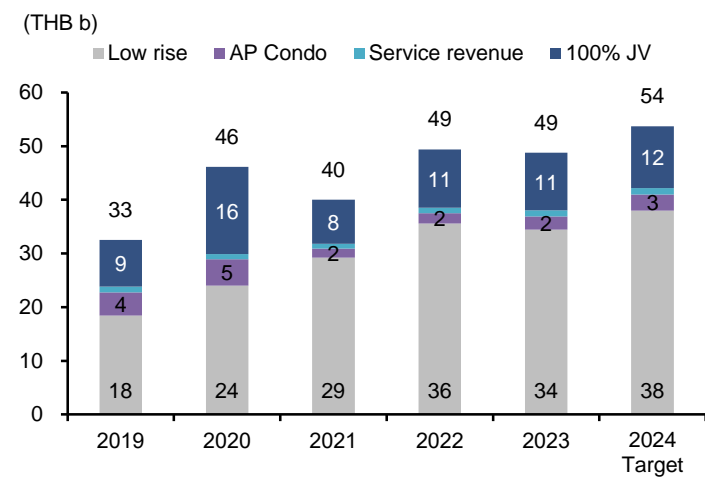
Sources: AP; FSSIA's compilation

**Exhibit 6: Yearly presales**



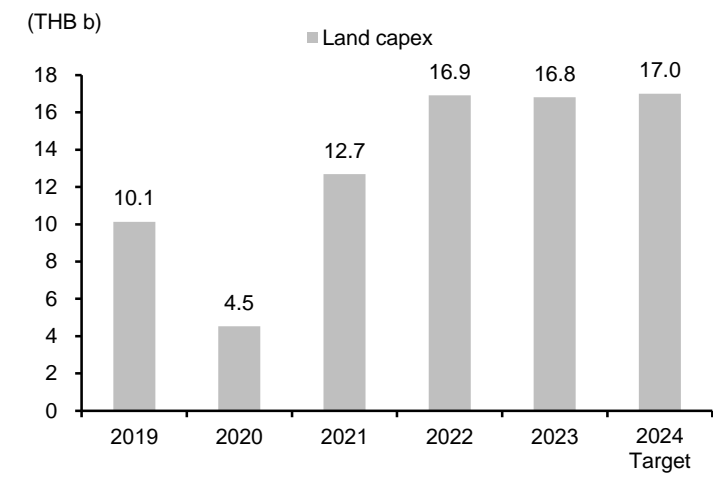
Sources: AP; FSSIA's compilation

**Exhibit 7: Total revenue (included 100% JV)**



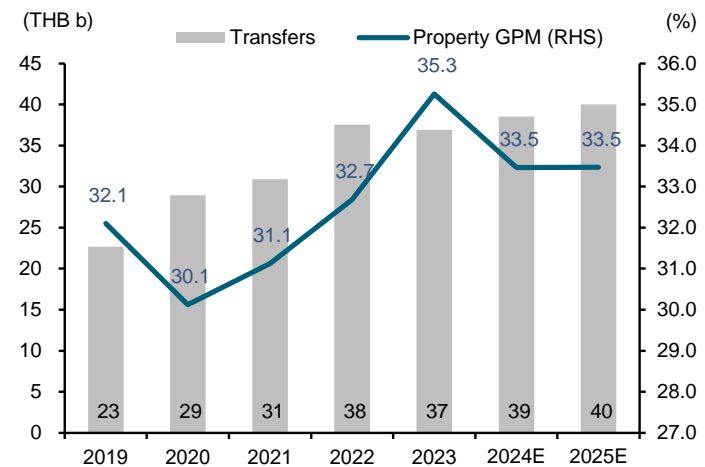
Sources: AP; FSSIA's compilation

**Exhibit 8: Land capex**



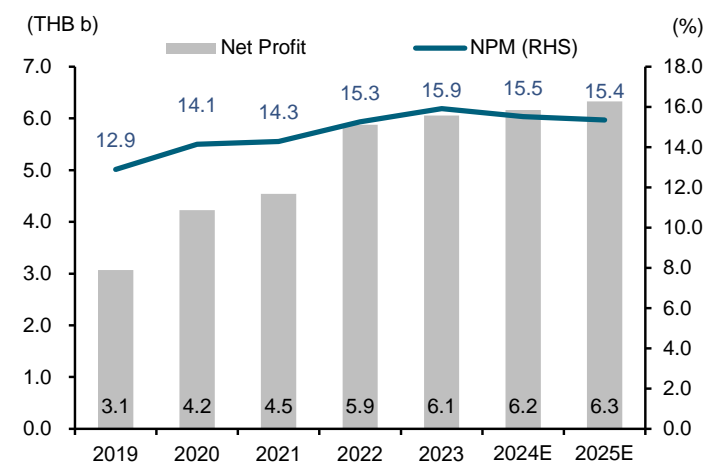
Sources: AP; FSSIA's compilation

**Exhibit 9: Yearly transfers and property GPM**



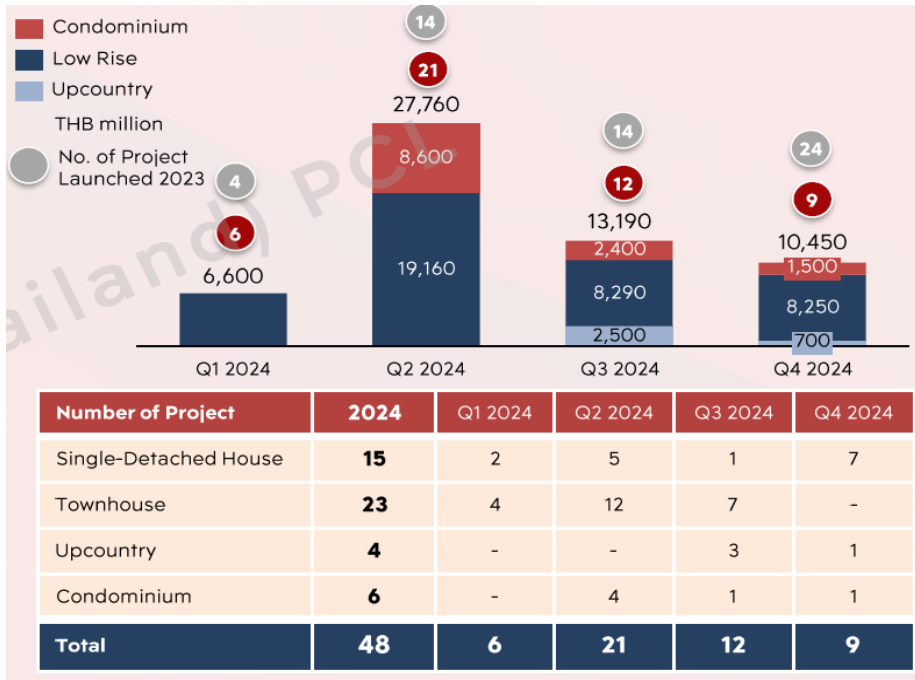
Sources: AP; FSSIA estimates

**Exhibit 10: Yearly net profit and NPM**



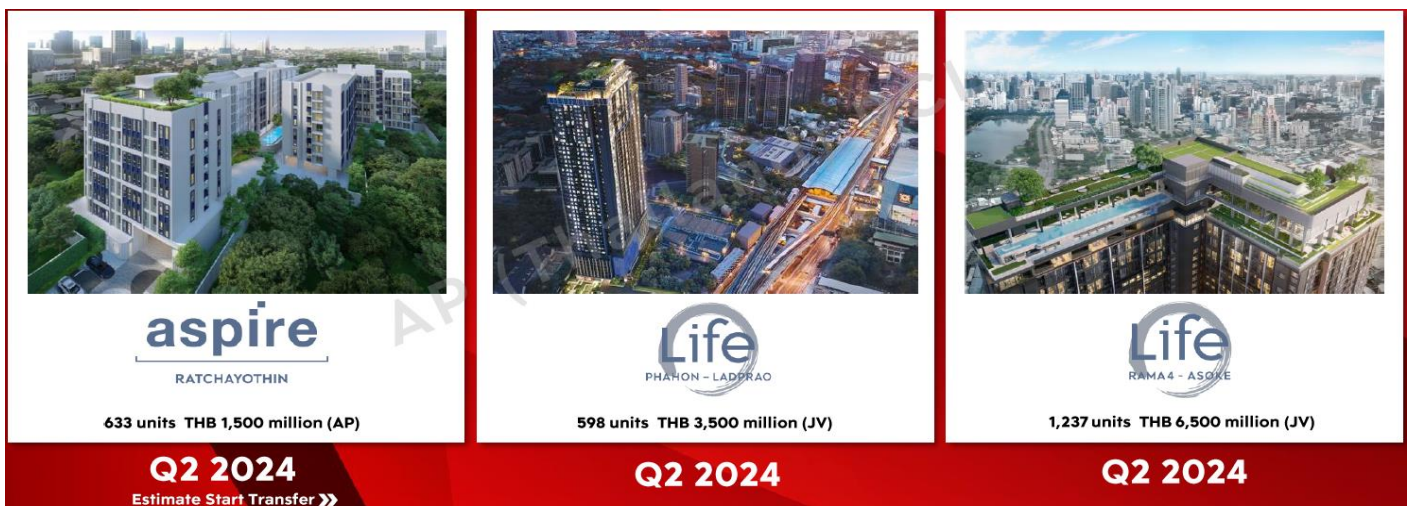
Sources: AP; FSSIA estimates

Exhibit 11: Quarterly launch plan in 2024



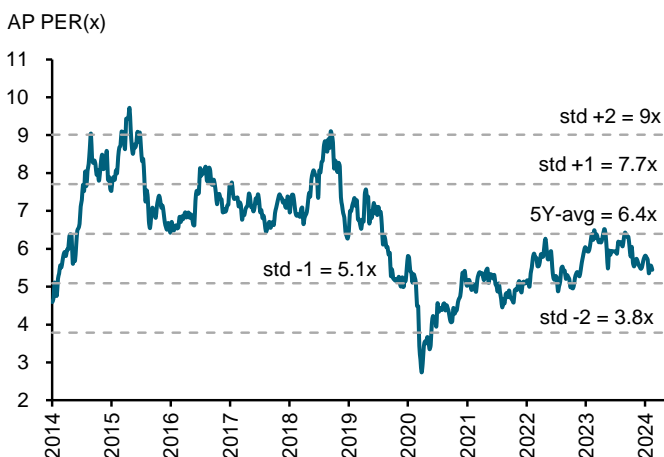
Source: AP

Exhibit 12: Condo value to be transferred in 2024



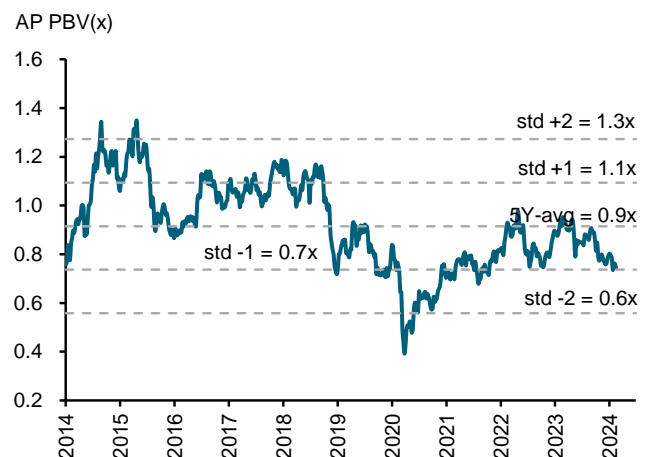
Source: AP

Exhibit 13: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

AP (Thailand)

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	38,539	38,045	39,723	41,224	44,246
Cost of goods sold	(25,475)	(24,148)	(25,895)	(26,865)	(28,846)
<b>Gross profit</b>	<b>13,064</b>	<b>13,897</b>	<b>13,828</b>	<b>14,359</b>	<b>15,400</b>
Other operating income	0	0	0	0	0
Operating costs	(7,248)	(7,520)	(7,388)	(7,668)	(8,230)
<b>Operating EBITDA</b>	<b>6,107</b>	<b>6,668</b>	<b>6,625</b>	<b>6,894</b>	<b>7,389</b>
Depreciation	(291)	(290)	(185)	(202)	(219)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>5,816</b>	<b>6,377</b>	<b>6,439</b>	<b>6,691</b>	<b>7,170</b>
Net financing costs	(99)	(247)	(236)	(188)	(170)
Associates	1,233	1,055	1,073	999	846
Recurring non-operating income	1,385	1,215	1,233	1,159	1,006
Non-recurring items	4	12	0	0	0
<b>Profit before tax</b>	<b>7,106</b>	<b>7,358</b>	<b>7,436</b>	<b>7,662</b>	<b>8,006</b>
Tax	(1,230)	(1,304)	(1,273)	(1,333)	(1,432)
<b>Profit after tax</b>	<b>5,876</b>	<b>6,054</b>	<b>6,164</b>	<b>6,330</b>	<b>6,574</b>
Minority interests	1	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>5,877</b>	<b>6,054</b>	<b>6,164</b>	<b>6,330</b>	<b>6,574</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(4)</b>	<b>(12)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>5,874</b>	<b>6,043</b>	<b>6,164</b>	<b>6,330</b>	<b>6,574</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.87	1.92	1.96	2.01	2.09
Reported EPS	1.87	1.92	1.96	2.01	2.09
DPS	0.65	0.70	0.70	0.72	0.75
Diluted shares (used to calculate per share data)	3,146	3,146	3,146	3,146	3,146
<b>Growth</b>					
Revenue (%)	21.2	(1.3)	4.4	3.8	7.3
Operating EBITDA (%)	28.2	9.2	(0.6)	4.1	7.2
Operating EBIT (%)	29.7	9.6	1.0	3.9	7.2
Recurring EPS (%)	29.3	2.9	2.0	2.7	3.9
Reported EPS (%)	29.4	3.0	1.8	2.7	3.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.9	36.5	34.8	34.8	34.8
Gross margin exc. depreciation (%)	34.7	37.3	35.3	35.3	35.3
Operating EBITDA margin (%)	15.8	17.5	16.7	16.7	16.7
Operating EBIT margin (%)	15.1	16.8	16.2	16.2	16.2
Net margin (%)	15.2	15.9	15.5	15.4	14.9
Effective tax rate (%)	20.9	20.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	34.8	36.4	35.9	36.0	36.0
Interest cover (X)	72.7	30.8	32.5	41.9	48.1
Inventory days	743.8	971.2	1,018.4	991.2	940.3
Debtor days	1.1	1.2	1.4	1.4	1.4
Creditor days	41.0	47.8	43.6	43.3	42.6
Operating ROIC (%)	9.6	8.6	7.8	8.0	8.5
ROIC (%)	10.2	9.1	8.3	8.3	8.5
ROE (%)	17.0	15.6	14.4	13.5	12.9
ROA (%)	9.3	8.2	7.5	7.5	7.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Sales	37,522	36,927	38,549	39,991	42,951
Service income	1,017	1,118	1,174	1,233	1,294

Sources: AP (Thailand); FSSIA estimates



## Financial Statements

AP (Thailand)

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	5,874	6,043	6,164	6,330	6,574
Depreciation	291	290	185	202	219
Associates & minorities	-	-	-	-	-
Other non-cash items	4	12	0	0	0
Change in working capital	(6,585)	(14,896)	(44)	(1,188)	(872)
<b>Cash flow from operations</b>	<b>(417)</b>	<b>(8,552)</b>	<b>6,305</b>	<b>5,344</b>	<b>5,921</b>
Capex - maintenance	0	0	0	0	0
Capex - new investment	(179)	(279)	(703)	(545)	(838)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(179)</b>	<b>(279)</b>	<b>(703)</b>	<b>(545)</b>	<b>(838)</b>
Dividends paid	(1,572)	(2,045)	(2,213)	(2,279)	(2,367)
Equity finance	0	0	0	0	0
Debt finance	1,749	11,267	(3,075)	(2,491)	(2,490)
Other financing cash flows	(1)	0	0	0	0
<b>Cash flow from financing</b>	<b>176</b>	<b>9,221</b>	<b>(5,288)</b>	<b>(4,769)</b>	<b>(4,857)</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>(420)</b>	<b>391</b>	<b>315</b>	<b>31</b>	<b>227</b>
Free cash flow to firm (FCFF)	(491.91)	(8,569.86)	5,853.00	5,001.66	5,267.96
Free cash flow to equity (FCFE)	1,152.31	2,435.47	2,527.58	2,309.31	2,593.52

### Per share (THB)

FCFF per share	(0.16)	(2.72)	1.86	1.59	1.67
FCFE per share	0.37	0.77	0.80	0.73	0.82
Recurring cash flow per share	1.96	2.02	2.02	2.08	2.16

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,904	1,671	1,636	1,725	1,816
Less: Accumulated depreciation	(291)	(290)	(185)	(202)	(219)
<b>Tangible fixed assets (net)</b>	<b>1,614</b>	<b>1,381</b>	<b>1,450</b>	<b>1,522</b>	<b>1,597</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	0
Invest. in associates & subsidiaries	6,481	6,702	7,150	7,420	7,964
Cash & equivalents	1,650	2,041	2,355	2,386	2,613
A/C receivable	104	145	159	165	177
Inventories	55,261	71,705	71,757	73,061	74,437
Other current assets	1,874	681	794	824	885
<b>Current assets</b>	<b>58,889</b>	<b>74,572</b>	<b>75,065</b>	<b>76,436</b>	<b>78,112</b>
Other assets	1,243	1,288	1,351	1,402	1,504
<b>Total assets</b>	<b>68,227</b>	<b>83,944</b>	<b>85,016</b>	<b>86,780</b>	<b>89,177</b>
Common equity	36,747	40,757	44,708	48,759	52,967
Minorities etc.	(19)	(20)	(20)	(20)	(20)
<b>Total shareholders' equity</b>	<b>36,728</b>	<b>40,737</b>	<b>44,688</b>	<b>48,739</b>	<b>52,947</b>
Long term debt	15,284	20,964	19,217	19,227	18,237
Other long-term liabilities	675	913	984	1,021	1,096
<b>Long-term liabilities</b>	<b>15,959</b>	<b>21,877</b>	<b>20,201</b>	<b>20,248</b>	<b>19,333</b>
A/C payable	3,211	3,033	3,107	3,224	3,462
Short term debt	7,841	13,428	12,099	9,599	8,099
Other current liabilities	4,487	4,868	4,920	4,970	5,337
<b>Current liabilities</b>	<b>15,539</b>	<b>21,329</b>	<b>20,127</b>	<b>17,793</b>	<b>16,897</b>
<b>Total liabilities and shareholders' equity</b>	<b>68,227</b>	<b>83,944</b>	<b>85,016</b>	<b>86,780</b>	<b>89,177</b>
Net working capital	49,540	64,630	64,683	65,856	66,701
Invested capital	58,878	74,001	74,634	76,200	77,767

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

### Per share (THB)

Book value per share	11.68	12.96	14.21	15.50	16.84
Tangible book value per share	11.68	12.96	14.21	15.50	16.84

### Financial strength

Net debt/equity (%)	58.5	79.4	64.8	54.2	44.8
Net debt/total assets (%)	31.5	38.5	34.1	30.5	26.6
Current ratio (x)	3.8	3.5	3.7	4.3	4.6
CF interest cover (x)	14.4	12.0	14.7	16.2	21.2

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>5.8</b>	<b>5.7</b>	<b>5.6</b>	<b>5.4</b>	<b>5.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>7.1</b>	<b>6.9</b>	<b>6.7</b>	<b>6.6</b>	<b>6.3</b>
Reported P/E (x)	5.8	5.7	5.6	5.4	5.2
Dividend yield (%)	6.0	6.4	6.5	6.6	6.9
Price/book (x)	0.9	0.8	0.8	0.7	0.6
Price/tangible book (x)	0.9	0.8	0.8	0.7	0.6
EV/EBITDA (x) **	9.1	10.0	9.5	8.8	7.8
EV/EBITDA @ target price (x) **	10.3	11.1	10.6	9.9	8.8
EV/invested capital (x)	0.9	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: AP (Thailand); FSSIA estimates

# AP (Thailand) PCL (AP TB)

**FSSIA ESG rating**

★ ★ ★

## Exhibit 15: FSSIA ESG score implication

**53.36 /100**

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.
★★★	<b>&gt;39-59</b>	<b>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.</b>
★★	>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 16: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	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	67.12	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	--	--	--	--	--	--	--	--
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
NOBLE	30.88	--	Y	Y	5.00	5.00	Certified	--	--	--	--	--	7.00	--	--
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](http://SETTRADE.com); FSSIA's compilation

## Exhibit 17: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>0.96</b>	<b>2.34</b>	<b>1.85</b>	<b>2.17</b>	<b>1.77</b>	<b>1.84</b>	<b>2.01</b>	<b>1.89</b>
BESG environmental pillar score	0.00	0.16	0.16	0.16	0.16	0.16	0.16	0.16
BESG social pillar score	0.00	6.19	3.48	5.30	3.14	3.57	4.68	4.32
BESG governance pillar score	3.86	4.12	3.93	3.98	3.86	3.81	3.75	3.54
<b>ESG disclosure score</b>	<b>30.64</b>	<b>33.76</b>	<b>33.76</b>	<b>34.10</b>	<b>34.10</b>	<b>34.10</b>	<b>34.26</b>	<b>34.26</b>
Environmental disclosure score	0.00	1.27	1.27	1.27	1.27	1.27	1.75	1.75
Social disclosure score	10.64	12.45	12.45	13.48	13.48	13.48	13.48	13.48
Governance disclosure score	81.10	87.36	87.36	87.36	87.36	87.36	87.36	87.36
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	No	No	No	No
Climate change policy	No	No	No	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	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	No	No	No	No	No	No	No	No
Energy efficiency policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	—	—
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	—	—	—	—	—	—	—	—
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation



## Exhibit 18: 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
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	No	No	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	No	No
Water policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	No	No	No	No	No
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	—	—	—	—	—	—	—	—
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	0	0	0	0	0	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	1,670	1,858	1,995	2,239	2,571	2,724	2,589	2,878
Employee turnover pct	—	—	—	—	—	—	—	—
Total hours spent by firm - employee training	—	—	—	—	—	—	—	—
Social supply chain management	No	No	No	No	No	No	No	No
<b>Governance</b>								
<b>Board size</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>No. of independent directors (ID)</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
No. of women on board	1	1	1	1	1	1	1	1
No. of non-executive directors on board	7	7	7	7	7	7	7	7
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	11	13	12	11	10	10	11
Board meeting attendance pct	91	90	98	95	96	98	98	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	49	50	51	52	53	54	55	56
Age of the oldest director	72	70	71	72	70	71	72	73
<b>No. of executives / company managers</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>17</b>
No. of female executives	4	2	3	4	4	4	4	4
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of ID on audit committee	3	3	4	4	4	4	4	4
Audit committee meetings	4	5	4	4	4	4	4	4
Audit meeting attendance %	100	100	93	100	100	100	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of ID on compensation committee	3	3	3	3	3	3	3	3
No. of compensation committee meetings	2	2	2	2	2	2	2	2
Compensation meeting attendance %	100	100	88	90	100	100	100	90
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of nomination committee meetings	2	2	2	2	2	2	2	2
Nomination meeting attendance %	100	100	88	90	100	100	100	90
<b>Sustainability governance</b>								
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 <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.																											
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&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.																											
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 &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+																	
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="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 20px;"><b>AAA</b></td> <td style="padding-right: 20px;">8.571-10.000</td> <td style="padding-right: 20px;"><b>Leader:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></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> </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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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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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.																											

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

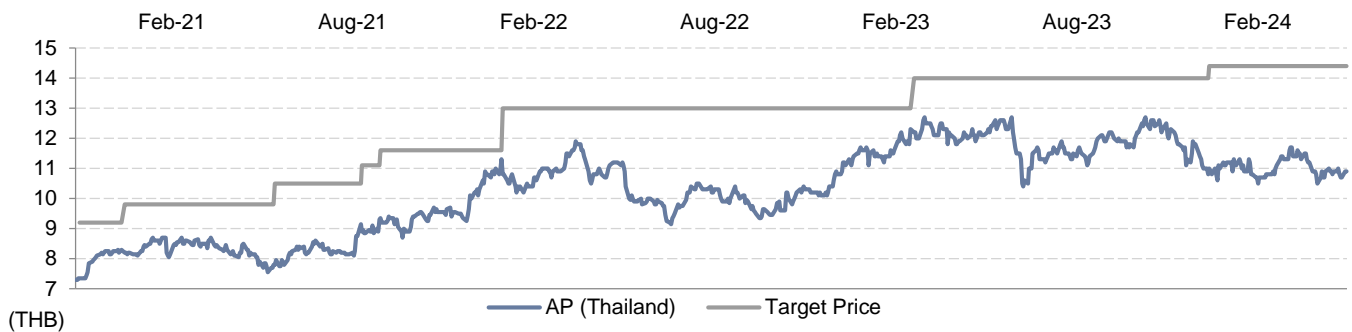
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### History of change in investment rating and/or target price

#### AP (Thailand) (AP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
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
11-Aug-2021	BUY	10.50	23-Feb-2022	BUY	13.00			

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 10.90	BUY	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.

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 Finasia Syrus Securities Public Company Limited.

All share prices are as at market close on 20-Feb-2024 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.