

# SUPALAI SPALI TB

## THAILAND / PROPERTY DEVELOPMENT

# HOLD

UNCHANGED

## แนวโน้มกำไร 2Q24 พื้นตัว q-q

- คาดการณ์กำไร 2Q24 ลดลง 10% y-y แต่เพิ่มขึ้น 150% q-q จากคอนโดสร้างเสร็จใหม่ 3 แห่ง และยอดโอนโครงการออสเตอร์เลียที่สูงขึ้น
- เราปรับลดประมาณการกำไรปี 2024-26 ลง 10-13% เป็นหดตัว 10% y-y ในปี 2024
- คงคำแนะนำถือ ปรับลดราคาเป้าหมายเป็น 18.8 บาท

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB18.80 |
| CLOSE           | THB17.20 |
| UP/DOWNSIDE     | +9.3%    |
| PRIOR TP        | THB22.20 |
| CHANGE IN TP    | -15.3%   |
| TP vs CONSENSUS | -14.9%   |

## ยอด Presales 2Q24 ลดลง q-q และ y-y กุดตันจากแนวราบ

SPALI รายงานยอด Presales อ่อนแอใน 2Q24 ที่ 6.4 พันลบ. (-7% q-q, -22% y-y) หลังเปิดโครงการใหม่ลดลงเหลือเพียง 5 โครงการแนวราบ มูลค่ารวม 6.1 พันลบ. (-63% q-q, -22% y-y) โดยยอดขายโครงการแนวราบอยู่ที่ 4.2 พันลบ. (-20% q-q, -17% y-y) จากสภาวะตลาดที่ไม่เอื้ออำนวย ส่วนยอดขายคอนโดอยู่ที่ 2.3 พันลบ. ลดลง 30% y-y แต่เพิ่มขึ้น 31% q-q เนื่องจาก SPALI เน้นขายโครงการที่มีอยู่แล้วในปัจจุบัน ขณะที่ยอด Presales 1H24 อยู่ที่ 13 พันลบ. (-23% y-y) คิดเป็นเพียง 37% ของเป้าหมายปี 2024 ที่ 36 พันลบ. (+25% y-y) แม้ว่า SPALI วางแผนเปิดโครงการใหม่ มูลค่ารวม 27.3 พันลบ. (+20% h-h) ในช่วง 2H24 แต่ยอดขายโครงการแนวราบในช่วง 1H24 ต่ำกว่าคาด เราจึงคาดว่าเป้าหมาย Presales ปี 2024 ของบริษัท จะมี Downside 15-20%

## กำไร 2Q24 คาดโต 150% q-q แต่ลดลง 10% y-y

เราประเมินกำไรสุทธิ 2Q24 อยู่ที่ 1.5 พันลบ. (+150% q-q, -10% y-y) โดยค้ายอดโอน 7.5 พันลบ. (+68% q-q, -7% y-y) แบ่งเป็นแนวราบ 69% และคอนโด 31% โดยยอดโอนแนวราบ คาดโต 50% q-q และ 3% y-y หลักๆ จากยอดโอนโครงการในออสเตอร์เลียที่สูงขึ้น นอกจากนี้ ยอดโอนคอนโดคาดเพิ่มขึ้น 126% q-q จาก 3 คอนโดสร้างเสร็จใหม่ แต่ลดลง 24% y-y เนื่องจากเริ่มโอนในช่วงปลายไตรมาส เราคาดว่าอัตรากำไรขั้นต้นขายอสังหาริมทรัพย์ จะอยู่ที่ 36.2% เพิ่มขึ้นจาก 36% ใน 1Q24 และ 35% ใน 2Q23 จากยอดโอนคอนโดใหม่ที่สูงขึ้น นอกจากนี้ ส่วนแบ่งกำไร JV ของโครงการออสเตอร์เลียคาดเพิ่มเป็น 220 ลบ.ตามยอดโอนที่สูงขึ้น

## ปรับลดประมาณการกำไรสุทธิปี 2024-26 ลง 10-13%

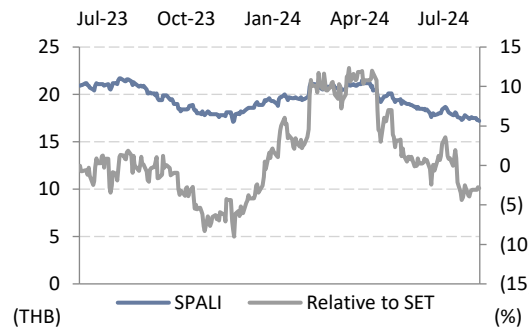
เราปรับประมาณการกำไรสุทธิปี 2024-26 ลง 10-13% เพื่อสะท้อนยอดโอนแนวราบที่ต่ำกว่าคาดและต้นทุนการเงินที่สูงขึ้น ทำให้ประมาณการกำไรสุทธิปี 2024 ของเราอยู่ที่ 5.4 พันลบ. (-10% y-y) หากผลประกอบการ 2Q24 ออกมาตามคาด กำไร 1H24 จะคิดเป็น 40% ของประมาณการปี 2024 ของเรา แนวโน้มกำไร 3Q24 คาดเพิ่ม q-q และ y-y เป็นระดับสูงสุดของปีจากการโอนต่อเนื่องของ 3 คอนโดใหม่ที่กำลังสร้างเสร็จใน 2Q24 รวมถึงมีคอนโดสร้างเสร็จใหม่เพิ่ม 1 แห่ง นอกจากนี้ มี Backlog แนวราบรอรับโอนใน 2H24 ราว 8 พันลบ. และมีแผนเปิดโครงการแนวราบใหม่จำนวนมาก

## คงคำแนะนำถือ ปรับลดราคาเป้าหมายเป็น 18.8 บาท

เราปรับลดราคาเป้าหมายเป็น 18.8 บาท จาก 22.2 บาท โดยปรับลด Target PER เป็น 6.8x (ค่าเฉลี่ยย้อนหลัง) จาก 7x หุ่นมี Upside ต่ำกว่า 10% จึงคงคำแนะนำถือ โดยคาดว่าหุ่นจะจ่ายเงินปันผลงวด 1H24 ที่ 0.50 บาท/หุ้น คิดเป็น Yield 2.9%

## KEY STOCK DATA

| YE Dec (THB m)       | 2023   | 2024E  | 2025E  | 2026E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 31,177 | 29,909 | 30,267 | 30,939 |
| Net profit           | 5,989  | 5,395  | 5,586  | 5,691  |
| EPS (THB)            | 3.07   | 2.76   | 2.86   | 2.91   |
| vs Consensus (%)     | -      | (14.3) | (14.7) | (17.9) |
| EBITDA               | 7,386  | 6,892  | 6,923  | 7,043  |
| Recurring net profit | 5,989  | 5,395  | 5,586  | 5,691  |
| Core EPS (THB)       | 3.07   | 2.76   | 2.86   | 2.91   |
| Chg. In EPS est. (%) | -      | (12.6) | (9.8)  | (12.2) |
| EPS growth (%)       | (26.7) | (9.9)  | 3.5    | 1.9    |
| Core P/E (x)         | 5.6    | 6.2    | 6.0    | 5.9    |
| Dividend yield (%)   | 4.2    | 7.2    | 7.5    | 7.6    |
| EV/EBITDA (x)        | 7.7    | 8.3    | 8.1    | 7.8    |
| Price/book (x)       | 0.7    | 0.6    | 0.6    | 0.6    |
| Net debt/Equity (%)  | 43.6   | 41.7   | 37.0   | 33.5   |
| ROE (%)              | 12.4   | 10.4   | 10.2   | 9.8    |



| Share price performance        | 1 Month                   | 3 Month | 12 Month |
|--------------------------------|---------------------------|---------|----------|
| Absolute (%)                   | (7.5)                     | (11.8)  | (17.3)   |
| Relative to country (%)        | (5.6)                     | (6.8)   | (2.3)    |
| Mkt cap (USD m)                | 929                       |         |          |
| 3m avg. daily turnover (USD m) | 3.1                       |         |          |
| Free float (%)                 | 60                        |         |          |
| Major shareholder              | Tangmatitham Family (30%) |         |          |
| 12m high/low (THB)             | 21.80/17.00               |         |          |
| Issued shares (m)              | 1,953.05                  |         |          |

Sources: Bloomberg consensus; FSSIA estimates

**Thanyatorn Songwutti**Fundamental Investment Analyst on Securities; License no. 101203  
thanyatorn.s@fssia.com, +66 2646 9963

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 26 กรกฎาคม 2024

## Investment thesis

SPALI is a leading property developer with well-recognized brands in Thailand. It has strength from a flexible and well-diversified portfolio, including detached houses, townhouses, townhomes, and condos. The growth strategy focused on project locations in Bangkok and its vicinity and 28 other provinces in 2023. Also, it plans to include more provinces every year. Besides Thailand, SPALI also invests in projects in Australia. It has a strong balance sheet with a higher gross margin than its peers.

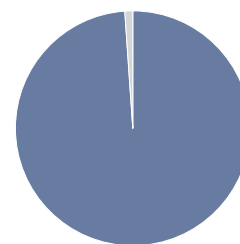
## Company profile

Established on June 26, 1989, and listed on the SET on November 17, 1993, SPALI is a residential and commercial property developer. In 2014, it expanded investment to Australia through a joint venture with an Australian property developer. In 2023, revenue from low-rises, condos, and projects in Australia accounted for 54%, 46%, and 2% of the total revenue, respectively.

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

## Principal activities (revenue, 2023)

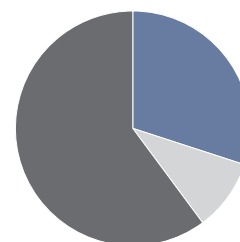
- Real estate - 98.9 %
- Rentals & Services - 1.1 %



Source: Supalai

## Major shareholders

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



Source: Supalai

## Catalysts

Potential catalysts to our TP include 1) the success of its aggressive new launches, 2) the progress of its inventory sales, 3) higher-than-expected profit sharing from the investment in Australian projects, and 4) benefits from the property stimulus measures, particularly a rise in the price of units eligible for transfer and mortgage fee cuts to 0.01% from under THB3m to no more than THB7m.

## Risks to our call

Downside risks to our P/E TP include 1) a more sluggish economy and property market than expected, 2) a lower-than-expected take-up rate and slower introduction of new projects than planned, 3) the interest rate uptrend, which would affect purchasing power, 4) a higher rejection rate and customers' cancellation, 5) construction delay and labor shortages, 6) fierce competition, and 7) weaker operating performance from the Australian projects than expected.

## Event calendar

| Date           | Event                     |
|----------------|---------------------------|
| 13 August 2024 | 2Q24 results announcement |

## Key assumptions

|                                    | 2024E  | 2025E  | 2026E  |
|------------------------------------|--------|--------|--------|
| Project sales (THB m)              | 29,535 | 29,874 | 30,526 |
| Rental and services income (THB m) | 374    | 393    | 413    |
| Property GPM (%)                   | 35.9   | 35.7   | 35.5   |
| GPM (%)                            | 36.0   | 35.8   | 35.6   |
| SG&A to sales (%)                  | 13.4   | 13.4   | 13.3   |

Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 net profit to rise by 6%, 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 2%, and vice versa, all else being equal.

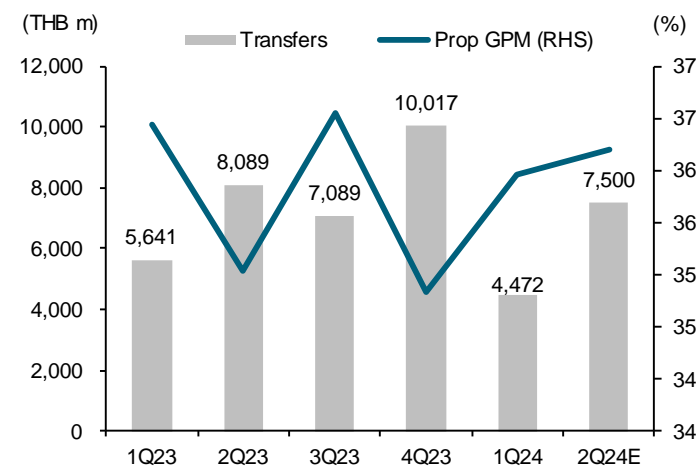
Source: FSSIA estimates

## Exhibit 1: SPALI - 2Q24 results preview

|                             | 2Q23           | 3Q23           | 4Q23           | 1Q24           | 2Q24E          | Change        |               |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
|                             | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (q-q%)        | (y-y%)        |
| Total revenue               | 8,165          | 7,166          | 10,111         | 4,580          | 7,600          | 66            | (7)           |
| Cost of sales               | 5,306          | 4,546          | 6,580          | 2,919          | 4,840          | 66            | (9)           |
| Gross profit                | 2,859          | 2,620          | 3,531          | 1,661          | 2,760          | 66            | (3)           |
| SG&A                        | 957            | 982            | 1,103          | 781            | 957            | 22            | 0             |
| Operating profit            | 3,816          | 3,602          | 4,634          | 2,442          | 3,717          | 52            | (3)           |
| Other income                | 279            | 26             | 169            | 94             | 100            | 6             | (64)          |
| Interest expense            | 103            | 137            | 132            | 145            | 150            | 3             | 46            |
| Profit before tax           | 2,078          | 1,527          | 2,465          | 829            | 1,753          | 111           | (16)          |
| Tax                         | 483            | 327            | 459            | 199            | 421            | 111           | (13)          |
| Associates                  | 127            | 4              | 49             | 0.3            | 220            | 84,191        | 73            |
| Reported net profit         | 1,701          | 1,191          | 2,018          | 614            | 1,532          | 150           | (10)          |
| Normalized profit           | 1,701          | 1,191          | 2,018          | 614            | 1,532          | 150           | (10)          |
| <b>Key ratios (%)</b>       | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>  | <b>(ppt)</b>  |
| Property gross margin       | 35.0           | 36.6           | 34.8           | 36.0           | 36.2           | 0.2           | 1.2           |
| Gross margin                | 35.0           | 36.6           | 34.9           | 36.3           | 36.3           | 0.0           | 1.3           |
| Operating margin            | 46.7           | 50.3           | 45.8           | 53.3           | 48.9           | (4.4)         | 2.2           |
| Net profit margin           | 20.8           | 16.6           | 20.0           | 13.4           | 20.2           | 6.8           | (0.7)         |
| Normalized profit margin    | 20.8           | 16.6           | 20.0           | 13.4           | 20.2           | 6.8           | (0.7)         |
| <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>8,089</b>   | <b>7,089</b>   | <b>10,017</b>  | <b>4,472</b>   | <b>7,500</b>   | <b>68</b>     | <b>(7)</b>    |
| -- Low-rise                 | 5,015          | 4,395          | 7,049          | 3,444          | 5,175          | 50            | 3             |
| -- High-rise                | 3,074          | 2,694          | 2,968          | 1,029          | 2,325          | 126           | (24)          |

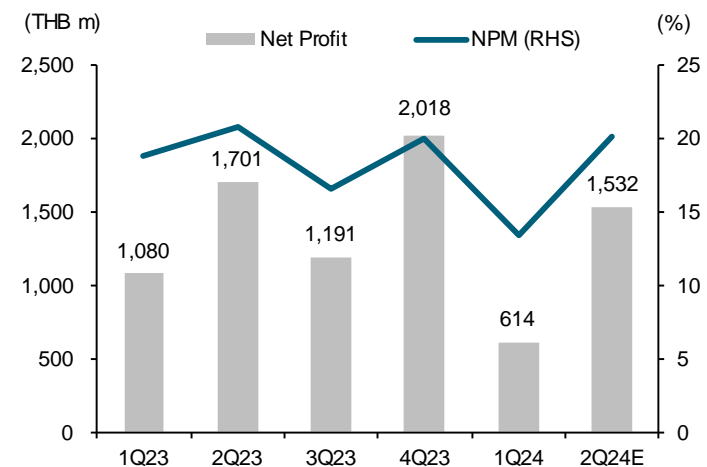
Source: SPALI; FSSIA estimates

## Exhibit 2: Quarterly transfers and GPM



Sources: SPALI; FSSIA estimates

## Exhibit 3: Quarterly net profit and NPM

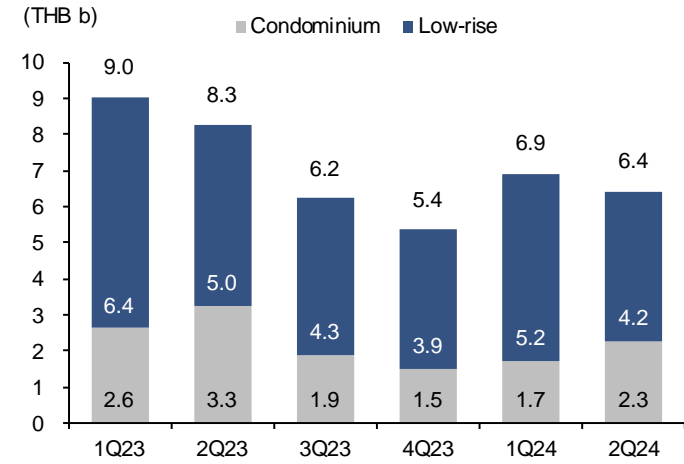


Sources: SPALI; FSSIA estimates

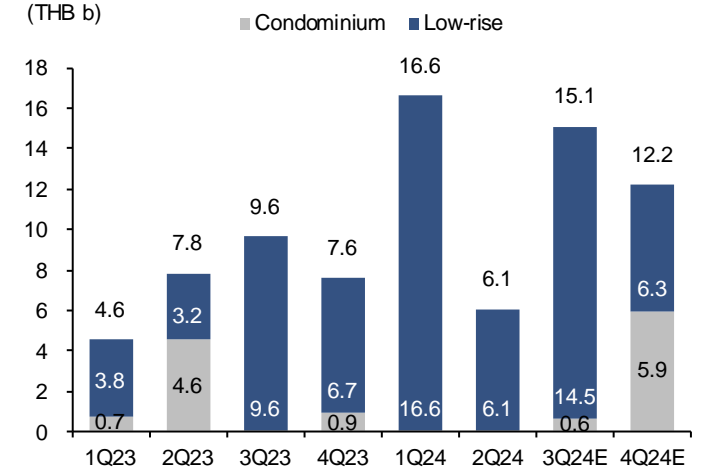
## Exhibit 4: Key assumptions for SPALI

|                           | Actual  | Current |         |         | Previous |         |         | Change |       |       |
|---------------------------|---------|---------|---------|---------|----------|---------|---------|--------|-------|-------|
|                           | 2023    | 2024E   | 2025E   | 2026E   | 2024E    | 2025E   | 2026E   | 2024E  | 2025E | 2026E |
|                           | (THB m) | (THB m) | (THB m) | (THB m) | (THB m)  | (THB m) | (THB m) | (%)    | (%)   | (%)   |
| Revenue                   | 31,177  | 29,909  | 30,267  | 30,939  | 32,519   | 31,836  | 33,429  | (8)    | (5)   | (7)   |
| - Transfers               | 30,836  | 29,535  | 29,874  | 30,526  | 32,161   | 31,461  | 33,035  | (8)    | (5)   | (8)   |
| - Service                 | 340     | 374     | 393     | 413     | 357      | 375     | 394     | 5      | 5     | 5     |
| Property gross margin (%) | 35.6    | 35.9    | 35.7    | 35.5    | 35.7     | 35.8    | 35.8    | 0.2    | (0.1) | (0.3) |
| Gross margin (%)          | 35.6    | 36.0    | 35.8    | 35.6    | 35.8     | 35.9    | 35.9    | 0.2    | (0.1) | (0.3) |
| SG&A to revenue (%)       | 12.4    | 13.4    | 13.4    | 13.3    | 12.8     | 13.2    | 13.2    | 0.6    | 0.2   | 0.1   |
| Interest expense          | 467     | 594     | 553     | 531     | 463      | 366     | 349     | 28     | 51    | 52    |
| Equity income             | 247     | 260     | 400     | 400     | 300      | 450     | 450     | (13)   | (11)  | (11)  |
| Core profit               | 5,989   | 5,395   | 5,586   | 5,691   | 6,176    | 6,193   | 6,483   | (13)   | (10)  | (12)  |
| Net profit                | 5,989   | 5,395   | 5,586   | 5,691   | 6,176    | 6,193   | 6,483   | (13)   | (10)  | (12)  |

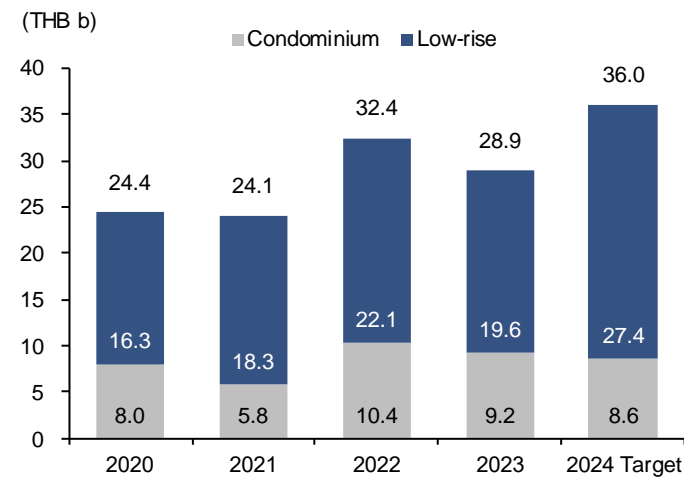
Source: FSSIA estimates

**Exhibit 5: Quarterly presales**

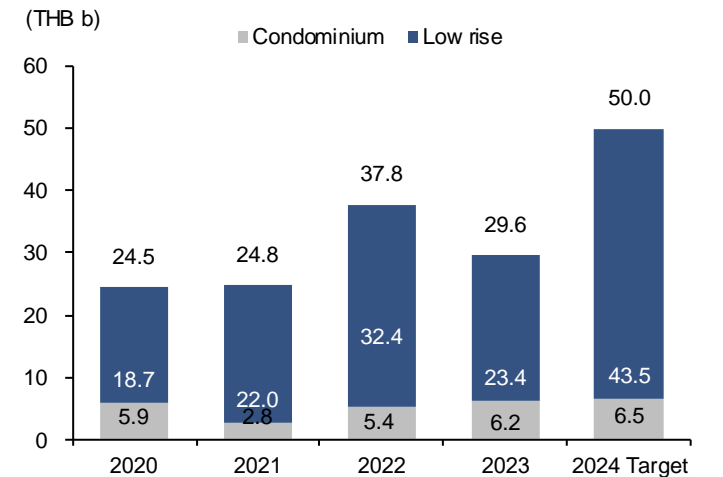
Sources: SPALI; FSSIA's compilations

**Exhibit 6: Quarterly new launches**

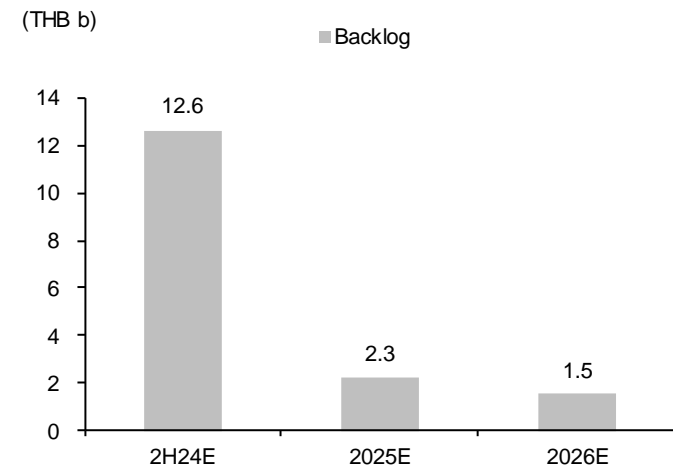
Sources: SPALI; FSSIA's compilations

**Exhibit 7: Yearly presales**

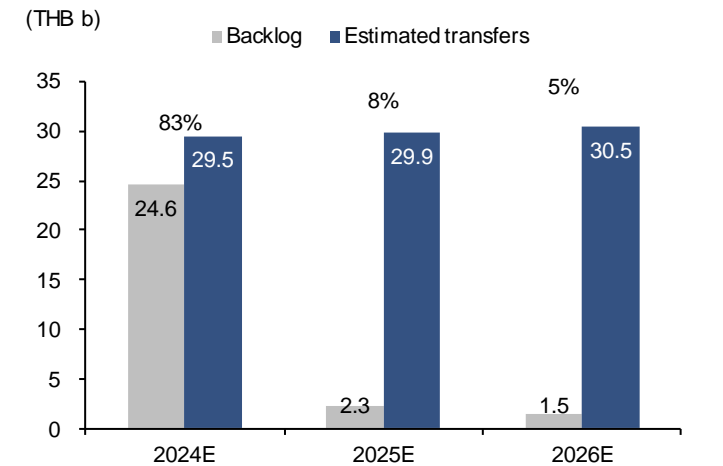
Sources: SPALI; FSSIA's compilations

**Exhibit 8: Yearly new launches**

Sources: SPALI; FSSIA's compilations

**Exhibit 9: Backlog at end-2Q24E**

Sources: SPALI; FSSIA's compilations

**Exhibit 10: Backlog and estimated transfers**

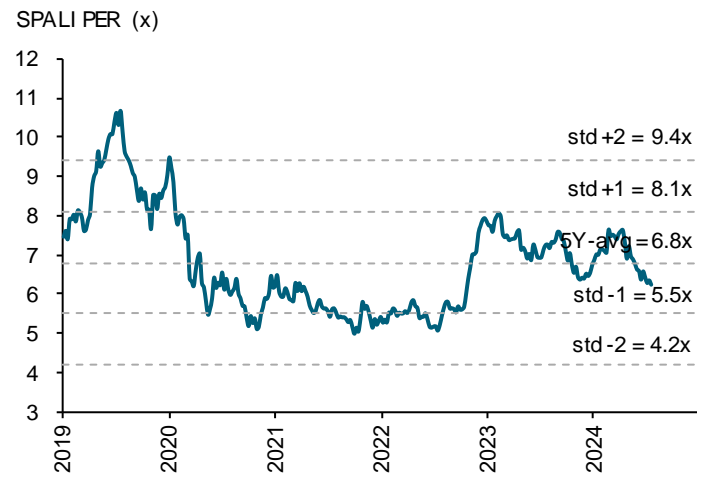
Sources: SPALI; FSSIA estimates

Exhibit 11: Condo value to be transferred in 2024



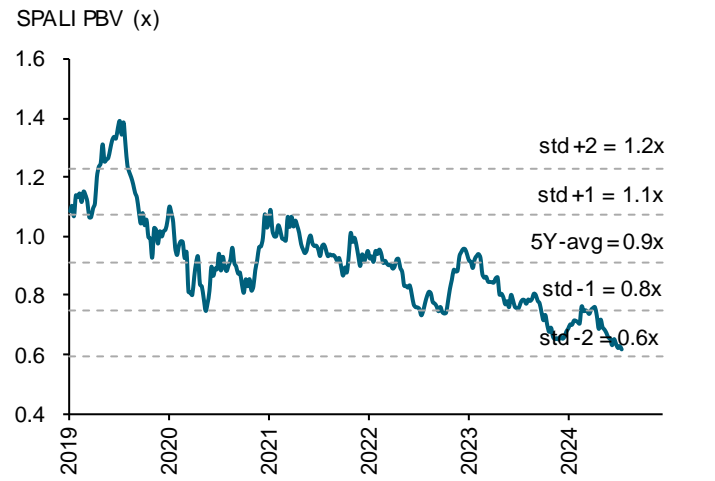
Source: SPALI

Exhibit 12: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Supalai

| Profit and Loss (THB m) Year Ending Dec           | 2022          | 2023          | 2024E         | 2025E         | 2026E         |
|---|---------------|---------------|---------------|---------------|---------------|
| Revenue   | 34,486        | 31,177        | 29,909        | 30,267        | 30,939        |
| Cost of goods sold                                | (21,070)      | (20,071)      | (19,144)      | (19,432)      | (19,923)      |
| <b>Gross profit</b>                               | <b>13,416</b> | <b>11,106</b> | <b>10,766</b> | <b>10,836</b> | <b>11,016</b> |
| Other operating income                            | 0             | 0             | 0             | 0             | 0             |
| Operating costs                                   | (4,029)       | (3,857)       | (4,007)       | (4,051)       | (4,117)       |
| <b>Operating EBITDA</b>                           | <b>9,514</b>  | <b>7,386</b>  | <b>6,892</b>  | <b>6,923</b>  | <b>7,043</b>  |
| Depreciation                                      | (127)         | (138)         | (133)         | (138)         | (144)         |
| Goodwill amortisation                             | 0             | 0             | 0             | 0             | 0             |
| <b>Operating EBIT</b>                             | <b>9,387</b>  | <b>7,249</b>  | <b>6,759</b>  | <b>6,785</b>  | <b>6,899</b>  |
| Net financing costs                               | (277)         | (467)         | (594)         | (553)         | (531)         |
| Associates  | 390           | 247           | 260           | 400           | 400           |
| Recurring non-operating income                    | 1,405         | 888           | 760           | 900           | 900           |
| Non-recurring items                               | 0             | 0             | 0             | 0             | 0             |
| <b>Profit before tax</b>                          | <b>10,515</b> | <b>7,670</b>  | <b>6,925</b>  | <b>7,132</b>  | <b>7,268</b>  |
| Tax   | (2,212)       | (1,586)       | (1,440)       | (1,454)       | (1,483)       |
| <b>Profit after tax</b>                           | <b>8,303</b>  | <b>6,083</b>  | <b>5,485</b>  | <b>5,678</b>  | <b>5,784</b>  |
| Minority interests                                | (130)         | (94)          | (90)          | (91)          | (93)          |
| Preferred dividends                               | 0             | 0             | 0             | 0             | 0             |
| Other items                                       | 0             | 0             | 0             | 0             | 0             |
| <b>Reported net profit</b>                        | <b>8,173</b>  | <b>5,989</b>  | <b>5,395</b>  | <b>5,586</b>  | <b>5,691</b>  |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Recurring net profit</b>                       | <b>8,173</b>  | <b>5,989</b>  | <b>5,395</b>  | <b>5,586</b>  | <b>5,691</b>  |
| <b>Per share (THB)</b>                            |               |               |               |               |               |
| Recurring EPS *                                   | 4.18          | 3.07          | 2.76          | 2.86          | 2.91          |
| Reported EPS                                      | 4.18          | 3.07          | 2.76          | 2.86          | 2.91          |
| DPS   | 1.45          | 0.73          | 1.24          | 1.29          | 1.31          |
| Diluted shares (used to calculate per share data) | 1,953         | 1,953         | 1,953         | 1,953         | 1,953         |
| <b>Growth</b>                                     |               |               |               |               |               |
| Revenue (%)                                       | 18.3          | (9.6)         | (4.1)         | 1.2           | 2.2           |
| Operating EBITDA (%)                              | 12.7          | (22.4)        | (6.7)         | 0.5           | 1.7           |
| Operating EBIT (%)                                | 12.8          | (22.8)        | (6.8)         | 0.4           | 1.7           |
| Recurring EPS (%)                                 | 27.0          | (26.7)        | (9.9)         | 3.5           | 1.9           |
| Reported EPS (%)                                  | 27.0          | (26.7)        | (9.9)         | 3.5           | 1.9           |
| <b>Operating performance</b>                      |               |               |               |               |               |
| Gross margin inc. depreciation (%)                | 38.9          | 35.6          | 36.0          | 35.8          | 35.6          |
| Gross margin exc. depreciation (%)                | 39.3          | 36.1          | 36.4          | 36.3          | 36.1          |
| Operating EBITDA margin (%)                       | 27.6          | 23.7          | 23.0          | 22.9          | 22.8          |
| Operating EBIT margin (%)                         | 27.2          | 23.3          | 22.6          | 22.4          | 22.3          |
| Net margin (%)                                    | 23.7          | 19.2          | 18.0          | 18.5          | 18.4          |
| Effective tax rate (%)                            | 21.8          | 21.4          | 21.6          | 21.6          | 21.6          |
| Dividend payout on recurring profit (%)           | 34.6          | 23.6          | 45.0          | 45.0          | 45.0          |
| Interest cover (X)                                | 39.0          | 17.4          | 12.7          | 13.9          | 14.7          |
| Inventory days                                    | 1,113.5       | 1,252.5       | 1,404.6       | 1,439.5       | 1,442.0       |
| Debtor days                                       | 0.5           | 0.6           | 0.7           | 0.7           | 0.7           |
| Creditor days                                     | 47.1          | 56.1          | 60.0          | 58.4          | 58.1          |
| Operating ROIC (%)                                | 12.3          | 8.8           | 7.6           | 7.4           | 7.3           |
| ROIC (%)  | 12.6          | 8.8           | 7.7           | 7.6           | 7.6           |
| ROE (%)   | 18.5          | 12.4          | 10.4          | 10.2          | 9.8           |
| ROA (%)   | 11.3          | 7.8           | 6.8           | 6.8           | 6.7           |

\* Pre-exceptional, pre-goodwill and fully diluted

| Revenue by Division (THB m) | 2022   | 2023   | 2024E  | 2025E  | 2026E  |
|-----------------------------|--------|--------|--------|--------|--------|
| Real estate                 | 34,222 | 30,836 | 29,535 | 29,874 | 30,526 |
| Rentals & Services          | 264    | 340    | 374    | 393    | 413    |

Sources: Supalai; FSSIA estimates

## Financial Statements

### Supalai

| Cash Flow (THB m) Year Ending Dec | 2022           | 2023         | 2024E          | 2025E          | 2026E          |
|-----------------------------------|----------------|--------------|----------------|----------------|----------------|
| Recurring net profit              | 8,173          | 5,989        | 5,395          | 5,586          | 5,691          |
| Depreciation                      | 127            | 138          | 133            | 138            | 144            |
| Associates & minorities           | -              | -            | -              | -              | -              |
| Other non-cash items              | -              | -            | -              | -              | -              |
| Change in working capital         | (5,013)        | (5,562)      | (3,683)        | (1,701)        | (2,160)        |
| <b>Cash flow from operations</b>  | <b>3,288</b>   | <b>565</b>   | <b>1,845</b>   | <b>4,024</b>   | <b>3,676</b>   |
| Capex - maintenance               | -              | -            | -              | -              | -              |
| Capex - new investment            | (4,608)        | -            | -              | -              | -              |
| Net acquisitions & disposals      | -              | 2,190        | -              | (203)          | (282)          |
| Other investments (net)           | -              | -            | 205            | -              | -              |
| <b>Cash flow from investing</b>   | <b>(4,608)</b> | <b>2,190</b> | <b>205</b>     | <b>(203)</b>   | <b>(282)</b>   |
| Dividends paid                    | (5,111)        | (2,476)      | (2,428)        | (2,514)        | (2,561)        |
| Equity finance                    | 1,474          | 488          | 90             | 91             | 93             |
| Debt finance                      | 4,646          | 2,628        | (164)          | (650)          | (1,068)        |
| Other financing cash flows        | 0              | 0            | 0              | 0              | 0              |
| <b>Cash flow from financing</b>   | <b>1,010</b>   | <b>641</b>   | <b>(2,502)</b> | <b>(3,073)</b> | <b>(3,535)</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>(311)</b>   | <b>3,396</b> | <b>(452)</b>   | <b>748</b>     | <b>(142)</b>   |
| Free cash flow to firm (FCFF)     | (1,043.62)     | 3,222.83     | 2,643.89       | 4,374.17       | 3,924.41       |
| Free cash flow to equity (FCFE)   | 3,325.97       | 5,383.69     | 1,885.63       | 3,170.82       | 2,325.97       |

#### Per share (THB)

|                               |        |      |      |      |      |
|-------------------------------|--------|------|------|------|------|
| FCFF per share                | (0.53) | 1.65 | 1.35 | 2.24 | 2.01 |
| FCFE per share                | 1.70   | 2.76 | 0.97 | 1.62 | 1.19 |
| Recurring cash flow per share | 4.25   | 3.14 | 2.83 | 2.93 | 2.99 |

| Balance Sheet (THB m) Year Ending Dec             | 2022          | 2023          | 2024E         | 2025E         | 2026E         |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross)                     | 2,970         | 3,015         | 3,131         | 3,259         | 3,401         |
| Less: Accumulated depreciation                    | (1,444)       | (1,555)       | (1,689)       | (1,827)       | (1,971)       |
| <b>Tangible fixed assets (net)</b>                | <b>1,527</b>  | <b>1,459</b>  | <b>1,443</b>  | <b>1,432</b>  | <b>1,429</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              | 8,863         | 6,602         | 6,281         | 6,356         | 6,497         |
| Cash & equivalents                                | 1,315         | 4,711         | 4,259         | 5,007         | 4,865         |
| A/C receivable                                    | 38            | 60            | 60            | 61            | 62            |
| Inventories                                       | 65,675        | 71,125        | 75,193        | 76,985        | 79,296        |
| Other current assets                              | 2,065         | 1,838         | 1,645         | 1,665         | 1,702         |
| <b>Current assets</b>                             | <b>69,093</b> | <b>77,734</b> | <b>81,157</b> | <b>83,717</b> | <b>85,925</b> |
| Other assets                                      | 441           | 330           | 299           | 303           | 309           |
| <b>Total assets</b>                               | <b>79,924</b> | <b>86,126</b> | <b>89,180</b> | <b>91,809</b> | <b>94,161</b> |
| Common equity                                     | 46,514        | 50,475        | 53,442        | 56,515        | 59,645        |
| Minorities etc.                                   | 949           | 990           | 1,080         | 1,171         | 1,264         |
| <b>Total shareholders' equity</b>                 | <b>47,463</b> | <b>51,465</b> | <b>54,522</b> | <b>57,686</b> | <b>60,909</b> |
| Long term debt                                    | 3,886         | 6,684         | 6,300         | 6,208         | 5,727         |
| Other long-term liabilities                       | 804           | 819           | 766           | 777           | 797           |
| <b>Long-term liabilities</b>                      | <b>4,690</b>  | <b>7,504</b>  | <b>7,066</b>  | <b>6,985</b>  | <b>6,524</b>  |
| A/C payable                                       | 2,939         | 3,192         | 3,063         | 3,109         | 3,188         |
| Short term debt                                   | 20,650        | 20,480        | 20,700        | 20,143        | 19,555        |
| Other current liabilities                         | 4,182         | 3,486         | 3,829         | 3,886         | 3,985         |
| <b>Current liabilities</b>                        | <b>27,772</b> | <b>27,157</b> | <b>27,592</b> | <b>27,138</b> | <b>26,728</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>79,924</b> | <b>86,126</b> | <b>89,180</b> | <b>91,809</b> | <b>94,161</b> |
| Net working capital                               | 60,657        | 66,346        | 70,006        | 71,715        | 73,888        |
| Invested capital                                  | 71,488        | 74,737        | 78,029        | 79,806        | 82,123        |

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

#### Per share (THB)

|                               |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share          | 23.82 | 25.84 | 27.36 | 28.94 | 30.54 |
| Tangible book value per share | 23.82 | 25.84 | 27.36 | 28.94 | 30.54 |

#### Financial strength

|                           |      |      |      |      |      |
|---------------------------|------|------|------|------|------|
| Net debt/equity (%)       | 48.9 | 43.6 | 41.7 | 37.0 | 33.5 |
| Net debt/total assets (%) | 29.1 | 26.1 | 25.5 | 23.2 | 21.7 |
| Current ratio (x)         | 2.5  | 2.9  | 2.9  | 3.1  | 3.2  |
| CF interest cover (x)     | 29.7 | 12.5 | 4.2  | 6.7  | 5.4  |

| Valuation                                 | 2022       | 2023       | 2024E      | 2025E      | 2026E      |
|---|------------|------------|------------|------------|------------|
| <b>Recurring P/E (x) *</b>                | <b>4.1</b> | <b>5.6</b> | <b>6.2</b> | <b>6.0</b> | <b>5.9</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>4.5</b> | <b>6.1</b> | <b>6.8</b> | <b>6.6</b> | <b>6.5</b> |
| Reported P/E (x)                          | 4.1        | 5.6        | 6.2        | 6.0        | 5.9        |
| Dividend yield (%)                        | 8.4        | 4.2        | 7.2        | 7.5        | 7.6        |
| Price/book (x)                            | 0.7        | 0.7        | 0.6        | 0.6        | 0.6        |
| Price/tangible book (x)                   | 0.7        | 0.7        | 0.6        | 0.6        | 0.6        |
| EV/EBITDA (x) **                          | 6.1        | 7.7        | 8.3        | 8.1        | 7.8        |
| EV/EBITDA @ target price (x) **           | 6.4        | 8.1        | 8.8        | 8.6        | 8.3        |
| EV/invested capital (x)                   | 0.8        | 0.8        | 0.7        | 0.7        | 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


**59.80 /100**

### Exhibit 14: 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.   |
| ★★★★★  | <b>&gt;59-79</b> | <b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>   |
| ★★★    | >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 15: ESG – peer comparison

|          | FSSIA<br>ESG<br>score | Domestic ratings |             |      |             |              |           | Global ratings          |             |      |         |           | Bloomberg     |              |                     |
|----------|-----------------------|------------------|-------------|------|-------------|--------------|-----------|-------------------------|-------------|------|---------|-----------|---------------|--------------|---------------------|
|          |                       | DJSI             | SET<br>THSI | THSI | CG<br>score | AGM<br>level | Thai CAC  | Morningstar<br>ESG risk | ESG<br>Book | MSCI | Moody's | Refinitiv | S&P<br>Global | ESG<br>score | Disclosure<br>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](https://www.settrade.com); FSSIA's compilation

### Exhibit 16: 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>1.80</b>  | <b>2.22</b>  | <b>2.06</b>  | <b>2.11</b>  | <b>2.06</b>  | <b>2.05</b>  | <b>1.98</b>  | <b>2.19</b>  |
| 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         |
| <b>ESG disclosure score</b>                         | <b>40.17</b> | <b>41.80</b> | <b>41.62</b> | <b>41.62</b> | <b>41.62</b> | <b>41.73</b> | <b>42.11</b> | <b>42.36</b> |
| 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        |
| <b>Environmental</b>                                |              |              |              |              |              |              |              |              |
| Emissions reduction initiatives                     | No           | No           | No           | No           | No           | No           | Yes          | Yes          |
| Climate change policy                               | No           | No           | No           | No           | No           | Yes          | Yes          | Yes          |
| Climate change opportunities discussed              | No           | No           | No           | No           | No           | No           | No           | No           |
| Risks of climate change discussed                   | No           | No           | No           | No           | No           | No           | Yes          | Yes          |
| GHG scope 1   | —            | —            | —            | —            | —            | —            | —            | —            |
| GHG scope 2 location-based                          | —            | —            | —            | —            | —            | —            | —            | —            |
| GHG Scope 3   | —            | —            | —            | —            | —            | —            | —            | —            |
| Carbon per unit of production                       | —            | —            | —            | —            | —            | —            | —            | —            |
| Biodiversity policy                                 | No           | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          |
| Energy efficiency policy                            | Yes          | 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 17: 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         | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| 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                    | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Quality assurance and recall policy           | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Consumer data protection policy               | No      | No      | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| 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                        | 49      | 47      | 47      | 48      | 48      | 48      | 49      | 49      |
| Pct disabled in workforce                     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| 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    | 1       | 1       | 1       | 1       | 0       | 0       | 0       | —       |
| Training policy                               | No      | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| 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     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| <b>Governance</b>                             |         |         |         |         |         |         |         |         |
| 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     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| 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     |
| <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 ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> ) | 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 <a href="#">THSI inclusion</a> , 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.<br><a href="#">SETTHSI Index</a> 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 (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%).  |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <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.  |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">Thai CAC</a> 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.<br><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.   |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">Morningstar Sustainabilitys</a>   | The Sustainabilitys' 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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+          |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">ESG Book</a>  | 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.   |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">MSCI</a>  | 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><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="2"><b>Average:</b></td><td rowspan="2">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><td rowspan="2"><b>Laggard:</b></td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</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>Laggard:</b> | lagging its industry based on its high exposure and failure to manage significant ESG risks | <b>CCC</b> | 0.000-1.428 |
| <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>Laggard:</b>   | lagging its industry based on its high exposure and failure to manage significant ESG risks                                   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <b>CCC</b>  | 0.000-1.428  |   |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">Moody's ESG solutions</a>   | 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.  |   |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">Refinitiv ESG rating</a>  | 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>  |   |   |              |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |                 |   |            |             |
| <a href="#">S&amp;P Global</a>  | 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

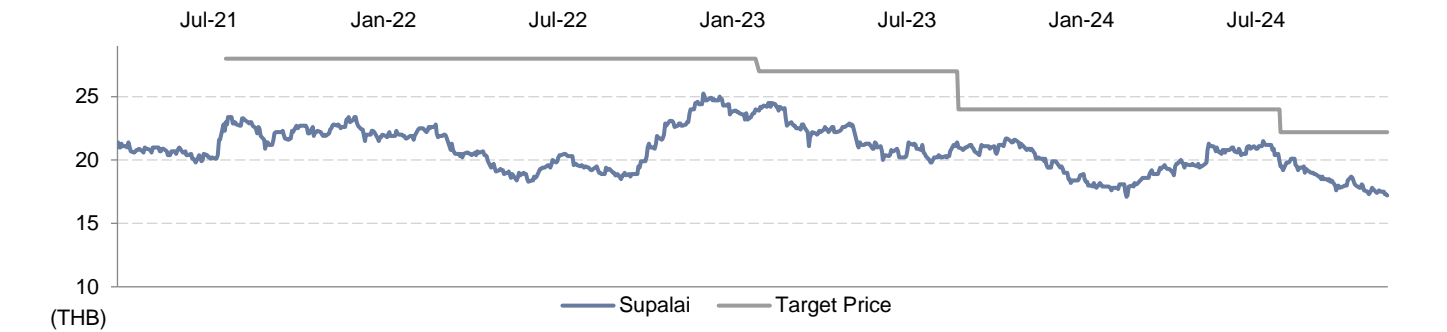
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

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

History of change in investment rating and/or target price

Supalai (SPALI TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|------|--------|--------------|
| 26-Oct-2021 | BUY    | 28.00        | 20-Jul-2023 | BUY    | 24.00        | -    | -      | -            |
| 27-Jan-2023 | BUY    | 27.00        | 23-Apr-2024 | HOLD   | 22.20        |      |        |              |

Thanyatorn Songwutti started covering this stock from 27-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker   | Price     | Rating | Valuation & Risks   |
|---------|----------|-----------|--------|---|
| Supalai | SPALI TB | THB 17.20 | HOLD   | Downside risks to our P/E TP include 1) a more sluggish economy and property market than expected, 2) a lower-than-expected take-up rate and slower introduction of new projects than planned, 3) the interest rate uptrend, which would affect purchasing power, 4) a higher rejection rate and customers' cancellation, 5) construction delay and labor shortages, 6) fierce competition, and 7) weaker operating performance from the Australian projects than expected. |

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 25-Jul-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.