

SUPALAI SPALI TB

THAILAND / PROPERTY DEVELOPMENT

HOLD

UNCHANGED

Set modest 2025 targets

- Greater focus on condo launches to drive presales and backlog.
- Dull 4Q24E performance outlook (-18% q-q, -19% y-y), but revise up 2024E profit to -3% y-y from higher profit sharing from JVs.
- The 2025 profit should decrease by 6% y-y on lower backlog. Cut TP to THB18 (based on P/E of 6.4x), HOLD maintained.

TARGET PRICE	THB18.00
CLOSE	THB16.60
UP/DOWNSIDE	+8.4%
PRIOR TP	THB20.40
CHANGE IN TP	-11.8%
TP vs CONSENSUS	-17.8%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	31,177	31,080	29,744	30,499
Net profit	5,989	5,832	5,511	5,625
EPS (THB)	3.07	2.99	2.82	2.88
vs Consensus (%)	-	(0.3)	(10.1)	(10.5)
EBITDA	7,386	7,471	6,585	6,711
Recurring net profit	5,989	5,832	5,511	5,625
Core EPS (THB)	3.07	2.99	2.82	2.88
Chg. In EPS est. (%)	-	8.1	(1.4)	(1.2)
EPS growth (%)	(26.7)	(2.6)	(5.5)	2.1
Core P/E (x)	5.4	5.6	5.9	5.8
Dividend yield (%)	4.4	8.5	7.8	7.8
EV/EBITDA (x)	7.6	7.5	8.4	8.2
Price/book (x)	0.6	0.6	0.6	0.5
Net debt/Equity (%)	43.6	41.4	37.6	34.9
ROE (%)	12.4	11.2	10.0	9.7

Aiming to focus on more condo launches in 2025

SPALI plans to introduce 36 new projects with a combined value of THB46b (89% low-rise and 11% condos), focusing mainly on the mid-end market. The 12% y-y decrease is due to fewer new low-rise projects worth THB33.2b (-29% y-y). However, management reaffirmed its view of a positive condo market from the decreased supply. The highlights are 8 new condos worth THB12.8b (+121% y-y), the highest in 10 years, including 5 projects in Bangkok and 3 projects in tourist destinations, such as Pattaya and Phuket, to boost its 2027 backlog onward.

Set higher presales but lower revenue targets

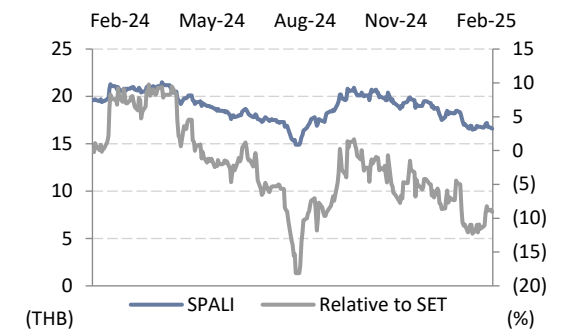
SPALI intends to introduce several new projects on its more aggressive condo launches, while also focusing on inventory sales. They would help drive the presales target of THB32b (+20% y-y); THB20.8b of which (+23% y-y) would be low-rises, 65% of the target, while THB11.2b (+13% y-y) would be condos. Also, SPALI set a revenue target of THB30b in line with our assumption, down 3% from THB31b in 2024E. However, SPALI will begin realizing from the new investment of 12 projects in Australia from 4Q24, which would result in higher profit-sharing from JVs this year.

Expect 4Q24 profit to drop q-q and y-y

We anticipate a 4Q24 net profit of THB1.64b (-18% q-q, -19% y-y) due mainly to no newly built condos and sluggish presales. Transfers should come in at THB8.7b (-11% q-q, -13% y-y), comprising 73% low-rises and 27% condos. Its property gross margin should drop to 37.8% from 39.7% in 3Q24, in line with the decreased condo transfers. However, we project profit sharing from JVs in Australia to jump to THB100m (+2x q-q, y-y) from the new investment. The stronger performance from JVs prompts us to revise up our 2024 net profit forecast by 8% to THB5.8b (-3% y-y).

Maintain HOLD with lower TP of THB18

Our forecast calls for SPALI's 2025 net profit to come in at THB5.5b (-6% y-y). SPALI has a backlog of THB11.5b as of end-2024, securing 26% of our 2025 transfer estimate, as it is set to complete only one condo named Supalai Blue Whale Hua Hin (THB1.2b, 72% sold) vs five condos in 2024. Hence, it has to rely on its low-rise presales, where the market remains sluggish, as well as condo inventories of THB19b. We lower our TP to THB18 from THB20.4, assuming a 6.4x P/E target (its historical average), down from 7.1x. We retain our HOLD call on an anticipated 2H24 DPS of THB0.70, implying a 4.2% dividend yield.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.3)	(14.9)	(15.7)
Relative to country (%)	(4.5)	(4.3)	(10.4)
Mkt cap (USD m)	958		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	60		
Major shareholder	Tangmatitham Family (30%)		
12m high/low (THB)	21.60/14.80		
Issued shares (m)	1,953.05		

Sources: Bloomberg consensus; FSSIA estimates


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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. 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

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.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a weaker or stronger-than-expected take-up rate, 2) lower or higher-than-expected new launches, 3) slower or faster-than-expected economy and purchasing power recovery, 4) higher or lower-than-expected rejection and cancellation rates, 5) higher or lower-than-expected competition, and 6) weaker or stronger operating performance from the Australian projects than expected.

Event calendar

Date	Event
25 Feb 2025	2024 results announcement

Key assumptions

	2024E	2025E	2026E
Project sales (THB m)	30,723	29,369	30,105
Rental and services income (THB m)	357	375	394
Property GPM (%)	37.7	36.3	36.1
GPM (%)	37.7	36.4	36.1
SG&A to sales (%)	14.1	14.7	14.6

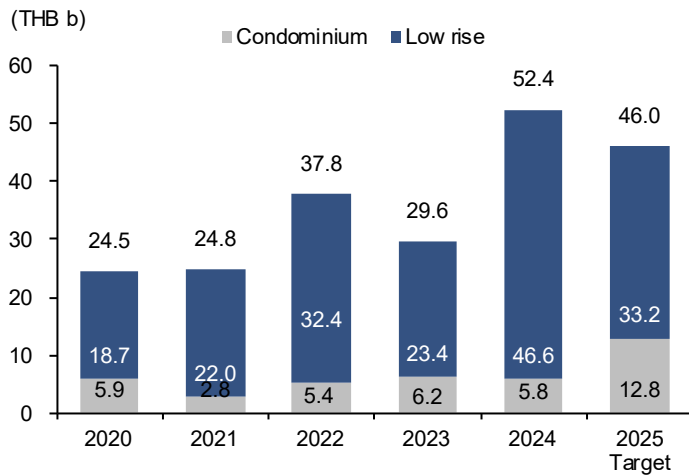
Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2025 net profit to rise by 6%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2025 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 2025 net profit to fall by 2%, and vice versa, all else being equal.

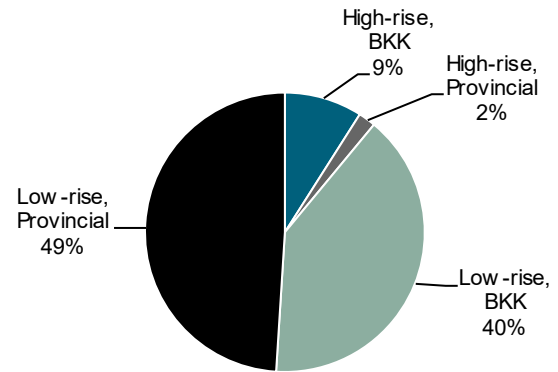
Source: FSSIA estimates

Exhibit 1: Yearly new launches



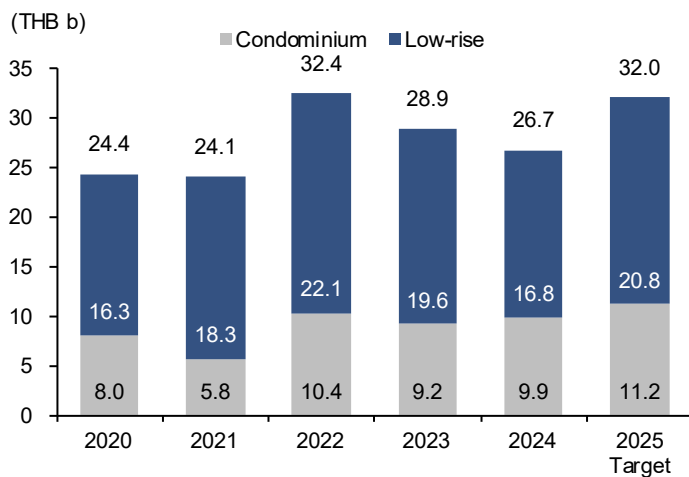
Source: SPALI

Exhibit 2: 2025 launch plan by geography



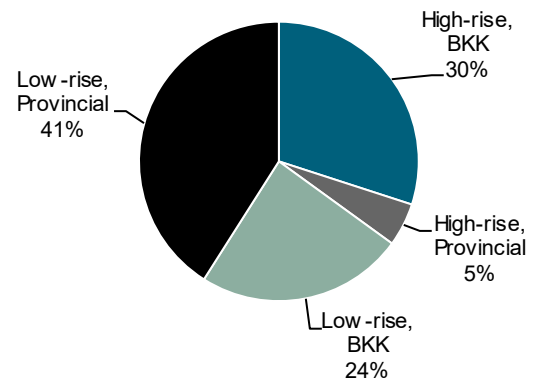
Source: SPALI

Exhibit 3: Yearly presales early presales



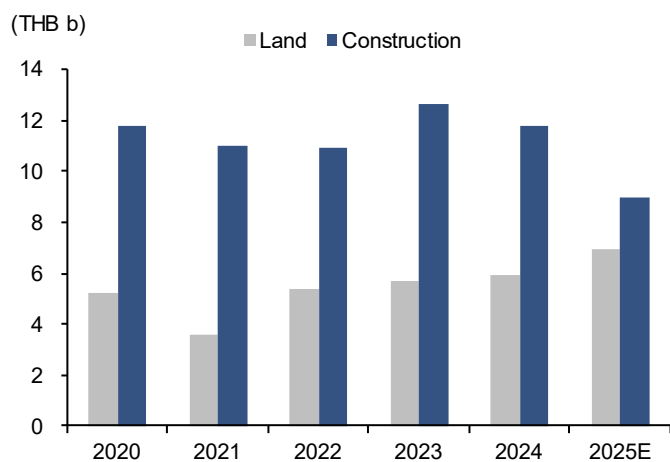
Source: SPALI

Exhibit 4: 2025 target presales by geography



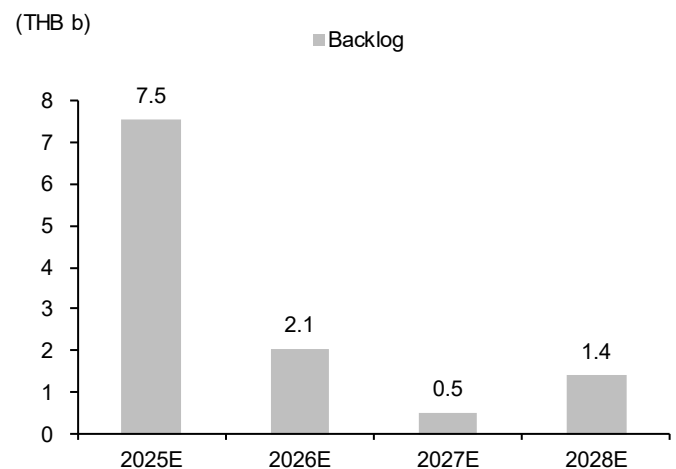
Source: SPALI

Exhibit 5: CAPEX



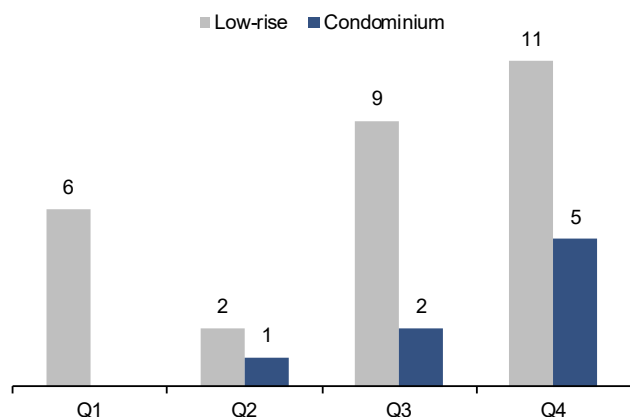
Source: SPALI

Exhibit 6: Backlog at end-2024



Source: SPALI

Exhibit 7: Number of new projects by quarter



Source: SPALI

Exhibit 8: New condo launches in 2025



Source: SPALI

Exhibit 9: Locations in land acquisition plan



Source: SPALI

Exhibit 10: Newly built condo in 2025



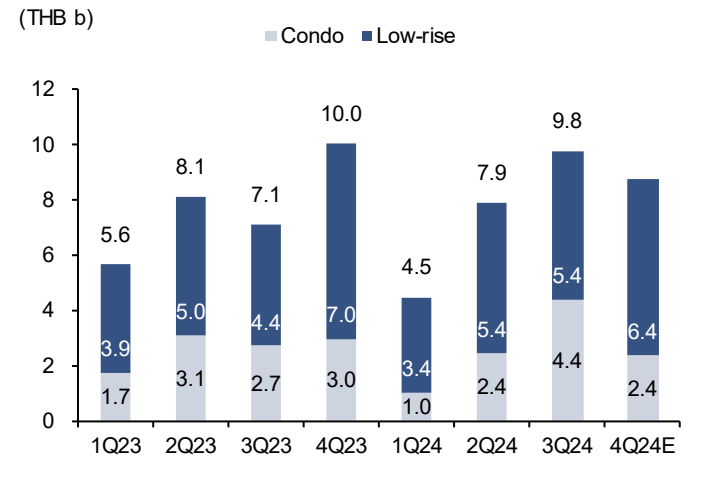
Source: SPALI

Exhibit 11: SPALI – 4Q24 results preview

	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	4Q24E (THB m)	----- Change ----- (q-q%)	(y-y%)
Total revenue	10,111	4,580	7,942	9,836	8,793	(11)	(13)
Cost of sales	6,580	2,919	5,071	5,943	5,479	(8)	(17)
Gross profit	3,531	1,661	2,870	3,892	3,314	(15)	(6)
SG&A	1,103	781	1,008	1,319	1,239	(6)	12
Operating profit	4,634	2,442	3,878	5,212	4,553	(13)	(2)
Other income	169	94	191	149	150	1	(11)
Interest expense	132	145	158	201	200	(0)	52
Profit before tax	2,465	829	1,895	2,522	2,025	(20)	(18)
Tax	459	199	510	558	445	(20)	(3)
Associates	49	0.3	237	39	100	154	102
Reported net profit	2,018	614	1,599	1,989	1,639	(18)	(19)
Normalised profit	2,018	614	1,599	1,989	1,639	(18)	(19)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Property gross margin	34.8	36.0	36.1	39.7	37.8	(1.9)	3.0
Gross margin	34.9	36.3	36.1	39.6	37.7	(1.9)	2.8
Operating margin	45.8	53.3	48.8	53.0	51.8	(1.2)	5.9
Net profit margin	20.0	13.4	20.1	20.2	18.6	(1.6)	(1.3)
Normalised profit margin	20.0	13.4	20.1	20.2	18.6	(1.6)	(1.3)
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Property transfers	10,017	4,472	7,858	9,753	8,708	(11)	(13)
-- Low-rise	7,049	3,444	5,422	5,364	6,357	19	(10)
-- High-rise	2,968	1,029	2,436	4,389	2,351	(46)	(21)
Presales	5,352	6,927	6,434	6,703	6,679	(0)	25
-- Low-rise	3,861	5,195	4,157	4,692	2,803	(40)	(27)
-- High-rise	1,491	1,732	2,277	2,011	3,876	93	160

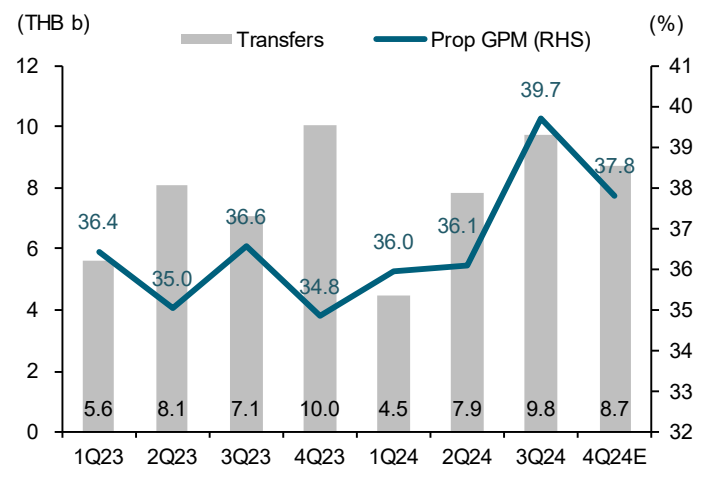
Sources: SPALI; FSSIA estimates

Exhibit 12: Quarterly transfers breakdown



Source: FSSIA estimates

Exhibit 13: Quarterly transfers and prop GPM



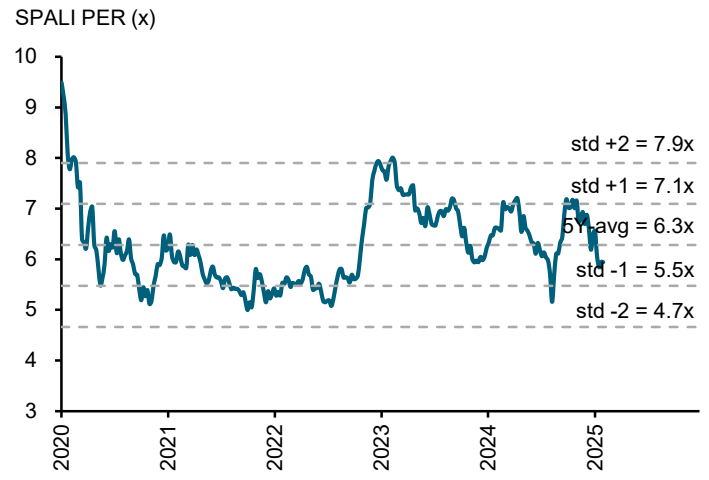
Source: FSSIA estimates

Exhibit 14: 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	31,080	29,744	30,499	29,909	30,267	30,939	4	(2)	(1)	
- Transfers	30,836	30,723	29,369	30,105	29,535	29,874	30,526	4	(2)	(1)	
Service	340	357	375	394	374	393	413	(5)	(5)	(5)	
Property gross margin (%)	35.6	37.7	36.3	36.1	35.9	35.7	35.5	1.8	0.6	0.6	
Gross margin (%)	35.6	37.7	36.4	36.1	36.0	35.8	35.6	1.7	0.6	0.5	
SG&A to revenue (%)	12.4	14.1	14.7	14.6	13.4	13.4	13.3	0.7	1.3	1.3	
Interest expense	467	702	738	708	594	553	531	18	33	33	
Equity income	247	370	750	750	260	400	400	42	88	88	
Core profit	5,989	5,832	5,511	5,625	5,395	5,586	5,691	8	(1)	(1)	
Net profit	5,989	5,832	5,511	5,625	5,395	5,586	5,691	8	(1)	(1)	

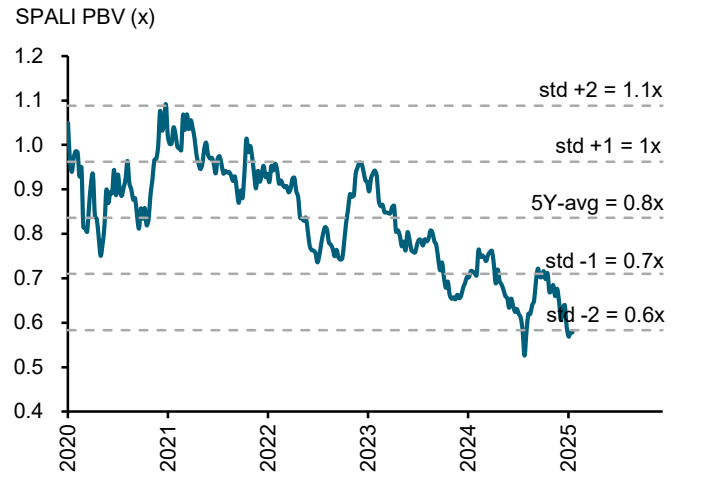
Source: FSSIA estimates

Exhibit 15: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: 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	31,080	29,744	30,499
Cost of goods sold	(21,070)	(20,071)	(19,355)	(18,919)	(19,487)
Gross profit	13,416	11,106	11,725	10,824	11,012
Other operating income	0	0	0	0	0
Operating costs	(4,029)	(3,857)	(4,388)	(4,378)	(4,446)
Operating EBITDA	9,514	7,386	7,471	6,585	6,711
Depreciation	(127)	(138)	(133)	(138)	(144)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,387	7,249	7,338	6,446	6,566
Net financing costs	(277)	(467)	(702)	(738)	(708)
Associates	390	247	370	750	750
Recurring non-operating income	1,405	888	950	1,300	1,300
Non-recurring items	0	0	0	0	0
Profit before tax	10,515	7,670	7,586	7,008	7,158
Tax	(2,212)	(1,586)	(1,660)	(1,408)	(1,442)
Profit after tax	8,303	6,083	5,926	5,600	5,716
Minority interests	(130)	(94)	(94)	(90)	(92)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	8,173	5,989	5,832	5,511	5,625
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	8,173	5,989	5,832	5,511	5,625
Per share (THB)					
Recurring EPS *	4.18	3.07	2.99	2.82	2.88
Reported EPS	4.18	3.07	2.99	2.82	2.88
DPS	1.45	0.73	1.40	1.30	1.30
Diluted shares (used to calculate per share data)	1,953	1,953	1,953	1,953	1,953
Growth					
Revenue (%)	18.3	(9.6)	(0.3)	(4.3)	2.5
Operating EBITDA (%)	12.7	(22.4)	1.1	(11.9)	1.9
Operating EBIT (%)	12.8	(22.8)	1.2	(12.1)	1.9
Recurring EPS (%)	27.0	(26.7)	(2.6)	(5.5)	2.1
Reported EPS (%)	27.0	(26.7)	(2.6)	(5.5)	2.1
Operating performance					
Gross margin inc. depreciation (%)	38.9	35.6	37.7	36.4	36.1
Gross margin exc. depreciation (%)	39.3	36.1	38.2	36.9	36.6
Operating EBITDA margin (%)	27.6	23.7	24.0	22.1	22.0
Operating EBIT margin (%)	27.2	23.3	23.6	21.7	21.5
Net margin (%)	23.7	19.2	18.8	18.5	18.4
Effective tax rate (%)	21.8	21.4	23.0	22.5	22.5
Dividend payout on recurring profit (%)	34.6	23.6	47.0	46.0	45.0
Interest cover (X)	39.0	17.4	11.8	10.5	11.1
Inventory days	1,113.5	1,252.5	1,387.3	1,479.7	1,484.4
Debtor days	0.5	0.6	0.7	0.7	0.7
Creditor days	47.1	56.1	59.7	59.5	58.0
Operating ROIC (%)	12.3	8.8	8.1	6.9	6.8
ROIC (%)	12.6	8.8	8.4	7.6	7.5
ROE (%)	18.5	12.4	11.2	10.0	9.7
ROA (%)	11.3	7.8	7.4	6.8	6.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Real estate	34,222	30,836	30,723	29,369	30,105
Rentals & Services	264	340	357	375	394

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	5,832	5,511	5,625
Depreciation	127	138	133	138	144
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(5,013)	(5,562)	(3,469)	(2,391)	(2,574)
Cash flow from operations	3,288	565	2,497	3,258	3,195
Capex - maintenance	-	-	-	-	-
Capex - new investment	(4,608)	-	-	-	-
Net acquisitions & disposals	-	2,190	-	152	(300)
Other investments (net)	-	-	(41)	-	-
Cash flow from investing	(4,608)	2,190	(41)	152	(300)
Dividends paid	(5,111)	(2,476)	(2,741)	(2,535)	(2,531)
Equity finance	1,474	488	94	90	92
Debt finance	4,646	2,628	(164)	(650)	(1,068)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	1,010	641	(2,812)	(3,095)	(3,507)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(311)	3,396	(356)	315	(611)
Free cash flow to firm (FCFF)	(1,043.62)	3,222.83	3,157.46	4,148.12	3,603.50
Free cash flow to equity (FCFE)	3,325.97	5,383.69	2,291.21	2,760.32	1,828.09
Per share (THB)					
FCFF per share	(0.53)	1.65	1.62	2.12	1.85
FCFE per share	1.70	2.76	1.17	1.41	0.94
Recurring cash flow per share	4.25	3.14	3.05	2.89	2.95
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)
Tangible fixed assets (net)	1,527	1,459	1,443	1,432	1,429
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	8,863	6,602	6,527	6,246	6,405
Cash & equivalents	1,315	4,711	4,355	4,670	4,059
A/C receivable	38	60	62	59	61
Inventories	65,675	71,125	74,985	77,292	80,042
Other current assets	2,065	1,838	1,709	1,636	1,677
Current assets	69,093	77,734	81,111	83,657	85,839
Other assets	441	330	311	297	305
Total assets	79,924	86,126	89,391	91,633	93,978
Common equity	46,514	50,475	53,566	56,542	59,636
Minorities etc.	949	990	1,083	1,173	1,265
Total shareholders' equity	47,463	51,465	54,650	57,715	60,900
Long term debt	3,886	6,684	6,300	6,208	5,727
Other long-term liabilities	804	819	774	757	779
Long-term liabilities	4,690	7,504	7,074	6,964	6,507
A/C payable	2,939	3,192	3,097	3,027	3,118
Short term debt	20,650	20,480	20,700	20,143	19,555
Other current liabilities	4,182	3,486	3,871	3,784	3,897
Current liabilities	27,772	27,157	27,668	26,953	26,571
Total liabilities and shareholders' equity	79,924	86,126	89,391	91,633	93,978
Net working capital	60,657	66,346	69,789	72,176	74,765
Invested capital	71,488	74,737	78,069	80,152	82,904
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	23.82	25.84	27.43	28.95	30.53
Tangible book value per share	23.82	25.84	27.43	28.95	30.53
Financial strength					
Net debt/equity (%)	48.9	43.6	41.4	37.6	34.9
Net debt/total assets (%)	29.1	26.1	25.3	23.7	22.6
Current ratio (x)	2.5	2.9	2.9	3.1	3.2
CF interest cover (x)	29.7	12.5	4.3	4.7	3.6
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	4.0	5.4	5.6	5.9	5.8
Recurring P/E @ target price (x) *	4.3	5.9	6.0	6.4	6.3
Reported P/E (x)	4.0	5.4	5.6	5.9	5.8
Dividend yield (%)	8.7	4.4	8.5	7.8	7.8
Price/book (x)	0.7	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.6	0.6	0.6	0.5
EV/EBITDA (x) **	5.9	7.6	7.5	8.4	8.2
EV/EBITDA @ target price (x) **	6.2	7.9	7.9	8.8	8.6
EV/invested capital (x)	0.8	0.7	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 17: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 18: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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](https://www.settrade.com); FSSIA's compilation

Exhibit 19: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.80	2.22	2.06	2.11	2.06	2.05	1.98	2.19
BESG environmental pillar score	0.00	0.67	0.67	0.67	0.67	0.67	0.71	1.14
BESG social pillar score	5.95	5.91	3.67	3.67	3.67	3.67	3.67	3.67
BESG governance pillar score	4.06	3.78	3.93	4.12	3.95	3.92	3.60	3.37
ESG disclosure score	40.17	41.80	41.62	41.62	41.62	41.73	42.11	42.36
Environmental disclosure score	14.80	16.49	16.49	16.49	16.49	16.82	17.97	17.97
Social disclosure score	21.95	25.15	24.61	24.61	24.61	24.61	24.61	25.36
Governance disclosure score	83.59	83.59	83.59	83.59	83.59	83.59	83.59	83.59
Environmental								
Emissions reduction initiatives	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 20: 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	—	—	—	—	—	—	—	—
Social								
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
Governance								
Board size	11	11	11	10	10	10	10	10
No. of independent directors (ID)	5	5	5	4	4	4	4	4
No. of women on board	1	1	1	1	1	1	1	1
No. of non-executive directors on board	7	7	7	6	6	6	6	6
Company conducts board evaluations	Yes	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
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainabilitycs	The Sustainabilitycs' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><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+																		
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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[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

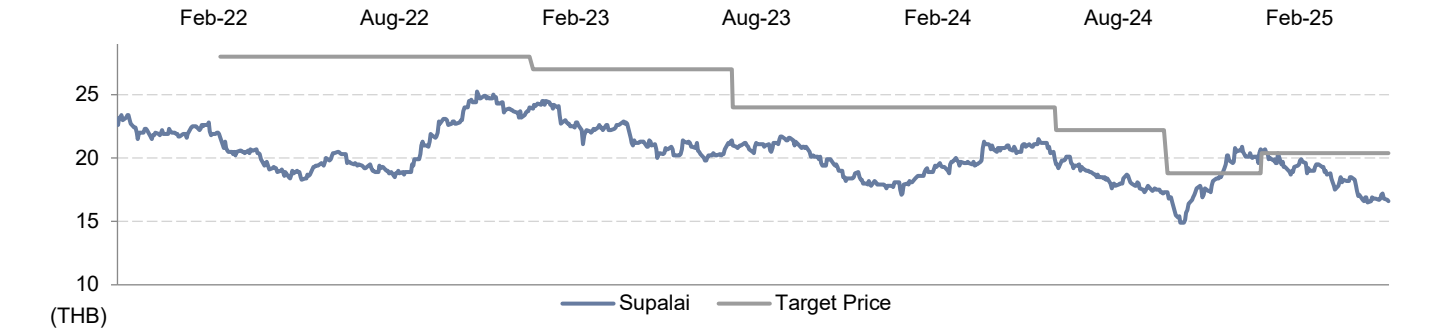
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History of change in investment rating and/or target price

Supalai (SPALI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-May-2022	BUY	28.00	23-Apr-2024	HOLD	22.20	17-Oct-2024	HOLD	20.40
27-Jan-2023	BUY	27.00	26-Jul-2024	HOLD	18.80			
20-Jul-2023	BUY	24.00	14-Aug-2024	BUY	18.80			

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 16.60	HOLD	Downside and upside risks to our P/E-based TP include 1) a weaker or stronger-than-expected take-up rate, 2) lower or higher-than-expected new launches, 3) slower or faster-than-expected economy and purchasing power recovery, 4) higher or lower-than-expected rejection and cancellation rates, 5) higher or lower-than-expected competition, and 6) weaker or stronger 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 04-Feb-2025 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.