

# AP (Thailand)

(AP.BK/AP TB)\*

## Outperform · Maintained

Price as of 9 Feb 2023	11.80
12M target price (Bt/shr)	15.80
Unchanged/Revised up(down)(%)	14.5
Upside/downside (%)	33.9

### Key messages

ราคาหลักทรัพย์ของ AP ใน 4Q65F ที่ 1.1 พันล้านบาท (+14% YoY และ -20% QoQ) ผลประกอบการที่เติบโต YoY เป็นผลมาจากยอดโอนแนวราบที่แข็งแกร่ง และความสามารถในการทำกำไรที่เพิ่มขึ้น ในขณะที่กำไรปรับตัวลดลง QoQ ถูกกดดันหลักจากค่าใช้จ่าย SG&A ต่อยอดขายสูงขึ้นสะท้อนการเปิดโครงการใหม่เชิงรุกมากขึ้น (Figure 2) และได้รับส่วนแบ่งกำไรจาก JV น้อยลง ทั้งนี้หากเป็นตามที่เราคาดค่าหลักทรัพย์ของ AP ในปี 2565F จะทำสถิติสูงสุดเป็นประวัติการณ์ที่ 5.9 พันล้านบาท (+32% YoY) เราปรับเพิ่มประมาณการกำไรสุทธิปี 2565F และปี 2566F ขึ้น 18%/20% และยังคงแนะนำซื้อ ด้วยราคาเป้าหมายใหม่ที่ 15.80 บาท (จากเดิมที่ 13.80 บาท) โดยที่ AP ยังคงเป็นหนึ่งในหุ้นเด่นของเราในกลุ่มนี้

### Trading data

Mkt cap (Btbn/US\$m)	37.1/928		
Outstanding shares (mn)	3,146		
Foreign ownership (mn)	330		
3M avg. daily trading (mn)	17.0		
52-week trading range (Bt)	9.2 – 12.2		
Performance (%)	3M	6M	12M
Absolute	14.6	12.4	9.3
Relative	12.7	9.6	11.9

### Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2020	0.20	0.39	0.46	0.30
2021	0.45	0.35	0.33	0.32
2022	0.55	0.50	0.45	

### Share price chart



Source: SET

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## ประมาณการ 4Q65F : กำไรเติบโต YoY แต่ลดลง QoQ

### Event

ประมาณการ 4Q65F และปรับประมาณการกำไร

### Impact

กำไรสุทธิจะเติบโต 14% YoY แต่ลดลง 20% QoQ ใน 4Q65F

เราคาดค่ากำไรสุทธิของ AP ใน 4Q65F ที่ 1.1 พันล้านบาท (+14% YoY และ -20% QoQ) ผลประกอบการที่เติบโต YoY เป็นผลมาจากผลการดำเนินงานที่แข็งแกร่งของการโอนแนวราบ และความสามารถในการทำกำไรที่ดีขึ้น ในขณะที่กำไรปรับตัวลดลง QoQ เป็นผลมาจากค่าใช้จ่าย SG&A ต่อยอดขายสูงขึ้น สะท้อนการเปิดโครงการใหม่เชิงรุกมากขึ้น (Figure 2) และได้รับส่วนแบ่งกำไรจาก JV น้อยลง ทั้งนี้หากเป็นตามที่เราคาดค่าหลักทรัพย์ของ AP ในปี 2565F จะทำระดับสูงสุดใหม่ที่ 5.9 พันล้านบาท (+32% YoY)

เราคาดยอดโอนโครงการที่อยู่อาศัย (ไม่รวมโครงการ JV) ใน 4Q65F ที่ 8.6 พันล้านบาท (+18% YoY และ -1% QoQ) แบ่งเป็น i) โครงการแนวราบ 8.3 พันล้านบาท (+18% YoY และ -1% QoQ) และ ii) ยอดโอนคอนโดมิเนียมที่ 280 ล้านบาท (+19% YoY และ -8% QoQ) โดยยอดโอนคอนโดมิเนียมที่ลดลง QoQ มาจากการโอนของสต็อกเก่าชะลอตัว (Figure 6) ขณะที่เราคาดการโอนแนวราบยังคงแข็งแกร่ง ได้รับอานิสงค์จากการลงทุนที่ต่อเนื่อง ทางด้านความสามารถในการทำกำไร เราคาด EBIT margin ลดลง 2.8ppts QoQ อยู่ที่ 12.4% ด้วยการจัดการค่าธรรมเนียมส่งเสริมการขายมากขึ้น ส่วนแบ่งกำไรจาก JV คาดออกมามาทรงตัว YoY แต่ลดลง 12% QoQ อยู่ที่ 285 ล้านบาทเนื่องจากยอดโอนจากโครงการเดิมชะลอตัว (เช่น Life Asoke Hype)

ปรับเพิ่มประมาณการกำไรสุทธิปี 2565F และ 2566F ขึ้น 18%/20%

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2565F และ 2566F ขึ้น 18%/20% (Figure 7) ปัจจัยสำคัญในการปรับสมมติฐานปี 2566F มาจาก i) ผลการดำเนินงานที่แข็งแกร่งต่อเนื่องของโครงการแนวราบ สะท้อนจากแผนการลงทุนต่อเนื่อง และ ii) แนวโน้มการทำกำไรที่ดีขึ้น ทั้งนี้ AP มีแผนจะเปิดโครงการที่อยู่อาศัยใหม่ปี 2566F จำนวน 58 โครงการ มูลค่ารวม 77 พันล้านบาท (+21% YoY) แบ่งเป็น i) โครงการแนวราบ 65.2 พันล้านบาท (+21% YoY) และ ii) โครงการคอนโดมิเนียม 11.8 พันล้านบาท (+24% YoY)

### Valuation & action

สำหรับระยะต่อไป เราคาดว่าโมเมนตัมของกำไรสุทธิในระยะสั้น 1Q66F จะเพิ่มขึ้น QoQ จากผลการดำเนินงานที่แข็งแกร่งต่อเนื่องของโครงการแนวราบ และการเริ่มโอนโครงการ Rhythm เจริญกรุง-พาวลิเลียน ทั้งนี้จากการรับรู้รายได้ระยะยาวยังมีแนวโน้มแข็งแกร่งเช่นกันด้วยกลยุทธ์เชิงรุกของ AP เราจึงยังคงแนะนำซื้อ ราคาเป้าหมายใหม่ที่ 15.80 บาท (จากเดิมที่ 13.80 บาท) อิงจาก PE ที่ 7.5x เท่ากับค่าเฉลี่ยระยะยาว +1.0 S.D.

### Risks

ภาวะเศรษฐกิจอ่อนแอลง

### Key financials and valuations

	Dec - 19A	Dec - 20A	Dec - 21A	Dec - 22F	Dec - 23F
Revenue (Btmn)	23,802	29,888	31,794	38,524	43,471
Gross Profit (Btmn)	8,176	9,430	10,311	13,069	14,779
SG&A (Btmn)	5,443	6,160	5,828	7,236	7,825
Net Profit (Btmn)	3,068	4,227	4,543	5,853	6,624
Normalized Profit (Btmn)	2,991	4,227	4,442	5,853	6,624
EPS (Bt)	1.0	1.3	1.4	1.9	2.1
Normalized EPS (Bt)	1.0	1.3	1.4	1.9	2.1
DPS (Bt)	0.4	0.5	0.5	0.7	0.7
EPS Growth (%)	(22.6)	37.8	7.5	28.8	13.2
Normalized EPS Growth	(24.4)	41.3	5.1	31.8	13.2
P/E (X)	7.9	5.4	6.6	6.3	5.6
P/B (X)	0.9	0.8	0.9	1.0	0.9
EV/EBITDA (X)	17.6	12.0	10.2	9.5	9.1
Net Debt to Equity (%)	105.0	78.8	65.0	63.9	76.5
Dividend Yield (%)	5.2	6.2	5.2	5.5	6.2

Source: Company data, KGI Securities Research

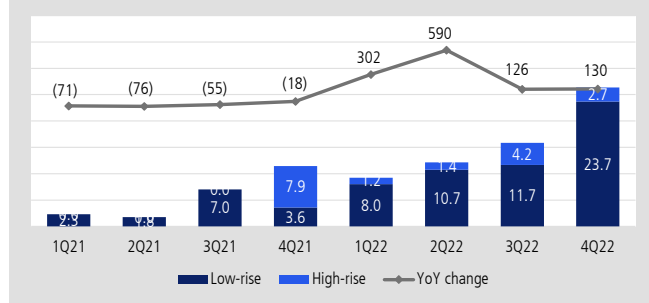
**Figure 1: AP's 4Q22F earnings preview**

Bt mn	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	9M22	9M21	YoY (%)
Revenue	8,860	7,501	18.1	8,982	(1.4)	29,693	24,294	22.2
Revenue from sales of real estate	8,580	7,249	18.4	8,689	(1.3)	28,930	23,630	22.4
Revenue from rental and services	280	252	11.3	293	(4.4)	763	663	15.0
Gross Profit	3,105	2,511	23.7	3,046	1.9	9,974	7,800	27.9
SG&A	2,038	1,581	28.9	1,805	12.9	5,228	4,247	23.1
Operating EBIT	1,096	951	15.3	1,363	(19.6)	4,795	3,616	32.6
Equity Income/(Loss)	285	277	2.9	324	(12.2)	949	722	31.4
Extraordinary items	-	1	-	-	-	-	100	-
<b>Net Profit</b>	<b>1,130</b>	<b>994</b>	<b>13.7</b>	<b>1,419</b>	<b>(20.3)</b>	<b>4,723</b>	<b>3,549</b>	<b>33.1</b>
<b>Normalized profit</b>	<b>1,130</b>	<b>993</b>	<b>13.8</b>	<b>1,419</b>	<b>(20.3)</b>	<b>4,723</b>	<b>3,449</b>	<b>36.9</b>
Percent	4Q22F	4Q21	YoY (ppts)	3Q22	QoQ (ppts)	9M22	9M21	YoY (ppts)
Total gross margin	35.0	33.5	1.6	33.9	1.1	33.6	32.1	1.5
Residential gross margin	33.6	32.1	1.5	32.4	1.2	32.4	30.8	1.5
EBIT margin	12.4	12.7	(0.3)	15.2	(2.8)	16.1	14.9	1.3
SG&A/sales	23.0	21.1	1.9	20.1	2.9	17.6	17.5	0.1
Revenue breakdown by segments	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	9M22	9M21	YoY (%)
Low-rise	8,300	7,013	18.4	8,384	(1.0)	27,291	22,225	22.8
High-rise	280	235	19.1	305	(8.2)	1,639	1,406	16.6

Source: Company data, KGI Securities Research

**Figure 2: Quarterly launches**

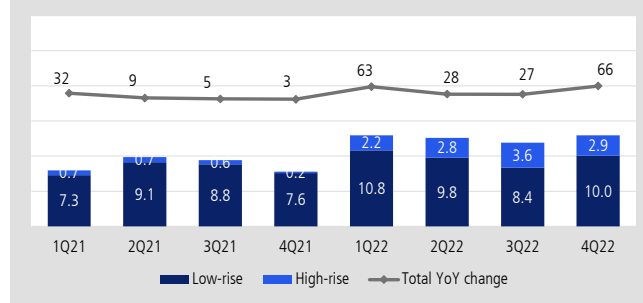
Launches of high-rise and low-rise, Btbn; YoY change of total launches, percent



Source: Company data, KGI Securities Research

**Figure 3: Quarterly presales**

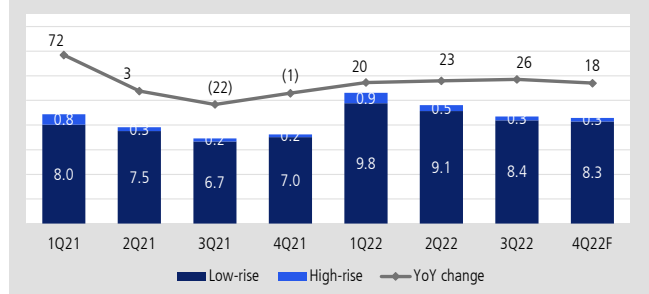
Presales of high-rise and low-rise, Btbn; YoY change of total presales, percent



Source: Company data, KGI Securities Research

**Figure 4: Quarterly transfers (AP only)**

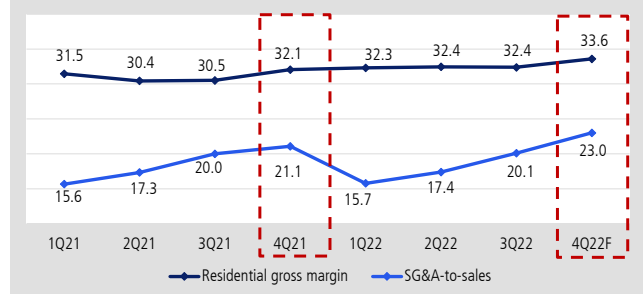
Transfer of high-rise and low-rise, Btbn; YoY change, percent



Source: Company data, KGI Securities Research

**Figure 5: Quarterly margins**

Percent



Source: Company data, KGI Securities Research

**Figure 6: Condominiums ready to be transferred in 2021-23F (AP + JV)**

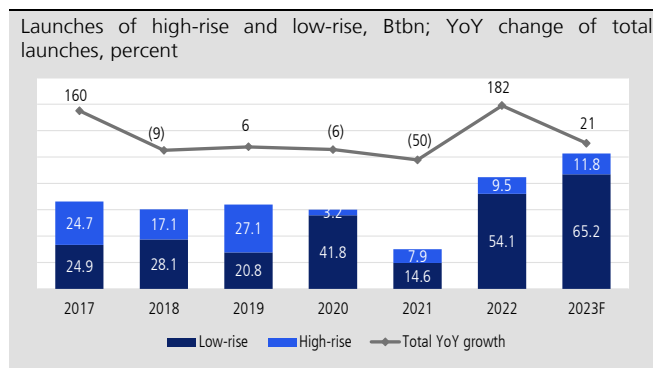
	Ownership	Project value (Btmn)	% sold	Beg. Transfer
Life Ladprao Valley	JV	6,500	69	3Q21
Life Asoke Hype	JV	5,800	83	2Q21
Aspire Erawan Prime	AP	3,200	47	1Q22
Life Sathorn Sierra	JV	6,300	60	3Q22
Rhythm Ekkamamai Estate	JV	3,200	31	3Q22
The Address Siam - Ratchathewi	JV	8,800	31	2Q23
Rhythm Charoenkrung Pavillion	JV	4,700	68	1Q23
Aspire Rattanathibet - Weston	AP	1,600	19	1Q23
Aspire Pinklao - ArunAmmarin	AP	1,200	62	2Q23
Aspire Ratchayotin	AP	1,400	41	4Q23

Source: Company data, KGI Securities Research

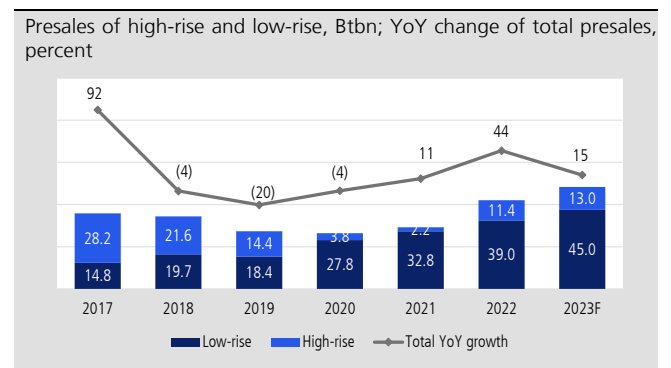
**Figure 7: Earnings revisions for 2022-23F**

Year to 31 Dec (Btm)	2022F Previous	2022F New	Chg (%)	2023F Previous	2023F New	Chg (%)
<b>Total revenue</b>	<b>36,705</b>	<b>38,524</b>	<b>5.0</b>	<b>39,847</b>	<b>43,471</b>	<b>9.1</b>
<b>Residential revenue</b>	<b>35,699</b>	<b>37,518</b>	<b>5.1</b>	<b>38,740</b>	<b>42,364</b>	<b>9.4</b>
Low-rise	33,916	35,591	4.9	36,290	40,218	10.8
High-rise	1,783	1,927	8.1	2,450	2,146	(12.4)
EBIT	4,988	5,918	18.7	5,756	6,985	21.3
Share income	1,226	1,234	0.7	1,318	1,255	(4.8)
<b>Net profit</b>	<b>4,950</b>	<b>5,853</b>	<b>18.2</b>	<b>5,596</b>	<b>6,624</b>	<b>18.4</b>
<b>Normalized profit</b>	<b>4,950</b>	<b>5,853</b>	<b>18.2</b>	<b>5,596</b>	<b>6,624</b>	<b>18.4</b>
<b>Key financials</b>	<b>2022F Previous</b>	<b>2022F New</b>	<b>Chg (ppts)</b>	<b>2023F Previous</b>	<b>2023F New</b>	<b>Chg (ppts)</b>
SG&A to sales (%)	19.2	18.8	(0.4)	18.9	18.0	(0.9)
Residential gross margin (%)	31.6	32.7	1.2	32.1	32.8	0.7
Net margin (%)	13.5	15.2	1.7	14.0	15.2	1.2

Source: Company data, KGI Securities Research

**Figure 8: Yearly launches**


Source: Company data, KGI Securities Research

**Figure 9: Yearly presales**


Source: Company data, KGI Securities Research

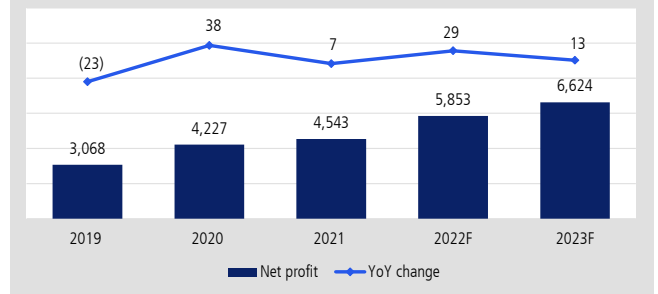
**Figure 10: Company profile**

AP (Thailand) (AP) develops property in several segments; townhouse, single-detached house and condominium. All property for development focus on prime locations near community and business centers convenient for commuting under various brands with a wide range of prices from Bt1.4mn-Bt30mn. In its market positioning, AP targets the mid-to-high-end market with broad-based brand using mixed business approach through different economic cycles.

Source: Company data

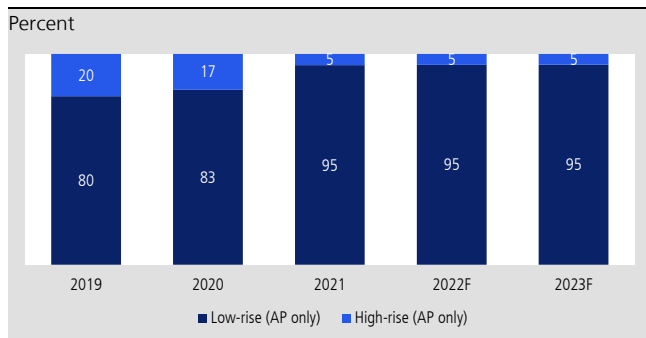
**Figure 11: Net profit**

Net profit, Btmn; YoY change, percent



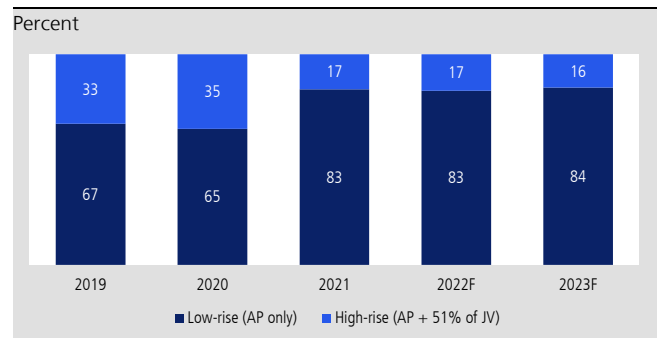
Source: Company data, KGI Securities Research

**Figure 12: Transfer breakdown excluding JV**



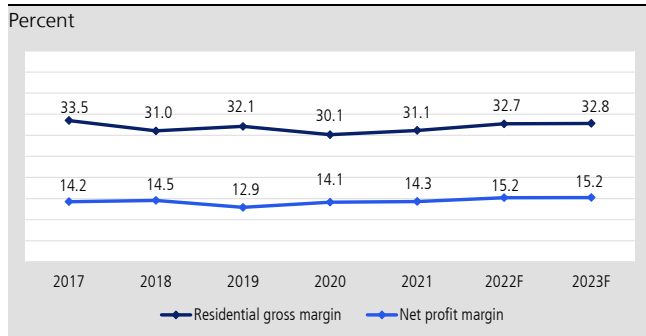
Source: Company data, KGI Securities Research

**Figure 13: Transfer breakdown including 51% of JV's revenue**



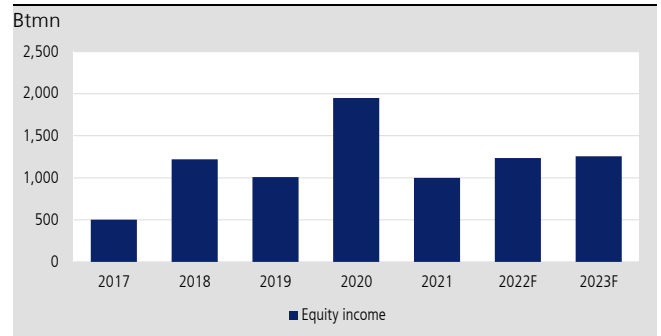
Source: Company data, KGI Securities Research

**Figure 14: Residential gross margin (excluding JV)**



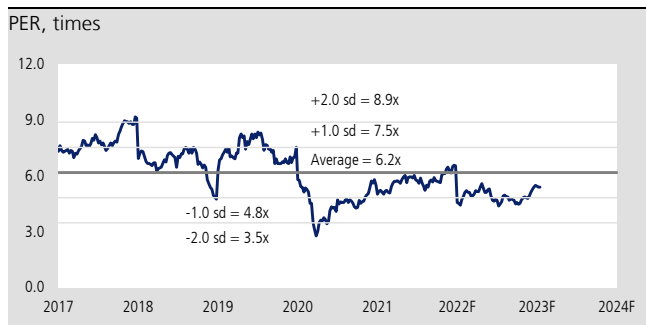
Source: Company data, KGI Securities Research

**Figure 15: Equity income from JV**



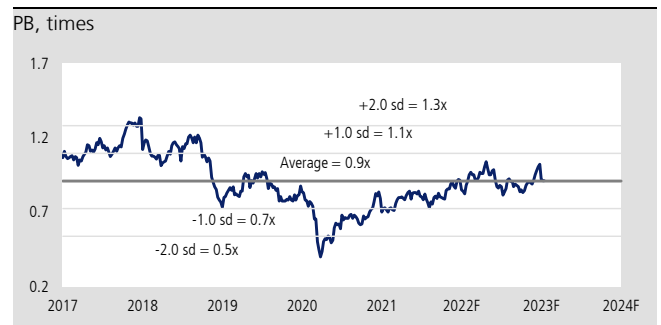
Source: Company data, KGI Securities Research

**Figure 16: Company trading PER**



Source: KGI Securities Research

**Figure 17: Company trading PB**



Source: KGI Securities Research

**Quarterly Income Statement**

	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A
<b>Income Statement (Bt mn)</b>																	
<b>Revenue</b>	<b>6,776</b>	<b>8,518</b>	<b>7,790</b>	<b>4,762</b>	<b>5,886</b>	<b>5,364</b>	<b>5,399</b>	<b>7,792</b>	<b>9,150</b>	<b>7,547</b>	<b>9,106</b>	<b>8,035</b>	<b>7,152</b>	<b>7,501</b>	<b>10,849</b>	<b>9,862</b>	<b>8,982</b>
Cost of Goods Sold	(4,589)	(5,839)	(5,230)	(3,177)	(3,818)	(3,402)	(3,537)	(5,487)	(6,281)	(5,154)	(6,139)	(5,494)	(4,861)	(4,990)	(7,233)	(6,550)	(5,937)
<b>Gross Profit</b>	<b>2,187</b>	<b>2,679</b>	<b>2,561</b>	<b>1,584</b>	<b>2,068</b>	<b>1,962</b>	<b>1,862</b>	<b>2,305</b>	<b>2,870</b>	<b>2,393</b>	<b>2,967</b>	<b>2,542</b>	<b>2,292</b>	<b>2,511</b>	<b>3,616</b>	<b>3,313</b>	<b>3,046</b>
Operating Expense	(1,351)	(1,763)	(1,501)	(1,138)	(1,250)	(1,554)	(1,147)	(1,521)	(1,918)	(1,575)	(1,425)	(1,392)	(1,430)	(1,581)	(1,709)	(1,715)	(1,805)
Other incomes	16	19	10	10	29	30	13	13	25	13	20	24	18	17	9	16	122
<b>Operating Profit</b>	<b>853</b>	<b>935</b>	<b>1,070</b>	<b>457</b>	<b>847</b>	<b>438</b>	<b>728</b>	<b>798</b>	<b>977</b>	<b>832</b>	<b>1,562</b>	<b>1,173</b>	<b>880</b>	<b>947</b>	<b>1,916</b>	<b>1,614</b>	<b>1,363</b>
Depreciation of fixed asset	(21)	(24)	(25)	(17)	(25)	(51)	(66)	(66)	(67)	(70)	(68)	(46)	(58)	(57)	(70)	(45)	(102)
<b>Operating EBITDA</b>	<b>874</b>	<b>983</b>	<b>1,083</b>	<b>478</b>	<b>870</b>	<b>494</b>	<b>793</b>	<b>867</b>	<b>1,043</b>	<b>900</b>	<b>1,628</b>	<b>1,222</b>	<b>937</b>	<b>1,008</b>	<b>1,981</b>	<b>1,566</b>	<b>1,465</b>
<b>Non-Operating Income</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>
Interest Income	0	3	0	4	0	5	0	4	0	3	0	4	0	3	0	2	0
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Operating Expense</b>	<b>256</b>	<b>248</b>	<b>236</b>	<b>87</b>	<b>(93)</b>	<b>519</b>	<b>33</b>	<b>564</b>	<b>679</b>	<b>299</b>	<b>70</b>	<b>101</b>	<b>318</b>	<b>253</b>	<b>214</b>	<b>269</b>	<b>306</b>
Interest Expense	(25)	(29)	(45)	(81)	(66)	(55)	(75)	(101)	(96)	(95)	(102)	(79)	(48)	(25)	(28)	(14)	(18)
Other Non-op Expense	0	21	(12)	(0)	(1)	0	(1)	0	(1)	(4)	(2)	(1)	(0)	1	(5)	(95)	(0)
Equity Income/(Loss)	282	256	293	167	(26)	574	109	664	776	398	175	181	366	277	247	378	324
<b>Pre-tax profit</b>	<b>827</b>	<b>930</b>	<b>1,013</b>	<b>380</b>	<b>779</b>	<b>387</b>	<b>652</b>	<b>700</b>	<b>880</b>	<b>735</b>	<b>1,458</b>	<b>1,097</b>	<b>831</b>	<b>926</b>	<b>1,883</b>	<b>1,508</b>	<b>1,345</b>
Current Taxation	(183)	(213)	(228)	(88)	(178)	(87)	(143)	(150)	(205)	(191)	(329)	(163)	(167)	(210)	(400)	(312)	(251)
Minorities	2	4	0	1	1	1	1	1	(0)	(0)	(0)	0	0	0	0	0	0
Extraordinary items	0	(0)	0	27	43	0	0	0	0	0	100	0	0	1	0	0	0
<b>Net Profit</b>	<b>928</b>	<b>977</b>	<b>1,078</b>	<b>488</b>	<b>619</b>	<b>876</b>	<b>618</b>	<b>1,215</b>	<b>1,450</b>	<b>942</b>	<b>1,403</b>	<b>1,115</b>	<b>1,031</b>	<b>994</b>	<b>1,730</b>	<b>1,574</b>	<b>1,419</b>
<b>Normalized Profit</b>	<b>928</b>	<b>977</b>	<b>1,078</b>	<b>461</b>	<b>576</b>	<b>876</b>	<b>618</b>	<b>1,215</b>	<b>1,450</b>	<b>942</b>	<b>1,303</b>	<b>1,115</b>	<b>1,031</b>	<b>993</b>	<b>1,730</b>	<b>1,574</b>	<b>1,419</b>
EPS (Bt)	0.30	0.31	0.34	0.16	0.20	0.28	0.20	0.39	0.46	0.30	0.45	0.35	0.33	0.32	0.55	0.50	0.45
Normalized EPS (Bt)	0.30	0.31	0.34	0.15	0.18	0.28	0.20	0.39	0.46	0.30	0.41	0.35	0.33	0.32	0.55	0.50	0.45
<b>Margins</b>																	
Gross profit margin	32.3	31.5	32.9	33.3	35.1	36.6	34.5	29.6	31.4	31.7	32.6	31.6	32.0	33.5	33.3	33.6	33.9
Operating EBIT margin	12.6	11.0	13.7	9.6	14.4	8.2	13.5	10.2	10.7	11.0	17.2	14.6	12.3	12.6	17.7	16.4	15.2
Operating EBITDA margin	12.9	11.5	13.9	10.0	14.8	9.2	14.7	11.1	11.4	11.9	17.9	15.2	13.1	13.4	18.3	15.9	16.3
Net profit margin	13.7	11.5	13.8	10.3	10.5	16.3	11.5	15.6	15.9	12.5	15.4	13.9	14.4	13.3	15.9	16.0	15.8
<b>Growth (YoY)</b>																	
Revenue growth	37.2	3.4	41.2	(26.3)	(13.1)	(37.0)	(30.7)	63.6	55.4	40.7	68.7	3.1	(21.8)	(0.6)	19.1	22.7	25.6
Operating EBIT growth	12.5	(40.4)	10.8	(51.1)	(0.7)	(53.2)	(31.9)	74.6	15.4	90.1	114.6	47.1	(9.9)	13.9	22.7	37.5	54.9
Operating EBITDA growth	12.5	(37.9)	12.2	(46.9)	(0.5)	(49.7)	(26.8)	81.4	19.9	82.2	105.3	40.9	(10.2)	12.0	21.7	28.2	56.3
Net profit growth	45.8	(28.1)	24.4	(59.0)	(33.3)	(10.4)	(42.6)	148.9	134.2	7.6	126.8	(8.3)	(28.9)	5.5	23.3	41.2	37.6
Normalized profit growth	50.5	(27.8)	24.4	(61.1)	(37.9)	(10.4)	(42.6)	163.7	151.8	7.6	110.6	(8.3)	(28.9)	5.4	32.8	41.2	37.6

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2019	2020	2021	2022F	2023F
<b>Total Assets</b>	<b>58,794</b>	<b>58,724</b>	<b>60,409</b>	<b>67,390</b>	<b>80,151</b>
<b>Current Assets</b>	<b>51,470</b>	<b>49,897</b>	<b>50,953</b>	<b>58,136</b>	<b>70,634</b>
Cash & ST Investment	570	2,740	2,070	1,577	1,894
Inventories	49,715	46,140	47,379	54,660	66,597
Account Receivable	169	80	118	128	145
Others	1,016	938	1,386	1,770	1,999
<b>Non-current Assets</b>	<b>7,324</b>	<b>8,827</b>	<b>9,456</b>	<b>9,254</b>	<b>9,516</b>
LT Investment	6,205	7,134	7,839	7,695	7,857
Net fixed Assets	468	409	367	379	479
Others	651	1,283	1,251	1,181	1,181
<b>Total Liabilities</b>	<b>32,498</b>	<b>29,461</b>	<b>27,986</b>	<b>31,163</b>	<b>39,619</b>
<b>Current Liabilities</b>	<b>17,057</b>	<b>13,256</b>	<b>12,439</b>	<b>14,196</b>	<b>16,597</b>
Account Payable	1,753	1,824	2,449	3,156	3,559
ST Borrowing	12,681	7,832	6,352	7,160	8,959
Others	2,623	3,600	3,637	3,880	4,080
<b>Long-term Liabilities</b>	<b>15,441</b>	<b>16,204</b>	<b>15,546</b>	<b>16,967</b>	<b>23,022</b>
Long-term Debts	14,927	15,221	14,720	15,987	22,042
Others	514	983	826	980	980
<b>Shareholders' Equity</b>	<b>26,296</b>	<b>29,263</b>	<b>32,423</b>	<b>36,227</b>	<b>40,531</b>
Common Stock	3,146	3,146	3,146	3,146	3,146
Capital Surplus	89	89	89	89	89
Retained Earnings	23,078	26,046	29,206	33,011	37,316
Preferred Stock					

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2019	2020	2021	2022F	2023F
<b>Growth (%YoY)</b>					
Sales	(12.7)	25.6	6.4	21.2	12.8
OP	(22.8)	19.0	37.0	29.6	18.0
EBITDA	(21.3)	23.2	33.1	28.8	17.5
NP	(22.6)	37.8	7.5	28.8	13.2
Normalized Profit	(24.4)	41.3	5.1	31.8	13.2
EPS	(22.6)	37.8	7.5	28.8	13.2
Normalized EPS	(24.4)	41.3	5.1	31.8	13.2
<b>Profitability (%)</b>					
Gross Margin	34.3	31.6	32.4	33.9	34.0
Operating Margin	11.8	11.1	14.3	15.3	16.0
EBITDA Margin	12.3	12.1	15.1	16.0	16.7
Net Margin	12.9	14.1	14.3	15.2	15.2
ROAA	5.2	7.2	7.5	8.7	8.3
ROAE	11.7	14.4	14.0	16.2	16.3
<b>Stability</b>					
Gross Debt/Equity (%)	123.6	100.7	86.3	86.0	97.7
Net Debt/Equity (%)	105.0	78.8	65.0	63.9	76.5
Interest Coverage (x)	11.3	9.1	17.9	53.5	36.9
Interest & ST Debt Coverage (x)	0.2	0.4	0.7	0.8	0.8
Cash Flow Interest Coverage (x)	(25.5)	20.0	10.2	(16.7)	(31.3)
Cash Flow/Interest & ST Debt (x)	(0.5)	0.9	0.4	(0.3)	(0.6)
Current Ratio (x)	3.0	3.8	4.1	4.1	4.3
Quick Ratio (x)	0.1	0.3	0.3	0.2	0.2
Net Debt (Bt mn)	27,037.5	20,313.4	19,003.0	21,569.3	29,106.8
<b>Per Share Data (Bt)</b>					
EPS	1.0	1.3	1.4	1.9	2.1
Normalized EPS	1.0	1.3	1.4	1.9	2.1
CFPS	(2.0)	2.3	0.8	(0.6)	(1.9)
BVPS	8.4	9.3	10.3	11.5	12.9
SPS	7.6	9.5	10.1	12.2	13.8
EBITDA/Share	0.9	1.1	1.5	2.0	2.3
DPS	0.4	0.5	0.5	0.7	0.7
<b>Activity</b>					
Asset Turnover (x)	0.4	0.5	0.5	0.6	0.5
Days Receivables	2.6	1.0	1.4	1.2	1.2
Days Inventory	1,161.2	823.2	805.0	783.8	847.2
Days Payable	41.0	32.6	41.6	45.3	45.3
Cash Cycle	1,122.8	791.6	764.7	739.7	803.1

Source: KGI Securities Research

**Profit & Loss**

Year to Dec 31 (Btmn)	2019	2020	2021	2022F	2023F
<b>Revenue</b>	<b>23,802</b>	<b>29,888</b>	<b>31,794</b>	<b>38,524</b>	<b>43,471</b>
Cost of Goods Sold	(15,627)	(20,458)	(21,483)	(25,455)	(28,692)
<b>Gross Profit</b>	<b>8,176</b>	<b>9,430</b>	<b>10,311</b>	<b>13,069</b>	<b>14,779</b>
Operating Expenses	(5,443)	(6,160)	(5,828)	(7,236)	(7,825)
Other Incomes	78	64	78	173	87
<b>Operating Profit</b>	<b>2,798</b>	<b>3,328</b>	<b>4,560</b>	<b>5,910</b>	<b>6,976</b>
Depreciation of fixed assets	(118)	(269)	(229)	(260)	(272)
<b>Operating EBITDA</b>	<b>2,925</b>	<b>3,604</b>	<b>4,796</b>	<b>6,178</b>	<b>7,257</b>
<b>Non-Operating Income</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>9</b>
Interest Income	9	7	7	8	9
Other Non-op Income	0	0	0	0	0
<b>Non-Operating Expense</b>	<b>(260)</b>	<b>(373)</b>	<b>(258)</b>	<b>(207)</b>	<b>(255)</b>
Interest Expense	(247)	(367)	(255)	(111)	(190)
Other Non-op Expense	(13)	(6)	(3)	(96)	(65)
<b>Equity Income/(Loss)</b>	<b>1,009</b>	<b>1,948</b>	<b>999</b>	<b>1,234</b>	<b>1,255</b>
<b>Pretax Profit</b>	<b>3,645</b>	<b>4,915</b>	<b>5,412</b>	<b>7,042</b>	<b>8,050</b>
Current Taxation	(581)	(690)	(869)	(1,190)	(1,427)
Minorities	(4)	(1)	(0)	(1)	(1)
Extraordinary items	77	0	101	0	0
<b>Net Profit</b>	<b>3,068</b>	<b>4,227</b>	<b>4,543</b>	<b>5,853</b>	<b>6,624</b>
<b>Normalized Profit</b>	<b>2,991</b>	<b>4,227</b>	<b>4,442</b>	<b>5,853</b>	<b>6,624</b>
EPS (Bt)	0.98	1.34	1.44	1.86	2.11
Normalized EPS (Bt)	0.95	1.34	1.41	1.86	2.11

Source: KGI Securities Research

**Cash Flow**

Year to 31 Dec (Bt mn)	2019	2020	2021	2022F	2023F
<b>Operating Cash Flow</b>	<b>(6,304)</b>	<b>7,338</b>	<b>2,608</b>	<b>(1,848)</b>	<b>(5,940)</b>
Net Profit	3,068	4,227	4,543	5,853	6,624
Depreciation & Amortization	118	269	229	260	272
Change in Working Capital	(8,401)	4,791	(1,063)	(6,726)	(11,580)
Others					
<b>Investment Cash Flow</b>	<b>(151)</b>	<b>645</b>	<b>85</b>	<b>1,330</b>	<b>720</b>
Net CAPEX	(294)	(771)	(567)	(59)	(534)
Change in LT Investment	53	938	817	1,234	1,255
Change in Other Assets	(6)	8	(8)	1	0
<b>Free Cash Flow</b>	<b>(6,455)</b>	<b>7,982</b>	<b>2,693</b>	<b>(518)</b>	<b>(5,219)</b>
<b>Financing Cash Flow</b>	<b>6,074</b>	<b>(5,813)</b>	<b>(3,363)</b>	<b>26</b>	<b>5,535</b>
Change in Share Capital	0	0	0	0	0
Net Change in Debt	7,332	(4,555)	(1,980)	2,074	7,854
Change in Other LT Liab.	(0)	0	0	0	0
<b>Net Cash Flow</b>	<b>(381)</b>	<b>2,170</b>	<b>(670)</b>	<b>(492)</b>	<b>316</b>

Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1-	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
2018		67.2%		0.3%		19.4%		13.0%
2019		65.7%		0.5%		22.9%		11.0%
2020		68.4%		0.9%		20.6%		10.0%
2021		67.6%		0.7%		18.3%		13.4%
2022F		67.2%		0.7%		19.2%		12.9%
Year	1/	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
2018		1.2		0.0		1.8		0.3
2019		1.4		0.0		2.5		0.3
2020		1.2		0.0		2.0		0.3
2021		1.2		0.0		1.9		0.3
2022F		1.4		0.0		2.1		0.3
Year		Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2018		13.0%		0.3		16.5%		0.7%
2019		11.0%		0.3		15.9%		0.4%
2020		10.0%		0.3		14.0%		0.4%
2021		13.4%		0.3		16.1%		0.7%
2022F		12.9%		0.3		16.7%		0.6%

Source: KGI Securities Research


**AP (Thailand) – Recommendation & target price history**




Date	Rating	Target	Price
10-Aug-22	Outperform	13.80	10.50
23-Feb-22	Outperform	12.80	11.30

Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies

 **Companies with Excellent CG Scoring**

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAI COM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	

 **Companies with Very Good CG Scoring**

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		

 **Companies with Good CG Scoring**

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

**Companies classified Not in the three highest score groups**

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.



## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRI SAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFSCO	SEAFSCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: [www.cgthailand.org](http://www.cgthailand.org)

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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