

# AP (THAILAND) AP TB

## THAILAND / PROPERTY DEVELOPMENT

# BUY

UNCHANGED

## คาดการณ์ราคาเป็นขาขึ้นต่อเนื่องใน 3Q23

- ประเมินกำไร 3Q23 เติบโต 9% q-q และ 19% y-y (ดีกว่ากลุ่มฯ) ตามทิศทางยอดโอนจากคอนโดสร้างเสร็จใหม่ 2 แห่ง และยอดโอนแนวราบทรงตัวสูง
- แผนรุกเปิดโครงการใหม่ใน 4Q23 จะเป็นแรงหนุนต่อยอด Presales และราคาหุ้น
- ปรับไปใช้ราคาเหมาะสมปี 2024 ที่ 14.40 บาท ยังแนะนำซื้อ เป็นหุ้นเด่นของกลุ่มฯ

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB14.40 |
| CLOSE           | THB10.80 |
| UP/DOWNSIDE     | +33.3%   |
| PRIOR TP        | THB14.00 |
| CHANGE IN TP    | +2.9%    |
| TP vs CONSENSUS | -0.4%    |

## KEY STOCK DATA

| YE Dec (THB m)       | 2022   | 2023E  | 2024E  | 2025E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 38,539 | 42,223 | 43,979 | 45,724 |
| Net profit           | 5,877  | 6,274  | 6,450  | 6,568  |
| EPS (THB)            | 1.87   | 1.99   | 2.05   | 2.09   |
| vs Consensus (%)     | -      | 1.6    | (0.3)  | (1.3)  |
| EBITDA               | 6,107  | 6,627  | 6,894  | 7,178  |
| Recurring net profit | 5,874  | 6,274  | 6,450  | 6,568  |
| Core EPS (THB)       | 1.87   | 1.99   | 2.05   | 2.09   |
| Chg. In EPS est. (%) | -      | -      | -      | -      |
| EPS growth (%)       | 29.3   | 6.8    | 2.8    | 1.8    |
| Core P/E (x)         | 5.8    | 5.4    | 5.3    | 5.2    |
| Dividend yield (%)   | 6.0    | 6.5    | 6.5    | 6.7    |
| EV/EBITDA (x)        | 9.1    | 8.0    | 7.6    | 7.1    |
| Price/book (x)       | 0.9    | 0.8    | 0.8    | 0.7    |
| Net debt/Equity (%)  | 58.5   | 46.4   | 41.5   | 34.8   |
| ROE (%)              | 17.0   | 16.2   | 15.0   | 13.9   |

## คาดการณ์ราคา 3Q23 แข็งแกร่ง +9% q-q, +19% y-y ตามทิศทางยอดโอน

เราประเมินกำไรสุทธิ 3Q23 อยู่ที่ 1.69 พันล้านบาท (+9% q-q, +19% y-y) ตามการเพิ่มขึ้นของยอดโอนคาด +9% q-q, +13% y-y ที่ 9.8 พันล้านบาท หนุนจากยอดโอนคอนโดเพิ่มขึ้นเป็น 978 ล้านบาท (+3x q-q, y-y) หลังเริ่มโอนคอนโดใหม่อย่าง Aspire Pinklao-Arunamarin (มูลค่า 1.2 พันล้านบาท มียอดขาย 90%) รวมถึงยอดโอนแนวราบทรงตัวสูงที่ 8.8 พันล้านบาท (+1% q-q, +5% y-y) หลักๆเป็นการรับรู้โครงการที่เปิดตัว 1H23 ซึ่งมีผลต่อรายได้ นอกจากนี้ มีคอนโด JV สร้างเสร็จใหม่อย่าง The Address Siam-Ratchathewi (มูลค่า 8.6 พันล้านบาท มียอดขาย 43%) หนุนการเพิ่มขึ้นของส่วนแบ่งกำไร JV ขณะที่อัตรากำไรขั้นต้นใน 3Q23 คาดกลับสู่ระดับปกติที่ 34% เทียบกับ 1H23 ที่ 35-36% ซึ่งการรับรู้หลักมาจากแนวราบบางแห่งที่มีมาร์จิ้นสูงกว่าปกติ

## คงมุมมองบวกต่อผลประกอบการ 4Q23 จาก Backlog ระดับสูง

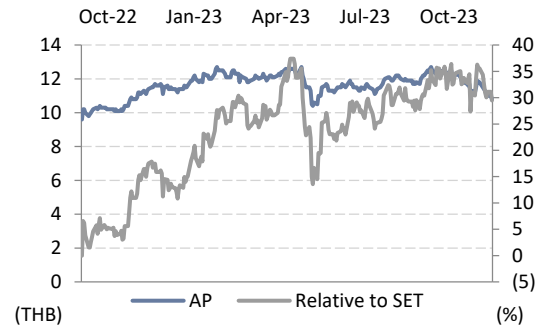
หากงบ 3Q23 ตามคาด กำไร 9M23 ทรงตัวจาก 9M22 เท่ากับ 4.7 พันล้านบาท คิดเป็น 75% ของประมาณการทั้งปีของเราที่ 6.3 พันล้านบาท (+7% y-y) แนวโน้มกำไร 4Q23 คาดขยับขึ้นได้ q-q และ y-y หนุนจาก Backlog ที่ยกมาจากสิ้น 3Q23 สูงราว 1.5 หมื่นล้านบาท คาดทยอยรับรู้ใน 4Q23 ราว 9.4 พันล้านบาท รองรับคาดการณ์ยอดโอนปีนี้แล้ว 91% ส่วนที่เข้ามาเพิ่มเติมจากการเปิดโครงการแนวราบใหม่จำนวนมากช่วงปลายปี ขณะที่ปี 2024 คงคาดการณ์กำไรระดับสูงสุดใหม่ต่อเนื่องที่ 6.5 พันล้านบาท (+3% y-y)

## การรุกเปิดโครงการใหม่ใน 4Q23 หนุนการเพิ่มขึ้นของยอด Presales

AP มีแผนรุกเปิดโครงการใหม่ใน 4Q23 สูงถึง 24 โครงการ มูลค่ารวม 3.6 หมื่นล้านบาท หรือคิดเป็น 48% ของมูลค่าการเปิดตัวในปีนี้เป็นแนวราบ 22 โครงการ มูลค่า 2.9 หมื่นล้านบาท และมีไฮไลท์คอนโดใหม่ 2 โครงการในเดือนพ.ย.นี้คือ Aspire Vibha-Victory มูลค่า 2.3 พันล้านบาท (เริ่ม 3.49 ล้านบาท/ยูนิต) และ Rhythm Charoennakhon Iconic มูลค่า 4.5 พันล้านบาท (เริ่ม 7.7 ล้านบาท/ยูนิต) ซึ่งคาดว่าจะสร้างยอดขายเกณฑ์ที่ดีด้วยจุดเด่นทำเลศักยภาพและการแข่งขันไม่สูงนัก โดยบริษัทตั้งเป้า Take-up rate ที่ 30% ขยับเคลื่อนยอด Presales 4Q23 อยู่ระดับ 1.5-1.6 หมื่นล้านบาท โต 25%-30% q-q, y-y

## ปรับไปใช้ราคาเหมาะสมปีหน้า 14.40 บาท ยังแนะนำซื้อและเป็น Top Pick

เราปรับไปใช้ราคาเหมาะสมปี 2024 ที่ 14.40 บาท (อิง PER เดิม 7x) คงคำแนะนำซื้อ ราคาหุ้นปรับลง -8% ภายใน 1 เดือนสะท้อนยอด Presales 3Q23 ที่อ่อนลง ทำให้ปัจจุบันซื้อขายบน PE2024 เพียง 5.3x และคาดปันผลปี 2023 Yield 6.5% (จ่ายปีละครั้ง) อย่างไรก็ตาม กำไร 3Q23 ที่แข็งแกร่ง (ดีกว่ากลุ่มฯที่คาดชะลอ q-q, y-y) บวกกับผลตอบรับที่ดีของการเปิดโครงการใหม่ใน 4Q23 คาดเป็นปัจจัยบวกต่อราคาหุ้นได้



| Share price performance        | 1 Month                          | 3 Month | 12 Month |
|--------------------------------|----------------------------------|---------|----------|
| Absolute (%)                   | (12.2)                           | (10.7)  | 12.5     |
| Relative to country (%)        | (3.9)                            | (1.9)   | 28.7     |
| Mkt cap (USD m)                | 938                              |         |          |
| 3m avg. daily turnover (USD m) | 3.1                              |         |          |
| Free float (%)                 | 66                               |         |          |
| Major shareholder              | Mr. Anuphong Assavabhokhin (21%) |         |          |
| 12m high/low (THB)             | 12.80/9.50                       |         |          |
| Issued shares (m)              | 3,145.90                         |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

ในปี 2023 AP วางแผนเชิงรุกเพื่อทำสถิติสูงสุดใหม่ในทุกด้าน 1) บริษัทฯ วางแผนเปิด 58 โครงการใหม่ มูลค่ารวม 7.7 หมื่นลบ. (+21% y-y) 2) บริษัทฯ ตั้งเป้าหมายยอดขายโครงการที่ 5.8 หมื่นลบ. (+15% y-y) ประกอบด้วยโครงการแนวราบ 78% และคอนโด 22% และ 3) บริษัทฯ ตั้งเป้ารายได้จากการโอน (รวม JV 100%) ไว้ที่ 5.6 หมื่นลบ. เทียบกับ 4.8 หมื่นลบ. ในปี 2022 อีกทั้ง วางแผนเพิ่มขยายพอร์ตในตลาด Luxury และเปิดโครงการต่างจังหวัดใน 5 จังหวัดใหม่

จุดเด่นของ AP คือ พอร์ตที่ยืดหยุ่นกระจายรายได้ครอบคลุมทั้งแนวราบและคอนโดในตลาดทุกเซกเมนต์ ทั้งในกรุงเทพฯ และต่างจังหวัด เพิ่มศักยภาพในการเติบโตได้อย่างมั่นคง ขณะที่กลยุทธ์การรุกเปิดโครงการใหม่เพิ่มขึ้นต่อเนื่องพร้อมกระจายในหลายทำเล หนุนการครองส่วนแบ่งการตลาดที่สูงได้ดี

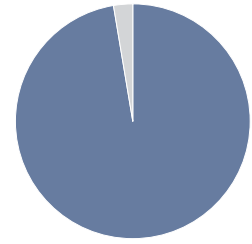
## Company profile

AP ประกอบด้วยธุรกิจพัฒนาอสังหาริมทรัพย์เพื่อขาย ประเภทคอนโดมิเนียม ทาวน์โฮม บ้านเดี่ยว บ้านแฝด โฮมออฟฟิศ ด้วยทำเลที่ตั้งในเขตชุมชนเมือง ศูนย์กลางทางธุรกิจ สามารถเดินทางได้สะดวก และเน้นแบบที่อยู่อาศัยให้ตรงกับความต้องการของกลุ่มลูกค้าแต่ละกลุ่มและแต่ละทำเล พร้อมมีธุรกิจบริการต่างๆ ในเครือที่ครอบคลุมเรื่องการอยู่อาศัยอย่างครบวงจร

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

## Principal activities (revenue, 2022)

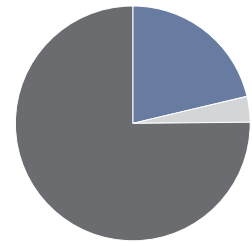
- Sales - 97.4 %
- Service income - 2.6 %



Source: AP (Thailand)

## Major shareholders

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



Source: AP (Thailand)

## Catalysts

ปัจจัยบวกต่อราคาหุ้นคือ 1) แนวโน้มผลประกอบการ 2H23 คาดเติบโต h-h และ y-y แข็งแกร่งกว่ารายอื่น 2) ความสำเร็จของโครงการใหม่ โดยเฉพาะคอนโดใหม่ใน 4Q23 จำนวน 3 แห่ง ซึ่งหากได้รับผลตอบแทนดี คาดเป็นปัจจัยบวกต่อราคาหุ้น 3) ตลาดอสังหาริมทรัพย์ฟื้นตัวใน 4Q23

## Risks to our call

ความเสี่ยง 1) ตลาดแนวราบชะลอตัวมากกว่าคาด 2) อัตราการขายโครงการต่ำกว่าคาด 3) เศรษฐกิจฟื้นตัวช้า 4) ดอกเบี้ยขาขึ้นกระทบกำลังซื้อ 5) อัตราการปฏิเสธสินเชื่อจากธนาคารและยอดยกเลิกจากลูกค้าสูงขึ้น 6) การก่อสร้างล่าช้าและการขาดแคลนแรงงาน และ 7) การแข่งขันรุนแรง

## Event calendar

| Date            | Event                     |
|-----------------|---------------------------|
| 7 November 2023 | 3Q23 results announcement |

## Key assumptions

|                          | 2023E  | 2024E  | 2025E  |
|--------------------------|--------|--------|--------|
| Transfer revenue (THB m) | 41,107 | 42,841 | 44,563 |
| Service income (THB m)   | 1,116  | 1,138  | 1,161  |
| Property GPM (%)         | 32.9   | 32.9   | 32.9   |
| GPM (%)                  | 34.1   | 34.1   | 34.1   |
| SG&A to sales (%)        | 18.8   | 18.8   | 18.8   |

Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 3.7%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 2.7%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2023 net profit to fall by 2.7%, and vice versa, all else being equal.

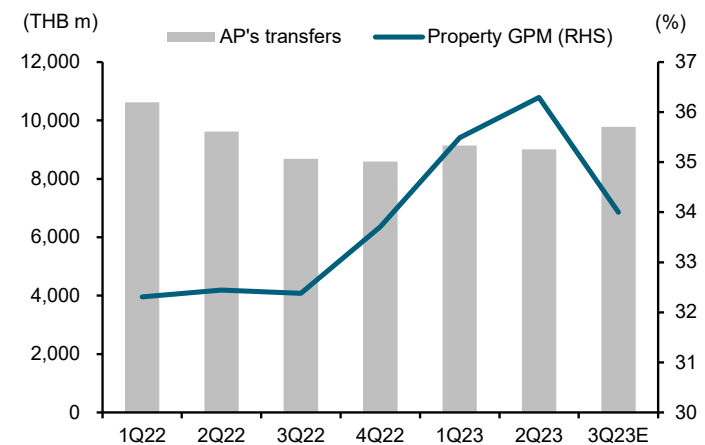
Source: FSSIA estimates

## Exhibit 1: 3Q23 results preview

|                             | 3Q22           | 4Q22           | 1Q23           | 2Q23           | 3Q23E          | Change        |               |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
|                             | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (q-q%)        | (y-y%)        |
| Total revenue               | 8,982          | 8,846          | 9,409          | 9,282          | 10,055         | 8             | 12            |
| Gross profit                | 3,046          | 3,090          | 3,445          | 3,486          | 3,542          | 2             | 16            |
| SG&A                        | (1,805)        | (2,020)        | (1,853)        | (1,725)        | (1,784)        | n/a           | n/a           |
| Operating profit            | 1,241          | 1,070          | 1,592          | 1,761          | 1,758          | (0)           | 42            |
| Other income                | 122            | 14             | 33             | 108            | 30             | (72)          | (75)          |
| Interest expense            | (18)           | (45)           | (76)           | (81)           | (70)           | n/a           | n/a           |
| Profit before tax           | 1,345          | 1,134          | 1,549          | 1,608          | 1,718          | 7             | 28            |
| Tax                         | (251)          | (267)          | (309)          | (353)          | (351)          | n/a           | n/a           |
| Associates                  | 324            | 284            | 238            | 289            | 319            | 11            | (2)           |
| Reported net profit         | 1,419          | 1,155          | 1,478          | 1,544          | 1,687          | 9             | 19            |
| Normalised profit           | 1,419          | 1,151          | 1,478          | 1,544          | 1,687          | 9             | 19            |
| <b>Key ratios (%)</b>       | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>  | <b>(ppt)</b>  |
| Property gross margin       | 32.4           | 33.7           | 35.5           | 36.3           | 34.0           | (2.3)         | 1.6           |
| Gross margin                | 33.9           | 34.9           | 36.6           | 37.6           | 35.2           | (2.3)         | 1.3           |
| Operating margin            | 13.8           | 12.1           | 16.9           | 19.0           | 17.5           | (1.5)         | 3.7           |
| Net profit margin           | 15.8           | 13.1           | 15.7           | 16.6           | 16.8           | 0.1           | 1.0           |
| Normalised profit margin    | 15.8           | 13.0           | 15.7           | 16.6           | 16.8           | 0.1           | 1.0           |
| <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>8,689</b>   | <b>8,592</b>   | <b>9,144</b>   | <b>9,009</b>   | <b>9,780</b>   | <b>9</b>      | <b>13</b>     |
| -- Low-rise                 | 8,384          | 8,314          | 8,657          | 8,701          | 8,802          | 1             | 5             |
| -- High-rise                | 305            | 278            | 487            | 308            | 978            | 218           | 221           |
| <b>Presales</b>             | <b>11,924</b>  | <b>12,960</b>  | <b>11,016</b>  | <b>12,631</b>  | <b>11,677</b>  | <b>(8)</b>    | <b>(2)</b>    |
| -- Low-rise                 | 8,354          | 10,049         | 8,172          | 8,622          | 8,499          | (1)           | 2             |
| -- High-rise                | 3,570          | 2,911          | 2,844          | 4,009          | 3,178          | (21)          | (11)          |

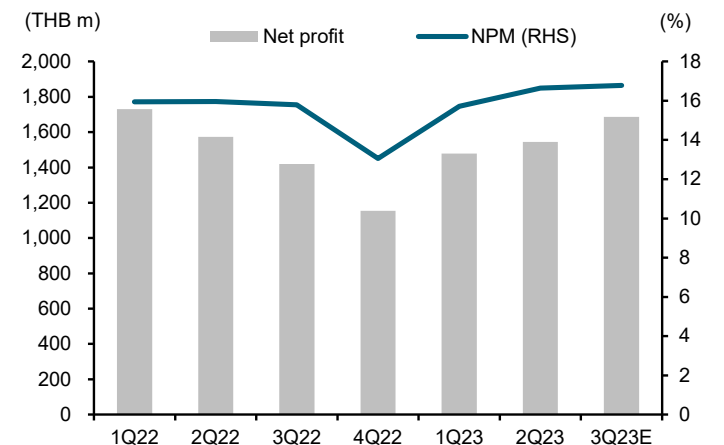
Sources: AP; FSSIA estimates

## Exhibit 2: Quarterly transfers and property GPM



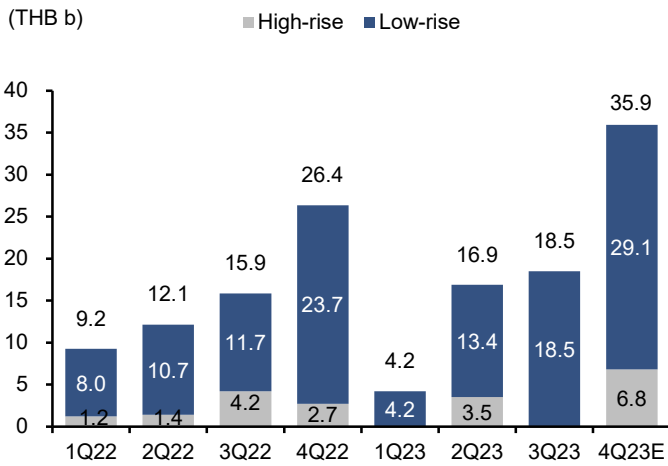
Sources: AP; FSSIA estimates

## Exhibit 3: Quarterly net profit and NPM



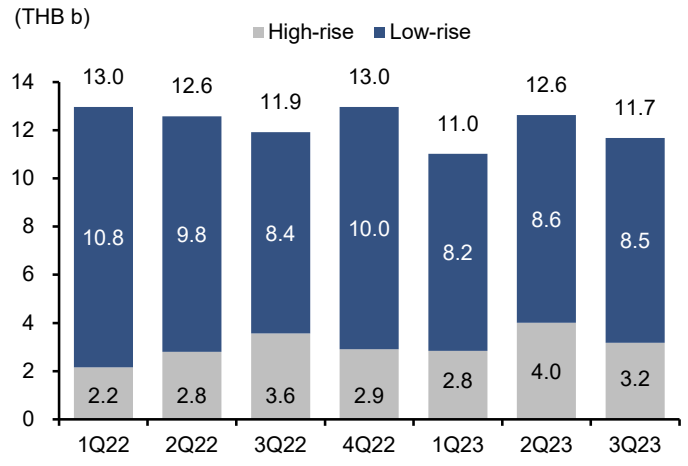
Sources: AP; FSSIA estimates

Exhibit 4: Quarterly new launches



Sources: AP; FSSIA's compilation

Exhibit 5: Quarterly presales



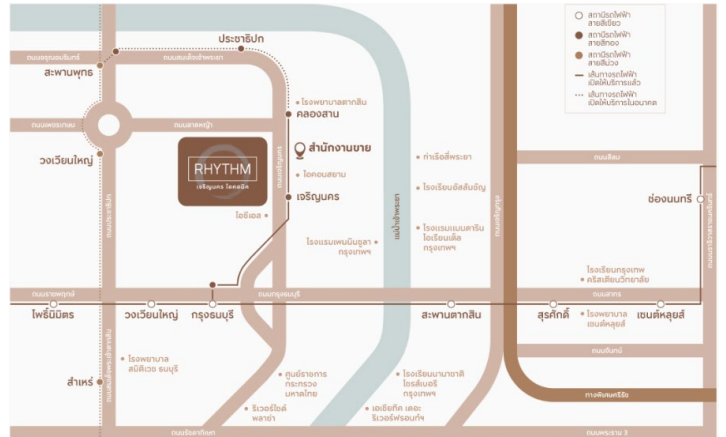
Sources: AP; FSSIA's compilation

Exhibit 6: Aspire Vibha-Victory location



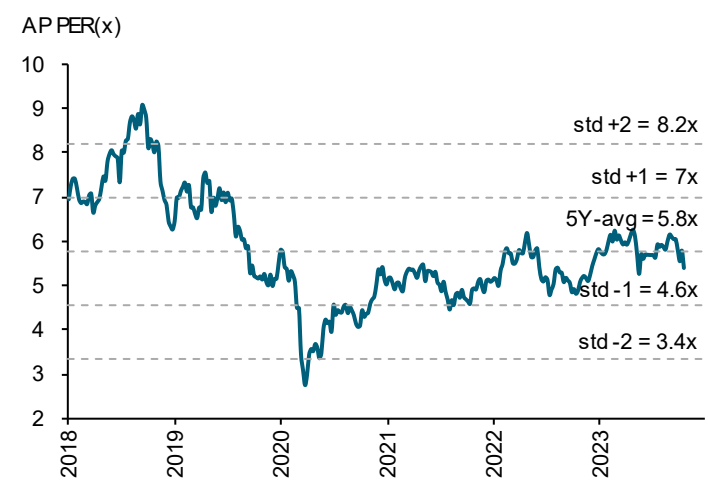
Source: AP

Exhibit 7: Rhythm Charoennakhon Iconic location



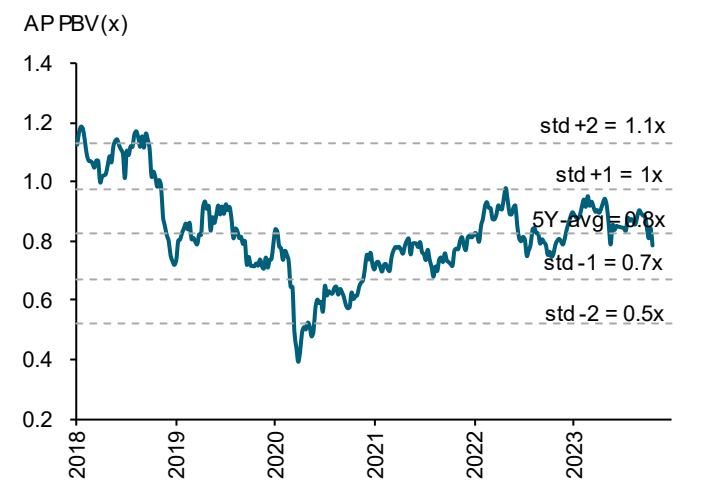
Source: AP

Exhibit 8: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

AP (Thailand)

| Profit and Loss (THB m) Year Ending Dec           | 2021          | 2022          | 2023E         | 2024E         | 2025E         |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue                                           | 31,794        | 38,539        | 42,223        | 43,979        | 45,724        |
| Cost of goods sold                                | (21,483)      | (25,475)      | (27,826)      | (29,002)      | (30,152)      |
| <b>Gross profit</b>                               | <b>10,311</b> | <b>13,064</b> | <b>14,396</b> | <b>14,977</b> | <b>15,572</b> |
| Other operating income                            | 0             | 0             | 0             | 0             | 0             |
| Operating costs                                   | (5,828)       | (7,248)       | (7,938)       | (8,268)       | (8,596)       |
| <b>Operating EBITDA</b>                           | <b>4,763</b>  | <b>6,107</b>  | <b>6,627</b>  | <b>6,894</b>  | <b>7,178</b>  |
| Depreciation                                      | (279)         | (291)         | (168)         | (185)         | (202)         |
| Goodwill amortisation                             | 0             | 0             | 0             | 0             | 0             |
| <b>Operating EBIT</b>                             | <b>4,484</b>  | <b>5,816</b>  | <b>6,458</b>  | <b>6,709</b>  | <b>6,976</b>  |
| Net financing costs                               | (248)         | (99)          | (115)         | (136)         | (128)         |
| Associates                                        | 999           | 1,233         | 1,151         | 1,130         | 1,024         |
| Recurring non-operating income                    | 1,175         | 1,385         | 1,211         | 1,208         | 1,106         |
| Non-recurring items                               | 0             | 4             | 0             | 0             | 0             |
| <b>Profit before tax</b>                          | <b>5,411</b>  | <b>7,106</b>  | <b>7,555</b>  | <b>7,780</b>  | <b>7,954</b>  |
| Tax                                               | (869)         | (1,230)       | (1,281)       | (1,330)       | (1,386)       |
| <b>Profit after tax</b>                           | <b>4,542</b>  | <b>5,876</b>  | <b>6,274</b>  | <b>6,450</b>  | <b>6,568</b>  |
| Minority interests                                | 0             | 1             | 0             | 0             | 0             |
| Preferred dividends                               | 0             | 0             | 0             | 0             | 0             |
| Other items                                       | 0             | 0             | 0             | 0             | 0             |
| <b>Reported net profit</b>                        | <b>4,542</b>  | <b>5,877</b>  | <b>6,274</b>  | <b>6,450</b>  | <b>6,568</b>  |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>0</b>      | <b>(4)</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Recurring net profit</b>                       | <b>4,542</b>  | <b>5,874</b>  | <b>6,274</b>  | <b>6,450</b>  | <b>6,568</b>  |
| <b>Per share (THB)</b>                            |               |               |               |               |               |
| Recurring EPS *                                   | 1.44          | 1.87          | 1.99          | 2.05          | 2.09          |
| Reported EPS                                      | 1.44          | 1.87          | 1.99          | 2.05          | 2.09          |
| DPS                                               | 0.50          | 0.65          | 0.70          | 0.71          | 0.72          |
| Diluted shares (used to calculate per share data) | 3,146         | 3,146         | 3,146         | 3,146         | 3,146         |
| <b>Growth</b>                                     |               |               |               |               |               |
| Revenue (%)                                       | 6.4           | 21.2          | 9.6           | 4.2           | 4.0           |
| Operating EBITDA (%)                              | 34.6          | 28.2          | 8.5           | 4.0           | 4.1           |
| Operating EBIT (%)                                | 37.1          | 29.7          | 11.0          | 3.9           | 4.0           |
| Recurring EPS (%)                                 | 7.5           | 29.3          | 6.8           | 2.8           | 1.8           |
| Reported EPS (%)                                  | 7.5           | 29.4          | 6.7           | 2.8           | 1.8           |
| <b>Operating performance</b>                      |               |               |               |               |               |
| Gross margin inc. depreciation (%)                | 32.4          | 33.9          | 34.1          | 34.1          | 34.1          |
| Gross margin exc. depreciation (%)                | 33.3          | 34.7          | 34.5          | 34.5          | 34.5          |
| Operating EBITDA margin (%)                       | 15.0          | 15.8          | 15.7          | 15.7          | 15.7          |
| Operating EBIT margin (%)                         | 14.1          | 15.1          | 15.3          | 15.3          | 15.3          |
| Net margin (%)                                    | 14.3          | 15.2          | 14.9          | 14.7          | 14.4          |
| Effective tax rate (%)                            | 19.7          | 20.2          | 20.0          | 20.0          | 20.0          |
| Dividend payout on recurring profit (%)           | 34.6          | 34.8          | 35.0          | 34.5          | 34.5          |
| Interest cover (X)                                | 22.8          | 72.7          | 66.9          | 58.2          | 63.2          |
| Inventory days                                    | 804.9         | 743.8         | 724.4         | 714.3         | 725.9         |
| Debtor days                                       | 1.1           | 1.1           | 1.2           | 1.4           | 1.4           |
| Creditor days                                     | 36.8          | 41.0          | 41.4          | 39.6          | 39.7          |
| Operating ROIC (%)                                | 8.3           | 9.7           | 10.2          | 10.3          | 10.1          |
| ROIC (%)                                          | 8.8           | 10.3          | 10.3          | 10.2          | 9.8           |
| ROE (%)                                           | 14.7          | 17.0          | 16.2          | 15.0          | 13.9          |
| ROA (%)                                           | 8.0           | 9.3           | 9.2           | 9.1           | 8.8           |
| * Pre-exceptional, pre-goodwill and fully diluted |               |               |               |               |               |
| <b>Revenue by Division (THB m)</b>                |               |               |               |               |               |
|                                                   | 2021          | 2022          | 2023E         | 2024E         | 2025E         |
| Sales                                             | 30,879        | 37,522        | 41,107        | 42,841        | 44,563        |
| Service income                                    | 915           | 1,017         | 1,116         | 1,138         | 1,161         |

Sources: AP (Thailand); FSSIA estimates

## Financial Statements

AP (Thailand)

| Cash Flow (THB m) Year Ending Dec | 2021           | 2022         | 2023E          | 2024E          | 2025E           |
|-----------------------------------|----------------|--------------|----------------|----------------|-----------------|
| Recurring net profit              | 4,542          | 5,874        | 6,274          | 6,450          | 6,568           |
| Depreciation                      | 279            | 291          | 168            | 185            | 202             |
| Associates & minorities           | -              | -            | -              | -              | -               |
| Other non-cash items              | 0              | 4            | 0              | 0              | 0               |
| Change in working capital         | (1,046)        | (6,585)      | 93             | (3,544)        | (2,405)         |
| <b>Cash flow from operations</b>  | <b>3,775</b>   | <b>(417)</b> | <b>6,535</b>   | <b>3,092</b>   | <b>4,365</b>    |
| Capex - maintenance               | 0              | 0            | 0              | 0              | 0               |
| Capex - new investment            | (941)          | (179)        | (1,805)        | (592)          | (606)           |
| Net acquisitions & disposals      | -              | -            | -              | -              | -               |
| Other investments (net)           | -              | -            | -              | -              | -               |
| <b>Cash flow from investing</b>   | <b>(941)</b>   | <b>(179)</b> | <b>(1,805)</b> | <b>(592)</b>   | <b>(606)</b>    |
| Dividends paid                    | (1,382)        | (1,572)      | (2,196)        | (2,225)        | (2,266)         |
| Equity finance                    | 0              | 0            | 0              | 0              | 0               |
| Debt finance                      | (2,122)        | 1,749        | (1,915)        | 17             | (1,332)         |
| Other financing cash flows        | 0              | (1)          | 0              | 0              | 0               |
| <b>Cash flow from financing</b>   | <b>(3,504)</b> | <b>176</b>   | <b>(4,111)</b> | <b>(2,209)</b> | <b>(3,598)</b>  |
| Non-recurring cash flows          | -              | -            | -              | -              | -               |
| Other adjustments                 | 0              | 0            | 0              | 0              | 0               |
| <b>Net other adjustments</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>       | <b>0</b>       | <b>0</b>        |
| <b>Movement in cash</b>           | <b>(670)</b>   | <b>(420)</b> | <b>620</b>     | <b>291</b>     | <b>160</b>      |
| Free cash flow to firm (FCFF)     | 3,088.77       | (491.91)     | 4,847.51       | 2,637.76       | 3,888.07        |
| Free cash flow to equity (FCFE)   | 711.53         | 1,152.31     | 2,815.93       | 2,516.51       | <b>2,426.31</b> |

### Per share (THB)

|                               |      |        |      |      |      |
|-------------------------------|------|--------|------|------|------|
| FCFF per share                | 0.98 | (0.16) | 1.54 | 0.84 | 1.24 |
| FCFE per share                | 0.23 | 0.37   | 0.90 | 0.80 | 0.77 |
| Recurring cash flow per share | 1.53 | 1.96   | 2.05 | 2.11 | 2.15 |

| Balance Sheet (THB m) Year Ending Dec             | 2021          | 2022          | 2023E         | 2024E         | 2025E         |
|---------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross)                     | 1,841         | 1,904         | 1,455         | 1,527         | 1,599         |
| Less: Accumulated depreciation                    | (279)         | (291)         | (168)         | (185)         | (202)         |
| <b>Tangible fixed assets (net)</b>                | <b>1,562</b>  | <b>1,614</b>  | <b>1,286</b>  | <b>1,341</b>  | <b>1,396</b>  |
| <b>Intangible fixed assets (net)</b>              | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| Long-term financial assets                        | 0             | 0             | 0             | 0             | 1             |
| Invest. in associates & subsidiaries              | 6,645         | 6,481         | 8,445         | 8,796         | 9,145         |
| Cash & equivalents                                | 2,070         | 1,650         | 2,270         | 2,561         | 2,722         |
| A/C receivable                                    | 118           | 104           | 169           | 176           | 183           |
| Inventories                                       | 47,379        | 55,261        | 54,527        | 58,264        | 60,855        |
| Other current assets                              | 1,386         | 1,874         | 1,689         | 1,759         | 1,829         |
| <b>Current assets</b>                             | <b>50,953</b> | <b>58,889</b> | <b>58,655</b> | <b>62,760</b> | <b>65,589</b> |
| Other assets                                      | 1,250         | 1,243         | 1,478         | 1,539         | 1,600         |
| <b>Total assets</b>                               | <b>60,409</b> | <b>68,227</b> | <b>69,863</b> | <b>74,437</b> | <b>77,731</b> |
| Common equity                                     | 32,442        | 36,747        | 40,825        | 45,050        | 49,353        |
| Minorities etc.                                   | (18)          | (19)          | (19)          | (19)          | (19)          |
| <b>Total shareholders' equity</b>                 | <b>32,423</b> | <b>36,728</b> | <b>40,806</b> | <b>45,031</b> | <b>49,334</b> |
| Long term debt                                    | 15,024        | 15,284        | 15,805        | 9,564         | 8,919         |
| Other long-term liabilities                       | 523           | 675           | 612           | 638           | 663           |
| <b>Long-term liabilities</b>                      | <b>15,546</b> | <b>15,959</b> | <b>16,418</b> | <b>10,202</b> | <b>9,582</b>  |
| A/C payable                                       | 2,449         | 3,211         | 3,061         | 3,190         | 3,317         |
| Short term debt                                   | 6,352         | 7,841         | 5,405         | 11,663        | 10,976        |
| Other current liabilities                         | 3,637         | 4,487         | 4,174         | 4,350         | 4,523         |
| <b>Current liabilities</b>                        | <b>12,439</b> | <b>15,539</b> | <b>12,640</b> | <b>19,204</b> | <b>18,815</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>60,409</b> | <b>68,227</b> | <b>69,863</b> | <b>74,437</b> | <b>77,731</b> |
| Net working capital                               | 42,796        | 49,540        | 49,150        | 52,658        | 55,028        |
| Invested capital                                  | 52,253        | 58,878        | 60,358        | 64,335        | 67,170        |

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

### Per share (THB)

|                               |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share          | 10.31 | 11.68 | 12.98 | 14.32 | 15.69 |
| Tangible book value per share | 10.31 | 11.68 | 12.98 | 14.32 | 15.69 |

### Financial strength

|                           |      |      |      |      |      |
|---------------------------|------|------|------|------|------|
| Net debt/equity (%)       | 59.5 | 58.5 | 46.4 | 41.5 | 34.8 |
| Net debt/total assets (%) | 32.0 | 31.5 | 27.1 | 25.1 | 22.1 |
| Current ratio (x)         | 4.1  | 3.8  | 4.6  | 3.3  | 3.5  |
| CF interest cover (x)     | 7.7  | 14.4 | 41.3 | 23.9 | 24.7 |

| Valuation                                 | 2021        | 2022       | 2023E      | 2024E      | 2025E      |
|-------------------------------------------|-------------|------------|------------|------------|------------|
| <b>Recurring P/E (x) *</b>                | <b>7.5</b>  | <b>5.8</b> | <b>5.4</b> | <b>5.3</b> | <b>5.2</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>10.0</b> | <b>7.7</b> | <b>7.2</b> | <b>7.0</b> | <b>6.9</b> |
| Reported P/E (x)                          | 7.5         | 5.8        | 5.4        | 5.3        | 5.2        |
| Dividend yield (%)                        | 4.6         | 6.0        | 6.5        | 6.5        | 6.7        |
| Price/book (x)                            | 1.0         | 0.9        | 0.8        | 0.8        | 0.7        |
| Price/tangible book (x)                   | 1.0         | 0.9        | 0.8        | 0.8        | 0.7        |
| EV/EBITDA (x) **                          | 11.2        | 9.1        | 8.0        | 7.6        | 7.1        |
| EV/EBITDA @ target price (x) **           | 13.6        | 10.9       | 9.7        | 9.3        | 8.7        |
| EV/invested capital (x)                   | 1.0         | 0.9        | 0.9        | 0.8        | 0.8        |

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: AP (Thailand); FSSIA estimates

## AP (THAILAND) PCL (AP TB)

FSSIA ESG rating



53.36 /100

## Exhibit 10: 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  | <b>Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.</b>                                                          |
| ★ ★       | >19-39  | Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.                                                 |
| ★         | 1-19    | The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC. |

Sources: FSSIA estimates

## Exhibit 11: ESG – peer comparison

|          | FSSIA<br>ESG score | Domestic ratings |             |      |          |              |           | Global ratings |             |      |         |           |               | --- Bloomberg --- |                     |
|----------|--------------------|------------------|-------------|------|----------|--------------|-----------|----------------|-------------|------|---------|-----------|---------------|-------------------|---------------------|
|          |                    | DJSI             | SET<br>THSI | THSI | CG score | AGM<br>level | Thai CAC  | Morningstar    | 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  | --             | --          | --   | --      | --        | --            | --                | --                  |
| 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               |

Sources: [SETTRADE.com](http://SETTRADE.com); FSSIA's compilation

## Exhibit 12: ESG score by Bloomberg

| FY ending Dec 31                                    | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      | FY 2020      | FY 2021      | FY 2022      |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>ESG financial materiality scores - ESG score</b> | <b>0.96</b>  | <b>2.34</b>  | <b>1.85</b>  | <b>2.17</b>  | <b>1.77</b>  | <b>1.84</b>  | <b>2.01</b>  | <b>1.89</b>  |
| BESG environmental pillar score                     | 0.00         | 0.16         | 0.16         | 0.16         | 0.16         | 0.16         | 0.16         | 0.16         |
| BESG social pillar score                            | 0.00         | 6.19         | 3.48         | 5.30         | 3.14         | 3.57         | 4.68         | 4.32         |
| BESG governance pillar score                        | 3.86         | 4.12         | 3.93         | 3.98         | 3.86         | 3.81         | 3.75         | 3.54         |
| <b>ESG disclosure score</b>                         | <b>30.64</b> | <b>33.76</b> | <b>33.76</b> | <b>34.10</b> | <b>34.10</b> | <b>34.10</b> | <b>34.26</b> | <b>34.26</b> |
| Environmental disclosure score                      | 0.00         | 1.27         | 1.27         | 1.27         | 1.27         | 1.27         | 1.75         | 1.75         |
| Social disclosure score                             | 10.64        | 12.45        | 12.45        | 13.48        | 13.48        | 13.48        | 13.48        | 13.48        |
| Governance disclosure score                         | 81.10        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        |
| <b>Environmental</b>                                |              |              |              |              |              |              |              |              |
| Emissions reduction initiatives                     | No           | No           | No           | No           | No           | No           | No           | No           |
| Climate change policy                               | No           | No           | No           | No           | No           | No           | No           | No           |
| Climate change opportunities discussed              | No           | No           | No           | No           | No           | No           | No           | No           |
| Risks of climate change discussed                   | No           | No           | No           | No           | No           | No           | No           | No           |
| GHG scope 1                                         | --           | --           | --           | --           | --           | --           | --           | --           |
| GHG scope 2 location-based                          | --           | --           | --           | --           | --           | --           | --           | --           |
| GHG Scope 3                                         | --           | --           | --           | --           | --           | --           | --           | --           |
| Carbon per unit of production                       | --           | --           | --           | --           | --           | --           | --           | --           |
| Biodiversity policy                                 | No           | No           | No           | No           | No           | No           | No           | No           |
| Energy efficiency policy                            | No           | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          |
| Total energy consumption                            | --           | --           | --           | --           | --           | --           | --           | --           |
| Renewable energy use                                | --           | --           | --           | --           | --           | --           | --           | --           |
| Electricity used                                    | --           | --           | --           | --           | --           | --           | --           | --           |
| Fuel used - natural gas                             | --           | --           | --           | --           | --           | --           | --           | --           |

Sources: Bloomberg; FSSIA's compilation

**Exhibit 13: ESG score by Bloomberg (cont.)**

| FY ending Dec 31                              | FY 2015   | FY 2016   | FY 2017   | FY 2018   | FY 2019   | FY 2020   | FY 2021   | FY 2022   |
|-----------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Fuel used - crude oil/diesel                  | No        | No        | No        | No        | No        | No        | No        | No        |
| Waste reduction policy                        | No        | No        | No        | No        | No        | No        | Yes       | Yes       |
| Hazardous waste                               | —         | —         | —         | —         | —         | —         | —         | —         |
| Total waste                                   | —         | —         | —         | —         | —         | —         | —         | —         |
| Waste recycled                                | —         | —         | —         | —         | —         | —         | —         | —         |
| Waste sent to landfills                       | —         | —         | —         | —         | —         | —         | —         | —         |
| Environmental supply chain management         | No        | No        | No        | No        | No        | No        | No        | No        |
| Water policy                                  | No        | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Water consumption                             | —         | —         | —         | —         | —         | —         | —         | —         |
| <b>Social</b>                                 |           |           |           |           |           |           |           |           |
| Human rights policy                           | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Policy against child labor                    | No        | No        | No        | Yes       | Yes       | Yes       | Yes       | Yes       |
| Quality assurance and recall policy           | No        | No        | No        | No        | No        | No        | No        | No        |
| Consumer data protection policy               | No        | No        | No        | No        | No        | No        | No        | No        |
| Equal opportunity policy                      | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Gender pay gap breakout                       | No        | No        | No        | No        | No        | No        | No        | No        |
| Pct women in workforce                        | —         | —         | —         | —         | —         | —         | —         | —         |
| Pct disabled in workforce                     | —         | —         | —         | —         | —         | —         | —         | —         |
| Business ethics policy                        | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Anti-bribery ethics policy                    | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Health and safety policy                      | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Lost time incident rate - employees           | —         | —         | —         | —         | —         | —         | —         | —         |
| Total recordable incident rate - employees    | —         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| Training policy                               | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| Fair remuneration policy                      | No        | No        | No        | No        | No        | No        | No        | No        |
| Number of employees – CSR                     | 1,670     | 1,858     | 1,995     | 2,239     | 2,571     | 2,724     | 2,589     | 2,878     |
| Employee turnover pct                         | —         | —         | —         | —         | —         | —         | —         | —         |
| Total hours spent by firm - employee training | —         | —         | —         | —         | —         | —         | —         | —         |
| Social supply chain management                | No        | No        | No        | No        | No        | No        | No        | No        |
| <b>Governance</b>                             |           |           |           |           |           |           |           |           |
| <b>Board size</b>                             | <b>13</b> | <b>13</b> | <b>13</b> | <b>13</b> | <b>13</b> | <b>13</b> | <b>13</b> | <b>13</b> |
| <b>No. of independent directors (ID)</b>      | <b>7</b>  | <b>7</b>  | <b>7</b>  | <b>7</b>  | <b>7</b>  | <b>7</b>  | <b>7</b>  | <b>7</b>  |
| No. of women on board                         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| No. of non-executive directors on board       | 7         | 7         | 7         | 7         | 7         | 7         | 7         | 7         |
| Company conducts board evaluations            | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       | Yes       |
| No. of board meetings for the year            | 11        | 11        | 13        | 12        | 11        | 10        | 10        | 11        |
| Board meeting attendance pct                  | 91        | 90        | 98        | 95        | 96        | 98        | 98        | 99        |
| Board duration (years)                        | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         |
| Director share ownership guidelines           | No        | No        | No        | No        | No        | No        | No        | No        |
| Age of the youngest director                  | 49        | 50        | 51        | 52        | 53        | 54        | 55        | 56        |
| Age of the oldest director                    | 72        | 70        | 71        | 72        | 70        | 71        | 72        | 73        |
| <b>No. of executives / company managers</b>   | <b>22</b> | <b>20</b> | <b>19</b> | <b>17</b> | <b>18</b> | <b>18</b> | <b>17</b> | <b>17</b> |
| No. of female executives                      | 4         | 2         | 3         | 4         | 4         | 4         | 4         | 4         |
| Executive share ownership guidelines          | No        | No        | No        | No        | No        | No        | No        | No        |
| <b>Size of audit committee</b>                | <b>3</b>  | <b>3</b>  | <b>4</b>  | <b>4</b>  | <b>4</b>  | <b>4</b>  | <b>4</b>  | <b>4</b>  |
| No. of ID on audit committee                  | 3         | 3         | 4         | 4         | 4         | 4         | 4         | 4         |
| Audit committee meetings                      | 4         | 5         | 4         | 4         | 4         | 4         | 4         | 4         |
| Audit meeting attendance %                    | 100       | 100       | 93        | 100       | 100       | 100       | 100       | 100       |
| <b>Size of compensation committee</b>         | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  |
| No. of ID on compensation committee           | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         |
| No. of compensation committee meetings        | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Compensation meeting attendance %             | 100       | 100       | 88        | 90        | 100       | 100       | 100       | 90        |
| <b>Size of nomination committee</b>           | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  | <b>5</b>  |
| No. of nomination committee meetings          | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Nomination meeting attendance %               | 100       | 100       | 88        | 90        | 100       | 100       | 100       | 90        |
| <b>Sustainability governance</b>              |           |           |           |           |           |           |           |           |
| Verification type                             | No        | No        | No        | No        | No        | No        | No        | No        |

Sources: Bloomberg; FSSIA's compilation



Disclaimer for ESG scoring

| ESG score                                                                         | Methodology                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Rating                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------|-----------|-------------|------|-------|----------|-------------|-----|--|------------|-------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|--|--|----------|-------------|--|--|------------|-------------|-----------------|---------------------------------------------------------------------------------------------|--|
| The Dow Jones Sustainability Indices (DJSI) By S&P Global                         | The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.                                                                                                                                                                                                                                                                                                           |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)     | THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.<br><b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks. |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)             | An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC) | The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years.<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.                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>Morningstar Sustainalytics</b>                                                 | The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.<br><table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>                                                                                                                                                                                                                 | NEGL                                                                                                                          | Low            | Medium                                                                            | High      | Severe      | 0-10 | 10-20 | 20-30    | 30-40       | 40+ |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| NEGL                                                                              | Low                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Medium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | High                                                                                                                          | Severe         |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| 0-10                                                                              | 10-20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 20-30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 30-40                                                                                                                         | 40+            |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>ESG Book</b>                                                                   | The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>MSCI</b>                                                                       | MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.<br><table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table> | <b>AAA</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 8.571-10.000                                                                                                                  | <b>Leader:</b> | leading its industry in managing the most significant ESG risks and opportunities | <b>AA</b> | 7.143-8.570 |      |       | <b>A</b> | 5.714-7.142 |     |  | <b>BBB</b> | 4.286-5.713 | <b>Average:</b> | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | <b>BB</b> | 2.857-4.285 |  |  | <b>B</b> | 1.429-2.856 |  |  | <b>CCC</b> | 0.000-1.428 | <b>Laggard:</b> | lagging its industry based on its high exposure and failure to manage significant ESG risks |  |
| <b>AAA</b>                                                                        | 8.571-10.000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Leader:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | leading its industry in managing the most significant ESG risks and opportunities                                             |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>AA</b>                                                                         | 7.143-8.570                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>A</b>                                                                          | 5.714-7.142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>BBB</b>                                                                        | 4.286-5.713                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Average:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>BB</b>                                                                         | 2.857-4.285                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>B</b>                                                                          | 1.429-2.856                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>CCC</b>                                                                        | 0.000-1.428                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Laggard:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | lagging its industry based on its high exposure and failure to manage significant ESG risks                                   |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>Moody's ESG solutions</b>                                                      | Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>Refinitiv ESG rating</b>                                                       | Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>S&amp;P Global</b>                                                             | The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| <b>Bloomberg</b>                                                                  | ESG Score                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.                                                                                                                                                                                                                                                              |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |
| Bloomberg                                                                         | ESG Disclosure Score                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |                |                                                                                   |           |             |      |       |          |             |     |  |            |             |                 |                                                                                                                               |           |             |  |  |          |             |  |  |            |             |                 |                                                                                             |  |

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

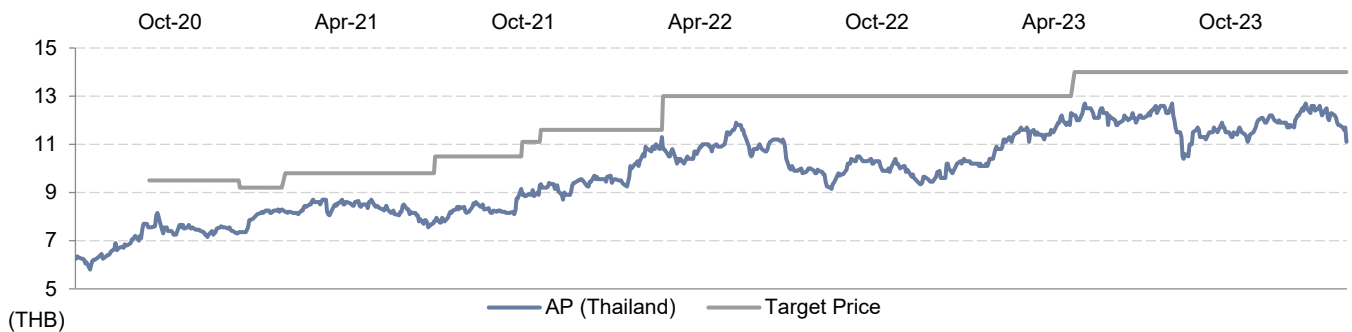
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### History of change in investment rating and/or target price

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



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 08-Dec-2020 | BUY    | 9.50         | 11-Aug-2021 | BUY    | 10.50        | 23-Feb-2022 | BUY    | 13.00        |
| 24-Feb-2021 | BUY    | 9.20         | 25-Oct-2021 | BUY    | 11.10        | 10-Feb-2023 | BUY    | 14.00        |
| 02-Apr-2021 | BUY    | 9.80         | 10-Nov-2021 | BUY    | 11.60        |             |        |              |

Thanyatorn Songwutti started covering this stock from 10-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

| Company       | Ticker | Price     | Rating | Valuation & Risks                                                                                                                                                                                                                                              |
|---------------|--------|-----------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AP (Thailand) | AP TB  | THB 10.80 | BUY    | ความเสี่ยง 1) ตลาดแนวราบชะลอตัวมากกว่าคาด 2) อัตราการขายโครงการต่ำกว่าคาด 3) เศรษฐกิจฟื้นตัวช้า 4) ดอกเบี้ยขาขึ้นกระทบกำลังซื้อ 5) อัตราการปฏิเสธสินเชื่อจากธนาคารและยอดยกเลิกจากลูกค้าสูงขึ้น 6) การก่อสร้างล่าช้าและการขาดแคลนแรงงาน และ 7) การแข่งขันรุนแรง |

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 24-Oct-2023 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.