

SANSIRI SIRI TB  
THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

## แนวโน้มกำไร 1Q23 สดใส

- เราประเมินกำไรสุทธิ 1Q23 เกณฑ์ดีที่ 1.47 พันลบ. โตก้าวกระโดด 386% y-y แต่เทียบ q-q อ่อนลง 18% จากฐานสูงใน 4Q22
- ทิศทางยอดขายและกำไรคาดเร่งตัวขึ้นตั้งแต่ 2Q23 จากการรับรู้ Backlog ระดับสูงบวกกับแผนเปิดโครงการใหม่เป็นจำนวนมาก
- 2ลงแนะนำซื้อ ราคาเป้าหมาย 2.2 บาท (อิง PER 8x)

TARGET PRICE	THB2.20
CLOSE	THB1.86
UP/DOWNSIDE	+18.3%
PRIOR TP	THB2.20
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.3%

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	33,712	38,178	38,875	39,808
Net profit	4,280	4,500	4,630	4,693
EPS (THB)	0.29	0.26	0.27	0.27
vs Consensus (%)	-	(5.5)	(3.6)	(4.6)
EBITDA	4,807	5,690	6,026	6,118
Core net profit	4,040	4,500	4,630	4,693
Core EPS (THB)	0.27	0.26	0.27	0.27
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	99.7	(3.2)	2.2	0.7
Core P/E (x)	6.9	7.1	6.9	6.9
Dividend yield (%)	8.1	7.3	7.5	7.5
EV/EBITDA (x)	20.6	20.1	19.1	18.9
Price/book (x)	0.7	0.7	0.7	0.7
Net debt/Equity (%)	158.4	167.2	160.4	166.8
ROE (%)	9.9	10.1	9.7	9.7

## ยอดขาย 1Q23 เติบโต y-y ทั้งแนวราบและคอนโด

ใน 1Q23 SIRI เปิดตัวคอนโดใหม่เพียง 2 แห่งในกลุ่มลูกค้า Affordable ภายใต้แบรนด์ dcondo มูลค่ารวม 2.4 พันลบ. อย่างไรก็ตาม บริษัท รายงานยอดขายเกณฑ์ดีอยู่ที่ 8.1 พันลบ. (-17% q-q, +36% q-q) ประกอบด้วยโครงการแนวราบ 56% และคอนโด 44% โดยยอดขายแนวราบอยู่ที่ 4.6 พันลบ. (-27% q-q, +16% y-y) หลักๆมาจากกระดืบ High-end ขณะที่ยอดขายคอนโดทรงตัว q-q และเพิ่มขึ้น 76% y-y จากการขายโครงการพร้อมโอนที่ตีขึ้น อีกทั้งการรุกทำการตลาดที่เพิ่มขึ้นในตลาดต่างประเทศส่งผลให้สัดส่วนยอดขายจากลูกค้าต่างชาติปรับขึ้นเป็น 15% ของยอดขายโครงการรวม (เทียบกับ 7% ใน 1Q22) ผลักดันให้ยอดขาย 1Q23 คิดเป็น 17% ของเป้าทั้งปีที่ 47 พันลบ. (+22% y-y)

## ค่ากำไร 1Q23 จะกระโดดเพิ่ม y-y แต่ลดลง q-q จากฐานที่สูง

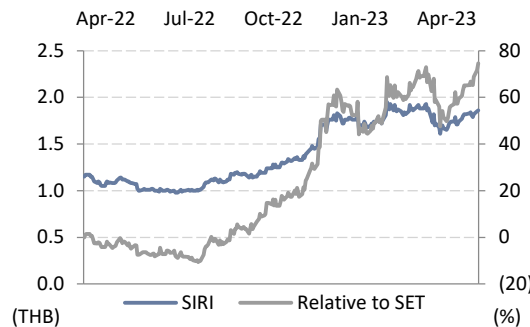
เราประเมินกำไรสุทธิ 1Q23 จะอยู่ในเกณฑ์ดีที่ 1.47 พันลบ. (-18% q-q, +386% y-y) หากไม่รวมกำไรจากการขายโรงเรียนสาธิตพัฒนาราว 500 ลบ. กำไรปกติคาดอยู่ที่ 970 ลบ. (-44% q-q, +424% y-y) กำไรที่ลดลง q-q จากฐานสูงใน 4Q22 อย่างไรก็ตาม ผลประกอบการที่ก้าวกระโดด y-y หนุนจากการรับรู้ Backlog ต่อเนื่องจากไตรมาสก่อนหน้า หลักๆมาจากแนวราบ อาทิ โครงการนาราสิริ กรุงเทพกรีฑา และบราสิริ กรุงเทพกรีฑา (JV) รวมถึงคอนโด XT Phayathai และโครงการใหม่ THE MUVE Bangna (730 ลบ., ขายได้ 48%) ทำให้เราคาดยอดโอนใน 1Q23 อยู่ที่ 6.8 พันลบ. (-43% q-q, +59% y-y) และส่วนแบ่งกำไรจาก JV ที่ 78 ลบ. (-71% q-q, +299% y-y) ขณะที่อัตรากำไรขั้นต้นจากการขายอสังหาริมทรัพย์ คาดทรงตัวจาก 1Q22 ที่ 34.8%

## ทิศทางยอดขายและกำไรจะเร่งตัวขึ้น

หากกำไรปกติ 1Q23 ตามคาด จะคิดเป็น 22% ของประมาณการปี 2023 ขณะที่เราประเมินว่ากำไรจะเร่งตัวขึ้นใน 2Q-4Q23 โดยให้หน้าหนักใน 2H23 มีปัจจัยหนุนจากการรับรู้ Backlog ณ สิ้น 1Q23 ที่คาดอยู่ระดับสูง 15 พันลบ. ซึ่งหลักๆมาจากโครงการแนวราบ รวมถึงการเริ่มโอนคอนโดใหม่ 3 แห่งใน 2Q-3Q23 นอกจากนี้ บริษัท ยังวางแผนเปิดโครงการใหม่จำนวนมาก รวมมูลค่า 16 พันลบ. ใน 2Q23 และ 56.5 พันลบ. ในช่วง 2H23 ซึ่งคิดเป็น 21% และ 75% ของแผนการเปิดโครงการใหม่ในปีนี้ ตามลำดับ.

## ลงแนะนำซื้อ ราคาเป้าหมาย 2.2 บาท

เราประมาณการกำไรปกติปี 2023 ทำสถิติใหม่ที่ 4.5 พันลบ. (+11% y-y) และราคาเป้าหมายที่ 2.2 บาท ความสำเร็จของการเปิดขายโครงการใหม่โดยเฉพาะแนวราบระดับ High-end มีโอกาสเปิด Upside ต่อประมาณการกำไรปี 2023 ของเรา และจะเป็นปัจจัยหนุนราคาหุ้นได้



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	11.4	6.3	60.3
Relative to country (%)	15.1	16.1	74.4
Mkt cap (USD m)	857		
3m avg. daily turnover (USD m)	11.3		
Free float (%)	0		
Major shareholder	UBS AG Singapore Branch (10%)		
12m high/low (THB)	1.98/0.97		
Issued shares (m)	15,397.75		

Sources: Bloomberg consensus; FSSIA estimates



Thanayatorn Songwutti

thanyatorn.s@fssia.com  
+66 2646 9805

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

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 26 เมษายน 2023

### Investment thesis

Management has revealed an aggressive 2023 business plan as follows: 1) the company targets presales at THB47.0b (+22% y-y) and transfers (including JV) at THB41.0b (+11% y-y); 2) it plans to launch 52 projects with a combined value to hit a record high of THB75.0b (+74% y-y), comprising 68% low-rise and 32% condos; 3) it will focus more on the premium and upcountry markets; and 4) it targets overseas presales to surge 54% y-y to THB12.0b from its strong markets (China, Taiwan, Hong Kong and Russia) and new potential markets throughout CLMV.

### Company profile

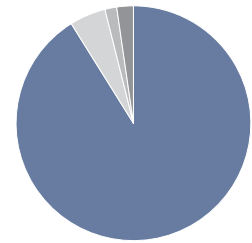
SIRI aims to be Thailand’s leading property developer with over 38 years of experience. Its core operation is divided into three businesses, namely property development, property services, and investment.

In 2022, property development for sale was its largest source of revenue, constituting about 91% of total revenue. It develops single-detached houses, semi-detached houses, townhouses, home offices, and condominium projects for all customer groups, both in Bangkok and its vicinity and upcountry areas.

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

### Principal activities (revenue, 2022)

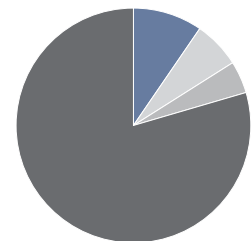
- Project sales - 91.1 %
- Business management - 5.0 %
- Hotel management - 1.6 %
- Others - 2.3 %



Source: Sansiri

### Major shareholders

- UBS AG Singapore Branch - 9.6 %
- Viriyah Insurance PCL - 6.5 %
- Mr. Srettha Thavisin - 4.4 %
- Others - 79.5 %



Source: Sansiri

### Catalysts

Key potential growth drivers include 1) the success of new launches in the low-rise segment, especially the Narasiri, BuGaan and Setthasiri brands; 2) high take-up rates for new condominiums; 3) the potential for more foreign buyers, as SIRI is well known in international markets; and 4) a new brand launch which would be positively received.

### Risks to our call

Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) rising competition; 3) construction delays and increasing raw material prices; 4) the impact of the expiration of loan-to-value (LTV) limit easing; and 5) a high level of IBD/E.

### Event calendar

Date	Event
12 May 2023	1Q23 results announcement
16 May 2023	1Q23 analyst meeting

### Key assumptions

	2023E	2024E	2025E
Project sales (THB m)	35,191	35,816	36,658
Rental and services income (THB m)	2,987	3,058	3,150
Property GPM (%)	35.0	35.0	34.7
GPM (%)	33.1	33.9	33.8
SG&A to sales (%)	20.4	20.6	20.6

Source: FSSIA estimates

### Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 4.6%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 3.1%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2023 net profit to fall by 3.1%, and vice versa, all else being equal.

Source: FSSIA estimates

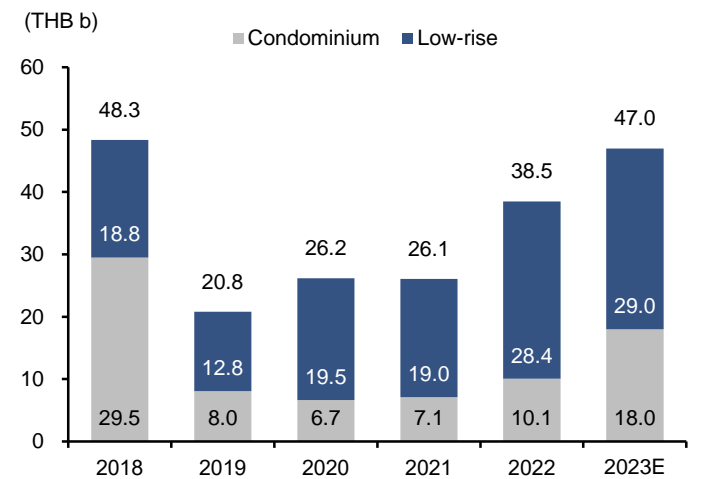


**Exhibit 1: 1Q23 results preview**

	1Q22	2Q22	3Q22	4Q22	1Q23	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	4,939	7,269	8,669	12,835	7,707	(40.0)	56.0
Cost of sales	3,376	5,053	5,829	8,334	5,260	(36.9)	55.8
Gross profit	1,564	2,216	2,841	4,501	2,447	(45.6)	56.5
SG&A	1,190	1,496	1,553	2,926	1,451	(50.4)	21.9
Operating profit	374	720	1,288	1,575	996	(36.8)	166.5
Interest expense	325	231	104	78	80	3.0	(75.4)
Tax expense	130	264	357	337	228	(32.3)	76.0
Reported net profit	303	918	1,268	1,791	1,470	(17.9)	386.0
Core profit	185	856	1,258	1,741	970	(44.3)	423.6
<b>Key ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Property gross margin	34.8	32.8	35.2	37.3	34.8	(2.5)	0.0
Gross margin	31.7	30.5	32.8	35.1	31.8	(3.3)	0.1
SG&A / Sales	24.1	20.6	17.9	22.8	18.8	(4.0)	(5.3)
Operating margin	7.6	9.9	14.9	12.3	12.9	0.7	5.4
Net margin	6.1	12.6	14.6	14.0	19.1	5.1	13.0
Normalised profit	3.8	11.8	14.5	13.6	12.6	(1.0)	8.8
<b>Revenue breakdown</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>
Residential	4,288	6,596	7,869	11,964	6,818	(43.0)	59.0
Rental & Services	652	673	800	871	889	2.1	36.4
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Residential	34.8	32.8	35.2	37.3	34.8	(2.5)	0.0
Rental & Services	11.1	7.7	9.2	4.9	8.4	3.5	(2.7)

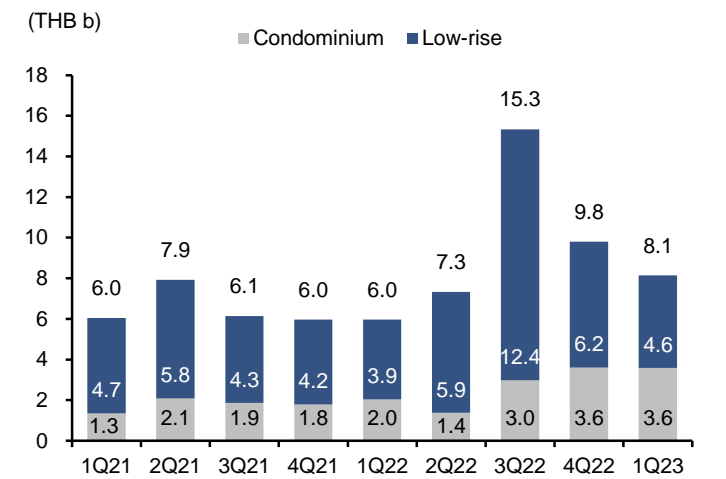
Sources: SIRI; FSSIA's compilation

**Exhibit 2: Yearly presales and 2023 target**



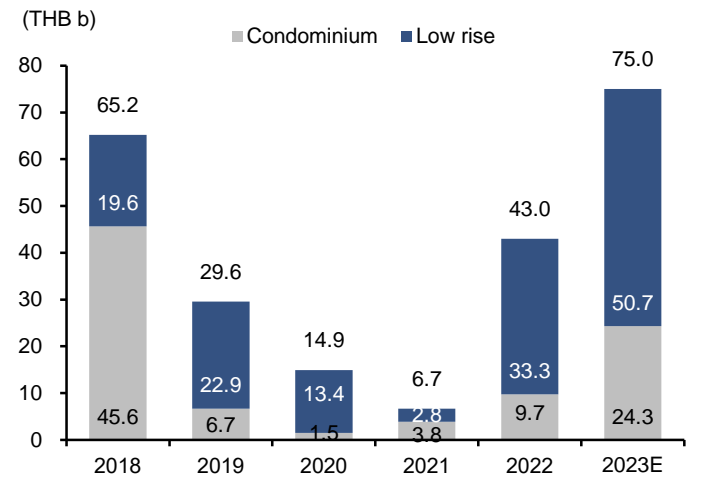
Sources: SIRI; FSSIA's compilation

**Exhibit 3: Quarterly presales**



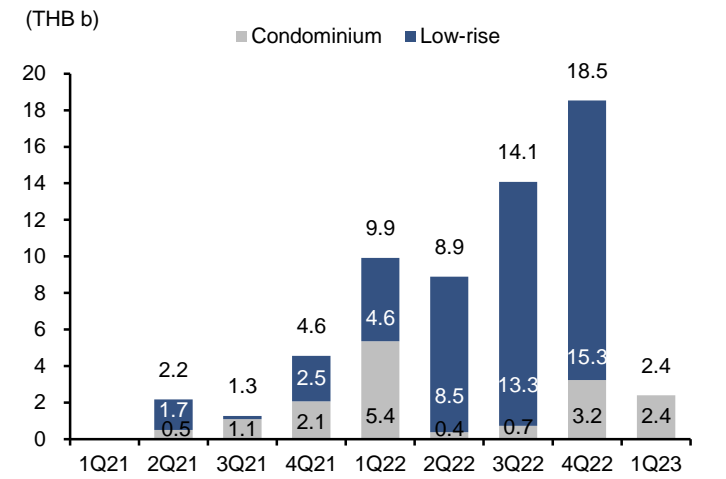
Sources: SIRI; FSSIA's compilation

**Exhibit 4: Yearly planned new launches**



Sources: SIRI; FSSIA's compilation

**Exhibit 5: Quarterly new launches**



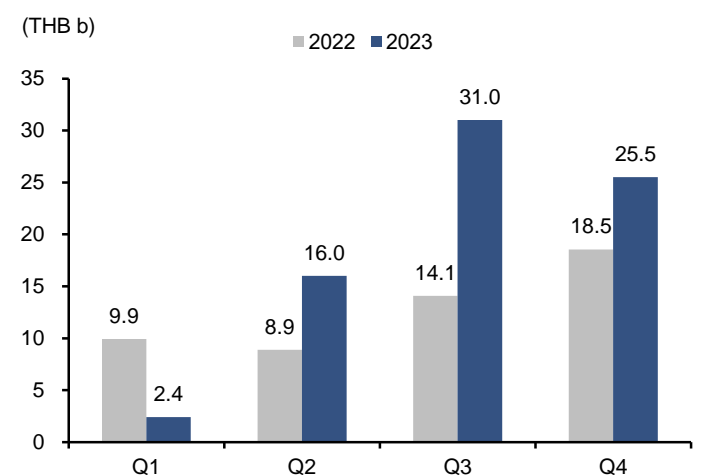
Sources: SIRI; FSSIA's compilation

**Exhibit 6: New projects in 1Q23**



Source: SIRI

**Exhibit 7: New launch plans by quarter**



Sources: SIRI; FSSIA's compilation

**Exhibit 8: Condo project started transferring in 1Q23**



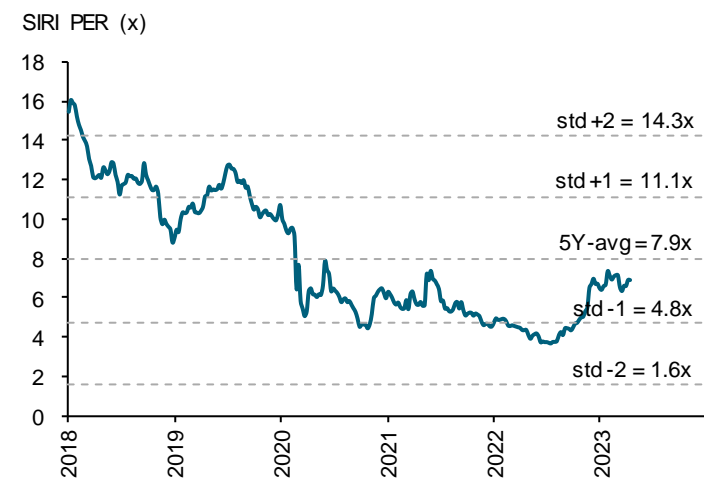
Source: SIRI

**Exhibit 9: Value of expected transfers by condo project**

Transfer	Project	Value	% Sold
		(THB m)	(%)
1Q23	THE MUVE Bangna	730	48
2Q23	THE MUVE Bangkok	440	43
	Dcondo Panna	980	39
3Q23	HAY HUA HIN	380	53

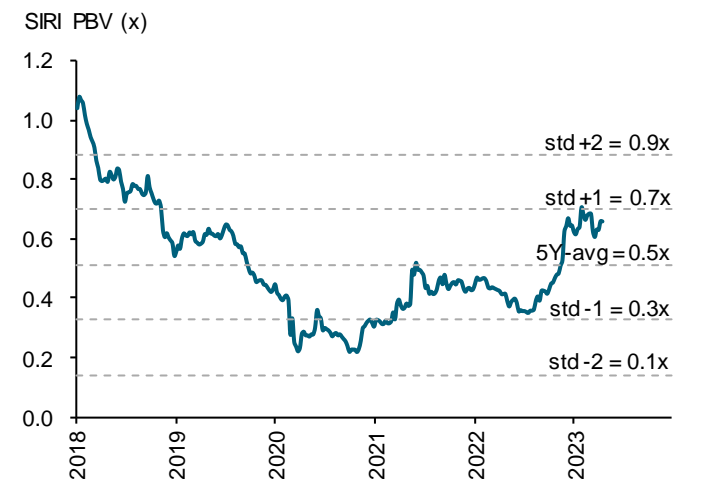
Sources: SIRI; FSSIA's compilation

**Exhibit 10: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 11: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 12: Peer comparisons as of 25 April 2023**

Company	BBG	Rec	Market Cap	3Y EPS CAGR	PE		DivYld		ROE		PBV	
					23E	24E	23E	24E	23E	24E	23E	24E
			(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>												
Assetwise	ASW TB	BUY	211	18	7.1	6.8	6.3	6.6	17.6	17.5	1.2	1.1
Noble Development	NOBLE TB	BUY	186	59	6.0	5.6	10.0	10.7	17.3	17.3	1.0	0.9
SC Asset Corp	SC TB	BUY	523	2	6.7	6.5	5.9	6.1	11.7	11.3	0.8	0.7
Supalai	SPALI TB	BUY	1,203	(5)	5.8	5.6	6.8	6.9	14.7	13.9	0.8	0.7
Sansiri	SIRI TB	BUY	857	(0)	7.1	6.9	7.3	7.5	10.1	9.7	0.7	0.7
AP Thailand	AP TB	BUY	1,124	4	6.2	6.0	5.7	5.8	16.2	15.0	0.9	0.9
Britania	BRI TB	BUY	280	20	6.5	5.9	6.5	7.1	28.1	26.2	1.7	1.4
Origin Property	ORI TB	BUY	817	13	8.4	7.5	6.6	6.7	17.5	18.0	1.4	1.3
Land & Houses	LH TB	n/a	3,368	9	12.9	12.2	6.6	6.9	17.0	17.4	2.1	2.1
LPN Development	LPN TB	n/a	193	30	11.4	10.2	5.1	5.7	4.9	5.5	0.5	0.5
Pruksa Holding	PSH TB	n/a	776	6	9.5	9.6	7.6	7.6	6.3	6.2	0.6	0.6
Quality Houses	QH TB	n/a	753	16	10.6	9.6	6.1	6.5	8.8	9.1	0.9	0.9
<b>Average</b>			<b>10,291</b>	<b>7</b>	<b>8.2</b>	<b>7.7</b>	<b>6.7</b>	<b>7.0</b>	<b>14.2</b>	<b>13.9</b>	<b>1.1</b>	<b>1.0</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

Sansiri

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	28,642	33,712	38,178	38,875	39,808
Cost of goods sold	(18,790)	(21,741)	(24,689)	(24,831)	(25,481)
<b>Gross profit</b>	<b>9,852</b>	<b>11,972</b>	<b>13,489</b>	<b>14,044</b>	<b>14,327</b>
Other operating income	-	-	-	-	-
Operating costs	(6,375)	(7,165)	(7,799)	(8,018)	(8,209)
<b>Operating EBITDA</b>	<b>3,477</b>	<b>4,807</b>	<b>5,690</b>	<b>6,026</b>	<b>6,118</b>
Depreciation	(817)	(850)	(856)	(866)	(876)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>2,660</b>	<b>3,957</b>	<b>4,834</b>	<b>5,160</b>	<b>5,242</b>
Net financing costs	(976)	(508)	(439)	(512)	(511)
Associates	75	473	362	292	289
Recurring non-operating income	991	1,505	1,066	996	993
Non-recurring items	0	240	0	0	0
<b>Profit before tax</b>	<b>2,675</b>	<b>5,193</b>	<b>5,461</b>	<b>5,643</b>	<b>5,724</b>
Tax	(737)	(1,087)	(1,060)	(1,113)	(1,130)
<b>Profit after tax</b>	<b>1,939</b>	<b>4,107</b>	<b>4,400</b>	<b>4,530</b>	<b>4,593</b>
Minority interests	79	173	100	100	100
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,017</b>	<b>4,280</b>	<b>4,500</b>	<b>4,630</b>	<b>4,693</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(240)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,017</b>	<b>4,040</b>	<b>4,500</b>	<b>4,630</b>	<b>4,693</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.14	0.27	0.26	0.27	0.27
Reported EPS	0.14	0.29	0.26	0.27	0.27
DPS	0.06	0.15	0.14	0.14	0.14
Diluted shares (used to calculate per share data)	14,883	14,923	17,164	17,276	17,388
<b>Growth</b>					
Revenue (%)	(15.3)	17.7	13.2	1.8	2.4
Operating EBITDA (%)	43.0	38.2	18.4	5.9	1.5
Operating EBIT (%)	65.7	48.7	22.2	6.7	1.6
Recurring EPS (%)	28.4	99.7	(3.2)	2.2	0.7
Reported EPS (%)	20.4	111.6	(8.6)	2.2	0.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	31.5	33.0	33.1	33.9	33.8
Gross margin of key business (%)	33.8	35.4	35.0	35.0	34.7
Operating EBITDA margin (%)	12.1	14.3	14.9	15.5	15.4
Operating EBIT margin (%)	9.3	11.7	12.7	13.3	13.2
Net margin (%)	7.0	12.0	11.8	11.9	11.8
Effective tax rate (%)	27.5	20.9	19.4	19.7	19.7
Dividend payout on recurring profit (%)	44.3	55.4	52.0	52.0	52.0
Interest cover (X)	3.7	10.8	13.4	12.0	12.2
Inventory days	1,080.3	1,183.6	1,350.9	1,431.7	1,390.8
Debtor days	19.4	12.8	13.5	17.4	17.4
Creditor days	32.0	19.5	20.1	22.0	21.9
Operating ROIC (%)	3.3	4.0	3.9	3.8	3.9
ROIC (%)	2.8	3.9	3.8	3.7	3.7
ROE (%)	5.3	9.9	10.1	9.7	9.7
ROA (%)	2.4	3.5	3.5	3.4	3.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Project sales	26,170	30,716	35,191	35,816	36,658
Business management	1,687	1,679	1,646	1,663	1,679
Hotel management	315	548	546	573	619
Others	470	769	795	822	852

Sources: Sansiri; FSSIA estimates



## Financial Statements

Sansiri

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	2,017	4,040	4,500	4,630	4,693
Depreciation	817	850	856	866	876
Associates & minorities	-	-	-	-	-
Other non-cash items	(79)	(173)	(100)	(100)	(100)
Change in working capital	(1,549)	(28,335)	(12,331)	(1,026)	2,003
<b>Cash flow from operations</b>	<b>1,207</b>	<b>(23,618)</b>	<b>(7,074)</b>	<b>4,370</b>	<b>7,473</b>
Capex - maintenance	(7,551)	-	(3,607)	(3,063)	(976)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	19,685	-	-	-
<b>Cash flow from investing</b>	<b>(7,551)</b>	<b>19,685</b>	<b>(3,607)</b>	<b>(3,063)</b>	<b>(976)</b>
Dividends paid	(911)	(1,528)	(2,149)	(2,211)	(6,700)
Equity finance	663	562	1,876	120	120
Debt finance	5,766	5,378	10,404	1,492	(226)
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>5,519</b>	<b>4,411</b>	<b>10,131</b>	<b>(599)</b>	<b>(6,806)</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>(826)</b>	<b>479</b>	<b>(551)</b>	<b>709</b>	<b>(309)</b>
Free cash flow to firm (FCFF)	(5,178.84)	(3,195.32)	(10,002.59)	2,059.93	7,248.01
Free cash flow to equity (FCFE)	(577.76)	1,445.18	(277.64)	2,799.72	6,270.81

### Per share (THB)

FCFF per share	(0.34)	(0.21)	(0.65)	0.13	0.47
FCFE per share	(0.04)	0.09	(0.02)	0.18	0.41
Recurring cash flow per share	0.19	0.32	0.31	0.31	0.31

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	11,493	11,706	12,609	13,023	13,522
Less: Accumulated depreciation	(2,333)	(2,806)	(3,098)	(3,416)	(3,866)
<b>Tangible fixed assets (net)</b>	<b>9,160</b>	<b>8,899</b>	<b>9,510</b>	<b>9,607</b>	<b>9,656</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	-	-	-	-	-
Invest. in associates & subsidiaries	38,900	18,609	20,765	22,865	22,915
Cash & equivalents	2,181	2,660	2,109	2,818	2,509
A/C receivable	1,385	983	1,842	1,874	1,918
Inventories	55,143	85,859	96,892	97,906	96,277
Other current assets	7,330	7,753	8,268	8,415	8,611
<b>Current assets</b>	<b>66,039</b>	<b>97,254</b>	<b>109,110</b>	<b>111,014</b>	<b>109,314</b>
Other assets	2,533	2,672	2,819	2,907	2,975
<b>Total assets</b>	<b>116,632</b>	<b>127,435</b>	<b>142,205</b>	<b>146,393</b>	<b>144,861</b>
Common equity	39,225	42,433	46,660	49,199	47,313
Minorities etc.	1,741	1,608	1,608	1,608	1,608
<b>Total shareholders' equity</b>	<b>40,967</b>	<b>44,041</b>	<b>48,268</b>	<b>50,807</b>	<b>48,920</b>
Long term debt	36,699	39,922	55,592	57,652	50,763
Other long-term liabilities	1,321	1,173	1,691	1,721	1,761
<b>Long-term liabilities</b>	<b>38,020</b>	<b>41,095</b>	<b>57,283</b>	<b>59,373</b>	<b>52,524</b>
A/C payable	1,084	1,235	1,484	1,507	1,548
Short term debt	30,352	32,507	27,241	26,673	33,336
Other current liabilities	6,209	8,574	7,930	8,033	8,532
<b>Current liabilities</b>	<b>37,645</b>	<b>42,316</b>	<b>36,654</b>	<b>36,213</b>	<b>43,416</b>
<b>Total liabilities and shareholders' equity</b>	<b>116,632</b>	<b>127,451</b>	<b>142,205</b>	<b>146,393</b>	<b>144,861</b>
Net working capital	56,565	84,785	97,588	98,656	96,725
Invested capital	107,158	114,966	130,683	134,035	132,271

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

### Per share (THB)

Book value per share	2.64	2.84	2.72	2.85	2.72
Tangible book value per share	2.64	2.84	2.72	2.85	2.72

### Financial strength

Net debt/equity (%)	158.3	158.4	167.2	160.4	166.8
Net debt/total assets (%)	55.6	54.7	56.8	55.7	56.3
Current ratio (x)	1.8	2.3	3.0	3.1	2.5
CF interest cover (x)	0.4	3.8	0.4	6.5	13.3

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>13.7</b>	<b>6.9</b>	<b>7.1</b>	<b>6.9</b>	<b>6.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>16.2</b>	<b>8.1</b>	<b>8.4</b>	<b>8.2</b>	<b>8.2</b>
Reported P/E (x)	13.7	6.5	7.1	6.9	6.9
Dividend yield (%)	3.2	8.1	7.3	7.5	7.5
Price/book (x)	0.7	0.7	0.7	0.7	0.7
Price/tangible book (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x) **	27.1	20.6	20.1	19.1	18.9
EV/EBITDA @ target price (x) **	28.6	21.7	21.1	20.1	19.9
EV/invested capital (x)	0.9	0.9	0.9	0.9	0.9

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

Sources: Sansiri; FSSIA estimates



## Public disclosures related to sustainable development evaluation of Thai listed companies

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

### CG Score by the Thai Institute of Directors Association (Thai IOD)<sup>1</sup>

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

### AGM Checklist by the Thai Investors Association (TIA)<sup>2</sup>

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

### CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)<sup>3</sup>

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

### Sustainability Investment (THSI)<sup>4</sup> by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices<sup>5</sup> (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > 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.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

#### Disclaimer:

<sup>1</sup> Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

<sup>2</sup> Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

<sup>3</sup> Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

<sup>4</sup> Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

<sup>5</sup> Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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

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

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

Company	Ticker	Price	Rating	Valuation & Risks
Sansiri	SIRI TB	THB 1.86	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) rising competition; 3) construction delays and increasing raw material prices; 4) the impact of the expiration of loan-to-value (LTV) limit easing; and 5) a high level of IBD/E.
Assetwise	ASW TB	THB 8.50	BUY	Downside risks to our P/E-based TP include 1) weaker than expected consumer purchasing power; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) intense competition; and 6) rising construction costs.
Noble Development	NOBLE TB	THB 4.68	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected purchasing power; 2) cancellation of presales; 3) bank loan rejections; 4) delays in construction work and transfers; and 5) fierce competition.
SC Asset Corporation	SC TB	THB 4.22	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) weak purchasing power; 3) cancellation of presales; 4) bank loan rejections; and 5) construction delays.
Supalai	SPALI TB	THB 21.20	BUY	Downside risks to our P/E derived TP are cost overruns; delays or poor receptions for new launches; presale cancellations; inability of homebuyers to obtain mortgage financing; and weak take-up rates and reduced pricing power from rising competition.
AP (Thailand)	AP TB	THB 12.30	BUY	Downside risks to our P/E-based TP include 1) rising competition in the low-rise market, such that it could hurt take-up rates; 2) weaker-than-expected take-up rates of new launches; 3) construction delays from labour shortages; 4) increasing raw material prices; and 5) the impact of the expiration of the loan-to-value (LTV) limit easing.
Britania	BRI TB	THB 11.30	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) a slower-than-expected economic recovery and weak purchasing power; 3) intense competition; 4) construction delays and labour shortages; 5) an increase in raw material costs; and 6) challenging new launches in the upcountry market.
Origin Property	ORI TB	THB 11.30	BUY	Downside risks to our SoTP-based TP include 1) a slower-than-expected economic recovery; 2) weaker-than-expected presales; 3) a high cancellation rate of presales and rejections from banks; 4) delays in construction and/or a labour shortage; 5) intense competition and an increase in raw material costs; and 6) lower-than-expected performance for its subsidiaries.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 25-Apr-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.