

Land and Houses

(LH.BK/LH TB)*

Outperform Maintained

Price as of 30 Jan 2023	9.95
12M target price (Bt/shr)	12.20
Unchanged/Revised up(down)(%)	8.9
Upside/downside (%)	22.6

Key messages

เราคาดกำไรปกติของ LH ใน 4Q65F จะปรับตัวเพิ่มขึ้น 6% YoY และ 18% QoQ ที่ 2.2 พันล้านบาท แรงแทนหลักมา จาก i) ยอดโอนโครงการแนวราบและธุรกิจให้เช่าเคเบิล แข็งแกร่ง และ ii) ส่วนแบ่งกำไรจากบริษัทในเครือฟื้นตัว สำหรับในปี (2566F) เรายังคงมุมมองเชิงบวกต่อ LH จาก แนวโน้มผลการดำเนินงานโครงการแนวราบและธุรกิจให้ เช่าเคเบิลแข็งแกร่ง เราจึงปรับเพิ่มประมาณการกำไรสุทธิปี 2565F/2566F ขึ้นอีก 3%/6% และคงคำแนะนำซื้อ ด้วยราคา เป้าหมายใหม่ที่ 12.20 บาท (จากเดิมที่ 11.20 บาท)

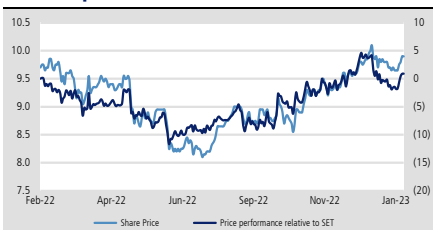
Trading data

Mkt cap (Btbn/US\$bn)	118.3/3.0		
Outstanding shares (mn)	11,950		
Foreign ownership (mn)	330		
3M avg. daily trading (mn)	32		
52-week trading range (Bt)	8.1 – 10.1		
Performance (%)	3M	6M	12M
Absolute	7.6	14.5	1.0
Relative	4.1	8.6	-0.9

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2020	0.91	0.95	1.39	1.60
2021	1.18	1.27	0.88	1.36
2022	1.31	1.45	1.52	

Share price chart



Source: SET

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ประมาณการ 4Q65F : เติบโตทั้ง YoY และ QoQ

Event

ประมาณการ 4Q65F และปรับเพิ่มประมาณการ

Impact

ลดกำไร 4Q65F เพิ่มขึ้น 6% YoY และ 18% QoQ

เราคาดกำไรปกติของ LH ใน 4Q65F ที่ 2.2 พันล้านบาท (+6% YoY และ +18% QoQ) จาก i) รายได้รวม เคเบิลได้ 10% YoY และ 11% QoQ ท่ามกลางยอดโอนโครงการแนวราบและธุรกิจให้เช่าเคเบิล โด แข็งแกร่ง (หนุนจากโครงการ Terminal 21 พระราม 3 และ Grande Centre Point Space พัทยา) และ ii) ส่วนแบ่งกำไรจากบริษัทในเครือฟื้นตัวแข็งแกร่ง YoY ทั้งนี้หากเป็นตามที่เราคาด กำไรปกติเต็มปี 2565F จะอยู่ที่ 7.8 พันล้านบาท (+14% YoY)

ทางด้านยอดโอนโครงการที่อยู่อาศัยใน 4Q65F เราคาดอยู่ที่ 8.1 พันล้านบาท (-3% YoY และ +8% QoQ) แบ่งเป็น i) ยอดโอนโครงการแนวราบที่ 7.1 พันล้านบาท (-8% YoY และ +19% QoQ) และ ii) ยอดโอน โครงการคอนโดมิเนียมอยู่ที่ 974 ล้านบาท (+60% YoY และ -37% QoQ) ทั้งนี้เราคาดว่าโครงการ แนวราบจะยังคงแข็งแกร่ง ผลักดันจากการเปิดโครงการใหม่ในช่วงหลายไตรมาสที่ผ่านมาที่มีผลตอบที่ ดี ขณะที่โครงการคอนโดมิเนียมจะชะลอตัวลง QoQ จากยอดโอนโครงการเดิม (เช่น The Room พญา ไท) ทางด้านความสามารถในการทำกำไร เราคาดอัตรากำไรขั้นต้นจะแผ่วลงเล็กน้อย 0.1ppts QoQ อยู่ที่ 31.9% ส่วนหนึ่งเนื่องจากสัดส่วนยอดโอนก่อนไปทางโครงการแนวราบมากขึ้น

ปรับเพิ่มประมาณการกำไรปี 2565F/2566F ขึ้นอีก 3%/6%

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2565F/2566F ขึ้น 3%/6% (Figure 6) เพื่อสะท้อนถึงสมมติฐาน i) รายได้จากธุรกิจให้เช่าสูงขึ้นปี 2565F/2566F อีก 56%/88% ตามลำดับ ii) ปรับส่วนแบ่งกำไรจากบริษัท ในเครือเพิ่มขึ้น 4% ในปี 2565F/2566F หนุนจาก Home Product Center (HMPRO.BK/HMPRO TB)* และ iii) ปรับลดยอดโอนโครงการที่อยู่อาศัยเล็กน้อย จากโมเมนตัมการโอนโครงการคอนโดมิเนียมที่ แผ่วลง

Valuation & action

โดยรวมแล้ว ปี 2566F เรายังคงมุมมองเชิงบวกต่อแนวโน้มผลการดำเนินงานโครงการแนวราบของ LH และคาดหวังธุรกิจให้เช่าและธุรกิจโรงแรมเคเบิลเคเบิล ดังนั้นเราจึงคงแนะนำซื้อ LH ราคาเป้าหมาย SOTP ปี 2566F ใหม่ที่ 12.20 บาท (ธุรกิจ conventional 7.80 บาท และธุรกิจการลงทุน 4.50 บาท)

Risks

ภาวะเศรษฐกิจที่อ่อนแอลง

Key financials and valuations

	Dec - 19A	Dec - 20A	Dec - 21A	Dec - 22F	Dec - 23F
Revenue (Btmn)	30,058	29,898	32,270	35,719	39,807
Gross Profit (Btmn)	9,702	9,154	10,157	11,495	12,937
SG&A (Btmn)	4,071	3,904	3,974	4,765	5,016
Net Profit (Btmn)	10,025	7,145	6,936	7,830	10,014
Normalized Profit (Btmn)	7,686	6,557	6,884	7,830	9,014
EPS (Bt)	0.8	0.6	0.6	0.7	0.8
Normalized EPS (Bt)	0.6	0.5	0.6	0.7	0.8
DPS (Bt)	0.7	0.5	0.5	0.6	0.7
EPS Growth (%)	(4.3)	(28.7)	(2.9)	12.9	27.9
Normalized EPS Growth	(17.2)	(14.7)	5.0	13.8	15.1
P/E (X)	11.7	13.3	15.2	15.1	11.8
P/B (X)	2.2	1.9	2.1	2.2	2.1
EV/EBITDA (X)	22.6	21.7	18.9	18.5	16.7
Dividend Yield (%)	7.1	6.3	5.7	5.6	7.1

Source: Company data, KGI Securities Research

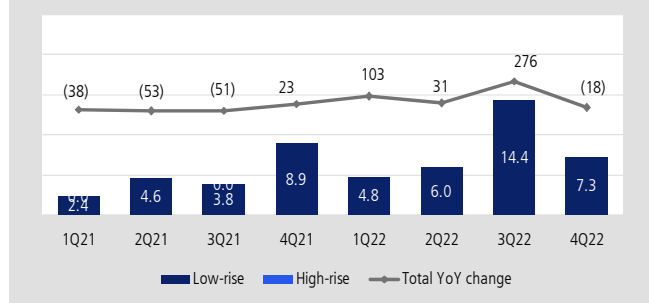
Figure 1: LH's 4Q22F earnings preview

Bt mn	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	9M22	9M21	YoY (%)
Revenue	9,825	8,915	10.2	8,865	10.8	25,772	23,355	10.4
Revenue from sales of real estate	8,070	8,336	(3.2)	7,505	7.5	22,830	22,126	3.2
Revenue from rental and services	1,755	579	202.9	1,361	29.0	2,942	1,229	139.3
Gross Profit	3,154	2,965	6.4	2,802	12.6	8,288	7,192	15.2
Operating EBIT	2,063	2,204	(6.4)	1,823	13.2	5,466	4,741	15.3
Equity Income/(Loss)	786	577	36.4	762	3.2	2,130	1,757	21.2
Extraordinary items	-	(46)		389		666	99	
Net Profit	2,190	2,015	8.7	2,249	(2.6)	6,320	4,922	28.4
Normalized profit	2,190	2,061	6.3	1,860	17.8	5,654	4,823	17.2
Percent	4Q22F	4Q21	YoY (ppts)	3Q22	QoQ (ppts)	9M22	9M21	YoY (ppts)
Total gross margin	32.1	33.3	(1.2)	31.6	0.5	32.2	30.8	1.4
Residential gross margin	31.9	33.3	(1.4)	32.0	(0.1)	32.8	31.8	1.0
SG&A/sales	13.5	12.1	1.4	13.8	(0.3)	13.4	12.4	1.0
Revenue breakdown by segments	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	9M22	9M21	YoY (%)
Low-rise	7,096	7,726	(8.1)	5,949	19.3	19,704	20,086	(1.9)
High-rise	974	609	60.1	1,556	(37.4)	3,126	2,042	53.1

Source: Company data, KGI Securities Research

Figure 2: Quarterly launches

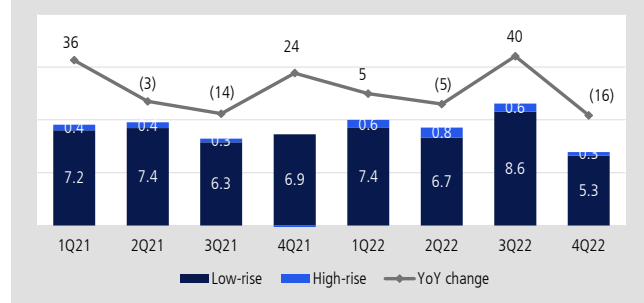
Launches of high-rise and low-rise, Btbn; YoY change of total launches, percent



Source: Company data, KGI Securities Research

Figure 3: Quarterly presales

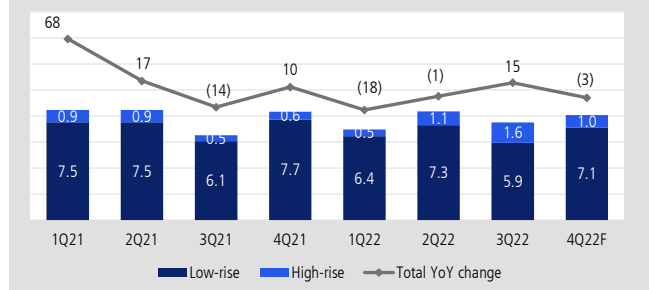
Presales of high-rise and low-rise, Btbn; YoY change of total presales, percent



Source: Company data, KGI Securities Research

Figure 4: Quarterly transfers

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



Source: Company data, KGI Securities Research

Figure 5: Share of income breakdown

	Holding (%)	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)
LHFG	21.9	48	(82)	(159.0)	107	(55.0)
HMPRO	30.2	548	537	2.1	464	18.2
QH	25.0	169	123	36.7	160	5.5
Others		22	(2)		31	
Total		786	577	36.4	762	3.2

Source: Company data, KGI Securities Research

Figure 6: Earnings revisions for 2022-23F

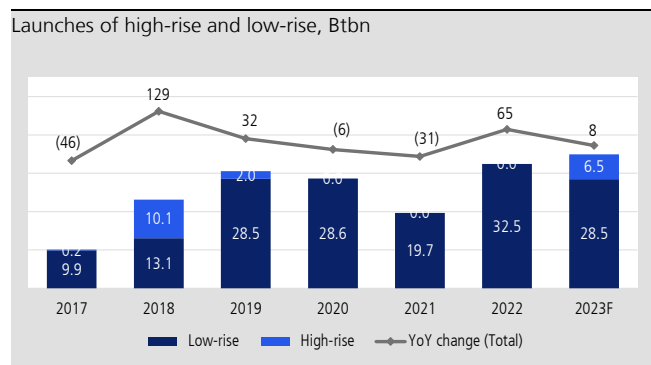
Year to 31 Dec (Btm)	2022F Previous	2022F New	Chg (%)	2023F Previous	2023F New	Chg (%)
Total revenue	36,347	35,719	(1.7)	38,714	39,807	2.8
Rental revenue	3,011	4,685	55.6	3,721	7,000	88.1
Residential revenue	33,337	31,035	(6.9)	34,993	32,807	(6.2)
Total gross profit	11,638	11,495	(1.2)	12,491	12,937	3.6
EBIT	7,847	7,597	(3.2)	8,570	8,718	1.7
Share income	2,784	2,908	4.5	3,064	3,200	4.4
Normalized profit	7,588	7,830	3.2	8,485	9,014	6.2
Key financials	2022F Previous	2022F New	Chg (ppts)	2023F Previous	2023F New	Chg (ppts)
SG&A to sales (%)	12.2	13.3	1.1	12.0	12.6	0.6
Total gross margin	32.0	32.2	0.2	32.3	32.5	0.2
Net margin (%)	21.9	21.9	0.0	22.8	22.6	(0.1)

Source: Company data, KGI Securities Research

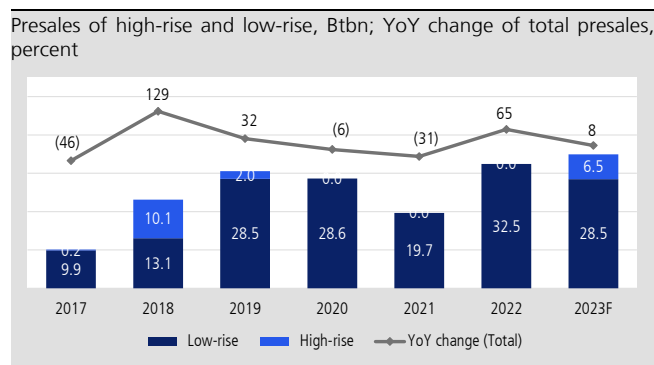
Figure 7: SOTP valuation

SOTP Valuation	2023F
<u>Real estate and rental business</u>	
Core EPS (Bt/share)	0.48
Weighted average PE multiple (x)	16.3
Target price for conventional business (Bt)	7.8
<u>Investments</u>	
Investment value - 41% discount (Btmn)	53,220
Shares (mn)	11,950
Investment value per share (Bt)	4.5
SOTP value (Bt)	12.2

Source: KGI Securities Research

Figure 8: Yearly launches


Source: Company data, KGI Securities Research

Figure 9: Yearly presales


Source: Company data, KGI Securities Research

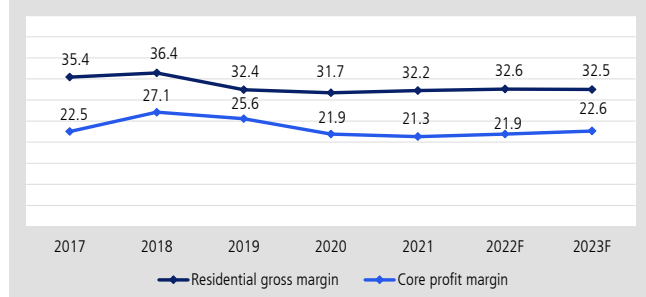
Figure 10: Company profile

Land and House Plc. (LH) engages in property development business. The company develops residential projects in several segments, including low-rise housing and condominium project. However, its expertise and reputation are in single-detached houses. The company also has recurring incomes from shopping mall, hotel and apartment in Thailand and United States. Regarding product positioning, LH appears to target upper-middle income earners with a broad-based brand using mixed business approach through different economic cycles.

Source: Company data

Figure 12: Margins

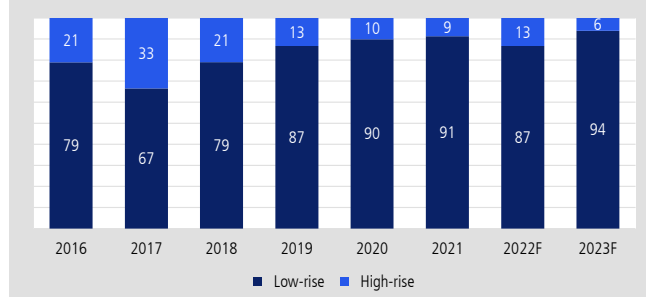
Residential gross margin and net margin, percent



Source: Company data, KGI Securities Research

Figure 14: Transfer breakdown by segment

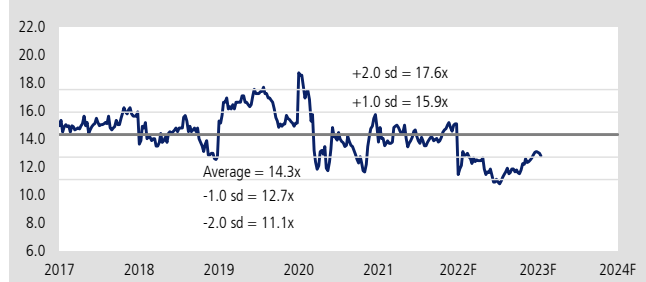
Percent



Source: Company data, KGI Securities Research

Figure 16: Company trading PER

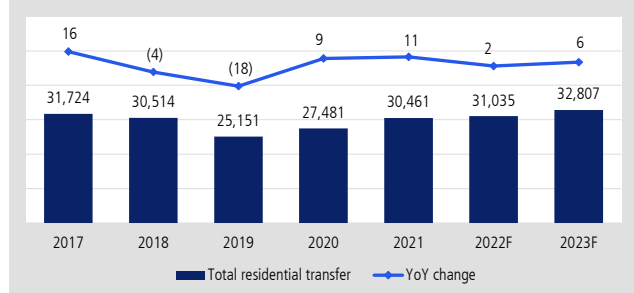
PER, times



Source: KGI Securities Research

Figure 11: Residential revenue forecast

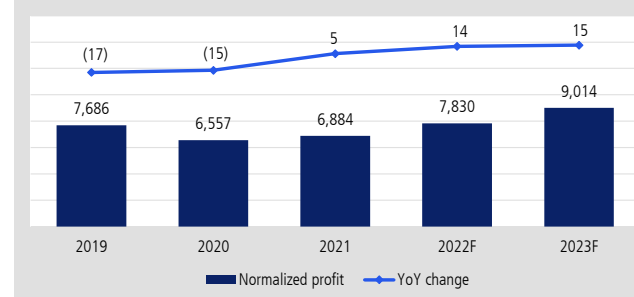
Residential revenues forecast, Btmn (LHS); YoY change, percent (RHS)



Source: Company data, KGI Securities Research

Figure 13: Normalized profit

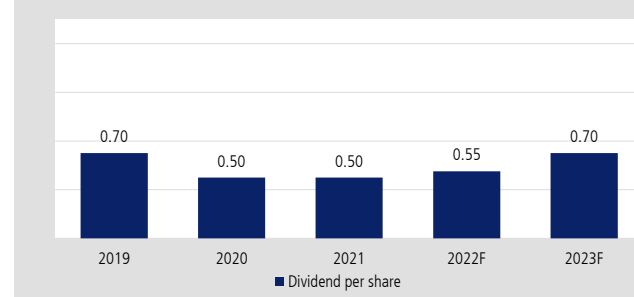
Normalized profit, Btmn



Source: Company data, KGI Securities Research

Figure 15: Company dividend per share (DPS)

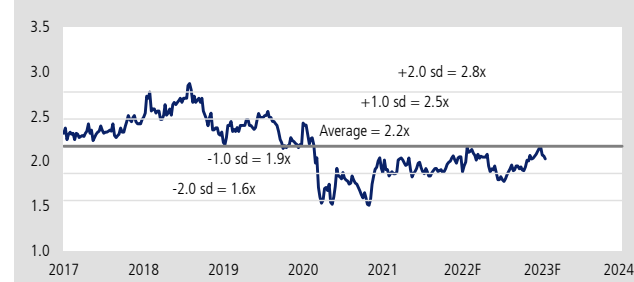
DPS, Bt



Source: Company data, KGI Securities Research

Figure 17: Company trading PB

PB, times



Source: KGI Securities Research

Quarterly Income Statement

	Mar-19A	Jun-19A	Sep-19A	Dec-19	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A
Income Statement (Bt mn)															
Revenue	6,949	7,700	7,597	7,811	6,035	7,557	8,161	8,146	7,575	8,871	6,909	8,915	7,627	9,280	8,865
Cost of Goods Sold	(4,727)	(5,266)	(5,101)	(5,261)	(4,262)	(5,379)	(5,578)	(5,525)	(5,228)	(6,150)	(4,785)	(5,950)	(5,151)	(6,270)	(6,063)
Gross Profit	2,221	2,434	2,497	2,550	1,773	2,178	2,582	2,621	2,346	2,721	2,124	2,965	2,476	3,011	2,802
Operating Expense	(971)	(1,009)	(1,036)	(1,054)	(937)	(951)	(1,001)	(1,015)	(963)	(1,001)	(934)	(1,077)	(1,006)	(1,221)	(1,221)
Other incomes	18	39	38	81	68	15	81	0	28	17	23	127	60	17	114
Operating Profit	1,268	1,463	1,498	1,577	904	1,242	1,662	1,606	1,412	1,737	1,214	2,015	1,531	1,807	1,695
Depreciation of fixed asset	(184)	(190)	(189)	(176)	(327)	(192)	(226)	(208)	(375)	(381)	(393)	(368)	(378)	(382)	(440)
Operating EBITDA	1,610	1,772	1,846	1,973	1,391	1,469	2,003	2,055	1,922	2,231	1,736	2,572	2,083	2,320	2,263
Non-Operating Income	63	58	80	106	52	35	26	43	33	24	35	34	43	17	33
Interest Expense	20	19	20	17	10	13	8	9	11	14	12	7	11	7	8
Other Non-op Income	43	39	59	89	43	22	18	34	22	10	23	27	32	10	25
Non-Operating Expense	681	564	612	690	554	183	469	494	387	351	181	301	471	398	509
Interest Expense	(177)	(228)	(207)	(224)	(182)	(256)	(216)	(234)	(259)	(293)	(285)	(275)	(246)	(254)	(252)
Other Non-op Expense	0	0	0	0	0	(72)	0	72	0	0	0	0	0	0	0
Equity Income/(Loss)	858	792	819	914	736	511	685	656	647	644	466	577	717	651	762
Pre-tax profit	1,250	1,354	1,450	1,573	883	1,021	1,562	1,614	1,288	1,557	1,058	1,928	1,459	1,684	1,571
Current Taxation	(277)	(289)	(403)	(750)	(91)	(261)	(512)	(352)	(284)	(326)	(229)	(440)	(320)	(399)	(469)
Minorities	(5)	(2)	(15)	(1)	5	9	7	2	2	6	(6)	(4)	(1)	2	(4)
Extraordinary items	(0)	(2)	350	2,410	(189)	114	307	437	92	(12)	19	(46)	76	201	389
Net Profit	1,826	1,852	2,201	4,145	1,344	1,395	2,049	2,357	1,744	1,870	1,308	2,015	1,931	2,139	2,249
Normalized Profit	1,826	1,852	1,851	2,154	1,533	1,281	1,742	2,001	1,652	1,881	1,289	2,061	1,856	1,938	1,860
EPS (Bt)	1.24	1.26	1.49	2.81	0.91	0.95	1.39	1.60	1.18	1.27	0.88	1.36	1.31	1.45	1.52
Normalized EPS (Bt)	1.24	1.26	1.25	1.46	1.04	0.87	1.18	1.36	1.12	1.27	0.87	1.39	1.26	1.31	1.26
Margins															
Gross profit margin	32.0	31.6	32.9	32.6	29.4	28.8	31.6	32.2	31.0	30.7	30.7	33.3	32.5	32.4	31.6
Operating EBIT margin	18.3	19.0	19.7	20.2	15.0	16.4	20.4	19.7	18.6	19.6	17.6	22.6	20.1	19.5	19.1
Operating EBITDA margin	23.2	23.0	24.3	25.3	23.1	19.4	24.5	25.2	25.4	25.2	25.1	28.8	27.3	25.0	25.5
Net profit margin	26.3	24.1	29.0	53.1	22.3	18.5	25.1	28.9	23.0	21.1	18.9	22.6	25.3	23.1	25.4
Growth (YoY)															
Revenue growth	(21.9)	(9.2)	(4.5)	(12.3)	(13.1)	(1.9)	7.4	4.3	25.5	17.4	(15.3)	9.4	0.7	4.6	28.3
Operating EBIT growth	(41.0)	(13.4)	(6.1)	(21.9)	(28.7)	(15.1)	10.9	1.9	56.1	39.9	(27.0)	25.5	8.4	4.0	39.6
Operating EBITDA growth	(34.8)	(10.0)	(2.1)	(18.1)	(13.6)	(17.1)	8.5	4.2	38.2	51.9	(13.4)	25.1	8.3	4.0	30.4
Net profit growth	(26.0)	(45.9)	(4.9)	82.5	(26.4)	(24.7)	(6.9)	(43.1)	29.8	34.0	(36.2)	(14.5)	10.7	14.4	72.0
Normalized profit growth	(29.5)	(11.0)	(12.2)	(13.8)	(16.1)	(30.9)	(5.9)	(7.1)	7.8	46.9	(26.0)	3.0	12.3	3.0	44.3

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2019	2020	2021	2022F	2023F
Total Assets	113,139	122,571	125,198	125,308	130,059
Current Assets	60,510	63,355	60,464	61,405	63,373
Cash & ST Investment	4,554	7,113	10,331	9,819	9,486
Inventories	53,374	52,893	47,256	48,681	50,834
Account Receivable	224	187	170	179	199
Others	2,272	1,703	2,113	2,226	2,353
Non-current Assets	52,629	59,216	64,734	63,903	66,686
LT Investment	45,580	38,398	41,581	41,597	43,693
Net fixed Assets	688	601	1,566	2,322	3,009
Others	6,362	20,216	21,587	19,984	19,984
Total Liabilities	59,956	71,970	74,552	70,842	73,923
Current Liabilities	22,838	25,091	28,122	35,550	37,080
Account Payable	3,806	3,140	3,184	4,183	4,429
ST Borrowing	15,677	18,836	21,831	28,464	29,680
Others	3,355	3,115	3,108	2,903	2,971
Long-term Liabilities	37,118	46,879	46,429	35,292	36,843
Long-term Debts	34,226	44,243	43,975	32,589	33,980
Others	2,892	2,637	2,454	2,703	2,863
Shareholders' Equity	53,183	50,601	50,646	54,466	56,137
Common Stock	11,950	11,950	11,950	11,950	11,950
Capital Surplus	15,453	15,453	15,453	15,453	15,453
Retained Earnings	22,850	22,690	23,008	24,261	25,910
Preferred Stock					

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2019	2020	2021	2022F	2023F
Growth (%YoY)					
Sales	(12.2)	(0.5)	7.9	10.7	11.4
OP	(22.1)	(6.8)	17.8	9.7	16.3
EBITDA	(17.2)	(3.9)	22.3	8.4	12.6
NP	(4.3)	(28.7)	(2.9)	12.9	27.9
Normalized Profit	(17.2)	(14.7)	5.0	13.8	15.1
EPS	(4.3)	(28.7)	(2.9)	12.9	27.9
Normalized EPS	(17.2)	(14.7)	5.0	13.8	15.1
Profitability (%)					
Gross Margin	32.3	30.6	31.5	32.2	32.5
Operating Margin	19.3	18.1	19.8	19.6	20.5
EBITDA Margin	24.0	23.1	26.2	25.7	25.9
Net Margin	33.4	23.9	21.5	21.9	25.2
ROAA	8.9	5.8	5.5	6.2	7.7
ROAE	18.8	14.1	13.7	14.4	17.8
Stability					
Gross Debt/Equity (%)	112.7	142.2	147.2	130.1	131.7
Net Debt/Equity (%)	93.8	123.1	128.4	112.1	113.4
Interest Coverage (x)	7.7	6.7	6.2	7.1	8.2
Interest & ST Debt Coverage (x)	0.4	0.3	0.3	0.3	0.3
Cash Flow Interest Coverage (x)	(1.6)	4.1	11.0	5.5	5.1
Cash Flow/Interest & ST Debt (x)	(0.1)	0.2	0.5	0.2	0.2
Current Ratio (x)	2.6	2.5	2.2	1.7	1.7
Quick Ratio (x)	0.3	0.4	0.5	0.4	0.3
Net Debt (Bt mn)	45,349.0	55,200.9	54,684.9	51,233.6	54,172.8
Per Share Data (Bt)					
EPS	0.8	0.6	0.6	0.7	0.8
Normalized EPS	0.6	0.5	0.6	0.7	0.8
CFPS	(0.1)	0.3	1.0	0.5	0.5
BVPS	4.5	4.2	4.2	4.6	4.7
SPS	2.5	2.5	2.7	3.0	3.3
EBITDA/Share	0.6	0.6	0.7	0.8	0.9
DPS	0.7	0.5	0.5	0.6	0.7
Activity					
Asset Turnover (x)	0.3	0.2	0.3	0.3	0.3
Days Receivables	2.7	2.3	1.9	1.8	1.8
Days Inventory	957.0	930.7	780.0	733.5	690.5
Days Payable	68.2	55.3	52.6	63.0	60.2
Cash Cycle	891.5	877.7	729.4	672.3	632.2

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Btmn)	2019	2020	2021	2022F	2023F
Revenue	30,058	29,898	32,270	35,719	39,807
Cost of Goods Sold	(20,356)	(20,744)	(22,113)	(24,225)	(26,870)
Gross Profit	9,702	9,154	10,157	11,495	12,937
Operating Expenses	(4,071)	(3,904)	(3,974)	(4,765)	(5,016)
Other Incomes	175	164	196	268	219
Operating Profit	5,806	5,414	6,378	6,998	8,141
Depreciation of fixed assets	(739)	(951)	(1,517)	(1,575)	(1,610)
Operating EBITDA	7,201	6,919	8,461	9,172	10,327
Non-Operating Income	306	156	127	161	179
Interest Income	76	40	44	54	60
Other Non-op Income	230	116	83	107	119
Non-Operating Expense	(835)	(888)	(1,112)	(1,072)	(1,060)
Interest Expense	(835)	(888)	(1,112)	(1,072)	(1,060)
Other Non-op Expense	0	0	0	0	0
Equity Income/(Loss)	3,383	2,588	2,333	2,908	3,200
Pretax Profit	11,766	8,338	8,218	9,434	11,857
Current Taxation	(1,719)	(1,216)	(1,279)	(1,586)	(1,822)
Minorities	23	(23)	2	18	21
Extraordinary items	2,757	669	52	0	1,000
Net Profit	10,025	7,145	6,936	7,830	10,014
Normalized Profit	7,686	6,557	6,884	7,830	9,014
EPS (Bt)	0.84	0.60	0.58	0.66	0.84
Normalized EPS (Bt)	0.64	0.55	0.58	0.66	0.75

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2019	2020	2021	2022F	2023F
Operating Cash Flow	(1,299)	3,623	12,215	5,856	5,459
Net Profit	10,025	7,145	6,936	7,830	10,014
Depreciation & Amortization	739	951	1,517	1,575	1,610
Change in Working Capital	(5,946)	(1,193)	6,146	(658)	(1,986)
Others					
Investment Cash Flow	7,115	(4,536)	(4,831)	2,413	(34)
Net CAPEX	4,287	(13,249)	(7,219)	830	(2,121)
Change in LT Investment	2,244	9,069	2,584	1,218	1,928
Change in Other Assets	(3)	(101)	(14)	116	0
Free Cash Flow	5,816	(913)	7,384	8,269	5,426
Financing Cash Flow	(8,394)	3,472	(4,166)	(8,781)	(5,758)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(777)	13,176	2,727	(4,753)	2,606
Change in Other LT Liab.	53	(2,399)	(275)	2,549	0
Net Cash Flow	(2,578)	2,559	3,218	(512)	(333)

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1/	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
2018		64.9%		1.8%		13.6%		19.6%
2019		67.7%		2.5%		13.5%		16.3%
2020		69.4%		3.2%		13.1%		14.4%
2021		68.5%		4.7%		12.3%		14.5%
2022F		68.0%		4.3%		12.2%		15.5%
Year	1/	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
2018		1.0		0.0		3.2		0.2
2019		1.3		0.0		3.7		0.2
2020		1.3		0.0		4.1		0.2
2021		1.0		0.0		3.8		0.2
2022F		0.7		0.1		3.3		0.2
Year		Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2018		19.6%		0.2		14.0%		0.6%
2019		16.3%		0.2		14.6%		0.5%
2020		14.4%		0.2		14.6%		0.4%
2021		14.5%		0.2		15.6%		0.5%
2022F		15.5%		0.2		14.5%		0.6%

Source: KGI Securities Research

Land and Houses – Recommendation & target price history




Date	Rating	Target	Price
15-Aug-22	Outperform	11.20	8.85
25-Feb-22	Outperform	10.80	9.60

Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies

 **Companies with Excellent CG Scoring**

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

 **Companies with Very Good CG Scoring**

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

 **Companies with Good CG Scoring**

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

Companies classified Not in the three highest score groups

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

Source: www.thai-iod.com

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

Anti-corruption Progress Indicator

Level 5: Extended

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

Level 4: Certified

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

Level 3: Established

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

No progress

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

Source: www.cgthailand.org

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

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KGI's Ratings

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

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