

Thailand Property

ผลประกอบการ 2Q ไม่น่าตื่นเต้น แต่ทิศทางฟื้นตัวในช่วง 2H

- กำไรปกติรวมใน 2Q23 เพิ่มขึ้น 8% q-q แต่ลดลง 3% y-y จากฐานสูงของยอดโอนโครงการแนวราบใน 2Q22 และอัตรากำไรขั้นต้นที่ปรับลงจากการแข่งขันที่อยู่ในระดับสูง
- คาดแนวโน้มฟื้นตัวดีขึ้นต่อเนื่องใน 3Q23 และทำระดับสูงสุดใน 4Q23 จากการเปิดตัวโครงการแนวราบจำนวนมากและคอนโดสร้างเสร็จใหม่ที่เพิ่มขึ้น
- คงให้น้ำหนักเท่ากับตลาด เรชชอบ AP และ ASW จากคาดการณ์กำไรโตแกร่งใน 3Q23 และ 2H23

กำไรปกติ 2Q23 เพิ่มขึ้น q-q แต่ลดลง y-y จากยอดโอนโครงการแนวราบที่ชะลอตัว

กำไรสุทธิรวมใน 2Q23 ของบริษัทพัฒนาอสังหาริมทรัพย์ 12 แห่งยังทรงตัวเมื่อเทียบกับใน 2Q22 และปรับตัวดีขึ้น 14.5% q-q เป็น 10.2 พันลบ. เมื่อหักรายการพิเศษ กำไรปกติอยู่ที่ 8.8 พันลบ. (+8% q-q, -3% y-y) ในภาพรวมผลประกอบการ 2Q23 ไม่น่าตื่นเต้นและใกล้เคียงกับคาด ตัวเลขดีขึ้น q-q จากโครงการเปิดใหม่ที่เพิ่มขึ้น แต่ลดลง y-y หลักๆจากการลดลงของยอดโอนโครงการแนวราบและอัตรากำไรขั้นต้นในธุรกิจอสังหาริมทรัพย์ท่ามกลางการแข่งขันสูง

มุมมองเชิงบวกเล็กน้อยจากประชุมหลังรายงานผลประกอบการ 2Q23 และแนวโน้มที่ดีขึ้นในช่วง 2H23

การประชุมหลังรายงานผลประกอบการเป็นบวกเล็กน้อย ภาพรวมตลาดแนวราบชะลอตัวลงจากฐานที่สูงในปี 2021-22 และการแข่งขันที่สูงขึ้น ขณะที่ตลาดคอนโดอยู่ในช่วงการฟื้นตัวทั้งจากผู้ซื้อในประเทศ รวมถึงต่างประเทศโดยเฉพาะจากกลุ่มลูกค้าเป้าหมายใหม่จากไต้หวัน ฮ่องกง และกัมพูชา ท่ามกลางอุปสงค์และอุปทานของคอนโดที่มีความสมดุลขึ้น บริษัทพัฒนาอสังหาริมทรัพย์ คงแผนเปิดตัวโครงการใหม่ในปีนี้ แต่เราเห็น Downside สำหรับเป้า Presales และยอดโอนใน 2023 ของบางบริษัท อาทิ BRI, LH, LPN, NOBLE, ORI, และ PSH สะท้อน Presales ที่อ่อนตัวลงใน 1H23 หลักๆ จากโครงการแนวราบและในตลาดผู้มีรายได้น้อย อย่างไรก็ตาม แนวโน้มยอด Presales ททยอยปรับตัวดีขึ้นในช่วง 3QTD และ Momentum คาดจะเร่งตัวขึ้นในช่วงที่เหลือของปีจากการเปิดตัวโครงการแนวราบและคอนโดใหม่จำนวนมาก (บริษัทตั้งเป้า take-up rate คอนโดใหม่ 30%) นอกจากนี้ คาดหวังการจัดตั้งรัฐบาลใหม่จะช่วยกระตุ้นบรรยากาศในตลาดอสังหาริมทรัพย์ จากกำลังซื้อและความเชื่อมั่นของลูกค้าที่เพิ่มขึ้น โดยบริษัทอสังหาริมทรัพย์เน้นตลาดระดับ Mid-to-High End สำหรับโครงการแนวราบ และตลาด Mid-End สำหรับโครงการคอนโด นอกเหนือจากการเปิดโครงการในกรุงเทพฯ บริษัทอสังหาริมทรัพย์ ยังขยายเข้าสู่ตลาดในต่างจังหวัดโดยเฉพาะพื้นที่ท่องเที่ยวอย่างชลบุรีและภูเก็ต

คาดแนวโน้มกำไรรายได้ไตรมาสเป็นบวกในช่วง 2H23

ในช่วง 2H23 เราประเมินกำไรจะเติบโตจาก 1H23 โดยทิศทางคาดปรับขึ้น q-q ใน 3Q23 ก่อนแตะระดับสูงสุดใน 4Q23 ปัจจุบันขับเคลื่อนมาจากการเปิดตัวโครงการใหม่ที่เพิ่มขึ้น มูลค่ารวม 315 พันลบ. (+2.4x h-h) ซึ่งคิดเป็น 70% ของแผนการเปิดโครงการรวมในปี 2023 หลักๆมาจากโครงการแนวราบ มูลค่ารวม 229 พันลบ. (+2.9x h-h) และมีคอนโดสร้างเสร็จใหม่หลายโครงการ นอกจากนี้ มี Backlog รวมที่ยกมารับรู้ในช่วง 2H23 จำนวน 69 พันลบ. ซึ่งรองรับแล้ว 65% ของเป้าหมายในปี 2023 อย่างไรก็ตาม เราคาดว่ากำไรในช่วง 2H23 ของบางบริษัทมีโอกาสลดลง y-y จากฐานที่สูงในช่วง 2H22.

คงให้น้ำหนักเท่ากับตลาด โดยมี AP และ ASW เป็นหุ้นเด่น

เราคงน้ำหนักเท่ากับตลาดสำหรับกลุ่มบริษัทพัฒนาอสังหาริมทรัพย์ของไทย เนื่องจากเราคาดว่ากำไรจะเติบโตในอัตราที่ไม่สูงในปี 2023-24 ปัจจุบันบริษัทพัฒนาอสังหาริมทรัพย์ มีการซื้อขายเฉลี่ยที่ 8.8x ของค่า 2023E P/E และ 1.0x ของค่า 2023E P/BV ใกล้เคียงกับค่าเฉลี่ย 5 ปีที่ 9x และ 1.1x ตามลำดับ นอกจากนี้ เรายังคาดผลตอบแทนเงินปันผลที่ 6-7% ต่อปี ทั้งนี้ เรชชอบ AP และ ASW จากแนวโน้มกำไรที่จะเติบโตแข็งแกร่งใน 3Q23 และ 2H23



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 30 สิงหาคม 2023

2Q23 core profit improved q-q but dropped y-y

In 2Q23, the property market faced various factors including the slow economic recovery and political uncertainty, as well as the upward trend in interest rates which led to softer residential demand. Real Estate Information Center (REIC) reported that the 2Q23 total transfer volume dropped 4% y-y to 95,285 units due to a decline in low-rise transfers for almost all segments (except units priced from THB7.5m-10m). However, condominiums delivered transfer improvements in almost all segments, except those units priced from THB2m-3m, which were affected by consumers' low purchasing power and high household debt.

12 property developers' aggregate net profit came in at THB10.2b (+14.5% q-q, +0.2% y-y) in 2Q23. Excluding one-time gains from ORI, PSH and SIRI, their 2Q23 core profit was THB8.8b (+8% q-q, -3% y-y), in line with our forecast and BBG's consensus estimate. The q-q recovery was the result of more new projects and the low base in 1Q23, which was hit by the impact of the expiration of the LTV limit easing at end-2022. However, the slight decrease y-y in 2Q23 performance was mainly due to a softer low-rise transfer value and a slimmer property gross margin.

In conclusion, SIRI outperformed its peers with strong growth q-q and y-y, while ASW's and LPN's profits were the weakest. ASW had no new condo projects to transfer from and LPN was pressured by sluggish presales in the low-end segment. Given that, developers' aggregate normalised earnings were equal to THB16.9b (+3% y-y) in 1H23, accounting for 43% of our 2023 profit forecast.

Developers' 2Q23 transfers came in at THB49.4b (+7% q-q, -7% y-y), split 72:28 between low-rise and condo transfers. Low-rise transfers amounted to THB35.6b, up 10% q-q, but down 10% y-y due to soft demand in the housing market from the uncertain situation and compared to the high base in 2021-22, as well as late-quarter launches after the long holidays in April. Meanwhile, condo transfers gradually recovered to THB13.7b (+1% q-q, +3.5% y-y) in 2Q23, mainly from inventory sales improvement.

Their aggregate property gross margin was down to 32.4% in 2Q23 from 32.9% in 1Q23 and 33% in 2Q22, reflecting the project mix and price promotions for some projects to accumulate presales amid intense competition. Meanwhile, higher SG&A costs in 2Q23 followed a number of ongoing projects and an increase in their finance costs due to the upward trend in interest rates.

For developers' liquidity, their average D/E was at 1.5x at end-2Q23, slightly increasing from 1.3x at end-2022 following their aggressive launch plans. Meanwhile, their IBD/E stood at 1.2x at end-2Q23 (vs 1.1x at the end of 2022), which is still below their average covenant of 2.5x. In accordance with the negative issues in the market – All Inspire Development (ALL TB, NR) has defaulted on its debentures and the Supreme Court has ruled the Ashton Asoke project from Ananda Development (ANAN TB, NR) illegal – financial institutions are getting tighter with financing conditions and lending standards. However, we believe that major developers will still be able to manage and pay their debts from additional cash from their rising quarterly performance in 2H23 on the back of more newly built condos. Besides, developers will continue to focus mainly on their low-rise launches, which are easier to manage and have lower risks. For lenders, banks' overall 2Q23 rejection rate was stable with that in 1Q23. Low-price housing continues to have a high rejection rate and is sensitive to the economic uncertainty, reflected in LPN's rejection rate remaining at a high level of 40-45% in 2Q23.

Exhibit 1: Net profit in 2Q23

Net profit	2Q22	1Q23	2Q23	Change		1H22	1H23	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
AP	1,574	1,478	1,544	4.5	(1.9)	3,304	3,023	(8.5)
ASW	273	283	157	(44.6)	(42.5)	498	440	(11.8)
BRI	376	329	348	6.0	(7.5)	729	677	(7.2)
LH	2,139	1,354	1,450	7.1	(32.2)	4,071	2,804	(31.1)
LPN	147	145	87	(39.9)	(40.9)	339	232	(31.5)
NOBLE	(14)	73	112	54.2	(893.4)	(21)	184	(989.7)
ORI	1,155	798	873	9.4	(24.4)	1,893	1,671	(11.7)
PSH	430	652	1,038	59.1	141.4	982	1,690	72.2
QH	515	592	669	13.0	29.9	1,100	1,262	14.7
SC	581	535	593	10.9	2.1	969	1,128	16.4
SIRI	918	1,582	1,621	2.5	76.7	1,220	3,203	162.5
SPALI	2,075	1,080	1,701	57.4	(18.0)	3,253	2,781	(14.5)
Total	10,170	8,901	10,193	14.5	0.2	18,337	19,094	4.1

Sources: Company data; FSSIA's compilation

Exhibit 2: Core profit in 2Q23

Core profit	2Q22	1Q23	2Q23	Change		1H22	1H23	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
AP	1,574	1,478	1,544	4.5	(1.9)	3,304	3,023	(8.5)
ASW	273	172	157	(8.6)	(42.5)	353	328	(7.0)
BRI	284	328	344	4.8	21.1	492	673	36.6
LH	1,938	1,472	1,461	(0.8)	(24.6)	3,794	2,934	(22.7)
LPN	147	145	87	(39.9)	(40.9)	339	232	(31.5)
NOBLE	(161)	71	108	52.4	(167.4)	(169)	179	(206.2)
ORI	545	675	492	(27.2)	(9.7)	986	1,167	18.3
PSH	424	613	524	(14.5)	23.6	976	1,137	16.6
QH	515	592	669	13.0	29.9	1,100	1,262	14.7
SC	581	535	497	(7.1)	(14.6)	969	1,031	6.4
SIRI	856	959	1,219	27.1	42.4	1,041	2,177	109.1
SPALI	2,075	1,080	1,701	57.4	(18.0)	3,253	2,781	(14.5)
Total	9,052	8,122	8,803	8.4	(2.8)	16,439	16,925	3.0

Sources: Company data; FSSIA's compilation

Exhibit 3: Transfers in 2Q23

Transfers	2Q22	1Q23	2Q23	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	9,620	9,144	9,009	(1.5)	(6.4)
ASW	1,574	1,513	1,185	(21.7)	(24.7)
BRI	1,484	1,107	1,062	(4.0)	(28.4)
LH	8,360	4,832	5,010	3.7	(40.1)
LPN	1,539	1,280	1,173	(8.4)	(23.8)
NOBLE	559	1,233	1,294	5.0	131.6
ORI	2,914	2,150	1,812	(15.7)	(37.8)
PSH	5,101	6,030	5,650	(6.3)	10.8
QH	1,970	1,590	2,120	33.3	7.6
SC	4,975	4,673	4,948	5.9	(0.5)
SIRI	6,596	6,754	8,007	18.6	21.4
SPALI	8,136	5,641	8,089	43.4	(0.6)
Total	52,827	45,949	49,360	7.4	(6.6)

Sources: Company data; FSSIA's compilation

Exhibit 4: Low-rise transfers in 2Q23

Low-rise transfers	2Q22	1Q23	2Q23	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	9,139	8,657	8,701	0.5	(4.8)
ASW	0	50	33	(33.9)	n/a
BRI	1,484	1,107	1,062	(4.0)	(28.4)
LH	7,315	4,534	4,602	1.5	(37.1)
LPN	580	285	368	29.0	(36.5)
NOBLE	290	128	159	24.3	(45.3)
ORI	1,484	1,107	1,063	(4.0)	(28.4)
PSH	3,719	3,271	3,917	19.8	5.3
QH	1,689	1,456	1,729	18.8	2.4
SC	4,418	3,759	3,838	2.1	(13.1)
SIRI	4,957	4,037	5,133	27.1	3.6
SPALI	4,475	3,893	5,015	28.8	12.1
Total	39,549	32,284	35,620	10.3	(9.9)

Sources: Company data; FSSIA's compilation

Exhibit 5: Condo transfers in 2Q23

Condo transfers	2Q22	1Q23	2Q23	Change	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
AP	481	487	308	(36.8)	(36.0)
ASW	1,574	1,463	1,151	(21.3)	(26.8)
BRI	0	0	0	n/a	n/a
LH	1,045	298	409	37.2	(60.9)
LPN	960	995	805	(19.1)	(16.2)
NOBLE	269	1,105	1,136	2.8	322.4
ORI	1,431	1,044	750	(28.2)	(47.6)
PSH	1,382	2,759	1,733	(37.2)	25.4
QH	281	134	391	191.1	39.2
SC	557	914	1,110	21.5	99.4
SIRI	1,639	2,717	2,874	5.8	75.4
SPALI	3,661	1,749	3,074	75.8	(16.0)
Total	13,278	13,665	13,740	0.6	3.5

Sources: Company data; FSSIA's compilation

Exhibit 6: Property GPM in 2Q23

Property GPM	2Q22	1Q23	2Q23	Change	
	(%)	(%)	(%)	(q-q %)	(y-y %)
AP	32.4	35.5	36.3	0.8	3.8
ASW	44.5	40.5	42.7	2.2	(1.7)
BRI	33.9	32.8	32.7	(0.1)	(1.2)
LH	33.6	28.7	29.0	0.3	(4.5)
LPN	22.0	24.1	21.4	(2.8)	(0.6)
NOBLE	23.0	27.6	33.1	5.5	10.1
ORI	36.3	33.9	31.8	(2.1)	(4.5)
PSH	32.4	34.1	31.7	(2.4)	(0.7)
QH	34.0	33.6	31.9	(1.7)	(2.1)
SC	31.3	32.2	31.3	(0.9)	0.1
SIRI	32.8	35.8	32.0	(3.8)	(0.8)
SPALI	39.5	36.4	35.0	(1.4)	(4.4)
Total	33.0	32.9	32.4	(0.5)	(0.6)

Sources: Company data; FSSIA's compilation

Exhibit 7: SG&A to revenue in 2Q23

SG&A to revenue	2Q22	1Q23	2Q23	Change	
	(%)	(%)	(%)	(q-q %)	(y-y %)
AP	17.4	19.7	18.6	(1.1)	1.2
ASW	19.9	22.2	28.2	6.0	8.4
BRI	10.5	11.9	12.1	0.3	1.7
LH	13.2	18.8	16.3	(2.5)	3.0
LPN	14.8	13.8	14.3	0.5	(0.5)
NOBLE	34.8	17.9	16.8	(1.2)	(18.1)
ORI	22.7	20.3	22.8	2.5	0.2
PSH	20.5	20.0	22.2	2.2	1.7
QH	24.2	25.3	20.7	(4.6)	(3.5)
SC	18.3	18.7	19.4	0.7	1.1
SIRI	20.6	18.0	18.9	0.8	(1.7)
SPALI	11.5	14.2	11.7	(2.5)	0.2
Total	19.0	18.4	18.5	0.1	(0.5)

Sources: Company data; FSSIA's compilation

Exhibit 8: D/E and IBD/E at end-2Q23

	D/E		IBD/E	
	2022	2Q23	2022	2Q23
	(x)	(x)	(x)	(x)
AP	0.9	1.1	0.6	0.9
ASW	1.6	2.1	1.2	1.7
BRI	1.6	2.3	1.2	1.7
LH	1.4	1.6	1.0	1.3
LPN	1.0	1.2	0.9	1.0
NOBLE	2.8	3.0	2.3	2.3
ORI	1.4	1.9	1.1	1.4
PSH	0.5	0.6	0.3	0.4
QH	0.6	0.6	0.4	0.4
SC	1.6	1.7	1.3	1.4
SIRI	1.9	2.0	1.6	1.6
SPALI	0.7	0.7	1.3	0.6
Total	1.3	1.5	1.1	1.2

Sources: Company data; FSSIA's compilation

Exhibit 9: Backlog at end-2Q23

Backlog	Total backlog at end-2Q23	Backlog in 2H23	2023 transfer target	% secured
	(THB m)	(THB m)	(THB m)	(%)
AP	20,226	15,342	44,300	75.6
ASW	11,899	4,448	7,200	99.3
BRI	1,857	1,857	8,000	50.3
LH	2,449	2,449	22,800	53.9
LPN	2,749	796	7,250	44.8
NOBLE	10,037	3,745	12,000	52.3
ORI	18,864	3,293	15,000	48.4
PSH	4,974	3,935	28,000	55.8
QH	815	815	9,000	50.3
SC	13,000	9,100	24,000	78.0
SIRI	16,184	11,468	37,600	69.8
SPALI	19,804	11,606	36,000	70.4
Total	122,858	68,854	251,150	65.4

Sources: Company data; FSSIA's compilation

Exhibit 10: New launch plans for 2H23

New launches	1Q23	2Q23	3Q23E	4Q23E	1H23	2H23E	Change	% of 2023 target
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(h-h %)	(%)
AP	4,180	16,880	19,800	36,140	21,060	55,940	165.6	72.6
ASW	5,410	6,450	7,050	3,970	11,860	11,020	(7.1)	48.2
BRI	1,200	3,800	3,000	14,500	5,000	17,500	250.0	77.8
LH	1,365	6,130	6,280	29,685	7,495	35,965	379.9	82.8
LPN	3,390	1,875	6,060	2,740	5,265	8,800	67.1	62.6
NOBLE	4,000	0	13,500	4,700	4,000	18,200	355.0	82.0
ORI	11,660	9,735	15,625	15,930	21,395	31,555	47.5	59.6
PSH	1,758	3,090	4,300	14,700	4,848	19,000	291.9	79.7
QH	2,259	0	2,598	6,034	2,259	8,632	282.1	79.3
SC	930	18,600	8,900	14,190	19,530	23,090	18.2	54.2
SIRI	2,440	15,830	25,000	31,730	18,270	56,730	210.5	75.6
SPALI	4,550	7,840	9,650	18,960	12,390	28,610	130.9	69.8
Total	43,142	90,230	121,763	193,279	133,372	315,042	136.2	70.3

Sources: Company data; FSSIA's compilation

Exhibit 11: New low-rise projects in 2H23

New low-rise projects	1Q23	2Q23	3Q23E	4Q23E	1H23	2H23E	Change	% of 2023 target
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(h-h %)	(%)
AP	4,180	13,380	19,800	27,840	17,560	47,640	171.3	73.1
ASW	0	0	5,250	1,420	0	6,670	n/a	100.0
BRI	1,200	3,800	3,000	14,500	5,000	17,500	250.0	77.8
LH	1,365	6,130	6,280	14,685	7,495	20,965	179.7	73.7
LPN	3,390	0	3,960	1,980	3,390	5,940	75.2	63.7
NOBLE	1,600	0	3,600	4,700	1,600	8,300	418.8	83.8
ORI	1,200	3,800	3,000	14,500	5,000	17,500	250.0	77.8
PSH	206	1,648	2,500	11,000	1,854	13,500	628.2	87.9
QH	2,259	0	2,598	6,034	2,259	8,632	282.1	79.3
SC	930	12,600	8,900	10,190	13,530	19,090	41.1	58.5
SIRI	0	14,560	15,500	20,400	14,560	35,900	146.6	71.1
SPALI	3,820	3,240	9,650	18,160	7,060	27,810	293.9	79.8
Total	20,150	59,158	84,038	145,409	79,308	229,447	189.3	74.3

Sources: Company data; FSSIA's compilation

Exhibit 12: New condo projects in 2H23

New condo projects	1Q23	2Q23	3Q23E	4Q23E	1H23	2H23E	Change	% of 2023 target
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(h-h %)	(%)
AP	0	3,500	0	8,300	3,500	8,300	137.1	70.3
ASW	5,410	6,450	1,800	2,550	11,860	4,350	(63.3)	26.8
BRI	0	0	0	0	0	0	n/a	n/a
LH	0	0	0	15,000	0	15,000	n/a	100.0
LPN	0	1,875	2,100	760	1,875	2,860	52.5	60.4
NOBLE	2,400	0	9,900	0	2,400	9,900	312.5	80.5
ORI	10,460	5,935	12,625	1,430	0	14,055	n/a	100.0
PSH	1,552	1,442	1,800	3,700	2,994	5,500	83.7	64.8
QH	0	0	0	0	0	0	n/a	n/a
SC	0	6,000	0	4,000	6,000	4,000	(33.3)	40.0
SIRI	2,440	1,270	9,500	11,330	3,710	20,830	461.5	84.9
SPALI	730	4,600	0	800	5,330	800	(85.0)	13.1
Total	22,992	31,072	37,725	47,870	37,669	85,595	127.2	69.4

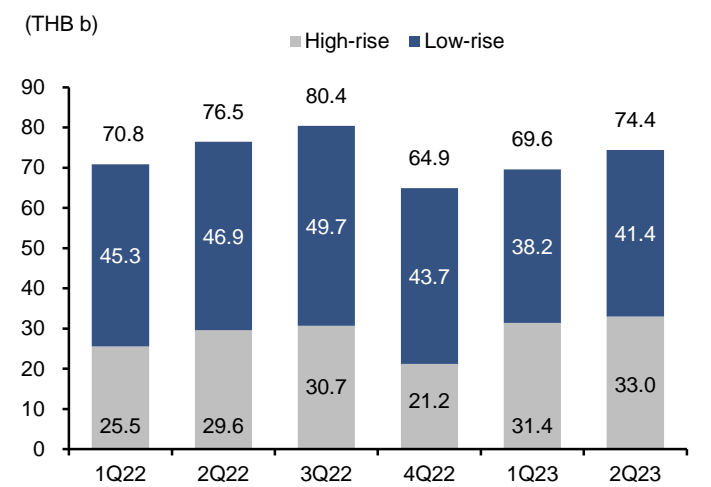
Sources: Company data; FSSIA's compilation

Exhibit 13: New condo launches in 3Q23

Developer	Project	Location	Project value	Average price
			(THB m)	(THB m/unit)
ASW	Modiz Avantgarde	Bangkok	1,800	2.4
LPN	EARN Condo by LPN	Chonburi	2,100	1.2
NOBLE	The Embassy Wireless	Bangkok	9,900	13.0
ORI	Grand Hampton Thonglor	Bangkok	3,000	8.4
	Soho Bangkok Ratchada	Bangkok	1,500	3.1
	Origin Place Khon Kaen-Kanlapaphruek	Khon Kaen	800	1.8
	The Origin Oasis Bangsaen	Chonburi	950	1.7
PSH	Plum Condo New West	Bangkok	1,800	1.6
SIRI	SHUSH Ratchathewi	Bangkok	4,900	12.8
	NIA by Sansiri	Bangkok	1,300	3.1
	Dcondo Vale Sriracha	Chonburi	800	1.6
	The Base Bukit	Phuket	1,400	2.5
	Condo Me Sinsakorn	Bangkok	100	1.9
	Condo Me Bang Na-Bang Bo	Bangkok	100	1.3
	The Muve Srinakarin	Bangkok	800	1.7
Total			31,250	3.6

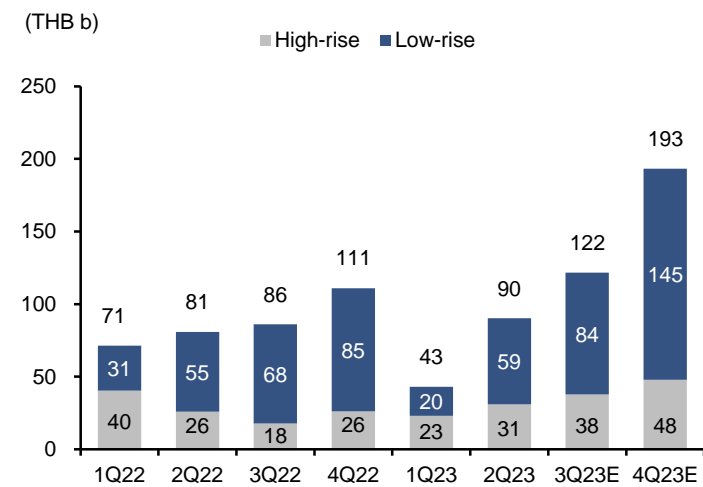
Sources: Company data; FSSIA's compilation

Exhibit 14: Quarterly presales



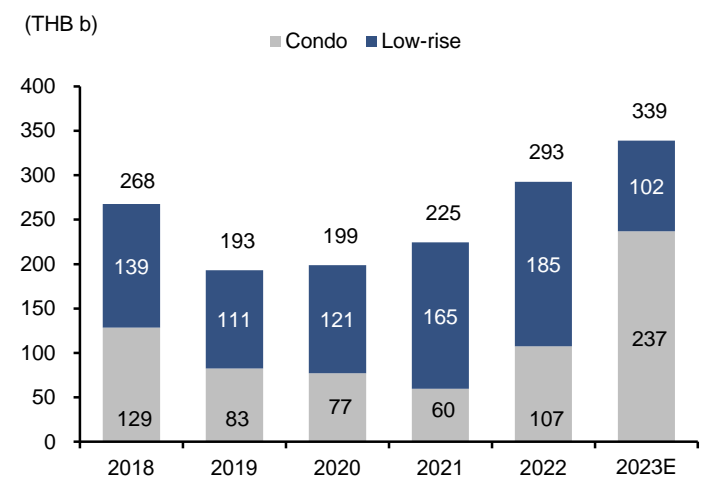
Sources: Company data; FSSIA's compilation

Exhibit 15: Quarterly new launches



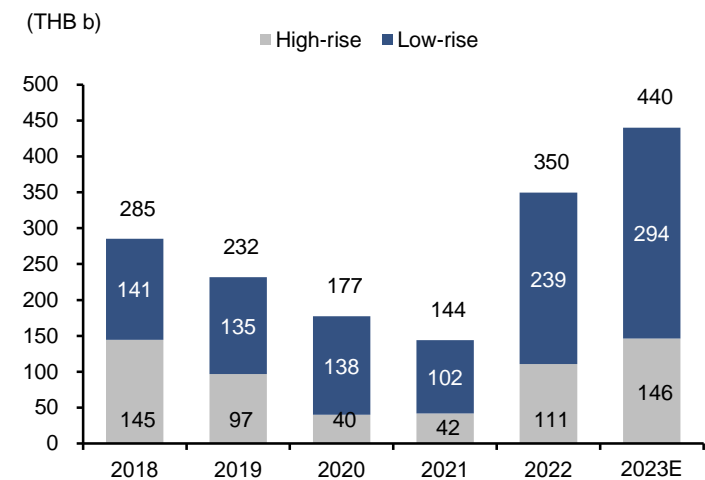
Sources: Company data; FSSIA's compilation

Exhibit 16: Yearly presales



Note: ASW and BRI were listed in 2021
Sources :Company data; FSSIA's compilation

Exhibit 17: Yearly new launches



Note: ASW and BRI were listed in 2021
Sources :Company data; FSSIA's compilation

Exhibit 18: 3Q23E performances

3Q23E performances	----- Net profit -----		----- Core profit -----	
	(q-q %)	(y-y %)	(q-q %)	(y-y %)
AP	+	+	+	+
ASW	+	+	+	+
BRI	+	+	+	+
LH	+	-	+	-
LPN	+	-	+	-
NOBLE	+	+	+	0
ORI	+	-	+	-
PSH	-	-	-	-
QH	0	0	0	0
SC	+	0	+	0
SIRI	-	+	+	+
SPALI	+	-	+	-
Total	+	0	+	-

Source: FSSIA estimates

Exhibit 19: 2H23E performances

2H23E performances	----- Net profit -----		----- Core profit -----	
	(h-h %)	(y-y %)	(h-h %)	(y-y %)
AP	+	+	+	+
ASW	+	+	+	+
BRI	+	+	+	+
LH	+	+	+	-
LPN	+	0	+	0
NOBLE	+	-	+	-
ORI	+	+	+	0
PSH	-	-	0	-
QH	+	0	+	0
SC	+	-	+	-
SIRI	-	0	+	0
SPALI	+	-	+	-
Total	+	0	+	-

Source: FSSIA estimates

Exhibit 20: Peer comparisons as of 29 August 2023

Company	BBG	Rec	Market	Rec profit growth		----- PE -----		----- DivYld -----		----- ROE -----		----- PBV -----	
				Cap	23E	24E	23E	24E	23E	24E	23E	24E	23E
			(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand													
Assetwise	ASW TB	BUY	215	48.3	9.7	7.0	6.7	6.4	6.7	17.6	17.5	1.2	1.1
Noble Development	NOBLE TB	HOLD	170	46.2	81.2	13.8	7.6	7.0	7.2	7.1	12.1	0.9	0.9
SC Asset Corp	SC TB	BUY	529	1.5	2.6	6.9	6.7	5.7	5.9	11.7	11.3	0.8	0.7
Supalai	SPALI TB	BUY	1,171	(22.5)	4.4	6.5	6.2	6.1	6.2	13.1	12.6	0.8	0.8
Sansiri	SIRI TB	BUY	912	23.0	(5.4)	6.7	7.1	9.0	7.5	11.1	9.8	0.7	0.7
AP Thailand	AP TB	BUY	1,108	6.8	2.8	6.2	6.0	5.6	5.7	16.2	15.0	1.0	0.9
Britania	BRI TB	BUY	221	41.0	9.3	5.2	4.8	8.0	8.8	28.1	26.2	1.4	1.2
Origin Property	ORI TB	BUY	749	26.6	11.9	7.9	7.0	7.0	7.1	17.5	18.0	1.3	1.2
Land & Houses	LH TB	n/a	2,849	(0)	5	12.1	11.4	7.1	7.6	15.7	16.3	1.9	1.8
LPN Development	LPN TB	n/a	174	(10)	15	11.2	9.7	5.1	5.7	4.7	5.2	0.5	0.5
Pruksa Holding	PSH TB	n/a	850	(11)	6	11.7	11.5	6.8	5.7	5.8	5.7	0.7	0.6
Quality Houses	QH TB	n/a	710	4	7	10.2	9.8	6.4	6.6	8.6	8.9	0.8	0.8
Average			9,657	2	5	8.8	7.9	6.7	6.7	13.1	13.2	1.0	0.9

Sources: Bloomberg; 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)¹

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).

Corporate Governance Report 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 companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

AGM Checklist by the Thai Investors Association (TIA)²

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)³

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)⁴ 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 Indices⁵ (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:

¹ 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.

² 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.

³ 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.

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

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

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Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Assetwise	ASW TB	THB 8.40	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 4.38	HOLD	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. Upside risks would be 1) stronger-than-expected presales; 2) a sooner-than-expected overseas buyer recovery; and 3) selling other projects to investors so that it might book extra gains from sales.
SC Asset Corporation	SC TB	THB 4.36	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 21.10	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.
Sansiri	SIRI TB	THB 1.95	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.
AP (Thailand)	AP TB	THB 12.40	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 9.10	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 10.60	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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 29-Aug-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.