

# L.P.N. Development

(LPN.BK/LPN TB)

**Neutral · Maintained**

Price as of 2 Feb 2023	4.66
12M target price (Bt/shr)	4.40
Unchanged/Revised up(down)(%)	(8.3)
Upside/downside (%)	(5.6)

**Key messages**

ราคาหลักทรัพย์ของ LPN ใน 4Q65F ที่ 75 ล้านบาท (+134% YoY และ -68% QoQ) โดยผลประกอบการเติบโต YoY อย่างมากเป็นผลมาจากยอดโอนที่สูงขึ้นตามสภาพตลาดที่ฟื้นตัว ขณะที่ผลประกอบการแย่ง QoQ จากฐานที่สูง (มีกำไรจากการขายออฟฟิศคอนโดที่เกิดขึ้นเพียงครั้งเดียวใน 3Q65) ทั้งนี้ เราปรับลดประมาณการกำไรสุทธิปี 2565F/2566F ลงอีก 6%/21% ตามลำดับ แม้ว่าเรามองมองเชิงบวกต่ออุตสาหกรรมอสังหาริมทรัพย์ในปี (2566F) แต่ปัจจัยพื้นฐานของ LPN ยังคงประจวบเหมาะกลางสัปดาห์สินค้าที่ล้าสมัย และ backlog ในมือที่อยู่ในระดับต่ำ เรายังคงแนะนำถือ ราคาเป้าหมายใหม่ที่ 4.40 บาท (จากเดิมที่ 4.80 บาท)

**Trading data**

Mkt cap (Btmn/US\$mn)	6.7/168		
Outstanding shares (mn)	1,454		
Foreign ownership (mn)	105		
3M avg. daily trading (mn)	2		
52-week trading range (Bt)	4.1 – 5.1		
Performance (%)	3M	6M	12M
Absolute	2.7	0.9	-9.4
Relative	-1.1	-4.3	-10.4

**Quarterly EPS**

EPS	Q1	Q2	Q3	Q4
2020	0.15	0.10	0.07	0.17
2021	0.08	0.08	0.02	0.02
2022	0.13	0.10	0.16	

**Share price chart**



Source: SET

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**ประมาณการ 4Q65F: กำไรเติบโตเด่น YoY แต่สะดุด QoQ**

**Event**

ประมาณการ 4Q65F และปรับลดประมาณการกำไร

**Impact**

กำไรปกติจะเติบโตก้าวกระโดด 134% YoY แต่ลดลง 68% QoQ ใน 4Q65F

เราคาดกำไรปกติของ LPN ใน 4Q65F ที่ 75 ล้านบาท (+134% YoY และ -68% QoQ) ผลประกอบการที่เติบโต YoY อย่างมากเป็นผลมาจากยอดโอนโครงการที่อยู่อาศัยและ margin สูงขึ้น ท่ามกลางสภาพตลาดโดยรวม (market sentiment) ที่ฟื้นตัว ในขณะที่กำไรปรับตัวลดลง QoQ มาจากฐานที่สูงใน 3Q65 เนื่องจากมีกำไรจากการขายโอนกรรมสิทธิ์ออฟฟิศคอนโดมิเนียม Lumpini Tower วิวาดีที่เกิดขึ้นเพียงครั้งเดียว (บันทึกกำไรที่ราว 156 ล้านบาท) ทั้งนี้หากเป็นตามที่เราคาด กำไรปกติของ LPN ในปี 2565F จะอยู่ที่ 649 ล้านบาท เพิ่มขึ้น 117% YoY จากฐานที่ต่ำในปีก่อน

สำหรับยอดโอนโครงการที่อยู่อาศัยใน 4Q65F เราคาดอยู่ที่ 1.3 พันล้านบาท (+6% YoY และ -66% QoQ) แบ่งเป็น i) โครงการแนวราบ 445 ล้านบาท (ทรงตัว YoY และ +8% QoQ) ii) โครงการคอนโดมิเนียม 828 ล้านบาท (+10% YoY และ +14% QoQ) และ iii) ไม่มียอดขายโครงการออฟฟิศคอนโดมิเนียมใน 4Q65F เมื่อเทียบกับมียอดขายที่ 2.59 พันล้านบาทใน 3Q65 โดยรวมแล้วยอดโอนโครงการที่อยู่อาศัย 4Q65F ฟื้นตัวจากการโอนโครงการเดิม และการเริ่มโอนโครงการ Lumpini Ville แจ้งวัฒนะ - ปากเกร็ด (ขายได้แล้ว 28% มูลค่าโครงการ 1.1 พันล้านบาท) ทางด้านความสามารถในการทำกำไร เราคาดว่ากำไรขั้นต้นจะฟื้นตัวอยู่ที่ 22% (+0.6ppts YoY และ +1.7ppts QoQ) จากที่มีกิจกรรมส่งเสริมการขายในปีนี้น้อยกว่าปีก่อน

ปรับลดประมาณการกำไรปี 2565F/2566F ลง 6%/21%

เราปรับลดประมาณการกำไรสุทธิปี 2565F/2566F ลงอีก 6%/21% ตามลำดับ (Figure 6) ปัจจัยสำคัญในการปรับสมมติฐานปี 2566F มาจาก i) ปรับลดยอดโอนโครงการที่อยู่อาศัยลง 15% จาก backlog ในมือที่ต่ำ (Figure 8) รวมทั้งความกังวลด้านยอดขายของคอนโดมิเนียมค้างสต็อก และ ii) ลดอัตรากำไรขั้นต้นลง 1.1ppts จากการที่คาดว่า LPN จะยังจำเป็นต้องใช้แผนกระตุ้นส่งเสริมการขายมากขึ้นในบางโครงการ ทั้งนี้หลังจากปรับลดสมมติฐาน เราคาดกำไรปกติของ LPN ปี 2566F จะปรับตัวลดลง 4% YoY เป็น 626 ล้านบาท

**Valuation & action**

แม้ว่า LPN จะเริ่มมียอดโอนคอนโดมิเนียมจำนวนหนึ่งโครงการใน 1Q66F (Figure 7) เราคาดว่าแนวโน้มผลการดำเนินงานในระยะสั้น 1Q66F ยังคงอ่อนแอ (ดีขึ้นเล็กน้อย QoQ แต่ลดลงมาก YoY) ท่ามกลางยอด backlog ในมือที่อยู่ในระดับต่ำ เรายังคงแนะนำ ถือ ราคาเป้าหมายใหม่อยู่ที่ 4.40 บาท (จากเดิมที่ 4.80 บาท) อิงจาก PE ปี 2566F ที่ 10.4x เทียบกับค่าเฉลี่ยระยะยาว -0.5SD

**Risks**

ภาวะเศรษฐกิจอ่อนแอลง

**Key financials and valuations**

	Dec - 19A	Dec - 20A	Dec-21A	Dec - 22F	Dec - 23F
Total revenue (Btmn)	9,954	7,363	5,570	10,149	8,203
Gross Profit (Btmn)	3,200	2,205	1,611	2,499	2,244
SG&A (Btmn)	1,695	1,259	1,059	1,513	1,263
Net Profit (Btmn)	1,256	716	302	649	626
Normalized Profit (Btmn)	1,247	709	299	649	626
EPS (Bt)	0.9	0.5	0.2	0.4	0.4
Normalized EPS (Bt)	0.8	0.5	0.2	0.4	0.4
DPS (Bt)	0.6	1.4	0.2	0.3	0.3
EPS Growth (%)	(8.1)	(43.0)	(57.8)	114.7	(3.6)
Normalized EPS Growth	(8.0)	(43.1)	(57.8)	117.0	(3.6)
P/E (X)	5.5	9.6	23.9	10.5	10.9
P/B (X)	0.5	0.6	0.6	0.6	0.6
EV/EBITDA (X)	8.4	13.1	24.0	14.1	17.7
Net Debt to Equity (%)	57.9	74.1	83.3	82.0	116.3
Dividend Yield (%)	12.8	30.0	3.1	6.2	6.0

Source: Company data, KGI Securities Research

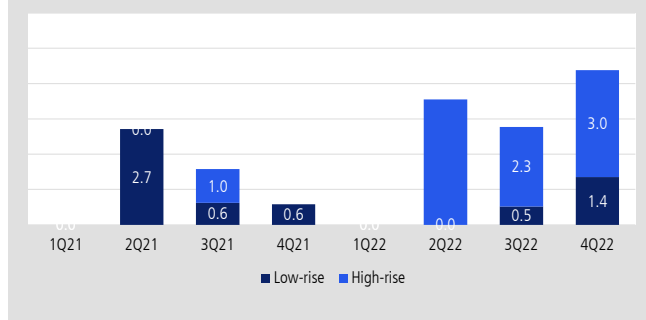
**Figure 1: LPN's 4Q22F earnings preview**

Bt mn	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	9M22F	9M21	YoY (%)
<b>Total revenue</b>	<b>1,773</b>	<b>1,603</b>	<b>10.6</b>	<b>4,198</b>	<b>(57.8)</b>	<b>8,388</b>	<b>3,967</b>	<b>111.5</b>
Revenue from sales of real estate	1,273	1,197	6.4	3,726	(65.8)	7,050	2,848	147.6
Revenue from rental and services	90	66	37.1	81	10.8	227	207	9.8
Management business income	410	341	20.2	391	5.0	1,111	912	21.8
Gross Profit	472	403	17.1	944	(50.0)	2,034	1,208	68.5
SG&A	325	322	0.9	589	(44.9)	1,188	738	61.0
Operating EBIT	155	90	72.2	360	(56.8)	865	486	78.2
<b>Net Profit</b>	<b>75</b>	<b>32</b>	<b>134.4</b>	<b>236</b>	<b>(68.2)</b>	<b>575</b>	<b>270</b>	<b>112.6</b>
<b>Normalized profit</b>	<b>75</b>	<b>32</b>	<b>134.1</b>	<b>236</b>	<b>(68.2)</b>	<b>574</b>	<b>267</b>	<b>114.9</b>
Percent	4Q22F	4Q21	YoY (ppts)	3Q22	QoQ (ppts)	9M22F	9M21	YoY (ppts)
Gross margin	26.6	25.1	1.5	22.5	4.1	24.3	30.4	(6.2)
Residential gross margin	22.0	21.4	0.6	20.3	1.7	21.1	24.3	(3.2)
EBIT margin	8.8	5.6	3.1	8.6	0.2	10.3	12.2	(1.9)
SG&A/sales	18.3	20.1	(1.8)	14.0	4.3	14.2	18.6	(4.4)
Revenue breakdown by segments	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	9M22F	9M21	YoY (%)
Low-rise	445	444	0.3	411	8.2	1,546	1,074	43.9
High-rise	828	753	10.0	725	14.2	2,915	1,773	64.4
Sales of office building	0	0		2,589		2,589	0	

Source: Company data, KGI Securities Research

**Figure 2: Quarterly launches**

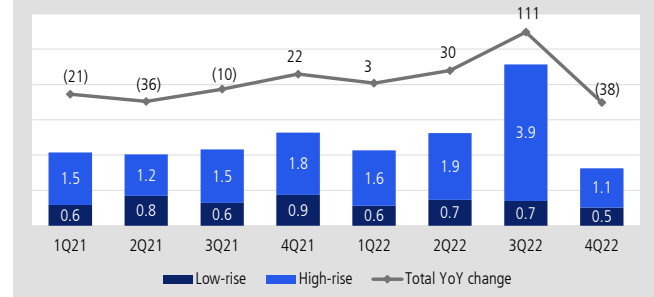
Launches of high-rise and low-rise, Btbn



Source: Company data, KGI Securities Research

**Figure 3: Quarterly presales**

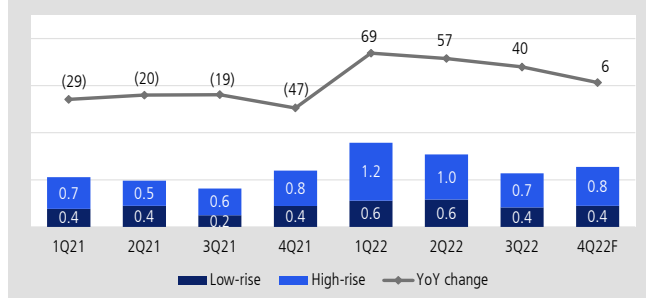
Presales of high-rise and low-rise, Btbn; YoY change of total presales, percent



Source: Company data, KGI Securities Research

**Figure 4: Quarterly transfers**

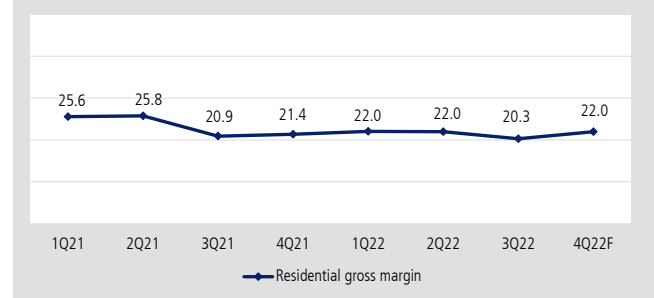
Transfers of high-rise and low-rise, Btbn



Source: Company data, KGI Securities Research

**Figure 5: Residential gross margin**

Percent



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 (%)
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February 3, 2023

\*The Company may be issuer of Derivative Warrants on these securities.

http://research.kgi.com; Bloomberg: KGIT <GO> Please see back page for disclaimer

<b>Total revenue</b>	<b>8,788</b>	<b>10,149</b>	<b>15.5</b>	<b>9,085</b>	<b>8,203</b>	<b>(9.7)</b>
<b>Residential revenue</b>	<b>7,033</b>	<b>8,314</b>	<b>18.2</b>	<b>7,155</b>	<b>6,109</b>	<b>(14.6)</b>
Low-rise	2,429	1,919	(21.0)	2,616	2,470	(5.6)
High-rise	4,604	6,395	38.9	4,539	3,639	(19.8)
Total gross profit	2,344	2,499	6.6	2,509	2,244	(10.6)
EBIT	963	1,020	5.9	1,108	1,008	(9.1)
<b>Net profit</b>	<b>692</b>	<b>649</b>	<b>(6.3)</b>	<b>794</b>	<b>626</b>	<b>(21.2)</b>
<b>Normalized profit</b>	<b>692</b>	<b>649</b>	<b>(6.3)</b>	<b>794</b>	<b>626</b>	<b>(21.2)</b>
<b>Key financials</b>	<b>2022F Previous</b>	<b>2022F New</b>	<b>Chg (ppts)</b>	<b>2023F Previous</b>	<b>2023F New</b>	<b>Chg (ppts)</b>
SG&A to sales (%)	16.3	14.9	(1.4)	16.0	15.4	(0.6)
Residential gross margin (%)	23.1	21.2	(1.9)	24.0	22.9	(1.1)
Net margin (%)	7.9	6.4	(1.5)	8.7	7.6	(1.1)

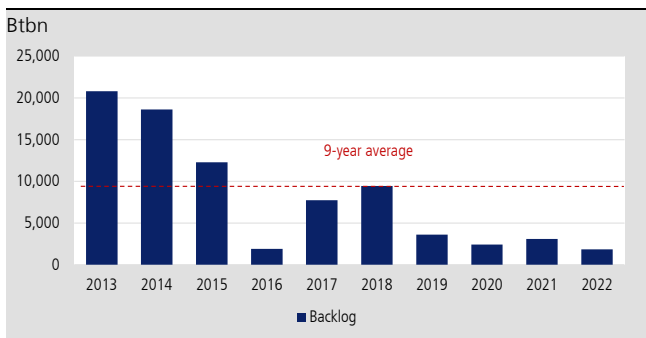
Source: Company data, KGI Securities Research

**Figure 7: Condominiums to start transfer in 2022-23F**

Condominium projects	Project value (Btmn)	% sold	Expected transfer
Lumpini Place Taopoon Interchange	1,700	54	1Q22
Lumpini Selected Charan 65 - Sirindhorn Station	1,100	26	2Q22
Lumpini Ville Chaeng Watthana - Pakkret Station	1,065	28	4Q22
Lumpini Ville Chaeng Watthana 10	540	44	3Q22
Lumpini Township Rangsit Klong 1 (G)	1,200	10	1Q23
Lumpini Ville Ekkachai 48 (phase1)	1,130	11	4Q23

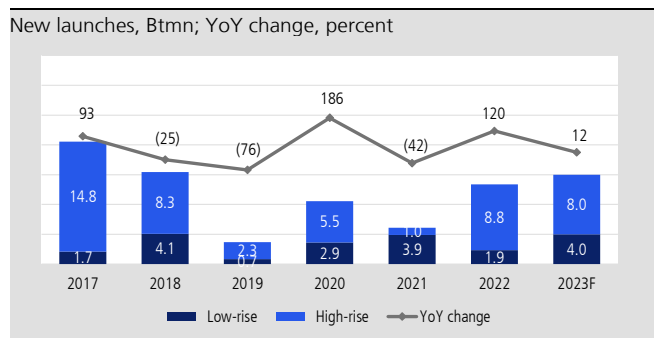
Source: Company data, KGI Research

**Figure 8: Backlog**



Source: Company data, KGI Securities Research

**Figure 9: New launches**



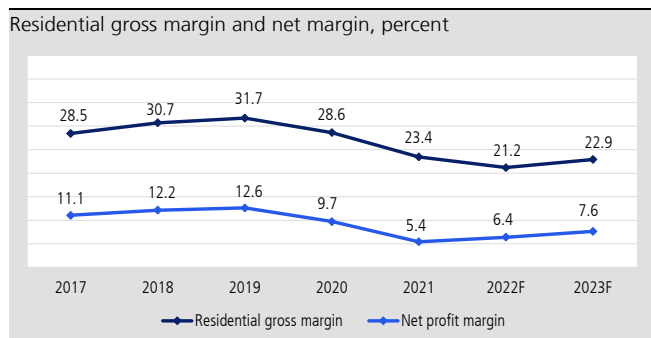
Source: Company data, KGI Securities Research

**Figure 10: Company profile**

L.P.N. Development Public Company Limited (LPN) focuses primarily on residential condominiums located in Bangkok and neighboring provinces. It has a good reputation for after-sales service and community management. LPN appears to target the mid-to-low-end market with a broad-based brand to capture demand using a mixed business approach through different economic cycles.

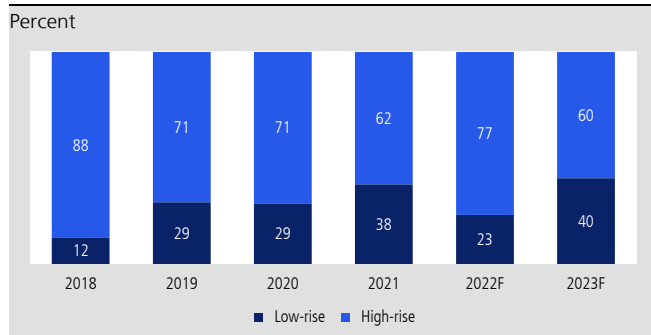
Source: Company data

**Figure 12: Margins**



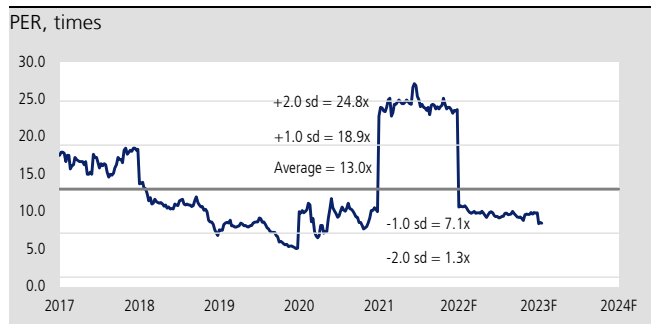
Source: Company data, KGI Securities Research

**Figure 14: Transfer breakdown by segment**



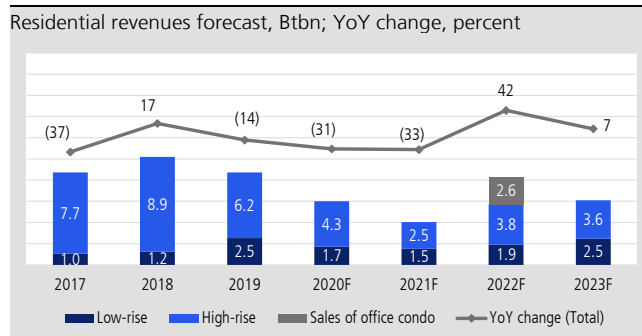
Source: Company data, KGI Securities Research

**Figure 16: Company trading P/E**



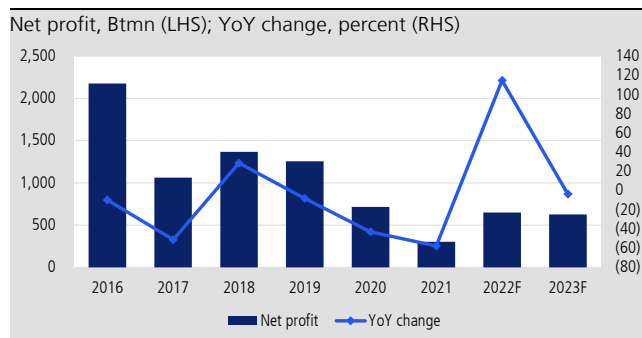
Source: KGI Securities Research

**Figure 11: Residential revenue forecast**



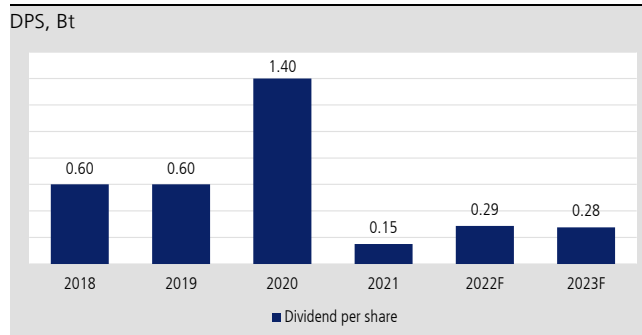
Source: Company data, KGI Securities Research

**Figure 13: Net profit**



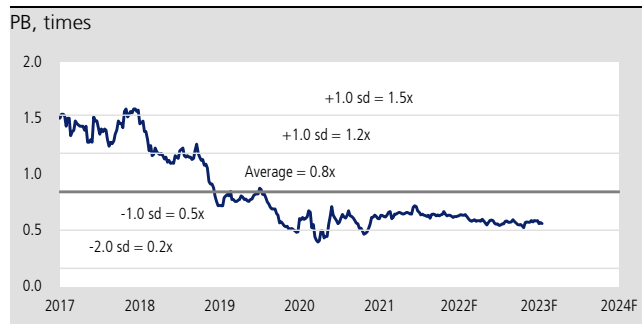
Source: Company data, KGI Securities Research

**Figure 15: Company dividend per share (DPS)**



Source: Company data, KGI Securities Research

**Figure 17: Company trading P/BV**



Source: KGI Securities Research

**Quarterly Income Statement**

	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A
<b>Income Statement (Bt mn)</b>																			
<b>Revenue</b>	<b>2,500</b>	<b>2,283</b>	<b>2,291</b>	<b>4,179</b>	<b>2,790</b>	<b>1,674</b>	<b>1,405</b>	<b>4,085</b>	<b>1,821</b>	<b>1,538</b>	<b>1,354</b>	<b>2,649</b>	<b>1,423</b>	<b>1,361</b>	<b>1,183</b>	<b>1,603</b>	<b>2,205</b>	<b>1,986</b>	<b>4,198</b>
Cost of Goods Sold	(1,758)	(1,610)	(1,553)	(2,853)	(1,839)	(1,127)	(928)	(2,859)	(1,245)	(1,067)	(943)	(1,904)	(975)	(930)	(854)	(1,200)	(1,628)	(1,473)	(3,254)
<b>Gross Profit</b>	<b>742</b>	<b>674</b>	<b>737</b>	<b>1,326</b>	<b>951</b>	<b>546</b>	<b>477</b>	<b>1,226</b>	<b>576</b>	<b>472</b>	<b>411</b>	<b>745</b>	<b>448</b>	<b>431</b>	<b>328</b>	<b>403</b>	<b>577</b>	<b>513</b>	<b>944</b>
Operating Expense	(374)	(362)	(374)	(674)	(528)	(361)	(343)	(463)	(317)	(270)	(261)	(411)	(250)	(235)	(253)	(322)	(305)	(294)	(589)
Other incomes	2	6	10	12	26	28	8	7	28	16	14	21	2	5	2	5	6	2	2
<b>Operating Profit</b>	<b>370</b>	<b>318</b>	<b>373</b>	<b>665</b>	<b>449</b>	<b>214</b>	<b>142</b>	<b>769</b>	<b>287</b>	<b>217</b>	<b>164</b>	<b>356</b>	<b>200</b>	<b>201</b>	<b>77</b>	<b>87</b>	<b>278</b>	<b>222</b>	<b>356</b>
Depreciation of fixed asset	(16)	(17)	(16)	(23)	(20)	(20)	(22)	(22)	(21)	(21)	(24)	(26)	(26)	(27)	(27)	(27)	(26)	(27)	(27)
<b>Operating EBITDA</b>	<b>391</b>	<b>338</b>	<b>390</b>	<b>690</b>	<b>472</b>	<b>236</b>	<b>165</b>	<b>793</b>	<b>310</b>	<b>242</b>	<b>190</b>	<b>385</b>	<b>228</b>	<b>231</b>	<b>106</b>	<b>117</b>	<b>307</b>	<b>252</b>	<b>387</b>
<b>Non-Operating Income</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Interest Income	2	3	1	2	1	2	1	2	1	4	1	3	2	3	3	3	3	3	3
Other Non-op Income	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Operating Expense</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(7)</b>	<b>(14)</b>	<b>(31)</b>	<b>(26)</b>	<b>(35)</b>	<b>(47)</b>	<b>(55)</b>	<b>(48)</b>	<b>(45)</b>	<b>(38)</b>	<b>(41)</b>	<b>(58)</b>
Interest Expense	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(3)	(9)	(30)	(25)	(34)	(46)	(54)	(47)	(44)	(37)	(41)	(58)
Other Non-op Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(5)	(5)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)
<b>Pre-tax profit</b>	<b>371</b>	<b>320</b>	<b>374</b>	<b>666</b>	<b>451</b>	<b>215</b>	<b>143</b>	<b>768</b>	<b>279</b>	<b>191</b>	<b>141</b>	<b>324</b>	<b>157</b>	<b>151</b>	<b>33</b>	<b>47</b>	<b>244</b>	<b>184</b>	<b>302</b>
Current Taxation	(84)	(70)	(77)	(139)	(97)	(43)	(26)	(154)	(57)	(43)	(37)	(80)	(33)	(29)	(8)	(13)	(52)	(37)	(66)
Minorities	(0)	(1)	(4)	(0)	(4)	(4)	(0)	4	(1)	(0)	(0)	0	(0)	(0)	(0)	0	(0)	(0)	(0)
Extraordinary items	11	1	0	0	0	9	(0)	0	1	7	0	0	0	0	3	(0)	1	0	0
<b>Net Profit</b>	<b>298</b>	<b>249</b>	<b>292</b>	<b>527</b>	<b>350</b>	<b>177</b>	<b>116</b>	<b>614</b>	<b>217</b>	<b>154</b>	<b>103</b>	<b>244</b>	<b>123</b>	<b>121</b>	<b>26</b>	<b>32</b>	<b>191</b>	<b>147</b>	<b>236</b>
<b>Normalized Profit</b>	<b>287</b>	<b>249</b>	<b>292</b>	<b>527</b>	<b>350</b>	<b>168</b>	<b>116</b>	<b>613</b>	<b>216</b>	<b>147</b>	<b>103</b>	<b>244</b>	<b>123</b>	<b>121</b>	<b>23</b>	<b>32</b>	<b>191</b>	<b>147</b>	<b>236</b>
EPS (Bt)	0.20	0.17	0.20	0.36	0.24	0.12	0.08	0.42	0.15	0.10	0.07	0.17	0.08	0.08	0.02	0.02	0.13	0.10	0.16
Normalized EPS (Bt)	0.19	0.17	0.20	0.36	0.24	0.11	0.08	0.42	0.15	0.10	0.07	0.17	0.08	0.08	0.02	0.02	0.13	0.10	0.16
<b>Margins</b>																			
Gross profit margin	29.7	29.5	32.2	31.7	34.1	32.6	33.9	30.0	31.7	30.7	30.4	28.1	31.5	31.7	27.8	25.1	26.2	25.8	22.5
Operating EBIT margin	14.8	13.9	16.3	15.9	16.1	12.8	10.1	18.8	15.8	14.1	12.1	13.4	14.1	14.8	6.5	5.4	12.6	11.2	8.5
Operating EBITDA margin	15.7	14.8	17.0	16.5	16.9	14.1	11.8	19.4	17.0	15.8	14.0	14.5	16.0	17.0	9.0	7.3	13.9	12.7	9.2
Net profit margin	11.9	10.9	12.8	12.6	12.5	10.6	8.2	15.0	11.9	10.0	7.6	9.2	8.6	8.9	2.2	2.0	8.7	7.4	5.6
<b>Growth (YoY)</b>																			
Revenue growth	1.1	12.0	(2.4)	51.7	11.6	(26.7)	(38.7)	(2.2)	(34.7)	(8.1)	(3.6)	(35.1)	(21.9)	(11.5)	(12.7)	(39.5)	54.9	45.9	254.9
Operating EBIT growth	(8.7)	0.3	41.9	82.7	21.4	(32.7)	(61.9)	15.7	(36.0)	1.6	15.1	(53.8)	(30.3)	(7.3)	(53.3)	(75.6)	38.9	10.2	365.1
Operating EBITDA growth	(7.3)	0.4	38.0	81.3	20.6	(30.2)	(57.7)	14.9	(34.3)	2.8	14.8	(51.5)	(26.3)	(4.5)	(43.9)	(69.5)	34.5	8.8	263.7
Net profit growth	(5.3)	0.1	44.2	78.4	17.3	(29.1)	(60.4)	16.4	(38.0)	(13.1)	(11.3)	(60.3)	(43.3)	(21.2)	(74.2)	(86.8)	55.7	21.9	791.4
Normalized profit growth	(8.8)	(0.1)	44.2	81.5	21.8	(32.6)	(60.4)	16.4	(38.2)	(12.5)	(11.5)	(60.3)	(43.2)	(17.6)	(77.3)	(86.8)	55.3	21.9	911.6

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2019	2020	2021	2022F	2023F
<b>Total Assets</b>	<b>23,473</b>	<b>23,619</b>	<b>23,777</b>	<b>24,899</b>	<b>28,890</b>
<b>Current Assets</b>	<b>19,940</b>	<b>18,564</b>	<b>19,151</b>	<b>19,905</b>	<b>23,941</b>
Cash & ST Investment	501	917	335	422	682
Inventories	9,430	9,091	8,838	11,224	17,115
Account Receivable	326	357	748	677	547
Others	9,614	8,075	9,028	7,483	5,498
<b>Non-current Assets</b>	<b>3,533</b>	<b>5,055</b>	<b>4,625</b>	<b>4,994</b>	<b>4,949</b>
LT Investment	2,667	4,165	3,733	4,086	4,035
Net fixed Assets	286	291	280	288	284
Others	580	599	612	620	630
<b>Total Liabilities</b>	<b>10,314</b>	<b>11,797</b>	<b>12,379</b>	<b>13,270</b>	<b>17,038</b>
<b>Current Liabilities</b>	<b>5,444</b>	<b>7,947</b>	<b>8,279</b>	<b>8,486</b>	<b>11,053</b>
Account Payable	1,845	1,267	1,170	1,872	1,346
ST Borrowing	3,476	6,588	7,105	6,514	9,607
Others	124	92	4	100	100
<b>Long-term Liabilities</b>	<b>4,870</b>	<b>3,850</b>	<b>4,101</b>	<b>4,784</b>	<b>5,985</b>
Long-term Debts	4,148	2,168	2,391	3,023	4,176
Others	722	1,682	1,710	1,761	1,809
<b>Shareholders' Equity</b>	<b>13,159</b>	<b>11,822</b>	<b>11,397</b>	<b>11,629</b>	<b>11,852</b>
Common Stock	1,476	1,476	1,476	1,476	1,476
Capital Surplus	442	442	442	442	442
Retained Earnings	11,311	10,008	9,584	9,811	10,030
Preferred Stock					

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2019	2020	2021	2022F	2023F
<b>Growth (%YoY)</b>					
Sales	(11.5)	(26.0)	(24.4)	82.2	(19.2)
OP	(8.8)	(35.0)	(44.8)	79.0	(1.1)
EBITDA	(7.7)	(32.4)	(39.3)	65.4	(0.6)
NP	(8.1)	(43.0)	(57.8)	114.7	(3.6)
Normalized Profit	(8.0)	(43.1)	(57.8)	117.0	(3.6)
EPS	(8.1)	(43.0)	(57.8)	114.7	(3.6)
Normalized EPS	(8.0)	(43.1)	(57.8)	117.0	(3.6)
<b>Profitability (%)</b>					
Gross Margin	32.2	29.9	28.9	24.6	27.4
Operating Margin	15.8	13.9	10.1	10.0	12.2
EBITDA Margin	16.7	15.3	12.3	11.1	13.7
Net Margin	12.6	9.7	5.4	6.4	7.6
ROAA	5.4	3.0	1.3	2.6	2.2
ROAE	9.5	6.1	2.7	5.6	5.3
<b>Stability</b>					
Gross Debt/Equity (%)	78.4	99.8	108.6	114.1	143.8
Net Debt/Equity (%)	57.9	74.1	83.3	82.0	116.3
Interest Coverage (x)	366.5	10.6	3.0	5.4	4.8
Interest & ST Debt Coverage (x)	0.5	0.2	0.1	0.2	0.1
Cash Flow Interest Coverage (x)	(272.0)	20.4	(5.0)	4.7	(16.9)
Cash Flow/Interest & ST Debt (x)	(0.3)	0.3	(0.1)	0.1	(0.4)
Current Ratio (x)	3.7	2.3	2.3	2.3	2.2
Quick Ratio (x)	1.9	1.2	1.2	1.0	0.6
Net Debt (Bt mn)	7,122.3	7,839.2	9,160.9	9,115.2	13,101.2
<b>Per Share Data (Bt)</b>					
EPS	0.9	0.5	0.2	0.4	0.4
Normalized EPS	0.8	0.5	0.2	0.4	0.4
CFPS	(0.8)	1.4	(0.6)	0.6	(2.4)
BVPS	8.9	8.0	7.7	7.9	8.0
SPS	6.7	5.0	3.8	6.9	5.6
EBITDA/Share	1.1	0.8	0.5	0.8	0.8
DPS	0.6	1.4	0.2	0.3	0.3
<b>Activity</b>					
Asset Turnover (x)	0.4	0.3	0.2	0.4	0.3
Days Receivables	12.0	17.7	49.0	24.3	24.3
Days Inventory	567.7	751.6	986.4	605.8	1,264.3
Days Payable	111.1	104.7	130.5	101.0	99.4
Cash Cycle	468.6	664.6	904.9	529.1	1,189.2

Source: KGI Securities Research

**Profit & Loss**

Year to Dec 31 (Btmn)	2019	2020	2021	2022F	2023F
<b>Revenue</b>	<b>9,954</b>	<b>7,363</b>	<b>5,570</b>	<b>10,149</b>	<b>8,203</b>
Cost of Goods Sold	(6,063)	(4,415)	(3,270)	(6,763)	(4,941)
<b>Gross Profit</b>	<b>3,200</b>	<b>2,205</b>	<b>1,611</b>	<b>2,499</b>	<b>2,244</b>
Operating Expenses	(1,695)	(1,259)	(1,059)	(1,513)	(1,263)
Other Incomes	70	79	14	25	21
<b>Operating Profit</b>	<b>1,575</b>	<b>1,024</b>	<b>565</b>	<b>1,012</b>	<b>1,001</b>
Depreciation of fixed assets	(84)	(93)	(107)	(110)	(116)
<b>Operating EBITDA</b>	<b>1,666</b>	<b>1,126</b>	<b>683</b>	<b>1,130</b>	<b>1,124</b>
<b>Non-Operating Income</b>	<b>7</b>	<b>9</b>	<b>11</b>	<b>8</b>	<b>7</b>
Interest Income	5	9	11	8	7
Other Non-op Income	2	0	0	0	0
<b>Non-Operating Expense</b>	<b>(4)</b>	<b>(98)</b>	<b>(189)</b>	<b>(190)</b>	<b>(210)</b>
Interest Expense	(4)	(98)	(189)	(190)	(210)
Other Non-op Expense	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>(6)</b>	<b>(8)</b>	<b>(5)</b>	<b>0</b>	<b>0</b>
<b>Pretax Profit</b>	<b>1,581</b>	<b>935</b>	<b>385</b>	<b>830</b>	<b>798</b>
Current Taxation	(321)	(217)	(83)	(176)	(168)
Minorities	4	1	0	5	4
Extraordinary items	9	7	3	0	0
<b>Net Profit</b>	<b>1,256</b>	<b>716</b>	<b>302</b>	<b>649</b>	<b>626</b>
<b>Normalized Profit</b>	<b>1,247</b>	<b>709</b>	<b>299</b>	<b>649</b>	<b>626</b>
EPS (Bt)	0.85	0.49	0.20	0.44	0.42
Normalized EPS (Bt)	0.84	0.48	0.20	0.44	0.42

Source: KGI Securities Research

**Cash Flow**

Year to 31 Dec (Bt mn)	2019	2020	2021	2022F	2023F
<b>Operating Cash Flow</b>	<b>(1,174)</b>	<b>1,993</b>	<b>(943)</b>	<b>895</b>	<b>(3,556)</b>
Net Profit	1,256	716	302	649	626
Depreciation & Amortization	84	93	107	110	116
Change in Working Capital	(2,515)	1,182	(1,354)	131	(4,303)
Others					
<b>Investment Cash Flow</b>	<b>(65)</b>	<b>(655)</b>	<b>348</b>	<b>(427)</b>	<b>(23)</b>
Net CAPEX	(107)	(1,670)	342	(496)	(71)
Change in LT Investment	(47)	22	0	(4)	0
Change in Other Assets	5	33	(21)	21	0
<b>Free Cash Flow</b>	<b>(1,239)</b>	<b>1,338</b>	<b>(595)</b>	<b>468</b>	<b>(3,579)</b>
<b>Financing Cash Flow</b>	<b>1,353</b>	<b>(923)</b>	<b>13</b>	<b>(380)</b>	<b>3,839</b>
Change in Share Capital	(104)	0	0	0	0
Net Change in Debt	2,388	1,132	740	41	4,246
Change in Other LT Liab.	(23)	(36)	(0)	0	0
<b>Net Cash Flow</b>	<b>114</b>	<b>415</b>	<b>(582)</b>	<b>87</b>	<b>260</b>

Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1-	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
2018		63.6%		0.6%		15.8%		20.0%
2019		60.9%		0.8%		17.0%		21.2%
2020		60.0%		1.3%		17.1%		21.7%
2021		58.7%		1.9%		19.0%		20.3%
2022F		63.4%		1.2%		16.6%		18.8%
Year	1/	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
2018		1.1		0.0		1.9		0.3
2019		1.5		0.0		2.3		0.3
2020		1.4		0.0		3.2		0.2
2021		2.0		0.1		4.2		0.2
2022F		1.5		0.0		2.9		0.2
Year		Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2018		20.0%		0.3		21.2%		1.4%
2019		21.2%		0.3		20.3%		1.1%
2020		21.7%		0.2		23.2%		1.1%
2021		20.3%		0.2		21.5%		0.7%
2022F		18.8%		0.2		21.0%		0.9%

Source: KGI Securities Research


**L.P.N. Development – Recommendation & target price history**




Date	Rating	Target	Price
5-Aug-22	Neutral	4.80	4.58
11-Feb-22	Neutral	5.10	4.92

Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies

 **Companies with Excellent CG Scoring**

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

 **Companies with Very Good CG Scoring**

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

 **Companies with Good CG Scoring**

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

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

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

Source: www.thai-iod.com

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



## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	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](http://www.cgthailand.org)

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

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**KGI's Ratings**

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

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