

ASSETWISE ASW TB
THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

เครื่องยนต์ใหม่ขับเคลื่อนการเติบโตจากภูเก็ต

- ซื้อหุ้น 67.61% ใน TITLE เพื่อขยายธุรกิจคอนโดเพื่อการพักผ่อนในภูเก็ต
- จุดแข็งคือศักยภาพของที่ดินในมือซึ่งสามารถพัฒนาโครงการได้ถึง 14 พันลบ. พร้อมกับประสบการณ์และเครือข่าย agent แข็งแกร่ง
- คงแนะนำซื้อ ปรับไปใช้ราคาเป้าหมายปี 2024 ที่ 11 บาท พร้อมคาดการณ์กำไรโตแกร่งในช่วง 2H23-2024 และ Valuation น่าสนใจ

TARGET PRICE	THB11.00
CLOSE	THB8.70
UP/DOWNSIDE	+26.4%
PRIOR TP	THB9.60
CHANGE IN TP	+14.6%
TP vs CONSENSUS	+10.6%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	5,483	7,207	9,400	10,199
Net profit	1,119	1,122	1,284	1,430
EPS (THB)	1.31	1.25	1.37	1.52
vs Consensus (%)	-	5.0	9.6	15.2
EBITDA	1,332	1,497	1,925	2,073
Recurring net profit	688	1,010	1,284	1,430
Core EPS (THB)	0.80	1.12	1.37	1.52
Chg. In EPS est. (%)	-	(5.7)	9.4	14.9
EPS growth (%)	(22.2)	39.8	21.7	11.4
Core P/E (x)	10.8	7.7	6.4	5.7
Dividend yield (%)	6.0	6.0	6.3	7.0
EV/EBITDA (x)	10.2	9.9	8.1	7.5
Price/book (x)	1.4	1.3	1.2	1.0
Net debt/Equity (%)	103.2	105.4	99.4	89.8
ROE (%)	13.3	17.3	19.4	19.2

ต่อ ยอดตลาดอสังหาริมทรัพย์ในภูเก็ตด้วยการเข้าถึง 67.61% ใน TITLE

นอกจากการเป็นจับมือกับบริษัทพัฒนาอสังหาริมทรัพย์เพื่อพัฒนาบ้านหรูในภูเก็ตมาตั้งแต่ปี 2022 ล่าสุด ASW ประกาศเข้าลงทุนใน TITLE ซึ่งเป็นบริษัทพัฒนาอสังหาริมทรัพย์ประเภทคอนโดเพื่อการพักผ่อนในภูเก็ต ตอบรับความต้องการตามการท่องเที่ยวที่ฟื้นตัว โดย ASW ซื้อหุ้น 67.61% ใน TITLE จากผู้ถือหุ้นรายใหญ่และทำ Tender offer ที่ราคา 2.5 บาทต่อหุ้น มูลค่ารวม 1.2 พันลบ. ผลบวกจากการเข้าลงทุนคือที่ดินในมือ 80 ไร่บนชายหาดที่ได้รับความนิยม 3 แห่งซึ่งมีแผนพัฒนาโครงการได้ถึง 9 โครงการ รวมมูลค่า 14 พันลบ. ในอีก 3 ปีข้างหน้า นอกจากนี้ผู้บริหารของ TITLE ยังมีประสบการณ์มายาวนานและมีเครือข่าย Agent ต่างประเทศ ทำให้ต่อยอดการขายการลงทุนได้เร็วขึ้นและเกิดข้อได้เปรียบในการแข่งขัน.

ปรับเพิ่มประมาณการกำไรปกติปี 2024-25 ขึ้น 15-20%

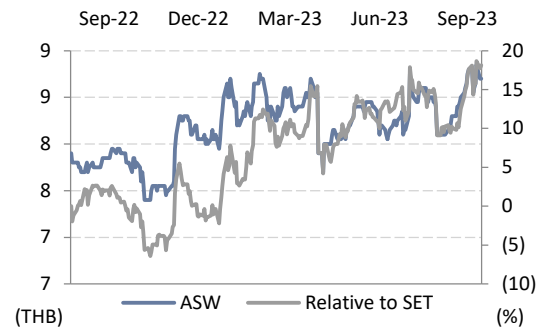
เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024-25 ขึ้น 15-20% เป็นโต 27% y-y และ 11% y-y ตามลำดับ เพื่อสะท้อนการลงทุนในภูเก็ต โดยเราคาดว่าจะลดอัตราเติบโต 20% CAGR ในช่วงปี 2024-25 แม้ว่า ASW จะมีคอนโดสร้างเสร็จใหม่ทยอยลงจากแผนเปิดโครงการใหม่ 5 โครงการในปี 2024 แต่โครงการของ TITLE จะเป็นปัจจัยหนุนการเติบโตที่สำคัญ (22% ของประมาณการยอดขายในปี 2024) เนื่องจาก The Title Halo 1 Naiyang (1.5 พันลบ., ขายได้ 80%) จะโอนใน 1Q24 นอกจากนี้ The Title Legendary Bangtao (3.75 พันลบ.) มีแผนเปิดตัวใน 4Q23 และรับรู้ได้ใน 4Q24

คอนโดสร้างเสร็จใหม่เป็นแรงหนุนผลประกอบการใน 2H23

กำไรปกติในช่วง 1H23 ที่ 328 ลบ. คิดเป็น 33% ของประมาณการกำไรทั้งปีของเราที่ 1 พันลบ. (+47% y-y) เราคงมุมมองเชิงบวกของเราต่อแนวโน้มในช่วง 2H23 ของ ASW โดยคาดว่ากำไรจะกระโดดเพิ่ม h-h และ y-y เราประเมินกำไรไตรมาสของ ASW น่าจะเพิ่มอย่างมีนัยสำคัญใน 3Q23 และสูงสุดใน 4Q23 มีปัจจัยขับเคลื่อนจากการโอนโครงการคอนโดใหม่ 7 แห่ง (เทียบกับ 2 แห่งใน 1H23) ประกอบด้วย 3 คอนโดใน 3Q23 และอีก 4 แห่งใน 4Q23 โดย ASW มี Backlog รวมอยู่ที่ 14.5 พันลบ. ณ สิ้น 2Q23 จากตัวเลขดังกล่าวบริษัทฯ จะบันทึกเป็นรายได้ 7 พันลบ. ในปีนี้ซึ่งรองรับประมาณการยอดขายปี 2023 ของเราทั้งหมดแล้ว

คงแนะนำซื้อ ราคาเป้าหมายปี 2024 ที่ 11 บาท

เราคงแนะนำซื้อ ASW และเลือกเป็นหนึ่งในหุ้นเด่นของเรา เราปรับราคาเป้าหมายไปในปี 2024 ที่ 11 บาท (อิง 8x ของค่า 2024E P/E) เราคาดว่าหุ้นมีปัจจัยหนุนจากแนวโน้มกำไร 2H23-2024 ที่แข็งแกร่ง ขณะที่กลยุทธ์การขายทำเลและกลุ่มลูกค้าเป้าหมายผ่านการร่วมทุน JV และการเข้าซื้อกิจการจะช่วยขับเคลื่อนศักยภาพการเติบโตในระยะกลางถึงยาว ปัจจุบันหุ้นมีการซื้อขายที่ 6.4x ของค่า 2024E P/E ต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 7.6x พร้อมคาดให้ผลตอบแทนเงินปันผลที่ 6-7%



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.4	4.2	10.1
Relative to country (%)	7.1	5.2	18.5
Mkt cap (USD m)	218		
3m avg. daily turnover (USD m)	0.3		
Free float (%)	0		
Major shareholder	Vipanpong Family (71%)		
12m high/low (THB)	8.90/7.35		
Issued shares (m)	856.12		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 20 กันยายน 2023

Investment thesis

Management has a positive view on the outlook for the property market. ASW intends to continue its expansion into Phuket from the acquisition of TITLE shares with a stake of 67.61%. It has unveiled an aggressive 2023 business plan with the aim of breaking company records in the following key areas: 1) 15 new project launches with a combined value of THB30.5b (+2.8x y-y), split 83:17 between condos and low-rise projects, up from 12 projects worth THB22.5b at the previous target; 2) a presales target of THB15.0b (+6% y-y); and 3) revenue growth to THB7.2b (vs THB5.5b in 2022).

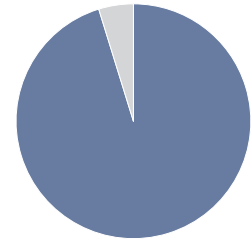
Company profile

Established in 2005, AssetWise currently operates as a holding company principally engaged in the business of real estate development for sale and lease. It also operates a real estate agency and offers intermediary services for international payments. ASW listed on the Stock Exchange of Thailand on 28 Apr-21.

www.assetwise.co.th

Principal activities (revenue, 2022)

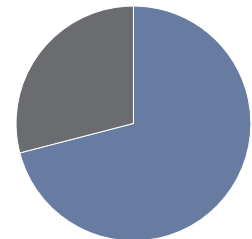
- Project sales - 95.2 %
- Rental and services - 4.8 %



Source: Assetwise

Major shareholders

- Vipanpong Family - 71.0 %
- Others - 29.0 %



Source: Assetwise

Catalysts

Key potential growth drivers include 1) higher-than-expected take-up rates for new projects and inventory; 2) faster-than-expected backlog realisation; 3) new business expansions; 4) new JV project developments so that it might book one-time gains on investments; and 5) the government’s property stimulus plan.

Risks to our call

Downside risks to our P/E-based TP include 1) weaker-than-expected consumer purchasing power and presales; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) slower-than-expected backlog realisation; 6) intense competition; and 7) rising construction costs.

Event calendar

Date	Event
November 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Project sales (THB m)	6,907	9,080	9,875
Rental and services income (THB m)	300	320	324
Property GPM (%)	40.4	39.2	39.4
GPM (%)	41.1	40.0	40.4
SG&A to sales (%)	22.5	21.3	21.8

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 net profit to rise by 6.5%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 net profit to rise by 2.4%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2023 net profit to fall by 2.5%, and vice versa, all else being equal.

Source: FSSIA estimates

The potential for expansion in Phuket

ASW intends to diversify its portfolio in terms of both location and customer target. At end-2022, it began partnering with Botanica Luxury Phuket Co Ltd, a Phuket-based property developer. They developed a luxury project named Botanica Avenue on Bang Tao Beach, Phuket province, to offer luxury villas with pools on 178 rai of land worth THB13b. The average selling price is THB40m per unit. This project was launched in 1Q23 and will start to be recognised in 2024. The JV with Botanica Luxury Phuket has ASW maintaining a 30% share.

Apart from the luxury villa, ASW recently expanded to leisure condominiums in Phuket. On 12 July, ASW announced to the SET that it invested in Rhom Bho Property PCL or TITLE (TITLE TB, NR) by purchasing 417,169,500 shares, accounting for 57.79% of TITLE's shares from the major shareholder Khun Dendanai Hutajuta at THB2.50/share. Meanwhile, ASW offered a private placement allocation to Khun Dendani Hutajuta with 43,000,000 shares at a price of THB8.40 per share, totalling THB361.2m. The subscription date and payment period were on 13 July. Recently, ASW registered its paid-up capital from THB856.1 to THB899.1 with a par of THB1 per share on 17 July.

Hence, ASW had to make a tender offer for the total shares of TITLE with 304,727,993 shares of 42.21% of TITLE's shares at a price of THB2.50 per share. The tender offer period was from 25 July to 31 August 2023. Currently, ASW has successfully closed the acquisition of TITLE shares with a stake of 67.61%. The funds required for this tender offer total THB1.2b and the funding sources are from its cash flow from operations and loans from financial institutes.

TITLE is a property developer for sales by focusing on low-rise condominium projects under The Title brand in Phuket (starting from THB4m per unit). It serves both domestic and international customers who need a lifestyle with relaxation. It has developed seven projects with a combined value of THB5.9b since 2011, five of them were 100% sold out for presales and completed transfers. The remaining condo projects are The Title V Rawai project (worth 947m), with sold out presales and transfers in progress at 97% currently. Another project named The Title Halo 1 Naiyang project is worth THB1.5b, with prices averaging THB111k per sqm. It has a take-up rate of 80% and will start to be recognised in 1Q24. For TITLE's 2022 statement, it reported revenue of THB581m and a net profit of THB61m, while its gross profit margin and net profit margin showed at 44% and 11%, respectively. For 6M23, it posted revenue of THB400m and a net profit of THB55m, while its gross profit margin and net profit margin showed at 46% and 14%, respectively.

We believe it should provide a mid- to long-term potential catalyst for ASW since collaborating with leading property business specialists allows for faster investment expansion and helps to gain access to strategic plots of land. To elaborate, TITLE has over 80 rai of land located in popular tourist destinations such as Naiyang, Bangtao, and Rawai beaches. This could be developed into nine future projects for residential sales worth THB14b in 2023-26. Apart from the potential from the land on hand, TITLE has a strong position in the Phuket condo market. TITLE's management team has experience of over 10 years in the market with a network of agents for overseas buyers, especially Russians and Chinese.

In 4Q23, TITLE plans to introduce two low-rise condo projects with a combined value of THB5.15b, including The Title Legendary Bangtao (THB3.75b) and The Title Legendary Naiyang (THB1.4b). We expect they will garner a positive response, supported by the year-end high season and the effectiveness of the visa-free policy for Chinese tourists beginning on 25 September 2023 until the end of February 2024. In summary, TITLE has set its 2024-26 revenue target totalling THB10b, which represents a CAGR of 123% (from its 2023 target of THB450m) following its launch plan of THB6.0b-7.7b per year.

Exhibit 1: Residential in Phuket



Source: ASW

Exhibit 2: Residential in Phuket



Source: ASW

Exhibit 3: Botanica Grand Avenue project



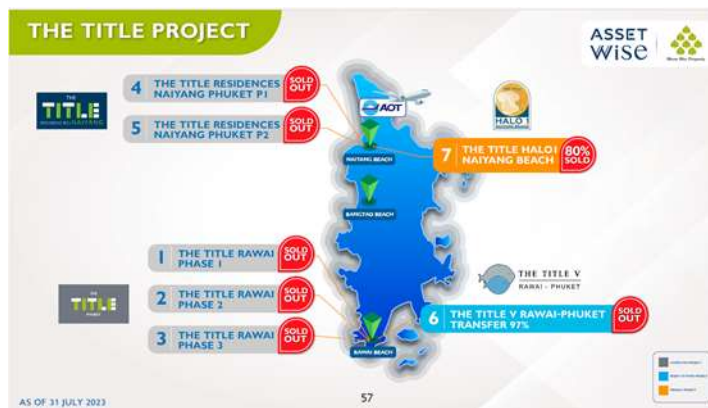
Source: ASW

Exhibit 4: Botanica Grand Avenue project



Source: ASW

Exhibit 5: TITLE projects



Source: ASW

Exhibit 6: TITLE projects

PROJECT	PRESALE	TRANSFER	LAND SIZE (RAI)	%SOLD	%TRANSFER	UNITS	VALUE (M)	AVG PRICE (B./SQM.)
1 THE TITLE RAWAI P1	SEP 2011	DEC 2013	4-2-44.8	100%	100%	160	474	66,000
2 THE TITLE RAWAI P2	JULY 2012	FEB 2014	4-2-91.8	100%	100%	120	437	80,000
3 THE TITLE RAWAI P3	OCT 2012	DEC 2015	7-2-87	100%	100%	240	1,118	86,500
4 THE TITLE NAIYANG P1	APR 2016	OCT 2018	4-2-55.1	100%	100%	253	638	61,280
5 THE TITLE NAIYANG P2	OCT 2017	OCT 2018	4-3-8	100%	100%	220	797	90,528
6 THE TITLE V RAWAI	DEC 2018	SEP 2021	8-1-25.9	100%	97%	228	947	111,348
7 THE TITLE HALO NAIYANG	NOV 2022	(Q2)24	8-3-83.4	80%	(Q2)24	337	1,817	100,000+
TOTAL						1,349	5,728	

Source: ASW

Exhibit 7: The Title Halo 1 Naiyang project



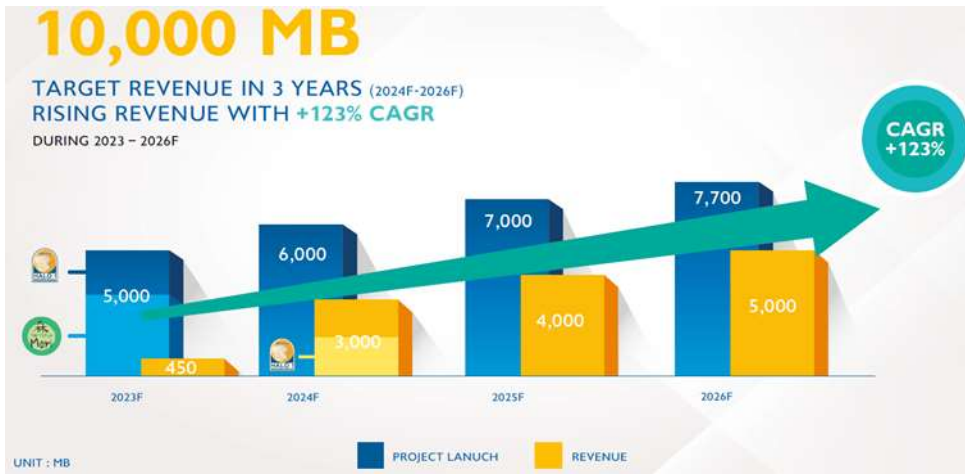
Source: ASW

Exhibit 8: Futures TITLE projects from land bank



Source: ASW

Exhibit 9: TITLE's business plan



Source: ASW

Exhibit 10: TITLE's future projects in 4Q23-2026

	PROJECT	LOCATION	PROJ. VALUE (MB)	2023F	2024F	2025F	2026F
MA	1	TITLE HALO 1	1,500	P	T		
MA	2	TITLE MORI 1	3,750	P	T		
	3	TITLE X	1,400	P	T		
	4	TITLE HALO 2	750		P	T	
	5	TITLE MORI 2	3,900		P	T	
	6	TITLE RAWAI 4	900			P	T
	7	TITLE HALO 3	450			P	T
	8	TITLE MORI 3	900			P	T
	9	TITLE HALO 4	500			P	T
		TOTAL	14,050				

P PRESALE T TRANSFER

Source: ASW

Exhibit 11: Value of expected transfers for ASW's condos in 2023-24

Transfer	Project	Value	
		(THB m)	% Sold (%)
1Q23	Modiz Launch	1,325	98
2Q23	Atmoz Bangna (JV)	2,295	39
3Q23	Modiz Rhyme Hill	1,810	53
	Atmoz Sriracha	1,165	53
	Atmoz Portrait Srisaman	1,150	48
4Q23	Atmoz Kanaal Rangsit	1,700	43
	Atmoz Oasis Onnut (JV)	2,220	50
	Atmoz Flow Minburi	1,390	64
	Kave Town Colony	1,930	93
1Q24	Kave Seed Kaset (JV)	1,350	57
2Q24	Kave Universe	540	100
3Q24	Kave Embryo Rangsit	780	68
	Kave Town Island	3,530	73
	Kave Pop Salaya	500	27

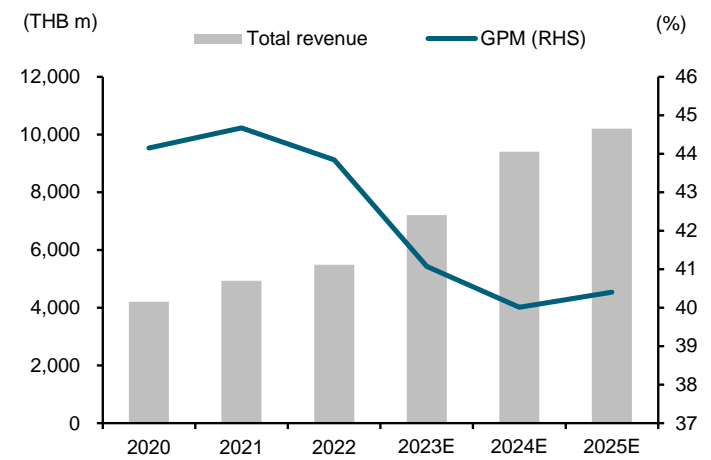
Sources: ASW; FSSIA's compilation

Exhibit 12: Key assumptions for ASW

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Revenue (THB m)	7,207	9,400	10,199	7,420	8,017	8,450	(3)	17	21
- Transfers	6,907	9,080	9,875	7,105	7,690	8,109	(3)	18	22
ASW	6,867	7,081	6,025	7,105	7,690	8,109	(3)	(8)	(26)
TITLE	40	1,999	3,850						
- Management fees	300	320	324	315	327	341	(5)	(2)	(5)
Property gross margin (%)	40.4	39.2	39.4	38.0	37.6	37.2	2.4	1.6	2.2
Gross margin (%)	41.1	40.0	40.4	39.6	39.2	38.9	1.5	0.8	1.5
SG&A to revenue (%)	22.5	21.3	21.8	23.4	24.1	23.7	(0.9)	(2.7)	(1.9)
Associates (THB m)	72	153	141	115	155	122	(42.7)	(2)	15
Core profit (THB m)	1,010	1,284	1,430	1,020	1,119	1,187	(1)	15	20
Net profit (THB m)	1,122	1,284	1,430	1,020	1,119	1,187	10	15	20

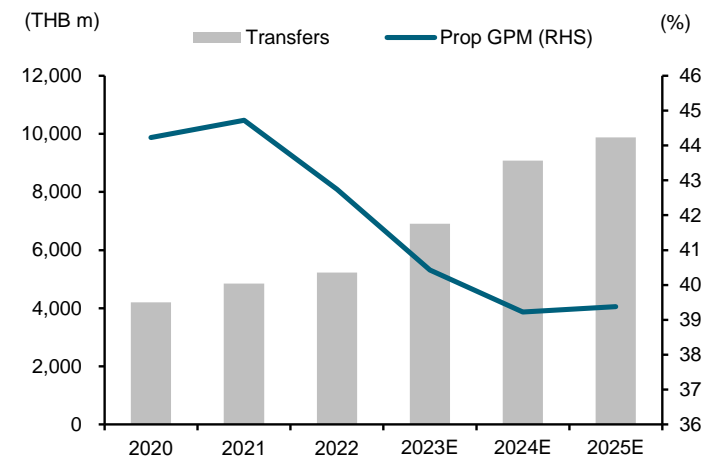
Source: FSSIA estimates

Exhibit 13: Yearly total revenue and GPM



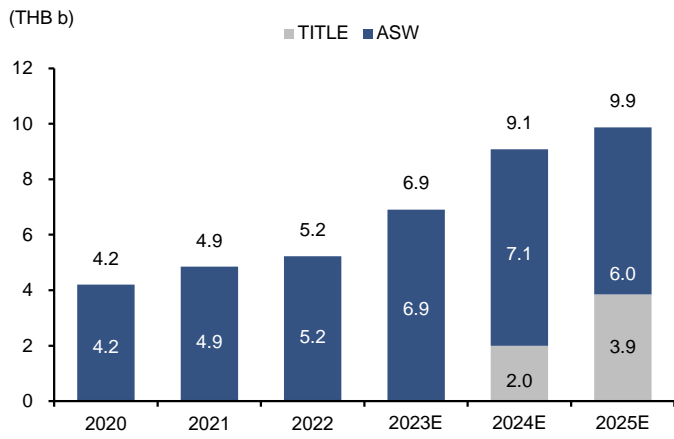
Sources: ASW; FSSIA estimates

Exhibit 14: Yearly transfers and property GPM



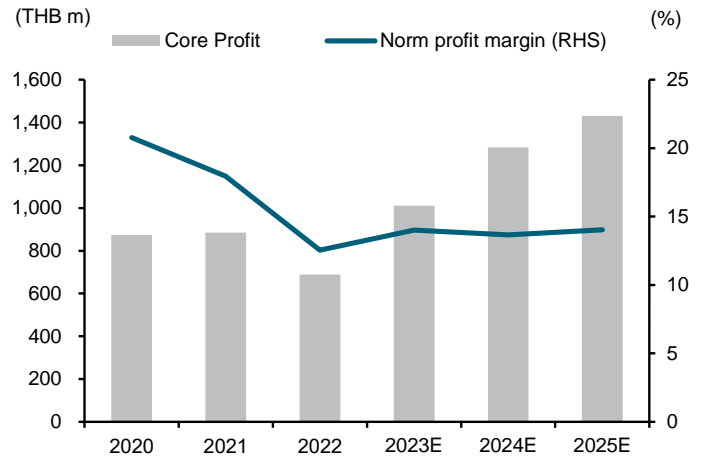
Sources: ASW; FSSIA estimates

Exhibit 15: Transfers breakdown



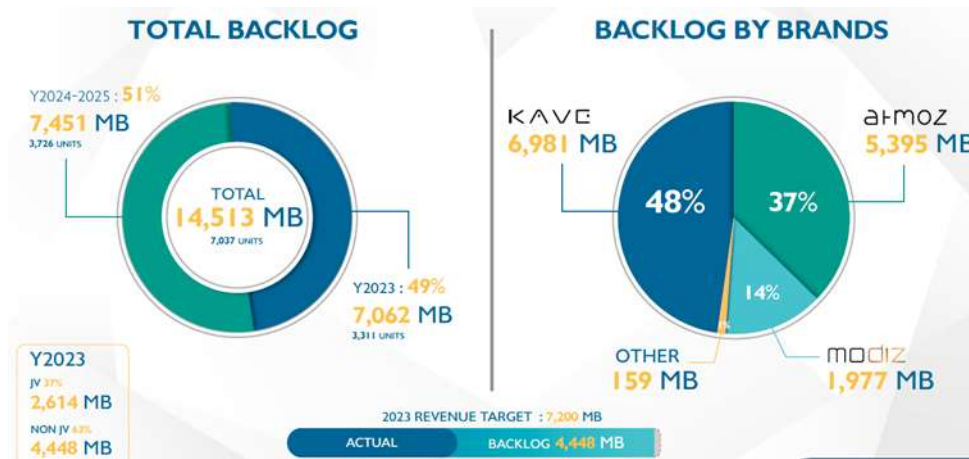
Sources: ASW; FSSIA estimates

Exhibit 16: Yearly core profit and norm profit margin



Sources: ASW; FSSIA estimates

Exhibit 17: Backlog at end-2Q23



Source: ASW

Exhibit 18: New launches in 1H23



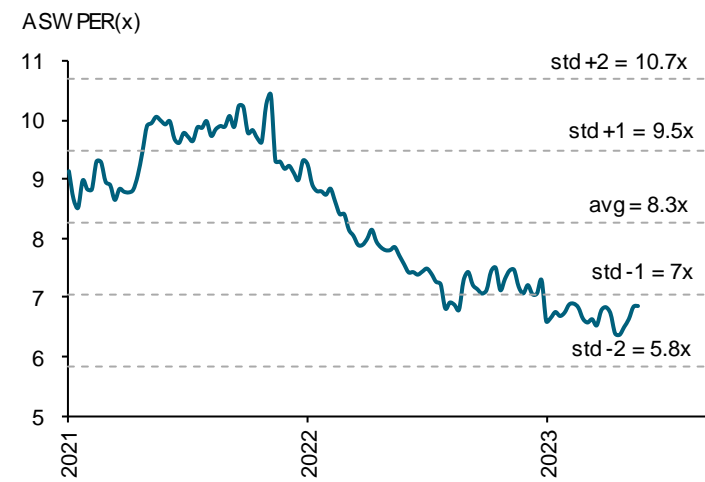
Source: ASW

Exhibit 19: New launches in 2H23



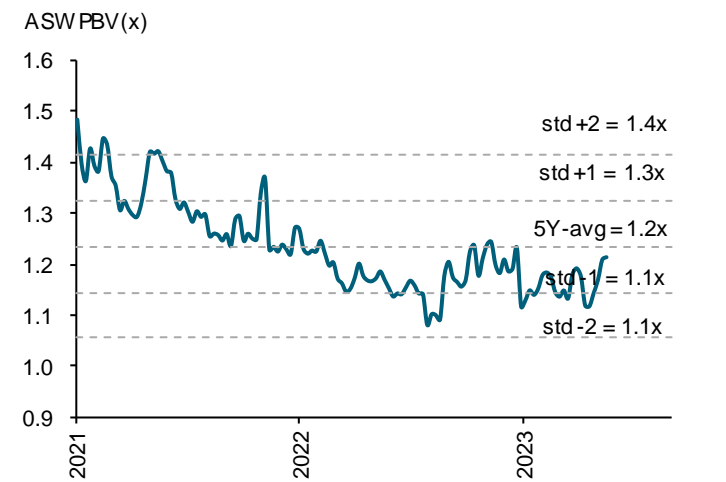
Source: ASW

Exhibit 20: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 21: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 22: Peer comparisons as of 19 September 2023

Company	BBG	Rec	Market Cap (USD m)	Rec profit growth		PE		DivYld		ROE		PBV	
				23E (%)	24E (%)	23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)		
Thailand													
Assetwise	ASW TB	BUY	218	46.8	27.1	7.7	6.4	6.0	6.3	17.3	19.4	1.3	1.2
Noble Development	NOBLE TB	HOLD	157	46.2	81.2	13.0	7.1	7.4	7.7	7.1	12.1	0.9	0.8
SC Asset Corp	SC TB	BUY	504	1.5	2.6	6.7	6.6	5.9	6.0	11.7	11.3	0.8	0.7
Supalai	SPALI TB	BUY	1,135	(22.5)	4.4	6.4	6.2	6.2	6.2	13.1	12.6	0.8	0.8
Sansiri	SIRI TB	BUY	843	23.0	(5.4)	6.3	6.7	9.5	7.9	11.1	9.8	0.7	0.6
AP Thailand	AP TB	BUY	1,059	6.8	2.8	6.1	5.9	5.8	5.8	16.2	15.0	0.9	0.8
Britania	BRI TB	BUY	203	41.0	9.3	4.9	4.5	8.6	9.3	28.1	26.2	1.3	1.1
Origin Property	ORI TB	BUY	713	26.6	11.9	7.6	6.8	7.2	7.3	17.5	18.0	1.3	1.2
Land & Houses	LH TB	n/a	2,679	(0)	5	11.8	11.2	7.2	7.7	15.3	16.0	1.8	1.8
LPN Development	LPN TB	n/a	167	(10)	15	11.1	9.6	5.1	5.8	4.7	5.2	0.5	0.5
Pruksa Holding	PSH TB	n/a	769	(11)	6	10.9	10.7	7.2	6.1	5.8	5.7	0.6	0.6
Quality Houses	QH TB	n/a	670	4	7	10.0	9.6	6.6	6.7	8.6	8.9	0.8	0.8
Average			9,117	2	6	8.6	7.6	6.9	6.9	13.0	13.4	1.0	0.9

Sources: Bloomberg; FSSIA estimates

Financial Statements

Assetwise

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	4,928	5,483	7,207	9,400	10,199
Cost of goods sold	(2,727)	(3,079)	(4,247)	(5,639)	(6,078)
Gross profit	2,202	2,404	2,960	3,761	4,120
Other operating income	39	66	80	85	85
Operating costs	(882)	(1,245)	(1,621)	(2,005)	(2,224)
Operating EBITDA	1,426	1,332	1,497	1,925	2,073
Depreciation	(67)	(107)	(77)	(84)	(91)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,359	1,225	1,419	1,841	1,982
Net financing costs	(4)	(4)	(6)	(8)	(10)
Associates	(33)	(11)	72	153	141
Recurring non-operating income	(33)	(11)	72	153	141
Non-recurring items	66	431	111	0	0
Profit before tax	1,388	1,641	1,597	1,986	2,113
Tax	(302)	(288)	(325)	(413)	(444)
Profit after tax	1,087	1,353	1,272	1,574	1,669
Minority interests	(135)	(234)	(150)	(290)	(239)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	951	1,119	1,122	1,284	1,430
Non-recurring items & goodwill (net)	(66)	(431)	(111)	0	0
Recurring net profit	885	688	1,010	1,284	1,430
Per share (THB)					
Recurring EPS *	1.03	0.80	1.12	1.37	1.52
Reported EPS	1.11	1.31	1.25	1.37	1.52
DPS	0.55	0.52	0.52	0.55	0.61
Diluted shares (used to calculate per share data)	856	856	899	939	939
Growth					
Revenue (%)	17.2	11.3	31.4	30.4	8.5
Operating EBITDA (%)	27.4	(6.5)	12.3	28.7	7.7
Operating EBIT (%)	26.7	(9.8)	15.8	29.8	7.6
Recurring EPS (%)	(34.4)	(22.2)	39.8	21.7	11.4
Reported EPS (%)	(29.4)	17.6	(4.5)	9.6	11.4
Operating performance					
Gross margin inc. depreciation (%)	44.7	43.8	41.1	40.0	40.4
Gross margin exc. depreciation (%)	46.0	45.8	42.1	40.9	41.3
Operating EBITDA margin (%)	28.9	24.3	20.8	20.5	20.3
Operating EBIT margin (%)	27.6	22.3	19.7	19.6	19.4
Net margin (%)	18.0	12.5	14.0	13.7	14.0
Effective tax rate (%)	21.7	17.6	20.4	20.8	21.0
Dividend payout on recurring profit (%)	52.9	65.0	46.6	40.0	40.0
Interest cover (X)	316.6	341.0	253.7	250.5	208.7
Inventory days	1,031.8	1,202.7	1,071.6	915.0	925.0
Debtor days	26.1	29.2	27.0	27.1	29.5
Creditor days	217.9	196.7	169.9	168.1	184.9
Operating ROIC (%)	14.8	9.7	9.3	10.9	10.9
ROIC (%)	14.2	9.5	9.6	11.5	11.4
ROE (%)	24.7	13.3	17.3	19.4	19.2
ROA (%)	10.5	7.1	7.5	9.0	8.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Project sales	4,851	5,221	6,907	9,080	9,875
Rental and services	78	262	300	320	324

Sources: Assetwise; FSSIA estimates

Financial Statements

Assetwise

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	885	688	1,010	1,284	1,430
Depreciation	67	107	77	84	91
Associates & minorities	-	-	-	-	-
Other non-cash items	0	0	0	0	0
Change in working capital	(2,680)	(2,673)	(1,501)	(1,172)	(900)
Cash flow from operations	(1,728)	(1,878)	(414)	196	621
Capex - maintenance	-	-	-	-	-
Capex - new investment	(234)	(187)	(127)	(145)	(125)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(234)	(187)	(127)	(145)	(125)
Dividends paid	(408)	-	(360)	(513)	(572)
Equity finance	2,163	99	43	40	0
Debt finance	676	2,401	505	720	310
Other financing cash flows	-	(17)	-	-	-
Cash flow from financing	2,431	2,484	188	247	(262)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	469	419	(352)	297	235
Free cash flow to firm (FCFF)	(1,957.93)	(2,061.15)	(534.84)	58.66	507.06
Free cash flow to equity (FCFE)	(1,286.40)	319.71	(35.72)	770.70	806.89

Per share (THB)

FCFF per share	(2.29)	(2.41)	(0.62)	0.07	0.59
FCFE per share	(1.50)	0.37	(0.04)	0.90	0.94
Recurring cash flow per share	1.11	0.93	1.21	1.46	1.62

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	864	940	1,021	1,108	1,202
Less: Accumulated depreciation	(113)	(158)	(210)	(266)	(328)
Tangible fixed assets (net)	751	781	811	842	874
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	3	3	3	3	3
Invest. in associates & subsidiaries	20	70	90	120	121
Cash & equivalents	785	1,204	852	1,149	1,384
A/C receivable	416	461	605	790	857
Inventories	8,289	11,299	13,184	14,665	15,679
Other current assets	948	713	721	940	1,020
Current assets	10,438	13,677	15,362	17,544	18,939
Other assets	122	121	144	188	204
Total assets	11,335	14,652	16,410	18,697	20,142
Common equity	4,836	5,507	6,200	7,010	7,869
Minorities etc.	101	200	200	200	200
Total shareholders' equity	4,937	5,707	6,400	7,210	8,069
Long term debt	3,665	3,795	4,325	4,320	4,405
Other long-term liabilities	40	42	55	73	79
Long-term liabilities	3,705	3,837	4,380	4,393	4,484
A/C payable	1,533	1,671	2,210	2,906	3,160
Short term debt	1,029	3,300	3,275	4,000	4,225
Other current liabilities	132	137	144	188	204
Current liabilities	2,694	5,108	5,629	7,094	7,589
Total liabilities and shareholders' equity	11,335	14,652	16,410	18,697	20,142
Net working capital	7,987	10,664	12,155	13,301	14,192
Invested capital	8,885	11,639	13,204	14,454	15,394

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

Per share (THB)

Book value per share	5.65	6.43	6.90	7.46	8.38
Tangible book value per share	5.65	6.43	6.90	7.46	8.38

Financial strength

Net debt/equity (%)	79.2	103.2	105.4	99.4	89.8
Net debt/total assets (%)	34.5	40.2	41.1	38.4	36.0
Current ratio (x)	3.9	2.7	2.7	2.5	2.5
CF interest cover (x)	(250.2)	143.1	16.6	116.0	92.6

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	8.4	10.8	7.7	6.4	5.7
Recurring P/E @ target price (x) *	10.6	13.7	9.8	8.0	7.2
Reported P/E (x)	7.8	6.7	7.0	6.4	5.7
Dividend yield (%)	6.3	6.0	6.0	6.3	7.0
Price/book (x)	1.5	1.4	1.3	1.2	1.0
Price/tangible book (x)	1.5	1.4	1.3	1.2	1.0
EV/EBITDA (x) **	8.0	10.2	9.9	8.1	7.5
EV/EBITDA @ target price (x) **	9.4	11.6	11.3	9.2	8.6
EV/invested capital (x)	1.3	1.2	1.1	1.1	1.0

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

Sources: Assetwise; 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 >15% 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.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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

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Company	Ticker	Price	Rating	Valuation & Risks
Assetwise	ASW TB	THB 8.70	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected consumer purchasing power and presales; 2) cancellation of presales; 3) customer loan rejections; 4) delays in construction; 5) slower-than-expected backlog realisation; 6) intense competition; and 7) rising construction costs.
Noble Development	NOBLE TB	THB 4.12	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) a stronger-than-expected presales; and 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 4.24	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 20.90	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 1.84	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 12.10	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 8.55	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 10.30	BUY	Downside risks to our SoTP-based TP include 1) a slower-than-expected economic recovery; 2) weaker-than-expected presales; 3) a high cancellation rate of presales and rejections from banks; 4) delays in construction and/or a labour shortage; 5) intense competition and an increase in raw material costs; and 6) lower-than-expected performance for its subsidiaries.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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

All share prices are as at market close on 19-Sep-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.