

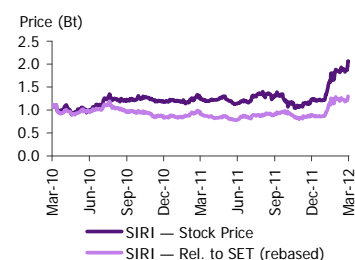
BUY

Stock Data

Last close (Mar 2) (Bt)	2.06
12-m target price (Bt)	2.40
Upside (Downside) to TP (%)	16.50
Mkt cap (Btbn)	14.62
Mkt cap (US\$m)	478

Bloomberg code	SIRI TB
Reuters code	SIRI.BK
Risk rating	H
Mkt cap (%) SET	0.15
Sector % SET	5.55
Shares issued (mn)	7,099
Par value (Bt)	1
12-m high / low (Bt)	6.1 / 1
Avg. daily 6m (US\$m)	0.07
Foreign limit / actual (%)	39 / 18
Free float (%)	58.1
Dividend policy (%)	50

Price Performance



Source: SET, SCBS Investment Research

Share performance

	1M	3M	12M
Absolute	10.8	66.1	66.1
Relative to SET	4.5	46.8	41.2

Source: SET, SCBS Investment Research

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A bright spot in the housing arena

- Fast presales recovery thanks to strong brand and least flood impact
- Earnings upside likely
- YTD presales of Bt8.4bn, 26% of full year target and 70% of revised 1Q12 target; Backlog of Bt34.3bn, securing 80% of our 2012 and 47% of 2013
- Short term catalysts: attractive DPS of Bt0.14 (yield 6.8%), #1 in presales

Strong brand recognition smoothes entry into provinces. SIRI's products have a strong presence in the market as seen by the rapid and high take-up rate. Examples of this: *HQ* condo sold out in three days and *Dcondo Kathu-Patong* in a week, while *THE BASE Rama IX-Ramkamhaeng* sold 81%, *Dcondo Ramkamhaeng 64* sold 70% and *Habitia Phuket* sold 50% in two weeks. Its strong brand smoothes its entry into new areas, including Kao Yai, Pattaya, Chiangmai, Phuket and Had Yai, branching out from its original strong foothold in Hua Hin.

Rapid presales recovery. Of peers, SIRI's presales are the highest at Bt8.4bn in 2M112, accounting for 26% of its full year target and 70% of its revised 1Q12 target (Bt12bn), highest of peers. This reflects an outstanding take-up rate of 88% of its Bt9.5bn new launches in the period. This is primarily from the good response to its condos, accounting for 74% of total presales and achieving 35% of its full year target.

SDH presales are also coming back quickly, with YTD presales of Bt1.6bn (monthly average of Bt800mn), already over the monthly presales of Bt700mn in 4Q11 when Bangkok was flooded. This and the guidance that presales have continued strong after its "Sansiri Life Comes Home" fair at Bt80mn daily supports our view that SIRI will achieve its target presales of Bt32bn. The target is made up of condo +115% YoY to Bt17.6bn off a jump in launches, SDH +9% YoY to Bt10.2bn and TH flat at Bt4.2bn.

Earnings upside. Current backlog is Bt34.3bn, securing 80% of our 2012 forecast and 47% of 2013. Condo backlog already fully secures our 2012 revenue forecast and we see upside in prebuilt condos worth Bt3bn that will be completed this year: the Bt1.1bn *Chelona Khao Tao*, Bt1.3bn *Dcondo Rattanatibet* and a Bt600mn low rise condo on Sukhumvit, as well as finished stock. Also key is faster recovery of low-rise presales.

Precast factory supporting the growth. SIRI's concerns center on production and delivery, and this will ease after its precast factory starts up in March, cutting construction period to 2.5 months from 3-4 months, and thus improve cash flow and growth outlook. The company aims to use precast for its Habitia brand and could expand to Saransiri, Burasiri and Settasiri brands. The plant's capacity is 150 units per month, equivalent to Bt6-7bn in revenue a year or about 30% of this year's revenue.

Reiterate BUY. We feel confident SIRI will achieve its goal of presales growth of 50% YoY backed by its strong presence both in Bangkok and the provinces. If the upside earnings risk does come, valuation will be even cheaper. In the near term, we see the attractive DPS Bt0.14 (yield 6.8%), XD on March 14, 2012 and strong presales as key share price catalysts. We reiterate our BUY rating on the stock.

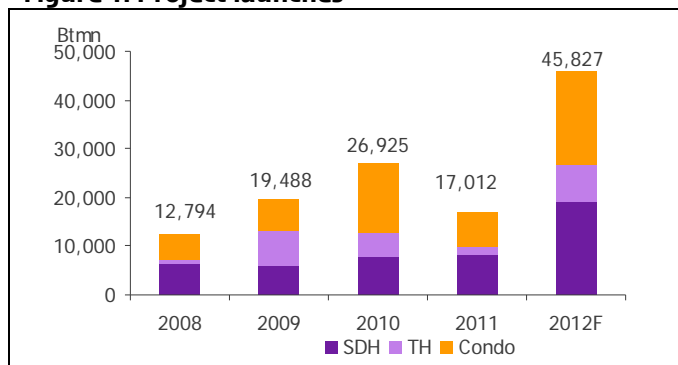
Forecasts & valuation

Year to 31 Dec	Unit	2009	2010	2011	2012F	2013F
Revenue	(Btmn)	15,824	18,596	20,542	24,095	28,512
EBITDA	(Btmn)	2,545	3,155	3,317	3,463	4,199
Core Profit	(Btmn)	1,265	1,975	2,003	2,267	2,887
Reported Profit	(Btmn)	972	1,898	2,016	2,267	2,887
Core EPS	(Bt)	0.21	0.33	0.29	0.32	0.41
DPS	(Bt)	0.45	0.10	0.14	0.16	0.20
P/E, core	(x)	9.1	5.8	6.7	6.1	4.8
EPS growth, core	(%)	22.5	55.6	-12.7	10.3	27.4
P/BV, core	(x)	1.4	1.2	1.1	1.0	0.9
ROE	(%)	14.7	22.3	18.3	18.1	20.6
Dividend yield	(%)	22.9	5.2	7.2	8.2	10.5
EV/EBITDA	(x)	10.0	9.5	10.1	10.6	9.6

Source: SCBS Investment Research

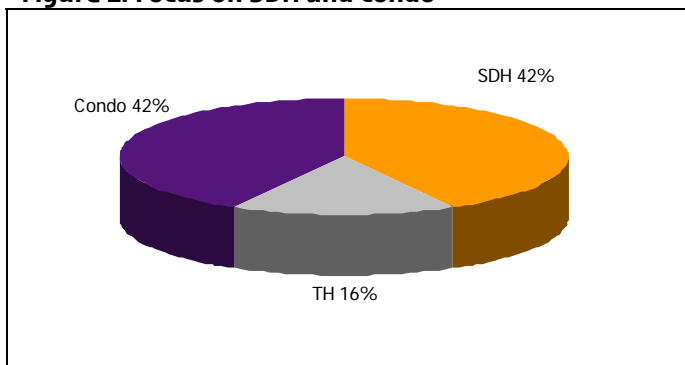
Note: Revenue recognition based on "transfer of title" from 2010 and "percentage of completion" before 2010.

Figure 1: Project launches



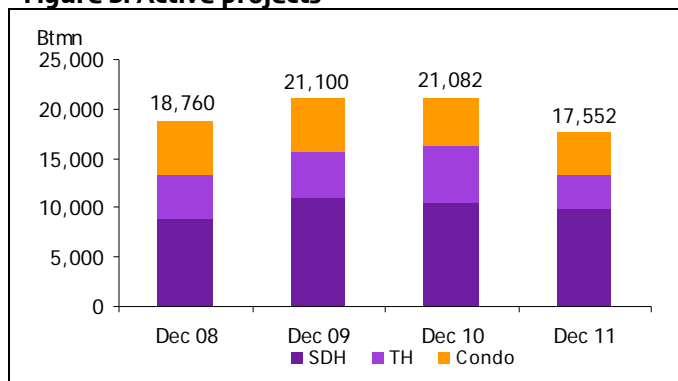
Source: SIRI

Figure 2: Focus on SDH and condo



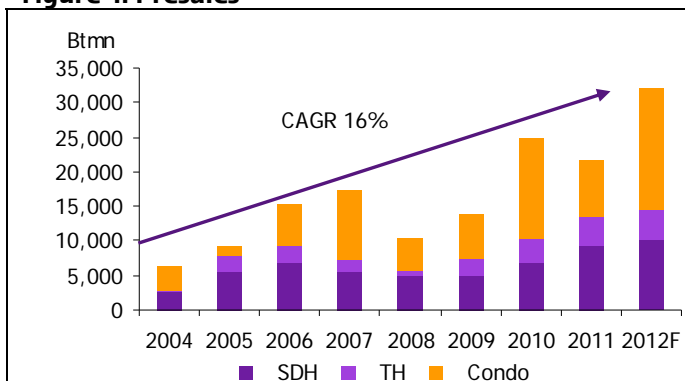
Source: SIRI

Figure 3: Active projects



Source: SIRI

Figure 4: Presales



Source: SIRI

Figure 5: Presales target and 2M12 performance

Btmm	2011	2012F	% ch	2M12A	% 2M12A/2012F
SDH	9,388	10,240	9.1	1,570	15.3
TH	4,200	4,160	-1.0	651	15.6
Condo	8,204	17,600	114.5	6,168	35.0
Total	21,792	32,000	46.8	8,389	26.2

Source: SIRI

CG Rating 2011 Companies with CG Rating under SCBS's Coverage

★★★★	ADVANC, ADY, BANPU, BAY, BBL, BCP, BMCL, CPF, CSL, EGO, HEMRAJ, IRPC, KBANK, KK, KTB, LPN, MCOT, PS, PSL, PTT, PTTEP, QH, RATCH, SAT, SCB, SCC, TISCO, TMB, TOP
★★★★	AMATA, AP, ASP, BEC, BECL, BH, BICG, BLA, BLS, CK, CPALL, DELTA, DRT, DTAC, GPPT, GLOW, HANA, HMPRO, INTUCH, KCE, KEST, LH, IVL, MAJOR, MAKRO, PHATRA, SCCC, SMT, SPALL, SIRI, STANLY, STEC, SVI, TCAP, THAI, TRUE, TTA, TTW
★★★★	AEON'S, AH, CCEI, DCC, ESSO, ITO, KH, KTC, B.L, ROJANA, TICON, TPPL
★★★	BGH, BLS, CPNRF, LHBANK, POPF, QHPF, SAMART, SAMTEL, SSI, TRUND, TLOGIS, WHAPF
N/A	PTTGC is the merged entity of PTTC and PTTAR

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 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 evaluation 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. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.