

Thailand

HOLD (no change)

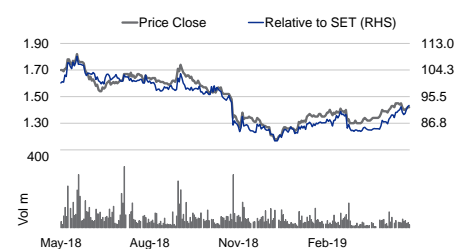
Consensus ratings*: Buy 4 Hold 7 Sell 5

| | |
|-------------------------|------------|
| Current price: | THB1.42 |
| Target price: | THB1.37 |
| Previous target: | THB1.29 |
| Up/downside: | -3.5% |
| CGS-CIMB / Consensus: | -0.1% |
| Reuters: | SIRI.BK |
| Bloomberg: | SIRI TB |
| Market cap: | US\$630.6m |
| | THB20,083m |
| Average daily turnover: | US\$1.30m |
| | THB41.35m |
| Current shares o/s: | 14,863m |
| Free float: | 85.8% |

*Source: Bloomberg

Key changes in this note

- FY19-21F Gross margin from residential sales decreased by 0.3-0.4%.
- FY19-21F Share of profit from associates and JVs decreased by 3.1-15.1%.
- FY19-21F Core EPS decreased by 0.4-4.4%.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|-----|-----|-------|
| Absolute (%) | 5.2 | 5.2 | -16.5 |
| Relative (%) | 9.1 | 7 | -8.3 |

Major shareholders

| | % held |
|-------------------|--------|
| Viriyah Insurance | 6.3 |
| UBS AG Singapore | 4.7 |
| Thai NVDR | 4.7 |

Analyst(s)

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Sansiri

1Q19 boosted by higher revenue

- Core net profit of THB387.2m in 1Q19 was up 42.8% yoy (down 65.2% qoq) due to higher revenue, lower SG&A and an increase in other income.
- As of 10 May, SIRI had repurchased 720m shares or 4.84% of paid-up capital at an average of THB1.30/share (buy-back programme ends on 10 Jun).
- Maintain Hold with a higher TP of THB1.37.

1Q19 core net profit driven by higher revenue

SIRI's 1Q19 core net profit rose 42.8% yoy to THB387.2m (down 65.2% qoq) due to higher revenue, lower SG&A and a jump in other income. The core net profit was 24.8% above our forecast and 31% above Bloomberg consensus, due to higher-than-expected other income and share of profit from investments in JVs and associates. Other income jumped 60.4% yoy to THB324.5m due to THB100m incentive fees for The Line Asoke and The Line Rama 9 from BTS and THB50m compensation from a legal case.

New launches to be back loaded in 2H19

SIRI maintains its new launch plan (total 28 projects worth THB46.6bn) and presales target of THB36bn for 2019. The company will launch 7 projects (2 single detached houses, 2 townhouses and 3 condos) with a combined value of THB13.2bn in 2Q19. New launches are likely to be back loaded in 2H19 at THB30.7bn vs. THB15.9bn in 1H19. Its YTD presales as of 12 May amounted to THB7.6bn, accounting for 21% of its full-year target; presales from foreign buyers slowed down to THB1.43bn due to fewer condo launches. SIRI launched La Habana Hua Hin (project value: THB2.2bn; 55% sold) in Apr 19. The company will launch another two condo projects - dcondo Charansanitwong and Aydin (a wellness JV condo with Tokyu) in Jun 19.

Expect weaker net profit in 2Q19

1Q19 core net profit accounted for 16.8% of our FY19 forecast. SIRI expects 2Q19 earnings to be the low point for FY19 due to fewer transfers and an increase in the share of loss from JVs given higher expenses related to the launch of a JV project with Tokyu. Its net profit should peak in 4Q19, boosted by transfers of 8 new condo projects. SIRI's backlog as of 12 May of THB53.3bn secures 71.3% and 50.3% of our combined revenue and JV transfer forecasts in FY19-20F.

Retain Hold due to limited upside potential

We cut our FY19-21F core EPS by 0.4-4.4% as we fine-tune our assumptions, i.e. gross margin, SG&A and share of profit from associates and JVs. Our TP is raised to THB1.37 as we use a higher P/E multiple to factor in a higher 9.7% core EPS CAGR in FY19-20F. Our new TP is based on 8.0x FY20F P/E (7.2x previously), -0.25 s.d. from its historical average forward P/E. Maintain Hold in view of limited upside potential given the current valuations price in the better earnings outlook; however, dividend yields remain attractive at 8.5% in FY19F. Potential catalysts could come from faster-than-expected transfers. Risks include slower-than-expected presales.

Financial Summary

| | Dec-17A | Dec-18A | Dec-19F | Dec-20F | Dec-21F |
|--------------------------------|---------|---------|---------|---------|---------|
| Total Net Revenues (THBm) | 30,916 | 26,248 | 27,956 | 29,280 | 29,431 |
| Operating EBITDA (THBm) | 3,736 | 2,423 | 2,749 | 2,998 | 3,019 |
| Net Profit (THBm) | 2,825 | 2,046 | 2,274 | 2,529 | 2,598 |
| Core EPS (THB) | 0.20 | 0.14 | 0.15 | 0.17 | 0.17 |
| Core EPS Growth | (13.3%) | (29.8%) | 8.2% | 11.2% | 2.7% |
| FD Core P/E (x) | 7.03 | 9.88 | 9.27 | 8.34 | 8.12 |
| DPS (THB) | 0.12 | 0.12 | 0.12 | 0.13 | 0.13 |
| Dividend Yield | 8.45% | 8.45% | 8.51% | 8.87% | 9.11% |
| EV/EBITDA (x) | 15.02 | 28.50 | 25.02 | 23.70 | 23.36 |
| P/FCFE (x) | NA | 8.34 | NA | NA | 96.77 |
| Net Gearing | 117% | 155% | 152% | 156% | 151% |
| P/BV (x) | 0.67 | 0.68 | 0.67 | 0.66 | 0.64 |
| ROE | 9.87% | 6.84% | 7.31% | 7.98% | 8.02% |
| % Change In Core EPS Estimates | | | (1.31%) | (4.44%) | (0.44%) |
| CIMB/consensus EPS (x) | | | 0.93 | 0.94 | 0.92 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

1Q19 boosted by higher revenue

1Q19 results review

SIRI's 1Q19 core net profit rose 42.8% to THB387.2m (down 65.2% qoq) due to higher revenue, lower SG&A and an increase in other income. The core net profit was 24.8% above our forecast and 31% above Bloomberg consensus due to higher-than-expected other income and share of profit from investments in JVs and associates. Other income jumped 60.4% yoy to THB324.5m due to THB100m incentive fees for The Line Asoke and The Line Rama 9 from BTS and THB50m compensation from a legal case.

Residential revenue dropped 37.9% qoq but rose 22.4% yoy to THB4.9bn in 1Q19 from an increase in low-rise housing transfers (+35.4% yoy) at Baan Sansiri Pattanakarn and Siri Place projects. Condo transfers fell 12.6% yoy to THB952m, mainly from unit transfers of 98 Wireless, Baan Mai Khao Phuket, The Monument Sanampao and dcondo Kukoo projects.

Gross margin from residential sales dipped to 26.7% in 1Q19 vs. 29.3% in 1Q18, dragged down by poor gross margins of below 30% from the sale of condo inventory, transfers of Siri Place townhouses and adoption of TFRS 15, resulting in higher cost of residential sales.

SIRI recorded a share of loss from JVs and investments in associates of THB119.7m in 1Q19 compared with a share of profit of THB105.2m in 1Q18 due to fewer transfers of JV condo projects and THB54.5m share of loss from The Standard.

Figure 1: Results comparison

| FYE Dec (THB m) | 1QFY19 | 1QFY18 | yoy % chg | 4QFY18 | qoq % chg | Prev. FY19F | Comment |
|---------------------|-----------|-----------|--------------|-----------|--------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue | 6,310.1 | 4,990.5 | 26.4 | 9,227.6 | (31.6) | 27,956.4 | Lower due to lower-than-expected revenue from business management |
| Operating costs | (5,720.7) | (4,775.1) | 19.8 | (7,876.4) | (27.4) | (25,399.9) | |
| EBITDA | 589.4 | 215.3 | 173.7 | 1,351.2 | (56.4) | 2,556.5 | Lower due to lower-than-expected revenue from business management and gross margins |
| EBITDA margin (%) | 9.3 | 4.3 | 5.0 | 14.6 | (5.3) | 9.1 | |
| Depn & amort. | (87.9) | (69.0) | 27.3 | (85.5) | 2.8 | (428.8) | In line |
| EBIT | 501.5 | 146.3 | 242.7 | 1,265.7 | (60.4) | 2,127.7 | Lower |
| Interest expense | (191.2) | (113.2) | 69.0 | (155.0) | 23.3 | (617.7) | Higher |
| Interest & invt inc | 324.5 | 202.3 | 60.4 | 198.6 | 63.4 | 799.9 | Higher due to THB100m incentive fees of The Line Asoke and The Line Rama 9 from BTS and THB50m compensation from winning legal case |
| Associates' contrib | (119.7) | 105.2 | (213.8) | 99.0 | (220.9) | 456.0 | Lower |
| Exceptionals | 17.6 | 35.5 | (50.4) | (123.8) | (114.2) | - | Gain on land sale of THB3.5m and THB18.5m reversal of diminution loss on property development value |
| Pretax profit | 634.8 | 235.5 | 169.6 | 1,309.3 | (51.5) | 2,309.9 | In line |
| Tax | (128.3) | (70.5) | 82.0 | (296.2) | (56.7) | (462.0) | |
| Tax rate (%) | 20.2 | 29.9 | (9.7) | 22.6 | (2.4) | 20.0 | In line |
| Minority interests | 0.46 | 0.88 | (47.7) | 0.58 | (20.9) | - | |
| Net profit | 404.8 | 306.5 | 32.0 | 988.9 | (59.1) | 2,303.9 | |
| Core net profit | 387.2 | 271.1 | 42.8 | 1,112.7 | (65.2) | 2,303.9 | Above our and market expectations by 24.8% and 31% respectively due to higher-than-expected other income and share of profit from investments in JVs and associates |
| EPS (THB) | 0.028 | 0.021 | 37.0 | 0.067 | (57.6) | 0.2 | |
| Core EPS (THB) | 0.027 | 0.018 | 48.2 | 0.075 | (64.0) | 0.2 | |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 2: Operating statistics

| | 1QFY19 | 1QFY18 | % yoy | 4QFY18 | % qoq |
|-----------------------------------------|--------------|--------------|-------------|--------------|---------------|
| Revenue breakdown (THBm) | | | | | |
| Revenue from low-rise housing | 3,940 | 2,909 | 35.4 | 5,450 | (27.7) |
| Revenue from condo | 952 | 1,089 | (12.6) | 2,384 | (60.1) |
| Revenue from residential sales | 4,893 | 3,997 | 22.4 | 7,834 | (37.5) |
| Revenue from business management | 1,318 | 892 | 47.7 | 1,249 | 5.5 |
| Key performance indicators | | | | | |
| Gross margin from residential sales (%) | 26.7 | 29.3 | (2.6) | 30.7 | (4.1) |
| Overall gross margin (%) | 25.1 | 25.6 | (0.5) | 28.1 | (3.0) |
| SG&A to revenue ratio (%) | 17.1 | 22.7 | (5.5) | 14.4 | 2.8 |
| Net margin (%) | 6.4 | 6.1 | 0.3 | 10.7 | (4.3) |
| D/E ratio (x) | 1.64 | 1.25 | 0.4 | 1.56 | 0.1 |
| Gross profit | 1,582.9 | 1,278.2 | 23.8 | 2,591.7 | (38.9) |
| Gross profit from residential sales | 1,305.3 | 1,170.9 | 11.5 | 2,420.8 | (46.1) |
| SG&A expenses | 1,081.5 | 1,131.9 | (4.5) | 1,326.0 | (18.4) |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 3: New launches for 2019

| Y2019 | SDH | TH & MIX | Condo | | | No. of Project | Project Value (MB) |
|--------------------|--------|----------|--------|----------|---------|----------------|--------------------|
| | | | SIRI | SIRI-BTS | SIRI-TK | | |
| 1Q2019 | 2 | 1 | - | - | - | 3 | 2,699 |
| 2Q2019 | 2 | 2 | 2 | - | 1 | 7 | 13,173 |
| 3Q2019 | 3 | - | 2 | 1 | - | 6 | 12,455 |
| 4Q2019 | 2 | 4 | 4 | 2 | - | 12 | 18,240 |
| No. of Project | 9 | 7 | 8 | 3 | 1 | 28 | |
| Project Value (MB) | 18,429 | 5,515 | 13,945 | 6,237 | 2,441 | 46,567 | |
| % | 40% | 12% | 30% | 13% | 5% | 100% | |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 4: Changes in key assumptions

| (THB m) | Old | | | New | | | % diff | | |
|------------------------------------------------|----------|----------|----------|----------|----------|----------|--------|--------|-------|
| | 2019F | 2020F | 2021F | 2019F | 2020F | 2021F | 2019F | 2020F | 2021F |
| Revenue from residential sales | 22,000.4 | 23,259.7 | 23,344.0 | 22,000.4 | 23,259.7 | 23,344.0 | 0.0% | 0.0% | 0.0% |
| Revenue from business management | 5,567.8 | 5,621.2 | 5,677.2 | 5,567.8 | 5,621.2 | 5,677.2 | 0.0% | 0.0% | 0.0% |
| Total revenue | 27,956.4 | 29,279.6 | 29,430.7 | 27,956.4 | 29,279.6 | 29,430.7 | 0.0% | 0.0% | 0.0% |
| Gross profit | 8,015.6 | 8,492.4 | 8,542.5 | 7,938.6 | 8,412.4 | 8,458.7 | -1.0% | -0.9% | -1.0% |
| SG&A expenses | 5,887.9 | 6,102.0 | 6,139.2 | 5,618.7 | 5,865.4 | 5,899.2 | -4.6% | -3.9% | -3.9% |
| Interest expenses | 617.7 | 701.1 | 786.7 | 765.1 | 881.9 | 932.3 | 23.9% | 25.8% | 18.5% |
| Share of profit (loss) from affiliates and JVs | 456.0 | 648.8 | 650.0 | 390.0 | 550.8 | 630.0 | -14.5% | -15.1% | -3.1% |
| Net profit | 2,303.9 | 2,646.6 | 2,609.0 | 2,273.8 | 2,529.2 | 2,597.6 | -1.3% | -4.4% | -0.4% |
| Core net profit | 2,303.9 | 2,646.6 | 2,609.0 | 2,273.8 | 2,529.2 | 2,597.6 | -1.3% | -4.4% | -0.4% |
| EPS (THB) | 0.16 | 0.18 | 0.18 | 0.15 | 0.17 | 0.17 | -1.3% | -4.4% | -0.4% |
| Core EPS (THB) | 0.16 | 0.18 | 0.18 | 0.15 | 0.17 | 0.17 | -1.3% | -4.4% | -0.4% |
| No. of outstanding shares | 14,862.7 | 14,862.7 | 14,862.7 | 14,862.7 | 14,862.7 | 14,862.7 | 0.0% | 0.0% | 0.0% |
| Gross margin from residential sales (%) | 31.9% | 32.1% | 32.1% | 31.5% | 31.8% | 31.8% | -0.3% | -0.3% | -0.4% |
| Gross margin from business management (%) | 17.7% | 17.9% | 18.1% | 17.7% | 17.9% | 18.1% | 0.0% | 0.0% | 0.0% |
| Overall gross margin (%) | 28.7% | 29.0% | 29.0% | 28.4% | 28.7% | 28.7% | -0.3% | -0.3% | -0.3% |
| SG&A to revenue ratio (%) | 21.1% | 20.8% | 20.9% | 20.1% | 20.0% | 20.0% | -1.0% | -0.8% | -0.8% |
| Net margin (%) | 8.2% | 9.0% | 8.9% | 8.1% | 8.6% | 8.8% | -0.1% | -0.4% | 0.0% |
| Core net margin (%) | 8.2% | 9.0% | 8.9% | 8.1% | 8.6% | 8.8% | -0.1% | -0.4% | 0.0% |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

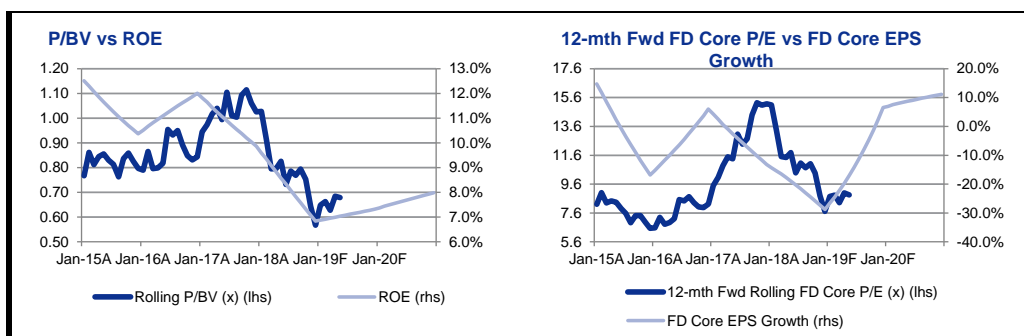
Figure 5: SIRI's forward P/E band


SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 6: Peer comparison

| Company | Bloomberg Ticker | Recom. | Price (THB) | Target price (THB) | Mkt cap (US\$m) | Core P/E (x) | | Core EPS growth (%) | | P/BV (x) | | Div yield | | ROE | |
|--------------------|------------------|--------|-------------|--------------------|-----------------|--------------|-------|---------------------|-------|----------|-------|-----------|-------|-------|-------|
| | | | | | | 2019F | 2020F | 2019F | 2020F | 2019F | 2020F | 2019F | 2020F | 2019F | 2020F |
| AP Thailand | AP TB | Add | 7.55 | 8.30 | 744 | 6.6 | 5.6 | -6.3% | 16.4% | 0.9 | 0.8 | 5.3% | 6.0% | 14.1% | 14.9% |
| Land and Houses | LH TB | Add | 10.50 | 12.50 | 3,930 | 13.4 | 12.0 | 0.1% | 11.1% | 2.5 | 2.4 | 6.4% | 7.5% | 18.6% | 20.2% |
| LPN Development | LPN TB | Hold | 6.80 | 7.30 | 314 | 6.8 | 6.1 | 8.0% | 10.7% | 0.8 | 0.7 | 9.5% | 10.3% | 11.3% | 12.0% |
| Pruksa Holding | PSH TB | Add | 19.70 | 21.20 | 1,350 | 6.9 | 6.5 | 4.2% | 5.1% | 1.0 | 0.9 | 8.2% | 8.4% | 14.7% | 14.5% |
| Quality Houses | QH TB | Add | 2.98 | 4.08 | 1,000 | 7.6 | 6.9 | 9.6% | 10.5% | 1.1 | 1.1 | 8.1% | 9.0% | 15.4% | 15.9% |
| Supalai | SPALI TB | Add | 21.90 | 24.00 | 1,274 | 7.3 | 6.6 | 2.8% | 10.3% | 1.2 | 1.1 | 5.1% | 5.7% | 17.8% | 17.5% |
| Sansiri | SIRI TB | Hold | 1.43 | 1.37 | 666 | 9.3 | 8.4 | 8.2% | 11.2% | 0.7 | 0.7 | 8.5% | 8.8% | 7.3% | 8.0% |
| Ananda Development | ANAN TB | Add | 3.62 | 4.02 | 378 | 5.8 | 5.8 | -4.9% | 0.8% | 0.7 | 0.7 | 7.2% | 7.4% | 15.1% | 14.0% |
| Average | | | | | | 8.0 | 7.3 | 2.1% | 9.0% | 1.1 | 1.0 | 7.3% | 7.9% | 14.3% | 14.6% |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS

Profit & Loss

| (THBm) | Dec-17A | Dec-18A | Dec-19F | Dec-20F | Dec-21F |
|-------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Net Revenues | 30,916 | 26,248 | 27,956 | 29,280 | 29,431 |
| Gross Profit | 9,583 | 7,668 | 7,939 | 8,412 | 8,459 |
| Operating EBITDA | 3,736 | 2,423 | 2,749 | 2,998 | 3,019 |
| Depreciation And Amortisation | (256) | (310) | (429) | (451) | (459) |
| Operating EBIT | 3,480 | 2,113 | 2,320 | 2,547 | 2,560 |
| Financial Income/(Expense) | (411) | (570) | (765) | (882) | (932) |
| Pretax Income/(Loss) from Assoc. | 26 | 305 | 390 | 551 | 630 |
| Non-Operating Income/(Expense) | 588 | 792 | 800 | 808 | 832 |
| Profit Before Tax (pre-EI) | 3,683 | 2,640 | 2,745 | 3,024 | 3,089 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 3,683 | 2,640 | 2,745 | 3,024 | 3,089 |
| Taxation | (835) | (546) | (471) | (495) | (492) |
| Exceptional Income - post-tax | (66) | (52) | 0 | 0 | 0 |
| Profit After Tax | 2,782 | 2,042 | 2,274 | 2,529 | 2,598 |
| Minority Interests | 43 | 4 | 0 | 0 | 0 |
| Prof. & Special Div | 0 | 0 | 0 | 0 | 0 |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 2,825 | 2,046 | 2,274 | 2,529 | 2,598 |
| Recurring Net Profit | 2,891 | 2,098 | 2,274 | 2,529 | 2,598 |
| Fully Diluted Recurring Net Profit | 2,891 | 2,098 | 2,274 | 2,529 | 2,598 |

Cash Flow

| (THBm) | Dec-17A | Dec-18A | Dec-19F | Dec-20F | Dec-21F |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| EBITDA | 3,736 | 2,423 | 2,749 | 2,998 | 3,019 |
| Cash Flow from Inv. & Assoc. | | | | | |
| Change In Working Capital | (20,207) | (23,836) | (440) | (3,137) | (314) |
| Straight Line Adjustment | | | | | |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | | | | | |
| Other Operating Cashflow | 19,243 | 16,152 | 35 | (74) | (100) |
| Net Interest (Paid)/Received | (411) | (570) | (765) | (882) | (932) |
| Tax Paid | (835) | (546) | (471) | (495) | (492) |
| Cashflow From Operations | 1,526 | (6,377) | 1,108 | (1,589) | 1,180 |
| Capex | (4,021) | 0 | 0 | 0 | 0 |
| Disposals Of FAs/subsidiaries | | | | | |
| Disposals of Investment Properties | | | | | |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | | (2,496) | (3,501) | 251 | 342 |
| Cash Flow From Investing | (4,021) | (2,496) | (3,501) | 251 | 342 |
| Debt Raised/(repaid) | 1,932 | 11,359 | 2,216 | 1,121 | (1,303) |
| Proceeds From Issue Of Shares | 1,443 | (392) | 0 | 0 | 0 |
| Shares Repurchased | | | | | |
| Dividends Paid | (1,857) | (1,634) | (1,788) | (1,834) | (1,897) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | 424 | 570 | 765 | 882 | 932 |
| Cash Flow From Financing | 1,942 | 9,903 | 1,193 | 169 | (2,268) |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

| (THBm) | Dec-17A | Dec-18A | Dec-19F | Dec-20F | Dec-21F |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Cash And Equivalents | 2,978 | 3,933 | 2,733 | 1,563 | 816 |
| Properties Under Development | | | | | |
| Total Debtors | 157 | 122 | 41 | 44 | 44 |
| Inventories | 43,384 | 56,305 | 57,925 | 61,026 | 61,255 |
| Total Other Current Assets | 7,703 | 10,382 | 8,799 | 9,103 | 9,138 |
| Total Current Assets | 54,222 | 70,742 | 69,497 | 71,736 | 71,253 |
| Fixed Assets | 2,223 | 2,264 | 2,336 | 2,231 | 2,105 |
| Total Investments | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets | 0 | 0 | 0 | 0 | 0 |
| Total Other Non-Current Assets | 23,705 | 22,351 | 22,013 | 21,967 | 21,922 |
| Total Non-current Assets | 25,927 | 24,615 | 24,349 | 24,198 | 24,027 |
| Short-term Debt | 8,368 | 12,125 | 9,103 | 9,306 | 9,242 |
| Current Portion of Long-Term Debt | 13,172 | 6,510 | 0 | 0 | 0 |
| Total Creditors | 8,959 | 10,491 | 10,007 | 10,278 | 10,228 |
| Other Current Liabilities | | | | | |
| Total Current Liabilities | 30,500 | 29,125 | 19,110 | 19,583 | 19,470 |
| Total Long-term Debt | 17,186 | 33,272 | 41,292 | 42,211 | 40,971 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 1,986 | 2,107 | 2,107 | 2,107 | 2,107 |
| Total Non-current Liabilities | 19,172 | 35,379 | 43,399 | 44,318 | 43,077 |
| Total Provisions | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 49,672 | 64,504 | 62,509 | 63,901 | 62,547 |
| Shareholders' Equity | 30,507 | 30,848 | 31,334 | 32,029 | 32,730 |
| Minority Interests | (29) | 4 | 4 | 4 | 4 |
| Total Equity | 30,478 | 30,852 | 31,338 | 32,033 | 32,734 |

Key Ratios

| | Dec-17A | Dec-18A | Dec-19F | Dec-20F | Dec-21F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | (8.6%) | (15.1%) | 6.5% | 4.7% | 0.5% |
| Operating EBITDA Growth | (21.3%) | (35.1%) | 13.4% | 9.1% | 0.7% |
| Operating EBITDA Margin | 12.1% | 9.2% | 9.8% | 10.2% | 10.3% |
| Net Cash Per Share (THB) | (2.49) | (3.23) | (3.21) | (3.36) | (3.32) |
| BVPS (THB) | 2.13 | 2.08 | 2.11 | 2.15 | 2.20 |
| Gross Interest Cover | 8.48 | 3.71 | 3.03 | 2.89 | 2.75 |
| Effective Tax Rate | 22.7% | 20.7% | 17.2% | 16.4% | 15.9% |
| Net Dividend Payout Ratio | 64.2% | 77.9% | 78.7% | 72.5% | 73.0% |
| Accounts Receivables Days | 1.93 | 1.94 | 1.06 | 0.53 | 0.54 |
| Inventory Days | 791 | 979 | 1,041 | 1,043 | 1,064 |
| Accounts Payables Days | 24.92 | 31.82 | 30.53 | 30.14 | 30.74 |
| ROIC (%) | 4.49% | 2.48% | 2.29% | 2.51% | 2.43% |
| ROCE (%) | 5.23% | 2.78% | 2.82% | 3.08% | 3.07% |
| Return On Average Assets | 4.15% | 2.91% | 3.05% | 3.41% | 3.50% |

Key Drivers

| | Dec-17A | Dec-18A | Dec-19F | Dec-20F | Dec-21F |
|--------------------------------------|----------|----------|----------|----------|----------|
| Unbooked Presales (m) (THB) | 33,000.0 | 33,000.0 | 33,000.0 | 33,000.0 | 33,000.0 |
| Unbooked Presales (area: m sm) | N/A | N/A | N/A | N/A | N/A |
| Unbooked Presales (units) | N/A | N/A | N/A | N/A | N/A |
| Unsold attrib. landbank (area: m sm) | N/A | N/A | N/A | N/A | N/A |
| Gross Margins (%) | 33.3% | 32.1% | 31.5% | 31.8% | 31.8% |
| Contracted Sales ASP (per Sm) (THB) | N/A | N/A | N/A | N/A | N/A |
| Residential EBIT Margin (%) | N/A | N/A | N/A | N/A | N/A |
| Investment rev / total rev (%) | N/A | N/A | N/A | N/A | N/A |
| Residential rev / total rev (%) | N/A | N/A | N/A | N/A | N/A |
| Inv. properties rental margin (%) | N/A | N/A | N/A | N/A | N/A |
| SG&A / Sales Ratio (%) | 19.7% | 21.2% | 20.1% | 20.0% | 20.0% |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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| | | | | | |
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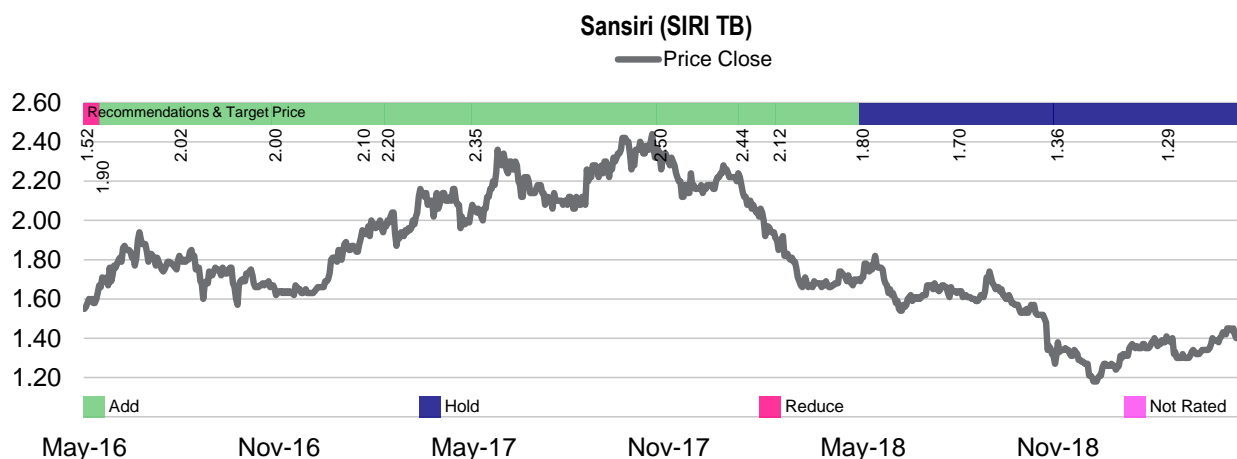
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|-------------------------------------------------------------------------------------------------|-------------------------|--------------------------------|
| Distribution of stock ratings and investment banking clients for quarter ended on 08 April 2019 | | |
| 771 companies under coverage for quarter ended on 08 April 2019 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 57.8% | 4.0% |
| Hold | 27.0% | 2.1% |
| Reduce | 15.2% | 0.4% |

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HREIT** - Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD*** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **JWD** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **OSP** – not available, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PR9** – not available, n/a, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **S** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Very Good, Declared, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Very Good, Certified, **WORK** – Good, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC's regulations or charged with corruption.

Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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