

Thailand

HOLD (previously REDUCE)

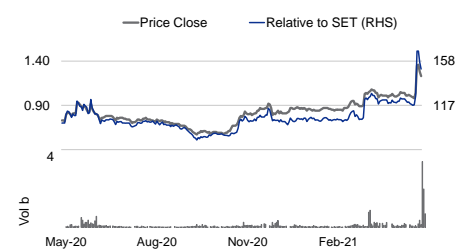
Consensus ratings*: Buy 0 Hold 5 Sell 6

| | |
|-------------------------|------------|
| Current price: | THB1.23 |
| Target price: | THB1.15 |
| Previous target: | THB0.78 |
| Up/downside: | -6.5% |
| CGS-CIMB / Consensus: | 29.7% |
| Reuters: | SIRI.BK |
| Bloomberg: | SIRI TB |
| Market cap: | US\$582.2m |
| | THB18,281m |
| Average daily turnover: | US\$8.42m |
| | THB263.5m |
| Current shares o/s: | 14,541m |
| Free float: | 85.8% |

*Source: Bloomberg

Key changes in this note

- FY21-23F residential revenue raised 4.1-11.4%.
- FY21F gross margin from residential sales reduced 1.1% but FY22-23F's raised 0.4-0.8%.
- FY21-23F core EPS raised 18.7-24.3%.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|------|------|------|
| Absolute (%) | 21.8 | 44.7 | 68.5 |
| Relative (%) | 23.4 | 41.1 | 50.9 |

Major shareholders

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

Analyst(s)


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Sansiri

Expanding beyond residential business

- We turn more positive on SIRI's presales and revenue outlook for 2021F.
- We estimate investments in XSpring and Bangpakong JV project, totalling THB2.8bn, would generate less than 3% investment return in 2021-22F.
- Upgrade to Hold from Reduce with a new TP of THB1.15.

Raising 2021F presales to THB28.5bn

SIRI's presales from 1 Jan-9 May were THB8.53bn. Despite the third wave of Covid-19 outbreak in Thailand, its presales remain strong, at THB2.5bn from 1 Apr to 9 May, thanks to strong supported for Bugaan Yothinpattana (3-storey houses at THB30m-80m/unit; 36% sold), and Siri Place Bangna-Theparak (21% sold). It will launch three new condo projects in the affordable segment (THB2m/unit) under the new brand "Muve", targeting the young generation. SIRI plans to launch a total of 24 projects (16 low-rise housing and eight condos) worth THB21.6bn in 2021 (+44% yoy), of which THB18.3bn (84.8%) would be launched in 2H21. We raise our 2021F presales forecast by 9.6% to THB28.5bn due to the stronger-than-expected low-rise housing presales YTD.

Better 2Q21F earnings boosted by higher condo revenue

We expect higher qoq and yoy net profit in 2Q21F, driven by an increase in condo revenue from the transfers of XT Huay Kwang (project value: THB7.4bn; 43% sold). SIRI guided for THB8.7bn transfers in 2Q21 (+16.2% qoq). We are now more positive on its presales and revenue outlook for 2021F. We raise our 2021F residential revenue forecast by 11.4% to THB26.8bn, albeit still down 12.4% yoy from the THB30.6bn in 2020. Its 1Q21 revenue and THB11.8bn backlog to be recognised as revenue in 2021F secure 66.6% of our FY21 revenue forecast.

New investments in XSpring and Bangpakong JV project

SIRI recently announced investment totalling THB2.06bn in XSpring Capital, which engages in financial and brokerage services and plans to expand into digital financial services. After the investment, SIRI will hold 15% stake in XSpring. SIRI has also formed a 50:50 JV project with Prospect Development to develop warehouses and factories for lease and industrial land for sale in Bangpakong, Chachoengsao Province. Its rational for the investments in XSpring and Bangpakong JV project is to diversify from real estate business and enhance its investment return in the long term. SIRI expects a small share of profit from the new investment in the next two years. We estimate the two new investments, totalling THB2.8bn, will generate less than 3% return in 2021-22F.

Upgrade to Hold with a higher TP of THB1.15

We raise our FY21-23F core EPS by 18.7-24.3% to factor in changes to our assumptions and lower SI losses. We upgrade SIRI to Hold from Reduce in view of the improved outlook for its residential property development business – we expect a core EPS growth rebound in 2021-22F. Our TP rises to THB1.15, now based on 9.1x 2022F P/E (7.7x previously), still 0.50 s.d. below its 5-year historical 12M forward mean. SIRI is trading at 9.7x 2022F P/E, above the sector average P/E of 8.7x. The current valuation prices in the potential long-term growth of its new investments, in our view.

Financial Summary

| | Dec-19A | Dec-20A | Dec-21F | Dec-22F | Dec-23F |
|--------------------------------|---------|---------|---------|---------|---------|
| Total Net Revenues (THBm) | 24,310 | 33,833 | 29,346 | 31,402 | 33,217 |
| Operating EBITDA (THBm) | 1,490 | 2,432 | 3,853 | 4,200 | 4,580 |
| Net Profit (THBm) | 2,392 | 1,543 | 1,606 | 1,875 | 1,932 |
| Core EPS (THB) | 0.12 | 0.10 | 0.11 | 0.13 | 0.13 |
| Core EPS Growth | (18.0%) | (13.4%) | 7.6% | 16.8% | 3.0% |
| FD Core P/E (x) | 10.61 | 12.25 | 11.38 | 9.75 | 9.46 |
| DPS (THB) | 0.080 | 0.040 | 0.040 | 0.050 | 0.058 |
| Dividend Yield | 6.50% | 3.25% | 3.25% | 4.10% | 4.76% |
| EV/EBITDA (x) | 52.95 | 31.15 | 20.14 | 19.03 | 17.52 |
| P/FCFE (x) | 20.3 | NA | NA | NA | 142.7 |
| Net Gearing | 190% | 143% | 143% | 145% | 142% |
| P/BV (x) | 0.56 | 0.48 | 0.48 | 0.46 | 0.45 |
| ROE | 5.33% | 4.27% | 4.24% | 4.81% | 4.81% |
| % Change In Core EPS Estimates | | | 18.7% | 24.3% | 20.7% |
| CGS-CIMB/Consensus EPS (x) | | | 0.94 | 0.93 | 1.05 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Expanding beyond residential business

Investments in XSpring and industrial estate business ➤

SIRI recently announced a THB1,653.85m investment in XSpring Capital (formerly known as Zmico Capital) by purchasing 403.4m newly-issued shares of the latter at an offering price of THB4.10 per share through a private placement (PP). After the investment, SIRI will hold a 15% stake in XSpring. It will then be entitled to subscribe for XSpring's rights offering (RO) shares – at the ratio of two new shares for every existing share, SIRI could subscribe 806.8m new RO shares at the price of THB0.50m, totalling THB403.4m. This would raise its total investment in XSpring to THB2,057.2m, or THB1.7 per share. SIRI will pay for its PP subscription in Jul 21 and RO subscription in Aug 21.

XSpring engages in financial and brokerage services i.e. asset management, distressed asset management, and securities. It plans to expand into digital financial services i.e. Initial Coin Offering (ICO) and digital assets exchange. XSpring has 7-10 ICO deals in the pipeline. It plans to bid for non-performing assets from the banks, and renovate and re-sell these assets.

SIRI will recognise the share of profit (loss) from the investment in Xspring; it expects a small contribution from XSpring investment in 2021-22F.

Figure 1: XSpring's company profile

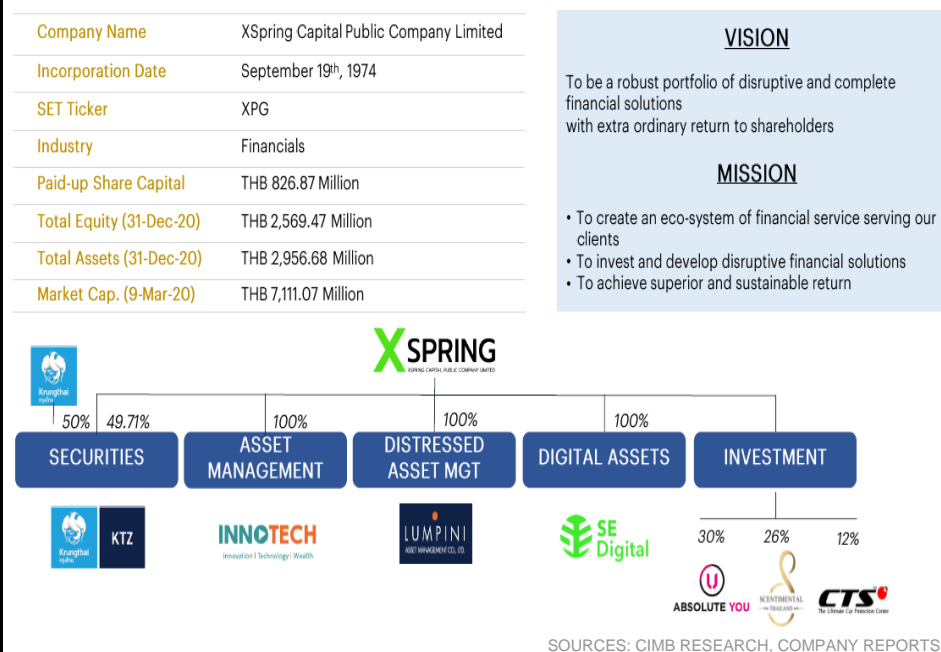


Figure 2: XSpring's capital raising plan – private placement and rights offering

| | No. of Shares | Exercise Price | Amount (Baht) | % Shareholding after PP |
|--------------------------------|-------------------------|----------------|-------------------------|-------------------------|
| Sansiri PLC | 403,379,000.00 | 4.1 | 1,653,853,900.00 | 15.00% |
| Viriya Insurance PLC | 268,918,000.00 | 4.1 | 1,102,563,800.00 | 10.00% |
| Khun Mongkol Prakitchaiwattana | 363,041,000.00 | 4.1 | 1,488,468,100.00 | 13.50% |
| Total PP | 1,035,338,000.00 | 4.1 | 4,244,885,800.00 | |
| RO (1 RO : 2 Shares) | | | | |
| Existing Shareholders | 3,307,703,344.00 | 0.5 | 1,653,851,672.00 | |
| Sansiri PLC | 806,758,000.00 | 0.5 | 403,379,000.00 | |
| Viriya Insurance PLC | 537,836,000.00 | 0.5 | 268,918,000.00 | |
| Khun Mongkol Prakitchaiwattana | 726,082,000.00 | 0.5 | 363,041,000.00 | |
| Total RO | 5,378,379,344.00 | 0.5 | 2,689,189,672.00 | |
| Total PP + RO | 6,413,717,344.00 | | 6,934,075,472.00 | |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 3: Timeline of XSpring's capital increase

| | TIMELINE |
|---|---|
| <ul style="list-style-type: none"> • Business Diversification • Enhance our Existing Business <ul style="list-style-type: none"> • Asset Management : Bidding NPL • Digital Asset : ICO • Other Business : Opportunity for M&A, JV • Financing : B/E, Bond etc • Utilise Customer Base • Future Opportunity in Digital Financing | <ul style="list-style-type: none"> • XSpring EGM : 1 Jul 2021 • PP Subscription Period : 13 -15 Jul 2021 • First Day Trade for PP : 21 Jul 2021 • RO Subscription Period : 20-26 Aug 2021 • First Day Trade for RO : 21 Sep 2021 |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

SIRI has also invested in a 50:50 joint venture project with Prospect Development, a 100%-owned subsidiary of M.K. Real Estate Development, to develop warehouses and factories for lease and industrial land for sale in Bangpakong, Chachoengsao Province (47 km from Suvarnabhumi Airport). The JV project has a total land area of 535.4 rai consisting of land for sale (184.75 rai), common area (41.21 rai), and warehouses and factories for lease (309.45 rai). SIRI's total investment would be THB1.2bn, of which THB750m will be paid in 2021. Phase 1 of the JV's warehouse and factory development will be completed in 2022 and slated to generate rental income of THB80m in 2022. SIRI plans to sell the warehouses and factories to a REIT in the next three years and realise gain from asset disposal.

We estimate SIRI will recognise share of profit of THB6m from the Bangpakong JV project based on THB80m rental income and 15% net margin. SIRI said its rationale for the investment in Xspring and Bangpakong JV project is to diversify itself from residential business and enhance its investment return in the long term. SIRI will use equity method for the new investments. It expects a small share of profit from the new investments in the next two years. We estimate the two new investments, totalling THB2.8bn, will generate less than 3% investment return in 2021-22F.

Figure 4: Bangkok JV project



Figure 5: Shareholding structure of Prospect Development



1Q21 results review ➤

SIRI's 1Q21 net profit declined 34.7% qoq but jumped 520.5% yoy to THB384.1m, below our and Bloomberg consensus expectations by 10.9% and 19.7% respectively due to higher-than-expected interest expense and corporate income tax rate as well as lower-than-expected share of profit from investments in JV and associates. 1Q21 net profit, excluding THB80.6m interest expense on perpetual bonds, declined 40.8% qoq but rose 390% yoy to THB303.4m due to higher residential revenue and gross margin improvement.

Residential revenue declined 16.1% qoq but increased 12.3% yoy to THB6.04bn in 1Q21, in line with our expectation, driven by higher low-rise housing transfers of THB4.4bn (-2.3% qoq, +38.2% yoy). Condo revenue dropped 38.9% qoq and 24.9% yoy to THB1.66bn in 1Q21, mainly from transfers of the Oka Haus, Kawa Haus, La Habana and Dcondo Tann Charan projects.

Gross margin from residential sales softened qoq to 29.8% in 1Q21, below our expectation of 31%, but improved significantly from 17.9% in 1Q20, due to less aggressive promotions to reduce inventory.

Revenue from business management fell 36% qoq and 38.8% yoy to THB432m in 1Q21, owing to a drop in revenue from turnkey construction management of JV projects.

SG&A expenses increased 0.3% yoy to THB1.26bn in 1Q21, due to higher transfer fees and special business tax and THB20m amortisation of intangible assets of The Standard Holdings (SI).

Interest expense increased 51.8% yoy to THB306.4m in 1Q21, above our expectation of THB235m, as it was not able to capitalise on the interest expenses incurred by the undeveloped land plots. Share of profit from associates and JV projects fell 94.7% yoy to THB7.5m in 1Q21 due to lower JV condo transfers of THB1.44bn, aggressive promotions to clear JV inventory, and expenses relating to holding undeveloped land for JV projects.

Figure 6: Results comparison

| FYE Dec (THB m) | 1QFY21 | 1QFY20 | yoy % | 4QFY20 | qoq % | Prev. | |
|---|-----------|-----------|-----------|-----------|---------|------------|--|
| | | | chg | | chg | FY21F | Comment |
| Revenue | 6,693.8 | 6,252.4 | 7.1 | 8,035.0 | (16.7) | 26,420.1 | In line |
| Operating costs | (5,846.7) | (6,333.3) | (7.7) | (7,444.1) | (21.5) | (23,759.2) | |
| EBITDA | 847.1 | (80.9) | (1,146.6) | 590.9 | 43.3 | 2,660.8 | Higher |
| EBITDA margin (%) | 12.7 | (1.3) | 13.9 | 7.4 | 5.3 | 10.1 | |
| Depn & amort. | (208.4) | (186.5) | 11.7 | (216.8) | (3.9) | (960.2) | |
| EBIT | 638.7 | (267.5) | (338.8) | 374.1 | 70.7 | 1,700.6 | Higher |
| Interest expense | (306.4) | (201.9) | 51.8 | (259.7) | 18.0 | (982.2) | Higher |
| Interest & invt inc | 169.8 | 297.6 | (42.9) | 418.8 | (59.4) | 664.6 | Higher |
| Associates' contrib | 7.5 | 140.2 | (94.7) | 81.0 | (90.8) | 275.0 | Lower |
| Exceptionals | 0.0 | 58.8 | (100.0) | 84.5 | (100.0) | - | |
| Pretax profit | 502.1 | (171.8) | (392.2) | 533.2 | (5.8) | 1,383.0 | Higher |
| Tax | (150.8) | (24.9) | 505.2 | (170.7) | (11.7) | (414.9) | Higher |
| Tax rate (%) | 30.0 | (14.5) | 44.5 | 32.0 | (2.0) | 30.0 | |
| Minority interests | 25.3 | 59.6 | (57.6) | 60.22 | (58.0) | 109.2 | Lower |
| Net profit | 384.1 | 61.9 | 520.5 | 588.2 | (34.7) | 1,761.1 | Below our and market expectation by 10.9% and 19.7% due to higher-than-expected interest expenses and tax rate and lower-than-expected share of profit from investments in JV and associates |
| Net profit (loss) including coupon payment for perpetual bond | 303.4 | 61.9 | 390.3 | 512.5 | (40.8) | 1,352.3 | |
| Core net profit | 303.4 | 3.1 | 9,749.0 | 428.0 | (29.1) | 1,352.3 | |
| Cumulative interest expense on subordinated perpetual debenture | (80.6) | - | n.m. | (75.7) | 6.5 | (408.8) | |
| EPS (THB) | 0.020 | 0.004 | 366.5 | 0.04 | (42.1) | 0.09 | |
| Core EPS (THB) | 0.020 | 0.000 | 9,271.9 | 0.029 | (30.6) | 0.09 | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Operating statistics

| | 1QFY21 | 1QFY20 | % yoy | 4QFY20 | % qoq |
|---|--------------|--------------|-------------|--------------|---------------|
| Revenue breakdown (THBm) | | | | | |
| Revenue from low-rise housing | 4,385 | 3,173 | 38.2 | 4,488 | (2.3) |
| Revenue from condo | 1,659 | 2,210 | (24.9) | 2,714 | (38.9) |
| Revenue from residential sales | 6,044 | 5,383 | 12.3 | 7,203 | (16.1) |
| Revenue from business management | 432 | 706 | (38.8) | 675 | (36.0) |
| Key performance indicators | | | | | |
| Gross margin from residential sales (%) | 29.8 | 17.9 | 11.9 | 32.2 | (2.3) |
| Overall gross margin (%) | 28.3 | 15.8 | 12.6 | 30.5 | (2.1) |
| SG&A to revenue ratio (%) | 18.8 | 20.1 | (1.3) | 25.8 | (7.0) |
| Net margin (%) | 5.7 | 1.0 | 4.7 | 7.3 | (1.6) |
| D/E ratio (x) | 1.44 | 1.88 | (0.4) | 1.42 | 0.0 |
| Gross profit | 1,896.7 | 986.7 | 92.2 | 2,449.3 | (22.6) |
| Gross profit from residential sales | 1,803.6 | 965.9 | 86.7 | 2,317.3 | (22.2) |
| SG&A expenses | 1,258.1 | 1,254.2 | 0.3 | 2,075.2 | (39.4) |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Upgrade to Hold with a higher TP of THB1.15 ➤

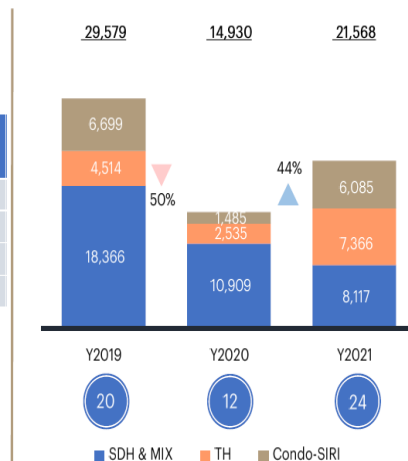
We raise our FY21-23F core EPS by 18.7-24.3%, to factor in changes to our assumptions i.e. presales, residential revenue, gross margins, SG&A, interest expenses, share of profit from investments in JVs and associates, and lower losses at The Standard Holdings (SI). We upgrade SIRI to Hold from Reduce in view of the improved outlook for its residential property development business with expected core EPS growth rebound in 2021-22F. In our view, the price rally (+26%) in the past few days has factored in the announcement of two new investments. We expect the new investments to generate small return for SIRI in the next two years.

Our TP rises to THB1.15, now based on 9.1x 2022F P/E (7.7x previously), still 0.50 s.d. below its historical 5-year 12M forward mean. SIRI is trading at 9.7x 2022F P/E, above the sector average P/E of 8.7x. Its current valuation prices in the potential long-term growth of its new investments, in our view. Upside risks to our call include faster-than-expected transfers and reduced losses from SI. Key downside risks: delays in new project launches.

Figure 8: New launches planned for 2021

2021 PROJECT LAUNCHES

| Y2021 | SDH & MIX | TH | Condo-SIRI | No. of Project | Project Value (MB) |
|---------------------------|--------------|--------------|--------------|----------------|--------------------|
| 1Q2021 | - | - | - | - | - |
| 2Q2021 | 1 | 2 | 3 | 6 | 3,272 |
| 3Q2021 | 3 | 4 | - | 7 | 8,628 |
| 4Q2021 | 5 | 1 | 5 | 11 | 9,667 |
| No. of Project | 9 | 7 | 8 | 24 | |
| Project Value (MB) | 8,117 | 7,366 | 6,085 | 21,568 | |
| Protion | 38% | 34% | 28% | 100% | |



SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 9: New townhouse projects launched in 2Q21



Figure 10: New condo launches in 2Q21



Figure 11: Presales in 1Q21

Unit: THB Million

| Product Type | 1Q2021 | 4Q2020 | 1Q2020 | %Q-o-Q | %Y-o-Y |
|--|--------------|--------------|--------------|------------|------------|
| Single-detached House & Mixed projects | 4,212 | 3,861 | 3,025 | 9% | 39% |
| Townhome | 480 | 397 | 395 | 21% | 22% |
| Condominium | 1,349 | (894) | 3,207 | -251% | -58% |
| SIRI | 122 | (351) | 1,799 | -135% | -93% |
| SIRI-BTS (50 : 50) | 1,129 | (466) | 907 | -342% | 24% |
| SIRI-TK (70 : 30) | 97 | (76) | 501 | -228% | -81% |
| Total | 6,041 | 3,365 | 6,626 | 80% | -9% |

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 12: Changes in key assumptions

| (THB m) | Old | | | New | | | % diff | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| | 2021F | 2022F | 2023F | 2021F | 2022F | 2023F | 2021F | 2022F | 2023F |
| Revenue from residential sales | 24,047.0 | 27,564.0 | 28,622.0 | 26,777.0 | 28,694.0 | 30,380.0 | 11.4% | 4.1% | 6.1% |
| Revenue from business management | 1,741.7 | 1,776.0 | 1,811.2 | 1,730.6 | 1,753.2 | 1,787.8 | -0.6% | -1.3% | -1.3% |
| Total revenue | 26,420.1 | 30,044.3 | 31,194.8 | 29,346.2 | 31,401.8 | 33,217.1 | 11.1% | 4.5% | 6.5% |
| Gross profit from residential sales | 7,483.3 | 8,308.2 | 8,631.3 | 8,034.9 | 8,763.5 | 9,405.8 | 7.4% | 5.5% | 9.0% |
| Gross profit (loss) from hotel management | (252.6) | (155.0) | (91.8) | (165.0) | (125.7) | (92.6) | -34.7% | -18.9% | 0.9% |
| Total gross profit | 7,719.3 | 8,651.8 | 9,050.8 | 8,412.9 | 9,189.6 | 9,878.3 | 9.0% | 6.2% | 9.1% |
| SG&A expenses | 6,018.6 | 6,498.0 | 6,741.5 | 5,519.8 | 5,934.6 | 6,317.7 | -8.3% | -8.7% | -6.3% |
| Interest expenses | 982.2 | 1,003.7 | 1,020.3 | 1,212.8 | 1,288.6 | 1,351.9 | 23.5% | 28.4% | 32.5% |
| Share of profit (loss) from affiliates and JVs | 275.0 | 188.9 | 188.9 | 150.0 | 222.9 | 103.0 | -45.5% | 18.0% | -45.5% |
| Net profit | 1,761.1 | 1,917.4 | 2,009.3 | 1,605.9 | 1,875.4 | 1,932.1 | -8.8% | -2.2% | -3.8% |
| Core net profit | 1,352.3 | 1,508.7 | 1,600.6 | 1,605.9 | 1,875.4 | 1,932.1 | 18.7% | 24.3% | 20.7% |
| Cumulative interest expense on subordinated perpetual debentures | 408.8 | 408.8 | 408.8 | 405.2 | 405.2 | 405.2 | -0.9% | -0.9% | -0.9% |
| EPS (THB) | 0.12 | 0.13 | 0.14 | 0.11 | 0.13 | 0.13 | -8.8% | -2.2% | -3.8% |
| Core EPS (THB) | 0.09 | 0.10 | 0.11 | 0.11 | 0.13 | 0.13 | 18.7% | 24.3% | 20.7% |
| 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 (%) | 31.1% | 30.1% | 30.2% | 30.0% | 30.5% | 31.0% | -1.1% | 0.4% | 0.8% |
| Gross margin from business management (%) | 26.8% | 26.8% | 26.9% | 29.2% | 29.2% | 29.3% | 2.4% | 2.4% | 2.4% |
| Overall gross margin (%) | 29.2% | 28.8% | 29.0% | 28.7% | 29.3% | 29.7% | -0.5% | 0.5% | 0.7% |
| SG&A to revenue ratio (%) | 22.8% | 21.6% | 21.6% | 18.8% | 18.9% | 19.0% | -4.0% | -2.7% | -2.6% |
| Net margin (%) | 6.7% | 6.4% | 6.4% | 5.5% | 6.0% | 5.8% | -1.2% | -0.4% | -0.6% |
| Core net margin (%) | 5.1% | 5.0% | 5.1% | 5.5% | 6.0% | 5.8% | 0.4% | 1.0% | 0.7% |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 13: SIRI's forward P/E band


SOURCES: CIMB RESEARCH, COMPANY REPORTS

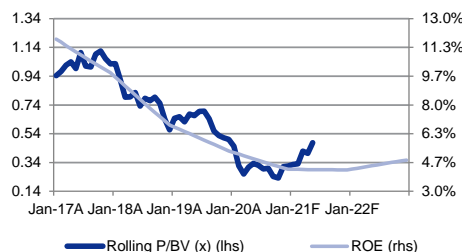
Figure 14: Peer comparison

| 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 | |
|--------------------|------------------|--------|-------------|--------------------|-----------------|--------------|------------|---------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | | | | | | 2021F | 2022F | 2021F | 2022F | 2021F | 2022F | 2021F | 2022F | 2021F | 2022F |
| AP Thailand | AP TB | Add | 8.55 | 9.50 | 857 | 6.6 | 6.1 | -4.0% | 8.0% | 0.84 | 0.77 | 5.3% | 5.7% | 13.3% | 13.1% |
| Land and Houses | LH TB | Add | 7.95 | 9.25 | 3,027 | 13.0 | 11.5 | 11.5% | 12.6% | 1.86 | 1.80 | 6.5% | 7.4% | 14.5% | 15.8% |
| LPN Development | LPN TB | Reduce | 5.05 | 4.25 | 234 | 10.6 | 9.5 | -3.7% | 12.1% | 0.66 | 0.65 | 6.9% | 7.4% | 6.0% | 6.9% |
| Pruksa Holding | PSH TB | Hold | 12.80 | 12.00 | 892 | 9.8 | 8.5 | 2.7% | 15.3% | 0.64 | 0.62 | 7.7% | 8.8% | 6.5% | 7.4% |
| Quality Houses | QH TB | Add | 2.24 | 2.50 | 765 | 10.6 | 9.4 | 7.0% | 12.3% | 0.87 | 0.84 | 5.9% | 6.6% | 8.4% | 9.1% |
| Supalai | SPALI TB | Add | 20.20 | 24.60 | 1,254 | 7.4 | 7.2 | 28.8% | 2.5% | 1.01 | 1.00 | 6.3% | 6.4% | 14.3% | 14.6% |
| Sansiri | SIRI TB | Hold | 1.23 | 1.15 | 582 | 11.4 | 9.7 | 7.6% | 16.8% | 0.48 | 0.46 | 3.3% | 4.1% | 4.2% | 4.8% |
| Ananda Development | ANAN TB | Reduce | 2.06 | 1.30 | 219 | n.a. | 85.0 | n.a. | n.a. | 0.45 | 0.46 | 0.0% | 0.6% | -0.1% | 0.5% |
| Origin Property | ORI TB | Add | 9.25 | 10.90 | 723 | 7.4 | 6.5 | 21.7% | 13.2% | 1.71 | 1.46 | 5.6% | 6.3% | 24.8% | 24.1% |
| Average | | | | | | 9.8 | 8.7 | 12.9% | 9.4% | 0.99 | 0.95 | 6.0% | 6.7% | 10.1% | 10.9% |

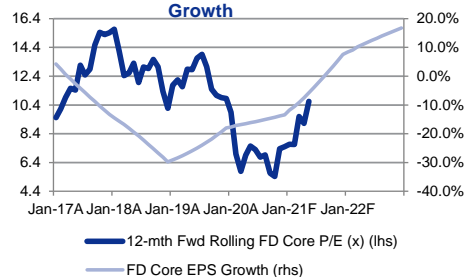
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

| (THBm) | Dec-19A | Dec-20A | Dec-21F | Dec-22F | Dec-23F |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Revenues | 24,310 | 33,833 | 29,346 | 31,402 | 33,217 |
| Gross Profit | 5,759 | 8,065 | 8,413 | 9,190 | 9,878 |
| Operating EBITDA | 1,490 | 2,432 | 3,853 | 4,200 | 4,580 |
| Depreciation And Amortisation | (429) | (827) | (960) | (945) | (1,019) |
| Operating EBIT | 1,061 | 1,605 | 2,893 | 3,255 | 3,561 |
| Financial Income/(Expense) | (936) | (1,108) | (1,618) | (1,694) | (1,757) |
| Pretax Income/(Loss) from Assoc. | 791 | 429 | 150 | 223 | 103 |
| Non-Operating Income/(Expense) | 1,050 | 1,058 | 713 | 729 | 758 |
| Profit Before Tax (pre-EI) | 1,967 | 1,984 | 2,138 | 2,514 | 2,664 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 1,967 | 1,984 | 2,138 | 2,514 | 2,664 |
| Taxation | (436) | (739) | (596) | (687) | (768) |
| Exceptional Income - post-tax | 744 | 83 | 0 | 0 | 0 |
| Profit After Tax | 2,275 | 1,328 | 1,542 | 1,826 | 1,896 |
| Minority Interests | 117 | 215 | 64 | 49 | 36 |
| Pref. & Special Div | 0 | 0 | 0 | 0 | 0 |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 2,392 | 1,543 | 1,606 | 1,875 | 1,932 |
| Recurring Net Profit | 1,648 | 1,460 | 1,606 | 1,875 | 1,932 |
| Fully Diluted Recurring Net Profit | 1,648 | 1,460 | 1,606 | 1,875 | 1,932 |

Cash Flow

| (THBm) | Dec-19A | Dec-20A | Dec-21F | Dec-22F | Dec-23F |
|------------------------------------|----------------|----------------|----------------|----------------|--------------|
| EBITDA | 1,490 | 2,432 | 3,853 | 4,200 | 4,580 |
| Cash Flow from Inv. & Assoc. | | | | | |
| Change In Working Capital | (24,500) | (23,792) | (2,896) | (4,569) | (1,466) |
| Straight Line Adjustment | | | | | |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | | | | | |
| Other Operating Cashflow | 16,158 | 24,930 | (905) | (964) | (999) |
| Net Interest (Paid)/Received | (936) | (1,108) | (1,618) | (1,694) | (1,757) |
| Tax Paid | (436) | (739) | (596) | (687) | (768) |
| Cashflow From Operations | (8,223) | 1,723 | (2,162) | (3,715) | (411) |
| Capex | 0 | 0 | 0 | 0 | 0 |
| Disposals Of FAs/subsidiaries | | | | | |
| Disposals of Investment Properties | | | | | |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | (1,112) | 319 | (399) | 338 | (897) |
| Cash Flow From Investing | (1,112) | 319 | (399) | 338 | (897) |
| Debt Raised/(repaid) | 10,196 | (7,133) | 1,333 | 1,537 | 1,436 |
| Proceeds From Issue Of Shares | (543) | 5,642 | 0 | 0 | 0 |
| Shares Repurchased | | | | | |
| Dividends Paid | (1,838) | (848) | (588) | (672) | (810) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | (178) | 1,146 | 1,618 | 1,694 | 1,757 |
| Cash Flow From Financing | 7,638 | (1,194) | 2,363 | 2,558 | 2,384 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

| (THBm) | Dec-19A | Dec-20A | Dec-21F | Dec-22F | Dec-23F |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Cash And Equivalents | 2,132 | 3,007 | 2,809 | 1,991 | 3,066 |
| Properties Under Development | | | | | |
| Total Debtors | 1,970 | 1,667 | 2,231 | 2,391 | 2,532 |
| Inventories | 62,844 | 56,081 | 61,049 | 65,346 | 66,585 |
| Total Other Current Assets | 7,637 | 8,155 | 7,337 | 7,850 | 8,304 |
| Total Current Assets | 74,583 | 68,909 | 73,426 | 77,578 | 80,487 |
| Fixed Assets | 2,988 | 6,257 | 6,022 | 6,368 | 6,641 |
| Total Investments | 0 | 0 | 0 | 0 | 0 |
| Intangible Assets | 0 | 0 | 0 | 0 | 0 |
| Total Other Non-Current Assets | 30,765 | 37,466 | 37,290 | 35,883 | 35,592 |
| Total Non-current Assets | 33,753 | 43,723 | 43,312 | 42,252 | 42,233 |
| Short-term Debt | 6,897 | 4,042 | 11,324 | 11,623 | 11,904 |
| Current Portion of Long-Term Debt | 10,238 | 16,105 | 2,372 | 2,372 | 2,372 |
| Total Creditors | 11,105 | 10,566 | 12,386 | 12,787 | 13,154 |
| Other Current Liabilities | | | | | |
| Total Current Liabilities | 28,240 | 30,713 | 26,082 | 26,782 | 27,430 |
| Total Long-term Debt | 45,476 | 38,911 | 46,695 | 47,932 | 49,088 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 2,745 | 3,810 | 3,810 | 3,810 | 3,810 |
| Total Non-current Liabilities | 48,221 | 42,722 | 50,505 | 51,742 | 52,898 |
| Total Provisions | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 76,461 | 73,435 | 76,587 | 78,525 | 80,328 |
| Shareholders' Equity | 30,943 | 37,376 | 38,394 | 39,597 | 40,719 |
| Minority Interests | 931 | 1,822 | 1,757 | 1,708 | 1,672 |
| Total Equity | 31,875 | 39,197 | 40,151 | 41,305 | 42,391 |

Key Ratios

| | Dec-19A | Dec-20A | Dec-21F | Dec-22F | Dec-23F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | (7.4%) | 39.2% | (13.3%) | 7.0% | 5.8% |
| Operating EBITDA Growth | (38.5%) | 63.2% | 58.5% | 9.0% | 9.0% |
| Operating EBITDA Margin | 6.1% | 7.2% | 13.1% | 13.4% | 13.8% |
| Net Cash Per Share (THB) | (4.26) | (3.85) | (3.87) | (4.03) | (4.06) |
| BVPS (THB) | 2.18 | 2.57 | 2.58 | 2.66 | 2.74 |
| Gross Interest Cover | 1.13 | 1.45 | 1.79 | 1.92 | 2.03 |
| Effective Tax Rate | 22.2% | 37.3% | 27.9% | 27.3% | 28.8% |
| Net Dividend Payout Ratio | 111% | 58% | 37% | 36% | 42% |
| Accounts Receivables Days | 21.46 | 19.67 | 24.24 | 26.87 | 27.05 |
| Inventory Days | 1,172 | 845 | 1,021 | 1,038 | 1,032 |
| Accounts Payables Days | 38.05 | 31.30 | 37.46 | 35.30 | 35.54 |
| ROIC (%) | 1.05% | 1.35% | 2.34% | 2.56% | 2.71% |
| ROCE (%) | 1.20% | 1.67% | 2.91% | 3.19% | 3.41% |
| Return On Average Assets | 2.24% | 1.93% | 2.47% | 2.69% | 2.72% |

Key Drivers

| | Dec-19A | Dec-20A | Dec-21F | Dec-22F | Dec-23F |
|---|----------|----------|----------|----------|----------|
| Unbooked presales | 20,806.0 | 31,000.0 | 34,200.0 | 37,620.0 | 41,382.0 |
| Gross margin from residential sales (%) | 26.9% | 25.0% | 30.0% | 30.5% | 31.0% |
| Gross margin - total (%) | 23.7% | 23.8% | 28.7% | 29.3% | 29.7% |
| SG&A to sales ratio (%) | 19.3% | 19.1% | 18.8% | 18.9% | 19.0% |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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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. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

| | | | | | |
|---------------------|-----------|-----------|---------|----------|------------------|
| Score Range: | 90 - 100 | 80 - 89 | 70 - 79 | Below 70 | No Survey Result |
| Description: | Excellent | Very Good | Good | N/A | N/A |

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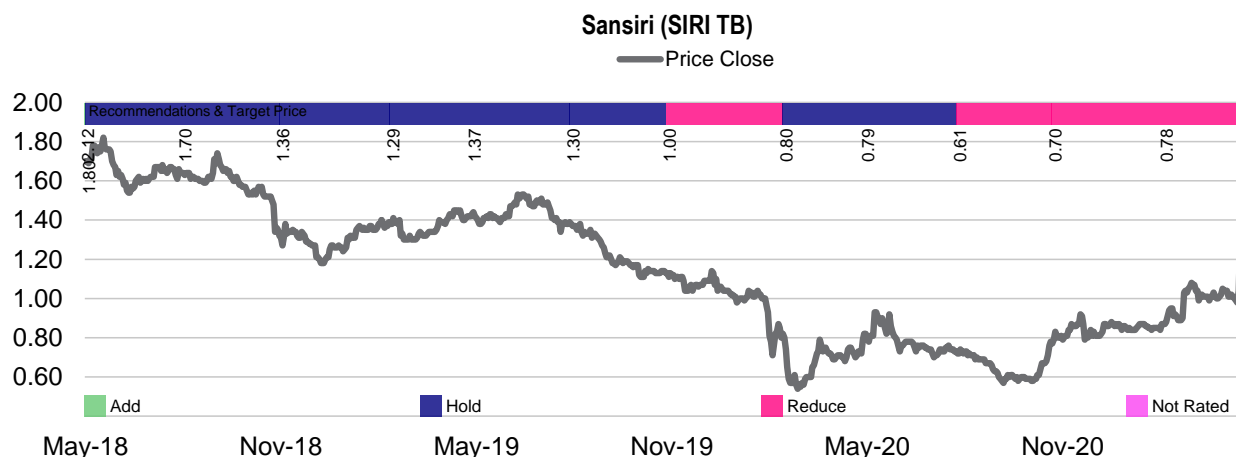
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2021 | | |
|---|-------------------------|--------------------------------|
| 613 companies under coverage for quarter ended on 31 March 2021 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 70.3% | 1.1% |
| Hold | 19.6% | 0.2% |
| Reduce | 10.1% | 0.2% |

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 2020, Anti-Corruption 2020

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Excellent, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Very Good, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Very Good, n/a, **DELTA** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, n/a, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – Excellent, Declared, **JMT** – Very Good, Declared, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – n/a, n/a, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – n/a, n/a, **OR** – n/a, n/a, **ORI** – Excellent, Certified, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RBF** – Good, n/a, **RS** – Excellent, n/a, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – n/a, n/a, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – n/a, n/a, **SHR** – Very Good, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Declared, **SPRC** – Excellent, Certified, **SSP** – Good, Declared, **STEC** – n/a, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, n/a, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2020 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of January 30, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

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. |