

Soraphob Panpiemras,
CFA

soraphob.panpiemras@clsa.com
+66 2 257 4633

23 February 2021

Thailand Property

Reuters AP.BK
Bloomberg AP TB

Priced on 23 February 2021
Thai SET @ 1,500.6

12M hi/lo Bt8.15/3.44

12M price target Bt8.80
±% potential +21%

Shares in issue 3,145.9m

Free float (est.) 52.2%

Market cap US\$768m

3M ADV US\$4.7m

Foreign s'holding 28.8%

Major shareholders

Mr. Anuphong Assavabhokhin
23.6%

Mr. Pichet Vipavasuphakorn 10.3%

Blended ESG Score (%)*

Overall 78.9

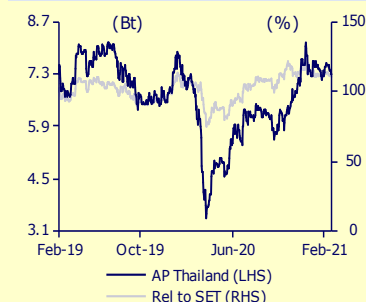
Country average 66.7

GEM sector average 67.6

*Click to visit company page on clsa.com for details

Stock performance (%)

	1M	3M	12M
Absolute	(1.4)	5.8	5.8
Relative	(1.5)	0.1	5.4
Abs (US\$)	(0.7)	7.2	11.8



Source: Bloomberg

Beating Covid-19 odds

Hitting new highs on 2020 low-rise presales, revenue and net profit

Unlike its peers, whose performance in 2020 was hit hard by Covid-19, AP Thailand managed to reach new record highs for low-rise presales, housing revenue and net profit. Its FY20 low-rise presale jumped 51% YoY driven by twice as many new launches in 2020 vs 2019. This solid low-rise performance enabled AP to achieve new highs in both housing revenue (+28% YoY) and net profit (+38% YoY). This result was well above AP's business target, but largely in line with our expectation. We continue to like AP due to its strong delivery and cheap PE.

Making new record high in 2020 low-rise presales ...

Despite severe impacts of Covid-19 on the Thai housing market, AP successfully grew its FY20 low-rise presales by 51% YoY, making a new record high of Bt27.8bn (24% ahead of its target). AP's exceptional low-rise presale performance last year could be mainly attributable to its ability to double low-rise launches from Bt20.8bn in 2019 to Bt41.8bn in 2020 as well as its core competitive advantage in mid/high-end segment (which suffered less from Covid-19 than low-end segment).

... and also in housing revenue, equity income and net profit

Thanks mainly to the solid low-rise performance, AP reported FY20 net profit of Bt4.2bn, +38% YoY, also a new record high. This exceptional result was mainly driven by: 1) a 28% YoY rise in housing revenue to a new high of Bt28.9bn (+32% YoY low-rise revenue and +16% YoY condo revenue), 2) lower SG&A as % of sale, and 3) a 93% increase in equity income from JV condo (Bt2.0bn in 2020). This result beat AP's business target by a sizable margin, but is slightly ahead of our expectation, which is already 7% above market consensus.

2021 business target announcement

AP set its FY21 presales target at Bt35.5bn (+12% YoY). Unlike in 2020, this target growth will be mostly driven by Bt7.5bn condo presales target (+96% YoY) as AP conservatively sets its FY21 low-rise presales target at only 1% and plans to launch more condos in 2021 (Bt14.2bn vs Bt3.2bn in 2020). Revenue-wise, it set FY20 target at Bt30.1bn (AP only), +4% YoY. Thanks to large low-rise backlogs in 4Q20 (Bt8.4bn), AP targets to grow its FY21 low-rise revenue to Bt28.0bn (+16% YoY).

Reiterate BUY with target price of Bt8.80

Our Bt8.80 target price is based on 7x 22CL PE. AP currently still trades on around 6x 21CL PE, cheaper than its average peer level of 8x. We still like the company's consistent delivery of strong presales performance and reiterate our BUY call.

Financials

Year to 31 December	18A	19A	20CL	21CL	22CL
Revenue (Btm)	26,200	22,679	28,575	29,147	30,604
Net profit (Btm)	3,963	3,068	4,090	3,812	3,949
EPS (Bt)	1.3	1.0	1.3	1.2	1.3
CL/consensus (13) (EPS%)	-	-	103	102	102
EPS growth (% YoY)	25.9	(22.6)	33.3	(6.8)	3.6
PE (x)	5.8	7.5	5.6	6.0	5.8
Dividend yield (%)	5.5	5.5	6.2	5.8	6.0
FCF yield (%)	(13.6)	(43.9)	(6.1)	7.2	5.5
PB (x)	0.9	0.9	0.8	0.7	0.7
ROE (%)	17.2	12.1	14.8	12.6	12.0
Net debt/equity (%)	78.9	102.8	101.8	93.8	87.5

Source: www.clsa.com

Financials at a glance

Year to 31 December	2018A	2019A	2020CL	(% YoY)	2021CL	2022CL
Profit & Loss (Btm)						
Revenue	26,200	22,679	28,575	26	29,147	30,604
Cogs (ex-D&A)	(18,269)	(15,535)	(20,054)		(20,219)	(21,219)
Gross Profit (ex-D&A)	7,931	7,144	8,522	19.3	8,927	9,385
SG&A and other expenses	(4,224)	(4,320)	(5,063)		(5,135)	(5,395)
Op Ebitda	3,707	2,824	3,459	22.5	3,793	3,989
Depreciation/amortisation	(70)	(92)	(163)		(183)	(203)
Op Ebit	3,637	2,732	3,295	20.6	3,609	3,786
Net interest inc/(exp)	(113)	(238)	(359)		(389)	(390)
Other non-Op items	1,208	1,151	1,800	56.4	1,300	1,300
Profit before tax	4,732	3,645	4,736	29.9	4,520	4,696
Taxation	(779)	(581)	(646)		(708)	(747)
Profit after tax	3,953	3,064	4,090	33.5	3,812	3,949
Minority interest	10	4	0		0	0
Net profit	3,963	3,068	4,090	33.3	3,812	3,949
Adjusted profit	3,963	3,068	4,090	33.3	3,812	3,949
Cashflow (Btm)						
Operating profit	3,637	2,732	3,295	20.6	3,609	3,786
Depreciation/amortisation	70	92	163	78.6	183	203
Working capital changes	(5,215)	(11,164)	(5,470)		(2,178)	(2,709)
Other items	(1,422)	(1,470)	821		230	191
Net operating cashflow	(2,931)	(9,810)	(1,190)		1,844	1,472
Capital expenditure	(204)	(283)	(200)		(200)	(200)
Free cashflow	(3,134)	(10,093)	(1,390)		1,644	1,272
M&A/Others	(262)	(1,114)	28		(123)	(224)
Net investing cashflow	(465)	(1,396)	(172)		(323)	(424)
Increase in loans	4,394	12,085	2,550	(78.9)	244	115
Dividends	(1,101)	(1,258)	(1,258)		(1,432)	(1,334)
Net equity raised/other	0	0	0		-	-
Net financing cashflow	3,293	10,826	1,292	(88.1)	(1,188)	(1,219)
Incr/(decr) in net cash	(103)	(381)	(70)		333	(171)
Exch rate movements	0	0	0		0	0
Balance sheet (Btm)						
Cash & equivalents	951	570	500	(12.3)	833	662
Accounts receivable	141	169	196	15.7	200	210
Other current assets	42,193	50,731	54,631	7.7	56,847	59,689
Fixed assets	1,087	1,147	1,184	3.2	1,200	1,197
Investments	4,572	5,526	5,476	(0.9)	5,576	5,776
Intangible assets	117	214	214	0	214	214
Other non-current assets	333	438	459	5	482	506
Total assets	49,395	58,794	62,659	6.6	65,351	68,253
Short-term debt	7,035	12,681	15,731	24.1	15,875	15,990
Accounts payable	1,617	1,753	1,404	(19.9)	1,417	1,488
Other current liabs	2,595	2,623	1,429	(45.5)	1,457	1,530
Long-term debt/CBs	13,240	14,927	14,427	(3.3)	14,527	14,527
Provisions/other LT liabs	417	514	540	5	567	596
Shareholder funds	24,504	26,313	29,145	10.8	31,525	34,140
Minorities/other equity	(13)	(17)	(17)		(17)	(17)
Total liabs & equity	49,395	58,794	62,659	6.6	65,351	68,253
Ratio analysis						
Revenue growth (% YoY)	24.0	(13.4)	26.0		2.0	5.0
Ebitda margin (%)	14.1	12.5	12.1		13.0	13.0
Ebit margin (%)	13.9	12.0	11.5		12.4	12.4
Net profit growth (%)	25.9	(22.6)	33.3		(6.8)	3.6
Op cashflow growth (% YoY)	nm	nm	nm		nm	(20.2)
Capex/sales (%)	0.8	1.2	0.7		0.7	0.7
Net debt/equity (%)	78.9	102.8	101.8		93.8	87.5
Net debt/Ebitda (x)	5.2	9.6	8.6		7.8	7.5
ROE (%)	17.2	12.1	14.8		12.6	12.0
ROIC (%)	8.2	5.2	5.6		5.5	5.5

Source: www.clsa.com

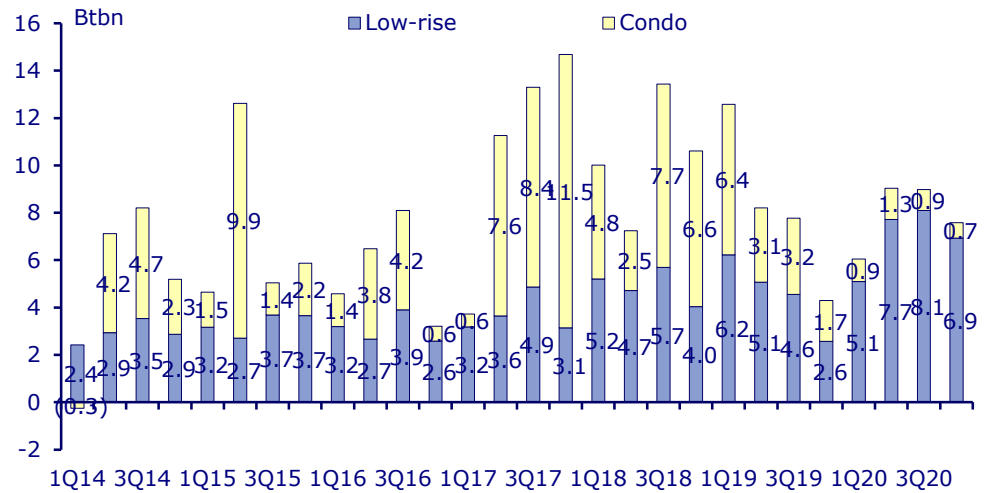
Find CLSA research on Bloomberg, Thomson Reuters, FactSet and CapitalIQ - and profit from our evalu@tor proprietary database at clsa.com

AP made a new low-rise
record presales high of
Bt27.8bn in 2020, +51%
YoY

Its housing revenue also hit
a new high of Bt28.9bn,
+28% YoY in 2020

Figure 1

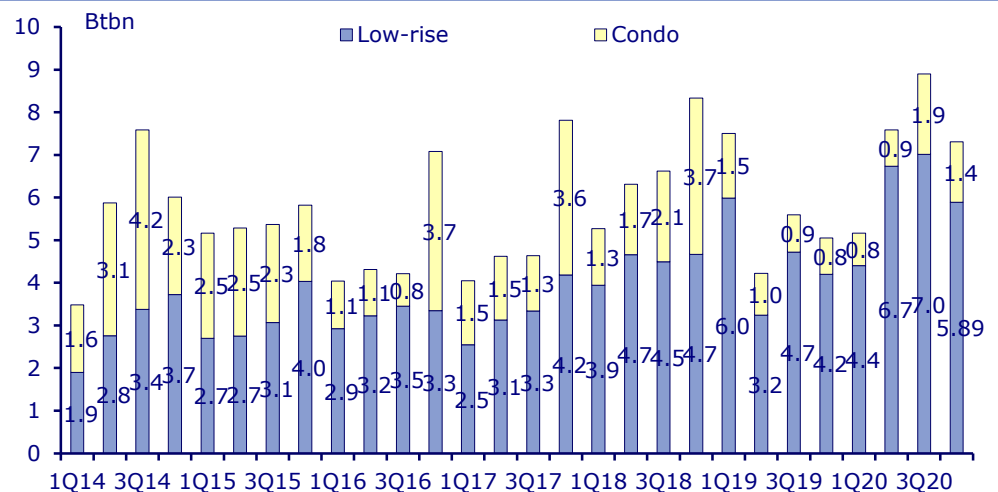
AP's quarterly revenue



Source: AP

Figure 2

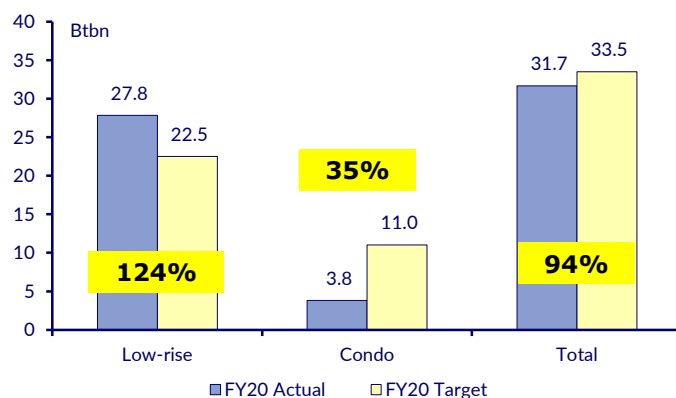
AP's quarterly revenue



Source: AP

Figure 3

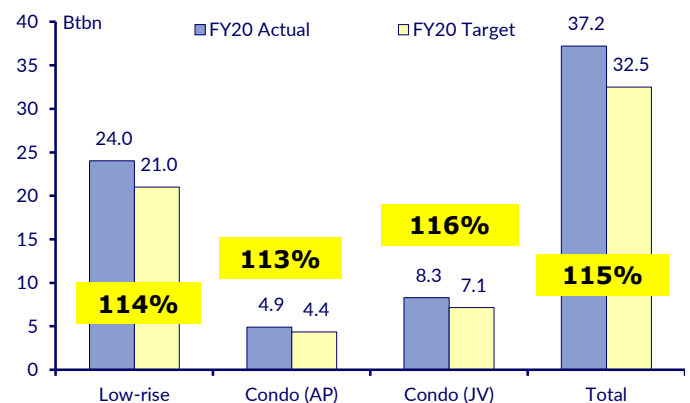
FY20 Actual vs FY20 Target presales



Source: AP

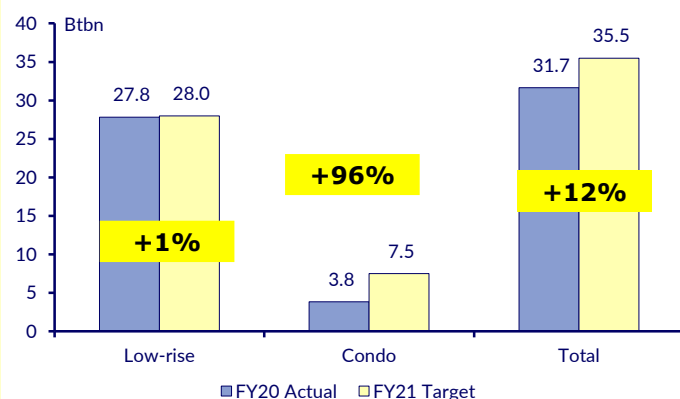
Figure 4

FY20 actual vs FY20 Target revenue



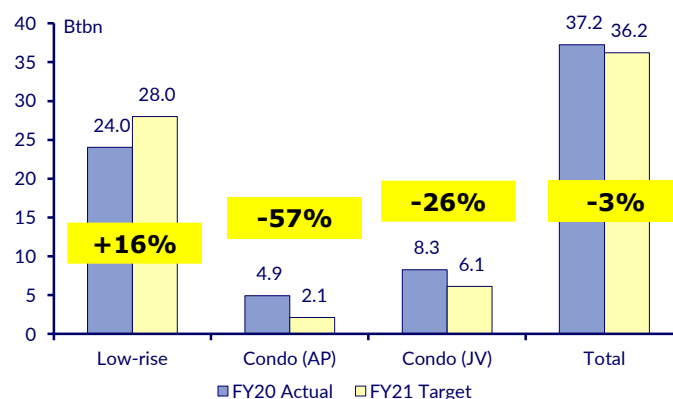
Source: AP

Figure 5

FY20 Actual vs FY21 Target presales

Source: AP

Figure 6

FY20 actual vs FY21 Target revenue (AP only = +4% YoY)

Source: AP

Comments on AP's FY20 results

- AP reported FY20 net profit of Bt4.2bn, +38% YoY, a new record high. This accounted for 103% of 20CL forecast, slightly above our expectation (which is already 7% above market consensus).
- FY20 housing revenue (AP only) of Bt28.9bn increased by 28% YoY, also making a new record high. This came out in line with our expectation. FY20 low-rise revenue of Bt24.0bn grew by 32% YoY, while Bt4.9bn FY20 condo revenue grew by 16% YoY. We note that FY20 housing revenue beat AP's target by 14%.
- 4Q20 gross margin of 29.4% improved from its trough in 2Q20 during the country-wide shut-down and was quite stable on a QoQ basis. FY20 gross margin of 29.3% was in line with our expectation.
- AP's FY20 other income (including equity income and service income from JV condo projects) rose by 29% YoY, slightly above our expectation. This strong growth was mainly driven by JV condo transfer, which also made a new high of Bt16.2bn in 2020 (on a 100% basis).
- Despite a huge increase in revenue, AP's FY20 SG&A of Bt6.1bn only rose by 13% YoY, resulting in a drop in SG&A as a % of sales from 24.0% in 2019 to 21.3% in 2020. This was in line with our expectation.

Figure 7

AP's quarterly financial results											
	4Q19	1Q20	2Q20	3Q20	4Q20	%QoQ	%YoY	FY20	2020CL	% of FY20CL	%YoY
Revenue (Housing only)	5,051	5,162	7,583	8,900	7,304	(18%)	45%	28,949	28,575	101%	28%
Cost of sales	(3,402)	(3,537)	(5,487)	(6,281)	(5,154)	(18%)	52%	(20,458)	(20,217)	101%	31%
Gross profit	1,650	1,625	2,096	2,620	2,150	(18%)	30%	8,491	8,358	102%	20%
Other income (exp) incl equity and service income	928	358	885	1,050	658	(37%)	(29%)	2,951	2,830	104%	29%
SG&A	(1,554)	(1,147)	(1,516)	(1,918)	(1,579)	(18%)	2%	(6,160)	(6,087)	101%	13%
Operating profit	1,023	836	1,466	1,752	1,228	(30%)	20%	5,283	5,102	104%	36%
Interest expense	(55)	(75)	(101)	(96)	(95)	(1%)	71%	(367)	(365)	101%	48%
EBT	968	761	1,365	1,656	1,133	(32%)	17%	4,915	4,736	104%	35%
Income tax	(87)	(143)	(150)	(205)	(191)	(7%)	120%	(690)	(646)	107%	19%
Reported Net Profit	882	618	1,215	1,450	942	(35%)	7%	4,227	4,090	103%	38%
Gross Margin	32.7%	31.5%	27.6%	29.4%	29.4%			29.3%	29.3%		
% SG&A	30.8%	22.2%	20.0%	21.5%	21.6%			21.3%	21.3%		
Effective tax rate	9.0%	18.8%	11.0%	12.4%	16.8%			14.0%	13.6%		
Net profit margin	17.5%	12.0%	16.0%	16.3%	12.9%			14.6%	14.3%		

Source: CLSA; AP

Valuation details

We base our Bt8.80 target price on 7.0x 22CL PE, which is slightly higher than AP's five-year historical average, which can be well justified by its consistently strong low-rise performance. As Thai housing developers do not own large landbanks, their revenue visibility period is not long and they view themselves more as housing manufacturers. Therefore, Thai housing developers need to replenish their landbank every year and, without knowing their new launch plans, earnings visibility is limited. The market, consequently, looks at Thai property valuations on a year-to-year basis.

Investment risks

Like the property sector in other countries, Thailand's real estate is cyclical, going through boom-and-bust periods. Political events and economic crises (including impacts from the Covid-19 outbreak) can also impact housing demand - especially for condos - since the market for low-rise units includes more real demand and can be more resilient. As AP maintains a balanced low-rise and condo portfolio, its risks are well-diversified. In addition, the company also successfully grew its low-rise portfolio during recent years. Nonetheless, we acknowledge significant impact from the Covid-19 pandemic, which hit the Thai economy and housing market sentiment very hard.

Detailed financials

Profit & Loss (Btm)

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Revenue	19,653	21,124	26,200	22,679	28,575	29,147	30,604
Cogs (ex-D&A)	(13,250)	(14,208)	(18,269)	(15,535)	(20,054)	(20,219)	(21,219)
Gross Profit (ex-D&A)	6,403	6,916	7,931	7,144	8,522	8,927	9,385
Research & development costs	-	-	-	-	-	-	-
Selling & marketing expenses	-	-	-	-	-	-	-
Other SG&A	(4,012)	(4,543)	(5,295)	(5,443)	(6,087)	(6,208)	(6,519)
Other Op Expenses ex-D&A	600	1,052	1,071	1,123	1,023	1,073	1,123
Op Ebitda	2,991	3,425	3,707	2,824	3,459	3,793	3,989
Depreciation/amortisation	(42)	(54)	(70)	(92)	(163)	(183)	(203)
Op Ebit	2,949	3,371	3,637	2,732	3,295	3,609	3,786
Interest income	7	6	10	9	6	8	9
Interest expense	(189)	(150)	(123)	(247)	(365)	(397)	(399)
Net interest inc/(exp)	(182)	(144)	(113)	(238)	(359)	(389)	(390)
Associates/investments	371	502	1,218	1,009	1,800	1,300	1,300
Forex/other income	-	-	-	-	-	-	-
Asset sales/other cash items	184	159	(9)	142	-	-	-
Provisions/other non-cash items	-	-	-	-	-	-	-
Asset revaluation/Exceptional items	-	-	-	-	-	-	-
Profit before tax	3,321	3,887	4,732	3,645	4,736	4,520	4,696
Taxation	(619)	(739)	(779)	(581)	(646)	(708)	(747)
Profit after tax	2,703	3,148	3,953	3,064	4,090	3,812	3,949
Preference dividends	-	-	-	-	-	-	-
Profit for period	2,703	3,148	3,953	3,064	4,090	3,812	3,949
Minority interest	0	0	10	4	0	0	0
Net profit	2,703	3,148	3,963	3,068	4,090	3,812	3,949
Extraordinaries/others	0	0	0	0	0	0	0
Profit avail to ordinary shares	2,703	3,148	3,963	3,068	4,090	3,812	3,949
Dividends	(944)	(944)	(1,101)	(1,258)	(1,258)	(1,432)	(1,334)
Retained profit	1,759	2,205	2,862	1,809	2,832	2,380	2,615
Adjusted profit	2,703	3,148	3,963	3,068	4,090	3,812	3,949
EPS (Bt)	0.9	1.0	1.3	1.0	1.3	1.2	1.3
Adj EPS [pre excep] (Bt)	0.9	1.0	1.3	1.0	1.3	1.2	1.3
Core EPS (Bt)	0.9	1.0	1.3	1.0	1.3	1.2	1.3
DPS (Bt)	0.3	0.4	0.4	0.4	0.5	0.4	0.4

Profit & loss ratios

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Growth (%)							
Revenue growth (% YoY)	(9.2)	7.5	24.0	(13.4)	26.0	2.0	5.0
Ebitda growth (% YoY)	(17.2)	14.5	8.2	(23.8)	22.5	9.7	5.2
Ebit growth (% YoY)	(17.3)	14.3	7.9	(24.9)	20.6	9.5	4.9
Net profit growth (%)	3.0	16.5	25.9	(22.6)	33.3	(6.8)	3.6
EPS growth (% YoY)	3.0	16.5	25.9	(22.6)	33.3	(6.8)	3.6
Adj EPS growth (% YoY)	3.0	16.5	25.9	(22.6)	33.3	(6.8)	3.6
DPS growth (% YoY)	0.0	16.7	14.3	0.0	13.8	(6.8)	3.6
Core EPS growth (% YoY)	3.0	16.5	25.9	(22.6)	33.3	(6.8)	3.6
Margins (%)							
Gross margin (%)	32.6	32.7	30.3	31.5	29.8	30.6	30.7
Ebitda margin (%)	15.2	16.2	14.1	12.5	12.1	13.0	13.0
Ebit margin (%)	15.0	16.0	13.9	12.0	11.5	12.4	12.4
Net profit margin (%)	13.8	14.9	15.1	13.5	14.3	13.1	12.9
Core profit margin	13.8	14.9	15.1	13.5	14.3	13.1	12.9
Op cashflow margin	(2.0)	(30.3)	(11.2)	(43.3)	(4.2)	6.3	4.8
Returns (%)							
ROE (%)	14.6	15.3	17.2	12.1	14.8	12.6	12.0
ROA (%)	6.5	6.7	6.5	4.2	4.7	4.8	4.8
ROIC (%)	8.0	8.5	8.2	5.2	5.6	5.5	5.5
ROCE (%)	9.1	9.4	8.8	5.6	5.9	6.0	6.1
Other key ratios (%)							
Effective tax rate (%)	18.6	19.0	16.5	15.9	13.6	15.7	15.9
Ebitda/net int exp (x)	16.4	23.8	32.8	11.8	9.6	9.7	10.2
Exceptional or extraord. inc/PBT (%)	-	-	-	-	-	-	-
Dividend payout (%)	34.9	35.0	31.8	41.0	35.0	35.0	35.0

Source: www.clsa.com

Balance sheet (Btm)

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Cash & equivalents	1,087	1,054	951	570	500	833	662
Accounts receivable	164	390	141	169	196	200	210
Inventories	30,743	35,425	41,149	49,715	53,350	55,541	58,318
Other current assets	1,125	871	1,044	1,016	1,281	1,306	1,371
Current assets	33,118	37,741	43,286	51,470	55,327	57,880	60,561
Fixed assets	701	920	1,087	1,147	1,184	1,200	1,197
Investments	3,600	4,866	4,572	5,526	5,476	5,576	5,776
Goodwill	100	100	100	100	100	100	100
Other intangible assets	16	29	17	114	114	114	114
Other non-current assets	255	280	333	438	459	482	506
Total assets	37,790	43,936	49,395	58,794	62,659	65,351	68,253
Short term loans/OD	6,441	8,962	7,035	12,681	15,731	15,875	15,990
Accounts payable	1,031	1,232	1,617	1,753	1,404	1,417	1,488
Accrued expenses	-	-	-	-	-	-	-
Taxes payable	0	0	0	0	0	0	0
Other current liabs	2,249	2,297	2,595	2,623	1,429	1,457	1,530
Current liabilities	9,721	12,491	11,247	17,057	18,564	18,749	19,008
Long-term debt/leases/other	8,300	9,440	13,240	14,927	14,427	14,527	14,527
Convertible bonds	-	-	-	-	-	-	-
Provisions/other LT liabs	345	372	417	514	540	567	596
Total liabilities	18,366	22,303	24,904	32,498	33,531	33,843	34,130
Share capital	3,146	3,146	3,146	3,146	3,146	3,146	3,146
Retained earnings	15,873	18,087	20,954	22,763	25,595	27,975	30,590
Reserves/others	404	404	404	404	404	404	404
Shareholder funds	19,423	21,637	24,504	26,313	29,145	31,525	34,140
Minorities/other equity	1	(4)	(13)	(17)	(17)	(17)	(17)
Total equity	19,424	21,633	24,491	26,296	29,128	31,508	34,123
Total liabs & equity	37,790	43,936	49,395	58,794	62,659	65,351	68,253
Total debt	14,741	18,402	20,275	27,608	30,158	30,402	30,517
Net debt	13,654	17,348	19,324	27,037	29,658	29,569	29,855
Adjusted EV	33,020	35,443	37,704	44,460	47,130	46,941	47,028
BVPS (Bt)	6.2	6.9	7.8	8.4	9.3	10.0	10.9

Balance sheet ratios

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Key ratios							
Current ratio (x)	3.4	3.0	3.8	3.0	3.0	3.1	3.2
Growth in total assets (% YoY)	4.5	16.3	12.4	19.0	6.6	4.3	4.4
Growth in capital employed (% YoY)	3.7	17.8	12.4	21.7	10.2	3.9	4.7
Net debt to operating cashflow (x)	(34.4)	(2.7)	(6.6)	(2.8)	(24.9)	16.0	20.3
Gross debt to operating cashflow (x)	(37.1)	(2.9)	(6.9)	(2.8)	(25.3)	16.5	20.7
Gross debt to Ebitda (x)	4.9	5.4	5.5	9.8	8.7	8.0	7.6
Net debt/Ebitda (x)	4.6	5.1	5.2	9.6	8.6	7.8	7.5
Gearing							
Net debt/equity (%)	70.3	80.2	78.9	102.8	101.8	93.8	87.5
Gross debt/equity (%)	75.9	85.1	82.8	105.0	103.5	96.5	89.4
Interest cover (x)	15.6	22.5	29.7	11.1	9.0	9.1	9.5
Debt cover (x)	0.0	(0.3)	(0.1)	(0.4)	0.0	0.1	0.0
Net cash per share (Bt)	(4.3)	(5.5)	(6.1)	(8.6)	(9.4)	(9.4)	(9.5)
Working capital analysis							
Inventory days	860.6	846.7	762.0	1,061.2	930.4	974.0	970.0
Debtor days	2.2	4.8	3.7	2.5	2.3	2.5	2.4
Creditor days	28.9	29.0	28.4	39.4	28.5	25.2	24.7
Working capital/Sales (%)	146.3	157.0	145.5	205.1	182.0	185.9	185.9
Capital employed analysis							
Sales/Capital employed (%)	59.4	54.2	59.8	42.5	48.6	47.7	47.8
EV/Capital employed (%)	99.8	90.9	86.1	83.4	80.2	76.9	73.5
Working capital/Capital employed (%)	86.9	85.1	87.0	87.2	88.4	88.7	88.9
Fixed capital/Capital employed (%)	2.1	2.4	2.5	2.2	2.0	2.0	1.9
Other ratios (%)							
PB (x)	1.2	1.1	0.9	0.9	0.8	0.7	0.7
EV/Ebitda (x)	11.0	10.3	10.2	15.7	13.6	12.4	11.8
EV/OCF (x)	(83.2)	(5.5)	(12.9)	(4.5)	(39.6)	25.5	32.0
EV/FCF (x)	(74.1)	(5.3)	(12.0)	(4.4)	(33.9)	28.6	37.0
EV/Sales (x)	1.7	1.7	1.4	2.0	1.6	1.6	1.5
Capex/depreciation (%)	114.3	455.4	291.3	309.0	122.4	109.0	98.3

Source: www.clsa.com

Cashflow (Btm)

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Operating profit	2,949	3,371	3,637	2,732	3,295	3,609	3,786
Operating adjustments	-	-	-	-	-	-	-
Depreciation/amortisation	42	54	70	92	163	183	203
Working capital changes	(2,243)	(8,728)	(5,215)	(11,164)	(5,470)	(2,178)	(2,709)
Interest paid / other financial expenses	(189)	(150)	(123)	(247)	(365)	(397)	(399)
Tax paid	(619)	(739)	(779)	(581)	(646)	(708)	(747)
Other non-cash operating items	(337)	(200)	(520)	(642)	1,832	1,335	1,337
Net operating cashflow	(397)	(6,392)	(2,931)	(9,810)	(1,190)	1,844	1,472
Capital expenditure	(49)	(247)	(204)	(283)	(200)	(200)	(200)
Free cashflow	(445)	(6,639)	(3,134)	(10,093)	(1,390)	1,644	1,272
Acq/inv/disposals	(953)	(763)	(272)	(1,123)	50	(100)	(200)
Int, invt & associate div	866	8	10	9	(22)	(23)	(24)
Net investing cashflow	(136)	(1,002)	(465)	(1,396)	(172)	(323)	(424)
Increase in loans	2,142	8,301	4,394	12,085	2,550	244	115
Dividends	(944)	(944)	(1,101)	(1,258)	(1,258)	(1,432)	(1,334)
Net equity raised/others	-	5	0	0	0	-	-
Net financing cashflow	1,199	7,362	3,293	10,826	1,292	(1,188)	(1,219)
Incr/(decr) in net cash	666	(32)	(103)	(381)	(70)	333	(171)
Exch rate movements	0	0	0	0	0	0	0
Opening cash	421	1,087	1,054	951	570	500	833
Closing cash	1,087	1,054	951	570	500	833	662
OCF PS (Bt)	(0.1)	(2.0)	(0.9)	(3.1)	(0.4)	0.6	0.5
FCF PS (Bt)	(0.1)	(2.1)	(1.0)	(3.2)	(0.4)	0.5	0.4

Cashflow ratio analysis

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Growth (%)							
Op cashflow growth (% YoY)	nm	nm	nm	nm	nm	nm	(20.2)
FCF growth (% YoY)	-	-	-	-	-	-	(22.6)
Capex growth (%)	58.0	408.2	(17.5)	38.9	(29.3)	0.0	0.0
Other key ratios (%)							
Capex/sales (%)	0.2	1.2	0.8	1.2	0.7	0.7	0.7
Capex/op cashflow (%)	(12.2)	(3.9)	(6.9)	(2.9)	(16.8)	10.8	13.6
Operating cashflow payout ratio (%)	-	-	-	-	-	72.4	93.9
Cashflow payout ratio (%)	-	-	-	-	-	77.6	90.6
Free cashflow payout ratio (%)	-	-	-	-	-	87.1	104.9

DuPont analysis

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Ebit margin (%)	15.0	16.0	13.9	12.0	11.5	12.4	12.4
Asset turnover (x)	0.5	0.5	0.6	0.4	0.5	0.5	0.5
Interest burden (x)	1.1	1.2	1.3	1.3	1.4	1.3	1.2
Tax burden (x)	0.8	0.8	0.8	0.8	0.9	0.8	0.8
Return on assets (%)	6.5	6.7	6.5	4.2	4.7	4.8	4.8
Leverage (x)	2.0	2.0	2.0	2.1	2.2	2.1	2.0
ROE (%)	14.6	15.3	17.2	12.1	14.8	12.6	12.0

EVA® analysis

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Ebit adj for tax	2,400	2,730	3,038	2,297	2,846	3,044	3,184
Average invested capital	30,169	32,155	37,073	43,991	51,086	54,960	57,433
ROIC (%)	8.0	8.5	8.2	5.2	5.6	5.5	5.5
Cost of equity (%)	11.9	11.9	11.9	11.9	11.9	11.9	11.9
Cost of debt (adj for tax)	1.2	1.2	1.3	1.3	1.3	1.3	1.3
Weighted average cost of capital (%)	6.5	6.5	6.6	6.6	6.6	6.6	6.6
EVA/IC (%)	1.4	1.9	1.6	(1.3)	(1.0)	(1.0)	(1.0)
EVA (Btm)	424	626	605	(593)	(519)	(568)	(589)

Source: www.clsa.com



evalu@tor card



AP Thailand PCL (AP TB)

Bt7.30

BUY

TSR: 26.4%

AP Thailand (AP TB)

GICS sector	Real estate
GICS industry	Real estate mgmt
Last price	Bt7.30
12M Hi/Lo	Bt8.15 / Bt3.44
CLSA target	Bt8.80
CLSA rec	Buy
Analyst	Soraphob Panpiemras
Last model updated	25 Jan 2021
Mkt cap (US\$m)	769
3M ADTO (US\$m)	4.7
Free float (%)	52.2
Total stock return (%)	26.4

Price performance (%)

	1M	3M	6M	1Y
Local	(1.4)	5.8	18.7	5.8
US\$	(0.7)	7.5	25.3	11.8

Peak to trough levels (12M fwd)

(x)	PE	PB	
Peak	9.0	1.2	← Peak
Trough	2.9	0.4	← 5Y avg
Current	6.1	0.7	← Current
Average	6.6	0.9	← Trough

Environmental, social & corporate governance

ESG score	Ctry rank	Sector rank
(%)		
Weighted/Ranking	78.9	11/49
		33/151

Earning/balance sheet quality scores

	Score
Earning-quality risk score (EQRS)	5/5
Balance-sheet-quality risk score (BQRS)	4/5
EQRS-BQRS framework created by Microstrategy team where high score = high risk.	

Style analysis shows which quintile (within CLSA universe) the stock falls under based on the following style definitions:

Value - 12M fwd earnings yield, 12M trf book yield (Q1 = least expensive)
 Growth - Nxt 2-year Avg YoY EPS growth, Last 2-year YoY Avg EPS growth, Last 2Y Biltta margin change, sustainable growth (Q1 = highest growth)
 Momentum - 3M price change, 12M price change (Q1 = highest momentum)
 Yield - 12M fwd dividend yield, buyback yld, FCF yld (Q1 = highest yield)
 Quality - Nxt 2-year Avg ROE, ROIC, earnings certainty, FCF conv (Q1 = highest quality)
 Garp - PE/G, price of sustainable growth (Q1 = least expensive)
 Risk - Size (inv), beta, net debt to equity (Q1 = highest risk)
 Earnings Revision - EPS revision, net earnings revision ratio (Q1 = highest revisions)

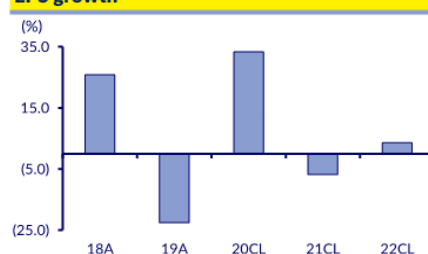
12M forward PE



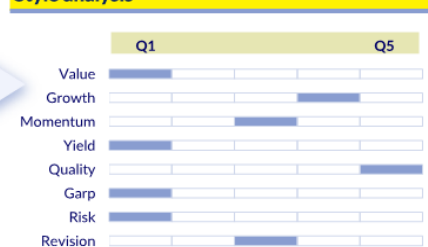
Price chart (5Y)



EPS growth



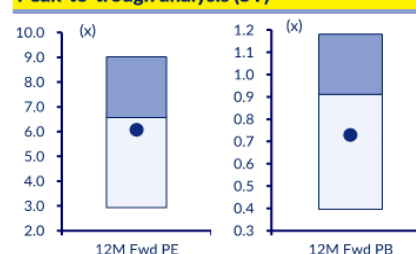
Style analysis



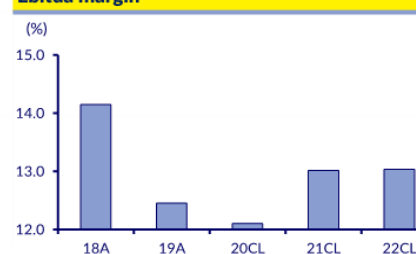
12M forward PB



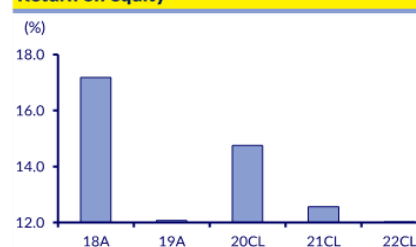
Peak-to-trough analysis (5Y)



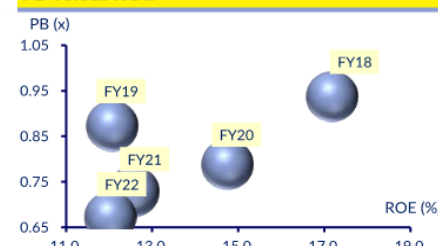
Ebitda margin



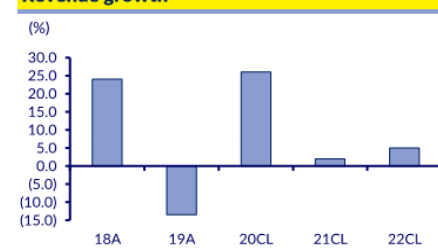
Return on equity



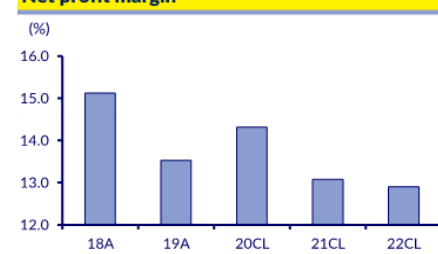
PB versus ROE



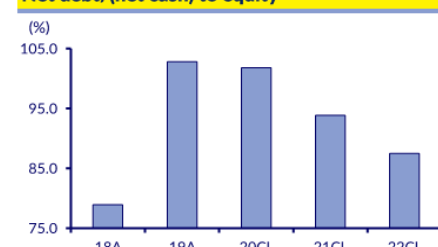
Revenue growth



Net profit margin



Net debt/(net cash) to equity



Year end: 31 Dec 2019



Research subscriptions

To change your report distribution requirements, please contact your CLSA sales representative or email us at cib@clsa.com. You can also fine-tune your Research Alert email preferences at https://www.clsa.com/member/tools/email_alert/.

Companies mentioned

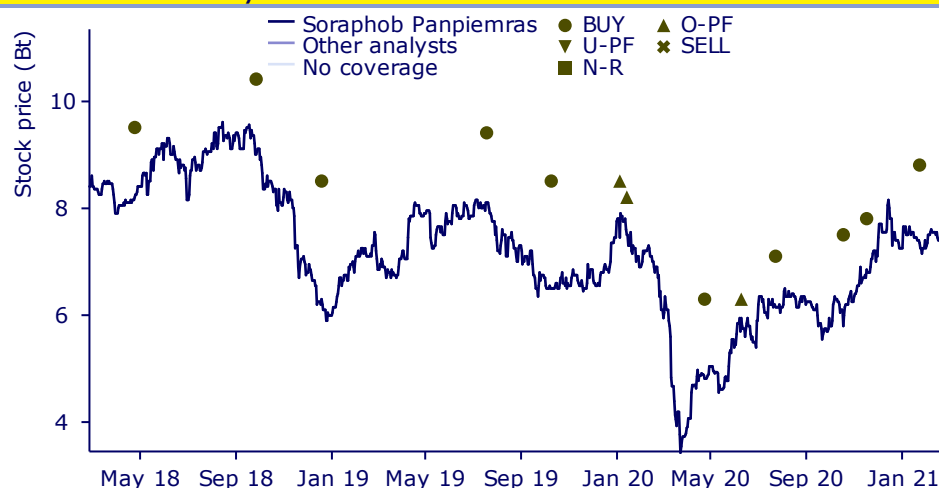
AP Thailand (AP TB - BT7.30 - BUY)

Analyst certification

The analyst(s) of this report hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this research report.

Important disclosures

Recommendation history of AP Thailand PCL AP TB



Date	Rec	Target	Date	Rec	Target
25 Jan 2021	BUY	8.80	06 Jan 2020	O-PF	8.50
18 Nov 2020	BUY	7.80	10 Oct 2019	BUY	8.50
19 Oct 2020	BUY	7.50	19 Jul 2019	BUY	9.40
24 Jul 2020	BUY	7.10	19 Dec 2018	BUY	8.50
10 Jun 2020	O-PF	6.30	26 Sep 2018	BUY	10.40
24 Apr 2020	BUY	6.30	23 Apr 2018	BUY	9.50
15 Jan 2020	O-PF	8.20			

Source: CLSA

The policy of CLSA, CLSA Americas, LLC ("CLSA Americas") and CL Securities Taiwan Co., Ltd. ("CLST") is to only publish research that is impartial, independent, clear, fair, and not misleading. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to a research report as below. This research disclosure should be read in conjunction with the research disclaimer as set out at www.clsa.com/disclaimer.html and the applicable regulation of the concerned market where the analyst is stationed and hence subject to. Investors are strongly encouraged to review this disclaimer before investing.

Neither analysts nor their household members/associates may have a financial interest in, or be an officer, director or advisory board member of companies covered by the analyst unless disclosed herein. In circumstances where an analyst has a pre-existing holding in any securities under coverage, those holdings are grandfathered and the analyst is prohibited from trading such securities.

Unless specified otherwise, CLSA/CLSA Americas/CLST or its respective affiliates, did not receive investment banking/non-investment banking income from, and did not manage/co-manage a public offering for, the listed company during the past 12 months, and it does not expect to receive investment banking compensation from the listed company within the coming three months. Unless mentioned otherwise, CLSA/CLSA Americas/CLST does not own 1% or more of any class of securities of the subject company, and does not make a market, in the securities. (For full disclosure of interest for all companies mention on this report, please refer to http://www.clsa.com/member/research_disclosures/ for details.)

The analysts included herein hereby confirm that they have not been placed under any undue influence, intervention or pressure by any person/s in compiling this research report. In addition, the analysts attest that they were not in possession of any material, non-public information regarding the subject company at the time of publication of the report. Save from the disclosure below (if any), the

analyst(s) is/are not aware of any material conflict of interest.

As analyst(s) of this report, I/we hereby certify that the views expressed in this research report accurately reflect my/our own personal views about the securities and/or the issuers and that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation or views contained in this report or to any investment banking relationship with the subject company covered in this report (for the past one year) or otherwise any other relationship with such company which leads to receipt of fees from the company except in ordinary course of business of the company. The analyst/s also state/s and confirm/s that he/she/they has/have not been placed under any undue influence, intervention or pressure by any person/s in compiling this research report. In addition, the analysts included herein attest that they were not in possession of any material, nonpublic information regarding the subject company at the time of publication of the report. The analysts further confirm that none of the information used in this report was received from CLSA's Corporate Finance department or CLSA's Sales and Trading business. Save from the disclosure below (if any), the analyst(s) is/are not aware of any material conflict of interest.

Key to CLSA/CLSA Americas/CLST investment rankings: BUY: Total stock return (including dividends) expected to exceed 20%; O-PF: Total expected return below 20% but exceeding market return; U-PF: Total expected return positive but below market return; SELL: Total return expected to be negative. For relative performance, we benchmark the 12-month total forecast return (including dividends) for the stock against the 12-month forecast return (including dividends) for the market on which the stock trades.

"High Conviction" Ideas are not necessarily stocks with the most upside/downside, but those where the Research Head/Strategist believes there is the highest likelihood of positive/negative returns. The list for each market is monitored weekly.

Overall rating distribution for CLSA (exclude CLST) only Universe: Overall rating distribution: BUY / Outperform - CLSA: 73.64%, Underperform / SELL - CLSA: 26.28%, Restricted - CLSA: 0.34%; Data as of 31 Dec 2020. Investment banking clients as a % of rating category: BUY / Outperform - CLSA: 10.97%, Underperform / SELL - CLSA: 3.15%; Restricted - CLSA: 0.34%. Data for 12-month period ending 31 Dec 2020.

Overall rating distribution for CLST only Universe: Overall rating distribution: BUY / Outperform - CLST: 84.51%, Underperform / SELL - CLST: 15.49%, Restricted - CLST: 0.00%. Data as of 31 Dec 2020. Investment banking clients as a % of rating category: BUY / Outperform - CLST: 0.00%, Underperform / SELL - CLST: 0.00%, Restricted - CLST: 0.00%. Data for 12-month period ending 31 Dec 2020.

There are no numbers for Hold/Neutral as CLSA/CLST do not have such investment rankings. For a history of the recommendation, price targets and disclosure information for companies mentioned in this report please write to: CLSA Group Compliance, 18/F, One Pacific Place, 88 Queensway, Hong Kong and/or; (c) CLST Compliance (27/F, 95, Section 2 Dun Hua South Road, Taipei 10682, Taiwan, telephone (886) 2 2326 8188). EVA® is a registered trademark of Stern, Stewart & Co. "CL" in charts and tables stands for CLSA estimates, "CT" stands for CLST estimates, "CRR" stands for CRR Research estimates and "CS" for Citic Securities estimates unless otherwise noted in the source.

Charts and tables sourced to CLSA in this report may include data extracted from CLSA's automated databases, which derive their original data from a range of sources. These can include: companies; analyst estimates/calculations; local exchanges and/or third-party data or market pricing providers such as Bloomberg, FactSet or IBES. Additional information on data sources for specific charts or tables can be obtained by contacting the publishing analysts.

This publication/communication is subject to and incorporates the terms and conditions of use set out on the www.clsa.com website (<https://www.clsa.com/disclaimer.html>). Neither the publication/communication nor any portion hereof may be reprinted, sold, resold, copied, reproduced, distributed, redistributed, published, republished, displayed, posted or transmitted in any form or media or by any means without the written consent of CLSA, CLSA Americas and/or CLST. CLSA, CLSA Americas and/or CLST has/have produced this publication/communication for private circulation to professional, institutional and/or wholesale clients only, and may not

be distributed to retail investors. The information, opinions and estimates herein are not directed at, or intended for distribution to or use by, any person or entity in any jurisdiction where doing so would be contrary to law or regulation or which would subject CLSA, CLSA Americas, and/or CLST to any additional registration or licensing requirement within such jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness or correctness. Any opinions or estimates herein reflect the judgment of CLSA, CLSA Americas, and/or CLST at the date of this publication/communication and are subject to change at any time without notice. Where any part of the information, opinions or estimates contained herein reflects the views and opinions of a sales person or a non-analyst, such views and opinions may not correspond to the published view of CLSA, CLSA Americas, and/or CLST. Any price target given in the report may be projected from one or more valuation models and hence any price target may be subject to the inherent risk of the selected model as well as other external risk factors. Where the publication does not contain ratings, the material should not be construed as research but is offered as factual commentary. It is not intended to, nor should it be used to form an investment opinion about the non-rated companies.

This publication/communication is for information purposes only and it does not constitute or contain, and should not be considered as an offer or invitation to sell, or any solicitation or invitation of any offer to subscribe for or purchase any securities in any jurisdiction and recipient of this publication/communication must make its own independent decisions regarding any securities or financial instruments mentioned herein. This is not intended to provide professional, investment or any other type of advice or recommendation and does not take into account the particular investment objectives, financial situation or needs of individual recipients. Before acting on any information in this publication/communication, you should consider whether it is suitable for your particular circumstances and, if appropriate, seek professional advice, including tax advice. Investments involve risks, and investors should exercise prudence and their own judgment in making their investment decisions. The value of any investment or income may go down as well as up, and investors may not get back the full (or any) amount invested. Past performance is not necessarily a guide to future performance. CLSA, CLSA Americas, and/or CLST do/does not accept any responsibility and cannot be held liable for any person's use of or reliance on the information and opinions contained herein. To the extent permitted by applicable securities laws and regulations, CLSA, CLSA Americas, and/or CLST accept(s) no liability whatsoever for any direct or consequential loss arising from the use of this publication/communication or its contents.

To maintain the independence and integrity of our research, our Corporate Finance, Sales Trading, Asset Management and Research business lines are distinct from one another. This means that CLSA's Research department is not part of and does not report to CLSA Corporate Finance department or CLSA's Sales and Trading business. Accordingly, neither the Corporate Finance nor the Sales and Trading department supervises or controls the activities of CLSA's research analysts. CLSA's research analysts report to the management of the Research department, who in turn report to CLSA's senior management. CLSA has put in place a number of internal controls designed to manage conflicts of interest that may arise as a result of CLSA engaging in Corporate Finance, Sales and Trading, Asset Management and Research activities. Some examples of these controls include: the use of information barriers and other controls designed to ensure that confidential information is only shared on a "need to know" basis and in compliance with CLSA's Chinese Wall policies and procedures; measures designed to ensure that interactions that may occur among CLSA's Research personnel, Corporate Finance, Asset Management, and Sales and Trading personnel, CLSA's financial product issuers and CLSA's research analysts do not compromise the integrity and independence of CLSA's research.

Subject to any applicable laws and regulations at any given time, CLSA, CLSA Americas, CLST, their respective affiliates, officers, directors or employees may have used the information contained herein before publication and may have positions in, or may from time

to time purchase or sell or have a material interest in any of the securities mentioned or related securities, or may currently or in future have or have had a business or financial relationship with, or may provide or have provided corporate finance/capital markets and/or other services to, the entities referred to herein, their advisors and/or any other connected parties. As a result, you should be aware that CLSA, CLSA Americas, and/or CLST and/or their respective affiliates, officers, directors or employees may have one or more conflicts of interest. Regulations or market practice of some jurisdictions/markets prescribe certain disclosures to be made for certain actual, potential or perceived conflicts of interests relating to research reports. Details of the disclosable interest can be found in certain reports as required by the relevant rules and regulation and the full details are available at http://www.clsa.com/member/research_disclosures/. Disclosures therein include the position of CLSA, CLSA Americas, and CLST only. Unless specified otherwise, CLSA did not receive any compensation or other benefits from the subject company, covered in this publication/communication, or from any third party. If investors have any difficulty accessing this website, please contact webadmin@clsa.com on +852 2600 8111. If you require disclosure information on previous dates, please contact compliance_hk@clsa.com.

This publication/communication is distributed for and on behalf of CLSA (for research compiled by non-US and non-Taiwan analyst(s)), CLSA Americas, and/or CLST (for research compiled by Taiwan analyst(s)) in Australia by CLSA Australia Pty Ltd (ABN 53 139 992 331/AFSL License No: 350159); in Hong Kong by CLSA Limited (Incorporated in Hong Kong with limited liability); in India by CLSA India Private Limited, (Address: 8/F, Dalamal House, Nariman Point, Mumbai 400021. Tel No: +91-22-66505050. Fax No: +91-22-22840271; CIN: U67120MH1994PLC083118; SEBI Registration No: INZ000001735 as Stock Broker, INM000010619 as Merchant Banker and INH000001113 as Research Analyst; in Indonesia by PT CLSA Sekuritas Indonesia; in Japan by CLSA Securities Japan Co., Ltd.; in Korea by CLSA Securities Korea Ltd.; in Malaysia by CLSA Securities Malaysia Sdn. Bhd.; in the Philippines by CLSA Philippines Inc (a member of Philippine Stock Exchange and Securities Investors Protection Fund); in Singapore by CLSA Singapore Pte Ltd and solely to persons who qualify as an "Institutional Investor", "Accredited Investor" or "Expert Investor" MCI (P) 024/12/2020; in Thailand by CLSA Securities (Thailand) Limited; in Taiwan by CLST and in the EU and United Kingdom by CLSA Europe BV or CLSA (UK).

Australia: CLSA Australia Pty Ltd ("CAPL") (ABN 53 139 992 331/AFS License No: 350159) is regulated by ASIC and is a Market Participant of ASX Limited and CHI-X. This material is issued and distributed by CAPL in Australia to "wholesale clients" only. This material does not take into account the specific investment objectives, financial situation or particular needs of the recipient. The recipient of this material must not distribute it to any third party without the prior written consent of CAPL. For the purposes of this paragraph the term "wholesale client" has the meaning given in section 761G of the Corporations Act 2001. CAPL's research coverage universe spans listed securities across the ASX All Ordinaries index, securities listed on offshore markets, unlisted issuers and investment products which Research management deem to be relevant to the investor base from time to time. CAPL seeks to cover companies of relevance to its domestic and international investor base across a variety of sectors.

India: CLSA India Private Limited, incorporated in November 1994 provides equity brokerage services (SEBI Registration No: INZ000001735), research services (SEBI Registration No:

INH000001113) and merchant banking services (SEBI Registration No.INM000010619) to global institutional investors, pension funds and corporates. CLSA and its associates may have debt holdings in the subject company. Further, CLSA and its associates, in the past 12 months, may have received compensation for non-investment banking securities and/or non-securities related services from the subject company. For further details of "associates" of CLSA India please contact Compliance-India@clsa.com.

Singapore: This report is distributed in Singapore by CLSA Singapore Pte Ltd to institutional investors, accredited investors or expert investors (each as defined under the Financial Advisers Regulations) only. Singapore recipients should contact CLSA Singapore Pte Ltd, 80 Raffles Place, #18-01, UOB Plaza 1, Singapore 048624, Tel: +65 6416 7888, in respect of any matters arising from, or in connection with, the analysis or report. By virtue of your status as an institutional investor, accredited investor or expert investor, CLSA Singapore Pte Ltd is exempted from complying with certain requirements under the Financial Advisers Act (Chapter 110), the Financial Advisers Regulations and the relevant Notices and Guidelines issued thereunder (as disclosed in Part C of the Securities Dealing Services – Singapore Annex of the CLSA terms of business), in respect of any financial advisory services that CLSA Singapore Pte Ltd may provide to you. MCI (P) 024/12/2020

United States of America: Where any section of the research is compiled by US analyst(s), it is distributed by CLSA Americas. Where any section is compiled by non-US analyst(s), it is distributed into the United States by CLSA solely to persons who qualify as "Major US Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934 and who deal with CLSA Americas. However, the delivery of this research report to any person in the United States shall not be deemed a recommendation to effect any transactions in the securities discussed herein or an endorsement of any opinion expressed herein. Any recipient of this research in the United States wishing to effect a transaction in any security mentioned herein should do so by contacting CLSA Americas.

The European Union ("EU") and the United Kingdom: In these jurisdictions, this research is a marketing communication. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The research is disseminated in these countries by either CLSA (UK) or CLSA Europe BV. CLSA (UK) is authorised and regulated by the Financial Conduct Authority. CLSA Europe BV is authorised and regulated by the Authority for Financial Markets in the Netherlands. This document is directed at persons having professional experience in matters relating to investments as defined in the relevant applicable local regulations. Any investment activity to which it relates is only available to such persons. If you do not have professional experience in matters relating to investments you should not rely on this document. Where the research material is compiled by the UK analyst(s), it is produced and disseminated by CLSA (UK) and CLSA Europe BV. For the purposes of the Financial Conduct Rules in the United Kingdom and MIFID II in other European jurisdictions this research is prepared and intended as substantive research material.

For all other jurisdiction-specific disclaimers please refer to <https://www.clsa.com/disclaimer.html>. The analysts/contributors to this publication/communication may be employed by any relevant CLSA entity or CLST, which is different from the entity that distributes the publication/communication in the respective jurisdictions.© 2021 CLSA and/or CL Securities Taiwan Co., Ltd. ("CLST").