

Supalai Public Co Ltd (SPALI TB) - BUY, Price Bt21.7, TP Bt30.0**Results Comment**

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Strong 3Q22, 8% beat

- SPALI reported solid 3Q22 net profit of Bt2.7bn, up 60% y-y and 32% q-q, beat us by 8% and 9% above consensus. It was the second-best quarterly profit.
- Property sales revenues reached a new high at Bt11.1bn, up 50% y-y and 36% q-q boosted by both low-rise housing revenues growing to Bt5.2bn (+50% y-y, +16% q-q) and condominium sales revenues rising to Bt5.9bn (+50% y-y, +60% q-q) on the back of better-than-expected 9M22 presales with 43% growth y-y.
- Gross margin stayed healthy at 39.6%, better than the 39.5% recorded in 2Q22 but lower than the 40.5% posted in 3Q21 along with a higher condo sales mix to 53% in 3Q22 vs. 45% in 2Q22 and 53% in 3Q21.
- JV equity income from housing projects in Australia increased massively y-y to Bt85m on more transfers.
- 9M22 profit accounted for 81% of our full-year forecast. 2022F performance is on track to deliver a record profit this year. Maintain BUY to Bt30 TP.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	7,430	10,938	5,433	8,198	11,133	Revenue	36	50	76	32,580	32,791
Gross profit	3,001	4,409	2,129	3,231	4,404	Gross profit	36	47	77	12,746	12,853
SG&A	844	1,101	717	940	1,124	SG&A	20	33	67	4,170	3,935
Operating profit	2,157	3,307	1,412	2,291	3,281	Operating profit	43	52	81	8,576	8,918
EBITDA	2,187	3,338	1,442	2,320	3,312	EBITDA	43	51	81	8,698	9,040
Other income	92	187	105	357	229	Other income	(36)	149	138	502	517
Other expense	0	0	0	0	0	Other expense			na	0	0
Interest expense	64	61	59	61	75	Interest expense	23	17	62	315	327
Profit before tax	2,185	3,434	1,458	2,587	3,435	Profit before tax	33	57	85	8,764	9,108
Income tax	456	698	322	564	729	Income tax	29	60	92	1,753	1,822
Equity & invest. income	9	169	58	83	85	Equity & invest. income	3	864	45	500	500
Minority interests	(18)	(25)	(15)	(30)	(41)	Minority interests	na	na	112	(77)	(78)
Extraordinary items	0	0	0	0	0	Extraordinary items			na	0	0
Net profit	1,720	2,879	1,178	2,075	2,749	Net profit	32	60	81	7,434	7,709
Normalized profit	1,720	2,879	1,178	2,075	2,749	Normalized profit	32	60	81	7,434	7,709
EPS (Bt)	0.80	1.34	0.55	0.97	1.28	EPS (Bt)	32	60	74	3.81	3.95
Normalized EPS (Bt)	0.80	1.34	0.55	0.97	1.28	Normalized EPS (Bt)	32	60	74	3.81	3.95

Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22		3Q21	4Q21	1Q22	2Q22	3Q22
Cash & ST investment	1,292	1,626	1,723	2,702	2,391	Sales grow th	26.1	36.0	48.4	15.0	49.8
A/C receivable	34	51	45	54	39	Operating profit grow th	44.2	39.7	77.2	11.2	52.1
Inventory	62,987	62,104	62,866	66,318	65,193	EBITDA grow th	43.4	39.3	74.7	10.9	51.4
Other current assets	1,224	1,407	1,445	2,230	1,545	Norm profit grow th	41.3	54.4	58.9	19.9	59.9
Investment	1,206	1,213	1,243	2,265	3,557	Norm EPS grow th	41.3	54.4	58.9	19.9	59.9
Fixed assets	347	344	346	346	368	Gross margin	40.4	40.3	39.2	39.4	39.6
Other assets	4,972	4,688	4,810	7,170	6,552	Operating margin	29.0	30.2	26.0	27.9	29.5
Total assets	72,061	71,432	72,477	81,085	79,646	EBITDA margin	29.4	30.5	26.5	28.3	29.7
S-T debt	19,670	15,913	16,385	24,628	22,926	Norm net margin	23.1	26.3	21.7	25.3	24.7
A/C payable	2,086	2,469	1,822	2,522	2,610	D/E (x)	0.6	0.5	0.4	0.6	0.6
Other current liabilities	5,717	5,435	5,904	5,046	4,153	Net D/E (x)	0.6	0.4	0.4	0.6	0.5
L-T debt	3,961	3,976	3,459	4,022	3,801	Interest coverage (x)	33.9	54.6	24.4	37.9	44.0
Other liabilities	644	713	720	715	745	Interest rate	1.1	1.1	1.2	1.0	1.1
Minority interest	831	857	846	876	916	Effective tax rate	20.9	20.3	22.1	21.8	21.2
Shareholders' equity	39,154	42,070	43,341	43,276	44,495	ROA	9.5	16.1	6.5	10.8	13.7
Working capital	60,935	59,686	61,089	63,850	62,622	ROE	17.7	28.4	11.0	19.2	25.1
Total debt	23,630	19,890	19,844	28,650	26,727						
Net debt	22,338	18,264	18,121	25,948	24,336						

Sources: Company data, Thanachart estimates

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