

Supalai Pcl (SPALI TB) - BUY

Rata Limsuthiwanpoom | Email: rata.lim@ttbwealth.co.th

Analyst Meeting

Weak 1Q26F net profit

- **1Q26F net profit of Bt350m, down 14% y-y and 74% q-q**
- **Weak property sales and record low gross margin**
- **1Q26F presales grew 15% y-y**
- **Earnings to improve with three condo transfers lined up**
- We estimate a weak 1Q26F net profit of Bt350m, down 14% y-y and 74% q-q, mainly due to weak property sales revenues and lower gross margin.
- Real estate sales are projected to rise only 5% y-y but drop sharply by 48% q-q to Bt3.7bn, dragged by a sharp decline in condominium revenues as there were no newly completed condo projects ready for transfer in the quarter.
- Property gross margin is projected to fall to a record low of 31.0% in 1Q26F from 38.8% in 1Q25 and 33.4% in 4Q25. This is due to a lower mix of high-margin condo transfers and price promotions amid intense competition and clearance of aged inventory.
- SPALI's 1Q26 presales reached Bt7.7bn, up 15% y-y and 33% q-q, driven by Bangkok high-rise presales (+59% y-y) and Bangkok low-rise (+16% y-y). This accounts for 27% of our full-year 2026 presales assumptions of Bt28bn (+7% y-y).
- Regarding war-related cost pressure, management expects construction costs to rise by 5-6%. The impact on reported gross margin will become visible from late 3Q26 through 4Q26 as newly costed units begin to transfer.
- The company maintains its new launch target at Bt35bn for the year. In 1Q26, it launched Bt5.97bn across four projects and plans to launch another Bt6.33bn in 2Q26.
- We maintain our projection and BUY recommendation. Profit is expected to improve in the remaining quarters on both revenue and margin recovery, supported by three upcoming condo transfers: Supalai Parc Ekkamai-Pattanakarn (Bt4,600m, 51% sold), Supalai Sense Srinakarin (Bt1,000m, 45% sold), and Supalai Kram Khao-Tao (Bt480m, 34% sold).

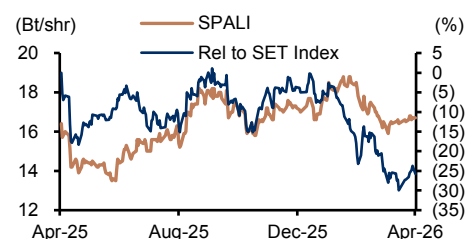
Key Valuations

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	24,124	25,563	25,578	29,808
Net profit	4,015	4,691	4,882	5,995
Norm net profit	4,015	4,691	4,882	5,995
Norm EPS (Bt)	2.1	2.4	2.5	3.1
Norm EPS gr (%)	(35.1)	16.8	4.1	22.8
Norm PE (x)	8.1	7.0	6.7	5.4
EV/EBITDA (x)	14.3	11.6	9.8	7.1
P/BV (x)	0.6	0.6	0.5	0.5
Div. yield (%)	7.5	6.5	6.7	8.3
ROE (%)	7.5	8.4	8.3	9.7
Net D/E (%)	62.4	45.4	29.8	21.1

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	16.70
Target price (Bt)	20.50
Market cap (US\$ m)	1,009
Avg daily turnover (US\$ m)	2.3
12M H/L price (Bt)	18.80/13.50

Price Performance

Source: Bloomberg

Ex 1: 1Q26F Earnings Preview

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26F	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	3,634	6,912	6,371	7,207	3,810	Revenue	(47)	5	15	25,563	25,578
Gross profit	1,400	2,179	2,252	2,441	1,179	Gross profit	(52)	(16)	13	8,749	8,700
SG&A	869	982	974	978	911	SG&A	(7)	5	24	3,834	3,709
Operating profit	531	1,196	1,277	1,463	268	Operating profit	(82)	(49)	5	4,915	4,991
EBITDA	594	1,264	1,344	1,478	400	EBITDA	(73)	(33)	8	5,094	5,182
Other income	66	56	293	233	233	Other income	na	255	33	713	714
Other expense	0	0	0	0	0	Other expense					
Interest expense	189	191	178	167	160	Interest expense	(4)	(16)	25	637	499
Profit before tax	407	1,061	1,393	1,529	341	Profit before tax	(78)	(16)	7	4,991	5,206
Income tax	130	391	361	175	68	Income tax	(61)	(48)	6	1,098	1,145
Equity & invest. income	132	446	153	0	92	Equity & invest. income	na	(30)	11	869	913
Minority interests	(4)	(12)	(17)	(16)	0	Minority interests	na	na	na	(72)	(92)
Extraordinary items	0	0	0	0	0	Extraordinary items					
Net profit	405	1,104	1,168	1,338	350	Net profit	(74)	(14)	7	4,691	4,882
Normalized profit	405	1,104	1,168	1,338	350	Normalized profit	(74)	(14)	7	4,691	4,882
EPS (Bt)	0.21	0.57	0.60	0.69	0.18	EPS (Bt)	(74)	(14)	7	2.40	2.50
Normalized EPS (Bt)	0.21	0.57	0.60	0.69	0.18	Normalized EPS (Bt)	(74)	(14)	7	2.40	2.50

Sources: Company data, ttb wealth estimates

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ttb wealth securities public company limited

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: research@ttbwealth.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy
pimpaka.nic@ttbwealth.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@ttbwealth.co.th

Rawisara Suwanumphai

Bank, Finance
rawisara.suw@ttbwealth.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@ttbwealth.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@ttbwealth.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@ttbwealth.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Retail
pattadol.bun@ttbwealth.co.th

Saksid Phadthananarak

Construction, Transportation
saksid.pha@ttbwealth.co.th

Chod Reankittiwat, CFA

Assistant Analyst
chod.rea@ttbwealth.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@ttbwealth.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@ttbwealth.co.th

Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@ttbwealth.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@ttbwealth.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@ttbwealth.co.th

Nariporn Klangpremchitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@ttbwealth.co.th