

BUY (Unchanged)

Transfer of Coverage

TP: Bt 18.00 (From: Bt 20.50)

Upside : 15.4%

Supalai Public Co Ltd (SPALI TB)

Natural selection

We reaffirm our **BUY** on SPALI as a top survivor of the prolonged property downturn, where we expect an attractive 7.6% dividend yield in the cycle's bottom in 2026F. Given its strong balance sheet and status as a low-cost developer, SPALI has continued to gain market share.


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High yield at cycle's bottom; reaffirming BUY

We reaffirm our BUY rating on SPALI. **First**, we expect SPALI to deliver a high dividend yield of 7.6% at the bottom of the industry cycle in 2026F. **Second**, SPALI is one of the top three residential property developers gaining market share amid the flight-to-quality market situation, as buyers are wary of developers with weak balance sheets. SPALI is known as a low-cost developer with a strong balance sheet, with a net D/E ratio of 0.6x in 1Q26. **Third**, we expect the sector to reach its bottom this year, driven by inventory clearing, and, with an economic turnaround, demand should drive growth next year from this year's below-organic baseline. We expect SPALI to continue gaining market share and forecast -4/+8/+17% EPS growth in 2026-28F, despite cutting our earnings estimates by 15-19% to reflect more conservative assumptions on demand and margins. As such, we lower our 2026F DCF-based TP to Bt18 (from Bt20.5). This report marks a transfer of coverage to a new analyst.

Market share gains from a flight to quality

SPALI's presales market share among the top seven listed developers rose from 14% in 2018 to 17% in 2025. We believe this has been due to flight-to-quality demand for financially strong developers. SPALI has a strong balance sheet with a net D/E ratio of 0.6x. SPALI is also well known for being a low operating cost company, which supports its competitiveness and decent margins. It has an in-house design team, disciplined land acquisition, and direct sourcing of construction materials. The company also maintains a diversified portfolio across landed housing (65% of 2025 presales) and condominiums (35%).

Doing fine at the deep cycle bottom

SPALI generated Bt22bn-32bn p.a. in presales despite the property downturn during 2019-25. We expect the industry cycle to reach its bottom this year, with demand returning to the level of 20 years ago, at 40% below the organic baseline, driven by tight lending, weak consumer confidence, and inventory clearing at low prices by many developers to improve their cash flow. We expect the situation to get better next year, along with an improving economy, and estimate SPALI's presales at Bt26/27/29/30bn in 2025-28F, supporting EPS growth of -4/+8/+17% in 2026-28F.

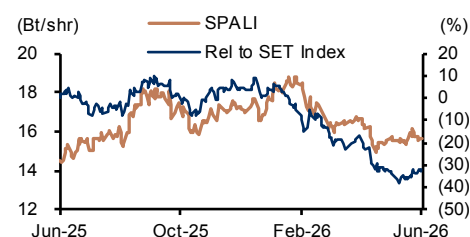
7.6% yield at cycle's bottom

We estimate dividend yields of 7.6/8.2/9.6% in 2026-28F. Historically, SPALI has maintained a 35-50% payout ratio across property cycles, including periods of negative free cash flow due to land acquisitions. Given its low net D/E ratio and land bank, which is sufficient for around three years of development, we believe the recent increase in its payout ratio to 60% in 2025 will be sustainable into 2028F.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	24,124	24,626	25,282	28,148
Net profit	4,015	3,876	4,176	4,880
Consensus NP	—	4,480	4,871	5,191
Diff frm cons (%)	—	(13.5)	(14.3)	(6.0)
Norm profit	4,015	3,876	4,176	4,880
Prev. Norm profit	—	4,691	4,882	5,995
Chg frm prev (%)	—	(17.4)	(14.5)	(18.6)
Norm EPS (Bt)	2.06	1.98	2.14	2.50
Norm EPS grw (%)	(35.1)	(3.5)	7.7	16.9
Norm PE (x)	7.6	7.9	7.3	6.2
EV/EBITDA (x)	13.8	14.8	13.6	11.3
P/BV (x)	0.6	0.6	0.5	0.5
Div yield (%)	8.0	7.6	8.2	9.6
ROE (%)	7.5	7.1	7.4	8.4
Net D/E (%)	62.4	62.3	59.3	55.3

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 26-Jun-26 (Bt)	15.60
Market Cap (US\$ m)	913.3
Listed Shares (m shares)	1,953.1
Free Float (%)	54.5
Avg. Daily Turnover (US\$ m)	2.3
12M Price H/L (Bt)	18.80/14.40
Sector	Property
Major Shareholder	Tangmatitham Family 40.82%

Sources: Bloomberg, Company data, ttb wealth estimates

High yield at cycle's bottom; reaffirming BUY

We reaffirm our BUY rating on Supalai Pcl (SPALI TB) for three reasons:

7.6% dividend yield in 2026F

First, we expect SPALI to deliver an attractive 7.6% dividend yield at what we believe is the trough of Thailand's residential property cycle in 2026F.

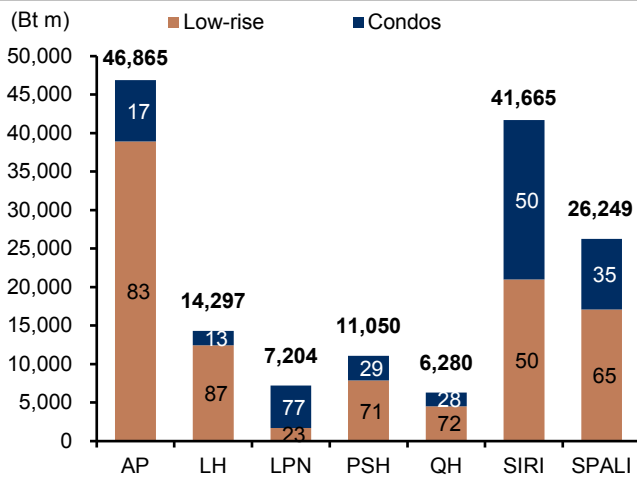
Continue gaining market share

Second, SPALI appears well-positioned to continue gaining market share. Amid a prolonged industry downturn, homebuyers have increasingly favored financially strong developers with proven execution and reliable project delivery. SPALI's cost leadership, conservative financial management, and a low net D/E ratio of 0.6x (1Q26) have strengthened its competitive position.

Positioned for recovery

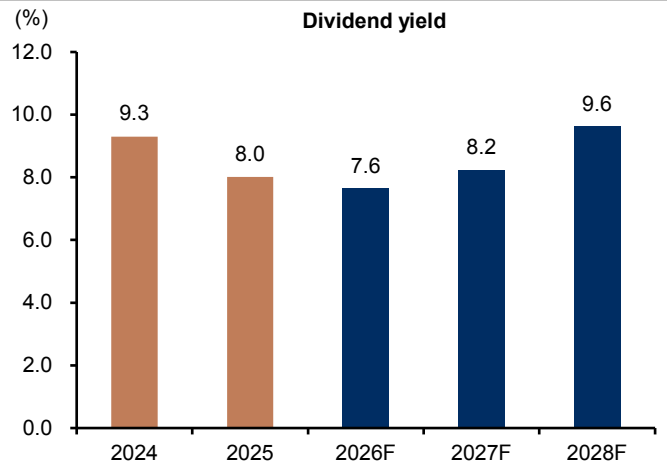
Third, we believe the residential property sector is approaching its bottom. Inventory clearing across the industry and an economic turnaround should drive a rebound in housing demand from the depressed, below-organic baseline level of 2026. We expect SPALI to continue to gain market share, and we estimate -4/+8/+17% EPS growth in 2026-28F.

Ex 1: #3 Presales Market Share Of Top Seven Developers



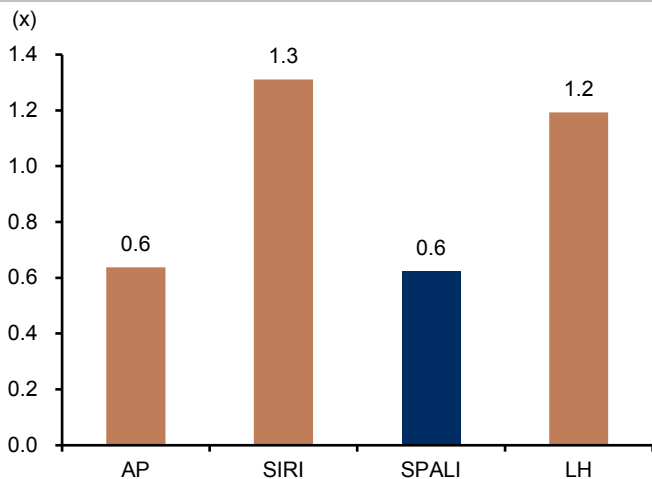
Source: Company data

Ex 2: 7.6% Dividend Yield At Cycle's Bottom In 2026F



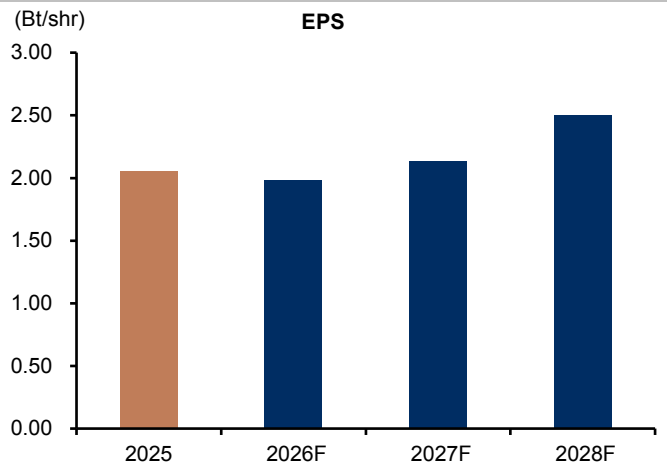
Sources: Company data, ttb wealth estimates

Ex 3: SPALI Has A Low Net D/E Vs. Peers



Sources: Company data, ttb wealth estimates

Ex 4: We Project -4/+8/+17% EPS Growth In 2026-28F



Sources: Company data, ttb wealth estimates

Market share gains from a flight to quality

Sustained market share gains

SPALI's presales market share among the top seven listed residential developers increased from 14% in 2016 to 17% in 2025, making it one of only three developers to gain market share over the period. We believe this reflects a flight-to-quality trend, with homebuyers increasingly favoring financially stronger developers amid concerns over weaker peers' financial positions.

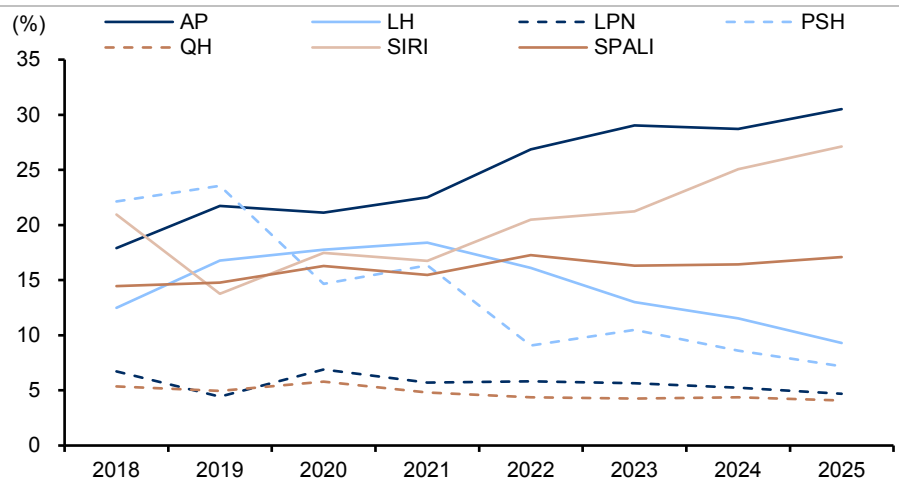
Low-cost competitive advantage

SPALI's competitive advantage lies in its low-cost operating model rather than a premium product franchise. Its in-house design team enables efficient, tailor-made product designs and space utilization, while disciplined land acquisition and direct sourcing of construction materials support one of the industry's lowest cost bases. This allows SPALI to price competitively while maintaining sector-leading profitability (see Exhibits 6 and 7).

Strong balance sheet advantage

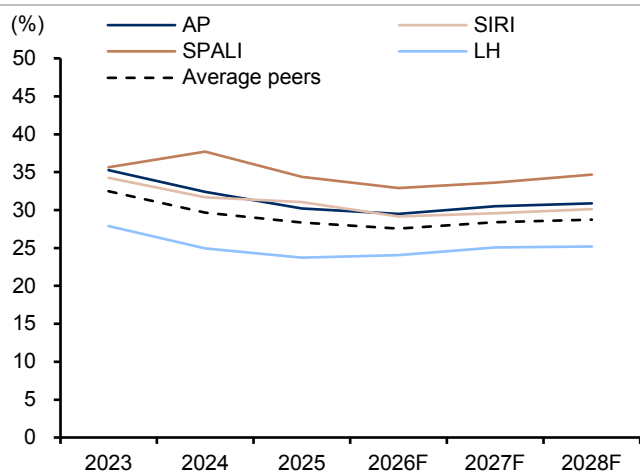
SPALI's strong balance sheet (0.6x net D/E in 1Q26) and diversified product portfolio across landed housing (65% of 2025 presales) and condominiums (35%) position it well to benefit from the ongoing industry consolidation. While many developers remain constrained by weak liquidity and limited access to financing, SPALI continues to invest through the cycle, with a Bt29bn launch pipeline in 2026F and a land bank sufficient through 2028F. We believe these structural advantages will enable the company to continue gaining market share as the residential market gradually recovers.

Ex 5: Market Share Gains For AP, SIRI, and SPALI



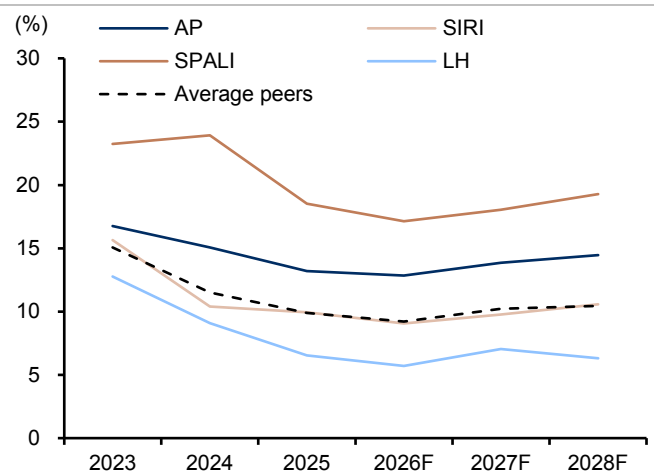
Sources: Company data, ttb wealth estimates

Ex 6: SPALI Has The Highest Property Gross Margin ...



Sources: Company data, ttb wealth estimates

Ex 7: ... And The Highest Overall Operating Margin



Sources: Company data, ttb wealth estimates

Doing fine at deep cycle bottom

Cycle bottoming

Despite residential property downturns, SPALI generated presales of Bt22bn-32bn annually from 2019-25. We expect the industry cycle to bottom this year, with housing demand falling to levels last seen around two decades ago, approximately 40% below our estimate of long-term normalized demand, primarily due to tight mortgage approvals and weak consumer confidence. We also expect developers to continue clearing inventory at discounted prices to improve cash flow, setting the stage for a market recovery.

Recovery from 2027F onwards

We expect conditions to improve from 2027F alongside an economic turnaround. We estimate SPALI's presales at Bt26/27/28/30bn in 2025-28F, supporting EPS growth of -4/+8/+17% in 2026-28F.

Unlike many developers that have scaled back investments amid weaker demand and tighter financing conditions, SPALI is one of the few developers that has continued to invest through the cycle. The company launched Bt25bn-38bn of new projects annually during 2021-25. While the combined launches of the seven listed developers declined from Bt206bn in 2021 to Bt159bn in 2025, SPALI continued to expand its market presence through disciplined project launches. We believe this reflects management's confidence in the company's strong balance sheet, conservative financial management, and proven execution capabilities, positioning SPALI to capture additional market share as the residential market recovers.

Property development accounts for around 98% of SPALI's revenue. We estimate property revenue growth of 2/3/11% in 2026-28F, supported by projected presales and a Bt14bn backlog at end-2025, which together secure around 30% of our 2026 revenue forecast.

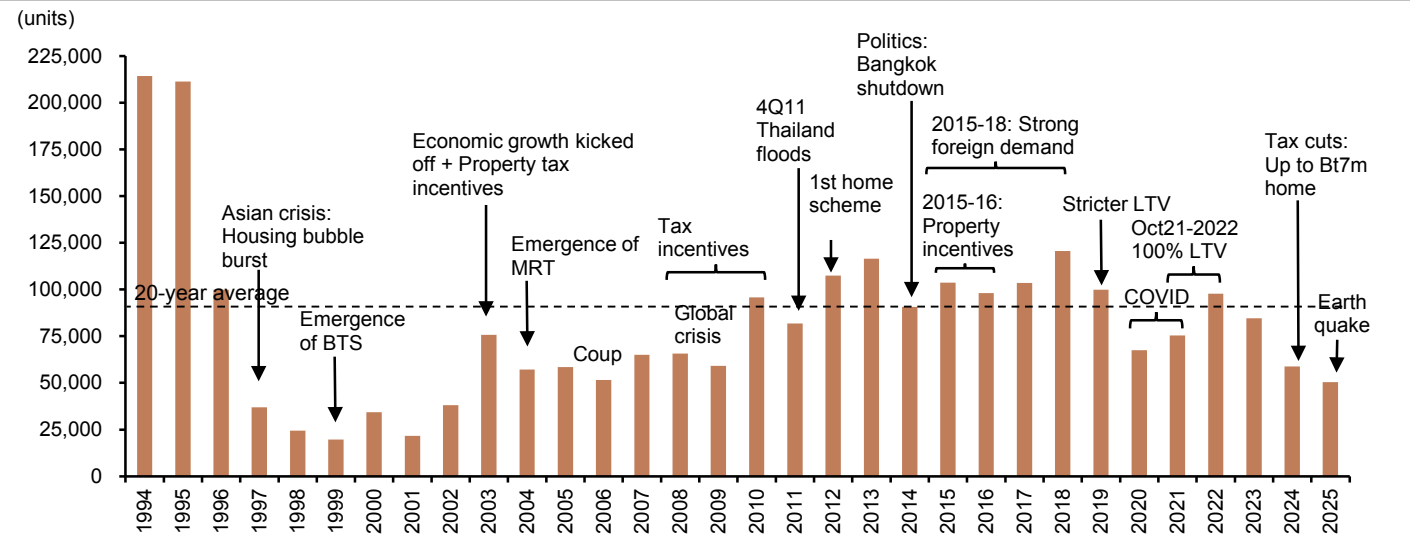
We expect revenue growth to remain subdued at 3% in 2027F, reflecting a temporary lull in new condominium completions, before accelerating in 2028F as the project delivery pipeline normalizes. As a result, we expect earnings growth in 2027F to be primarily driven by a gross margin recovery rather than top-line expansion.

We estimate property gross margin to bottom at 32.9% in 2026F before improving to 33.6/34.7% in 2027-28F, supported by a better product mix and easing industry-wide discounting.

The weak 30.2% gross margin in 1Q26 should not be extrapolated, as it reflected the absence of new condominium transfers and aggressive discounting of selected legacy inventory under the "Shock Price" campaign. Margins should recover from 2Q26F onwards as three condominium projects begin transferring: Supalai Sense Srinakarin (Bt1.0bn, 45% sold), Supalai Parc Ekkamai-Pattanakarn (Bt4.6bn, 51% sold), and Supalai Kram Khao Tao (Bt0.5bn, 34% sold).

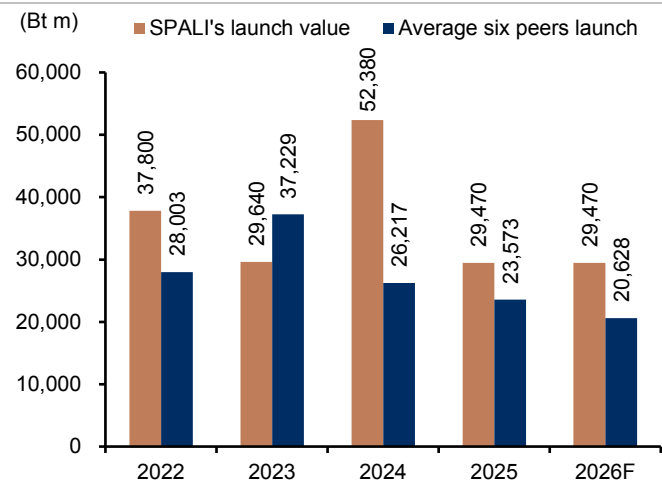
Overall, we estimate EPS growth of -4/+8/+17% in 2026-28F, with its 2027F earnings expansion driven mainly by a margin recovery despite limited revenue growth, and 2028F supported by stronger volume and margin expansion. This reflects 15-19% downward revisions to earnings, driven by a more conservative housing demand, a more gradual gross margin recovery amid continued pricing pressure and a slower mix normalization, weaker operating leverage, and slightly lower equity income assumptions.

Ex 8: Thailand Residential Transfers



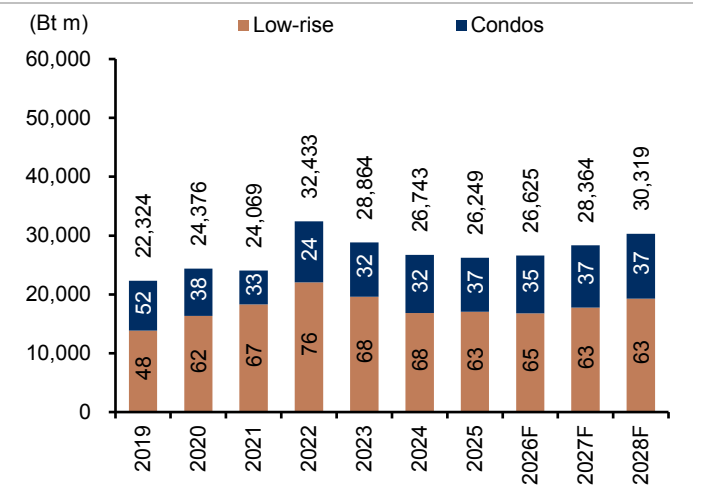
Source: Agency For Real Estate Affairs

Ex 9: SPALI Maintains A Consistent Launch Pipeline



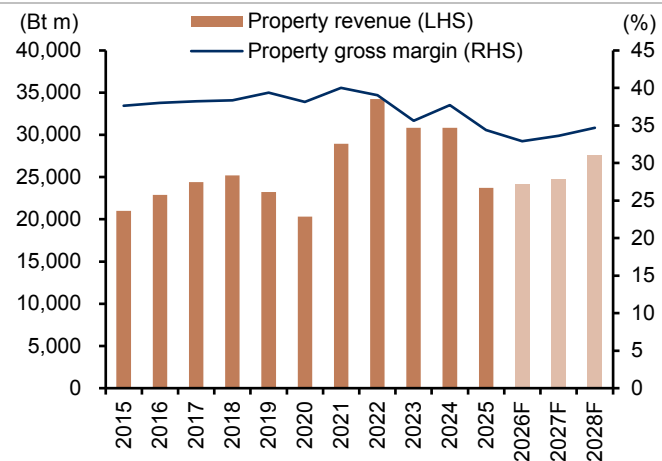
Sources: Company data, ttb wealth estimates

Ex 10: SPALI's Presales – 2018-28F



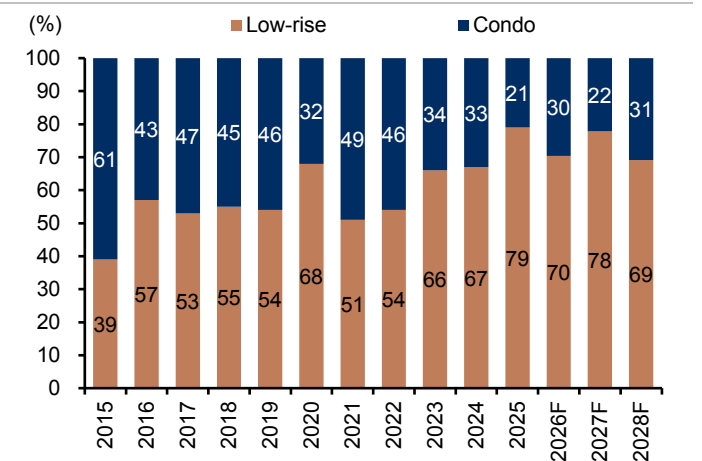
Sources: Company data, ttb wealth estimates

Ex 11: Property Revenue And Gross Margin



Sources: Company data, ttb wealth estimates

Ex 12: Sales Mix



Sources: Company data, ttb wealth estimates

Ex 13: Key Assumption Changes

	2025	2026F	2027F	2028F
Presales (Bt m) - Total				
- New	26,249	26,625	28,364	30,319
- Old		28,143	29,085	29,543
Change (%)		(5.4)	(2.5)	2.6
GP on property sales (%)				
- New	34.4	32.9	33.6	34.7
- Old		34.2	34.0	34.7
Change (pp)		(133.6)	(38.9)	(7.4)
SG&A/sales (%)				
- New	15.8	15.7	15.5	15.3
- Old		15.0	14.5	13.5
Change (pp)		70.0	100.0	180.0
Equity income (Bt m)				
- New	730	767	805	846
- Old		869.4	912.9	912.9
Change (%)		(11.8)	(11.8)	(7.4)
Normalized profit (Bt m)				
- New	4,015	3,876	4,176	4,880
- Old		4,691	4,882	5,995
Change (%)		(17.4)	(14.5)	(18.6)

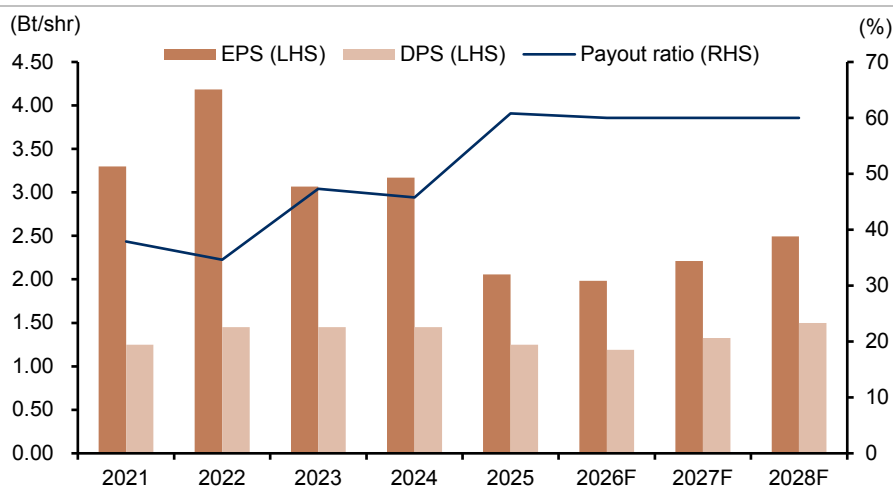
Sources: Company data, ttb wealth estimates

7.6% yield at cycle's bottom

7.6% dividend yield in
2026F

We estimate dividend yields of 7.6/8.2/9.6% in 2026-28F. Historically, SPALI has maintained a 35-50% payout ratio across property cycles, including periods of negative free cash flow during heavy land acquisition phases. Given its low net D/E ratio and land bank, which is sufficient for around three years of development, we believe the recent increase in its payout ratio to 60% in 2025 will be sustainable into 2028F.

Ex 14: EPS & DPS



Sources: Company data, ttb wealth estimates

Ex 15: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal value
EBITDA	4,415	4,766	5,640	6,311	7,175	7,866	8,426	8,873	9,296	9,682	10,075	10,490	
Free cash flow	754	2,285	2,601	5,010	7,698	6,143	8,376	5,900	6,925	7,739	8,238	6,989	87,931
PV of free cash flow	752	1,885	1,948	3,409	4,757	3,447	4,268	2,730	2,910	2,954	2,855	2,200	27,675
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	1.1												
WACC (%)	10.1												
Terminal growth (%)	2.0												
Enterprise value – add investments	70,465												
Net debt (end 2025A)	34,200												
Minority interest	1,058												
Equity value	35,208												
# of shares (m)	1,953												
Equity value/share (Bt)	18.00												

Sources: Company data, ttb wealth estimates

Valuation Comparison**Ex 16: Valuation Comparison With Regional Peers**

Name	BBG Code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		Div yield	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
Poly Real Estate Group	600048 CH	China	(16.1)	29.9	28.4	21.9	0.3	0.3	24.2	24.8	0.9	1.4
Country Garden Holdings	2007 HK	China	(4.8)	35.6	na	na	na	na	na	na	0.0	0.0
China Overseas Land & Invest	688 HK	Hong Kong	(13.4)	5.7	10.7	10.1	0.3	0.3	14.0	12.7	3.6	3.8
China Resources Land	1109 HK	Hong Kong	1.7	4.8	8.9	8.5	0.7	0.7	9.1	8.7	4.1	4.3
Hang Lung Properties	101 HK	Hong Kong	(0.5)	5.6	11.1	10.6	0.3	0.3	15.0	14.2	7.5	7.5
Henderson Land Development	12 HK	Hong Kong	1.4	15.2	15.6	13.5	0.4	0.4	23.4	20.4	5.0	5.0
Sun Hung Kai Properties	16 HK	Hong Kong	3.1	9.7	14.4	13.1	0.5	0.5	13.0	10.9	3.4	3.6
Sino Land	83 HK	Hong Kong	(11.0)	0.4	20.2	20.2	0.6	0.6	14.8	14.9	5.6	5.6
City Developments	CIT SP	Singapore	7.9	20.4	16.9	14.0	0.7	0.7	17.8	15.6	2.4	2.6
Asian Property Devt	AP TB *	Thailand	2.0	15.1	5.1	4.5	0.5	0.4	10.3	8.6	7.4	8.5
Land and Houses	LH TB *	Thailand	(2.2)	22.8	15.0	12.2	0.8	0.8	37.1	26.4	4.7	5.7
Quality Houses	QH TB *	Thailand	33.4	10.8	6.4	5.8	0.5	0.4	27.0	24.2	8.6	10.4
Sansiri	SIRI TB *	Thailand	1.7	9.4	6.2	5.6	0.5	0.5	26.4	23.2	8.2	8.9
Supalai	SPALI TB *	Thailand	(3.5)	7.7	7.9	7.3	0.6	0.5	14.8	13.6	7.6	8.2
L.P.N. Development Pcl	LPN TB	Thailand	(38.3)	32.8	27.4	20.6	0.2	0.2	27.1	25.3	4.3	4.8
Pruksa Holding Pcl	PSH TB	Thailand	(32.3)	14.9	19.3	16.8	0.2	0.2	16.9	15.1	3.6	4.6
Average			(4.4)	15.0	14.2	12.3	0.5	0.4	19.4	17.2	4.8	5.3

Sources: Bloomberg consensus, *Thanachart estimates

Based on 26 June 2026 closing prices

COMPANY DESCRIPTION

Supalai Pcl (SPALI) develops single-detached houses (SDH), townhouses (TH), and condominiums for sale. Additionally, the company owns and operates the Supalai Pasak Resort Hotel. It has six subsidiaries: Supalai Northeast Co Ltd, Phuket Estate Co Ltd, Haadyai Nakarin Co Ltd, Supalai Property Management Co Ltd, Supalai Philippines Incorporated, and Supalai Singapore Holding Pte Ltd. It holds 11-100% stakes in JVs/associates developing property projects in Australia.

Source: ttb wealth

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Operationally efficient and highly profitable due to in-house architects, proactive land purchases and the direct sourcing of raw materials.
- Cost-competitive.
- Diversified products.
- Financially strong with low gearing.

O — Opportunity

- New segments of condominiums in inner Bangkok and housing projects upcountry and the high segment of SDH in Bangkok.
- Better economies of scale from higher volumes.

CONSENSUS COMPARISON

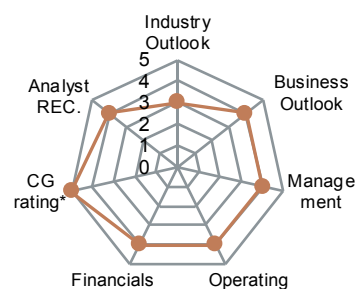
	Consensus	ttb wealth	Diff
Target price (Bt)	17.09	18.00	5%
Net profit 26F (Bt m)	4,480	3,876	-13%
Net profit 27F (Bt m)	4,871	4,176	-14%
Consensus REC	BUY: 8	HOLD: 10	SELL: 3

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026-27F net profits are lower than the Bloomberg consensus estimates, likely due to us having lower revenue and gross margin assumptions.
- Despite this, our DCF-based TP is 5% above the Street's, likely reflecting us having a more positive long-term earnings growth outlook.

Sources: Bloomberg consensus, ttb wealth estimates

COMPANY RATING



Source: ttb wealth; *CG Rating

Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

W — Weakness

- Not a strong product franchise.
- In expanding its products vertically to higher-end segments, we believe it needs to build up brand awareness.

T — Threat

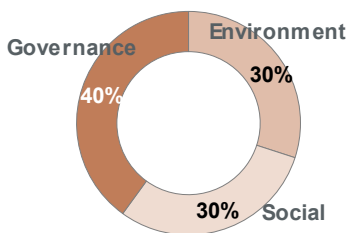
- Competition from both listed and non-listed developers.
- Land and building tax.

RISKS TO OUR INVESTMENT CASE

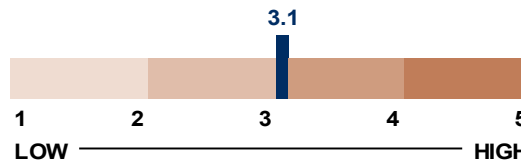
- A weaker-than-expected domestic economy, which would impact housing demand and dampen purchasing power, is the key downside risk to our call.
- Backlog cancellations represent a secondary downside risk.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
SPALI	YES	AA	-	3.15	0	59.91	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI) MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
 Note: Please see third party on "terms of use" toward the back of this report.

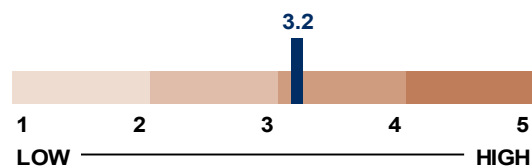


ESG Summary

- SPALI is one of the top three residential property developers by presales value. The company has built its positioning on cost efficiency, in-house design capabilities, and disciplined land acquisition, enabling competitive pricing. SPALI operates a diversified product portfolio across low-rise housing and condominium segments, with broad coverage in Bangkok and provincial provinces.
- Our ESG score for SPALI is decent at 3.2, with Social (S) and Environment (E) as stronger pillars than Governance (G).
- We assign SIRI a decent 3.2 S score, reflecting a decent core social performance, but constrained by limited supply chain ESG oversight and outcome-based Corporate Social Responsibility (CSR) disclosure.
- We also assign SIRI a decent 3.2 E score to reflect a well-established environmental framework across biodiversity, energy, and climate governance, but constrained by emissions reduction progress and limited project-level performance disclosure.
- SIRI's G score is the weakest pillar at 3.1. While the company demonstrates solid committee-level oversight and clear operational governance mechanisms, the overall board composition and leadership structure remain below best-practice standards. The strongest area in the G pillar is business model and innovation, reflecting SPALI's strong product development capabilities and ability to adapt its portfolio to evolving market demand.

We assign SPALI an E score of 3.2, reflecting its well-established environmental management framework, particularly in biodiversity, energy management, and climate governance. However, those are weighed down by relatively modest progress in emissions reduction and limited project-level environmental performance disclosure.

Environment (E) Rating



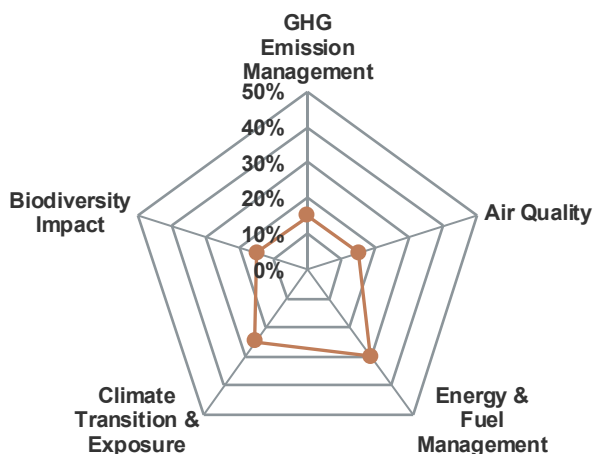
ENVIRONMENT

Our Comments

- Air Quality
- Biodiversity Impact
- Climate Transition & Exposure
- Energy & Fuel Management
- GHG Emission Management

- We assign SPALI an E score of 3.2, slightly higher than the sector average of 3.1.
- Biodiversity management is one of SPALI's strong environmental pillars. The company demonstrates a mature biodiversity management system. In 2025, all projects met ≥5% green space targets and 100% biodiversity monitoring, with support from tree retention and habitat management practices across projects.
- Air quality management is structured, with dust control measures and continuous monitoring during construction phases. However, disclosure remains process-oriented, with limited reporting on quantified ambient air quality outcomes at the project level.
- SPALI demonstrates a structured, design-led energy management approach supported by green building principles, energy-efficient materials, and partial renewable integration (solar, EV, LED). However, corporate-level energy transition remains limited, with electricity purchases still flat y-y in 2025 (vs. its -15% target) and a renewable electricity share at 0%.
- SPALI's GHG management is structured and transparent, supported by ISO 14064-1 verified reporting. The company targets carbon neutrality by 2050 and a 40% reduction in Scope 1-2 emissions by 2030 (vs 2024). While total emissions declined significantly from 143,980 tCO₂e in 2023 to 69,751 tCO₂e in 2025, the reduction was mainly driven by Scope 3 and efficiency improvements. Scope 1-2 emissions are only down 4% from the 2024 base, indicating that core operational decarbonization is still at an early stage. Scope 3 remains highly material for a residential developer and will be key to full value-chain decarbonization
- SPALI has established a formal climate governance structure under its sustainability committee and integrates climate considerations into corporate policies and operations. The company identifies key physical climate risks such as flooding, heatwaves, and rising temperatures, while also recognizing climate-related opportunities through green building design and product development. However, despite clear targets, climate risk disclosure remains largely qualitative, with limited evidence of scenario analysis, stress testing, or quantified financial impacts of climate-related risks and opportunities.

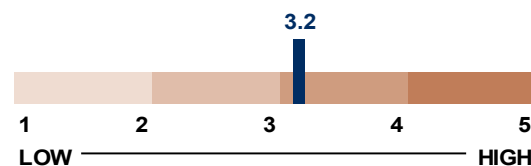
SCALE WEIGHTING



Sources: ttb wealth, Company data

We assign a Social score of 3.2. SPALI demonstrates good policy coverage and consistent implementation across social dimensions. However, the score is constrained by relatively limited ESG oversight across its supply chain and limited disclosure of measurable long-term outcomes from community investment programs.

Social (S) Rating



SOCIAL **Our Comments**

- Access & Affordability
- Customer Welfare
- Diversity & Inclusion
- Fair Labor Practices
- Health, Safety & Well-being
- Human Rights & Community Relations
- Labor Relations
- Product Quality & Safety
- Social Supply Chain Management

- We assign a decent 3.2 Social score to SPALI, on par with the sector average.
- Product positioning reflects a value-for-money strategy focused on affordability and functional design, supporting accessibility but resulting in relatively lower premium positioning in terms of perceived product quality.
- SPALI maintains a balanced workforce (50:50 male-to-female) and employs 18 persons with disabilities (1.2% of its workforce). The company invests in employee development, with average training hours increasing to 24 hours in 2025 from 20 hours in 2024, while offering comprehensive employee benefits.
- Taking into consideration the safety of contractors and construction workers, SPALI has standards to minimize construction risks. The company reported zero work-related fatalities and occupational illnesses in 2025, with a consolidated LTIFR of 0.90.
- SPALI monitors customer satisfaction through monthly surveys, achieving 9.35/10 in 2025, above its target and improving from 2024. Results are used for internal management review and improvement.
- SPALI demonstrates a robust human rights governance framework supported by internationally aligned policies, comprehensive HRDD covering 100% of its operations and Tier-1 suppliers, and established grievance mechanisms. The company reported zero significant human rights complaints and labour disputes over the past three years. However, disclosure regarding supplier audit findings and remediation outcomes remains limited.
- SPALI maintains structured supply chain management through ESG-based supplier screening, factory visits, contractor monitoring, and worker welfare initiatives. However, disclosure remains primarily process-focused, with limited quantitative metrics on supplier ESG performance and compliance outcomes.
- The company undertakes extensive CSR and community engagement initiatives. While outputs and participation levels are well documented (e.g., beneficiaries, cost savings, and project activities), evidence of long-term social impact tracking remains limited.

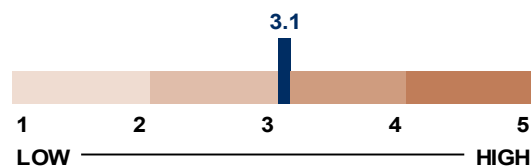
SCALE WEIGHTING



Sources: ttb wealth, Company data

We assign a 3.1 G score to SPALI, which is lower than its E and S scores. This reflects a governance framework that is generally well-established and functional, with a relatively strong business model. The score, however, is constrained by structural limitations in board independence and diversity.

Governance (G) Rating



GOVERNANCE & SUSTAINABILITY **Our Comments**

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

- We assign a decent 3.1 G score to SPALI, which is lower than its E and S scores. The key drag to the score is its weak board structure.
- SPALI’s board structure is not strong. The board chair is non-independent, who is also an executive director and the company’s founder, and the largest shareholder (41% combined family stake). The independent director ratio on its 10-member board is 40%, below half and below the best-practice ratio of two-thirds. In addition, the board lacks gender diversity, with nine directors being male.
- On the positive side, SPALI demonstrates strong governance and operational responsiveness, particularly in its ability to provide timely support to residents during incidents, supported by established customer service and after-sales management systems.
- SPALI also scores well for its business model and innovation, supported by broad external recognition across design, development quality, and sustainability awards in 2025 (including FIABCI, Asia Pacific Property Awards, and Business+ Product of the Year). Its continued product diversification also enhances demand adaptability across segments.
- SPALI has adequate governance oversight through an audit committee, a compensation committee, and a governance and sustainable development committee, with independent directors serving as committee chairs. The company also has a risk management committee; however, its chair is not independent.

SCALE WEIGHTING



Sources: ttb wealth, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	31,194	24,124	24,626	25,282	28,148
Cost of sales	19,431	15,853	16,539	16,800	18,412
Gross profit	11,763	8,271	8,087	8,482	9,737
% gross margin	37.7%	34.3%	32.8%	33.5%	34.6%
Selling & administration expenses	4,302	3,804	3,866	3,919	4,307
Operating profit	7,462	4,467	4,220	4,563	5,430
% operating margin	23.9%	18.5%	17.1%	18.0%	19.3%
Depreciation & amortization	203	213	195	202	210
EBITDA	7,665	4,680	4,415	4,766	5,640
% EBITDA margin	24.6%	19.4%	17.9%	18.8%	20.0%
Non-operating income	790	648	648	648	648
Non-operating expenses	0	0	0	0	0
Interest expense	(709)	(725)	(712)	(710)	(695)
Pre-tax profit	7,543	4,390	4,156	4,501	5,383
Income tax	1,665	1,057	997	1,080	1,292
After-tax profit	5,878	3,333	3,158	3,421	4,091
% net margin	18.8%	13.8%	12.8%	13.5%	14.5%
Shares in affiliates' Earnings	394	730	767	805	846
Minority interests	(82)	(48)	(49)	(51)	(56)
Extraordinary items	0	0	0	0	0
NET PROFIT	6,190	4,015	3,876	4,176	4,880
Normalized profit	6,190	4,015	3,876	4,176	4,880
EPS (Bt)	3.17	2.06	1.98	2.14	2.50
Normalized EPS (Bt)	3.17	2.06	1.98	2.14	2.50

Earnings improving in 2027-28F

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	81,252	82,370	83,215	84,476	86,436
Cash & cash equivalent	5,123	3,788	3,788	3,788	3,788
Account receivables	111	48	49	50	56
Inventories	74,641	77,448	78,392	79,626	81,465
Others	1,376	1,086	986	1,012	1,127
Investments & loans	6,885	11,433	13,033	13,033	13,033
Net fixed assets	4,352	3,135	3,141	3,138	3,128
Other assets	3,743	2,347	2,696	2,767	3,081
Total assets	96,231	99,285	102,084	103,415	105,678
LIABILITIES:					
Current liabilities:	33,368	31,007	31,837	31,443	31,520
Account payables	3,693	3,075	3,172	3,222	3,531
Bank overdraft & ST loans	4,961	6,163	5,828	5,742	5,595
Current LT debt	21,295	19,083	19,817	19,522	19,022
Others current liabilities	3,419	2,686	3,020	2,958	3,373
Total LT debt	7,931	12,742	13,211	13,015	12,681
Others LT liabilities	712	750	766	786	875
Total liabilities	42,011	44,499	45,814	45,244	45,077
Minority interest	1,045	1,058	1,107	1,158	1,214
Preferreds shares	0	0	0	0	0
Paid-up capital	1,953	1,953	1,953	1,953	1,953
Share premium	1,499	1,499	1,499	1,499	1,499
Warrants	0	0	0	0	0
Surplus	(2,483)	(3,461)	(3,461)	(3,461)	(3,461)
Retained earnings	52,207	53,737	55,171	57,022	59,396
Shareholders' equity	53,176	53,728	55,163	57,013	59,387
Liabilities & equity	96,231	99,285	102,084	103,415	105,678

SPALI has land for three years of development

Sources: Company data, ttb wealth estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	7,543	4,390	4,156	4,501	5,383
Tax paid	(1,239)	(1,677)	(803)	(1,155)	(1,166)
Depreciation & amortization	203	213	195	202	210
Chg In working capital	(3,065)	(3,361)	(849)	(1,185)	(1,536)
Chg In other CA & CL / minorities	354	854	965	792	1,020
Cash flow from operations	3,796	418	3,664	3,154	3,910
Capex	(3,095)	1,003	(200)	(200)	(200)
Right of use	0	0	0	0	0
ST loans & investments	17	17	42	0	0
LT loans & investments	(4,409)	(4,548)	(1,600)	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	570	1,436	(333)	(51)	(225)
Cash flow from investments	(6,917)	(2,092)	(2,091)	(251)	(425)
Debt financing	7,022	3,801	868	(577)	(980)
Capital increase	0	0	0	0	0
Dividends paid	(2,636)	(2,701)	(2,441)	(2,326)	(2,505)
Warrants & other surplus	(853)	(762)	0	0	0
Cash flow from financing	3,533	339	(1,573)	(2,903)	(3,486)
Free cash flow	701	1,421	3,464	2,954	3,710

*Positive free cash flows***VALUATION**

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	4.9	7.6	7.9	7.3	6.2
Normalized PE - at target price (x)	5.7	8.8	9.1	8.4	7.2
PE (x)	4.9	7.6	7.9	7.3	6.2
PE - at target price (x)	5.7	8.8	9.1	8.4	7.2
EV/EBITDA (x)	7.8	13.8	14.8	13.6	11.3
EV/EBITDA - at target price (x)	8.4	14.8	15.9	14.6	12.2
P/BV (x)	0.6	0.6	0.6	0.5	0.5
P/BV - at target price (x)	0.7	0.7	0.6	0.6	0.6
P/CFO (x)	8.0	72.8	8.3	9.7	7.8
Price/sales (x)	1.0	1.3	1.2	1.2	1.1
Dividend yield (%)	9.3	8.0	7.6	8.2	9.6
FCF Yield (%)	2.3	4.7	11.4	9.7	12.2
(Bt)					
Normalized EPS	3.17	2.06	1.98	2.14	2.50
EPS	3.17	2.06	1.98	2.14	2.50
DPS	1.45	1.25	1.19	1.28	1.50
BV/share	27.23	27.51	28.24	29.19	30.41
CFO/share	1.94	0.21	1.88	1.62	2.00
FCF/share	0.36	0.73	1.77	1.51	1.90

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	0.1	(22.7)	2.1	2.7	11.3
Net profit (%)	3.3	(35.1)	(3.5)	7.7	16.9
EPS (%)	3.3	(35.1)	(3.5)	7.7	16.9
Normalized profit (%)	3.3	(35.1)	(3.5)	7.7	16.9
Normalized EPS (%)	3.3	(35.1)	(3.5)	7.7	16.9
Dividend payout ratio (%)	45.8	60.8	60.0	60.0	60.0
Operating performance					
Gross margin (%)	37.7	34.3	32.8	33.5	34.6
Operating margin (%)	23.9	18.5	17.1	18.0	19.3
EBITDA margin (%)	24.6	19.4	17.9	18.8	20.0
Net margin (%)	18.8	13.8	12.8	13.5	14.5
D/E (incl. minor) (x)	0.6	0.7	0.7	0.7	0.6
Net D/E (incl. minor) (x)	0.5	0.6	0.6	0.6	0.6
Interest coverage - EBIT (x)	10.5	6.2	5.9	6.4	7.8
Interest coverage - EBITDA (x)	10.8	6.5	6.2	6.7	8.1
ROA - using norm profit (%)	6.8	4.1	3.8	4.1	4.7
ROE - using norm profit (%)	11.9	7.5	7.1	7.4	8.4
DuPont					
ROE - using after tax profit (%)	11.3	6.2	5.8	6.1	7.0
- asset turnover (x)	0.3	0.2	0.2	0.2	0.3
- operating margin (%)	26.5	21.2	19.8	20.6	21.6
- leverage (x)	1.8	1.8	1.8	1.8	1.8
- interest burden (%)	91.4	85.8	85.4	86.4	88.6
- tax burden (%)	77.9	75.9	76.0	76.0	76.0
WACC (%)	10.1	10.1	10.1	10.1	10.1
ROIC (%)	8.0	4.1	3.6	3.8	4.5
NOPAT (Bt m)	5,814	3,391	3,207	3,468	4,127
invested capital (Bt m)	82,239	87,928	90,231	91,503	92,897

Sources: Company data, ttb wealth estimates

*A highly profitable
developer with low
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The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. Sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

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90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

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