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Thailand Property

Reuters PSH.BK
Bloomberg PSH TB

Priced on 17 February 2021
Thai SET @ 1,514.9

12M hi/lo Bt15.10/8.40

12M price target Bt10.00
±% potential -19%

Shares in issue 2,188.5m
Free float (est.) 25.9%

Market cap US\$0.9bn

3M ADV US\$0.8m

Foreign s'holding 11.1%

Major shareholders
Vijitpongpun family 71.7%

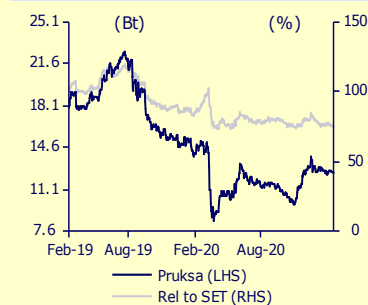
Blended ESG Score (%)*

Overall 69.7
Country average 66.7
GEM sector average 67.5

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

Stock performance (%)

	1M	3M	12M
Absolute	(3.1)	9.7	(17.9)
Relative	(2.9)	(2.2)	(17.2)
Abs (US\$)	(2.4)	10.7	(14.3)



Losing ground

FY20 net profit less than half of 2018 number; reiterate SELL

Pruksa continued to suffer from declining presales and revenue in 2020. Its 2020 low-rise presales of Bt17.3bn were quite far from the Bt30bn levels of 2014-2018, when the company was a low-rise market leader. As management focused more on clearing inventory, gross margin was also hit by hefty price discounts. A smaller top line and lower gross margin led to a 48% YoY plunge in 2020 net profit. We reiterate a SELL rating and a Bt10 target price.

Falling presales and revenue

Pruksa Bt22bn total 2020 presales fell 38% YoY, 22% below the company's Bt28bn target. Low-rise presales continued to fall from Bt31.6bn in 2018 to Bt22.4bn in 2019 and to Bt17.3bn last year. This suggests that Pruksa's once-leading position in the low-rise segment has been taken by its competitor. Condo presales also fell 64% YoY in 2020. Bt29.2bn housing revenue in 2020 fell 27% YoY, largely in line with our expectation but 6% below the company's target.

Margin erosion

As focus shifted to inventory clearance, 2020 total launch value fell from Bt41.1bn in 2019 to just Bt15.8bn. Due to heavy price promotions, Pruksa gross margin also weakened considerably, from 35.4% in 2019 to 32.0% in 2020. Although we had expected margin erosion last year, this was below our 33.3% assumption.

Net profit fell 48% YoY in 2020

Due to falling housing revenue and lower gross margin, FY20 net profit was Bt2.8bn, down 48% YoY and 91% of our 2020 Bt3.0bn forecast. Unless Pruksa can fix its low-rise business and launch more projects in 2021 to regain market share, there is still downside risk to our 2021 earnings estimates. Pruksa is expected to start operating its hospital in mid-2021, likely incurring losses during the initial ramp up period (not yet factored in our 2021/22 estimates).

Reiterate SELL and Bt10 target price

Our Bt10.0 target price is based on 6x 22CL PE, lower than the 8x peer average due to continued market share loss; we rate Pruksa SELL. Pruksa recently announced a dividend of Bt0.65/sh, for a FY20 total dividend of Bt0.96/sh (higher than our 2020 Bt0.54forecast) or 7.7% yield. This FY20 total dividend implies a 76% payout ratio versus our 40% assumption.

Financials

Year to 31 December	18A	19A	20CL	21CL	22CL
Revenue (Btm)	44,901	39,885	29,914	30,811	31,736
Net profit (Btm)	5,991	5,330	3,033	3,328	3,485
EPS (Bt)	2.7	2.4	1.4	1.5	1.6
CL/consensus (10) (EPS%)	-	-	105	100	94
EPS growth (% YoY)	9.6	(11.0)	(43.1)	9.7	4.7
PE (x)	4.5	5.1	8.9	8.2	7.8
Dividend yield (%)	12.5	7.7	4.4	4.8	5.0
FCF yield (%)	7.4	0.2	0.4	10.8	12.8
PB (x)	0.7	0.6	0.6	0.6	0.6
ROE (%)	15.2	12.7	7.0	7.4	7.4
Net debt/equity (%)	61.3	67.0	70.3	63.7	56.8

Source: www.clsa.com

Financials at a glance

Year to 31 December	2018A	2019A	2020CL	(% YoY)	2021CL	2022CL
Profit & Loss (Btm)						
Revenue	44,901	39,885	29,914	(25)	30,811	31,736
Cogs (ex-D&A)	(28,097)	(24,973)	(19,069)		(19,491)	(20,056)
Gross Profit (ex-D&A)	16,804	14,912	10,845	(27.3)	11,320	11,680
SG&A and other expenses	(8,261)	(6,794)	(5,484)		(5,490)	(5,651)
Op Ebitda	8,543	8,119	5,361	(34)	5,830	6,029
Depreciation/amortisation	(717)	(781)	(898)		(998)	(1,048)
Op Ebit	7,825	7,338	4,463	(39.2)	4,832	4,981
Net interest inc/(exp)	(139)	(324)	(487)		(469)	(412)
Other non-Op items	(31)	(29)	0		0	0
Profit before tax	7,655	6,985	3,976	(43.1)	4,363	4,569
Taxation	(1,556)	(1,555)	(885)		(971)	(1,017)
Profit after tax	6,100	5,430	3,091	(43.1)	3,392	3,552
Minority interest	(108)	(100)	(58)		(64)	(67)
Net profit	5,991	5,330	3,033	(43.1)	3,328	3,485
Adjusted profit	5,991	5,330	3,033	(43.1)	3,328	3,485
Cashflow (Btm)						
Operating profit	7,825	7,338	4,463	(39.2)	4,832	4,981
Depreciation/amortisation	717	781	898	15	998	1,048
Working capital changes	(5,807)	(4,708)	(2,367)		(971)	(631)
Other items	(301)	(2,506)	(1,372)		(1,440)	(1,429)
Net operating cashflow	2,434	904	1,622	79.4	3,419	3,969
Capital expenditure	(423)	(848)	(1,500)		(500)	(500)
Free cashflow	2,011	56	122	118.6	2,919	3,469
M&A/Others	(44)	(268)	(154)		(160)	(166)
Net investing cashflow	(467)	(1,116)	(1,654)		(660)	(666)
Increase in loans	2,645	3,933	1,352	(65.6)	(2,220)	(1,994)
Dividends	(4,569)	(3,391)	(2,079)		(1,183)	(1,298)
Net equity raised/other	55	-	-		-	-
Net financing cashflow	(1,870)	542	(727)		(3,402)	(3,292)
Incr/(decr) in net cash	97	330	(759)		(643)	11
Exch rate movements	-	-	-		-	-
Balance sheet (Btm)						
Cash & equivalents	1,445	1,774	1,015	(42.8)	372	383
Accounts receivable	0	0	0		0	0
Other current assets	74,223	77,981	77,568	(0.5)	78,178	79,058
Fixed assets	4,739	5,238	5,840	11.5	5,342	4,794
Investments	814	819	919	12.2	1,019	1,119
Intangible assets	346	427	427	0	427	427
Other non-current assets	279	542	596	10	656	721
Total assets	81,845	86,782	86,365	(0.5)	85,993	86,501
Short-term debt	12,000	13,150	15,025	14.3	14,830	14,862
Accounts payable	2,284	2,191	1,165	(46.8)	1,195	1,231
Other current liabs	10,090	9,233	7,478	(19)	7,087	7,299
Long-term debt/CBs	15,100	17,950	17,450	(2.8)	15,450	13,450
Provisions/other LT liabs	497	466	466	0	466	466
Shareholder funds	41,171	43,056	44,009	2.2	46,154	48,341
Minorities/other equity	704	736	772	4.8	811	852
Total liabs & equity	81,845	86,782	86,365	(0.5)	85,993	86,501
Ratio analysis						
Revenue growth (% YoY)	2.2	(11.2)	(25.0)		3.0	3.0
Ebitda margin (%)	19.0	20.4	17.9		18.9	19.0
Ebit margin (%)	17.4	18.4	14.9		15.7	15.7
Net profit growth (%)	9.7	(11.0)	(43.1)		9.7	4.7
Op cashflow growth (% YoY)	237.4	(62.9)	79.4		110.8	16.1
Capex/sales (%)	0.9	2.1	5.0		1.6	1.6
Net debt/equity (%)	61.3	67.0	70.3		63.7	56.8
Net debt/Ebitda (x)	3.0	3.6	5.9		5.1	4.6
ROE (%)	15.2	12.7	7.0		7.4	7.4
ROIC (%)	9.7	8.2	4.7		4.9	5.1

Source: www.clsa.com

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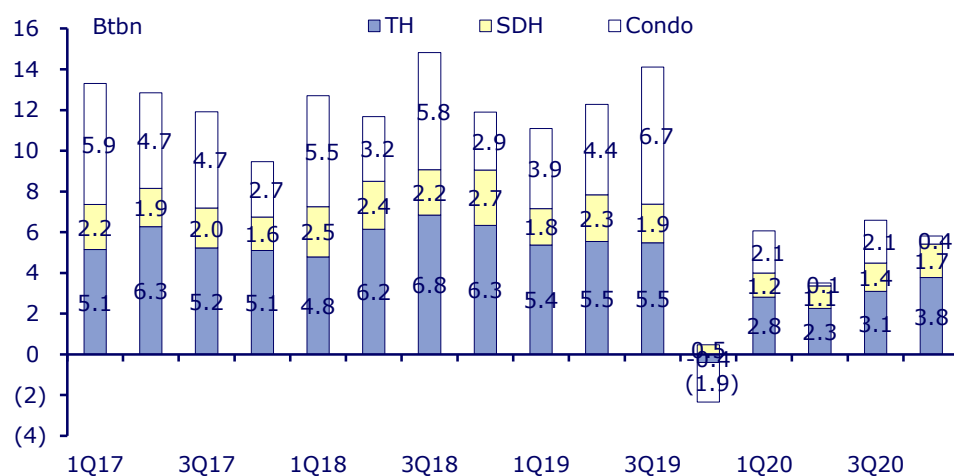
Prukša total presales fell significantly

Late 2019 coincided with changes in senior management

YoY, FY20 total revenue fell 27% (low-rise fell 29% and condo fell 24%)

Figure 1

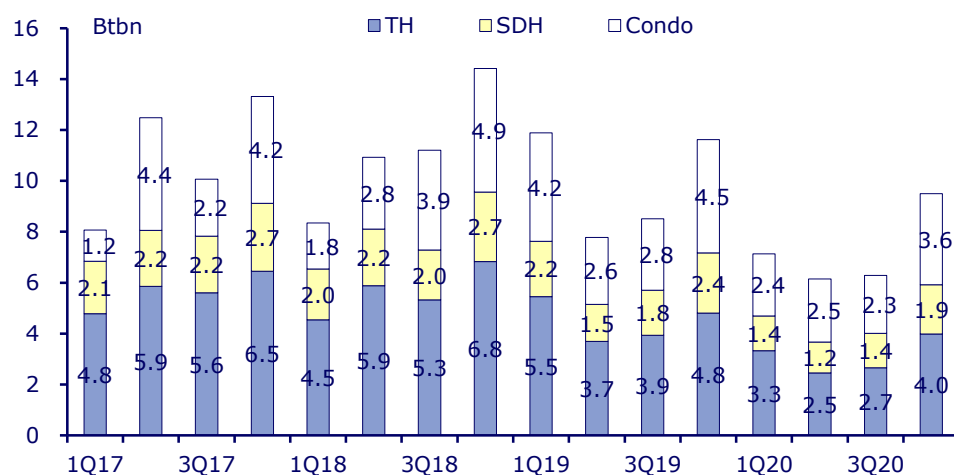
Prukša quarterly presales



Source: Prukša

Figure 2

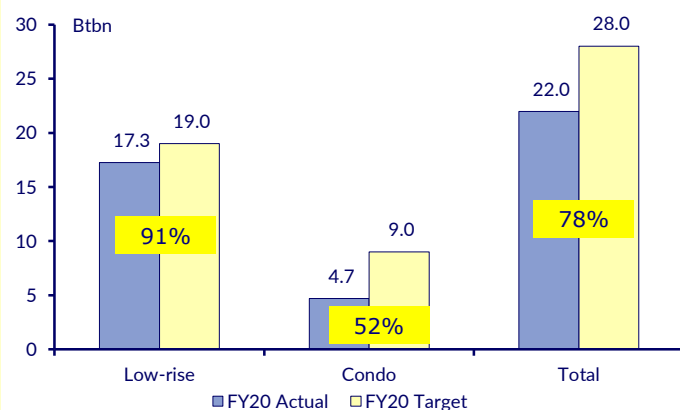
Prukša quarterly revenue



Source: Prukša

Figure 3

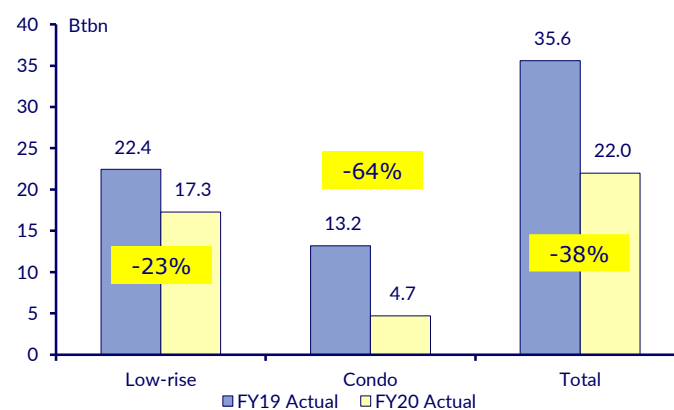
FY20 actual versus FY20 target presales



Source: Prukša

Figure 4

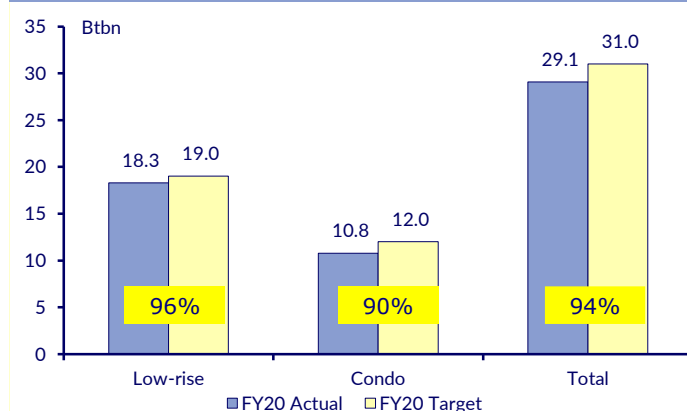
FY19 actual versus FY20 actual presales



Source: Prukša

Figure 5

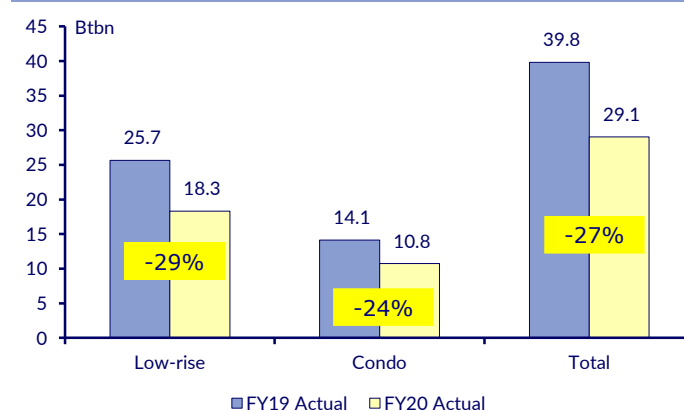
FY20 actual versus FY20 target revenue



Source: Pruksa

Figure 6

FY19 actual versus FY20 actual revenue



Source: Pruksa

Figure 7

Pruksa quarterly financial results

	4Q19	1Q20	2Q20	3Q20	4Q20	%QoQ	%YoY	FY20	2020CL	% of 20CL	% YoY
Revenue	11,706	7,143	6,166	6,353	9,584	51%	(18%)	29,244	29,914	98%	(27%)
Cost of sales	(7,442)	(4,582)	(4,200)	(4,315)	(6,780)	57%	(9%)	(19,876)	(19,968)	100%	(23%)
Gross profit	4,264	2,561	1,966	2,038	2,803	38%	(34%)	9,368	9,946	94%	(34%)
Other income (exp)	179	33	57	50	128	158%	(28%)	269	200	134%	1%
SG&A	(1,966)	(1,268)	(1,339)	(1,156)	(1,673)	45%	(15%)	(5,437)	(5,684)	96%	(23%)
Operating profit	2,477	1,326	684	932	1,259	35%	(49%)	4,200	4,463	94%	(43%)
Interest expense	(106)	(121)	(130)	(112)	(151)	34%	42%	(515)	(487)	106%	59%
EBT	2,370	1,204	553	820	1,108	35%	(53%)	3,685	3,976	93%	(47%)
Income tax	(511)	(264)	(128)	(204)	(262)	29%	(49%)	(858)	(885)	97%	(45%)
EAT	1,859	940	426	616	845	37%	(55%)	2,827	3,091	91%	(48%)
Minorities	(34)	(18)	(9)	(12)	(17)			(56)	(58)		
F/X adjustment	(25)	8	-	-	(17)			(9)	-		
Reported net profit	1,799	930	417	603	812	35%	(55%)	2,762	3,033	91%	(48%)
Gross margin	36.4%	35.9%	31.9%	32.1%	29.3%			32.0%	33.3%		
% SG&A	16.8%	17.8%	21.7%	18.2%	17.5%			18.6%	19.0%		
Effective tax rate	21.6%	22.0%	23.1%	24.9%	23.7%			23.3%	22.3%		
Net profit margin	15.4%	13.0%	6.8%	9.5%	8.5%			9.4%	10.1%		

Source: Pruksa, CLSA

Valuation details

We base our target price on a 22CL PE of 6x, which is below its peers' average due to continued risks on low-rise revenue and expected negative impacts from the new hospital business (before reaching breakeven). As Thai housing developers do not own large landbanks, revenue visibility is relatively short term and they view themselves more as housing manufacturers. Therefore, Thai housing developers need to replenish their landbanks every year and, without knowing their new launch plans, earnings visibility is also limited. The market consequently looks at Thai property valuations on a YoY basis.

Investment risks

As with property sectors elsewhere, Thai property is a cyclical industry that goes through booms and busts. Political events and unique external shocks such as the current Covid-19 pandemic also affect housing demand, especially condos, as low-rise demand is more real and can be more resilient. Pruksa's risks are relatively lower than those of its peers, given its greater focus on the low-rise segment. Recently, the company has also diversified its portfolio into the premium market.

Detailed financials

Profit & Loss (Btm)

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Revenue	46,926	43,935	44,901	39,885	29,914	30,811	31,736
Cogs (ex-D&A)	(30,599)	(27,581)	(28,097)	(24,973)	(19,069)	(19,491)	(20,056)
Gross Profit (ex-D&A)	16,327	16,354	16,804	14,912	10,845	11,320	11,680
Research & development costs	-	-	-	-	-	-	-
Selling & marketing expenses	-	-	-	-	-	-	-
Other SG&A	(8,153)	(8,537)	(8,430)	(7,060)	(5,684)	(5,700)	(5,871)
Other Op Expenses ex-D&A	246	178	169	267	200	210	220
Op Ebitda	8,419	7,995	8,543	8,119	5,361	5,830	6,029
Depreciation/amortisation	(585)	(641)	(717)	(781)	(898)	(998)	(1,048)
Op Ebit	7,834	7,354	7,825	7,338	4,463	4,832	4,981
Interest income	0	0	0	0	0	0	0
Interest expense	(287)	(197)	(139)	(324)	(487)	(469)	(412)
Net interest inc/(exp)	(287)	(197)	(139)	(324)	(487)	(469)	(412)
Associates/investments	0	0	0	0	0	0	0
Forex/other income	-	7	(31)	(29)	-	-	-
Asset sales/other cash items	-	-	-	-	-	-	-
Provisions/other non-cash items	-	-	-	-	-	-	-
Asset revaluation/Exceptional items	-	-	-	-	-	-	-
Profit before tax	7,547	7,163	7,655	6,985	3,976	4,363	4,569
Taxation	(1,478)	(1,582)	(1,556)	(1,555)	(885)	(971)	(1,017)
Profit after tax	6,069	5,581	6,100	5,430	3,091	3,392	3,552
Preference dividends	-	-	-	-	-	-	-
Profit for period	6,069	5,581	6,100	5,430	3,091	3,392	3,552
Minority interest	(128)	(118)	(108)	(100)	(58)	(64)	(67)
Net profit	5,940	5,463	5,991	5,330	3,033	3,328	3,485
Extraordinaries/others	0	0	0	0	0	0	0
Profit available to ordinary shares	5,940	5,463	5,991	5,330	3,033	3,328	3,485
Dividends	(3,901)	(2,981)	(4,569)	(3,391)	(2,079)	(1,183)	(1,298)
Retained profit	2,040	2,482	1,422	1,939	954	2,145	2,187
Adjusted profit	5,940	5,463	5,991	5,330	3,033	3,328	3,485
EPS (Bt)	2.7	2.5	2.7	2.4	1.4	1.5	1.6
Adj EPS [pre excep] (Bt)	2.7	2.5	2.7	2.4	1.4	1.5	1.6
Core EPS (Bt)	2.7	2.5	2.7	2.4	1.4	1.5	1.6
DPS (Bt)	1.4	2.1	1.6	1.0	0.5	0.6	0.6

Profit & loss ratios

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Growth (%)							
Revenue growth (% YoY)	(8.4)	(6.4)	2.2	(11.2)	(25.0)	3.0	3.0
Ebitda growth (% YoY)	(18.9)	(5.0)	6.9	(5.0)	(34.0)	8.7	3.4
Ebit growth (% YoY)	(20.0)	(6.1)	6.4	(6.2)	(39.2)	8.3	3.1
Net profit growth (%)	(22.7)	(8.0)	9.7	(11.0)	(43.1)	9.7	4.7
EPS growth (% YoY)	(21.1)	(8.1)	9.6	(11.0)	(43.1)	9.7	4.7
Adj EPS growth (% YoY)	(21.1)	(8.1)	9.6	(11.0)	(43.1)	9.7	4.7
DPS growth (% YoY)	(22.9)	54.8	(25.8)	(38.7)	(43.1)	9.7	4.7
Core EPS growth (% YoY)	(21.1)	(8.1)	9.6	(11.0)	(43.1)	9.7	4.7
Margins (%)							
Gross margin (%)	34.8	37.2	37.4	37.4	36.3	36.7	36.8
Ebitda margin (%)	17.9	18.2	19.0	20.4	17.9	18.9	19.0
Ebit margin (%)	16.7	16.7	17.4	18.4	14.9	15.7	15.7
Net profit margin (%)	12.7	12.4	13.3	13.4	10.1	10.8	11.0
Core profit margin	12.7	12.4	13.3	13.4	10.1	10.8	11.0
Op cashflow margin	5.5	1.6	5.4	2.3	5.4	11.1	12.5
Returns (%)							
ROE (%)	17.1	14.9	15.2	12.7	7.0	7.4	7.4
ROA (%)	9.6	8.3	8.1	6.8	4.0	4.4	4.5
ROIC (%)	11.6	9.8	9.7	8.2	4.7	4.9	5.1
ROCE (%)	14.5	12.6	12.1	10.4	6.0	6.3	6.5
Other key ratios (%)							
Effective tax rate (%)	19.6	22.1	20.3	22.3	22.3	22.3	22.3
Ebitda/net int exp (x)	29.3	40.5	61.5	25.1	11.0	12.4	14.6
Exceptional or extraord. inc/PBT (%)	-	-	-	-	-	-	-
Dividend payout (%)	49.7	83.7	56.6	39.0	39.0	39.0	39.0

Source: www.clsa.com

Balance sheet (Btm)

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Cash & equivalents	832	1,348	1,445	1,774	1,015	372	383
Accounts receivable	0	0	0	0	0	0	0
Inventories	59,838	63,791	71,960	76,244	76,265	76,836	77,675
Other current assets	1,035	1,090	2,263	1,737	1,303	1,342	1,382
Current assets	61,705	66,228	75,668	79,756	78,583	78,550	79,441
Fixed assets	3,683	4,633	4,739	5,238	5,840	5,342	4,794
Investments	353	748	814	819	919	1,019	1,119
Goodwill	0	0	0	0	0	0	0
Other intangible assets	334	334	346	427	427	427	427
Other non-current assets	268	301	279	542	596	656	721
Total assets	66,344	72,244	81,845	86,782	86,365	85,993	86,501
Short term loans/OD	7,898	8,800	12,000	13,150	15,025	14,830	14,862
Accounts payable	1,995	2,379	2,284	2,191	1,165	1,195	1,231
Accrued expenses	-	-	-	-	-	-	-
Taxes payable	0	0	0	0	0	0	0
Other current liabs	7,634	6,460	10,090	9,233	7,478	7,087	7,299
Current liabilities	17,527	17,639	24,374	24,574	23,668	23,112	23,393
Long-term debt/leases/other	12,000	15,500	15,100	17,950	17,450	15,450	13,450
Convertible bonds	-	-	-	-	-	-	-
Provisions/other LT liabs	653	445	497	466	466	466	466
Total liabilities	30,180	33,584	39,971	42,990	41,584	39,028	37,308
Share capital	2,186	2,187	2,189	2,189	2,189	2,189	2,189
Retained earnings	31,267	33,727	36,964	38,877	39,830	41,976	44,163
Reserves/others	1,959	1,995	2,018	1,990	1,990	1,990	1,990
Shareholder funds	35,413	37,909	41,171	43,056	44,009	46,154	48,341
Minorities/other equity	751	750	704	736	772	811	852
Total equity	36,164	38,660	41,874	43,792	44,781	46,965	49,193
Total liabs & equity	66,344	72,244	81,845	86,782	86,365	85,993	86,501
Total debt	19,898	24,300	27,100	31,100	32,475	30,280	28,312
Net debt	19,066	22,952	25,655	29,326	31,460	29,909	27,929
Adjusted EV	46,569	50,071	52,683	56,381	58,450	56,838	54,800
BVPS (Bt)	16.2	17.3	18.8	19.7	20.1	21.1	22.1

Balance sheet ratios

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Key ratios							
Current ratio (x)	3.5	3.8	3.1	3.2	3.3	3.4	3.4
Growth in total assets (% YoY)	1.6	8.9	13.3	6.0	(0.5)	(0.4)	0.6
Growth in capital employed (% YoY)	5.1	11.6	9.6	8.3	4.3	0.8	0.3
Net debt to operating cashflow (x)	7.4	31.8	10.5	32.4	19.4	8.7	7.0
Gross debt to operating cashflow (x)	7.7	33.7	11.1	34.4	20.0	8.9	7.1
Gross debt to Ebitda (x)	2.4	3.0	3.2	3.8	6.1	5.2	4.7
Net debt/Ebitda (x)	2.3	2.9	3.0	3.6	5.9	5.1	4.6
Gearing							
Net debt/equity (%)	52.7	59.4	61.3	67.0	70.3	63.7	56.8
Gross debt/equity (%)	55.0	62.9	64.7	71.0	72.5	64.5	57.6
Interest cover (x)	27.3	37.3	56.4	22.7	9.2	10.3	12.1
Debt cover (x)	0.1	0.0	0.1	0.0	0.0	0.1	0.1
Net cash per share (Bt)	(8.7)	(10.5)	(11.7)	(13.4)	(14.4)	(13.7)	(12.8)
Working capital analysis							
Inventory days	687.2	799.5	859.8	1,050.2	1,393.9	1,363.7	1,336.1
Debtor days	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditor days	20.9	28.3	29.5	31.7	30.7	21.0	21.0
Working capital/Sales (%)	109.2	127.6	137.7	166.9	230.4	226.9	222.2
Capital employed analysis							
Sales/Capital employed (%)	85.0	71.3	66.5	54.5	39.2	40.1	41.1
EV/Capital employed (%)	84.3	81.3	78.0	77.1	76.7	73.9	71.1
Working capital/Capital employed (%)	92.8	91.0	91.6	91.0	90.4	90.9	91.4
Fixed capital/Capital employed (%)	6.7	7.5	7.0	7.2	7.7	6.9	6.2
Other ratios (%)							
PB (x)	0.8	0.7	0.7	0.6	0.6	0.6	0.6
EV/Ebitda (x)	5.5	6.3	6.2	6.9	10.9	9.7	9.1
EV/OCF (x)	18.1	69.4	21.6	62.4	36.0	16.6	13.8
EV/FCF (x)	18.0	(128.8)	26.2	1,012.3	480.0	19.5	15.8
EV/Sales (x)	1.0	1.1	1.2	1.4	2.0	1.8	1.7
Capex/depreciation (%)	0.8	173.2	59.0	108.6	167.0	50.1	47.7

Source: www.clsa.com

Cashflow (Btm)

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Operating profit	7,834	7,354	7,825	7,338	4,463	4,832	4,981
Operating adjustments	-	-	-	-	-	-	-
Depreciation/amortisation	585	641	717	781	898	998	1,048
Working capital changes	(2,606)	(4,797)	(5,807)	(4,708)	(2,367)	(971)	(631)
Interest paid/other financial expenses	(287)	(197)	(139)	(324)	(487)	(469)	(412)
Tax paid	(1,478)	(1,582)	(1,556)	(1,555)	(885)	(971)	(1,017)
Other non-cash operating items	(1,472)	(697)	1,393	(628)	-	-	-
Net operating cashflow	2,576	721	2,434	904	1,622	3,419	3,969
Capital expenditure	5	(1,110)	(423)	(848)	(1,500)	(500)	(500)
Free cashflow	2,581	(389)	2,011	56	122	2,919	3,469
Acq/inv/disposals	(13)	(395)	(66)	(5)	(100)	(100)	(100)
Int, invt & associate div	7	(32)	22	(263)	(54)	(60)	(66)
Net investing cashflow	(1)	(1,538)	(467)	(1,116)	(1,654)	(660)	(666)
Increase in loans	530	4,283	2,645	3,933	1,352	(2,220)	(1,994)
Dividends	(3,901)	(2,981)	(4,569)	(3,391)	(2,079)	(1,183)	(1,298)
Net equity raised/others	(33)	30	55	-	-	-	-
Net financing cashflow	(3,404)	1,332	(1,870)	542	(727)	(3,402)	(3,292)
Incr/(decr) in net cash	(829)	516	97	330	(759)	(643)	11
Exch rate movements	-	-	-	-	-	-	-
Opening cash	1,661	832	1,348	1,445	1,774	1,015	372
Closing cash	832	1,348	1,445	1,774	1,015	372	383
OCF PS (Bt)	1.2	0.3	1.1	0.4	0.7	1.6	1.8
FCF PS (Bt)	1.2	(0.2)	0.9	0.0	0.1	1.3	1.6

Cashflow ratio analysis

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Growth (%)							
Op cashflow growth (% YoY)	(48.3)	(72.0)	237.4	(62.9)	79.4	110.8	16.1
FCF growth (% YoY)	(47.0)	(115.1)	-	(97.2)	118.6	2,296.7	18.9
Capex growth (%)	(104.2)	-	(61.9)	100.6	76.8	(66.7)	0.0
Other key ratios (%)							
Capex/sales (%)	0.0	2.5	0.9	2.1	5.0	1.6	1.6
Capex/op cashflow (%)	0.2	153.9	17.4	93.8	92.5	14.6	12.6
Operating cashflow payout ratio (%)	114.6	633.6	139.4	230.0	72.9	38.0	34.3
Cashflow payout ratio (%)	151.4	413.3	187.8	375.1	128.2	34.6	32.7
Free cashflow payout ratio (%)	151.1	-	227.3	6,087.9	1,707.3	40.5	37.4

DuPont analysis

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Ebit margin (%)	16.7	16.7	17.4	18.4	14.9	15.7	15.7
Asset turnover (x)	0.7	0.6	0.6	0.5	0.3	0.4	0.4
Interest burden (x)	1.0	1.0	1.0	1.0	0.9	0.9	0.9
Tax burden (x)	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Return on assets (%)	9.6	8.3	8.1	6.8	4.0	4.4	4.5
Leverage (x)	1.9	1.9	1.9	2.0	2.0	1.9	1.8
ROE (%)	17.2	14.9	15.1	12.7	7.0	7.4	7.4

EVA® analysis

Year to 31 December	2016A	2017A	2018A	2019A	2020CL	2021CL	2022CL
Ebit adj for tax	6,300	5,729	6,235	5,704	3,469	3,756	3,872
Average invested capital	54,315	58,420	64,261	69,989	74,276	76,054	76,395
ROIC (%)	11.6	9.8	9.7	8.2	4.7	4.9	5.1
Cost of equity (%)	11.9	11.9	11.9	11.9	11.9	11.9	11.9
Cost of debt (adj for tax)	4.4	4.3	4.4	4.3	4.3	4.3	4.3
Weighted average cost of capital (%)	9.6	9.6	9.6	9.6	9.6	9.6	9.6
EVA/IC (%)	2.0	0.2	0.1	(1.4)	(4.9)	(4.6)	(4.5)
EVA (Btm)	1,076	136	63	(995)	(3,641)	(3,524)	(3,441)

Source: www.clsa.com

CLSA

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Pruksa Holding PCL (PSH TB)

Bt12.40

SELL

TSR: (14.5%)

Pruksa (PSH TB)

GICS sector	Real estate
GICS industry	Real estate mgmt
Last price	Bt12.40
12M Hi/Lo	Bt15.10 / Bt8.40
CLSA target	Bt10.00
CLSA rec	Sell
Analyst	Soraphob Panpiemras
Last model updated	26 Nov 2020
Mkt cap (US\$m)	916
3M ADTO (US\$m)	0.8
Free float (%)	25.9
Total stock return (%)	(14.5)

Price performance (%)

	1M	3M	6M	1Y
Local	(3.1)	9.7	8.8	(17.9)
US\$	(2.4)	10.8	13.3	(14.3)

Peak to trough levels (12M fwd)

(x)	PE	PB	
Peak	12.3	1.7	← Peak
Trough	6.4	0.4	← 5Y avg
Current	8.2	0.6	← Current
Average	8.9	1.1	← Trough

Environmental, social & corporate governance

ESG score	Ctry rank	Sector rank
(%)		
Weighted/Ranking	69.7	23/49
		67/150

Earning/balance sheet quality scores

	Score
Earning-quality risk score (EQRS)	2/5
Balance-sheet-quality risk score (BQRS)	2/5
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 trl book yield (Q1 = least expensive)
 Growth - Nxt 2-year Avg YoY EPS growth, Last 2-year YoY Avg EPS growth, Last 2Y Biltida 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)

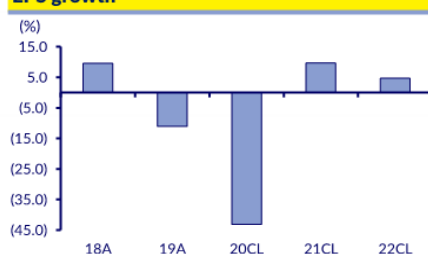
12M forward PE



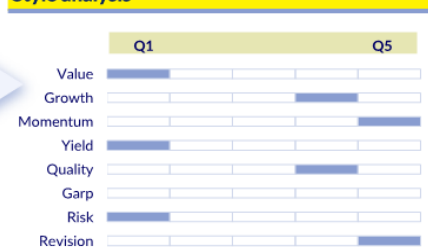
Price chart (5Y)



EPS growth



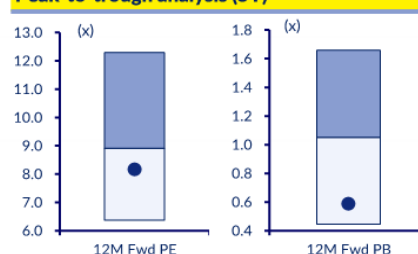
Style analysis



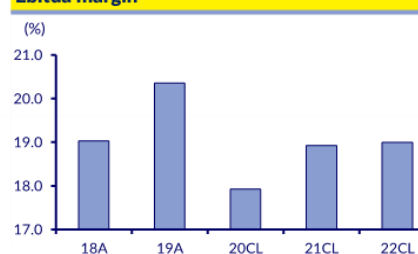
12M forward PB



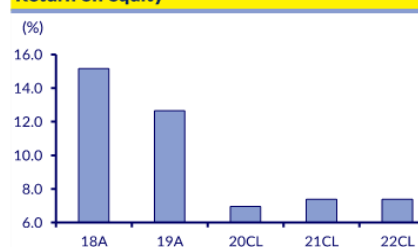
Peak-to-trough analysis (5Y)



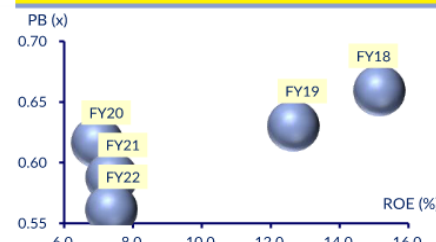
Ebitda margin



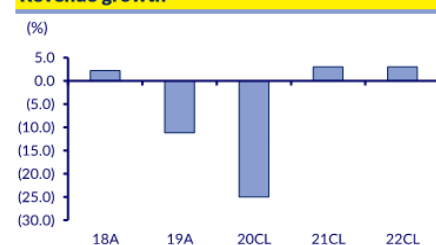
Return on equity



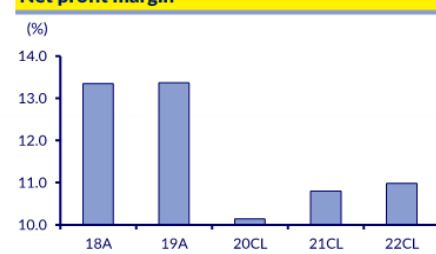
PB versus ROE



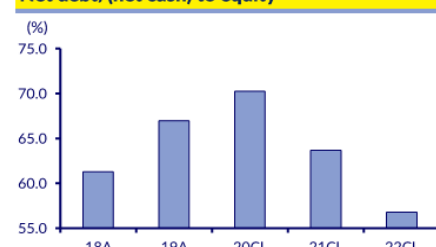
Revenue growth



Net profit margin



Net debt/(net cash) to equity



Year end: 31 Dec 2019

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Pruksa - SELL



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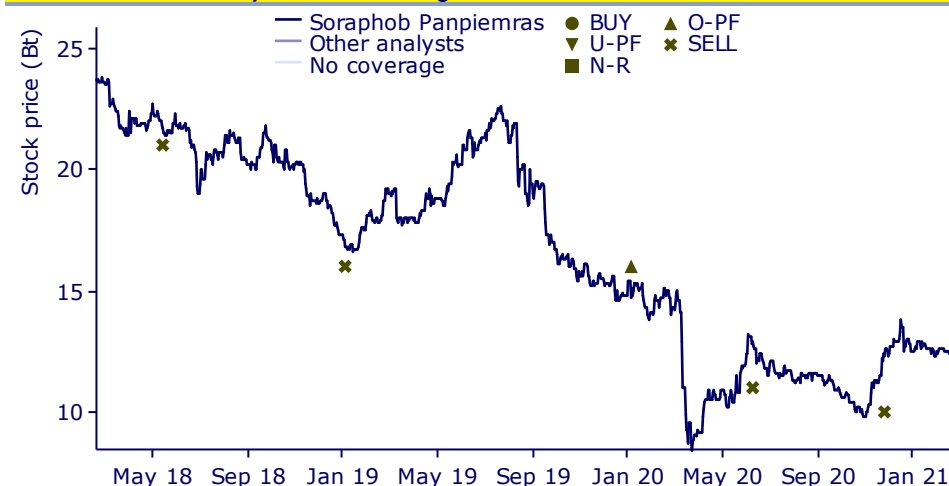
Pruksa (PSH TB - BT12.40 - SELL)

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Important disclosures

Recommendation history of Pruksa Holding PCL PSH TB



Date	Rec	Target	Date	Rec	Target
26 Nov 2020	SELL	10.00	04 Jan 2019	SELL	16.00
10 Jun 2020	SELL	11.00	15 May 2018	SELL	21.00
06 Jan 2020	O-PF	16.00			

Source: CLSA

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