

Supalai (SPALI TB)

Neutral View Amid Flood Impact; Remains Our Top Sector Pick

Highlights

- We attended a market update meeting with management and came away with a neutral view. We expect SPALI to report 3Q26 net profit of Bt6.084b, down 12.3% qoq and 4.5% yoy. 3Q26 earnings are expected to be softer than previously guided, mainly due to flooding in Bangkok.
- We continue to like SPALI for its strong balance sheet and low leverage. While the Bangkok flood may weigh on property transfers in 3Q26, SPALI remains an attractive player in the property sector. We maintain our BUY recommendation with a target price of Bt17.50.

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q26	2Q26	3Q25	qoq%	yoy%
Sales and services	6,371	6,936	6,084	(4.5)	(12.3)
Core profit	933	1,630	604	(35.3)	(63.0)
Net profit	1,168	1,665	636	(45.6)	(61.8)
Gross margin	35.3	30.3	31.7	(3.6)	1.4
Residential gross margin	35.8	30.3	30.8	(5.0)	0.5
Service gross margin	6.7	27.7	80.0	73.3	52.3
SG&A to sales	15.3	14.5	19.5	4.2	5.0
EBIT margin	20.0	15.8	12.2	(7.9)	(3.6)
EBITDA margin	21.1	15.8	14.3	(6.8)	(1.5)

Source: Supalai, UOB Kay Hian

Analysis

- Neutral takeaways from management meeting.** We attended a market update meeting with management and came away with a neutral view. We expect Supalai (SPALI) to report 3Q26 net profit of Bt6.084b (-12.3% qoq, -4.5% yoy), with total transfers expected at Bt5.974b (-12.5% qoq, -4.9% yoy). This is in line with 3Q26 presales of Bt5.571b, (vs Bt6.937b in 2Q26 and Bt6.012b in 1Q26).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	31,194.4	24,124.3	25,619.8	25,981.7	26,769.8
EBITDA	7,664.6	4,680.3	5,268.8	5,853.4	6,079.6
Operating profit	7,461.5	4,467.0	5,053.3	5,635.9	5,859.8
Net profit (rep./act.)	6,189.5	4,015.0	4,822.3	4,962.2	5,129.0
Net profit (adj.)	6,189.5	4,015.0	4,822.3	4,962.2	5,129.0
EPS	3.2	2.1	2.5	2.5	2.6
PE (x)	5.8	9.0	6.4	6.3	6.0
P/B (x)	0.7	0.7	0.6	0.5	0.5
EV/EBITDA (x)	6.6	12.0	10.8	9.8	9.4
Dividend yield (%)	7.9	6.8	8.8	9.1	9.4
Net margin (%)	19.8	16.6	18.8	19.1	19.2
Net debt/(cash) to equity(%)	54.7	63.6	63.3	61.1	58.7
Interest cover (x)	10.8	6.5	7.5	8.2	8.4
ROE (%)	11.9	7.5	8.8	8.7	8.7
Consensus net profit	n.a	n.a	4,432.6	4,643.9	5,012.5
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.0

Source: Supalai, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt15.90
Target Price	Bt17.50
Upside	10.0%

Stock Data

Sector	Real Estate
Bloomberg ticker	SPALI TB
Shares issued (m)	1,902.0
Market cap (Btm)	30,052.0
Market cap (US\$m)	891.8
3-mth avg daily t'over (US\$m)	2.4

Price Performance (%)

52-week high/low				Bt18.8/Bt14.9
1mth	3mth	6mth	1yr	YTD
(1.9)	(1.9)	(4.2)	(12.2)	(7.1)

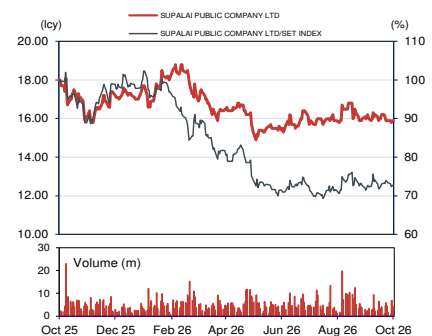
Major Shareholders (%)

Dr. Prateep Tangmatitham	35.7
Mrs. Ajchara Tangmatitham	6.3

Balance Sheet Metrics

FY26 NAV/Share (Bt)	28.6
FY26 Net Debt/Share (Bt)	18.1

Price Chart



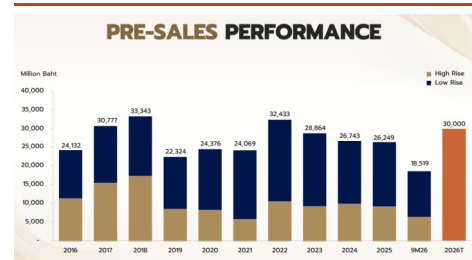
Source: Bloomberg

Company Description

SPALI is a nationwide residential developer with a portfolio of low-rise housing and condominiums. The company is known for a decentralised project expansion approach across major provincial cities in addition to Bangkok.

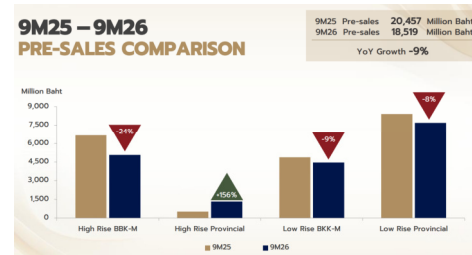
- Flooding weighs on sales momentum in 2H26.** The Bangkok flooding following heavy rainfall during 25-26 Sep 26 has affected transfer momentum in 3Q26. Following the Cabinet's announcement of special public holidays in four provinces - Bangkok, Nonthaburi, Pathum Thani, and Samut Prakan - property transfers toward the end of the quarter were delayed, particularly for newly completed high-rise projects with relatively high gross margins. However, we view this mainly as a timing issue, with the delayed transfers expected to be recognised in the following quarter. In addition, the company has decided to postpone some project launches in 4Q26, particularly low-rise projects, to better align with the weaker economic environment following the flooding. That said, the impact on existing projects has been relatively limited, as flood-prevention measures were incorporated from the landfiling and project development stages.
- We remain positive on transfer outlook in 2H26.** Management expects 4Q26 to be the strongest earnings quarter of 2026. We expect its cost control measures to support SPALI's performance amid a challenging property sector environment. While construction costs were affected by higher oil prices during 1H26, lower financing costs, supported by the downward interest-rate trend earlier in the year, should help cushion the impact. Moreover, SPALI's strong balance sheet and low leverage should provide the company with greater flexibility to pursue further growth opportunities, although we expect growth momentum to moderate over the medium term.

9M26 Presales Performance



Source: SPALI, UOB Kay Hian

9M25 – 9M26 Presales Comparison



Source: SPALI, UOB Kay Hian

Valuation/Recommendation

- Maintain BUY with a target price of Bt17.50.** We maintain our BUY recommendation with a target price of Bt17.50, based on our 2026F EPS estimate of Bt2.47, revised up from Bt2.34 previously. This implies a 2026F PE of 7.1x, broadly in line with SPALI's historical average.
- Revenue growth is likely to moderate amid headwinds from Bangkok flooding, which has affected property transfers, and the company's plan to delay some project launches in 2H26. If the impact is in line with our expectations, there could be slight downside risk to our earnings forecasts.
- Nevertheless, we continue to like SPALI for its strong fundamentals and healthy financial position. Its Australian operations should also provide additional earnings support and help offset pressure from the domestic property market. SPALI remains our top sector pick, supported by its strong balance sheet, low leverage and financial flexibility despite a more challenging medium-term growth outlook.

Earnings Revision/Risk

- No changes to our earnings forecasts.

Share Price Catalyst

- Better-than-expected presales; property transfers being recognised earlier than expected.
- Improvements in gross margin and SG&A-to-sales ratio.
- Equity income coming in above expectations.

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	24,124	25,620	25,982	26,770
EBITDA	4,680	5,269	5,853	6,080
Deprec. & amort.	213	215	218	220
EBIT	4,467	5,053	5,636	5,860
Total other non-operating income	648	550	500	500
Associate contributions	730	1,343	1,000	1,000
Net interest income/(expense)	(725)	(700)	(710)	(720)
Pre-tax profit	5,121	6,246	6,426	6,640
Tax	(1,057)	(1,374)	(1,414)	(1,461)
Minorities	(48)	(50)	(50)	(50)
Net profit	4,015	4,822	4,962	5,129
Net profit (adj.)	4,015	4,822	4,962	5,129

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	473	2,671	3,698	3,911
Pre-tax profit	5,121	6,246	6,426	6,640
Tax	(1,057)	(1,374)	(1,414)	(1,461)
Deprec. & amort.	213	215	218	220
Working capital changes	(3,361)	(2,354)	(1,553)	(1,535)
Non-cash items	(443)	(62)	22	47
Other operating cashflows	0	0	0	0
Investing	(2,111)	(1,284)	(1,003)	(992)
Capex (growth)	977	(213)	(207)	(201)
Investments	(3,105)	(972)	(800)	(800)
Others	18	(100)	4	9
Financing	303	(2,113)	(2,274)	(2,368)
Dividend payments	(2,701)	(2,583)	(2,774)	(2,868)
Issue of shares	0	0	0	0
Proceeds from borrowings	3,801	500	500	500
Others/interest paid	(797)	(30)	0	0
Net cash inflow (outflow)	(1,335)	(726)	422	551
Beginning cash & cash equivalent	5,123	3,788	3,062	3,484
Ending cash & cash equivalent	3,788	3,062	3,484	4,035

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	3,280	3,278	3,268	3,249
Other LT assets	13,635	14,468	15,271	16,077
Cash/ST investment	3,788	3,062	3,484	4,035
Other current assets	78,582	81,343	82,960	84,636
Total assets	99,285	102,151	104,983	107,997
ST debt	25,246	19,246	18,246	17,246
Other current liabilities	5,761	6,105	6,191	6,379
LT debt	12,742	19,242	20,742	22,242
Other LT liabilities	750	512	520	535
Shareholders' equity	53,728	55,938	58,126	60,387
Minority interest	1,058	1,108	1,158	1,208
Total liabilities & equity	99,285	102,151	104,983	107,997

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	19.4	20.6	22.5	22.7
Pre-tax margin	21.2	24.4	24.7	24.8
Net margin	16.6	18.8	19.1	19.2
ROA	4.1	4.8	4.8	4.8
ROE	7.5	8.8	8.7	8.7
Growth				
Turnover	(22.7)	6.2	1.4	3.0
EBITDA	(38.9)	12.6	11.1	3.9
Pre-tax profit	(35.5)	22.0	2.9	3.3
Net profit	(35.1)	20.1	2.9	3.4
Net profit (adj.)	(35.1)	20.1	2.9	3.4
EPS	(35.1)	20.1	2.9	3.4
Leverage				
Debt to total capital	69.3	67.5	65.8	64.1
Debt to equity	70.7	68.8	67.1	65.4
Net debt/(cash) to equity	63.6	63.3	61.1	58.7
Interest cover	6.5	7.5	8.2	8.4

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