

Supalai (SPALI TB)

Expect 3Q25 Earnings To Decline Both yoy And qoq

Highlights

- SPALI's 3Q25 earnings are expected to decline 52% yoy and 14% qoq, pressured by transfers and equity income.
- 4Q25 presales momentum is likely to be supported by the high-rise segment, although full-year targets are expected to be missed.
- We are optimistic about SPALI's fundamentals and presales momentum, but cautious about its backlog visibility and intensifying competition. Maintain HOLD with a target price of Bt16.10.

Analysis

- **3Q25 results preview.** We expect Supalai (SPALI) to report a net profit of Bt948m in 3Q25, down 52% yoy and 14% qoq. Transfers are likely to be pressured by a low backlog, the absence of newly completed condo projects during the quarter and lower transfers (joint operation) in Australia. On the positive side, despite aggressive promotional campaigns, gross margin is anticipated to improve qoq from 31.5% to 35.7%, driven by a more favourable transfer mix. Equity income is projected to drop significantly qoq, dragged by a decline in transfers from projects in Australia.
- **Presales underpinned by the high-rise segment.** SPALI achieved presales of Bt20.5b in 9M25, accounting for 64% of its full-year target and rising 2% yoy. Growth was mainly supported by the high-rise segment following new project launches, while low-rise presales saw a slight decline, mainly in provincial areas. We expect solid presales momentum to continue in 4Q25, as Supalai Premier Taksin–Wongwianyai (valued at Bt2.7b), launched on 18 Oct 25, achieved strong presales with Bt1.4b sold (53%). In addition, several new low-rise and high-rise projects are planned for launch during the quarter.
- **Revised 2025 project launch plan.** SPALI has revised its 2025 launch target down from Bt46b to Bt32.6b, mainly due to the removal of several provincial low-rise projects and the postponement of a few condominium projects to 1Q26, in line with market conditions and EIA process timelines. This revision is expected to limit upside potential for presales performance in 2025.

Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	31,176.6	31,194.4	24,738.1	25,619.8	25,981.7
EBITDA	7,386.5	7,664.6	5,041.6	5,748.6	6,020.8
Operating profit	7,248.8	7,461.5	4,838.5	5,545.5	5,817.7
Net profit (rep./act.)	5,989.4	6,189.5	3,758.9	4,440.0	4,492.4
Net profit (adj.)	5,989.4	6,189.5	3,758.9	4,440.0	4,492.4
EPS	3.1	3.2	1.9	2.3	2.3
PE	5.6	5.4	8.9	7.5	7.4
P/B	0.7	0.6	0.6	0.6	0.6
EV/EBITDA	8.8	8.5	12.9	11.3	10.8
Dividend yield	8.5	8.5	4.9	5.9	5.8
Net margin	19.2	19.8	15.2	17.3	17.3
Net debt/(cash) to equity	44.5	54.7	57.9	55.3	53.2
Interest cover	15.8	10.8	6.6	7.9	8.2
Consensus net profit	-	-	4,738	5,256	5,496
UOBKH/Consensus (x)	-	-	0.79	0.84	0.82

Source: Supalai, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt17.10
Target Price	Bt16.10
Upside	(5.8)%

Analyst(s)

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Stock Data

GICS Sector	Real Estate
Bloomberg ticker	SPALI TB
Shares issued (m)	1,888.2
Market cap (Btm)	32,288.9
Market cap (US\$m)	987.2
3-mth avg daily t'over (US\$m)	3.3

Price Performance (%)

52-week high/low Bt20.40/Bt13.20

1mth	3mth	6mth	1yr	YTD
(5.5)	14.0	4.3	(14.5)	(6.0)

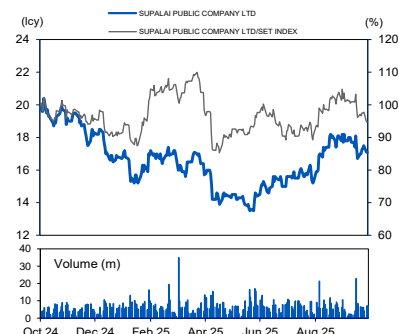
Major Shareholders

	%
Mr. Prateep Tangmatitham	34.53
Thai NVDR Company Limited	6.85
Mrs. Ajchara Tangmatitham	6.29

FY25 NAV/Share (Bt) 28.01

FY25 Net Debt/Share (Bt) 16.23

Price Chart



Source: Bloomberg

Company Description

Property developer who focused on low-rise properties and condominiums in a variety of areas throughout Bangkok and provincial.

3Q25 Results Preview

Year to 31 Dec (Btm)	3Q24	2Q25	3Q25F	yoy %	qoq %
Sales and services	9,836	6,912	6,435	(34.6)	(6.9)
Operating EBIT	2,573	1,196	1,335	(48.1)	11.6
Equity income	39	446	120	205.0	(73.1)
Core profit	1,870	1,060	900	(51.9)	(15.1)
Net profit	1,989	1,104	948	(52.3)	(14.1)
Percent	3Q24	2Q25	3Q25F	yoy ppt	qoq ppt
Gross margin	39.6	31.5	35.7	(3.8)	4.2
SG&A to sales	13.4	14.2	15.0	1.6	0.8
EBIT margin	26.2	17.3	20.7	(5.4)	3.4
Net margin	20.2	16.0	14.7	(5.5)	(1.2)

Source: Supalai, UOB Kay Hian

Valuation/Recommendation

- **Maintain HOLD with a new target price of Bt16.10** (previously Bt14.70). We rolled over our valuation to 2026, based on 7x 2026F PE or its historical mean, revised up from -0.5SD to reflect SPALI's solid financial position and profitability compared with its peers. Although we remain optimistic about SPALI's fundamentals, presales momentum and 4Q25 earnings outlook, we stay cautious on its backlog visibility and intensifying competition. Note that the company's share buyback programme will end on 18 Nov 25.

Earnings Revision/Risk

- We revise down our earnings forecasts for 2025/26 by 17% and 11% respectively to reflect our more conservative assumptions for both revenue and gross margin.

Earnings Revision

Year to 31 Dec (Btm)	2025F			2026F		
	New	Old	Chg.	New	Old	Chg.
Sales and services	24,738	25,046	-1.2%	25,620	26,946	-4.9%
Gross profit	8,673	9,259	-6.3%	9,324	9,983	-6.6%
Operating profit	4,839	5,377	-10.0%	5,545	6,008	-7.7%
Net profit	3,759	4,547	-17.3%	4,440	4,996	-11.1%

Source: UOB Kay Hian

Share Price Catalyst

- a) Better-than-expected presales and faster-than-expected unit transfers; b) improvement in gross margin and SG&A-to-sales-ratio; and c) higher-than-expected equity income.

Environment, Social, Governance (ESG)

CG Report: 5

SET ESG Rating: AA

Environmental

- SPALI prioritises innovation and sustainable development. It believes that effective environmental management is crucial for sustainable growth and has formulated a policy to ensure efficient practices in this regard.

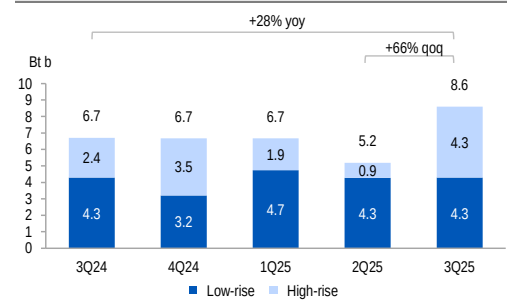
Social

- SPALI aims to serve society through the Supalai Saang Dee project and achieve its social goals by 2025. This includes community and social development, employee welfare, fair labour treatment, and respecting human rights for all stakeholders involved.

Governance

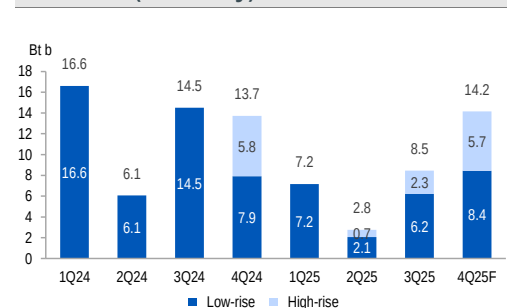
- SPALI follows CG Code principles, emphasising stakeholder roles, transparency, and effective risk management for sustainable value creation. The company has anti-corruption measures in place to ensure compliance and transparency.

Presales (Quarterly)



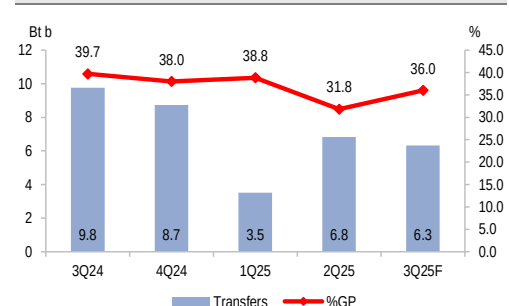
Source: Supalai, UOB Kay Hian

Launches (Quarterly)



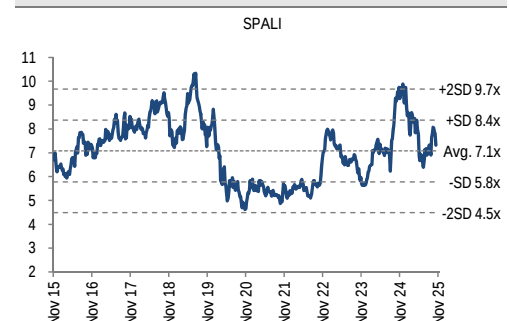
Source: Supalai, UOB Kay Hian

Transfers and Gross Margin



Source: Supalai, UOB Kay Hian

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	31,194	24,738	25,620	25,982
EBITDA	7,665	5,042	5,749	6,021
Deprec. & amort.	203	203	203	203
EBIT	7,462	4,839	5,545	5,818
Total other non-operating income	790	243	300	300
Associate contributions	394	798	700	500
Net interest income/(expense)	(709)	(761)	(725)	(730)
Pre-tax profit	7,937	5,118	5,820	5,888
Tax	(1,665)	(1,280)	(1,281)	(1,295)
Minorities	(82)	(80)	(100)	(100)
Net profit	6,190	3,759	4,440	4,492
Net profit (adj.)	6,190	3,759	4,440	4,492

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	4,471	4,435	4,392	4,340
Other LT assets	10,509	11,082	11,740	12,293
Cash/ST investment	5,123	2,492	2,995	3,337
Other current assets	76,128	78,398	80,759	83,156
Total assets	96,231	96,408	99,885	103,125
ST debt	26,256	25,956	19,956	18,956
Other current liabilities	7,112	5,895	6,105	6,191
LT debt	7,931	8,231	14,731	16,231
Other LT liabilities	712	495	512	520
Shareholders' equity	53,176	54,707	57,356	59,903
Minority interest	1,045	1,125	1,225	1,325
Total liabilities & equity	96,231	96,408	99,885	103,125

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	3,804	556	2,593	2,484
Pre-tax profit	7,937	5,118	5,820	5,888
Tax	(1,665)	(1,280)	(1,281)	(1,295)
Deprec. & amort.	203	203	203	203
Working capital changes	(3,065)	(2,928)	(2,203)	(2,333)
Non-cash items	394	(558)	53	22
Other operating cashflows	394	798	700	500
Investing	(6,898)	(959)	(799)	(697)
Capex (growth)	(3,049)	(168)	(159)	(151)
Investments	(3,578)	(699)	(650)	(550)
Others	(271)	(93)	10	4
Financing	3,506	(2,228)	(1,291)	(1,445)
Dividend payments	(2,636)	(2,228)	(1,791)	(1,945)
Proceeds from borrowings	7,022	0	500	500
Others/interest paid	(880)	0	0	0
Net cash inflow (outflow)	412	(2,631)	503	342
Beginning cash & cash equivalent	4,711	5,123	2,492	2,995
Ending cash & cash equivalent	5,123	2,492	2,995	3,337

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	24.6	20.4	22.4	23.2
Pre-tax margin	25.4	20.7	22.7	22.7
Net margin	19.8	15.2	17.3	17.3
ROA	6.8	3.9	4.5	4.4
ROE	11.9	7.0	7.9	7.7
Growth				
Turnover	0.1	(20.7)	3.6	1.4
EBITDA	3.8	(34.2)	14.0	4.7
Pre-tax profit	3.5	(35.5)	13.7	1.2
Net profit	3.3	(39.3)	18.1	1.2
Net profit (adj.)	3.3	(39.3)	18.1	1.2
EPS	3.3	(39.3)	18.1	1.2
Leverage				
Debt to total capital	38.7	38.0	37.2	36.5
Debt to equity	64.3	62.5	60.5	58.7
Net debt/(cash) to equity	54.7	57.9	55.3	53.2
Interest cover	10.8	6.6	7.9	8.2

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