AP (Thailand) (AP TB)

3Q26 Results Preview: Strong Earnings Expected Despite Moderating Momentum

Highlights

- We expect AP to report 3Q26 net profit of Bt1.14b (+7.4% qoq, -1.1% yoy), with total property transfers of Bt11.0b (+5.6% qoq, +25.1% yoy). This is supported by strong 3Q26 presales of Bt13.40b (+12.4% qoq, +11.14% yoy), compared with Bt12.31b in 2Q26.
- Maintain BUY with a target price of Bt9.25.

Analysis

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	yoy %	qoq %
Sales and services	9,124	10,777	11,360	24.5	5.4
Operating EBIT	1,161	1,438	1,379	18.8	(4.1)
Equity income	315	14	112	(64.4)	706.9
Core profit	1,118	1,028	1,110	(0.8)	7.9
Net profit	1,154	1,063	1,142	(1.1)	7.4
Percent	3Q25	2Q26	3Q26	yoy ppt	qoq ppt
Gross margin	32.0	30.9	29.9	(2.1)	(0.9)
SG&A to sales	19.3	17.5	17.8	(1.5)	0.3
EBIT margin	12.7	13.3	12.1	(0.6)	(1.2)
Net margin	12.7	9.9	10.1	(2.6)	0.2

Source: AP, UOB Kay Hian

- **3Q26 earnings expected to remain resilient, supported by strong property transfers.** We expect AP to report 3Q26 net profit of Bt1.14b (+7.4% qoq, -1.1% yoy), with total property transfers reaching Bt11.0b (+5.6% qoq, +25.1% yoy), supported by strong presales of Bt13.40b (+8.9% qoq, +11.14% yoy), compared with Bt12.31b in 2Q26. We expect AP's property transfers to outperform the industry, driven by seasonal demand during the high season, the launch of 17 new projects, and the commencement of transfers from JV projects.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	36,988.4	37,344.6	39,114.7	40,513.3	41,235.0
EBITDA	5,773.7	5,166.3	5,058.6	5,442.7	5,742.9
Operating profit	5,498.7	4,930.3	4,801.5	5,180.2	5,454.9
Net profit (rep./act.)	5,020.1	4,316.7	4,541.6	4,855.9	5,087.4
Net profit (adj.)	5,013.7	4,316.7	4,541.6	4,855.9	5,087.4
EPS	1.6	1.4	1.4	1.5	1.6
PE (x)	5.3	6.1	5.8	5.4	5.2
P/B (x)	0.6	0.6	0.5	0.5	0.5
EV/EBITDA (x)	8.9	9.7	9.9	9.3	8.9
Dividend yield (%)	7.1	6.2	6.4	6.8	7.1
Net margin (%)	13.6	11.6	11.6	12.0	12.3
Net debt/(cash) to equity(%)	70.0	64.0	60.4	57.8	55.1
Interest cover (x)	8.5	8.4	8.2	8.6	9.0
ROE (%)	11.9	9.6	9.6	9.6	9.5
Consensus net profit	n.a	n.a	4,556.8	4,892.5	5,223.6
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: AP (Thailand), Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt8.05
Target Price	Bt9.25
Upside	14.91%

Stock Data

Sector	Real Estate
Bloomberg ticker	AP TB
Shares issued (m)	3,145.9
Market cap (Btm)	25,324.5
Market cap (US$m)	748.9
3-mth avg daily t'over (US$m)	2.0

Price Performance (%)

52-week high/low				Bt9.6/Bt7.0
1mth	3mth	6mth	1yr	YTD
1.9	1.3	(5.3)	(7.5)	(6.4)

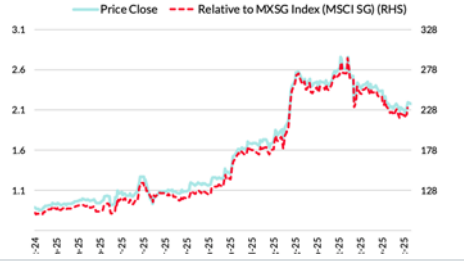
Major Shareholders (%)

Mr. Anuphong Assavabhokhin	21.5
NORTRUST NOMINEES LIMITED-NTC-RE IEDU UCITS 10 PCT CLIENTS ACCOUNT	10.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	15.6
FY26 Net Debt/Share (Bt)	9.4

Price Chart



Source: Bloomberg

Company Description

AP is a residential property developer with a portfolio spanning condominiums, townhouses, and detached housing, primarily concentrated in Bangkok and surrounding areas. The company frequently engages in joint development of condominium projects.

- **Gross margin expected to remain broadly stable, with gradual improvement ahead.** We forecast 3Q26 gross margin at 29.9%, slightly lower than 30.9% in 2Q26 but broadly in line with the 1H26 level. Looking ahead, we expect gross margin to gradually recover, supported by the launch of 17 new projects, which are anticipated to generate higher margins and improve the overall project mix.
- **JV profit contribution expected to recover from its annual low in 2Q26**. We expect AP's share of profit from JVs to improve in 3Q26 and continue recovering throughout 2H26, supported by the commencement of transfers from new JV projects, particularly Rhythm Charoen Nakhon Iconic. The project has achieved approximately 88% presales and began transferring units in August. We forecast 3Q26 JV profit contribution at Bt121m (+764% qoq, -61.6% yoy), compared with Bt14m in 2Q26 and Bt315m in 3Q25.
- **Awaiting the benefits from government housing stimulus measures**. The Cabinet recently approved the Government Housing Bank's (GHB) "Baan Khon La Lang PLUS" housing loan programme, with a total credit facility of Bt50b. The programme offers mortgage loans of up to Bt3m with repayment terms of up to 40 years, aiming to improve homeownership affordability for low- to middle-income households. We believe developers with significant exposure to residential properties priced below Bt3m will benefit the most. For AP, the relevant brands include Pleno, Pleno Town and Apitown. Nevertheless, we believe the near-term impact will remain limited, and we will continue monitoring presales momentum in 4Q26 to assess the effectiveness of these measures.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt9.25**, based on 6.0x 2027F PE and 2027F EPS of Bt1.54, compared with the previous estimate of Bt1.53. We continue to favour AP for its strong competitive position, resilient operating performance and leadership in Thailand's residential property sector.

Earnings Revision/Risk

- No changes to our earnings forecasts.
- Risks: a) Lower-than-expected presales, property transfers and gross margins; and b) tighter mortgage lending policies, which could further constrain residential demand and property transfer activity.

Share Price Catalyst

- a) Higher-than-expected presales and faster-than-anticipated property transfers; b) stronger-than-expected gross margin recovery; c) higher-than-forecast JV profit contributions; and d) positive impacts from government housing stimulus measures, particularly the "Baan Khon La Lang PLUS" programme.
- AP will report its results on 12 Nov 26.

Environment, Social, Governance (ESG) Updates

Environmental

- AP has policies and projects to achieve the national environmental mission, including climate change, pollution, resource conservation and waste management.

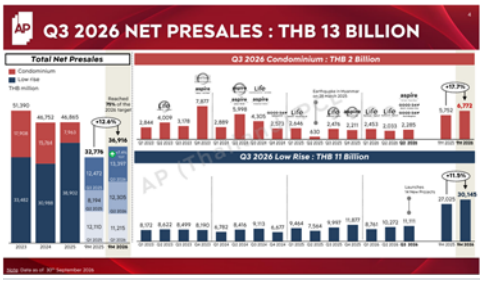
Social

- AP focuses on human resources, social activity, community development and environmentally friendly innovation. Its expertise has led it to prioritise knowledge sharing, improve society and develop environmental sustainability.

Governance

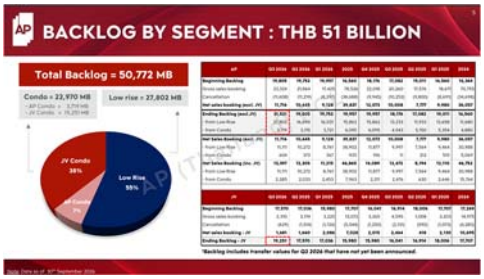
- The company has a strong corporate governance structure with a Board of Directors, an Audit Committee and sub-committees.

3Q26 Net Presales



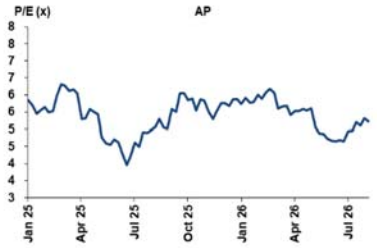
Source: AP, UOB Kay Hian

JV & Backlog



Source: AP, UOB Kay Hian

PE Band



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	37,345	39,115	40,513	41,235
EBITDA	5,166	5,059	5,443	5,743
Deprec. & amort.	236	257	262	288
EBIT	4,930	4,802	5,180	5,455
Total other non-operating income	251	285	285	285
Associate contributions	690	969	988	1,008
Net interest income/(expense)	(613)	(621)	(631)	(641)
Pre-tax profit	5,258	5,435	5,823	6,107
Tax	(942)	(893)	(967)	(1,020)
Minorities	1	0	0	0
Net profit	4,317	4,542	4,856	5,087
Net profit (adj.)	4,317	4,542	4,856	5,087

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	491	594	587	564
Other LT assets	8,906	9,022	9,167	9,202
Cash/ST investment	1,856	2,183	2,172	2,292
Other current assets	74,408	77,165	80,950	84,717
Total assets	85,661	88,965	92,876	96,775
ST debt	9,744	10,244	9,244	9,244
Other current liabilities	7,478	7,432	7,698	7,835
LT debt	21,604	21,545	23,045	23,545
Other LT liabilities	757	782	810	825
Shareholders' equity	46,094	48,977	52,094	55,342
Minority interest	(16)	(16)	(16)	(16)
Total liabilities & equity	85,661	88,965	92,876	96,775

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	2,583	1,996	1,599	1,746
Pre-tax profit	5,258	5,435	5,823	6,107
Tax	(942)	(893)	(967)	(1,020)
Deprec. & amort.	236	257	262	288
Working capital changes	(1,781)	(680)	(645)	(695)
Non-cash items	(188)	(2,123)	(2,874)	(2,935)
Other operating cashflows	0	0	0	0
Investing	384	(451)	(372)	(286)
Capex (growth)	(146)	(360)	(255)	(265)
Investments	545	(116)	(145)	(35)
Others	(15)	25	28	14
Financing	(3,676)	(1,217)	(1,239)	(1,340)
Dividend payments	(1,888)	(1,658)	(1,739)	(1,840)
Issue of shares	0	0	0	0
Proceeds from borrowings	(1,793)	441	500	500
Others/interest paid	5	0	0	0
Net cash inflow (outflow)	(709)	327	(11)	120
Beginning cash & cash equivalent	2,565	1,856	2,183	2,172
Ending cash & cash equivalent	1,856	2,183	2,172	2,292

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	13.8	12.9	13.4	13.9
Pre-tax margin	14.1	13.9	14.4	14.8
Net margin	11.6	11.6	12.0	12.3
ROA	5.1	5.2	5.3	5.4
ROE	9.6	9.6	9.6	9.5
Growth				
Turnover	1.0	4.7	3.6	1.8
EBITDA	(10.5)	(2.1)	7.6	5.5
Pre-tax profit	(14.8)	3.4	7.1	4.9
Net profit	(14.0)	5.2	6.9	4.8
Net profit (adj.)	(13.9)	5.2	6.9	4.8
EPS	(13.9)	5.2	6.9	4.8
Leverage				
Debt to total capital	68.0	64.9	62.0	59.3
Debt to equity	68.0	64.9	62.0	59.2
Net debt/(cash) to equity	64.0	60.4	57.8	55.1
Interest cover	8.4	8.2	8.6	9.0

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