AP (Thailand) (AP TB)

3Q26: Positive 4Q26 Outlook Amid Challenging Market Conditions, On Launch Acceleration And Full-quarter JV Contribution

Highlights

- AP reported net profit of Bt1,207m in 3Q26 (+4.6% yoy, +13.5% qoq), modestly beating our forecast of Bt1,142m and consensus of Bt1,176m.
- Positive tone from analyst meeting. We expect 4Q26 momentum to remain solid. AP has secured over 85% of its 2026F revenue target. Maintain BUY with a target price of Bt9.25.

3Q26 Results

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	yoy %	qoq %
Sales and services	9,124	10,777	11,067	21.3	2.7
Operating EBIT	1,161	1,438	1,440	24.1	0.2
Equity income	315	14	103	(67.4)	640.0
Core profit	1,118	1,028	1,129	0.9	9.8
Net profit	1,154	1,063	1,207	4.6	13.5
Percent	**3Q25**	**2Q26**	**3Q26**	**yoy ppt**	**qoq ppt**
Gross margin	32.0	30.9	29.9	(2.2)	(1.0)
SG&A to sales	19.3	17.5	16.8	(2.5)	(0.7)
EBIT margin	12.7	13.3	13.0	0.3	(0.3)
Net margin	12.7	9.9	10.9	(1.7)	1.0

Source: AP (Thailand), UOB Kay Hian

Analysis

- **AP's reported 3Q26 net profit is 5.7% above our forecast and 2.7% above market expectations.** AP reported net profit of Bt1,207m in 3Q26 (+4.6% yoy, +13.5% qoq), beating our forecast of Bt1,142m by 5.7% and consensus of Bt1,176m by 2.7%, driven by lower-than-expected SG&A and higher other income. These offset weaker-than-expected gross profit and JV contributions, alongside higher financing costs and tax expenses.
- **3Q26 revenue.** Revenue from property transfers totalled Bt10,793m in 3Q26 (+21.7% yoy, +2.7% qoq), 2.8% below our forecast of Bt11,100m. Including service and management income, revenue reached Bt11,067m, 2.6% below our forecast but 1.2% above market consensus of Bt10,939m.

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	4,549.5	4,902.1	5,229.1
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	Bt8.00
Target Price	Bt9.25
Upside	15.62%

Stock Data

Sector	Real Estate
Bloomberg ticker	AP TB
Shares issued (m)	3,145.9
Market cap (Btm)	25,324.5
Market cap (US$m)	747.1
3-mth avg daily t'over (US$m)	1.7

Price Performance (%)

52-week high/low				Bt9.6/Bt7.0
1mth	3mth	6mth	1yr	YTD
0.6	(4.2)	8.0	1.9	(6.4)

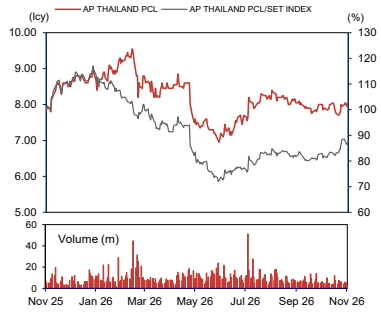
Major Shareholders (%)

MR. ANUPHONG ASSAVABHOKHIN	21.52
NORTRUST NOMINEES LIMITED-NTC-RE IEDU UCITS 10 PCT CLIENTS ACCOUNT	9.98

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.

- **2026 gross profit margin still under pressure.** Gross profit totalled Bt3,303m, 2.9% below our forecast. Overall gross profit margin came in at 29.85%, slightly below our expectation of 29.94% and market consensus of 30.05%, versus 30.9% in 2Q26. Property sales gross profit margin was 28.3%, below our forecast of 28.7%, partly offset by stronger SG&A.
- **Lower-than-expected administrative expenses and higher other income cushion net profit.** SG&A-to-revenue improved qoq to 16.8% from 17.5% in 2Q26, versus our forecast of 17.8%. Administrative expenses were Bt984m, 12.5% below our estimate, providing the main earnings support. Other income of Bt98m also exceeded our forecast of Bt40m. Meanwhile, JV profit recovered to Bt103m from Bt14m in 2Q26 but declined from Bt315m in 3Q25 and was 8.3% lower than our forecast of Bt112m. Financing costs and tax expenses were also higher than expected, partly offsetting these positives.
- **Strong 4Q26 outlook among residential property peers.** The tone from the analyst meeting was positive. We expect 4Q26 momentum to remain solid as AP has secured over 85% of its 2026F revenue target. This is backed by high earnings visibility of its backlog, full-quarter recognition of share of profit from JV projects in the high-end segment, and AP has also raised its full-year new project launch target to 49 projects from the original plan of 42 projects due to the speed of low-rise development in 4Q26.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt9.25.** Based on 6.0x 2027F P/E and 2027F EPS of Bt1.54, compared with the previous estimate of Bt1.53, while offering a dividend yield of 6.5%. We continue to favour AP for its strong competitive position, resilient operating performance and leadership despite challenging property market.

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.

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.

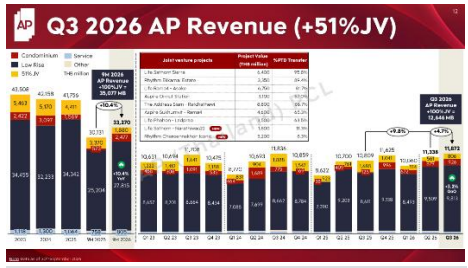
Social

- 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 JV Revenue and JV Projects



Source: AP (Thailand), UOB Kay Hian

Revised Project Launch



Source: AP (Thailand), UOB Kay Hian

4Q26 Project Launches



Source: AP (Thailand), 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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