ASIA PLUS Securities

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SNAPSHOT

INDUSTRY

HOUSING

NEUTRAL

4Q25 profit likely year's peak

Flash Points

The 14 property developers under coverage posted 3Q25 total normalized profit of B5.53bn, falling 30%yoy but growing 8%qoq. Purchasing power was weaker than 3Q24, weakening sales and profit margin. Revenue from condominium transfers and shared profit from associates grew qoq, driven by new condominiums and joint venture (JV) projects, while low-rise transfer revenue still dropped qoq .

9M25 normalized profit totaled B14bn, falling 32.6%yoy and making up 68% of 2025 normal profit forecast of B20.6bn (falling 25%yoy).

The property market is becoming increasingly challenging, so property firms focus on liquidity and fiscal discipline. 3Q25 net gearing was 1.0x, close to 1.06x in 2Q25.

Impact Insight

In 4Q25, most projects planned for 2025 will be launched and aggressive marketing activities will be held. Thus, presales are projected at least at B70bn in 4Q25 and B260bn in 2025 (falling 11%yoy; 9M25 presales made up 72% of 2025 forecast.

4Q25 normal profit is expected to make a year's high. Transfer revenue and shared profit from associates are expected to grow, driven by low-rise backlog, launching of several new projects, transfers of new condominiums, marketing campaigns, easing of LTV rules, and transfer fee and mortgage fee cut. Meanwhile, profit margin may stay unchanged qoq due to sales promotion (discounts).

Execution

Residential property market is facing challenges, and purchasing power is pressured by many factors. Still, 4Q25 profit is expected to grow qoq and make year's high. Then, 2026 normal profit is estimated at B24bn, growing 17%yoy from a low base in 2024.

Several stocks have P/E ratio around 4-8x and average dividend yield above 5%p.a (mostly paid twice a year. 2H25 interim dividends will be paid after 2025 earnings reports. Property stocks have limited downside. This a good accumulate point for medium- and long-term investment for favorable dividends.

We reiterate Neutral. Top picks are AP, SIRI, and SC.

Key Financial Forecast

14 Property Developers

Ending Dec 31	2023	2024	2025F	2026F
Revenue	239,449	229,437	198,418	216,537
Normalized Profit	33,888	27,313	20,591	24,176
Avg. Gross Margin	33.5%	32.4%	31.5%	32.0%
Normalized Profit Margin	14.2%	11.9%	10.4%	11.2%
Normalized PER (x)	9.03	8.40	11.16	9.52
PBV (x)	0.86	0.63	0.61	0.59
ROAE (%)	10.5%	8.4%	6.2%	6.2%
ROAA (%)	4.5%	3.4%	2.5%	2.5%

Source: ASPS Research

Sector Recommendation

		27-Nov-25			2025F			
	Rec.	Close (B)	Fair value (B)	Upside (%)	EPS (B)	PER (X)	PBV (X)	Div Yield (%)
AP	Outperform	8.55	12.00	40%	1.35	6.34	0.58	5.9%
LH	Neutral	3.46	4.26	23%	0.31	11.21	0.80	6.6%
SIRI	Outperform	1.37	1.72	26%	0.24	5.77	0.48	8.7%
SPALI	Neutral	16.90	17.20	2%	2.03	8.34	0.60	6.5%
ORI	Neutral	2.00	2.52	26%	0.32	6.16	0.25	6.5%
SC	Outperform	1.56	2.75	76%	0.31	5.00	0.27	8.0%

Source: ASPS Research

Sector Peers (Bloomberg)

Stock	Market Cap (M USD)	PE 2025F	PE 2026F	PBV 2025F	PBV 2026F	Div Yield 2025F	Div Yield 2026F
AP THAILAND PCL	26,582.85	5.88	5.37	0.57	0.53	6.0%	6.6%
SANSIRI PUB CO	24,586.98	5.71	5.24	0.49	0.46	8.9%	9.4%
LAND & HOUSES PC	42,062.99	10.45	9.89	0.80	0.78	6.8%	7.1%
SUPALAI PUB CO	31,692.43	7.47	6.66	0.59	0.56	6.4%	6.9%
SC ASSET CORP PC	6,672.53	4.71	4.02	0.27	0.26	8.6%	10.1%
ORIGIN PROPERTY	4,908.24	4.80	4.24	0.24	0.23	3.3%	5.4%
QUALITY HOUSES	13,605.87	6.90	6.48	0.45	0.44	7.7%	8.4%
LPN DEVELOPMENT	2,226.54	13.06	13.50	0.19	0.19	5.2%	5.2%
PRUKSA HOLDING P	8,228.78	12.13	11.29	0.19	0.19	5.7%	7.3%

Source: Bloomberg

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