UOBKayHian

Sector – Update | Thailand

Tuesday, 08 September 2026

Property

Sector Passes Its 1H26 Trough; Transfer Momentum Expected To Accelerate Towards Year-end

Analyst(s)

Kitpon Praipaisarnkit
kitpon@uobkh.co.th
662 090 3352

Assistant Analyst(s)

Natthida Chuaysong

MARKET WEIGHT (Maintained)

Highlights

- **Developers reported mixed but positive earnings.** Key developers such as SPALI and AP reported better-than-expected results. Overall sector earnings were supported by a slight improvement in gross margins, while contributions from businesses beyond residential and condominium sales provided additional support amid low sector growth and continued gross margin pressure.
- We like AP and SPALI, with the latter being our top pick for its strong financial position and low leverage. Meanwhile, earnings from its Australian JVs are expected to outperform our previous expectations, providing potential upside to the stock. In addition, SPALI remains an active developer, with an aggressive project launch plan in 2H26.
- We maintain MARKET WEIGHT on the sector, with SPALI as our top pick.

Analysis

- **1H26 earnings were mixed but positively skewed.** Property developers reported mixed earnings results, with key players such as SPALI and AP delivering better-than-expected results. Some company are seeing greater contributions from overseas operations and other businesses, rather than from the core residential and condominium development business.
- **In 1H26□the industry became more reliant on non-core businesses amid margin compression.** Property developers faced a need to accelerate inventory clearance, putting pressure on gross margins as companies offered promotions to reduce inventories. In addition, a shift in product mix toward low-rise projects, which typically carry lower gross margins than condominium projects, further weighed on project gross margins. As a result, gross margins from property sales declined in 1Q26. Nevertheless, key players such as AP and SPALI were able to maintain relatively resilient gross margins despite a sharp decline in 1Q26.
- **Earnings growth is increasingly supported by non-core income rather than core operations alone.** During 1H26, earnings at several property developers were supported by share of profits from associates/JVs and one-off gains from asset disposals. These contributions helped offset weakness in core domestic consolidated operations, which continued to soften in line with the slowdown in the domestic property market.
- **Accelerated project launches in 2H26 are expected to support growth momentum.** We expect an increase in new project launches in 2H26, particularly among leading property developers. Thai property developers have so far maintained relatively resilient overall operating performance, and we currently see a relatively low risk of revenue target misses. We expect increased project launches to support growth momentum.

Segmental Rating

Segment	Rating
Residential Property	MARKET WEIGHT (Maintained)

Source: Bloomberg, UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
SPALI	SPALI TB	BUY	16.10	17.50

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec*	Price 7 Sep 2026 (Bt)	Target Price (Bt)	Upside To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (x)	Market Cap. (US$m)	P/B 2026F (x)
Ap (Thailand)	AP TB	BUY	8.15	9.25	13.50	12/25	5.9	5.6	5.3	6.6	9.6	768	0.5
Supalai	SPALI TB	BUY	16.10	17.50	8.70	12/25	7.9	6.6	6.4	8.6	8.6	953	0.6
Quality Houses	QH TB		1.40			12/25	8.8	8.2	7.9	6.7	6.1	456	0.5
Origin Property	ORI TB		1.75			12/25	4.3	3.8	3.4	10.6	5.1	132	0.2

Source: Bloomberg, UOB Kay Hian

- We expect gross margins to remain relatively stable, supported by margins from new projects and accelerated transfers ahead of the land appraisal price adjustment in early-27.
  - SPALI is expected to launch two newly built condominium projects, out of three condominium projects planned for this year, with full transfers expected to begin in 3Q26.
  - AP is expected to launch a condominium project located near the BTS Wutthakat station and expand its project portfolio into provincial markets.

Valuation/Recommendation

- We maintain MARKET WEIGHT on the residential property sector amid a challenging industry growth outlook. In the near term, we remain neutral as accelerated project launches in 2H26 are expected to support growth momentum. We expect gross margins to benefit from the margins of newly launched projects in 2H26.
- **We like AP and SPALI with SPALI as our top pick.**
  - **SPALI (SPALI TB/BUY/Target: Bt17.50):** We favour SPALI for its strong financial position and low leverage. Earnings from its Australian JVs are expected to outperform expectations, providing potential upside to the stock. In addition, SPALI remains an active developer with an aggressive project launch pipeline in 2H26.
  - **AP (AP TB/BUY/Target: Bt9.25):** We favour AP for its strong financial position, improving revenue recognition momentum, and earnings outlook. AP is expected to accelerate project launches in 2H26, which should reduce the risk of earnings falling below market expectations. We also expect margins from newly-launched projects to support overall earnings this year.

Sector Catalyst/Risk

- **Catalysts:** a) Stronger-than-expected presales momentum; b) Government stimulus measures for the property sector; and c) Accelerated new project launches in 2Q26, which should drive presales momentum.
- **Risks:** a) Tighter bank lending standards and weak purchasing power; b) Weaker-than-expected economic growth; c) Margin pressure from rising construction material costs; and d) Aggressive price promotions to accelerate inventory clearance.

2Q26 Earnings Recap

Revenue (mBt)	2Q26	2Q25	1Q26	yoy change %	qoq change %
AP	10,777	9,939	9,547	8.4%	12.9%
SPALI	7,125	6,968	3,956	2.3%	80.1%
SIRI	7,544	8,786	6,691	-14.1%	12.7%
QH	1,731	1,762	1,731	-1.8%	0.0%
ORI	1,896	3,270	1,690	-42.0%	12.2%
Net Profit (mBt)	**2Q26**	**2Q25**	**1Q26**	**yoy change %**	**qoq change %**
AP	1,063	1,006	903	5.7%	17.7%
SPALI	1,647	1,105	402	49.1%	309.5%
SIRI	1,005	1,214	864	-17.2%	16.3%
QH	458	334	463	37.1%	-1.1%
ORI	151	319	104	-52.7%	46.0%
Target Revenue (mBt)	**Total**	**1H26 Result**	**2H26 Expect**	**1H26 %**	**2H26 %**
AP	49,000	20,324	28,676	0.41	0.59
SPALI	27,000	11,081	15,919	0.41	0.59
SIRI	39,000	14,235	24,765	0.37	0.64
QH	7,000	3,462	3,538	0.49	0.51
ORI	10,000	3,586	6,414	0.36	0.64
Presales Target (%)	**GPM% 2Q26**	**GPM% 2Q25**	**GPM% 1Q26**		
AP	30.90%	30.70%	29.60%		
SPALI	30.30%	31.80%	30.20%		
SIRI	27.30%	29.20%	25.40%		
QH	21.60%	23.50%	23.70%		
ORI	22.00%	31.20%	30.10%		

Source: SET, complied by UOB Kay Hian