

15 JANUARY 2021

THAILAND / TOURISM & LEISURE

CENTRAL PLAZA HOTEL CENTEL TB

BUY

UNCHANGED

TARGET PRICE	THB32.00
CLOSE	THB24.80
UP/DOWNSIDE	+29.0%
PRIOR TP	THB29.00
CHANGE IN TP	+10.3%
TP vs CONSENSUS	+20.5%

ปรับตัวสำหรับโลกหลัง COVID

ผลกระทบของการแพร่ระบาด COVID-19 รอบสองน้อยกว่ารอบแรก

CENTEL น่าจะได้ผลกระทบโดยตรงจากการแพร่ระบาดในรอบที่สองที่เริ่มขึ้นในเดือน ธ.ค. 20 โดยบริษัทฯ ได้ปิดโรงแรมสองแห่งในพัทยาและหนึ่งแห่งในกรุงเทพฯ ไปเมื่อไม่นานมานี้ ในธุรกิจอาหาร ยอดขายจากการรับประทานอาหารในร้านมีแนวโน้มลดลง แต่อาจชดเชยได้บางส่วนจากยอดขายเดลิเวอรี่ที่เพิ่มขึ้นใน 1Q21 ในภาพรวมเราเห็นว่าผลกระทบควรมีน้อยกว่าการแพร่ระบาดในรอบแรกใน 2Q20 ทำให้เราเห็นว่าราคาที่ย่อตัวลงเป็นโอกาสในการสะสมหุ้น เนื่องจากการฉีควัคซีนในประเทศไทยควรเริ่มได้ในเร็ววันนี้

คาดผลขาดทุนจากการดำเนินงานจำนวน 523 ลบ. ใน 4Q20 ดีขึ้น q-q

เราคาดว่า CENTEL จะรายงานผลขาดทุนสุทธิลดลงที่ 523 ลบ. ใน 4Q20 (เทียบกับ 897 ลบ. ใน 3Q20) จากอัตราการเข้าพัก (OCC) ที่สูงขึ้นเป็น 26% ใน 4Q20 เทียบกับ 20% ใน 3Q20 ในไตรมาสที่ผ่านมา เราคาดว่า EBITDA ของธุรกิจโรงแรมจะยังเป็นลบ สำหรับธุรกิจอาหาร เราคาดว่ากำไรสุทธิของยอดขายต่อสาขา (SSSG) จะลดลง 19% y-y อย่างไรก็ดี เราคาดว่าธุรกิจอาหารจะพลิกเป็นกำไรได้จากการควบคุมต้นทุนที่ดี แม้ว่ากระแสการฟื้นตัวของกำไรมีแนวโน้มที่จะสะดุดใน 1Q21 เราคาดว่ากำไรจะพลิกฟื้นในช่วง 2H21 จากการเปิดพรมแดน

กำไรควรสูงกว่าระดับก่อน COVID ในปี 2023

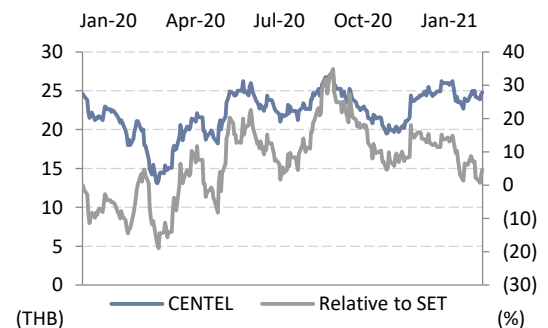
CENTEL มีฐานะทางการเงินดีกว่าเพื่อน โดยมีสัดส่วนหนี้สินต่อทุนอยู่ที่ 0.9x ณ สิ้นช่วง 3Q20 ทำให้บริษัทฯ ยังสามารถพัฒนาโครงการหลัก ๆ ได้อย่างต่อเนื่อง โดยประการแรก CENTEL วางแผนปรับปรุงโรงแรม 2 แห่งให้เสร็จภายในปีนี้ ซึ่งคิดเป็น 18% ของจำนวนห้องพักของบริษัทฯ ในปัจจุบัน การปรับปรุงดังกล่าวจะช่วยเพิ่มอัตราค่าเช่าของกลุ่ม เมื่อสถานการณ์กลับมาเป็นปกติ ประการที่สอง บริษัทฯ วางแผนเพิ่มห้องพักอีก 35% เป็น 6,036 ห้องภายในปี 2023 จาก 4,457 ห้องในปัจจุบัน ประการสุดท้าย CENTEL กำลังเจรจาซื้อกิจการอาหาร 2 แห่ง บริษัทฯ คาดว่าจะปิดการเจรจาสำหรับธุรกิจแรกภายใน 1Q21 และธุรกิจที่สองภายใน 2Q21 ในขณะที่เราคาดว่าจำนวนร้านอาหารจะเพิ่ม 5% CAGR ในช่วง 2020-23 ในภาพรวม เราคาดว่ากำไรของบริษัทฯ จะสูงกว่าระดับก่อน COVID ภายใน 2023 จากสินทรัพย์ในพอร์ตที่ดีขึ้น

เพิ่มประมาณการกำไรปี 2023 เพื่อสะท้อนสินทรัพย์ที่ดีขึ้น

เราปรับประมาณการกำไรปี 2020 เพื่อสะท้อนคาดการณ์ในช่วง 4Q20 ของเรา และคงประมาณการกำไรในปี 2021-22 อย่างไรก็ดี เราเพิ่มประมาณการกำไรปี 2023 ของเรากลับ 8% เพื่อสะท้อนสมมติฐาน RevPar ในธุรกิจโรงแรมและ EBITDA margin ในธุรกิจอาหารที่สูงขึ้น ทำให้เราปรับเพิ่มราคาเป้าหมายของเราในปี 2021 เป็น 32 จาก 29 บาท (DCF) ปัจจุบัน CENTEL มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจ โดยอยู่ที่ 11x ของ 2022E EV/EBITDA ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลังที่ 17x

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	20,737	12,850	15,155	20,041
Net profit	1,744	(1,931)	(471)	624
EPS (THB)	1.29	(1.43)	(0.35)	0.46
vs Consensus (%)	-	nm	nm	(43.0)
EBITDA	3,816	1,619	3,307	4,795
Core net profit	1,722	(1,895)	(471)	624
Core EPS (THB)	1.28	(1.40)	(0.35)	0.46
Chg. In EPS est. (%)	-	nm	nm	0.0
EPS growth (%)	(21.1)	nm	nm	nm
Core P/E (x)	19.4	(17.7)	(71.1)	53.6
Dividend yield (%)	2.2	-	-	0.7
EV/EBITDA (x)	10.4	32.5	16.4	11.2
Price/book (x)	2.4	3.0	3.2	3.0
Net debt/Equity (%)	39.9	162.4	185.5	169.8
ROE (%)	13.0	(15.4)	(4.4)	5.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.6)	15.3	3.3
Relative to country (%)	(8.3)	(5.1)	6.8
Mkt cap (USD m)	1,116		
3m avg. daily turnover (USD m)	4.8		
Free float (%)	74		
Major shareholder	The Chirathivat group (62%)		
12m high/low (THB)	27.50/13.00		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 15 มกราคม 2021

Investment thesis

CENTEL conservatively invested over the past five years, resulting in lower leverage with a D/E of only 0.5x in 2019. Its strong balance sheet has become its strength during the COVID-19 crisis. We see CENTEL as the hospitality provider with the lowest risk profile under our sector coverage.

After the coronavirus crisis has subsided, we expect CENTEL to be in an expansion mode from the completion of renovations on two of its hotels (Samui and Central World) and the openings of four big hotel projects: one in Dubai (2021), two in the Maldives (2023), and one in Japan (2023).

With the uncertainties surrounding the hotel business, its food business should support its earnings, with the potential to benefit from the new normal post COVID-19, including the growth of food delivery services and its Cloud Kitchen model.

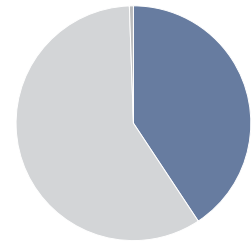
Company profile

CENTEL owns and operates 18 hotels in Thailand and the Maldives, and more than 1,000 restaurant outlets in Thailand.

www.centarahotelsresorts.com

Principal activities (revenue, 2019)

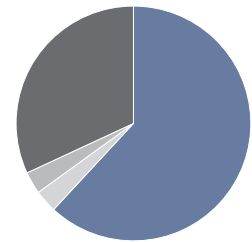
- Hotel revenue - 40.7 %
- F&B revenue - 58.8 %
- Rental income - 0.6 %



Source: Central Plaza Hotel

Major shareholders

- The Chirathivat group - 61.9 %
- Thai NVDR - 3.1 %
- Niti Osathanugrah - 3.1 %
- Others - 31.9 %



Source: Central Plaza Hotel

Catalyst

Key growth drivers include 1) a faster OCC ramp-up rate following a recovery in global tourism; 2) improving consumption and economic growth resulting in strong SSSG; and 3) the availability of a COVID-19 vaccine.

Risk to our call

Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Event calendar

Date	Event
Feb 2021	4Q20 results announcement

Key assumptions

	2020E (%)	2021E (%)	2022E (%)
Owned & leased hotels			
- Number of rooms (no.)	4,476	4,476	4,623
- Occupancy rate (OCC)	28.6	40.0	65.0
- RevPAR growth	(70)	34	92
Food business			
- Number of outlets (no.)	1,091	1,146	1,203
- Same-Store Sales Growth (SSSG)	(20)	8	7
- Total System Sales Growth (TSSG)	(17)	13	12

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in OCC, we project a 2021 loss reduction of 70%, and vice versa, all else being equal.
- For every 5% increase in SSSG, we project a 2021 loss reduction of 64%, and vice versa, all else being equal.

Source: FSSIA estimates

4Q20E results preview

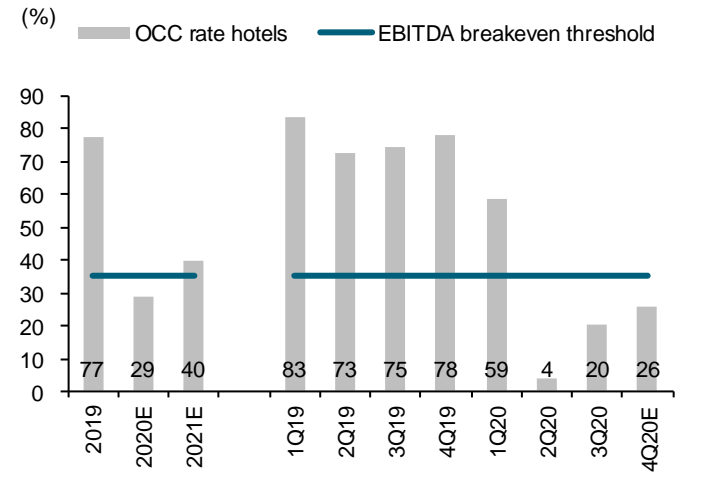
We expect CENTEL's 4Q20 hotel operations to improve from 3Q20. We project OCC to improve from 20% in 3Q20 to 26% in 4Q20, led by better OCC from provincial hotels. Meanwhile, the OCC for two Maldives hotels, which reopened during Nov-Dec, should reach 65% for the 4-star hotel and 40% for the 5-star hotel in Dec. Overall hotel revenue should grow by 31% q-q, but still drop by 74% y-y, based on our estimate. For its food and beverage (F&B) business, its performance should be similar to 3Q20. We estimate that SSSG should still drop by 19% y-y in 4Q20, mainly due to the weak economy and the impact from the government's co-payment scheme which led some customers to shift to street food instead of restaurants in shopping malls. Overall, we forecast its net loss to narrow to THB523m in 4Q20, an improvement compared with the THB897m net loss in 3Q20.

Exhibit 1: 4Q20E results preview

	4Q19	1Q20	2Q20	3Q20	----- 4Q20E -----			2019	2020E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	5,204	4,501	2,249	2,997	3,103	4	(40)	20,737	12,850	(38)
-Hotel operation	2,145	1,722	71	433	567	31	(74)	8,553	2,793	(67)
-Food and beverage	3,060	2,779	2,177	2,564	2,536	(1)	(17)	12,184	10,057	(17)
COGS (Incl. depreciation)	(2,993)	(2,722)	(1,669)	(2,203)	(2,288)	4	(24)	(12,189)	(8,882)	(27)
Gross profit	2,211	1,779	580	794	815	3	(63)	8,549	3,967	(54)
SG&A	(1,783)	(1,689)	(1,085)	(1,667)	(1,341)	(20)	(25)	(6,770)	(5,782)	(15)
Operating profit	428	90	(505)	(873)	(526)	(40)	(223)	1,779	(1,815)	(202)
Net other income	153	100	87	64	76	18	(50)	453	328	(27)
Interest expense	(51)	(171)	(143)	(191)	(158)	(17)	209	(214)	(663)	210
Pretax profit	530	19	(561)	(1,000)	(608)	(39)	(215)	2,018	(2,150)	(207)
Income tax	(49)	(13)	39	67	58	(14)	(218)	(260)	150	(158)
Associates	6	7	5	(23)	(15)	(35)	(340)	29	(25)	(186)
Minority interest	(16)	(22)	51	58	42	(27)	(364)	(65)	130	(300)
Core profit	471	(9)	(465)	(897)	(523)	(42)	(211)	1,722	(1,895)	(210)
Extraordinaries, GW & FX		(36)						23	(36)	
Reported net profit	471	(45)	(465)	(897)	(523)	(42)	(211)	1,744	(1,931)	nm
TFRS-16 impact		(22)	69	(210)				0	(162)	
One-time items			217	(117)				0	100	
Adjusted core profit	471	(24)	(752)	(570)	(523)	(8)	(211)	686	(1,869)	nm
Shares outstanding (end q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350	1,350	0
Pre-ex EPS (THB)	0.35	(0.01)	(0.34)	(0.66)	(0.39)	(42)	(211)	1.28	(1.40)	(210)
EPS (THB)	0.35	(0.03)	(0.34)	(0.66)	(0.39)	(42)	(211)	1.29	(1.43)	(211)
										0
COGS excl. depreciation	(2,487)	(1,867)	(817)	(1,339)	(1,425)	6	(43)	(10,151)	(5,448)	(46)
Depreciation	(507)	(854)	(852)	(864)	(863)	(0)	70	(2,037)	(3,434)	69
EBITDA	935	944	347	(9)	337	(3,821)	(64)	3,816	1,619	(58)
										0
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	42	40	26	26	26	(0)	(16)	41	31	(10)
SG&A/Revenue	34	38	48	56	43	(12)	9	33	45	12
Hotel EBITDA margin	33	31	(133)	(85)	n/a	n/a	n/a			
Food EBITDA margin	11	18	28	17	n/a	n/a	n/a			
Total EBITDA margin	20	23	19	20	11	(9)	(10)	18	13	(6)
Net profit margin	9	(1)	(21)	(30)	(17)	13	(26)	8	(15)	(23)
Operating statistics	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
Hotel										
OCC (%)	78	59	4	20	26					
OCC growth	(4)	(25)	(69)	(55)	(52)					
ARR (THB)	4,353	5,285	2,490	2,654	3,091					
ARR growth	(7)	(5)	(39)	(31)	(29)					
RevPAR (THB)	3,389	3,089	104	533	804					
RevPAR growth	(12)	(33)	(96)	(81)	(76)					
Food										
SSSG	(6)	(10)	(35)	(20)	(19)					
TSSG	2	(3)	(32)	(16)	(17)					

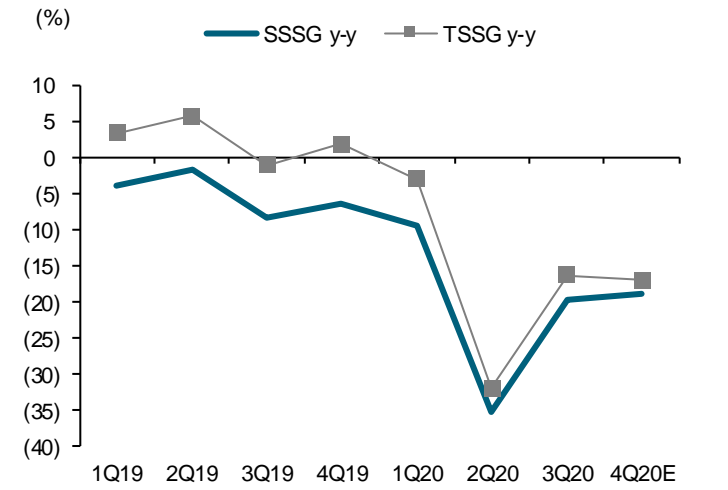
1) Gross profit calculated by revenue – COGS including depreciation; 2) EBITDA calculated by operating profit + operating income + depreciation
Sources: CENTEL; FSSIA estimates

Exhibit 2: Hotel OCC rate



Sources: CENTEL; FSSIA estimates

Exhibit 3: Quarterly SSSG and TSSG



Sources: CENTEL; FSSIA estimates

Second wave impact presents an opportunity to accumulate

The second wave outbreak of COVID-19 in Thailand since Dec-20 will likely have a direct impact on CENTEL’s operation. For its hotel business, CENTEL decided to temporarily close three hotels, including two hotels in Pattaya (Centara Grand Mirage Beach Resort and Cosi Pattaya), as Chon Buri is currently classified as a red zone for the outbreak. Another hotel that has been closed is Centara Grand at Central Plaza Ladprao in Bangkok, due to the slowdown in the MICE business in Bangkok. The three hotel closures account for 31% of CENTEL’s owned hotel rooms. The outbreak also hit the food business, and dine-in sales should experience a slowdown. However, we expect it to be partially offset by higher food delivery sales in 1Q21.

Catalysts to drive earnings beyond their 2019 level

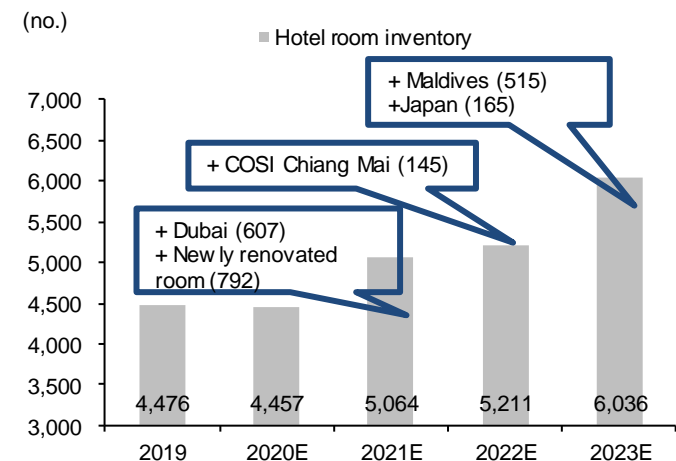
We project the overall impact to be limited compared to the first outbreak in 2Q20, and thus we see this as an opportunity to accumulate, given that the COVID-19 vaccine rollout in Thailand should begin soon. We see some positive developments that could push CENTEL’s earnings beyond their 2019 level after Thailand reopens its borders, as follows:

1. Larger owned hotel room inventory and newly renovated rooms

CENTEL expects to complete two major renovation programs for its hotels this year. Centara Grand Central World (512 rooms, 20% of hotel revenue as of 2019), which is a major source of revenue for its hotel operation, should complete its renovations by 1Q21. When the situation returns to normal, we estimate that its room rate should increase by 10-15% compared to the 2019 level. Another renovation project scheduled for completion by 3Q21 is its hotel in Samui which will be rebranded to “Centara Reserve”, CENTEL’s newest six-star hotel brand. This should boost its room rate by 30% under normal circumstances.

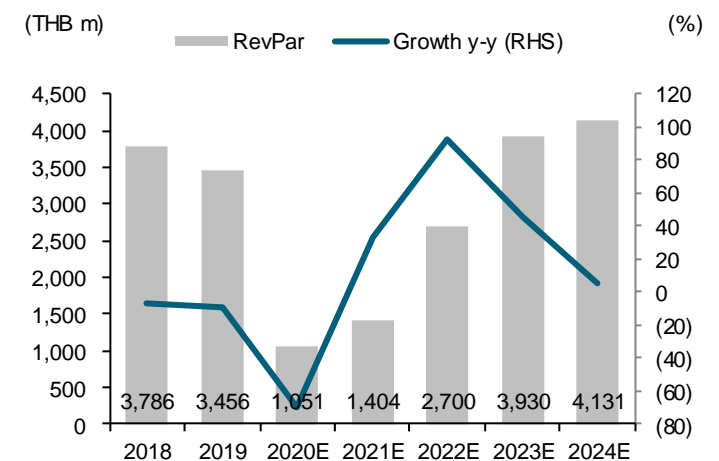
Furthermore, CENTEL plans to open five owned hotels over 2021-23. This would increase its owned hotel portfolio to 23 from 18 currently, and increase the number of its hotel rooms by 35% to more than 6,000 rooms, from 4,457 rooms currently.

Exhibit 4: Expect hotel rooms to increase by 35% by 2023



Source: CENTEL

Exhibit 5: Expect RevPar to surpass pre-COVID levels by 2023

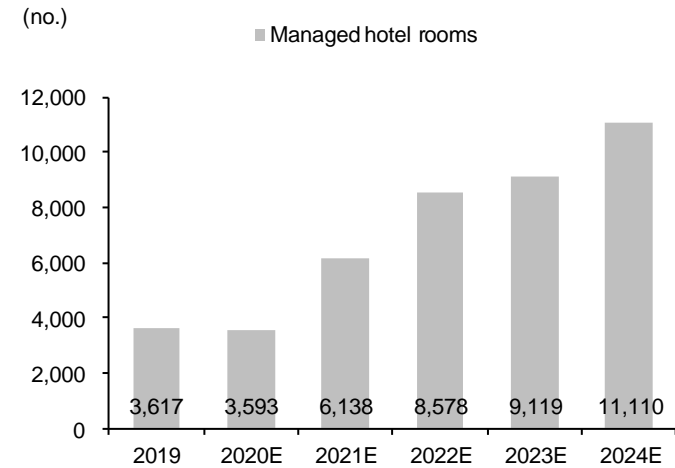


Sources: CENTEL; FSSIA estimates

2. Plan to double managed hotel portfolio

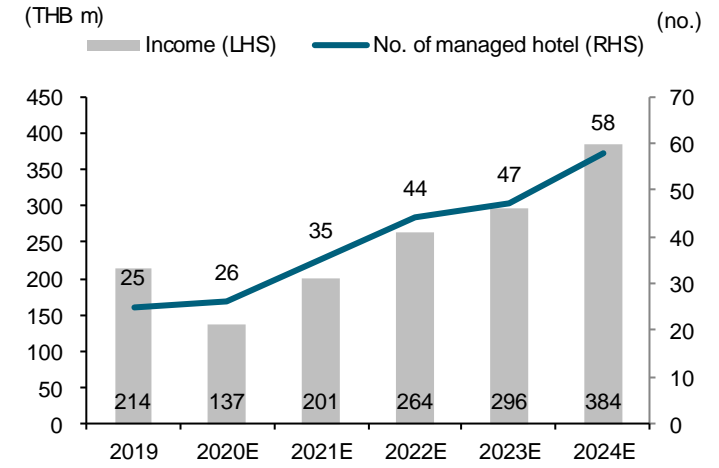
CENTEL plans to aggressively expand its asset-light model, and it has already secured 33 management contracts in the pipeline. If the company can meet its goal, its managed hotels would rise to 58 hotels by 2024 from 26 currently. This would significantly lift its management fee income to almost THB400m by 2024 vs THB214m in 2019. The management fee income would almost directly flow to its bottom line, as the asset-light model's expenses are minimal. Note that nine managed hotels that were planned to open in 2021 may be delayed due to the COVID-19 outbreak. However, we expect that all of the hotels in its pipeline will still open by 2024.

Exhibit 6: Managed hotel rooms in pipeline



Source: CENTEL

Exhibit 7: Management fee income



Sources: CENTEL; FSSIA estimates

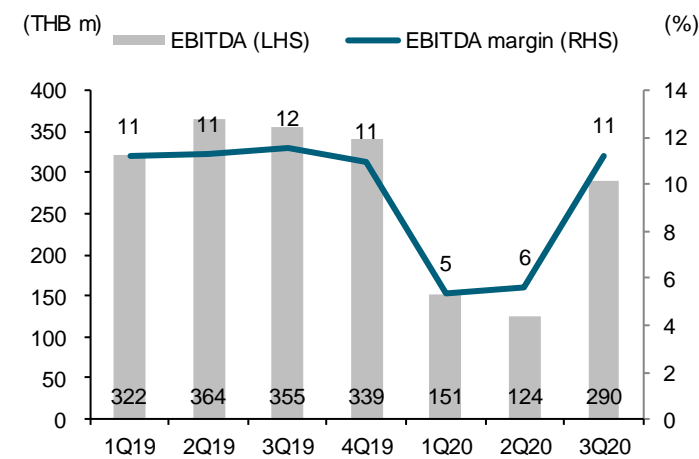
3. Improving EBITDA margin of food business led by food deliveries

Despite the weak SSSG of -20% y-y in 3Q20, we see that CENTEL was able to maintain its 3Q20 EBITDA margin at the same level as it was pre-COVID due to better cost control and its food delivery services. Revenue contribution from food delivery sales increased to c20% as of 9M20, from 7% in 2019.

In the long run, we believe that food delivery sales will support and strengthen the food business' EBITDA margin, as both dine-in and food delivery services share the same fixed costs (rental and staff expenses). Additional expenses are fees to food aggregators, which are variable expenses, and we estimate that those fees account for around 15-25% of the delivery sales. Therefore, incremental delivery sales volume increases would eventually drive the margin.

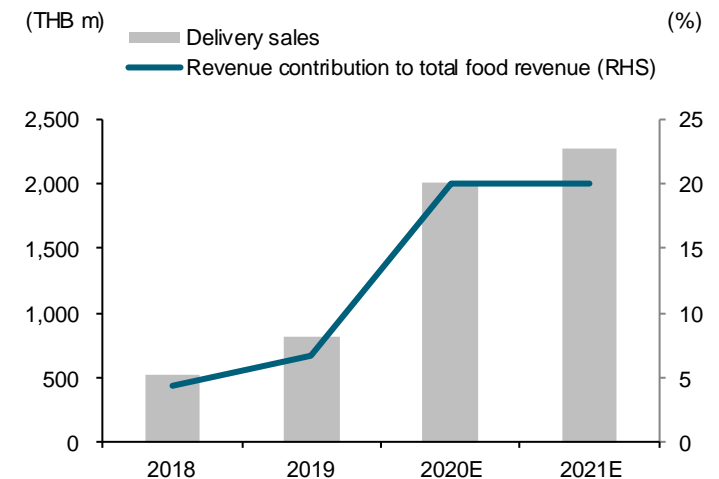
We also expect the number of outlets to grow by 5% CAGR over 2020-23. The new outlet trend could be smaller, as the company will likely focus more on delivery sales. In addition, CENTEL has two M&A deals in the pipeline. It expects to close the first by 1Q21 and another by 2Q21. We estimate that these two deals could lift our fair value by THB0.5/shr based on the assumption that the investment for the two deals together would be THB500m with 14% IRR.

Exhibit 8: EBITDA margin of food business



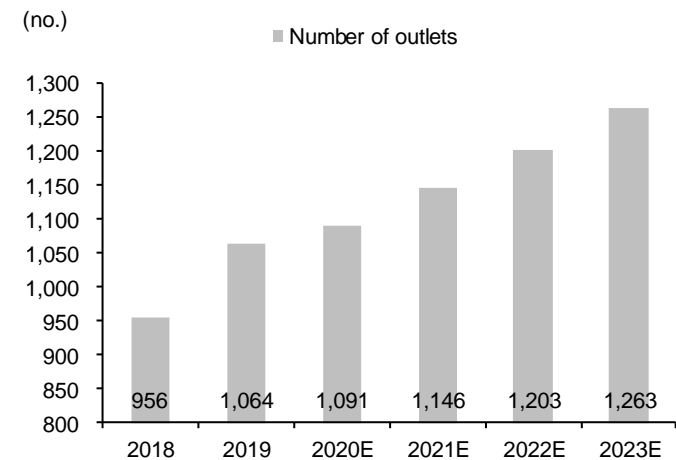
Note: EBITDA margin excluding TFRS16 accounting
Source: CENTEL

Exhibit 9: Estimated delivery sales



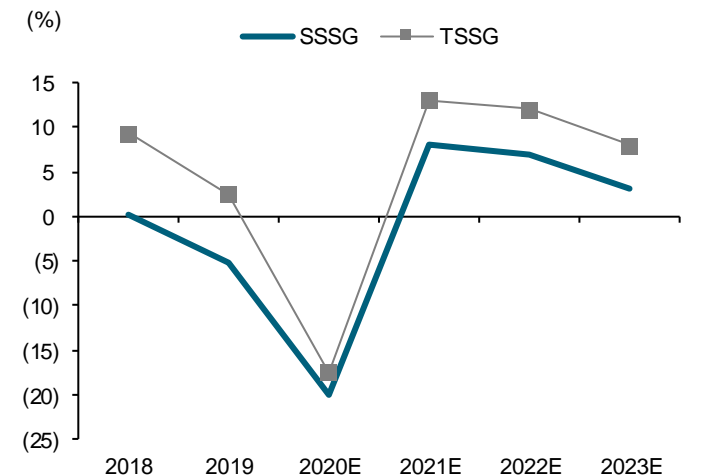
Sources: CENTEL; FSSIA estimates

Exhibit 10: Outlet expansion



Sources: CENTEL; FSSIA estimates

Exhibit 11: SSSG and TSSG



Sources: CENTEL; FSSIA estimates

TP and assumption revisions

We adjust our 2020E earnings to reflect our 4Q20E forecast, and maintain our 2021-22E forecast. However, we raise our 2023E earnings by 8% to factor in our higher hotel business RevPar and higher food business EBITDA margin assumptions. Thus, we raise our 2021E DCF-based TP to THB32 from THB29.

Exhibit 12: Forecast revisions

	2020E			2021E			2022E			2023E		
	Old (THB b)	New (THB b)	Change (%)	Old (THB b)	New (THB b)	Change (%)	Old (THB b)	New (THB b)	Change (%)	Old (THB b)	New (THB b)	Change (%)
OCC (%)	29.5	28.6	(0.90)	40.0	40.0	0.00	65.0	65.0	0.00	75.0	76.5	1.48
RevPar (THB)	1,049.0	1,051	0.21	1,404	1,404	0.00	2,700	2,700	0.00	3,875	3,930	1.41
SSSG (%)	(20.0)	(20)	0.00	8.0	8.0	0.00	7.0	7.0	0.00	2.0	3.0	1.00
TSSG (%)	(17.0)	(17)	(0.46)	13.0	13.0	0.00	12.0	12.0	0.00	7.0	8.0	1.00
Total Revenue	12.9	12.8	(0.37)	15.2	15.2	0.00	20.0	20.0	0.00	23.4	24.0	2.56
EBITDA Margin (%)	14.8	15.2	0.37	26.2	26.2	0.00	28.4	28.4	0.00	28.5	28.9	0.37
EBITDA	1.6	1.6	2.62	3.3	3.3	0.74	4.8	4.8	0.00	6.1	6.3	2.70
Core profit	(1.96)	(1.90)	(3.22)	(0.47)	(0.47)	0.15	0.62	0.62	0.52	1.67	1.81	8.33

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA

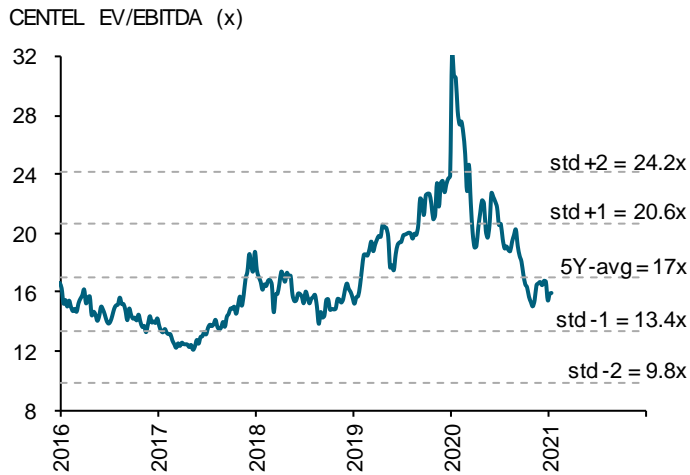
Exhibit 13: DCF valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pre-tax cost of debt	3.5
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1.1		
Cost of equity, Ke	11.8	Net cost of debt, Kd	2.8
Weight applied	60.0	Weight applied	40.0
WACC	8.2		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	17.3	12.8	WACC 8.2%, risk-free rate 3%, risk premium 8%
Terminal value	36.5	27.0	Terminal growth 2.5%
Cash & liquid assets	0.7	0.6	At end-2021E
Investments	1.4	1.1	At end-2021E
Debt	(12.3)	(9.1)	At end-2021E
Minorities	(0.5)	(0.4)	At end-2021E
Residual ordinary equity	43.2	32.0	

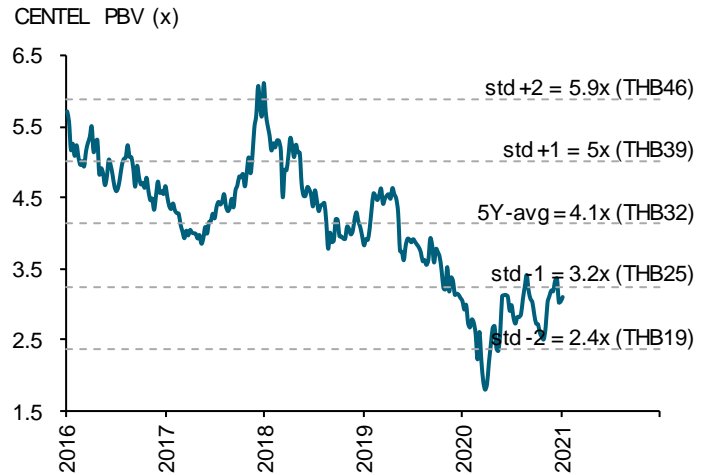
Source: FSSIA estimates

Exhibit 14: Rolling one-year forward EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Hotel business peer comparisons as of 14 Jan 2021

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV	
			Current (LCY)	Target (LCY)	Upside (%)		20E (x)	21E (x)	20E (%)	21E (%)	20E (x)	21E (x)
Thailand												
Asset World Corp Pcl	AWC TB	HOLD	4.88	4.20	(13.9)	5,206	(81.3)	nm	(2.5)	(1.4)	2.1	2.3
Minor International Pcl	MINT TB	BUY	25.50	29.00	13.7	4,555	(7.1)	(20.1)	(26.5)	(10.1)	1.9	2.1
Central Plaza Hotel Pcl	CENTEL TB	BUY	24.80	32.00	29.0	1,116	(17.7)	(71.1)	(15.4)	(4.4)	3.0	3.2
Erawan Group Pcl/The	ERW TB	HOLD	3.80	3.30	(13.2)	319	(6.2)	(11.2)	(31.3)	(24.1)	2.4	3.1
S Hotels & Resorts Pcl	SHR TB	BUY	2.64	3.40	28.8	316	(4.7)	(14.7)	(11.8)	(4.1)	0.6	0.6
Thailand average						11,512	(23.4)	(29.3)	(17.5)	(8.8)	2.0	2.3
Regional												
Shanghai Jin Jiang Capital-H	2006 HK	n/a	1.24	n/a	n/a	890	10.5	11.9	(1.8)	5.8	0.7	0.8
Btg Hotels Group Co Ltd-A	600258 CH	n/a	20.19	n/a	n/a	3,086	n/a	20.9	(4.0)	10.2	2.3	2.1
Sh Jinjiang Intl Hotels - B	900934 CH	n/a	2.03	n/a	n/a	6,267	32.1	9.6	3.0	9.2	0.9	0.8
Huangshan Tourism Develop-B	900942 CH	n/a	0.72	n/a	n/a	863	186.4	9.5	1.1	8.2	0.8	0.7
Genting Bhd	GENT MK	n/a	4.27	n/a	n/a	4,074	n/a	13.2	(1.1)	3.2	0.5	0.5
Greentree Hospitality Gr-Adr	GHG US	n/a	13	n/a	n/a	1,357	30.0	15.7	15.1	25.4	4.5	3.9
Huazhu Group Ltd-Adr	HTHT US	n/a	46	n/a	n/a	14,760	n/a	42.6	(22.1)	23.0	9.2	8.4
Indian Hotels Co Ltd	IH IN	n/a	126.65	n/a	n/a	2,073	45.0	n/a	7.5	(18.8)	3.3	4.0
Lemon Tree Hotels Ltd	LEMONTRE IN	n/a	41	n/a	n/a	444	114.9	n/a	3.0	(18.5)	2.7	4.3
Lippo Karawaci Tbk Pt	LPKR IJ	n/a	216.00	n/a	n/a	1,092	n/a	36.2	(1.4)	1.3	0.5	0.5
Regional average						34,905	69.8	20.0	(0.1)	4.9	2.5	2.6
Overall average						46,417	27.4	3.6	(5.9)	0.3	2.4	2.5

Sources: Bloomberg; FSSIA estimates

Financial Statements

Central Plaza Hotel

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	21,378	20,737	12,850	15,155	20,041
Cost of goods sold	(10,323)	(10,151)	(5,448)	(5,938)	(7,450)
Gross profit	11,054	10,586	7,402	9,217	12,591
Other operating income	-	-	-	-	-
Operating costs	(6,518)	(6,770)	(5,782)	(5,910)	(7,796)
Operating EBITDA	4,537	3,816	1,619	3,307	4,795
Depreciation	(2,045)	(2,037)	(3,434)	(3,482)	(3,699)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	2,492	1,779	(1,815)	(176)	1,096
Net financing costs	(205)	(214)	(663)	(698)	(682)
Associates	39	29	(25)	(58)	(36)
Recurring non operating income	430	482	303	334	425
Non recurring items	(4)	23	(36)	0	0
Profit before tax	2,713	2,069	(2,211)	(540)	839
Tax	(439)	(260)	150	0	(166)
Profit after tax	2,274	1,809	(2,061)	(540)	673
Minority interests	(97)	(65)	130	69	(49)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	2,178	1,744	(1,931)	(471)	624
Non recurring items & goodwill (net)	4	(23)	36	0	0
Recurring net profit	2,182	1,722	(1,895)	(471)	624
Per share (THB)					
Recurring EPS *	1.62	1.28	(1.40)	(0.35)	0.46
Reported EPS	1.61	1.29	(1.43)	(0.35)	0.46
DPS	0.65	0.55	0.00	0.00	0.18
Diluted shares (used to calculate per share data)	1,350	1,350	1,350	1,350	1,350
Growth					
Revenue (%)	7.3	(3.0)	(38.0)	17.9	32.2
Operating EBITDA (%)	6.6	(15.9)	(57.6)	104.2	45.0
Operating EBIT (%)	6.4	(28.6)	nm	nm	nm
Recurring EPS (%)	8.0	(21.1)	nm	nm	nm
Reported EPS (%)	9.4	(19.9)	nm	nm	nm
Operating performance					
Gross margin inc depreciation (%)	42.1	41.2	30.9	37.8	44.4
Gross margin of key business (%)	42.1	41.2	30.9	37.8	44.4
Operating EBITDA margin (%)	21.2	18.4	12.6	21.8	23.9
Operating EBIT margin (%)	11.7	8.6	(14.1)	(1.2)	5.5
Net margin (%)	10.2	8.3	(14.7)	(3.1)	3.1
Effective tax rate (%)	16.4	12.9	15.0	18.0	19.0
Dividend payout on recurring profit (%)	40.2	43.1	-	-	40.0
Interest cover (X)	14.3	10.6	(2.3)	0.2	2.2
Inventory days	29.2	30.9	44.9	30.0	28.2
Debtor days	14.7	14.3	21.7	18.4	13.9
Creditor days	96.8	97.2	136.3	91.3	85.6
Operating ROIC (%)	10.8	8.0	(6.3)	(0.5)	2.9
ROIC (%)	11.4	8.9	(4.7)	0.4	3.6
ROE (%)	17.8	13.0	(15.4)	(4.4)	5.8
ROA (%)	9.5	7.3	(4.5)	0.1	3.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Hotel revenue	9,364	8,439	2,679	3,676	7,199
F&B revenue	11,899	12,184	10,057	11,364	12,728
Rental income	115	115	115	115	115

Sources: Central Plaza Hotel; FSSIA estimates

Financial Statements

Central Plaza Hotel

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	2,182	1,722	(1,895)	(471)	624
Depreciation	2,045	2,037	3,434	3,482	3,699
Associates & minorities	-	-	-	-	-
Other non-cash items	(158)	(43)	(191)	(95)	23
Change in working capital	(809)	(36)	(638)	32	150
Cash flow from operations	3,260	3,680	710	2,948	4,496
Capex - maintenance	(1,600)	(1,983)	(13,100)	(4,800)	(3,800)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(304)	(512)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,904)	(2,494)	(13,100)	(4,800)	(3,800)
Dividends paid	(810)	(877)	(743)	0	0
Equity finance	0	0	0	0	0
Debt finance	119	641	13,500	0	(1,000)
Other financing cash flows	(86)	(208)	135	74	(44)
Cash flow from Financing	(776)	(444)	12,892	74	(1,044)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	580	742	502	(1,778)	(348)
Free cash flow to firm (FCFF)	1,560.93	1,400.03	(11,726.94)	(1,153.47)	1,378.12
Free cash flow to equity (FCFE)	1,390.09	1,619.65	1,244.70	(1,778.13)	(347.69)

Per share (THB)

FCFF per share	1.16	1.04	(8.69)	(0.85)	1.02
FCFE per share	1.03	1.20	0.92	(1.32)	(0.26)
Recurring cash flow per share	3.01	2.75	1.00	2.16	3.22

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	35,301	36,332	40,832	45,632	49,432
Less: Accumulated depreciation	(15,340)	(16,415)	(11,249)	(14,731)	(18,431)
Tangible fixed assets (Net)	19,962	19,918	29,583	30,901	31,002
Intangible fixed assets (Net)	315	315	315	315	315
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	929	1,440	1,440	1,440	1,440
Cash & equivalents	1,282	2,024	2,526	748	400
A/C receivable	863	765	765	765	765
Inventories	845	871	468	510	640
Other current assets	1,059	1,002	621	732	968
Current assets	4,049	4,661	4,379	2,754	2,772
Other assets	1,193	1,256	1,281	1,307	1,333
Total assets	26,447	27,590	36,998	36,716	36,861
Common equity	12,902	13,670	10,997	10,525	11,150
Minorities etc.	518	473	478	483	488
Total Shareholders' equity	13,420	14,144	11,475	11,008	11,637
Long term debt	6,660	5,698	19,198	19,198	18,198
Other long-term liabilities	2,676	2,618	2,618	2,618	2,618
Long-term liabilities	9,336	8,317	21,817	21,817	20,817
A/C payable	2,755	2,649	1,421	1,549	1,944
Short term debt	364	1,967	1,967	1,967	1,967
Other current liabilities	573	514	318	376	497
Current liabilities	3,692	5,129	3,707	3,891	4,407
Total liabilities and shareholders' equity	26,447	27,590	36,998	36,716	36,861
Net working capital	(561)	(525)	113	81	(69)
Invested capital	21,838	22,403	32,732	34,044	34,021

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	9.56	10.13	8.15	7.80	8.26
Tangible book value per share	9.32	9.89	7.91	7.56	8.03

Financial strength

Net debt/Equity (%)	42.8	39.9	162.4	185.5	169.8
Net debt/total assets (%)	21.7	20.4	50.4	55.6	53.6
Current ratio (x)	1.1	0.9	1.2	0.7	0.6
CF interest cover (x)	7.8	8.6	2.9	(1.5)	0.5

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	15.3	19.4	(17.7)	(71.1)	53.6
Recurring P/E @ target price (x) *	19.8	25.1	(22.8)	(91.7)	69.2
Reported P/E (x)	15.4	19.2	(17.3)	(71.1)	53.6
Dividend yield (%)	2.6	2.2	-	-	0.7
Price/book (x)	2.6	2.4	3.0	3.2	3.0
Price/tangible book (x)	2.7	2.5	3.1	3.3	3.1
EV/EBITDA (x) **	8.8	10.4	32.5	16.4	11.2
EV/EBITDA @ target price (x) **	10.9	12.9	38.5	19.4	13.2
EV/invested capital (x)	1.8	1.8	1.6	1.6	1.6

* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income

Sources: Central Plaza Hotel; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KBS	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAH	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

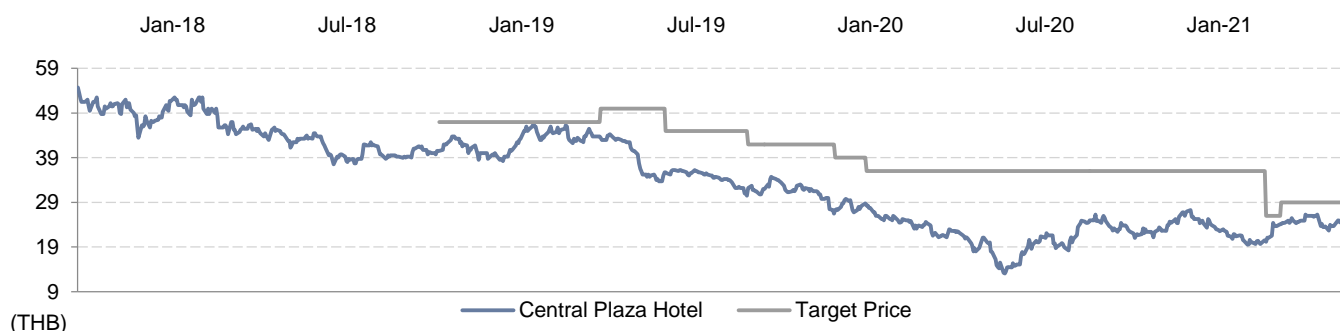
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Central Plaza Hotel (CENTEL TB)



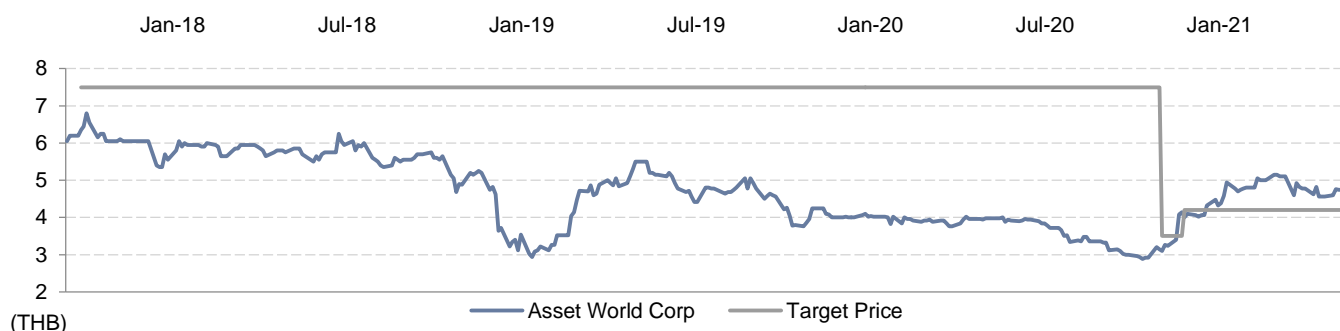
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Nov-2018	BUY	47.00	16-Aug-2019	BUY	42.00	02-Apr-2020	BUY	36.00
11-Apr-2019	BUY	50.00	30-Oct-2019	BUY	39.00	03-Nov-2020	BUY	26.00
06-Jun-2019	BUY	45.00	26-Nov-2019	BUY	36.00	16-Nov-2020	BUY	29.00

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Asset World Corp (AWC TB)



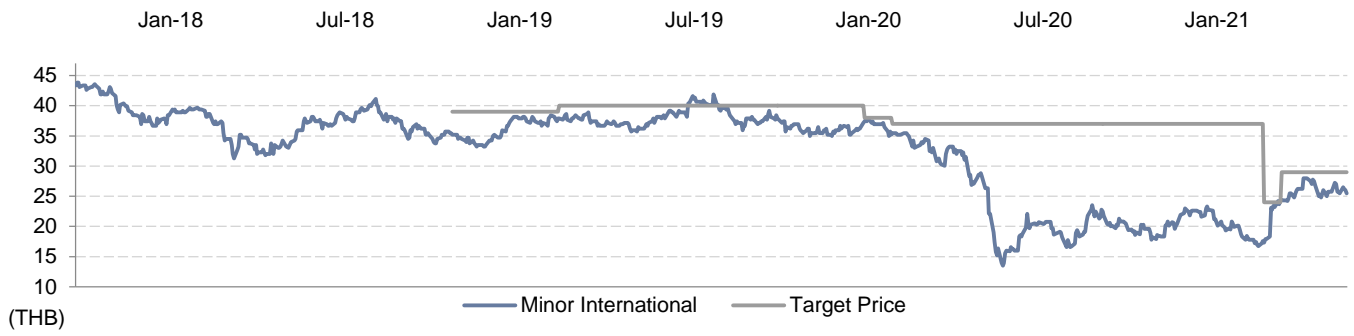
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	03-Nov-2020	HOLD	3.50	-	-	-
02-Apr-2020	BUY	7.50	11-Nov-2020	HOLD	4.20	-	-	-

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Minor International (MINT TB)



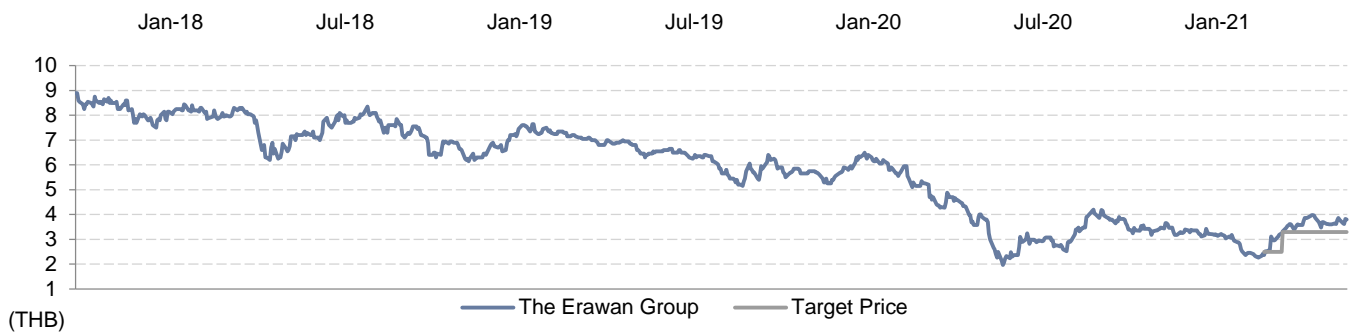
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Dec-2018	HOLD	39.00	20-Dec-2019	HOLD	37.00	18-Nov-2020	BUY	29.00
08-Mar-2019	HOLD	40.00	02-Apr-2020	HOLD	37.00			
26-Nov-2019	HOLD	38.00	03-Nov-2020	BUY	24.00			

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

The Erawan Group (ERW TB)



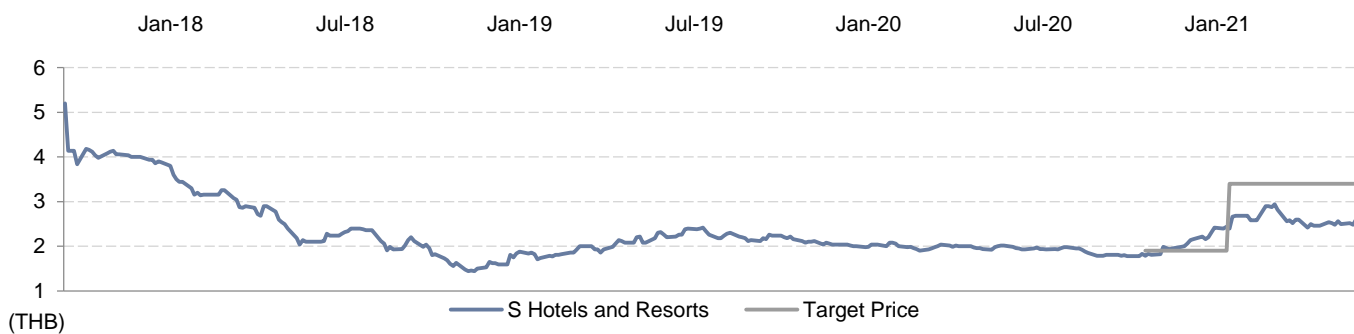
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	19-Nov-2020	HOLD	3.30	-	-	-

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

S Hotels and Resorts (SHR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	1.90	01-Dec-2020	BUY	3.40	-	-	-

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Central Plaza Hotel	CENDEL TB	THB 24.80	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Asset World Corp	AWC TB	THB 4.88	HOLD	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. The upside risk is a faster-than-expected tourism recovery following the availability of a COVID-19 vaccine.
Minor International	MINT TB	THB 25.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 3.80	HOLD	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. The upside risk is the availability of a COVID-19 vaccine.
S Hotels and Resorts	SHR TB	THB 2.64	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 14-Jan-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.