

11 MARCH 2021

THAILAND / TOURISM & LEISURE

S HOTELS AND RESORTS SHR TB

BUY
UNCHANGED

TARGET PRICE	THB4.40
CLOSE	THB3.12
UP/DOWNSIDE	+41.0%
PRIOR TP	THB3.40
CHANGE IN TP	+29.4%
TP vs CONSENSUS	+33.6%

Time to check in at Maldives & UK

มีปัจจัยหนุนให้ระดับการประเมินมูลค่าปรับสูงขึ้นจากการพลิกฟื้นของโรงแรมในมัลดีฟส์และ

สหราชอาณาจักร

เรามองว่า SHR จะเป็นหนึ่งในหุ้นจับกระแสการฟื้นตัวในกลุ่มท่องเที่ยว ราคาหุ้นของบริษัทปรับตัวได้น้อยกว่าหุ้นโรงแรมอื่น ๆ ถึงประมาณ 28% ตั้งแต่การเสนอขายหุ้นใหม่แก่ประชาชนทั่วไปเป็นครั้งแรก (IPO) ที่ 5.20 บาทต่อหุ้นในเดือน พ.ย. 19 บริษัทฯ เป็นหนึ่งในหุ้นโรงแรมเพียงไม่กี่แห่งที่มีการซื้อขายในระดับต่ำกว่ามูลค่าทางบัญชีที่เพียง 0.8x ของค่า 2022E P/BV เนื่องจากหุ้นไม่มี track record ในอดีต จากที่บริษัทฯ เพิ่งเริ่ม IPO ในเดือน พ.ย. 19 เราคาดว่าหุ้นจะได้รับการปรับระดับการประเมินมูลค่าขึ้น เนื่องจากครึ่งหนึ่งของพอร์ตของบริษัทฯ มีแนวโน้มที่ดีที่จะพลิกฟื้นได้ในปีนี้

อุตสาหกรรมท่องเที่ยวของมัลดีฟส์ฟื้นตัวแรงใน 1Q21

อุตสาหกรรมท่องเที่ยวของมัลดีฟส์ฟื้นตัวหลังประเทศเปิดพรมแดนในเดือน ก.ค. 20 ทำให้ตัวเลขนักท่องเที่ยวฟื้นตัวสู่ 67% ของระดับก่อน COVID ในเดือน ก.พ. นำโดยนักท่องเที่ยวจากอินเดีย รัสเซีย และยูเครน โรงแรมมัลดีฟส์ของ SHR 2 แห่ง (คิดเป็น 40% ของรายได้รวมในปี 2020) ล้วนได้ประโยชน์จากการฟื้นตัวของอุตสาหกรรมดังกล่าว ซึ่งทำให้อัตราการเข้าพักอยู่ที่ 71% ในเดือน ม.ค. และ 61% ในเดือน ก.พ. ตัวเลขที่เพิ่มขึ้นดังกล่าวควรมากพอที่จะทำให้ EBITDA พลิกกลับมาเป็นบวก (Breakeven ที่ 40%) แม้ว่ามัลดีฟส์กำลังจะเข้าสู่ช่วง low season แต่ SHR คาดว่าอัตราการเข้าพักจะทรงตัวที่ประมาณ 50-60% ในช่วงเดือน เม.ย. - ก.ย. ก่อนปรับขึ้นสู่ระดับ 70% อีกครั้งในช่วง 4Q21 พร้อมโอกาสที่ค่าห้องเฉลี่ยรายวัน (ADR) จะกลับสู่ระดับปกติจากในปัจจุบันที่ต่ำกว่าปกติประมาณ 30% ทำให้เราคาดว่าโรงแรมมัลดีฟส์ของบริษัทฯ จะพลิกมารายงานกำไรได้ใน 4Q21

กำไรเพิ่มจากการซื้อหุ้น 50% ของโรงแรมในสหราชอาณาจักร

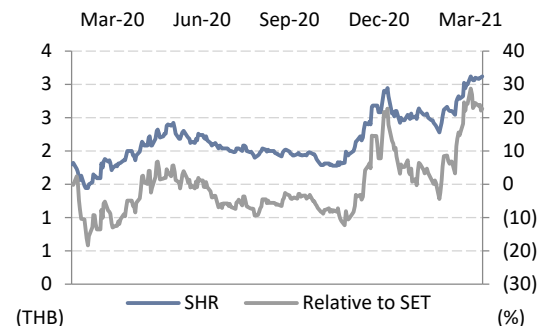
เมื่อไม่นานมานี้ SHR ได้ซื้อหุ้น 50% ที่เหลือของโรงแรม 26 แห่งในสหราชอาณาจักรที่ราคา 13.75 ล้านปอนด์ (ประมาณ 564 ลบ.) ซึ่งทำให้ SHR เปลี่ยนวิธีลงบัญชีสำหรับโรงแรมดังกล่าวจาก equity income เป็นการควบคุมเข้ามาทั้งหมด โรงแรมในสหราชอาณาจักรจะกลายเป็นอีกแหล่งรายได้สำคัญของ SHR โดยมีโอกาสที่จะสร้างรายได้ 25-30% ของรายได้รวม เราคาดว่า EBITDA ของโรงแรมในสหราชอาณาจักรจะพลิกเป็นบวกใน 2Q21 จากความเป็นไปได้ของการผ่อนคลายมาตรการปิดเมืองนับตั้งแต่เดือน มี.ค. 21 เป็นต้นไปตามความก้าวหน้าของการฉีดวัคซีน หลังประมาณ 34% ของประชากรได้รับการฉีดวัคซีนไปเรียบร้อยแล้ว รวมถึงฤดูกาลท่องเที่ยวในช่วง 2Q-3Q21

ปรับเพิ่มประมาณการปี 2022-23 การประเมินมูลค่าอยู่ในระดับต่ำ

เราปรับเพิ่มประมาณการกำไรปี 2022-23 อีก 16-30% เพื่อสะท้อนการซื้อโรงแรมในสหราชอาณาจักรและแนวโน้มที่เป็นบวกในมัลดีฟส์ ทำให้ได้ราคาเป้าหมายปี 2022 ใหม่ที่ 4.4 บาท (DCF, 9.2% WACC, 2.5% LTG) SHR มีการซื้อขายที่ระดับการประเมินมูลค่าที่ต่ำเพียง 13x ของค่า 2022E EV/EBITDA และ 10x ของค่า 2023E EV/EBITDA ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มฯ ที่ 22x

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	1,563	4,182	7,073	8,317
Net profit	(2,371)	(947)	104	389
EPS (THB)	(0.66)	(0.26)	0.03	0.11
vs Consensus (%)	-	nm	42.9	6.8
EBITDA	(600)	688	1,853	2,289
Core net profit	(1,908)	(947)	104	389
Core EPS (THB)	(0.53)	(0.26)	0.03	0.11
Chg. In EPS est. (%)	nm	nm	29.6	nm
EPS growth (%)	nm	nm	nm	273.1
Core P/E (x)	(5.9)	(11.8)	107.6	28.8
Dividend yield (%)	-	-	0.4	1.4
EV/EBITDA (x)	(30.6)	34.9	12.6	9.7
Price/book (x)	0.7	0.8	0.8	0.8
Net debt/Equity (%)	45.4	91.3	85.9	76.0
ROE (%)	(11.4)	(6.4)	0.7	2.7



Share price performance	1 Month	3 Month	12 Month	
Absolute (%)		20.0	20.9	59.2
Relative to country (%)		14.9	13.8	26.3
Mkt cap (USD m)				367
3m avg. daily turnover (USD m)				1.5
Free float (%)				38
Major shareholder	S Hotels and Resorts Inter (49%)			
12m high/low (THB)	3.24/1.41			
Issued shares (m)	3,594.64			

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

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 11 มีนาคม 2021

Investment thesis

SHR raised THB7.5b at THB5.20/shr during its IPO in Nov-19. Its share price has fallen since then, mainly due to operating losses from the two hotels under the Crossroads Maldives project and the impact from the COVID-19 outbreak.

Maldives has reopened its borders to international tourists since 15 July 2020. SHR's two hotels in Maldives (40% of total revenue as of 2020) should capture the strong tourism recovery during the high season from Dec-Apr. Meanwhile, its other hotels in other countries (Thailand and Fiji) should continue to recover in 2021 along with global tourism.

SHR's share price is attractive as it has been trading at a deep discount to its THB4.4/shr book value as of 4Q20 and has a potential upside from M&A deals, considering that it has a strong balance sheet with only 0.5x D/E as of 2020.

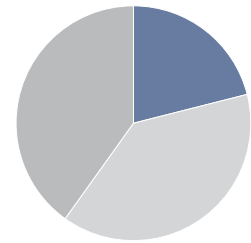
Company profile

SHR is the holding company of all of the resorts and hotels under the Singha Estate (S TB, not rated) group.

www.shotelsresorts.com

Principal activities (revenue, 2020)

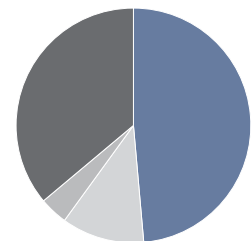
- Self-managed - 21.0 %
- Outrigger - 38.8 %
- Crossroads Ph1 (Maldives hotels) - 40.1 %



Source: S Hotels and Resorts

Major shareholders

- S Hotels and Resorts Inter - 48.6 %
- S Hotels and Resorts (SG) - 11.4 %
- Thai NVDR - 3.9 %
- Others - 36.1 %



Source: S Hotels and Resorts

Catalyst

Key growth drivers include 1) a faster OCC ramp-up rate following a global tourism recovery; 2) the rollout of COVID-19 vaccines; and 3) M&A deals.

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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Event calendar

Date	Event
May 2021	1Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Self-Managed - Number of rooms (no.)	297	297	297
Self-Managed - Occupancy rate (OCC)	40.0	60.0	72.9
Self-Managed - RevPAR growth	31.7	68.8	36.4
Outrigger - Number of rooms (no.)	859	859	859
Outrigger - Occupancy rate (OCC)	20.0	60.0	70.0
Outrigger - RevPAR growth	(17.3)	12.5	11.1
Project Crossroads - Number of rooms (no.)	376	376	376
Project Crossroads - Occupancy rate (OCC)	60.0	65.0	66.0
Project Crossroads - RevPAR growth	83.5	62.5	4.6

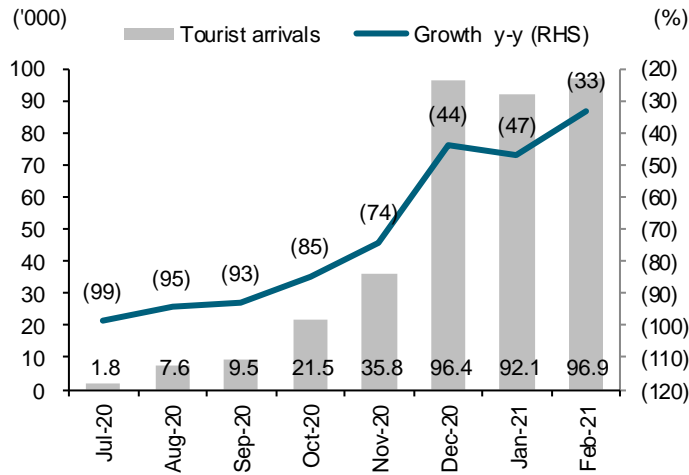
Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in OCC, we project a 2021 loss reduction of 20%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2021 loss reduction of 3%, and vice versa, all else being equal.

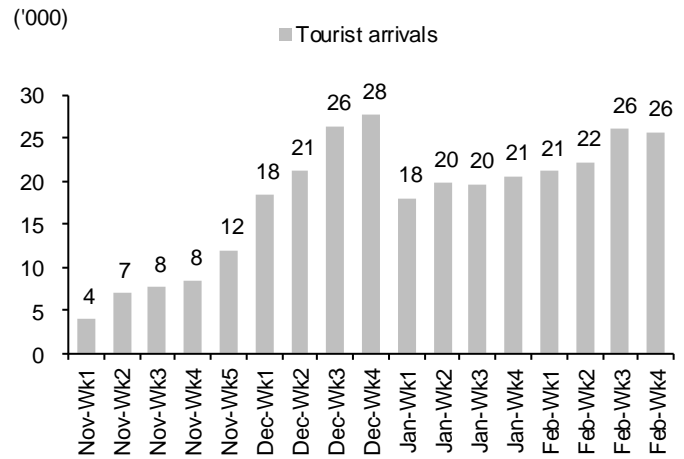
Source: FSSIA estimates

Exhibit 1: Tourist arrivals after border reopening



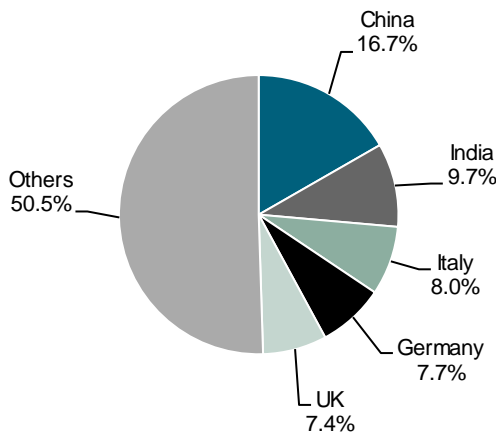
Source: Ministry of Tourism, Republic of Maldives

Exhibit 2: Tourist arrivals weekly trend



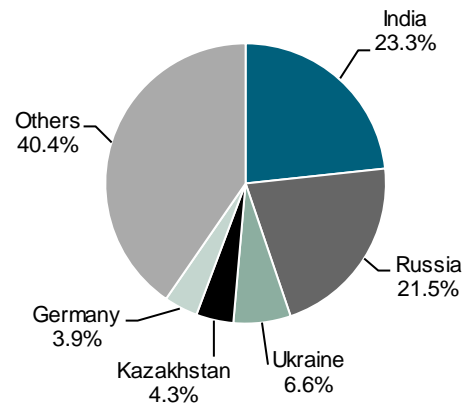
Source: Ministry of Tourism, Republic of Maldives

Exhibit 3: Key source markets as of 2019 (1.70m tourist arrivals)



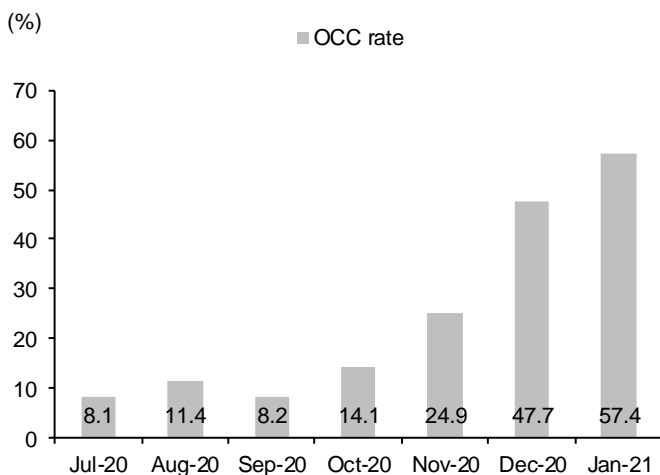
Source: Ministry of Tourism, Republic of Maldives

Exhibit 4: Key source markets over Jan-Feb 2021



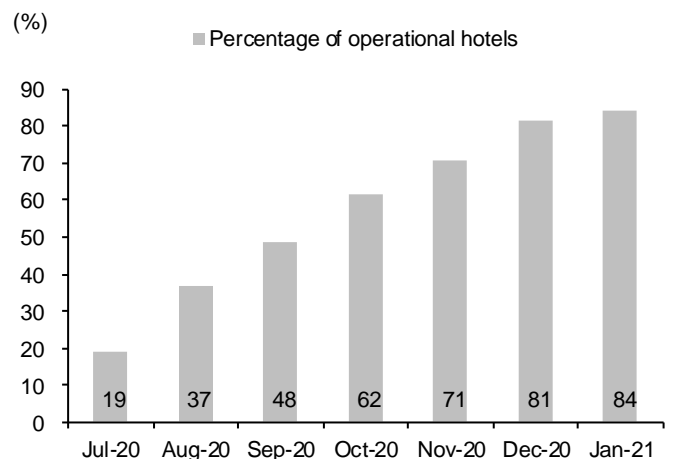
Source: Ministry of Tourism, Republic of Maldives

Exhibit 5: Average OCC rate of Maldives hotel industry



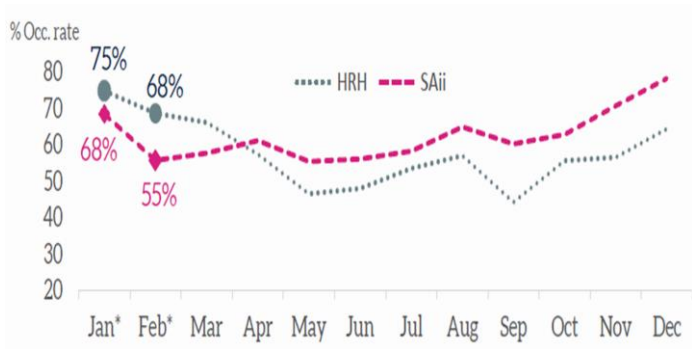
Source: Ministry of Tourism, Republic of Maldives

Exhibit 6: Percentage of operational hotels to registered hotels in Maldives



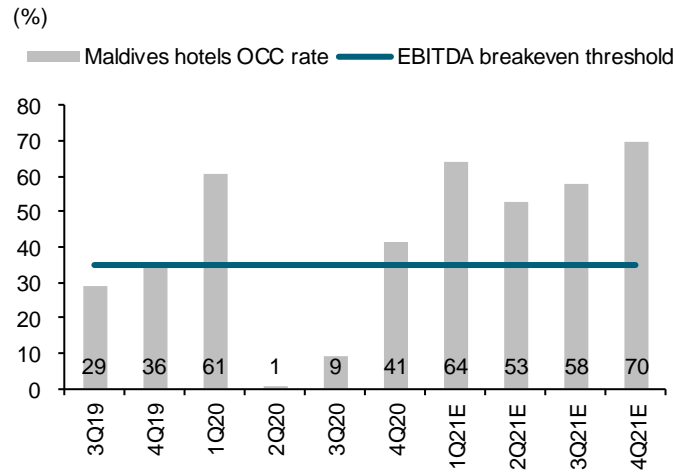
Source: Ministry of Tourism, Republic of Maldives

Exhibit 7: SHR's forecast OCC rate of two Maldives hotels



Source: SHR

Exhibit 8: SHR's Maldives hotels OCC rate recovery trend, quarterly



Sources: SHR; FSSIA estimates

Consolidating UK hotels to lift earnings in 2022 onward

Last month, SHR announced the acquisition of FS JV CO, which is a joint venture company that SHR has a 50% stake in (before transaction), for a total investment of GBP13.75m (cTHB564m based on 41.05 THB/GBP).

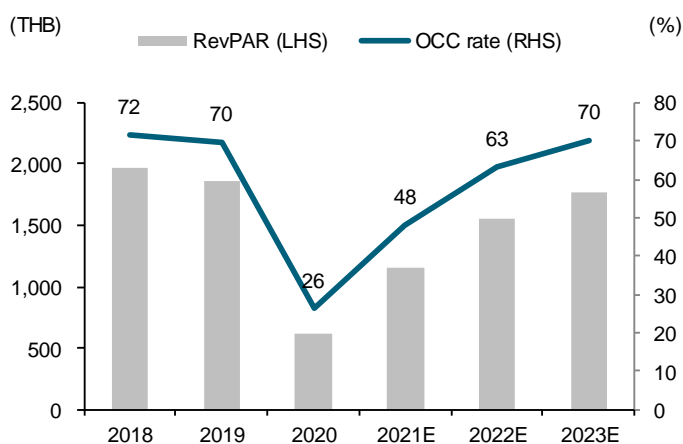
After the transaction, SHR will have 29 hotels with 3,115 rooms in the UK, consisting of 26 Mercure hotels under FS JV CO (SHR owns 100% stake) and another 3 hotels under FS JV License (SHR owns 50% stake).

Expect UK hotel EBITDA to turn positive in 2Q21

The UK portfolio was hit hard by the COVID-19 pandemic, with its occupancy rate (OCC) dropping from 70% in 2019 to 26% in 2020. We expect it to recover this year given that the vaccine rollout in the UK has already started, with c34% of the population having received vaccinations (vs 4% globally). Thus, we expect to see travel restrictions easing in 2Q, which is the UK's high tourism season. In addition, most UK hotels in SHR's portfolio are located in cities and focus on domestic business and leisure travellers, segments which should swiftly recover after the lockdown is lifted. Note that domestic and interregional demand accounts for 76% of the UK portfolio. As a result, we expect OCC to rebound to 40-50% in 2Q21, which should be sufficient to breakeven at the EBITDA level (40% OCC breakeven threshold).

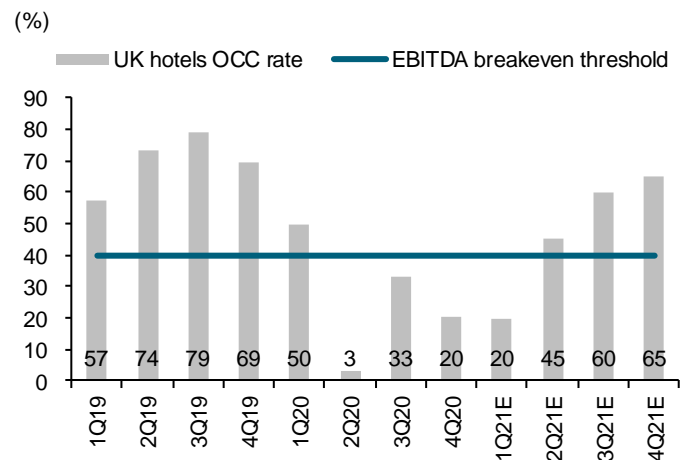
Overall, UK hotels' EBITDA should turn positive by 2021 and become profitable in 2022, with core profit recovering to its pre-COVID-19 level by 2023. Note that SHR plans to divest some of its UK hotels (22 of 29 hotels are freehold) and use the proceeds to renovate some of its hotels that have the potential to lift its average daily rate (ADR) and improve its EBITDA margin. This would provide an upside to our forecast.

Exhibit 9: UK hotels – RevPAR and OCC rate



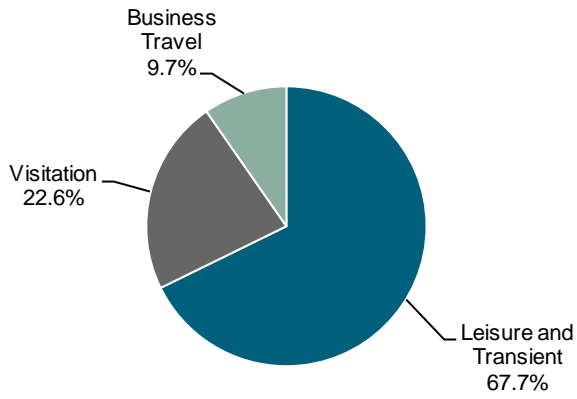
Sources: SHR; FSSIA estimates

Exhibit 10: OCC rate recovery trend, quarterly



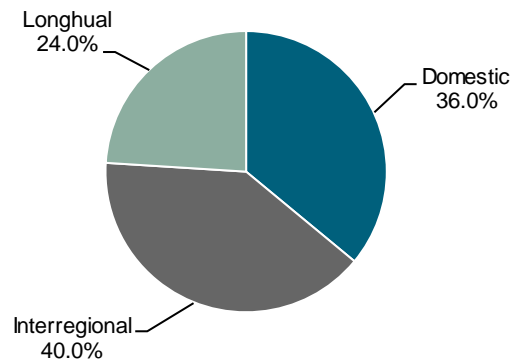
Sources: SHR; FSSIA estimates

Exhibit 11: UK hotels – breakdown by purpose of stay



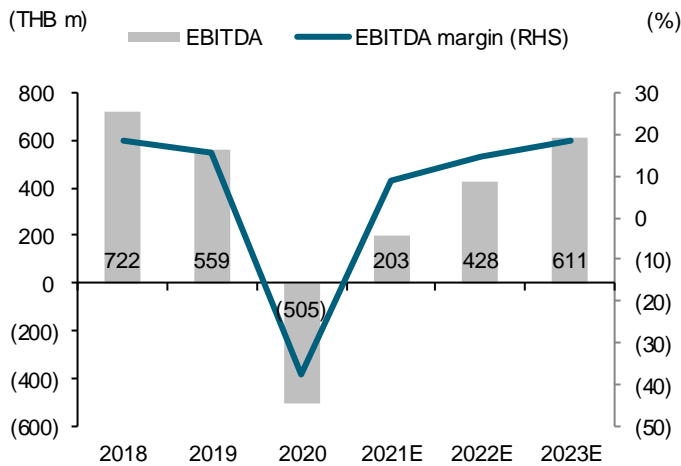
Source: SHR

Exhibit 12: UK hotels – breakdown by guest type



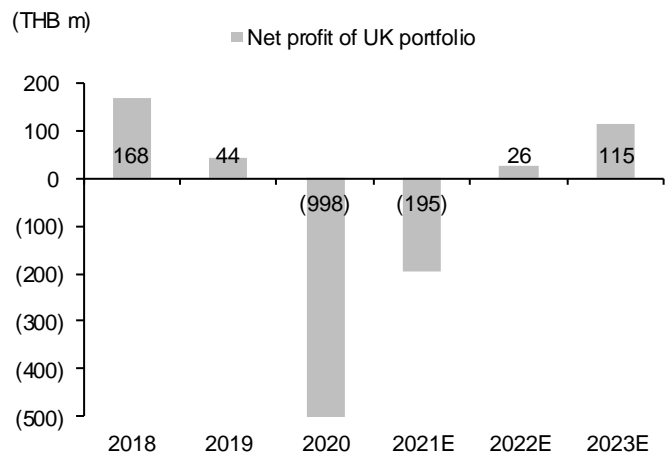
Source: SHR

Exhibit 13: UK hotels – EBITDA



Sources: SHR; FSSIA estimates

Exhibit 14: UK hotels – net profit

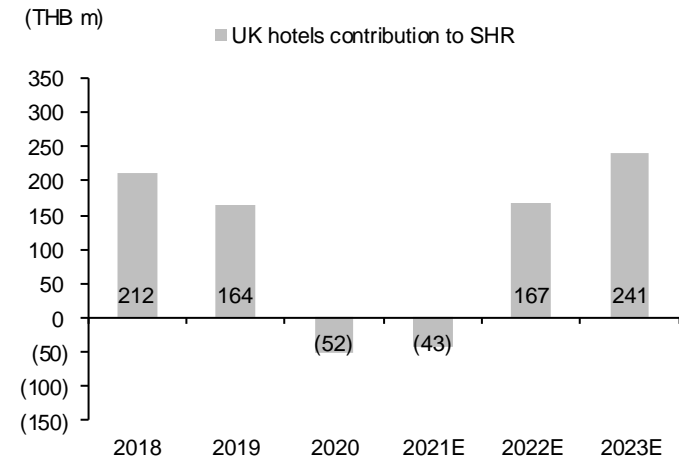


Sources: SHR; FSSIA estimates

Earnings accretion from the deal in 2022 onward

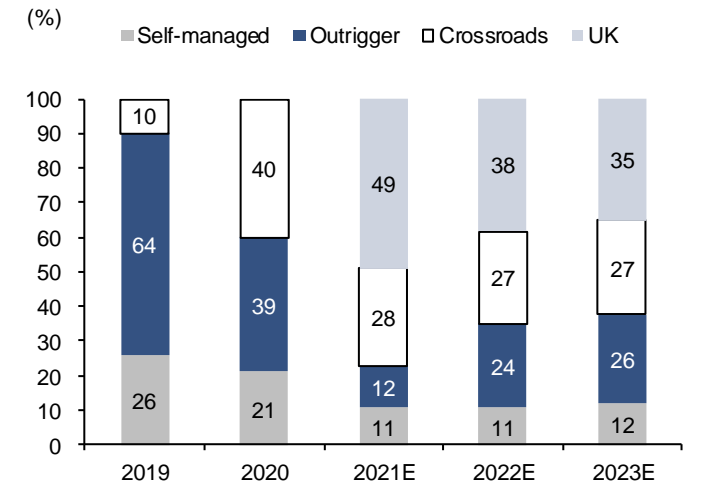
Previously, SHR realised contributions from its UK portfolio with two parts in its P/L: share income and interest income of cTHB120m-140m/year from the GBP45m loan that SHR gave to FS JV CO and FS JV License. From now on, SHR will start consolidating the UK operation into its financial statement, while the interest income will be removed. We forecast that the consolidation would hit SHR's earnings in 2021 when the UK portfolio is still contributing a loss. The deal would be earnings accretive from 2022 onward if the UK portfolio turns profitable as we forecast. We estimate that the UK portfolio will contribute a THB241m profit to SHR in 2023, compared to the THB164m profit in 2019.

Exhibit 15: Net contribution of UK hotels to SHR



Sources: SHR; FSSIA estimates

Exhibit 16: Revenue breakdown by portfolio



Sources: SHR; FSSIA estimates

Forecast and TP revisions

We incorporate the UK hotels acquisition into our model and roll forward our DCF-based valuation to 2022, deriving our new TP of THB4.4/shr (9.2% WACC, 2.5% LTG). Our 2021E core loss is revised down from THB636m to THB947m mainly due to the consolidation of loss from the UK operation. However, we revise up our core profit assumptions for 2022-23 by 16-30% thanks to the consolidation of profits from the UK operation. Our new TP implies 15x 2022E EV/EBITDA, lower than its peers' average of 22x.

Exhibit 17: Forecast revisions

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(%)	(%)	(%)
Self-Managed - OCC rate (%)	40.0	60.0	72.9	40.0	60.0	71.9	0.0	0.0	1.0
Self-Managed - RevPAR	2,489	4,200	5,726	2,909	4,494	5,547	(14.4)	(6.5)	3.2
Outrigger - OCC rate (%)	20.0	60.0	70.0	40.0	65.0	75.0	(20.0)	(5.0)	(5.0)
Outrigger - RevPAR	972	3,281	4,253	2,107	3,562	4,274	(53.9)	(7.9)	(0.5)
Project Crossroads - OCC rate (%)	60.0	65.0	66.0	50.0	60.0	62.0	10.0	5.0	4.0
Project Crossroads - RevPAR	4,838	7,862	8,222	5,400	6,732	7,598	(10.4)	16.8	8.2
Revenue (THB b)	4.2	7.1	8.3	2.8	4.3	5.2	47.4	63.8	58.9
EBITDA margin (%)	17.9	27.2	28.1	20.0	25.0	25.5	(2.1)	2.2	2.6
Core earnings (THB m)	(947)	104	389	(636)	80	335	48.8	29.6	16.1

Sources: FSSIA estimates

Exhibit 18: DCF valuation

Cost of equity assumptions	(%)		Cost of debt assumptions	(%)
Risk-free rate	3.0		Pre-tax cost of debt	4.0
Market risk premium	8.0		Marginal tax rate	20.0
Stock beta	1.3			
Cost of equity, Ke	13.2		Net cost of debt, Kd	3.2
Weight applied	60.0		Weight applied	40.0
WACC	9.2			
DCF valuation estimate	(THB b)	(THB/share)	Comments	
NPV	12.6	3.5	WACC 9.2%, risk-free rate 3%, risk premium 8%	
Terminal value	15.4	4.3	Terminal growth 2.5%	
Cash & liquid assets	1.0	0.3	At end-2022E	
Investments	0.1	0.0	At end-2022E	
Debt	(13.1)	(3.6)	At end-2022E	
Minorities	0.0	0.0	At end-2022E	
Residual ordinary equity	16.0	4.4		

Source: FSSIA estimates

Exhibit 19: Peer comparisons as of 10 Mar 2021

Company	BBG	Rec	----Share price----			Market Cap (USD m)	----- PE -----		---- PBV ----		-- EV/EBITDA --	
			Current (LCY)	Target (LCY)	Upside (%)		21E (x)	22E (x)	21E (x)	22E (x)	21E (x)	22E (x)
Thailand												
Asset World Corp Pcl	AWC TB	HOLD	5.45	5	(8)	5,676	(159.1)	530.8	2.5	2.5	106.6	56.5
Minor International Pcl	MINT TB	BUY	30.75	40	30	5,759	(17.5)	56.0	2.8	2.6	31.0	13.3
Central Plaza Hotel Pcl	CENDEL TB	BUY	34.75	32	(8)	1,527	(99.6)	75.1	4.5	4.2	20.5	14.0
Erawan Group Pcl/The	ERW TB	BUY	4.5	5.3	18	369	(12.3)	266.7	2.3	2.3	38.7	14.4
S Hotels & Resorts Pcl	SHR TB	BUY	3.1	4.4	42	363	(10.7)	106.9	0.8	0.8	40.4	12.6
Thailand average						13,693	(59.8)	207.1	2.6	2.5	47.5	22.2
Regional												
Shanghai Jin Jiang Capital-H	2006 HK	n/a	1.58	n/a	n/a	1,140	15.3	13.3	1.0	2.0	7.5	6.7
Btg Hotels Group Co Ltd-A	600258 CH	n/a	24.37	n/a	n/a	3,850	26.4	21.6	2.6	2.4	11.8	10.2
Sh Jinjiang Intl Hotels - B	900934 CH	n/a	2.17	n/a	n/a	6,364	10.7	7.9	0.9	0.8	16.8	12.8
Huangshan Tourism Develop-B	900942 CH	n/a	0.75	n/a	n/a	1,020	10.0	8.9	0.8	0.7	7.3	6.7
Genting Bhd	GENT MK	n/a	5.17	n/a	n/a	4,813	18.2	10.8	0.6	0.6	9.0	6.5
Greentree Hospitality Gr-Adr	GHG US	n/a	13.00	n/a	n/a	1,328	15.6	13.1	3.8	3.2	10.9	9.0
Huazhu Group Ltd-Adr	HTHT US	n/a	54.93	n/a	n/a	17,606	52.2	34.5	9.4	7.7	26.5	19.0
Indian Hotels Co Ltd	IH IN	n/a	125.90	n/a	n/a	2,059	n/a	131.8	4.1	4.0	n/a	23.4
Lemon Tree Hotels Ltd	LEMONTRE IN	n/a	41.90	n/a	n/a	456	n/a	n/a	4.8	5.2	88.2	30.8
Lippo Karawaci Tbk Pt	LPKR IJ	n/a	202.00	n/a	n/a	998	33.8	24.1	0.5	0.5	11.3	13.3
Regional average						39,634	22.8	29.5	2.9	2.7	21.0	13.8
Overall average						53,327	(9.0)	93.0	2.8	2.6	30.5	16.6

Sources: Bloomberg; FSSIA estimates

Financial Statements

S Hotels and Resorts

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	3,818	1,563	4,182	7,073	8,317
Cost of goods sold	(1,815)	(683)	(1,570)	(2,622)	(2,989)
Gross profit	2,004	880	2,613	4,451	5,329
Other operating income	-	-	-	-	-
Operating costs	(1,082)	(1,480)	(1,924)	(2,598)	(3,039)
Operating EBITDA	922	(600)	688	1,853	2,289
Depreciation	(676)	(986)	(1,266)	(1,275)	(1,343)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	246	(1,586)	(578)	578	946
Net financing costs	(425)	(377)	(530)	(517)	(479)
Associates	20	(172)	(20)	(11)	(42)
Recurring non operating income	220	51	62	73	44
Non recurring items	(369)	(462)	0	0	0
Profit before tax	(327)	(2,374)	(1,047)	133	510
Tax	(140)	4	100	(29)	(122)
Profit after tax	(467)	(2,371)	(947)	104	389
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(467)	(2,371)	(947)	104	389
Non recurring items & goodwill (net)	369	462	0	0	0
Recurring net profit	(98)	(1,908)	(947)	104	389
Per share (THB)					
Recurring EPS *	(0.03)	(0.53)	(0.26)	0.03	0.11
Reported EPS	(0.13)	(0.66)	(0.26)	0.03	0.11
DPS	0.00	0.00	0.00	0.01	0.04
Diluted shares (used to calculate per share data)	3,594	3,595	3,595	3,595	3,595
Growth					
Revenue (%)	48.2	(59.1)	167.6	69.1	17.6
Operating EBITDA (%)	33.5	nm	nm	169.3	23.5
Operating EBIT (%)	(20.2)	nm	nm	nm	63.6
Recurring EPS (%)	nm	nm	nm	nm	273.1
Reported EPS (%)	nm	nm	nm	nm	273.1
Operating performance					
Gross margin inc depreciation (%)	34.8	(6.7)	32.2	44.9	47.9
Gross margin of key business (%)	34.8	(6.7)	32.2	44.9	47.9
Operating EBITDA margin (%)	24.1	(38.4)	16.5	26.2	27.5
Operating EBIT margin (%)	6.4	(101.5)	(13.8)	8.2	11.4
Net margin (%)	(2.6)	(122.1)	(22.6)	1.5	4.7
Effective tax rate (%)	658.2	0.2	20.0	20.0	22.0
Dividend payout on recurring profit (%)	-	-	-	40.0	40.0
Interest cover (X)	1.1	(4.1)	(1.0)	1.3	2.1
Inventory days	44.7	127.9	67.4	75.1	88.2
Debtor days	24.6	39.7	8.2	7.0	6.0
Creditor days	239.5	615.3	225.3	251.1	294.8
Operating ROIC (%)	(7.3)	(7.9)	(2.0)	1.8	2.9
ROIC (%)	(11.9)	(6.6)	(1.6)	1.9	2.9
ROE (%)	(0.7)	(11.4)	(6.4)	0.7	2.7
ROA (%)	(9.2)	(5.4)	(1.8)	1.6	2.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Self-managed	995	329	433	738	1,018
Outrigger	2,444	607	495	1,670	2,164
Crossroads Ph1 (Maldives hotels)	379	627	1,129	1,834	1,918
UK	0	0	2,126	2,831	3,217

Sources: S Hotels and Resorts; FSSIA estimates

Financial Statements

S Hotels and Resorts

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	(98)	(1,908)	(947)	104	389
Depreciation	676	986	1,266	1,275	1,343
Associates & minorities	-	-	-	-	-
Other non-cash items	(219)	(497)	(4)	0	0
Change in working capital	644	(1,357)	(505)	(421)	(233)
Cash flow from operations	1,003	(2,776)	(189)	959	1,499
Capex - maintenance	(3,441)	(116)	(6,664)	(283)	(333)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	49	(186)	1,863	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(3,393)	(302)	(4,801)	(283)	(333)
Dividends paid	0	0	0	0	(42)
Equity finance	7,271	26	(31)	0	0
Debt finance	(2,183)	1,769	4,500	(1,000)	(1,000)
Other financing cash flows	(905)	29	(668)	0	0
Cash flow from Financing	4,184	1,824	3,801	(1,000)	(1,042)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,794	(1,255)	(1,189)	(324)	125
Free cash flow to firm (FCFF)	(1,965.51)	(2,701.00)	(4,459.75)	1,193.43	1,646.12
Free cash flow to equity (FCFE)	(5,477.52)	(1,280.72)	(1,157.97)	(324.00)	166.69
Per share (THB)					
FCFF per share	(0.55)	(0.75)	(1.24)	0.33	0.46
FCFE per share	(1.52)	(0.36)	(0.32)	(0.09)	0.05
Recurring cash flow per share	0.10	(0.39)	0.09	0.38	0.48
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed asset (gross)	23,204	25,004	31,672	31,955	32,287
Less: Accumulated depreciation	(2,247)	(4,910)	(6,177)	(7,452)	(8,795)
Tangible fixed assets (Net)	20,957	20,093	25,495	24,503	23,492
Intangible fixed assets (Net)	1,112	1,023	1,023	1,023	1,023
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	1,796	1,982	119	119	119
Cash & equivalents	3,747	2,493	1,304	980	1,105
A/C receivable	288	52	136	136	136
Inventories	303	176	404	675	770
Other current assets	789	918	2,456	4,153	4,884
Current assets	5,127	3,638	4,300	5,944	6,894
Other assets	171	381	381	381	381
Total assets	29,162	27,117	31,318	31,969	31,909
Common equity	17,923	15,676	14,031	14,135	14,482
Minorities etc.	0	0	0	0	0
Total Shareholders' equity	17,923	15,676	14,031	14,135	14,482
Long term debt	7,848	9,487	13,987	12,987	11,987
Other long-term liabilities	866	890	890	890	890
Long-term liabilities	8,714	10,377	14,877	13,877	12,877
A/C payable	1,714	587	1,351	2,256	2,572
Short term debt	0	130	130	130	130
Other current liabilities	811	347	929	1,572	1,848
Current liabilities	2,525	1,064	2,410	3,957	4,550
Total liabilities and shareholders' equity	29,162	27,117	31,318	31,969	31,909
Net working capital	(1,146)	211	716	1,136	1,369
Invested capital	22,889	23,690	27,733	27,162	26,384
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.99	4.36	3.90	3.93	4.03
Tangible book value per share	4.68	4.08	3.62	3.65	3.75
Financial strength					
Net debt/Equity (%)	22.9	45.4	91.3	85.9	76.0
Net debt/total assets (%)	14.1	26.3	40.9	38.0	34.5
Current ratio (x)	2.0	3.4	1.8	1.5	1.5
CF interest cover (x)	(11.9)	(2.4)	(1.2)	0.4	1.3
Valuation					
Recurring P/E (x) *	(114.0)	(5.9)	(11.8)	107.6	28.8
Recurring P/E @ target price (x) *	(160.8)	(8.3)	(16.7)	151.8	40.7
Reported P/E (x)	(24.0)	(4.7)	(11.8)	107.6	28.8
Dividend yield (%)	-	-	-	0.4	1.4
Price/book (x)	0.6	0.7	0.8	0.8	0.8
Price/tangible book (x)	0.7	0.8	0.9	0.9	0.8
EV/EBITDA (x) **	16.6	(30.6)	34.9	12.6	9.7
EV/EBITDA @ target price (x) **	21.6	(38.2)	41.6	15.1	11.7
EV/invested capital (x)	0.7	0.8	0.9	0.9	0.8
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: S Hotels and Resorts; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

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

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

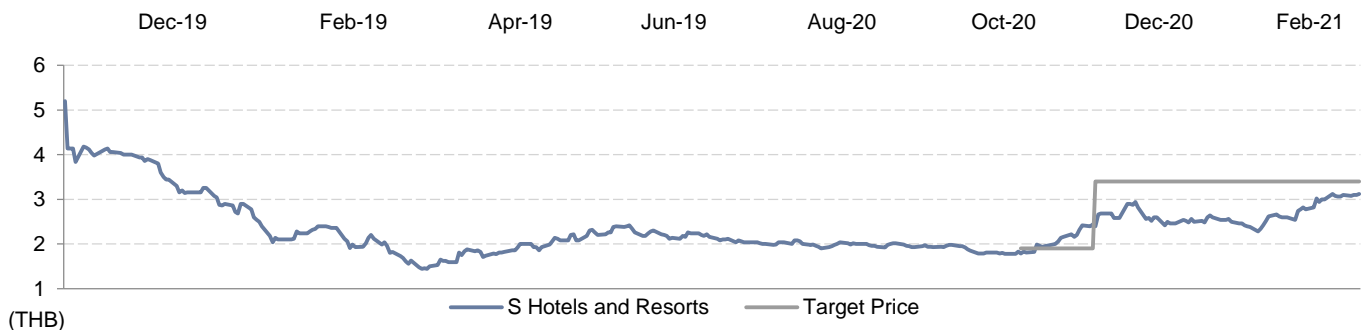
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

S Hotels and Resorts (SHR TB)



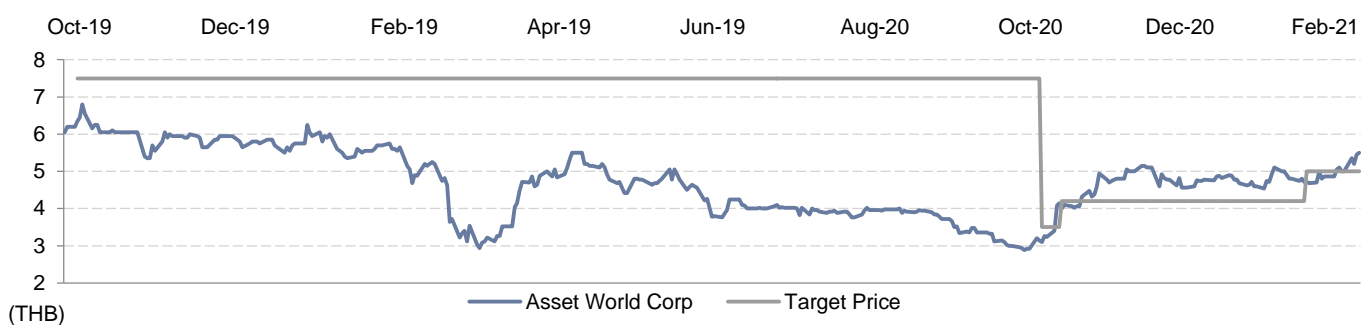
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	1.90	01-Dec-2020	BUY	3.40	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Asset World Corp (AWC TB)



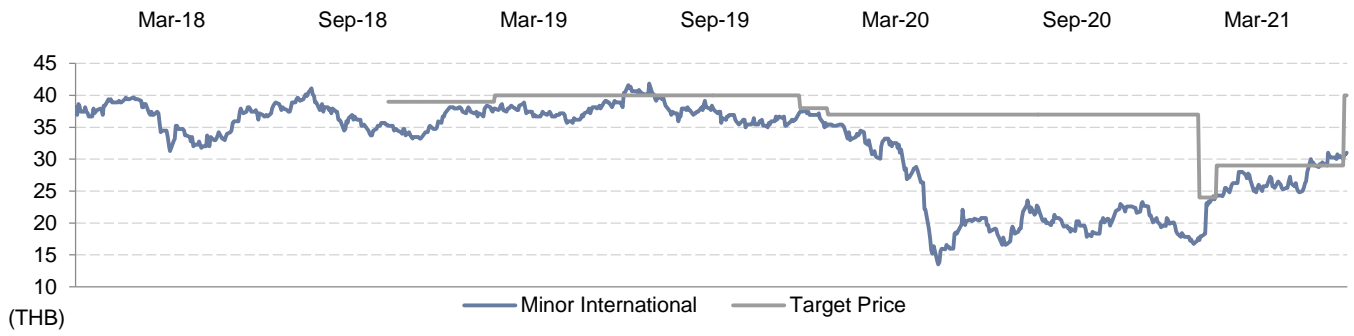
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	03-Nov-2020	HOLD	3.50	17-Feb-2021	HOLD	5.00
02-Apr-2020	BUY	7.50	11-Nov-2020	HOLD	4.20			

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)



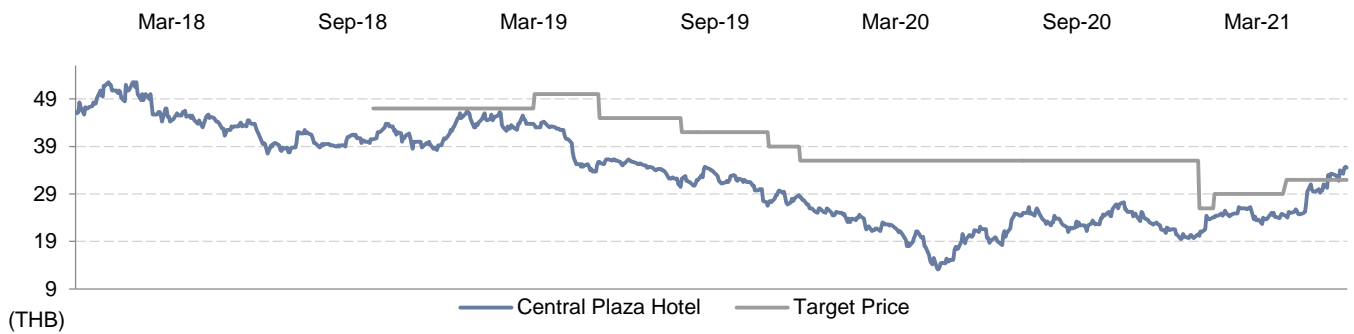
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Dec-2018	HOLD	39.00	20-Dec-2019	HOLD	37.00	18-Nov-2020	BUY	29.00
08-Mar-2019	HOLD	40.00	02-Apr-2020	HOLD	37.00	08-Mar-2021	BUY	40.00
26-Nov-2019	HOLD	38.00	03-Nov-2020	BUY	24.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Central Plaza Hotel (CENTEL TB)



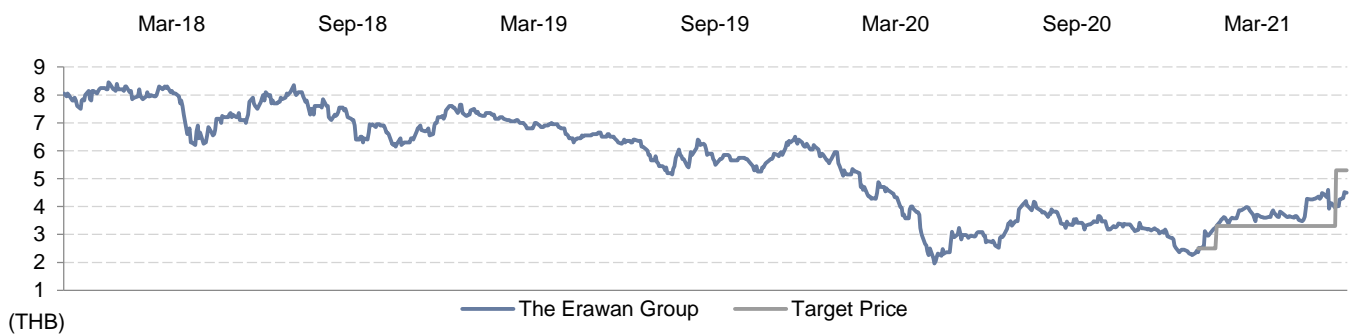
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Nov-2018	BUY	47.00	30-Oct-2019	BUY	39.00	16-Nov-2020	BUY	29.00
11-Apr-2019	BUY	50.00	26-Nov-2019	BUY	36.00	15-Jan-2021	BUY	32.00
06-Jun-2019	BUY	45.00	02-Apr-2020	BUY	36.00			
16-Aug-2019	BUY	42.00	03-Nov-2020	BUY	26.00			

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	01-Mar-2021	BUY	5.30

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
S Hotels and Resorts	SHR TB	THB 3.10	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.
Asset World Corp	AWC TB	THB 5.45	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 30.75	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.
Central Plaza Hotel	CEN TEL TB	THB 34.75	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 4.50	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, 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 10-Mar-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.