

28 MAY 2021

THAILAND / TOURISM & LEISURE

S HOTELS AND RESORTS SHR TB

BUY

UNCHANGED

TARGET PRICE	THB4.20
CLOSE	THB3.24
UP/DOWNSIDE	+29.6%
PRIOR TP	THB4.40
CHANGE IN TP	-4.5%
TP vs CONSENSUS	+8.6%

ปลอดภัยไปมากกว่าครึ่ง

การซื้อขายที่ระดับมูลค่าต่ำกว่าสินทรัพย์สุทธิหมายถึงความเสี่ยงขาลงที่จำกัด

เราเชื่อว่าการฟื้นตัวของ SHR อาจเกิดขึ้นในช่วง 2H21 เนื่องจากกว่าครึ่งของพอร์ตของบริษัทฯ อยู่ในมัลดีฟส์และสหราชอาณาจักร ซึ่งได้ยกเลิกมาตรการปิดเมืองและการจำกัดการเดินทางไปแล้วบางส่วน เราเห็นอัตราความเสี่ยงต่อผลตอบแทนที่เป็นบวก เนื่องจากหุ้นมีการซื้อขายโดยมีส่วนลดถึง 21% จากมูลค่าสินทรัพย์สุทธิ (NAV) ซึ่งคิดจากราคาสินทรัพย์ทดแทน (Replacement Cost) ที่ 4.1 บาท (ดู Exhibits 11-12)

การผ่อนคลายมาตรการปิดเมืองจะช่วยเพิ่มอัตราการเข้าพักของโรงแรมในของสหราชอาณาจักร

ในที่ประชุมนักวิเคราะห์เมื่อวานนี้ ผู้บริหารได้ระบุว่าบริษัทฯ คาดว่าพอร์ตของบริษัทฯ ในสหราชอาณาจักร (ประมาณ 20% ของรายได้รวมก่อน Covid) จะปรับตัวดีขึ้นอย่างมีนัยสำคัญหลังการผ่อนคลายมาตรการปิดเมืองเมื่อวันที่ 17 พ.ค. ซึ่งประกอบด้วย การกลับมาเปิดภัตตาคาร ร้านอาหาร โรงภาพยนตร์ และอนุญาตการเดินทางจากต่างประเทศสำหรับประเทศที่อยู่ในกลุ่มสีเขียว เช่น โปรตุเกส ออสเตรเลีย สิงคโปร์ SHR คาดว่าอัตราการเข้าพักจะปรับตัวขึ้นเป็น 50% หลังการผ่อนคลายมาตรการดังกล่าว และคาดว่าตัวเลขดังกล่าวจะแตะระดับ 60-75% ใน 3Q21 ซึ่งเป็นฤดูกาลท่องเที่ยวในสหราชอาณาจักร ทำให้พอร์ตของบริษัทฯ ในประเทศดังกล่าวอาจเป็นพอร์ตแรกที่พลิกมาขายงานกำไรใน 3Q-4Q21

RevPAR ของมัลดีฟส์จะกลับสู่ระดับก่อน Covid ภายใน 4Q21

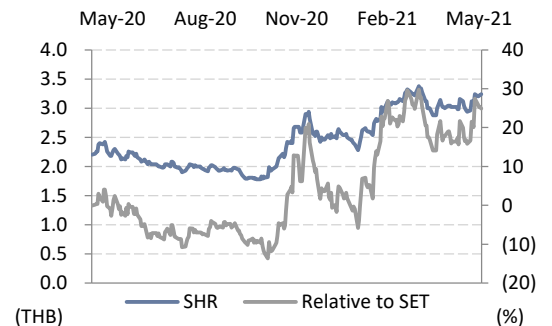
โรงแรมในมัลดีฟส์ (ประมาณ 30% ของรายได้รวมก่อน Covid) รายงานอัตราการเข้าพักในระดับสูงที่ 57-65% ในช่วงฤดูการท่องเที่ยวในเดือน ม.ค. - เม.ย. อย่างไรก็ตามตัวเลขดังกล่าวจะได้รับผลกระทบจากการระงับนักท่องเที่ยวจากเอเชียใต้โดยเฉพาะอินเดีย ซึ่งคิดเป็นประมาณ 20% ของจำนวนนักท่องเที่ยวของมัลดีฟส์ใน 1Q21 ทำให้ SHR คาดว่าอัตราการเข้าพักจะทรงตัวอยู่ที่ 50% ในช่วงนอกฤดูการท่องเที่ยวใน 2Q21 ก่อนปรับตัวขึ้นในปลาย 3Q-4Q21 นอกจากนี้ ADR ควรปรับตัวดีขึ้น เนื่องจาก SHR คาดว่า ADR ของนักท่องเที่ยวจากยุโรปจะปรับตัวสูงขึ้นเมื่อเทียบกับอัตราที่ต่ำกว่าของนักท่องเที่ยวจากยุโรปตะวันออก เช่น รัสเซียและยูเครน รวมถึงนักท่องเที่ยวจากอินเดีย ทำให้เราคาดว่าพอร์ตในมัลดีฟส์จะพลิกฟื้นในฤดูการท่องเที่ยวถัดไปใน 4Q21-1Q22 ในขณะที่พอร์ตที่เหลืออยู่ ประกอบด้วย ไทย ฟิจิ และมอริเชียส ควรฟื้นตัวตามการท่องเที่ยวโลกในปี 2022

ปรับลดประมาณการกำไรปี 2021-22 คงคำแนะนำซื้อ

เราปรับลดประมาณการตัวเลขนักท่องเที่ยวเข้าสู่ประเทศไทยลงจาก 5 ล้านและ 31 ล้านในปี 2021-22 เหลือ 1 ล้านและ 22 ล้านตามลำดับเพื่อสะท้อนการเปิดพรมแดนที่ช้าลงกว่าที่คาด ในขณะที่สมมติฐานโรงแรมในสหราชอาณาจักร และมัลดีฟส์ยังคงเดิม ทำให้เราปรับเพิ่มประมาณการผลขาดทุนจากการดำเนินงานในปี 2021 เป็น 1.3 พัน ลบ. จาก 0.9 พัน ลบ. และปรับลดประมาณการกำไรสุทธิจากการดำเนินงานปี 2022 ลงเป็น 70 ลบ. จาก 104 ลบ. ในขณะที่ประมาณการกำไรจากการดำเนินงานปี 2023 ยังคงเดิม เราปรับลดราคาเป้าหมายของเราลงเล็กน้อยเหลือ 4.2 บาท (DCF, 9.2% WACC, 2.5% LTG)

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	1,563	3,707	6,845	8,108
Net profit	(2,371)	(1,310)	70	385
EPS (THB)	(0.66)	(0.36)	0.02	0.11
vs Consensus (%)	-	nm	(45.9)	2.8
EBITDA	(600)	547	2,058	2,480
Core net profit	(1,908)	(1,310)	70	385
Core EPS (THB)	(0.53)	(0.36)	0.02	0.11
Chg. In EPS est. (%)	nm	nm	(32.9)	(1.0)
EPS growth (%)	nm	nm	nm	450.1
Core P/E (x)	(6.1)	(8.9)	166.4	30.3
Dividend yield (%)	-	-	0.2	1.3
EV/EBITDA (x)	(31.3)	54.2	14.0	11.1
Price/book (x)	0.7	0.9	0.8	0.8
Net debt/Equity (%)	45.4	131.8	125.1	112.7
ROE (%)	(11.4)	(8.9)	0.5	2.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.6	8.0	39.7
Relative to country (%)	5.0	2.1	17.9
Mkt cap (USD m)	372		
3m avg. daily turnover (USD m)	1.4		
Free float (%)	38		
Major shareholder	S Hotels and Resorts Inter (49%)		
12m high/low (THB)	3.44/1.76		
Issued shares (m)	3,593.64		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 28 พฤษภาคม 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 Jul-20. SHR's two hotels in Maldives (40% of total revenue as of 2020) should capture the strong tourism recovery. 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 THB4.1/shr book value as of 1Q21 and has a potential upside from M&A deals, considering that it has a strong balance sheet with only 0.8x D/E as of 1Q21.

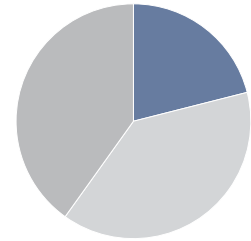
Company profile

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)

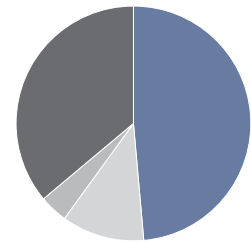
- Self-managed - 21.0 %
- Outrigger - 38.8 %
- Crossroads Ph1 (Maldives hotels) - 40.1 %



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

Catalysts

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.

Risks 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
Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Self-Managed - Number of rooms (no.)	657	657	657
Self-Managed - Occupancy rate (OCC)	25.0	55.0	72.9
Self-Managed - RevPAR growth	(47.1)	242.2	40.8
Project Crossroads - Number of rooms (no.)	376	376	376
Project Crossroads - Occupancy rate (OCC)	65.0	65.0	66.0
Project Crossroads - RevPAR growth	118.7	36.4	4.6
UK - Number of rooms (no.)	3,042	3,042	3,042
UK - Occupancy rate (OCC)	48.0	63.0	68.5
UK - RevPAR growth	76.7	41.8	11.2

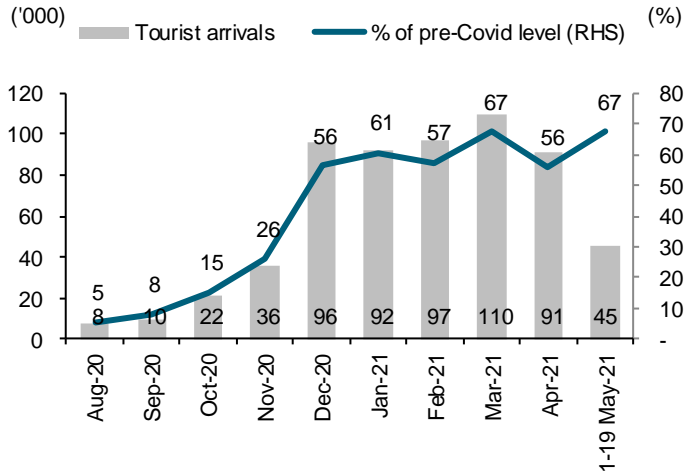
Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in OCC rate, 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.

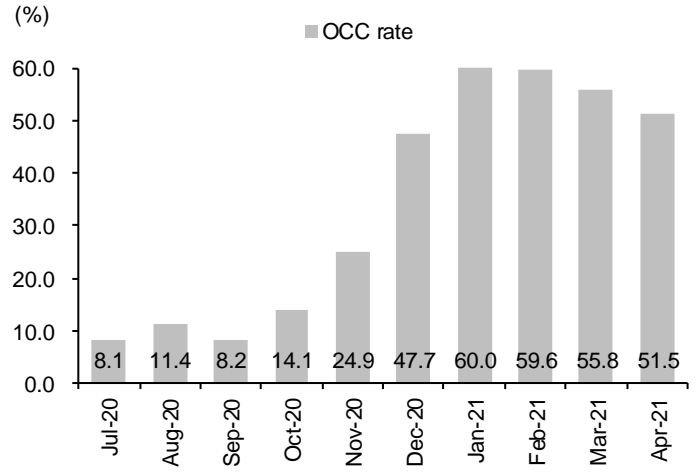
Source: FSSIA estimates

Exhibit 1: Maldives industry - tourist arrivals after border reopening



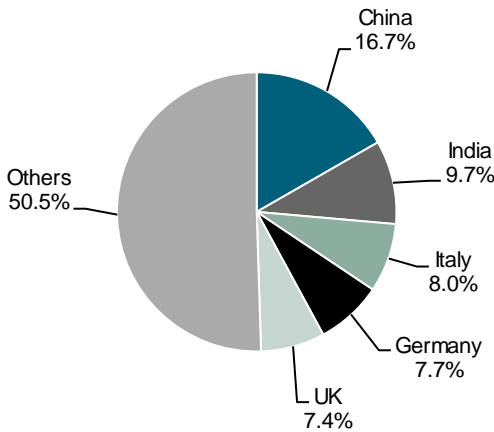
Source: Ministry of Tourism, Republic of Maldives

Exhibit 2: Maldives industry - average OCC rate of Maldives hotels



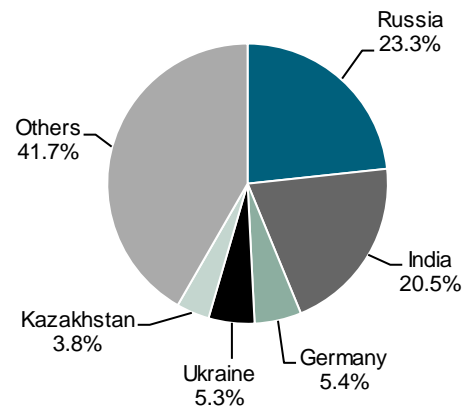
Source: Ministry of Tourism, Republic of Maldives

Exhibit 3: Maldives industry - key source markets as of 2019 (1.70m tourist arrivals)



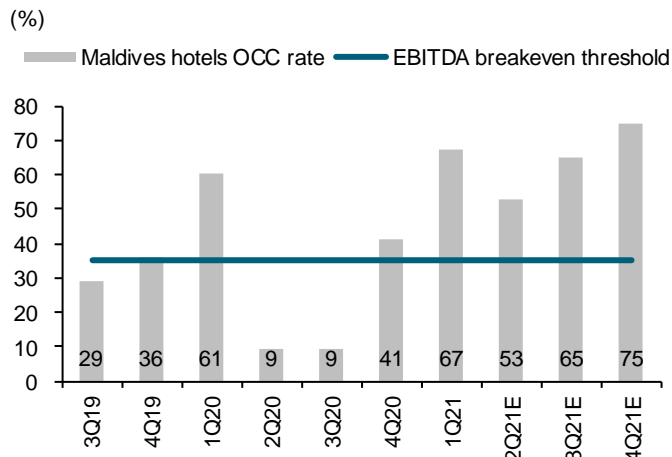
Source: Ministry of Tourism, Republic of Maldives

Exhibit 4: Maldives industry - key source markets over Jan-19 to May-21



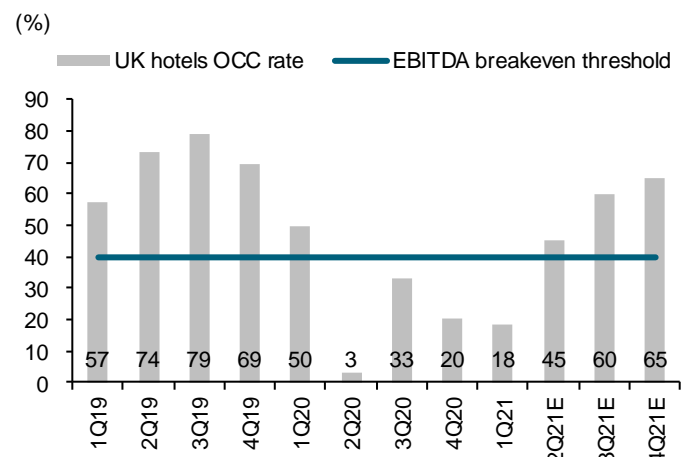
Source: Ministry of Tourism, Republic of Maldives

Exhibit 5: SHR's Crossroads (Maldives) hotels OCC rate



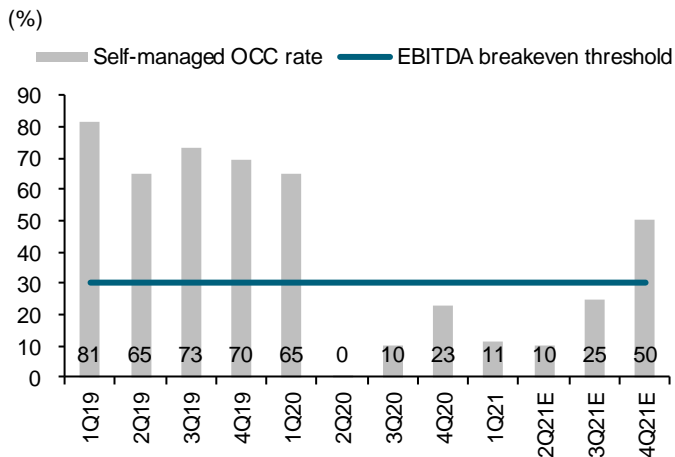
Sources: SHR; FSSIA estimates

Exhibit 6: SHR's UK hotels OCC rate



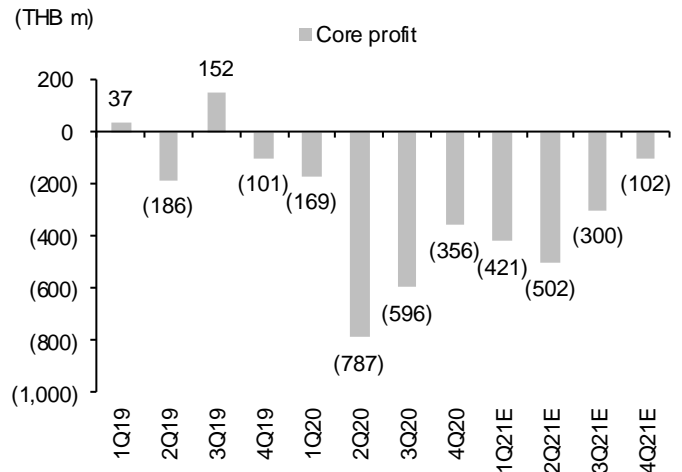
Sources: SHR; FSSIA estimates

Exhibit 7: SHR's self-managed (Thailand) hotels OCC rate



Sources: SHR; FSSIA estimates

Exhibit 8: Core profit recovery trend, quarterly



Sources: SHR; FSSIA estimates

Exhibit 9: Forecast revisions

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(%)	(%)	(%)
Self-Managed - OCC rate (%)	25.0	55.0	72.9	40.0	60.0	71.9	(15.0)	(5.0)	1.0
Self-Managed - RevPAR	1,000	3,422	4,819	2,909	4,494	5,547	(65.6)	(23.9)	(13.1)
Outtrigger - OCC rate (%)	25.0	60.0	70.0	40.0	65.0	75.0	(15.0)	(5.0)	(5.0)
Outtrigger - RevPAR	700	2,916	4,253	2,107	3,562	4,274	(66.8)	(18.1)	(0.5)
Project Crossroads - OCC rate (%)	65.0	65.0	66.0	50.0	60.0	62.0	15.0	5.0	4.0
Project Crossroads - RevPAR	5,765	7,862	8,222	5,400	6,732	7,598	6.8	16.8	8.2
UK -OCC rate (%)	48	63	69	48	63	69	0.0	0.0	0.0
UK -RevPAR	1,097	1,556	1,730	1,097	1,556	1,730	-	-	-
Revenue (THB b)	3.7	6.8	8.1	4.2	7.1	8.3	(11.4)	(3.2)	(2.5)
EBITDA margin (%)	14.8	30.1	30.6	16.5	26.2	27.5	(1.7)	3.9	3.1
Core earnings (THB m)	(1,310)	70	385	(947)	104	389	38.4	(32.9)	(1.0)

Note: Change in % terms is represented in ppt change

Sources: FSSIA estimates

Exhibit 10: 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	14.5	4.0		WACC 9.2%, risk-free rate 3%, risk premium 8%
Terminal value	17.6	4.9		Terminal growth 2.5%
Cash & liquid assets	(0.1)	(0.0)		At end-2022E
Investments	0.1	0.0		At end-2022E
Debt	(17.2)	(4.8)		At end-2022E
Minorities	0.0	0.0		At end-2022E
Residual ordinary equity	15.0	4.2		

Source: FSSIA estimates

Exhibit 11: Net asset value calculation

Net asset value	(THB b)	Comment
Total replacement cost	27	
Add: Land	5	As of 2020
Add: Cash and cash equivalents	1	As of 1Q21
Less: Estimated depreciation	(5)	
Less: Debt	(13)	As of 1Q21
Less: Minorities	(0)	As of 1Q21
Net Value	15	
No. of shares (m)	3,594	
FV per share (THB)	4.1	

Source: FSSIA estimates

Exhibit 12: Replacement cost calculation for SHR

	Asset	Room	Shareholdings	Capex/room	Cost
		(no.)	(%)	(THB m)	(THB b)
1	SAii Phi Phi Island Village Beach Resort	201	100	8.0	1.6
2	Santiburi Koh Samui	96	100	12.0	1.2
3	Nabor Koh Samui	52	100	8.0	0.4
4	SAii Laguna Phuket Beach Resort	255	100	8.0	2.0
5	Outrigger Fiji Beach Resort	253	100	8.0	2.0
6	Castaway Island Fiji	65	100	8.0	0.5
7	Outrigger Konotta Maldives Resort	53	100	8.0	0.4
8	Outrigger Mauritius Beach Resort	181	100	8.0	1.4
9	SAii Lagoon Maldives	198	100	15.0	3.0
10	Hard Rock Hotel Maldives	178	100	15.0	2.7
11	UK hotel (Mercure)	2,813	100	4.0	11.3
12	UK hotel (Mercure & Holiday Inn)	229	50	4.0	0.5
	Total	4,574			27.0

Sources: SHR; FSSIA estimates

1Q21 results review

SHR reported a 1Q21 core loss of THB421m, slightly missing our estimate and Bloomberg's consensus estimate by 9-11%. 1Q21 performance was weaker compared to the THB356m core loss in 4Q20 due to the weak hotel operations in Thailand. Including one-off items consisting of a THB103m gain from the fair value adjustment on UK hotels and a THB7m unrealised gain on FX, the 1Q21 net loss was THB311m.

Revenue fell by 53% y-y, but grew 83% q-q. Hotels in Maldives were the key drivers with an OCC rate of 67% in 1Q21 (vs 41% in 4Q20 and 61% in 1Q20). However, the OCC rate of self-managed hotels, Outrigger hotels and UK hotels were 11%, 10% and 18%, respectively. EBITDA remained negative at THB62m in 1Q21, slightly weaker compared to the THB25m EBITDA loss in 4Q20.

Exhibit 13: 1Q21 results review

	1Q20	2Q20	3Q20	4Q20	1Q21	Change		2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	1,145	7	114	297	544	83	(53)	3,707
- Self-Managed Hotels	262	0	31	35	24	(33)	(91)	
- Outrigger Hotels	524	2	29	52	34	(35)	(94)	
- Project Crossroads Hotels	358	5	54	210	398	90	11	
- UK					88			
COGS (Incl. depreciation)	(764)	(266)	(382)	(501)	(566)	13	(26)	(2,900)
Gross Profit	380	(260)	(268)	(204)	(22)	(89)	(106)	807
SG&A	(418)	(428)	(279)	(111)	(306)	176	(27)	(1,658)
Operating Profit	(37)	(687)	(547)	(315)	(329)	4	786	(851)
Other income	44	58	46	75	46	(39)	4	81
- Interest income from JV	34	28	34	36	25	(31)	(27)	0
- Other income	16	30	13	38	21	(46)	32	81
Interest expense	(101)	(96)	(91)	(90)	(131)	46	30	(620)
Pretax profit	(94)	(725)	(591)	(330)	(414)	25	341	(1,390)
Income Tax	36	(14)	(7)	(11)	(1)	(93)	(102)	100
Associates	(111)	(48)	1	(15)	(6)	(58)	(94)	(20)
Minority interest	0	0	0	0	0			0
Core profit	(169)	(787)	(596)	(356)	(421)	18	149	(1,310)
Extraordinaries, GW & FX	404	(24)	(3)	(840)	110	(113)	(73)	0
Net unrealized loss on FX	(26)	(24)	(3)	(16)	7	(145)	(128)	
Non-recurring items	430			(824)	103	(112)	(76)	
Reported net profit	235	(811)	(600)	(1,195)	(311)	(74)	(232)	(1,310)
Shares out (end Q, m)	3,594	3,594	3,594	3,594	3,594	0	0	3,594
Core EPS	(0.05)	(0.22)	(0.17)	(0.10)	(0.12)	18	149	(0.36)
EPS	0.07	(0.23)	(0.17)	(0.33)	(0.09)	(74)	(232)	(0.36)
COGS (Excl. depreciation)	(527)	(21)	(147)	(233)	(319)	37	(40)	(1,502)
Depreciation	(237)	(246)	(235)	(268)	(247)	(8)	4	(1,398)
EBITDA	124	(461)	(277)	(25)	(62)	152	(150)	(825)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	33	n/a	(235)	(69)	(4)	64	(37)	22
SG&A/Revenue	36	n/a	244	37	56	19	20	45
EBITDA margin	11	n/a	(243)	(8)	(11)	(3)	(22)	(22)
Net profit margin	21	n/a	(526)	(402)	(57)	345	(78)	(35)
Operating stats								
Self-Managed Hotels								
OCC (%)	64.9	0.5	9.9	22.7	11.1	(12)	(54)	
ADR (THB)	9,760	2,706	3,940	4,048	2,705	(1,343)	(7,055)	
RevPAR (THB)	6,336	12	390	921	301	(620)	(6,035)	
Outrigger Hotels								
OCC (%)	59.3	0.2	8.2	13.7	9.9	(4)	(49)	
ADR (THB)	7,004	7,524	1,684	2,181	2,284	103	(4,720)	
RevPAR (THB)	4,152	17	138	298	225	(73)	(3,927)	
Project Crossroads Hotels								
OCC (%)	60.6	9.3	9.4	41.3	67.1	26	7	
ADR (THB)	10,893	7,704	7,704	7,149	8,287	1,138	(2,606)	
RevPAR (THB)	6,606	716	727	3,018	5,564	2,546	(1,042)	
UK Hotels								
OCC (%)	49.8	3.2	33.2	20.4	18.1	(2)	(32)	
ADR (THB)	2,343	23,582	2,273	2,248	2,173	(75)	(170)	

RevPAR (THB)	1,167	755	755	458	394	(64)	(773)	
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Sources: SHR; 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	3,707	6,845	8,108
Cost of goods sold	(1,815)	(683)	(1,502)	(2,748)	(3,243)
Gross profit	2,004	880	2,205	4,097	4,865
Other operating income	-	-	-	-	-
Operating costs	(1,082)	(1,480)	(1,658)	(2,039)	(2,386)
Operating EBITDA	922	(600)	547	2,058	2,480
Depreciation	(676)	(986)	(1,398)	(1,421)	(1,435)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	246	(1,586)	(851)	636	1,044
Net financing costs	(425)	(377)	(620)	(618)	(582)
Associates	20	(172)	(20)	(11)	(43)
Recurring non-operating income	220	51	61	73	43
Non-recurring items	(369)	(462)	0	0	0
Profit before tax	(327)	(2,374)	(1,410)	90	506
Tax	(140)	4	100	(20)	(121)
Profit after tax	(467)	(2,371)	(1,310)	70	385
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(467)	(2,371)	(1,310)	70	385
Non-recurring items & goodwill (net)	369	462	0	0	0
Recurring net profit	(98)	(1,908)	(1,310)	70	385
Per share (THB)					
Recurring EPS *	(0.03)	(0.53)	(0.36)	0.02	0.11
Reported EPS	(0.13)	(0.66)	(0.36)	0.02	0.11
DPS	0.00	0.00	0.00	0.01	0.04
Diluted shares (used to calculate per share data)	3,594	3,594	3,594	3,594	3,594
Growth					
Revenue (%)	48.2	(59.1)	137.2	84.7	18.5
Operating EBITDA (%)	33.5	nm	nm	275.9	20.5
Operating EBIT (%)	(20.2)	nm	nm	nm	64.2
Recurring EPS (%)	nm	nm	nm	nm	450.1
Reported EPS (%)	nm	nm	nm	nm	450.1
Operating performance					
Gross margin inc. depreciation (%)	34.8	(6.7)	21.8	39.1	42.3
Gross margin of key business (%)	34.8	(6.7)	21.8	39.1	42.3
Operating EBITDA margin (%)	24.1	(38.4)	14.8	30.1	30.6
Operating EBIT margin (%)	6.4	(101.5)	(23.0)	9.3	12.9
Net margin (%)	(2.6)	(122.1)	(35.3)	1.0	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)	(1.3)	1.1	1.9
Inventory days	44.7	127.9	68.4	72.7	86.8
Debtor days	24.6	39.7	8.8	6.7	5.7
Creditor days	239.5	615.3	228.4	242.8	290.1
Operating ROIC (%)	(7.3)	(7.9)	(2.7)	1.7	2.8
ROIC (%)	(11.9)	(6.6)	(2.2)	1.8	2.7
ROE (%)	(0.7)	(11.4)	(8.9)	0.5	2.8
ROA (%)	(9.2)	(5.4)	(2.6)	1.6	2.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Self-managed	995	329	385	1,329	1,895
Outrigger	2,444	607	207	862	1,257
Crossroads Ph1 (Maldives hotels)	379	627	1,503	1,888	1,975
UK	0	0	1,611	2,765	2,981

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)	(1,310)	70	385
Depreciation	676	986	1,398	1,421	1,435
Associates & minorities	-	-	-	-	-
Other non-cash items	(219)	(497)	(438)	0	0
Change in working capital	644	(1,357)	(363)	(394)	(163)
Cash flow from operations	1,003	(2,776)	(712)	1,098	1,657
Capex - maintenance	(3,441)	(116)	(11,342)	(274)	(324)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	49	(186)	1,863	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(3,393)	(302)	(9,479)	(274)	(324)
Dividends paid	0	0	0	0	(28)
Equity finance	7,271	26	(31)	0	0
Debt finance	(2,183)	1,769	8,500	(900)	(1,200)
Other financing cash flows	(905)	29	(668)	0	0
Cash flow from financing	4,184	1,824	7,801	(900)	(1,228)
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)	(2,390)	(76)	105
Free cash flow to firm (FCFF)	(1,965.51)	(2,701.00)	(9,570.94)	1,442.34	1,914.71
Free cash flow to equity (FCFE)	(5,477.52)	(1,280.72)	(2,359.16)	(75.99)	133.13
Per share (THB)					
FCFF per share	(0.55)	(0.75)	(2.66)	0.40	0.53
FCFE per share	(1.52)	(0.36)	(0.66)	(0.02)	0.04
Recurring cash flow per share	0.10	(0.39)	(0.10)	0.42	0.51
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	23,204	25,004	36,350	36,623	36,948
Less: Accumulated depreciation	(2,247)	(4,910)	(6,309)	(7,730)	(9,166)
Tangible fixed assets (net)	20,957	20,093	30,041	28,893	27,782
Intangible fixed assets (net)	1,112	1,023	1,457	1,457	1,457
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,796	1,982	119	119	119
Cash & equivalents	3,747	2,493	103	27	132
A/C receivable	288	52	126	126	126
Inventories	303	176	387	708	835
Other current assets	789	918	2,177	4,019	4,761
Current assets	5,127	3,638	2,792	4,880	5,854
Other assets	171	381	381	381	381
Total assets	29,162	27,117	34,790	35,730	35,593
Common equity	17,923	15,676	13,667	13,737	14,094
Minorities etc.	0	0	0	0	0
Total shareholders' equity	17,923	15,676	13,667	13,737	14,094
Long term debt	7,848	9,487	17,987	17,087	15,887
Other long-term liabilities	866	890	890	890	890
Long-term liabilities	8,714	10,377	18,877	17,977	16,777
A/C payable	1,714	587	1,292	2,364	2,790
Short term debt	0	130	130	130	130
Other current liabilities	811	347	824	1,521	1,802
Current liabilities	2,525	1,064	2,245	4,015	4,722
Total liabilities and shareholders' equity	29,162	27,117	34,790	35,730	35,593
Net working capital	(1,146)	211	574	967	1,130
Invested capital	22,889	23,690	32,571	31,817	30,869
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.99	4.36	3.80	3.82	3.92
Tangible book value per share	4.68	4.08	3.40	3.42	3.52
Financial strength					
Net debt/equity (%)	22.9	45.4	131.8	125.1	112.7
Net debt/total assets (%)	14.1	26.3	51.8	48.1	44.6
Current ratio (x)	2.0	3.4	1.2	1.2	1.2
CF interest cover (x)	(11.9)	(2.4)	(2.8)	0.9	1.2
Valuation					
Recurring P/E (x) *	(118.4)	(6.1)	(8.9)	166.4	30.3
Recurring P/E @ target price (x) *	(153.5)	(7.9)	(11.5)	215.7	39.2
Reported P/E (x)	(24.9)	(4.9)	(8.9)	166.4	30.3
Dividend yield (%)	-	-	-	0.2	1.3
Price/book (x)	0.6	0.7	0.9	0.8	0.8
Price/tangible book (x)	0.7	0.8	1.0	0.9	0.9
EV/EBITDA (x) **	17.1	(31.3)	54.2	14.0	11.1
EV/EBITDA @ target price (x) **	20.8	(37.0)	60.5	15.7	12.5
EV/invested capital (x)	0.7	0.8	0.9	0.9	0.9
* Pre-exceptional, pre-goodwill and 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	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
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	SEOIL	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:

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* 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	AMANAHA	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	SEAOL	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)

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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

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ANALYST(S) CERTIFICATION

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

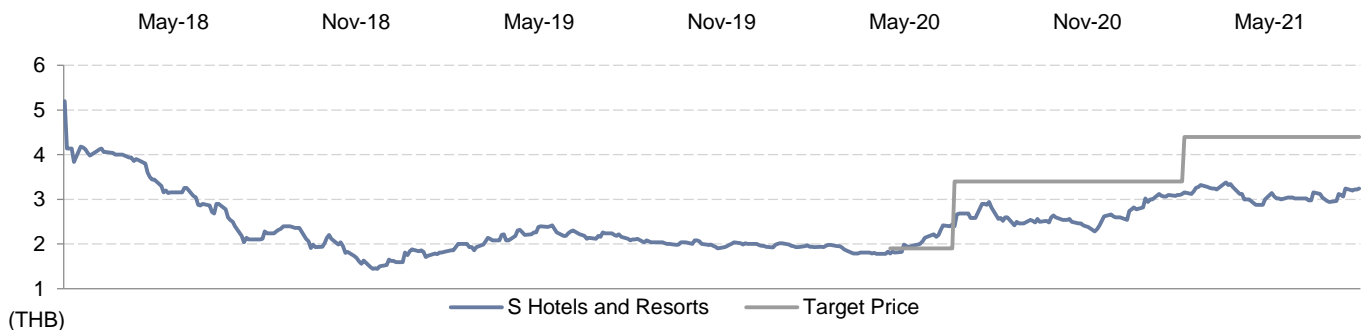
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History of change in investment rating and/or target price

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	11-Mar-2021	BUY	4.40

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
S Hotels and Resorts	SHR TB	THB 3.24	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 27-May-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.