

7 JULY 2021

THAILAND / TOURISM &amp; LEISURE

# CENTRAL PLAZA HOTEL CENTEL TB

## BUY

UNCHANGED

TARGET PRICE	THB38.00
CLOSE	THB33.25
UP/DOWNSIDE	+14.3%
PRIOR TP	THB38.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+10.3%

## การฟื้นตัวรออยู่ในช่วง 2H21

### รอกการฟื้นตัวของการท่องเที่ยวไทยและมัลดีฟส์

แม้เราจะคาดว่ากำไรจะอ่อนแอใน 2Q21 เรายังมองว่า CENTEL อยู่ในตำแหน่งที่ดีสำหรับการพลิกฟื้น มุมมองของเราผสมผสานจากแผนการกลับมาเปิดประเทศไทย ซึ่งน่าจะชัดเจนใน 4Q21 และฤดูกาลท่องเที่ยวของมัลดีฟส์ใน 4Q21 ในขณะที่ธุรกิจอาหารน่าจะมีความไวต่อเนื่อง และเป็นตัวชดเชยขาดทุนสำหรับธุรกิจโรงแรม

### คาดผลขาดทุนจากการดำเนินงานจำนวน 595 ลบ. ใน 2Q21

ใน 2Q21 เราคาดว่ารายได้จากธุรกิจโรงแรมจะลดลง 35% q-q โดยเราคาดว่าจะมีอัตราการเข้าพักอยู่ที่ 11% สำหรับโรงแรมในประเทศ (เทียบกับ 10% ใน 1Q21) และ 35% สำหรับโรงแรมในมัลดีฟส์ (เทียบกับ 76% ใน 1Q21) ผลประกอบการที่ลดลงของโรงแรมในมัลดีฟส์เกิดจากการระงับการเดินทางของนักท่องเที่ยวจากอินเดียมาตั้งแต่เดือน พ.ค. สำหรับธุรกิจอาหารและเครื่องดื่ม เราคาดว่ากำไรสุทธิของยอดขายจากสาขาเดิม (SSSG) จะดีในเดือน เม.ย. ซึ่งจะช่วยชดเชย SSSG ที่อ่อนแอในเดือน พ.ค. และมี. หลังมาตรการห้ามการรับประทานอาหารภายในร้าน ซึ่งทำให้เราคาดว่า SSSG จะอยู่ที่ 2% y-y ใน 2Q21 (เทียบกับ -35% y-y ใน 2Q20) ในภาพรวมเราคาดว่าผลขาดทุนจากการดำเนินงานจะอยู่ที่ 595 ลบ. (เทียบกับ 476 ลบ. ใน 1Q21) โดยส่วนมากจะมาจากธุรกิจโรงแรม เราคาดว่าธุรกิจอาหารจะเท่าทุน

### คาดผลการดำเนินงานจะดีขึ้นใน 3Q21

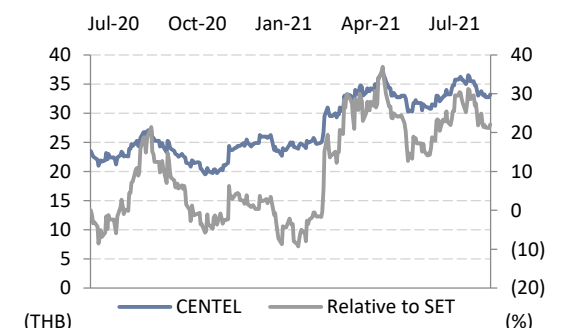
เราคาดว่าจะเห็นการฟื้นตัวตั้งแต่ 3Q21 เป็นต้นไป หลังเมื่อไม่นานมานี้รัฐบาลมัลดีฟส์ได้ประกาศกลับมารับนักท่องเที่ยวจากอินเดียตั้งแต่ 17 ก.ค. เป็นต้นไป ในขณะที่โครงการ Phuket Sandbox ควรเริ่มที่จะเพิ่มอัตราการเข้าพักของโรงแรมทั้ง 4 แห่งของบริษัท ในภูเก็ต (คิดเป็น 15% ของรายได้โรงแรมในปี 2019) ปัจจุบันมีเพียง 1 โรงแรมที่ยังเปิดอยู่และ CENTEL คาดว่าจะกลับมาเปิดอีก 3 โรงแรมได้ตั้งแต่เดือน ส.ค. เป็นต้นไป ความต้องการจะมาจากอังกฤษ สหรัฐฯ UAE และสแกนดิเนเวีย ในขณะที่โรงแรมในสมัยได้รีโนเวทใหม่เรียบร้อยแล้วและมีกำหนดกลับมาเปิดได้ในเดือน ส.ค. สำหรับระยะที่ 1 (89 ห้องจาก 184 ห้อง) และจะรับกระแสการกลับมาเปิดเกาะสมุย กล่าวคือ 'Samui Plus Model' ที่จะเริ่มตั้งแต่วันที่ 15 ก.ค. นอกจากนี้ CENTEL คาดว่าจะปิดการเจรจาซื้อและควบรวมกิจการในธุรกิจอาหารภายใน 3Q21 ซึ่งจะสนับสนุนกำไรของธุรกิจของบริษัท

### ซื้อขายโดยมีส่วนลดเมื่อเทียบกับค่าเฉลี่ยในอดีต

ราคาหุ้นของ CENTEL ได้ปรับตัวลดลง 9% จากจุดสูงสุดในช่วงเดือนที่ผ่านมา ปัจจุบันราคาหุ้นให้จุดเข้าซื้อที่ดีโดยมีระดับการประเมินมูลค่าที่น่าสนใจที่ 25x ของค่า 2023E P/E ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลังที่ 31x เราคาดว่าจะเห็นการฟื้นตัวอย่างมีนัยสำคัญของโรงแรมทั้งในไทยและมัลดีฟส์ใน 4Q21 ซึ่งเป็นฤดูกาลท่องเที่ยวในทั้งสองประเทศ เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 38 บาท/หุ้น (DCF, 8.2% WACC, 2.5% LTG)

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	12,907	13,458	17,403	22,799
Net profit	(2,775)	(1,237)	371	1,810
EPS (THB)	(2.06)	(0.92)	0.27	1.34
vs Consensus (%)	-	nm	(53.0)	6.9
EBITDA	1,660	2,310	4,396	6,341
Core net profit	(1,550)	(1,237)	371	1,810
Core EPS (THB)	(1.15)	(0.92)	0.27	1.34
Chg. In EPS est. (%)	nm	nm	-	-
EPS growth (%)	nm	nm	nm	387.6
Core P/E (x)	(29.0)	(36.3)	120.9	24.8
Dividend yield (%)	-	-	0.3	1.6
EV/EBITDA (x)	38.9	28.8	15.1	10.3
Price/book (x)	4.5	5.2	5.0	4.2
Net debt/Equity (%)	190.6	238.1	228.5	184.9
ROE (%)	(13.1)	(13.3)	4.2	18.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.0)	(2.9)	39.7
Relative to country (%)	(5.8)	(5.0)	20.6
Mkt cap (USD m)	1,394		
3m avg. daily turnover (USD m)	3.9		
Free float (%)	74		
Major shareholder	The Chirathivat group (62%)		
12m high/low (THB)	38.00/19.40		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 7 กรกฎาคม 2021

## Investment thesis

CENTEL conservatively invested over the past five years, resulting in lower leverage with a D/E of only 1.3x in 1Q21. 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 Covid 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.

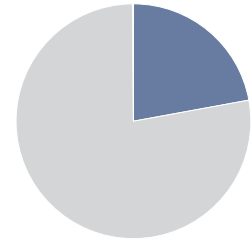
## Company profile

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

[www.centarahotelsresorts.com](http://www.centarahotelsresorts.com)

## Principal activities (revenue, 2020)

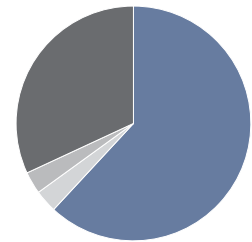
- Hotel revenue - 22.1 %
- F&B revenue - 77.8 %
- Rental income - 0.1 %



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

## Catalysts

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) Covid-19 vaccine rollouts.

## 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 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
Aug 2021	2Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
<b>Owned &amp; leased hotels</b>			
- Number of rooms (no.)	4,444	4,574	4,884
- Occupancy rate (OCC)	29.8	55.6	76.5
- RevPAR growth	(19)	128	88
<b>Food business</b>			
- Number of outlets (no.)	1,176	1,235	1,297
- Same-Store Sales Growth (SSSG)	6	4	3
- Total System Sales Growth (TSSG)	8	9	8

Source: FSSIA estimates

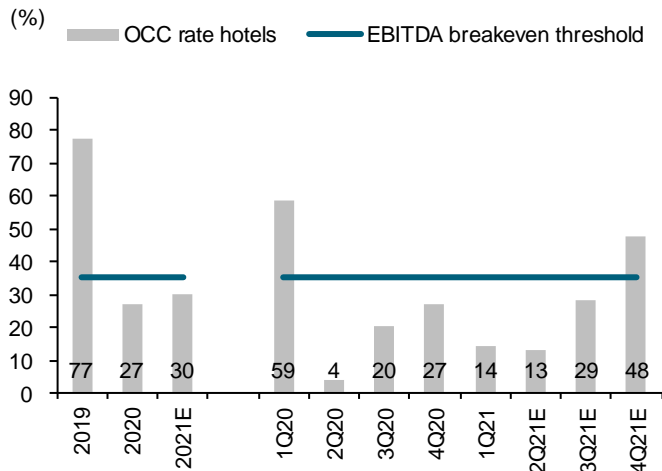
## Earnings sensitivity

- 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

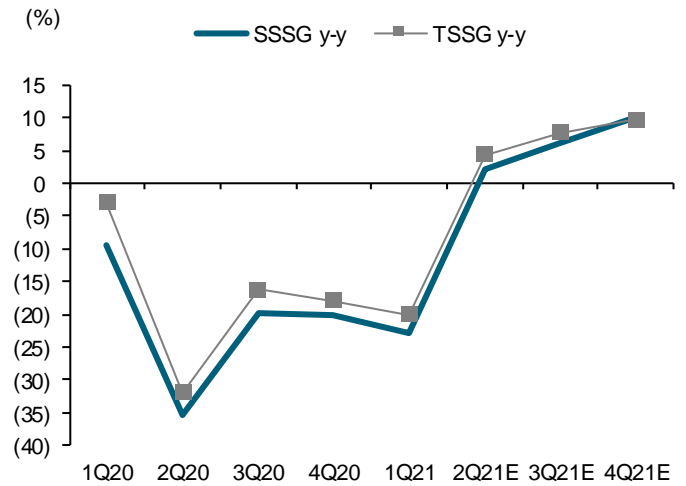


**Exhibit 1: Hotel OCC rate**



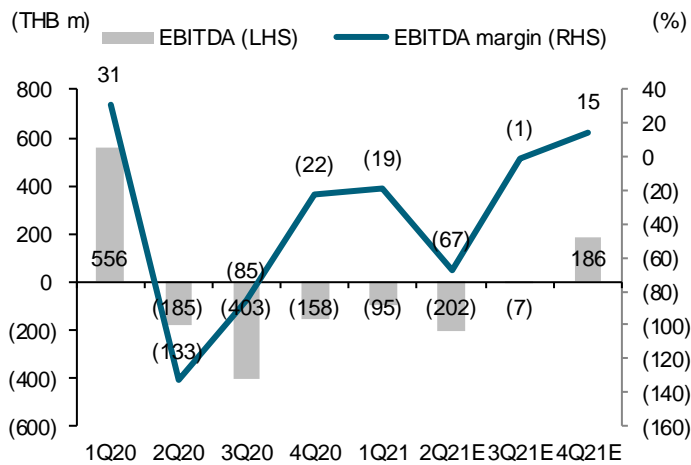
Sources: CENTEL; FSSIA estimates

**Exhibit 2: Quarterly SSSG and TSSG**



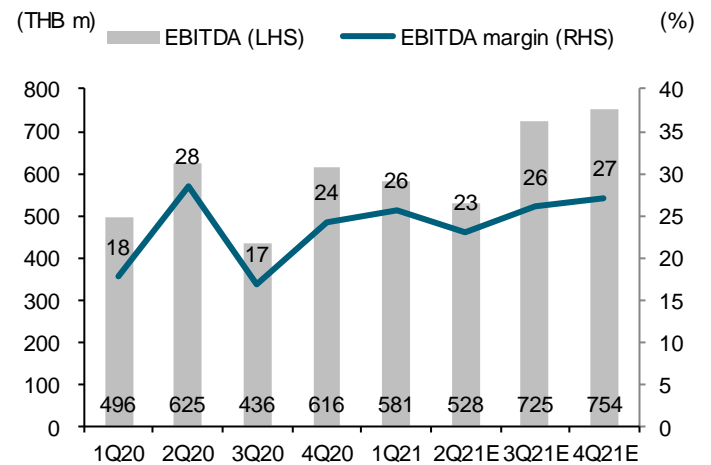
Sources: CENTEL; FSSIA estimates

**Exhibit 3: Hotel EBITDA quarterly**



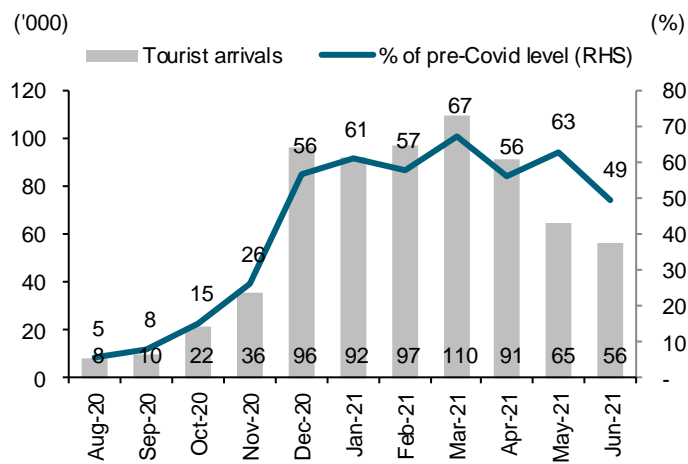
Sources: CENTEL; FSSIA estimates

**Exhibit 4: Food EBITDA quarterly**



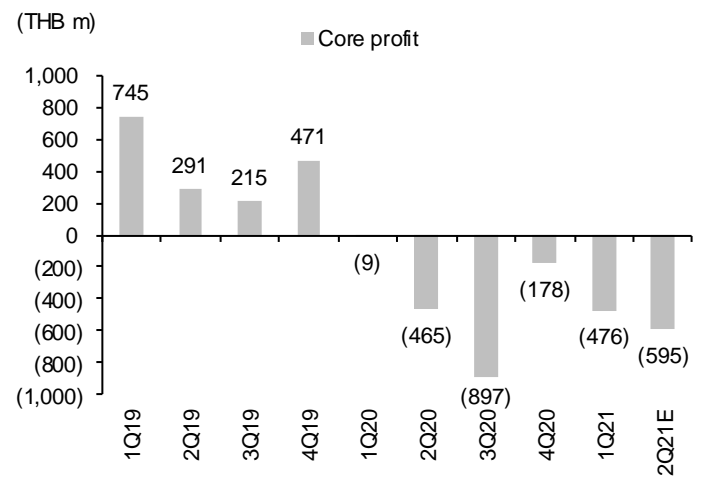
Sources: CENTEL; FSSIA estimates

**Exhibit 5: Maldives tourist arrivals**



Source: Ministry of Tourism Republic of Maldives

**Exhibit 6: Core profit quarterly**



Sources: CENTEL; FSSIA estimates

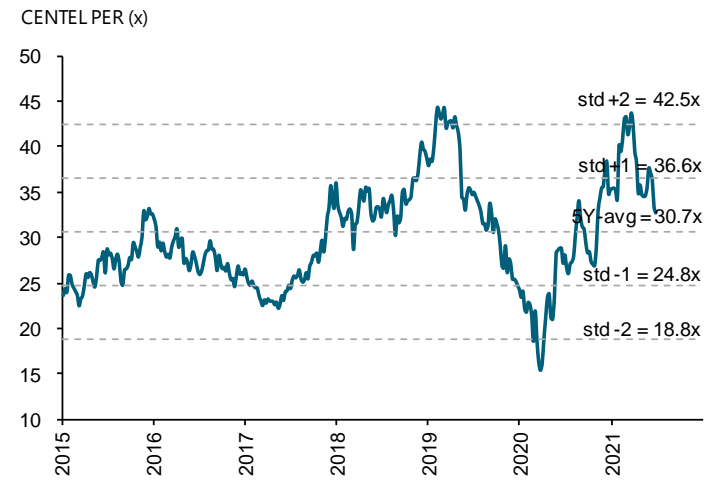
## Exhibit 7: 2Q21E results preview

	2Q20	3Q20	4Q20	1Q21	----- 2Q21E -----		2021E	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
<b>Sales</b>	<b>2,249</b>	<b>2,997</b>	<b>3,160</b>	<b>2,682</b>	<b>2,563</b>	<b>(4)</b>	<b>14</b>	<b>13,458</b>
-Hotel operation	71	433	644	442	289	(35)	305	2,617
-Food and beverage	2,177	2,564	2,517	2,240	2,274	2	4	10,840
COGS (Incl. depreciation)	(1,669)	(2,203)	(2,243)	(1,813)	(1,810)	(0)	8	(9,325)
<b>Gross profit</b>	<b>580</b>	<b>794</b>	<b>918</b>	<b>869</b>	<b>753</b>	<b>(13)</b>	<b>30</b>	<b>4,132</b>
SG&A	(1,085)	(1,667)	(1,390)	(1,276)	(1,300)	2	20	(5,248)
<b>Operating profit</b>	<b>(505)</b>	<b>(873)</b>	<b>(472)</b>	<b>(407)</b>	<b>(547)</b>	<b>34</b>	<b>8</b>	<b>(1,116)</b>
Net other income	87	64	90	92	92	0	5	405
Interest expense	(143)	(191)	(164)	(165)	(175)	6	22	(691)
<b>Pretax profit</b>	<b>(561)</b>	<b>(1,000)</b>	<b>(546)</b>	<b>(481)</b>	<b>(631)</b>	<b>31</b>	<b>12</b>	<b>(1,403)</b>
Income tax	39	67	343	9	25	168	(35)	200
Associates	5	(23)	(10)	(9)	(30)	237	(658)	(64)
Minority interest	51	58	35	5	40	695	(22)	30
<b>Core profit</b>	<b>(465)</b>	<b>(897)</b>	<b>(178)</b>	<b>(476)</b>	<b>(595)</b>	<b>25</b>	<b>28</b>	<b>(1,237)</b>
Extraordinaries, GW & FX	0	0	(1,189)	0	0			0
<b>Reported net profit</b>	<b>(465)</b>	<b>(897)</b>	<b>(1,367)</b>	<b>(476)</b>	<b>(595)</b>	<b>25</b>	<b>28</b>	<b>(1,237)</b>
Shares outstanding (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350
<b>Pre-ex EPS (THB)</b>	<b>(0.34)</b>	<b>(0.66)</b>	<b>(0.13)</b>	<b>(0.35)</b>	<b>(0.44)</b>	<b>25</b>	<b>28</b>	<b>(0.92)</b>
<b>EPS (THB)</b>	<b>(0.34)</b>	<b>(0.66)</b>	<b>(1.01)</b>	<b>(0.35)</b>	<b>(0.44)</b>	<b>25</b>	<b>28</b>	<b>(0.92)</b>
COGS excl. depreciation	(817)	(1,339)	(1,392)	(1,003)	(980)	(2)	20	(5,899)
Depreciation	(852)	(864)	(850)	(810)	(830)	2	(3)	(3,426)
EBITDA	440	32	458	486	344	(29)	(22)	2,310
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>
Gross margin	26	26	29	32	29	(3)	4	31
SG&A/Revenue	48	56	44	48	51	3	2	39
Hotel EBITDA margin	(133)	(85)	(22)	(19)	(67)	(48)	66	
Food EBITDA margin	28	17	24	26	23	(3)	(5)	
Total EBITDA margin	19	1	14	18	13	(5)	(6)	17
Net profit margin	(21)	(30)	(43)	(18)	(23)	(5)	(3)	(9)
<b>Operating statistics</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>			
<b>Hotel</b>								
OCC (%)	4	20	27	14	13			
OCC growth	(69)	(55)	(51)	(45)	9			
ARR (THB)	2,490	2,654	3,109	4,886	3,443			
ARR growth	(39)	(31)	(29)	(8)	38			
RevPAR (THB)	104	533	831	660	445			
RevPAR growth	(96)	(81)	(75)	(79)	328			
<b>Food</b>								
SSSG	(35)	(20)	(20)	(23)	2			
TSSG	(32)	(16)	(18)	(20)	4			

1) Gross profit calculated by revenue – COGS including depreciation; 2) EBITDA calculated by operating profit + operating income + depreciation

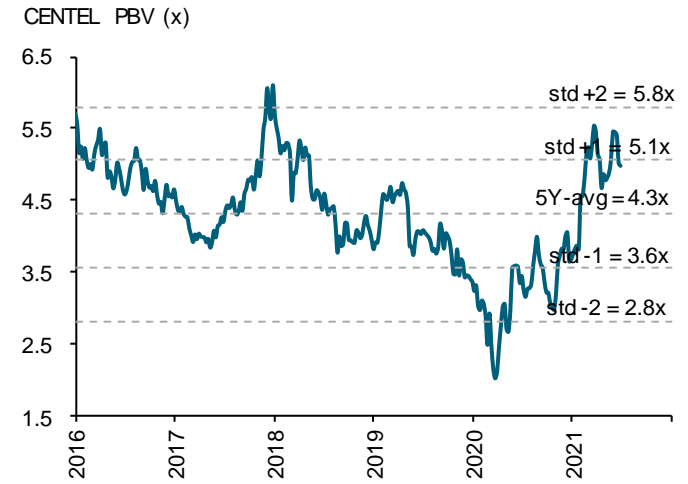
Sources: CENTEL; FSSIA estimates

Exhibit 8: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Peer comparisons as of 6 July 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)
<b>Thailand</b>												
Asset World Corp Pcl	AWC TB	BUY	4.22	6.40	52	4,195	(236.9)	150.2	1.7	1.7	92.2	48.9
Minor International Pcl	MINT TB	BUY	30.00	38.00	27	4,842	(12.1)	75.6	2.9	2.8	48.8	14.1
Central Plaza Hotel Pcl	CENTEL TB	BUY	33.25	38.00	14	1,394	(36.3)	120.9	5.2	5.0	28.8	15.1
Erawan Group Pcl/The	ERW TB	BUY	2.80	3.60	29	394	(8.7)	1,747.8	2.9	2.9	1,218.9	16.7
S Hotels & Resorts Pcl	SHR TB	BUY	3.32	4.20	27	371	(9.1)	170.5	0.9	0.9	54.7	14.2
<b>Thailand average</b>						<b>11,197</b>	<b>(60.6)</b>	<b>453.0</b>	<b>2.7</b>	<b>2.6</b>	<b>288.7</b>	<b>21.8</b>
<b>Regional</b>												
Shanghai Jin Jiang Capital-H	2006 HK	n/a	1.66	n/a	n/a	1,190	28.2	10.5	0.8	0.7	n/a	n/a
Btg Hotels Group Co Ltd-A	600258 CH	n/a	23.65	n/a	n/a	3,613	30.2	21.1	2.6	2.3	18.5	14.0
Sh Jinjiang Intl Hotels - B	900934 CH	n/a	2.03	n/a	n/a	7,993	12.1	7.5	0.8	0.7	25.1	18.3
Huangshan Tourism Develop-B	900942 CH	n/a	0.73	n/a	n/a	914	10.8	8.7	0.7	0.7	7.5	6.9
Genting Bhd	GENT MK	n/a	4.93	n/a	n/a	4,568	42.5	12.4	0.6	0.6	12.4	7.3
Greentree Hospitality Gr-Adr	GHG US	n/a	11.13	n/a	n/a	1,147	14.4	11.9	3.2	2.8	9.6	8.1
Huazhu Group Ltd-Adr	HTHT US	n/a	54.24	n/a	n/a	17,723	70.0	30.5	8.6	6.9	30.8	17.7
Indian Hotels Co Ltd	IH IN	n/a	147.35	n/a	n/a	2,352	n/a	n/a	4.8	5.1	n/a	36.3
Lemon Tree Hotels Ltd	LEMONTRE IN	n/a	43.75	n/a	n/a	465	n/a	n/a	5.1	4.2	88.5	38.9
Lippo Karawaci Tbk Pt	LPKR IJ	n/a	162.00	n/a	n/a	793	17.1	13.9	0.6	0.5	14.0	11.9
<b>Regional average</b>						<b>40,758</b>	<b>28.2</b>	<b>14.6</b>	<b>2.8</b>	<b>2.5</b>	<b>25.8</b>	<b>17.7</b>
<b>Overall average</b>						<b>51,955</b>	<b>(6.0)</b>	<b>183.2</b>	<b>2.8</b>	<b>2.5</b>	<b>126.9</b>	<b>19.2</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Central Plaza Hotel

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	20,737	12,907	13,458	17,403	22,799
Cost of goods sold	(10,151)	(5,416)	(5,899)	(6,237)	(7,612)
<b>Gross profit</b>	<b>10,586</b>	<b>7,491</b>	<b>7,558</b>	<b>11,166</b>	<b>15,187</b>
Other operating income	-	-	-	-	-
Operating costs	(6,770)	(5,831)	(5,248)	(6,770)	(8,846)
<b>Operating EBITDA</b>	<b>3,816</b>	<b>1,660</b>	<b>2,310</b>	<b>4,396</b>	<b>6,341</b>
Depreciation	(2,037)	(3,421)	(3,426)	(3,589)	(3,784)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>1,779</b>	<b>(1,761)</b>	<b>(1,116)</b>	<b>807</b>	<b>2,557</b>
Net financing costs	(214)	(580)	(609)	(664)	(666)
Associates	29	(21)	(64)	(55)	(12)
Recurring non-operating income	482	232	258	369	455
Non-recurring items	23	(1,225)	0	0	0
<b>Profit before tax</b>	<b>2,069</b>	<b>(3,333)</b>	<b>(1,467)</b>	<b>511</b>	<b>2,347</b>
Tax	(260)	435	200	(108)	(472)
<b>Profit after tax</b>	<b>1,809</b>	<b>(2,898)</b>	<b>(1,267)</b>	<b>404</b>	<b>1,875</b>
Minority interests	(65)	123	30	(32)	(65)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,744</b>	<b>(2,775)</b>	<b>(1,237)</b>	<b>371</b>	<b>1,810</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(23)</b>	<b>1,225</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,722</b>	<b>(1,550)</b>	<b>(1,237)</b>	<b>371</b>	<b>1,810</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.28	(1.15)	(0.92)	0.27	1.34
Reported EPS	1.29	(2.06)	(0.92)	0.27	1.34
DPS	0.55	0.00	0.00	0.11	0.54
Diluted shares (used to calculate per share data)	1,350	1,350	1,350	1,350	1,350
<b>Growth</b>					
Revenue (%)	(3.0)	(37.8)	4.3	29.3	31.0
Operating EBITDA (%)	(15.9)	(56.5)	39.1	90.3	44.2
Operating EBIT (%)	(28.6)	nm	nm	nm	216.9
Recurring EPS (%)	(21.1)	nm	nm	nm	387.6
Reported EPS (%)	(19.9)	nm	nm	nm	387.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	41.2	31.5	30.7	43.5	50.0
Gross margin of key business (%)	41.2	31.5	30.7	43.5	50.0
Operating EBITDA margin (%)	18.4	12.9	17.2	25.3	27.8
Operating EBIT margin (%)	8.6	(13.6)	(8.3)	4.6	11.2
Net margin (%)	8.3	(12.0)	(9.2)	2.1	7.9
Effective tax rate (%)	12.9	20.9	18.0	19.0	20.0
Dividend payout on recurring profit (%)	43.1	-	-	40.0	40.0
Interest cover (X)	10.6	(2.6)	(1.4)	1.8	4.5
Inventory days	30.9	55.7	50.5	51.3	47.9
Debtor days	14.3	18.1	14.0	10.8	8.2
Creditor days	97.2	152.4	121.1	122.8	114.8
Operating ROIC (%)	8.0	(6.2)	(3.5)	2.5	7.6
ROIC (%)	8.9	(4.6)	(2.3)	3.0	7.6
ROE (%)	13.0	(13.1)	(13.3)	4.2	18.3
ROA (%)	7.3	(3.9)	(2.2)	2.7	6.7
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	8,439	2,855	2,603	5,573	10,024
F&B revenue	12,184	10,037	10,840	11,816	12,761
Rental income	115	14	14	14	14

Sources: Central Plaza Hotel; FSSIA estimates

## Financial Statements

### Central Plaza Hotel

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	1,722	(1,550)	(1,237)	371	1,810
Depreciation	2,037	3,421	3,426	3,589	3,784
Associates & minorities	-	-	-	-	-
Other non-cash items	(66)	(4,715)	(30)	32	65
Change in working capital	(36)	(24)	94	45	245
<b>Cash flow from operations</b>	<b>3,658</b>	<b>(2,869)</b>	<b>2,253</b>	<b>4,038</b>	<b>5,904</b>
Capex - maintenance	(1,960)	(9,627)	(4,200)	(4,000)	(4,700)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(512)	(1,303)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(2,472)</b>	<b>(10,930)</b>	<b>(4,200)</b>	<b>(4,000)</b>	<b>(4,700)</b>
Dividends paid	(877)	0	0	0	(148)
Equity finance	0	0	0	0	0
Debt finance	641	14,537	200	(300)	(300)
Other financing cash flows	(208)	(28)	33	(30)	(62)
<b>Cash flow from financing</b>	<b>(444)</b>	<b>14,508</b>	<b>233</b>	<b>(330)</b>	<b>(510)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>742</b>	<b>710</b>	<b>(1,714)</b>	<b>(292)</b>	<b>694</b>
Free cash flow to firm (FCFF)	1,400.03	(13,129.64)	(1,255.70)	727.76	1,884.57
Free cash flow to equity (FCFE)	1,619.65	710.01	(1,714.12)	(291.55)	842.12

#### Per share (THB)

FCFF per share	1.04	(9.73)	(0.93)	0.54	1.40
FCFE per share	1.20	0.53	(1.27)	(0.22)	0.62
Recurring cash flow per share	2.74	(2.11)	1.60	2.96	4.19

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	36,332	44,156	48,356	52,356	57,056
Less: Accumulated depreciation	(16,415)	(17,971)	(21,397)	(24,986)	(28,770)
<b>Tangible fixed assets (net)</b>	<b>19,918</b>	<b>26,184</b>	<b>26,959</b>	<b>27,369</b>	<b>28,285</b>
<b>Intangible fixed assets (net)</b>	<b>315</b>	<b>356</b>	<b>356</b>	<b>356</b>	<b>356</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,440	2,743	2,743	2,743	2,743
Cash & equivalents	2,024	2,734	1,020	728	1,422
A/C receivable	765	514	514	514	514
Inventories	871	782	852	900	1,099
Other current assets	1,002	376	392	507	664
<b>Current assets</b>	<b>4,661</b>	<b>4,406</b>	<b>2,778</b>	<b>2,650</b>	<b>3,699</b>
Other assets	1,256	1,661	1,661	1,661	1,661
<b>Total assets</b>	<b>27,590</b>	<b>35,350</b>	<b>34,496</b>	<b>34,779</b>	<b>36,744</b>
Common equity	13,670	9,923	8,686	9,057	10,718
Minorities etc.	473	293	296	299	302
<b>Total shareholders' equity</b>	<b>14,144</b>	<b>10,216</b>	<b>8,981</b>	<b>9,355</b>	<b>11,020</b>
Long term debt	7,114	20,477	20,677	20,377	20,077
Other long-term liabilities	2,618	760	760	760	760
<b>Long-term liabilities</b>	<b>9,732</b>	<b>21,236</b>	<b>21,436</b>	<b>21,136</b>	<b>20,836</b>
A/C payable	2,649	1,873	2,040	2,157	2,633
Short term debt	551	1,725	1,725	1,725	1,725
Other current liabilities	514	300	313	405	530
<b>Current liabilities</b>	<b>3,714</b>	<b>3,898</b>	<b>4,078</b>	<b>4,287</b>	<b>4,888</b>
<b>Total liabilities and shareholders' equity</b>	<b>27,590</b>	<b>35,350</b>	<b>34,496</b>	<b>34,779</b>	<b>36,744</b>
Net working capital	(525)	(501)	(595)	(640)	(886)
Invested capital	22,403	30,443	31,123	31,489	32,160

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

#### Per share (THB)

Book value per share	10.13	7.35	6.43	6.71	7.94
Tangible book value per share	9.89	7.09	6.17	6.44	7.68

#### Financial strength

Net debt/equity (%)	39.9	190.6	238.1	228.5	184.9
Net debt/total assets (%)	20.4	55.1	62.0	61.5	55.5
Current ratio (x)	1.3	1.1	0.7	0.6	0.8
CF interest cover (x)	8.6	2.2	(1.8)	0.6	2.3

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>26.1</b>	<b>(29.0)</b>	<b>(36.3)</b>	<b>120.9</b>	<b>24.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>29.8</b>	<b>(33.1)</b>	<b>(41.5)</b>	<b>138.2</b>	<b>28.3</b>
Reported P/E (x)	25.7	(16.2)	(36.3)	120.9	24.8
Dividend yield (%)	1.7	-	-	0.3	1.6
Price/book (x)	3.3	4.5	5.2	5.0	4.2
Price/tangible book (x)	3.4	4.7	5.4	5.2	4.3
EV/EBITDA (x) **	13.4	38.9	28.8	15.1	10.3
EV/EBITDA @ target price (x) **	15.0	42.8	31.6	16.6	11.4
EV/invested capital (x)	2.3	2.1	2.1	2.1	2.0

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

Sources: Central Plaza Hotel; 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:

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	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	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

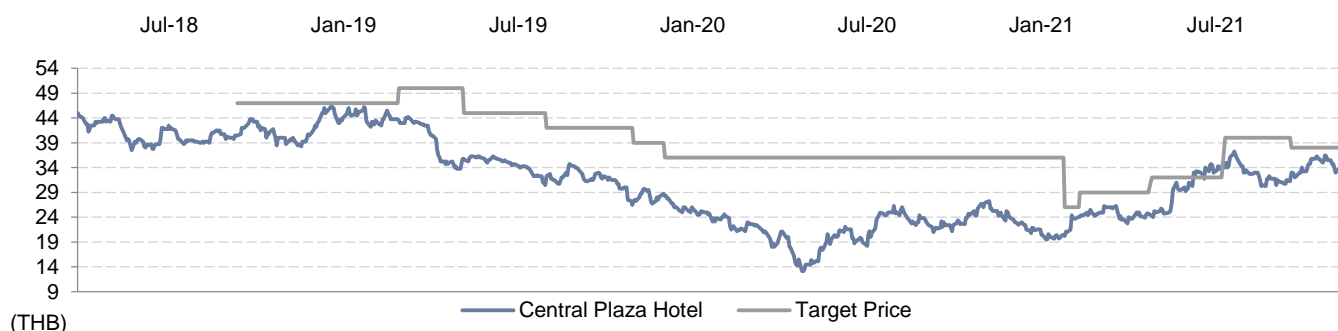
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### History of change in investment rating and/or target price

#### Central Plaza Hotel (CENTEL TB)



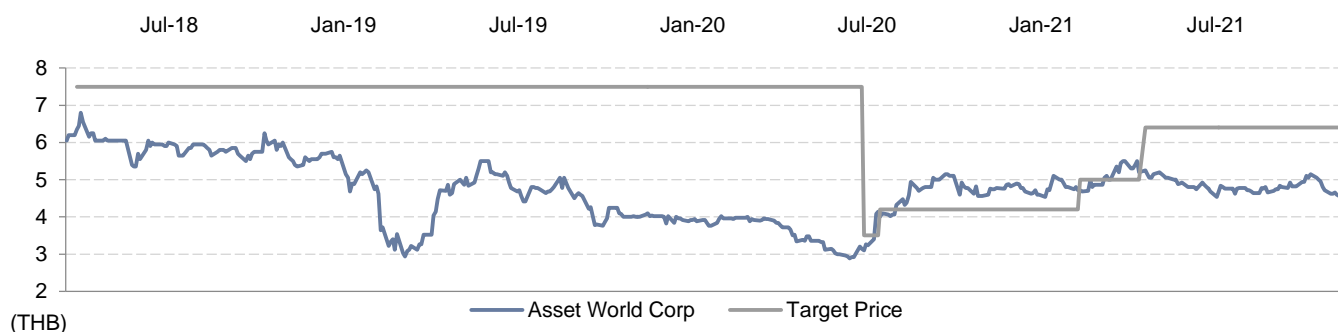
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Nov-2018	BUY	47.00	30-Oct-2019	BUY	39.00	16-Nov-2020	BUY	29.00
11-Apr-2019	BUY	50.00	26-Nov-2019	BUY	36.00	15-Jan-2021	BUY	32.00
06-Jun-2019	BUY	45.00	02-Apr-2020	BUY	36.00	19-Mar-2021	BUY	40.00
16-Aug-2019	BUY	42.00	03-Nov-2020	BUY	26.00	17-May-2021	BUY	38.00

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)



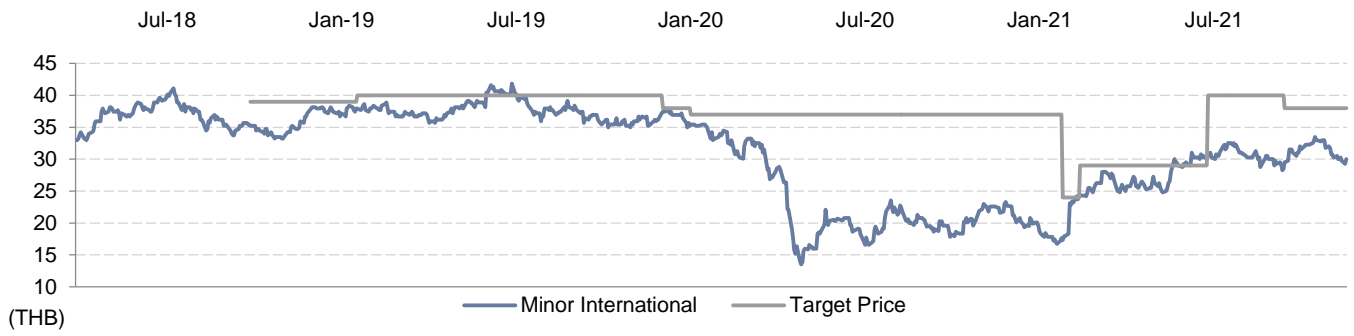
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	03-Nov-2020	HOLD	3.50	17-Feb-2021	HOLD	5.00
02-Apr-2020	BUY	7.50	11-Nov-2020	HOLD	4.20	19-Mar-2021	BUY	6.40

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)**



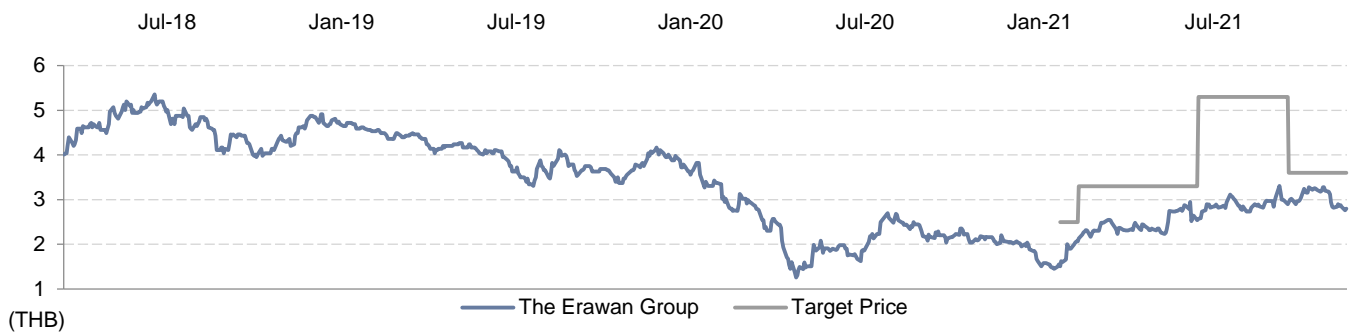
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Dec-2018	HOLD	39.00	20-Dec-2019	HOLD	37.00	18-Nov-2020	BUY	29.00
08-Mar-2019	HOLD	40.00	02-Apr-2020	HOLD	37.00	08-Mar-2021	BUY	40.00
26-Nov-2019	HOLD	38.00	03-Nov-2020	BUY	24.00	13-May-2021	BUY	38.00

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)**



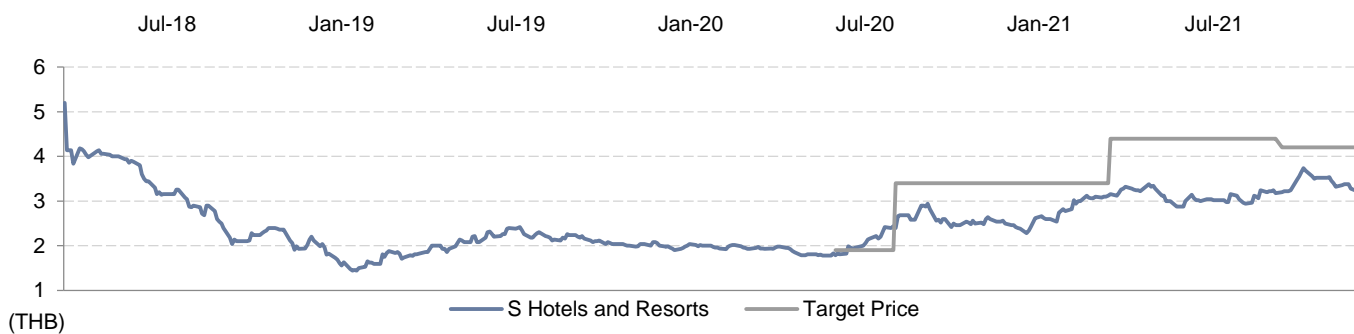
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	01-Mar-2021	BUY	5.30	-	-	-
19-Nov-2020	HOLD	3.30	17-May-2021	BUY	3.60	-	-	-

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	11-Mar-2021	BUY	4.40	-	-	-
01-Dec-2020	BUY	3.40	28-May-2021	BUY	4.20	-	-	-

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	CENTEL TB	THB 33.25	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 4.22	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.
Minor International	MINT TB	THB 30.00	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 2.80	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 3.32	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 06-Jul-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.