

# CENTRAL PLAZA HOTEL

THAILAND / TOURISM &amp; LEISURE

# CENTEL TB

## BUY

UNCHANGED

TARGET PRICE	THB45.00
CLOSE	THB34.75
UP/DOWNSIDE	+29.5%
PRIOR TP	THB40.00
CHANGE IN TP	+12.5%
TP vs CONSENSUS	+24.5%

## Ticking the right boxes for a turnaround

- Positive feedback from the conference.
- Expect 2023 core profit to exceed pre-Covid level by 20%, led by growth of food business and newly opened Dubai hotel.
- Maintain BUY with higher 2022 DCF-based TP of THB45, reflecting positive outlook in food, Maldives and Dubai hotels.

### Strong signs of recovery in major portfolio in 4Q21

We hosted our Financial Investment Conference on 27 Jan and invited CENTEL to the event. The overall feedback was positive. Management saw some positive trends in 4Q21, and momentum should continue into 1Q21. Maldives hotels, the Dubai hotel and its food business portfolio should contribute profits to CENTEL in 4Q21, leaving only Thai hotels to drag performance. However, the resumption of Test & Go should support the recovery and drive CENTEL to turn profitable this year.

### Food business should exceed pre-Covid level in 2022

The food business should become a key growth driver over 2022-23. Despite the Covid pandemic, CENTEL's outlets have expanded from 1,064 outlets in 2019 to almost 1,300 in 2021, as it has expanded its outlets from shopping malls to standalone and Cloud Kitchens. Delivery sales also jumped almost 5x from THB0.6b in 2019 to THB2.8 in 2021E, and accounted for c30% of total food revenue. We expect dine-in revenue to recover this year, while food delivery sales should maintain their growth momentum. Thus, we expect the food business' core profit to grow to THB0.7-0.9b in 2022-23, exceeding the pre-Covid THB0.6b.

### Maldives and Dubai to contribute a profit in 2022

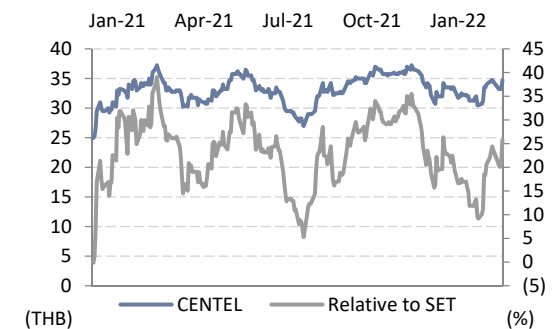
Maldives hotels' RevPAR has exceeded the pre-Covid level with a strong OCC rate of c81% in 4Q21. Thus, we estimate Maldives hotels to become profitable in 2022 with an OCC rate of 75%. Its new JV Dubai hotel opened in Oct-21 and had an impressive OCC rate of c58% in 4Q21. At this rate, we believe management fees and share income from the Dubai hotel should contribute a profit to CENTEL this year and become a growth driver in 2023. Thai hotel EBITDA should recover and turn positive this year. Thus, its hotel core profit should reach the pre-Covid level by 2023.

### Cheap valuation with earnings to exceed pre-Covid level in 2023

We revise up our 2022-23E core profit by 9-19% to reflect the strong outlook on the food business, Maldives hotels and its Dubai hotel, and derive a higher 2022 DCF TP of THB45 (from THB40). CENTEL is trading at just 23x 2023E P/E, lower than its 5-yr avg of 32x, unjustified in our view, as its earnings could exceed the pre-Covid level by 20%.

### KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	12,907	11,886	16,814	22,316
Net profit	(2,775)	(2,098)	400	2,065
EPS (THB)	(2.06)	(1.55)	0.30	1.53
vs Consensus (%)	-	nm	nm	55.8
EBITDA	1,660	1,426	4,433	6,623
Core net profit	(1,550)	(2,143)	400	2,065
Core EPS (THB)	(1.15)	(1.59)	0.30	1.53
Chg. In EPS est. (%)	nm	nm	19.1	9.1
EPS growth (%)	nm	nm	nm	416.5
Core P/E (x)	(30.3)	(21.9)	117.3	22.7
Dividend yield (%)	-	-	0.3	1.8
EV/EBITDA (x)	40.2	50.4	16.2	10.7
Price/book (x)	4.7	2.7	2.6	2.4
Net debt/Equity (%)	190.6	139.1	136.3	117.3
ROE (%)	(13.1)	(15.7)	2.3	11.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.6	(2.8)	40.1
Relative to country (%)	9.8	(3.8)	25.4
Mkt cap (USD m)	1,404		
3m avg. daily turnover (USD m)	2.5		
Free float (%)	72		
Major shareholder	The Chirathivat group (62%)		
12m high/low (THB)	38.00/24.40		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

CENTEL conservatively invested over the past five years, resulting in lower leverage with a D/E of only 0.8x in 3Q21. 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 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.

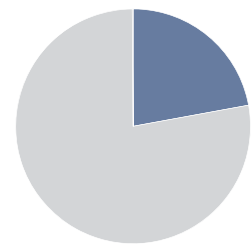
### Company profile

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)

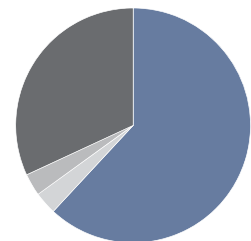
- Hotel revenue - 22.1 %
- F&B revenue - 77.8 %
- Rental income - 0.1 %



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
Feb-22	4Q21 results announcement

### Key assumptions

	2021E (%)	2022E (%)	2023E (%)
<b>Owned &amp; leased hotels</b>			
- Number of rooms (no.)	4,443	4,573	4,573
- Occupancy rate (OCC)	29.6	41.9	77.0
- RevPAR growth	(20)	74	111
<b>Food business</b>			
- Number of outlets (no.)	1,280	1,390	1,460
- Same-Store Sales Growth (SSSG)	(15)	16	5
- Total System Sales Growth (TSSG)	(8)	30	10

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in OCC, we project a 2023 profit increase of 2%, and vice versa, all else being equal.
- For every 1% increase in SSSG, we project a 2023 profit increase of 2%, and vice versa, all else being equal.

Source: FSSIA estimates

## Hotel business to be driven by overseas hotels in 2022

### Maldives hotel revenue has recovered to pre-Covid level since 4Q21

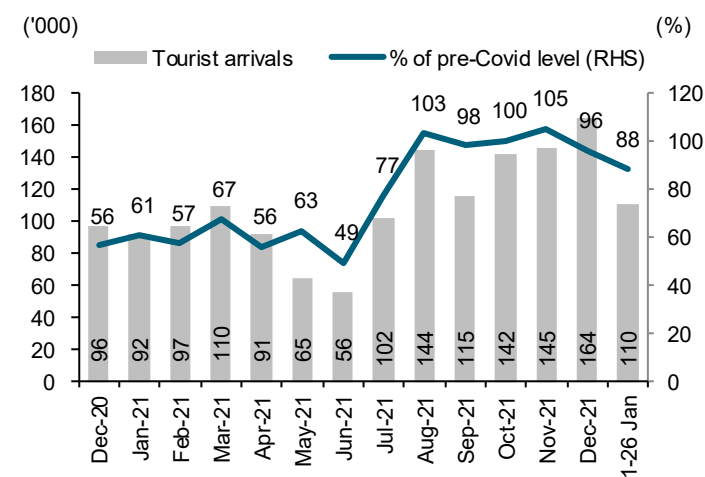
Two of CENTEL’s Maldives hotels had strong performance in 4Q21 with an OCC rate of 81%. Their revenue has already exceeded the pre-Covid level by c3% in 4Q21. Considering only Dec-21, the OCC rate jumped to 85-90% and revenue exceeded the pre-Covid level by c13%.

Thus, we believe its Maldives portfolio turned profitable in 4Q21. Note that CENTEL’s Maldives OCC rate of 81% in 4Q21 was better than the industry average of 65%. This may imply that these two hotels are one of the top destinations for Indian, Russian and European tourists who comprised the key tourist arrival nationalities to Maldives in 2021.

CENTEL said that the momentum is continuing in 1Q22 despite the Omicron variant. Based on forward booking data, the OCC rate should stay close to 85% in Jan and nearly 80% in 1Q22.

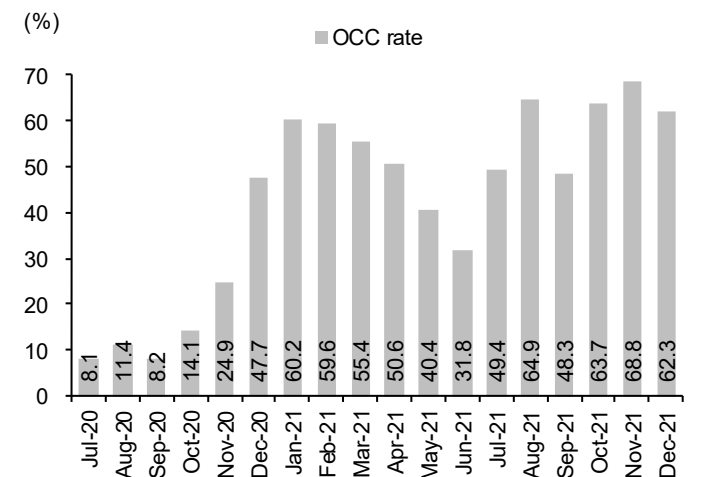
We forecast CENTEL’s Maldives hotel operation to remain strong with an OCC rate of 75% in 2022, and should be one of the key portfolios that contributes a decent profit to CENTEL.

**Exhibit 1: Maldives’ international tourist arrivals**



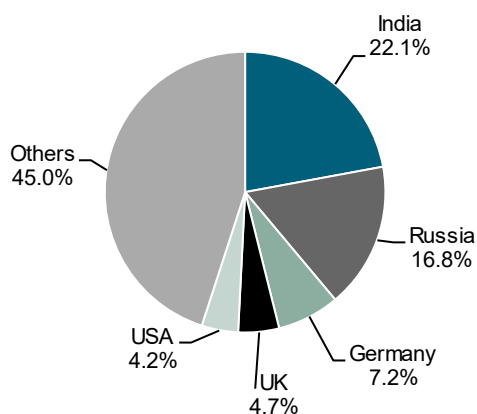
Source: Ministry of Tourism, Republic of Maldives

**Exhibit 2: Industry’s Maldives hotels OCC rate**



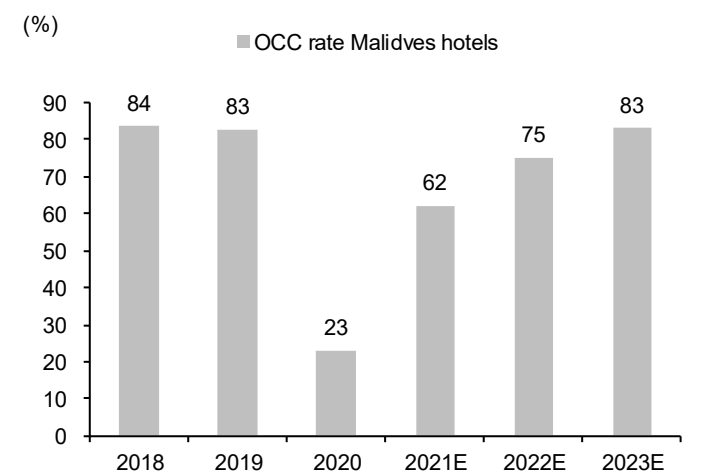
Source: Ministry of Tourism, Republic of Maldives

**Exhibit 3: Maldives’s top five tourist arrivals by nationality as of 2022**



Source: Ministry of Tourism, Republic of Maldives

**Exhibit 4: CENTEL’s Maldives hotels OCC rate**



Sources: CENTEL; FSSIA estimate

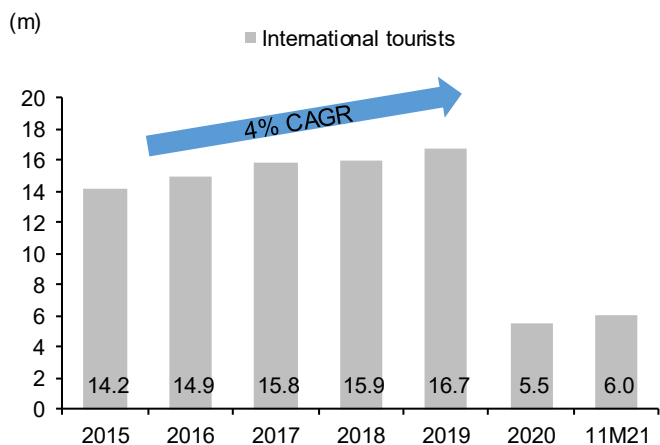
### Dubai EBITDA should turn positive from the first year of operation

CENTEL recently opened JV Centara Mirage Beach Resort Dubai (CENTEL holds 40%) in Oct-21. The hotel should record an OCC rate of 58% in 4Q21 and its EBITDA should turn positive that quarter, which is impressive given that normally new hotels take up to one year of operation to break even at the EBITDA level.

The strong performance is likely due to the World Expo event that is ending in Mar-22. The RevPAR of CENTEL’s hotel should be higher than the industry’s number based on CENTEL’s 4Q21E OCC rate of 58% and average daily rate (ADR) of cTHB5,800, compared to the industry’s OCC rate of 66% and ADR of cTHB2,400 as of 11M21, thanks to the low competition in the 4-star segment.

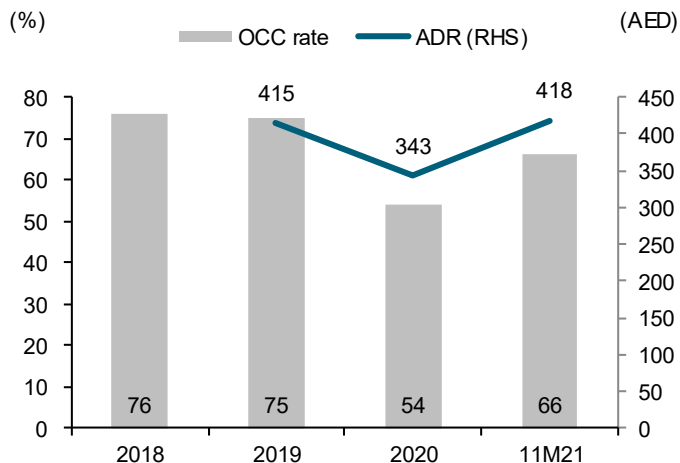
We expect the Dubai hotel to have an OCC rate of 60% in 2022, in line with management’s guidance. We estimate that the hotel will record positive EBITDA in 2022. CENTEL should also book management fees from the hotel of cTHB70m (c6% of hotel revenue) in 2022. Combining the management fees and share income, the Dubai hotel should contribute a profit to CENTEL in 2022 and become one of the key growth drivers for the company in 2023 with a total profit contribution of cTHB130m.

**Exhibit 5: Dubai’s international tourist arrivals**



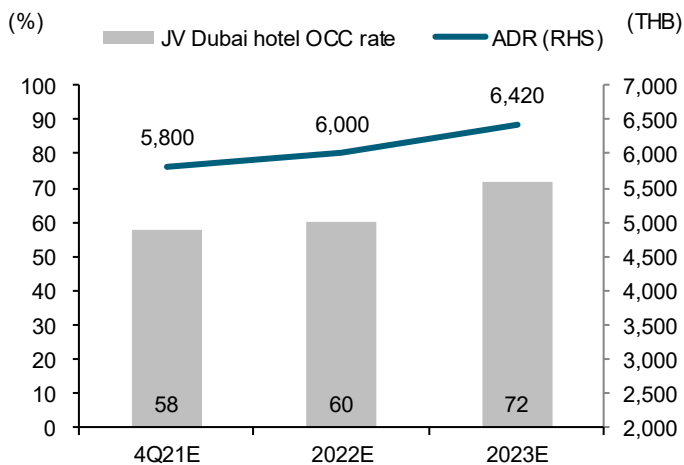
Source: Dubai Tourism

**Exhibit 6: Industry’s Dubai hotels OCC rate and ADR**



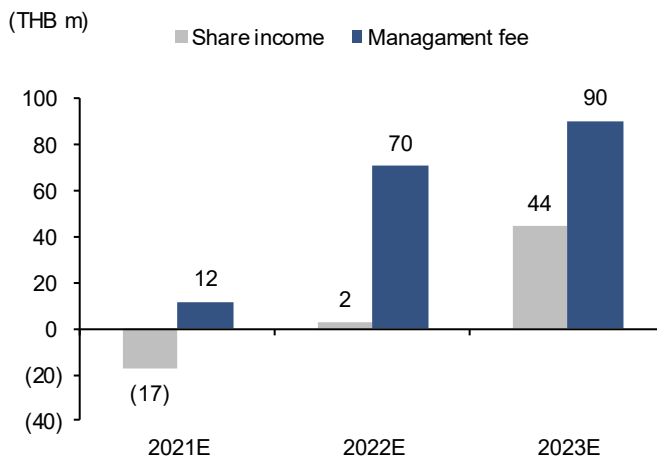
Note: Average THB8.7/AED as of 11M21  
Source: Dubai Tourism

**Exhibit 7: CENTEL’s Dubai hotel OCC rate and ADR**



Source: FSSIA estimates

**Exhibit 8: Share income and management fees from CENTEL’s Dubai hotel**



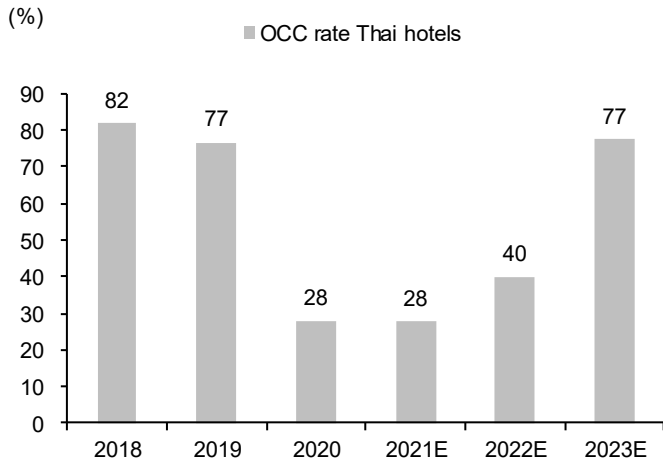
Source: FSSIA estimates

### Thai hotel EBITDA to turn positive in 2022

We expect the recovery of Thai hotels to lag behind overseas hotels. Note that Bangkok hotels recorded an OCC rate of up to 50% in Dec thanks to the return of MICE, while some provincial hotels, such as in Phuket, also had strong forward bookings in Jan-22 of up to 70%. However, the cancellation of the Test & Go scheme had a negative impact on the hotels. Thus, the resumption of Test & Go from Feb-22 onward would support the recovery.

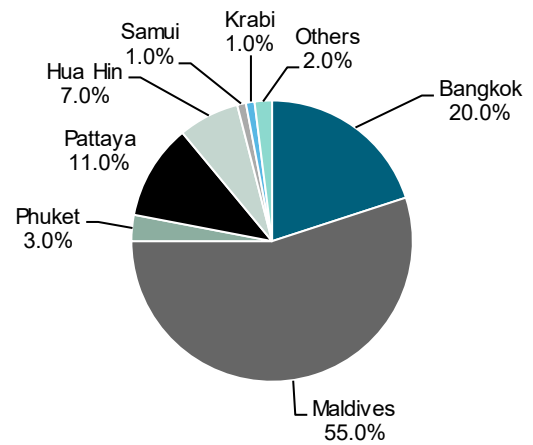
We estimate Thai hotels' OCC rate to improve from 28% in 2021 to 40% in 2022, reaching the pre-Covid level of around 80% in 2023. We expect the EBITDA of the Thai hotel portfolio to turn positive, but still contribute a loss to CENTEL in 2022.

**Exhibit 9: CENTEL's Thai hotels' OCC rate**



Source: FSSIA estimates

**Exhibit 10: Hotel revenue breakdown by location**



Source: CENTEL

## Food business profit to exceed pre-Covid level in 2022

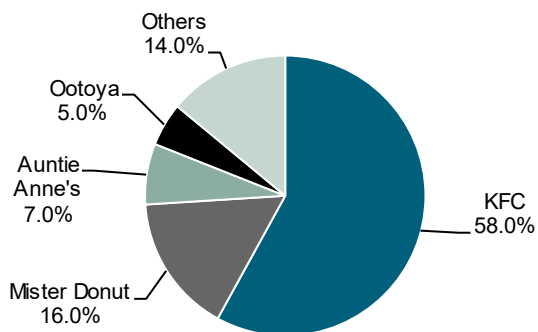
The food business had strong signs of a recovery in 4Q21 after lockdown restrictions were eased in Thailand. CENTEL said that its food revenue in Dec hit a record since the start of the Covid pandemic and was only below the pre-Covid level by c10%. Dine-in sales have recovered, while delivery sales have remained strong and should account for around 30% of total food revenue.

CENTEL said the momentum remains strong in 1Q22 with double-digit TSSG y-y in Jan. Thus, we forecast food revenue to grow by 30% from THB9.3b in 2021 to THB12.0b in 2022, which is equivalent to pre-Covid revenue thanks to both strong SSSG and CENTEL's outlet expansion focusing on KFC, Mister Donut, Auntie Anne's and Grab Kitchen.

On a negative note, the higher raw material cost may impact its gross margin. However, CENTEL has adopted some strategies including locking in contract prices for some materials, launching new menus or new promotions, and adjusting prices for some menus. As a result, we forecast the 2022 EBITDA margin to be flat y-y.

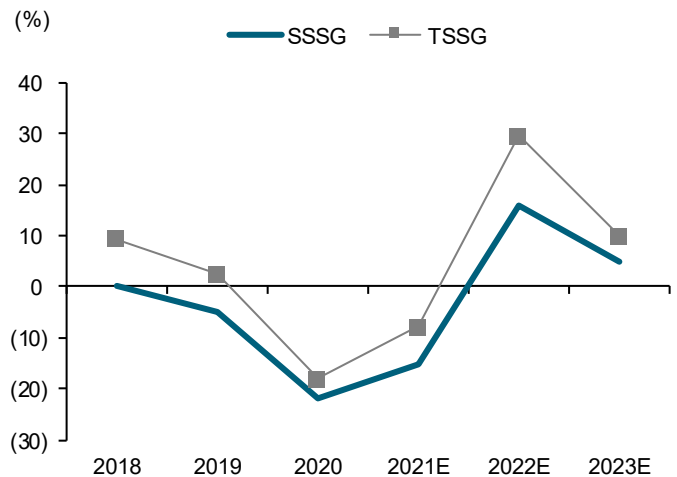
Overall, we estimate the food business' core profit to grow to THB707m in 2022 from our 2021E of THB102m and above the pre-Covid profit of THB631m.

**Exhibit 11: Food revenue breakdown by brand as of 9M21**



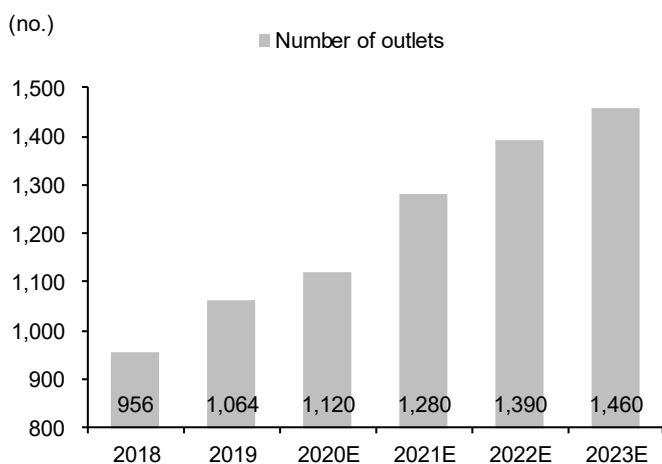
Source: CENTEL

**Exhibit 12: SSSG and TSSG**



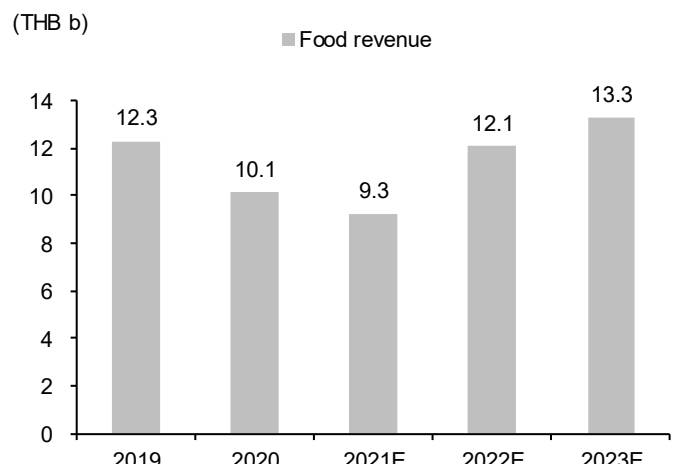
Sources: CENTEL; FSSIA estimates

**Exhibit 13: Strong food outlet expansion**



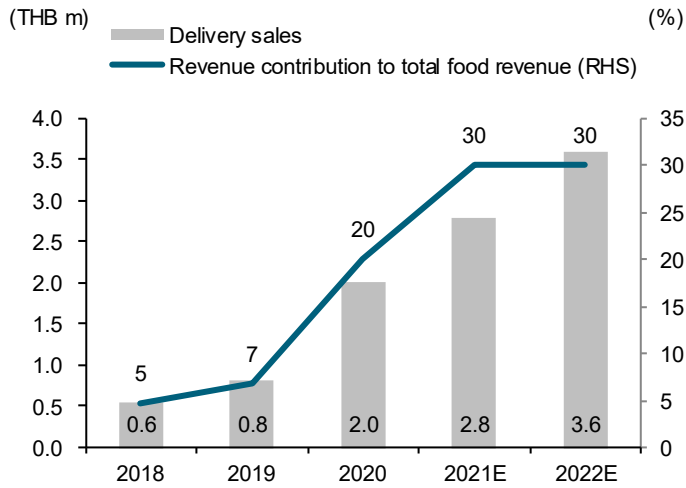
Sources: CENTEL; FSSIA estimates

**Exhibit 14: Food revenue, yearly forecast**



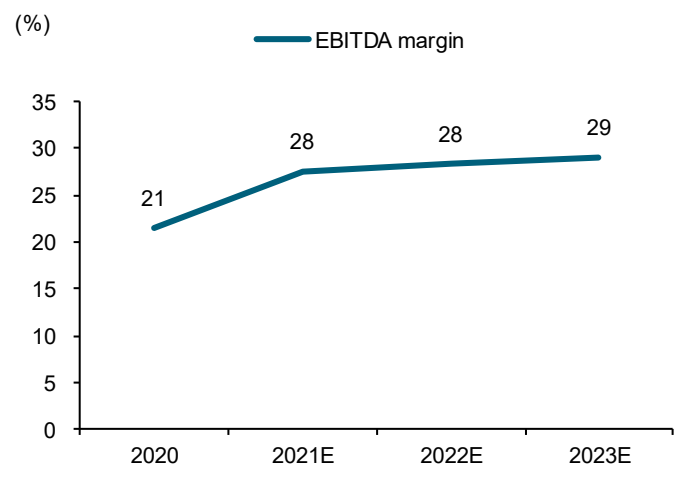
Sources: CENTEL; FSSIA estimates

**Exhibit 15: Food delivery sales**



Sources: CENTEL; FSSIA estimates

**Exhibit 16: Food business EBITDA margin**



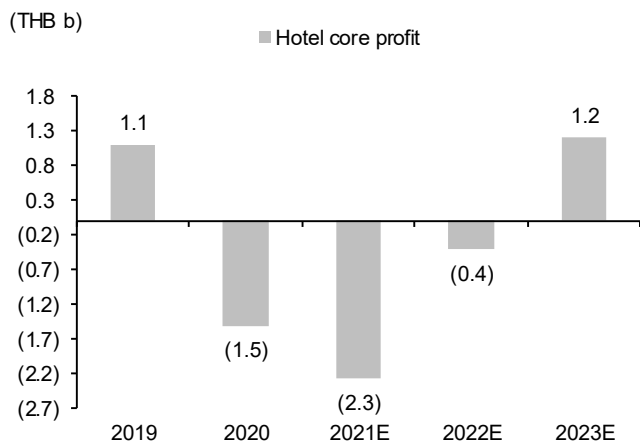
Sources: CENTEL; FSSIA estimates

## Forecast and TP revisions

We revise up our 2022-23E core profit by 9-19% to reflect the strong outlook on the food business, Maldives hotels and its Dubai hotel, and derive a higher 2022 DCF-based TP of THB45 (from THB40). Our TP implies 29x 2023E P/E, still conservative given that it is below its 5-yr average of 32x.

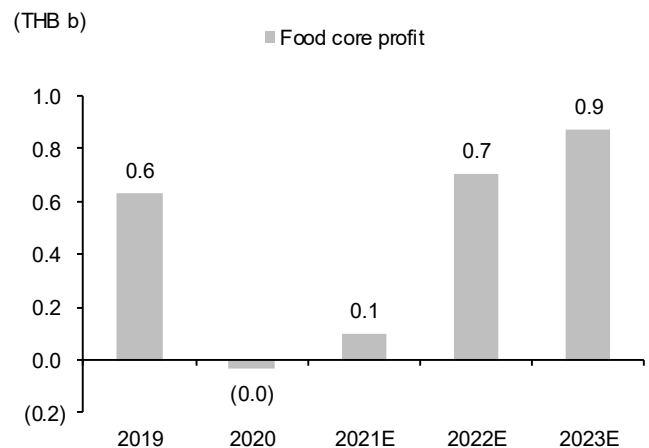
We expect a 2023 core profit of THB2.1b, higher than the pre-Covid level by 20%, led by the food business for which we forecast a core profit of THB0.9b in 2023, exceeding the pre-Covid level by 39%, while the hotel business' 2023E core profit of THB1.2b should exceed the pre-Covid level by 9%.

### Exhibit 17: Hotel core profit forecast



Sources: CENTEL; FSSIA estimate

### Exhibit 18: Food core profit forecast



Sources: CENTEL; FSSIA estimate

### Exhibit 19: Forecast revisions

	Current			Previous			Change		
	2021E (%)	2022E (%)	2023E (%)	2021E (%)	2022E (%)	2023E (%)	2021E (%)	2022E (%)	2023E (%)
OCC	29.6	41.9	77.0	19.3	55.6	76.5	10.2	(13.6)	0.5
RevPar (THB)	908	1,579	3,332	594	2,091	3,936	52.9	(24.5)	(15.4)
SSSG	(15.0)	16.0	5.0	(10.0)	12.7	5.0	(5.0)	3.3	0.0
TSSG	(7.7)	29.6	10.0	(5.0)	17.7	10.0	(2.8)	11.9	0.0
Total revenue (THB b)	11.9	16.8	22.3	11.5	16.8	22.4	3.6	0.0	(0.3)
EBITDA margin	12.0	26.4	29.7	13.4	25.9	28.3	(1.4)	0.4	1.3
Core profit (THB b)	(2.1)	0.4	2.1	(2.0)	0.3	1.9	4.5	19.1	9.1

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

### Exhibit 20: DCF valuation

Cost of equity assumptions (%)		Cost of debt assumptions (%)		
Risk-free rate	3.0	Pre-tax cost of debt	3.5	
Market risk premium	8.0	Marginal tax rate	20.0	
Stock beta	1.1	Net cost of debt, Kd	2.8	
Cost of equity, Ke	11.8	Weight applied	40.0	
Weight applied	60.0			
WACC	8.2			
DCF valuation estimate		(THB b)	(THB/share)	Comments
NPV	30.6	22.7	WACC 8.2%, risk-free rate 3%, risk premium 8%	
Terminal value	52.4	38.8	Terminal growth 2.5%	
Cash & liquid assets	1.6	1.2	At end-2022E	
Investments	2.7	2.0	At end-2022E	
Debt	(26.3)	(19.5)	At end-2022E	
Minorities	(0.3)	(0.2)	At end-2022E	
<b>Residual ordinary equity</b>	<b>60.8</b>	<b>45.0</b>		

Source: FSSIA estimates

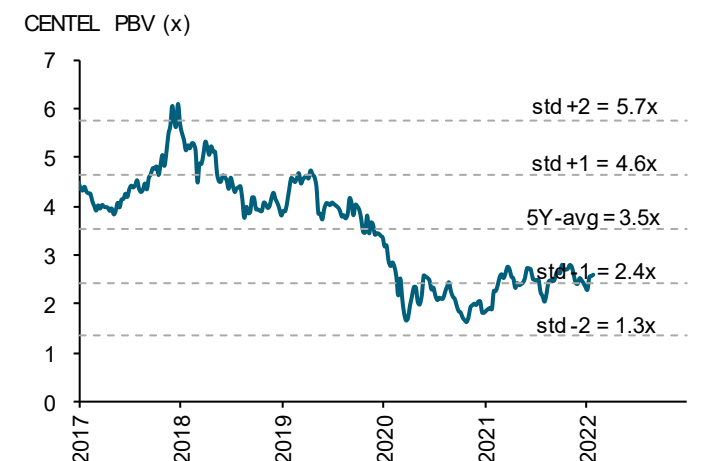


Exhibit 21: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 22: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 23: Peer comparisons as of 28 Jan-22

Company	BBG	Rec	---Share price---		Up side (%)	Market Cap (USD m)	----- PE -----		----- PBV -----		---- EV/ EBITDA ----	
			Current (LCY)	Target (LCY)			21E (x)	22E (x)	21E (x)	22E (x)	21E (x)	22E (x)
<b>Thailand</b>												
Asset World Corp	AWC TB	BUY	4.76	5.60	18	4,558	(62.2)	521.6	2.0	2.0	3,579.3	64.9
Minor International	MINT TB	BUY	30.25	42.00	39	4,719	(12.8)	65.5	2.9	2.8	48.6	13.9
Central Plaza Hotel	CENTEL TB	BUY	34.75	45.00	29	1,404	(21.9)	117.3	2.7	2.6	50.4	16.2
Erawan Group	ERW TB	BUY	3.16	4.00	27	428	(7.1)	(143.0)	2.4	2.4	(46.8)	20.0
S Hotels & Resorts	SHR TB	BUY	3.46	4.60	33	372	(9.5)	126.0	0.8	0.8	52.8	12.4
<b>Thailand average</b>						<b>11,482</b>	<b>(22.7)</b>	<b>137.5</b>	<b>2.1</b>	<b>2.1</b>	<b>736.9</b>	<b>25.5</b>
<b>Regional</b>												
Shanghai Jin Jiang Capital	2006 HK	n/a	2.91	n/a	n/a	2,077	n/a	36.0	1.3	1.3	n/a	n/a
Btg Hotels Group	600258 CH	n/a	25.60	n/a	n/a	4,513	88.6	27.6	2.9	2.6	36.4	18.8
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.99	n/a	n/a	8,391	35.7	9.4	0.9	0.8	40.7	22.5
Huangshan Tourism Develop	900942 CH	n/a	0.73	n/a	n/a	1,017	46.5	13.1	0.8	0.7	28.7	9.7
Genting Bhd	GENT MK	n/a	4.38	n/a	n/a	4,021	n/a	13.0	0.5	0.5	15.5	7.5
Greentree Hospitality	GHG US	n/a	5.22	n/a	n/a	538	12.2	8.7	1.3	1.3	6.3	4.5
Huazhu Group	HTHT US	n/a	37.01	n/a	n/a	12,093	1,272.6	42.7	6.7	5.9	46.4	18.3
Indian Hotels	IH IN	n/a	207.30	n/a	n/a	3,796	n/a	n/a	7.2	6.8	n/a	69.4
Lemon Tree Hotels	LEMONTRE IN	n/a	48.40	n/a	n/a	549	n/a	n/a	6.0	4.8	100.3	41.4
Lippo Karawaci	LPKR IJ	n/a	134.00	n/a	n/a	652	n/a	36.2	0.5	0.5	8.2	10.1
<b>Regional average</b>						<b>37,647</b>	<b>291.1</b>	<b>23.3</b>	<b>2.8</b>	<b>2.5</b>	<b>35.3</b>	<b>22.5</b>
<b>Overall average</b>						<b>49,129</b>	<b>134.2</b>	<b>67.2</b>	<b>2.6</b>	<b>2.4</b>	<b>305.1</b>	<b>23.5</b>

Sources: Bloomberg; FSSIA estimates

## 4Q21E results preview

We expect hotel revenue to grow 154% q-q and 46% y-y in 4Q21, led by an improvement for all hotel portfolios. The RevPAR of Maldives hotels should recover to the pre-Covid level with an OCC rate of 81% in 4Q21 (vs 64% in 3Q21) thanks to the peak tourism season. Thai hotels should recover with an OCC rate of 27% from 13% in 3Q21, driven by the pent-up demand of domestic travellers and an international tourist recovery in MICE hotels in Bangkok.

Its Dubai hotel (CENTEL holds a 40% share), which first opened in Oct-21, should record an OCC rate of 58% in 4Q21. This should be sufficient to record positive EBITDA. In addition, CENTEL will book management fees from this hotel. Thus, its Dubai portfolio should contribute a profit to CENTEL.

The food business' revenue should also grow, by 34% q-q and 3% y-y in 4Q21, according to our estimation, thanks to the easing of lockdown restrictions. SSSG should improve to -2% y-y in 4Q21 (vs -30% y-y in 3Q21). The EBITDA margin should remain strong at 28% in 4Q21 (vs 24% in 4Q20).

Overall, we expect hotel EBITDA to turn positive in 4Q21, the first time since the start of the Covid pandemic, while the food business should turn from loss-making in 3Q21 to profitable in 4Q21. Therefore, we estimate CENTEL's core loss to narrow to THB215m in 4Q21 from THB803m in 3Q21.

### Exhibit 24: 4Q21E results preview

	4Q20	1Q21	2Q21	3Q21	4Q21E	Change		2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
<b>Sales</b>	<b>3,160</b>	<b>2,682</b>	<b>2,566</b>	<b>2,310</b>	<b>3,517</b>	<b>52</b>	<b>11</b>	<b>11,886</b>
-Hotel operation	644	442	269	370	938	154	46	2,622
-Food and beverage	2,517	2,240	2,297	1,940	2,579	33	2	9,263
COGS (Incl. depreciation)	(2,243)	(1,813)	(1,849)	(1,758)	(2,280)	30	2	(9,250)
<b>Gross profit</b>	<b>918</b>	<b>869</b>	<b>717</b>	<b>553</b>	<b>1,237</b>	<b>124</b>	<b>35</b>	<b>2,636</b>
SG&A	(1,390)	(1,276)	(1,297)	(1,256)	(1,362)	8	(2)	(4,635)
<b>Operating profit</b>	<b>(472)</b>	<b>(407)</b>	<b>(580)</b>	<b>(703)</b>	<b>(125)</b>	<b>82</b>	<b>74</b>	<b>(2,000)</b>
Net other income	90	92	78	114	124	9	37	405
Interest expense	(164)	(165)	(172)	(214)	(230)	8	41	(690)
<b>Pretax profit</b>	<b>(546)</b>	<b>(481)</b>	<b>(673)</b>	<b>(803)</b>	<b>(231)</b>	<b>71</b>	<b>58</b>	<b>(2,285)</b>
Income tax	343	9	7	(12)	12	(195)	(97)	170
Associates	(10)	(9)	(13)	(17)	(10)	(40)	(5)	(58)
Minority interest	35	5	28	29	15	(48)	(57)	30
<b>Core profit</b>	<b>(178)</b>	<b>(476)</b>	<b>(651)</b>	<b>(803)</b>	<b>(215)</b>	<b>73</b>	<b>(20)</b>	<b>(2,143)</b>
Extraordinaries, GW & FX	(1,189)	0	45	0	0			45
<b>Reported net profit</b>	<b>(1,367)</b>	<b>(476)</b>	<b>(606)</b>	<b>(803)</b>	<b>(215)</b>	<b>73</b>	<b>84</b>	<b>(2,098)</b>
Shares out (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350
<b>Pre-ex EPS</b>	<b>(0.13)</b>	<b>(0.35)</b>	<b>(0.48)</b>	<b>(0.60)</b>	<b>(0.16)</b>	<b>73</b>	<b>(20)</b>	<b>(1.59)</b>
<b>EPS</b>	<b>(1.01)</b>	<b>(0.35)</b>	<b>(0.45)</b>	<b>(0.60)</b>	<b>(0.16)</b>	<b>73</b>	<b>84</b>	<b>(1.55)</b>
COGS Excl depreciation	(1,392)	(1,003)	(1,033)	(911)	(1,420)	56	2	(5,824)
Depreciation	(850)	(810)	(816)	(847)	(860)	2	1	(3,426)
EBITDA	458	486	302	240	849	253	85	1,426
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>
Gross margin	29	32	28	24	35	11	6	22
SG&A/Revenue	44	48	51	54	39	(16)	(5)	39
Hotel EBITDA margin	(22)	(19)	(92)	(95)	10	105	32	
Food EBITDA margin	24	26	25	32	28	(4)	4	
Total EBITDA margin	14	18	11	10	23	13	9	12
Net profit margin	(43)	(18)	(24)	(35)	(6)	29	37	(18)
<b>Operating stats</b>								
<b>Hotel</b>								
OCC - Maldives (%)	21	76	25	64	81			
OCC - Thailand (%)	27	10	11	13	27			
ARR - Maldives (THB)	9,722	9,366	9,446	9,643	na			
ARR - Thailand (THB)	2,781	2,621	2,343	1,592	na			
RevPAR - Maldives (THB)	2,030	7,109	2,320	6,174	na			
RevPAR - Thailand (THB)	754	250	259	207	na			
<b>Food</b>								
SSSG (y-y %)	(20)	(23)	0	(30)	(2)			
TSSG (y-y %)	(18)	(20)	5	(25)	3			

Sources: CENTEL; 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	11,886	16,814	22,316
Cost of goods sold	(10,151)	(5,416)	(5,824)	(5,840)	(7,035)
<b>Gross profit</b>	<b>10,586</b>	<b>7,491</b>	<b>6,062</b>	<b>10,974</b>	<b>15,281</b>
Other operating income	-	-	-	-	-
Operating costs	(6,770)	(5,831)	(4,635)	(6,541)	(8,659)
<b>Operating EBITDA</b>	<b>3,816</b>	<b>1,660</b>	<b>1,426</b>	<b>4,433</b>	<b>6,623</b>
Depreciation	(2,037)	(3,421)	(3,426)	(3,578)	(3,778)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>1,779</b>	<b>(1,761)</b>	<b>(2,000)</b>	<b>855</b>	<b>2,845</b>
Net financing costs	(214)	(580)	(608)	(699)	(700)
Associates	29	(21)	(58)	(37)	(3)
Recurring non-operating income	482	232	265	387	519
Non-recurring items	23	(1,225)	45	0	0
<b>Profit before tax</b>	<b>2,069</b>	<b>(3,333)</b>	<b>(2,298)</b>	<b>542</b>	<b>2,664</b>
Tax	(260)	435	170	(110)	(533)
<b>Profit after tax</b>	<b>1,809</b>	<b>(2,898)</b>	<b>(2,128)</b>	<b>432</b>	<b>2,130</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>(2,098)</b>	<b>400</b>	<b>2,065</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(23)</b>	<b>1,225</b>	<b>(45)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,722</b>	<b>(1,550)</b>	<b>(2,143)</b>	<b>400</b>	<b>2,065</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.28	(1.15)	(1.59)	0.30	1.53
Reported EPS	1.29	(2.06)	(1.55)	0.30	1.53
DPS	0.55	0.00	0.00	0.12	0.61
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)	(7.9)	41.5	32.7
Operating EBITDA (%)	(15.9)	(56.5)	(14.1)	210.8	49.4
Operating EBIT (%)	(28.6)	nm	nm	nm	232.7
Recurring EPS (%)	(21.1)	nm	nm	nm	416.5
Reported EPS (%)	(19.9)	nm	nm	nm	416.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	41.2	31.5	22.2	44.0	51.5
Gross margin of key business (%)	41.2	31.5	22.2	44.0	51.5
Operating EBITDA margin (%)	18.4	12.9	12.0	26.4	29.7
Operating EBIT margin (%)	8.6	(13.6)	(16.8)	5.1	12.7
Net margin (%)	8.3	(12.0)	(18.0)	2.4	9.3
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)	(2.9)	1.8	4.8
Inventory days	30.9	55.7	50.8	52.6	48.2
Debtor days	14.3	18.1	15.8	11.2	8.4
Creditor days	97.2	152.4	121.8	126.1	115.5
Operating ROIC (%)	8.0	(6.2)	(5.1)	1.8	5.8
ROIC (%)	8.9	(4.6)	(3.9)	2.3	6.1
ROE (%)	13.0	(13.1)	(15.7)	2.3	11.0
ROA (%)	7.3	(3.9)	(4.1)	2.1	5.5
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	8,439	2,855	2,608	4,796	9,097
F&B revenue	12,184	10,037	9,263	12,004	13,205
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)	(2,143)	400	2,065
Depreciation	2,037	3,421	3,426	3,578	3,778
Associates & minorities	-	-	-	-	-
Other non-cash items	(66)	(4,715)	15	32	65
Change in working capital	(36)	(24)	88	(26)	208
<b>Cash flow from operations</b>	<b>3,658</b>	<b>(2,869)</b>	<b>1,386</b>	<b>3,985</b>	<b>6,116</b>
Capex - maintenance	(1,960)	(9,627)	(16,200)	(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>(16,200)</b>	<b>(4,000)</b>	<b>(4,700)</b>
Dividends paid	(877)	0	0	0	(160)
Equity finance	0	0	0	0	0
Debt finance	641	14,537	4,200	(100)	(300)
Other financing cash flows	(208)	(28)	9,630	(30)	(62)
<b>Cash flow from financing</b>	<b>(444)</b>	<b>14,508</b>	<b>13,830</b>	<b>(130)</b>	<b>(522)</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>(984)</b>	<b>(145)</b>	<b>895</b>
Free cash flow to firm (FCFF)	1,400.03	(13,129.64)	(14,123.34)	727.95	2,148.65
Free cash flow to equity (FCFE)	1,619.65	710.01	(983.58)	(144.68)	1,054.46

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	1.04	(9.73)	(10.46)	0.54	1.59
FCFE per share	1.20	0.53	(0.73)	(0.11)	0.78
Recurring cash flow per share	2.74	(2.11)	0.96	2.97	4.38

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)	(9,397)	(12,975)	(16,753)
<b>Tangible fixed assets (net)</b>	<b>19,918</b>	<b>26,184</b>	<b>38,958</b>	<b>39,380</b>	<b>40,302</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	1,750	1,605	2,500
A/C receivable	765	514	514	514	514
Inventories	871	782	841	843	1,015
Other current assets	1,002	376	346	490	650
<b>Current assets</b>	<b>4,661</b>	<b>4,406</b>	<b>3,451</b>	<b>3,453</b>	<b>4,680</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>47,170</b>	<b>47,593</b>	<b>49,742</b>
Common equity	13,670	9,923	17,422	17,822	19,727
Minorities etc.	473	293	296	299	302
<b>Total shareholders' equity</b>	<b>14,144</b>	<b>10,216</b>	<b>17,718</b>	<b>18,120</b>	<b>20,029</b>
Long term debt	7,114	20,477	24,677	24,577	24,277
Other long-term liabilities	2,618	760	760	760	760
<b>Long-term liabilities</b>	<b>9,732</b>	<b>21,236</b>	<b>25,436</b>	<b>25,336</b>	<b>25,036</b>
A/C payable	2,649	1,873	2,014	2,020	2,433
Short term debt	551	1,725	1,725	1,725	1,725
Other current liabilities	514	300	277	391	519
<b>Current liabilities</b>	<b>3,714</b>	<b>3,898</b>	<b>4,016</b>	<b>4,136</b>	<b>4,677</b>
<b>Total liabilities and shareholders' equity</b>	<b>27,590</b>	<b>35,350</b>	<b>47,170</b>	<b>47,593</b>	<b>49,742</b>
Net working capital	(525)	(501)	(589)	(564)	(772)
Invested capital	22,403	30,443	43,129	43,576	44,290

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	10.13	7.35	12.91	13.20	14.61
Tangible book value per share	9.89	7.09	12.64	12.94	14.35

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	39.9	190.6	139.1	136.3	117.3
Net debt/total assets (%)	20.4	55.1	52.3	51.9	47.2
Current ratio (x)	1.3	1.1	0.9	0.8	1.0
CF interest cover (x)	8.6	2.2	(0.6)	0.8	2.5

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>27.2</b>	<b>(30.3)</b>	<b>(21.9)</b>	<b>117.3</b>	<b>22.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>35.3</b>	<b>(39.2)</b>	<b>(28.3)</b>	<b>151.9</b>	<b>29.4</b>
Reported P/E (x)	26.9	(16.9)	(22.4)	117.3	22.7
Dividend yield (%)	1.6	-	-	0.3	1.8
Price/book (x)	3.4	4.7	2.7	2.6	2.4
Price/tangible book (x)	3.5	4.9	2.7	2.7	2.4
EV/EBITDA (x) **	13.9	40.2	50.4	16.2	10.7
EV/EBITDA @ target price (x) **	17.5	48.5	60.1	19.3	12.8
EV/invested capital (x)	2.4	2.2	1.7	1.7	1.6

\* 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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	TTB	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

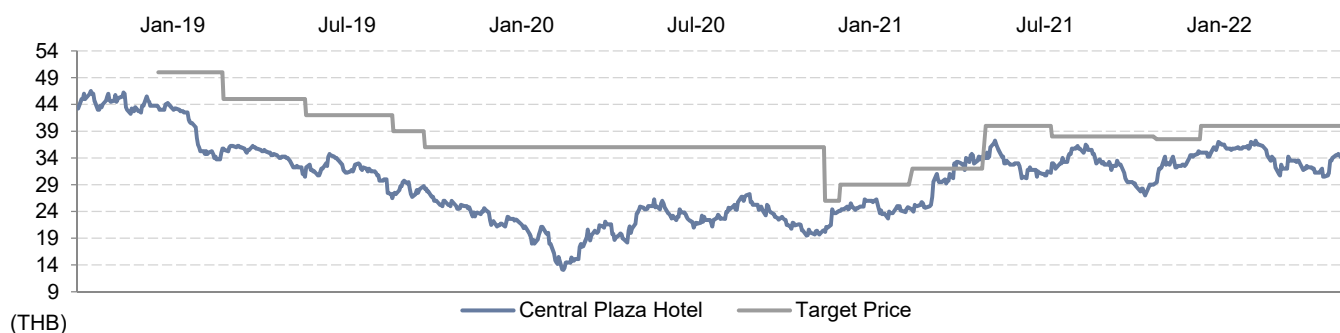
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

#### Central Plaza Hotel (CENTEL TB)



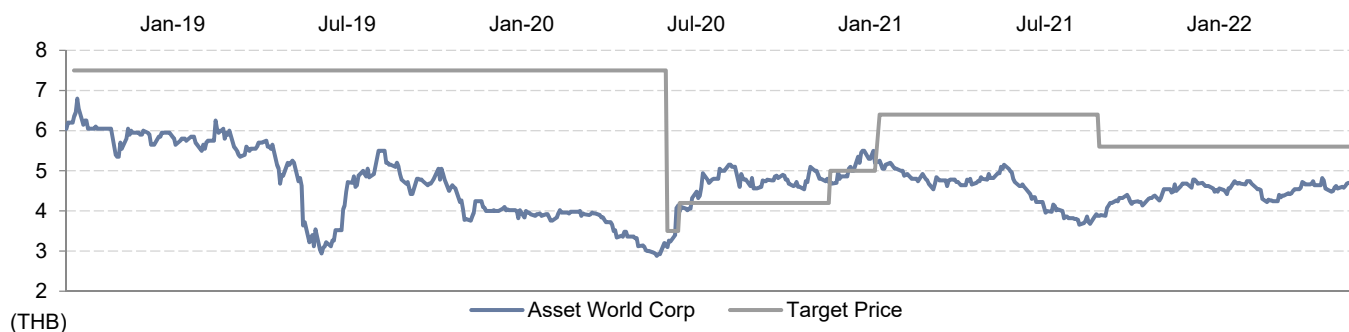
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
11-Apr-2019	BUY	50.00	26-Nov-2019	BUY	36.00	19-Mar-2021	BUY	40.00
06-Jun-2019	BUY	45.00	03-Nov-2020	BUY	26.00	17-May-2021	BUY	38.00
16-Aug-2019	BUY	42.00	16-Nov-2020	BUY	29.00	13-Aug-2021	BUY	37.50
30-Oct-2019	BUY	39.00	15-Jan-2021	BUY	32.00	22-Sep-2021	BUY	40.00

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)



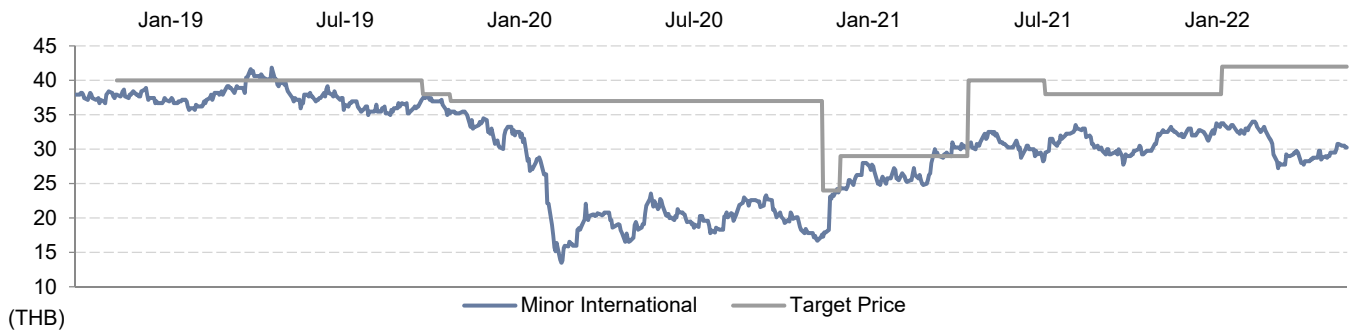
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	11-Nov-2020	HOLD	4.20	19-Mar-2021	BUY	6.40
03-Nov-2020	HOLD	3.50	17-Feb-2021	HOLD	5.00	11-Aug-2021	BUY	5.60

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)**



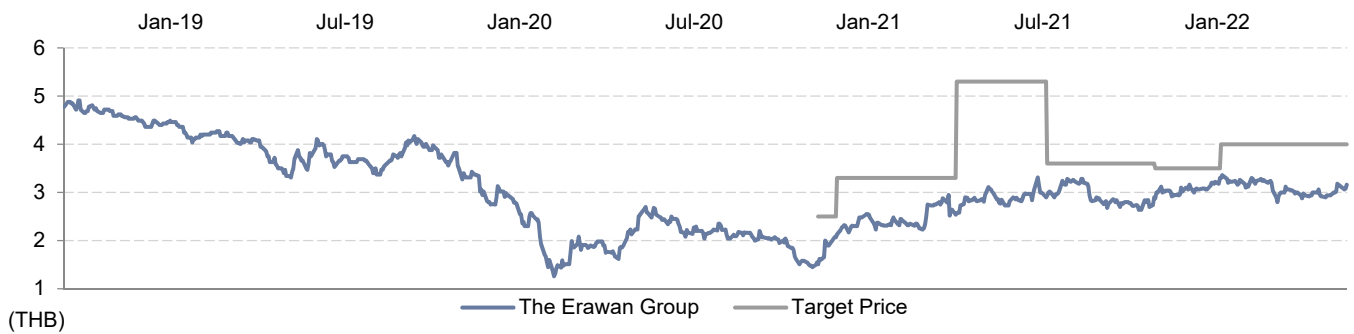
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Mar-2019	HOLD	40.00	03-Nov-2020	BUY	24.00	13-May-2021	BUY	38.00
26-Nov-2019	HOLD	38.00	18-Nov-2020	BUY	29.00	12-Oct-2021	BUY	42.00
20-Dec-2019	HOLD	37.00	08-Mar-2021	BUY	40.00			

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)**



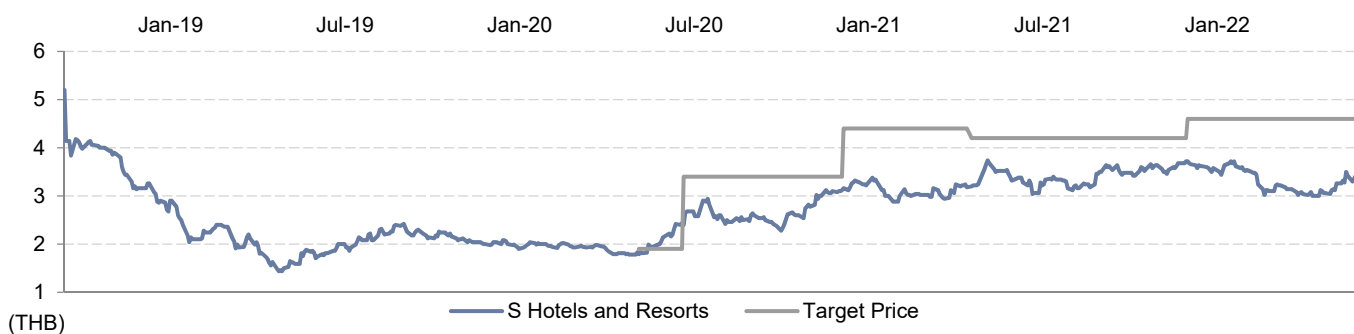
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	01-Mar-2021	BUY	5.30	17-Aug-2021	BUY	3.50
19-Nov-2020	HOLD	3.30	17-May-2021	BUY	3.60	12-Oct-2021	BUY	4.00

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	12-Oct-2021	BUY	4.60
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 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.
Asset World Corp	AWC TB	THB 4.76	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 30.25	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.
The Erawan Group	ERW TB	THB 3.16	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 3.46	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 28-Jan-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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