

# CENTRAL PLAZA HOTEL

THAILAND / TOURISM &amp; LEISURE

# CENTEL TB

## BUY

UNCHANGED

## Earnings recovery on track

- Expect 1Q22 profit to be relatively flat q-q, but turn around from a loss in 1Q21, driven by Maldives hotels and the food business.
- 2Q22 recovery momentum should continue to be led by the food business and Thai hotel portfolio.
- Maintain BUY with a new TP of THB49/shr.

TARGET PRICE	THB49.00
CLOSE	THB43.00
UP/DOWNSIDE	+14.0%
PRIOR TP	THB45.00
CHANGE IN TP	+8.9%
TP vs CONSENSUS	+18.2%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	11,211	16,758	22,049	23,569
Net profit	(1,733)	591	2,065	2,354
EPS (THB)	(1.28)	0.44	1.53	1.74
vs Consensus (%)	-	169.9	32.8	17.3
EBITDA	1,690	4,367	6,406	6,909
Core net profit	(1,778)	591	2,065	2,354
Core EPS (THB)	(1.32)	0.44	1.53	1.74
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	249.1	14.0
Core P/E (x)	(32.6)	98.1	28.1	24.7
Dividend yield (%)	-	0.4	1.4	1.6
EV/EBITDA (x)	46.9	18.2	12.2	11.1
Price/book (x)	3.2	3.1	2.8	2.6
Net debt/Equity (%)	113.3	110.8	95.1	80.9
ROE (%)	(12.7)	3.2	10.5	11.1

### Hotel business to turn profitable in 1Q22

We expect CENTEL's 1Q22 hotel operation to improve q-q for both Thai and overseas hotels. The Thai hotels OCC rate should be relatively flat q-q at 26%, but we expect ADR to grow by 5% q-q thanks to the strong pent-up demand of domestic travellers. Maldives hotels' RevPAR should improve by 28%, led by an 86% OCC rate (vs 81% in 4Q21) and 20% q-q higher ADR. Meanwhile, we expect the Dubai hotels OCC rate to improve to 73% in 1Q22 (vs 58% in 4Q21). As a result, we forecast hotel revenue to grow 13% q-q and the EBITDA margin to improve from 27% in 4Q21 to 30% in 1Q22, leading the hotel business to break even in 1Q22 (vs the THB32m loss in 4Q21) – the first time since the Covid pandemic began.

### 1Q22 food business core profit should reach pre-Covid level

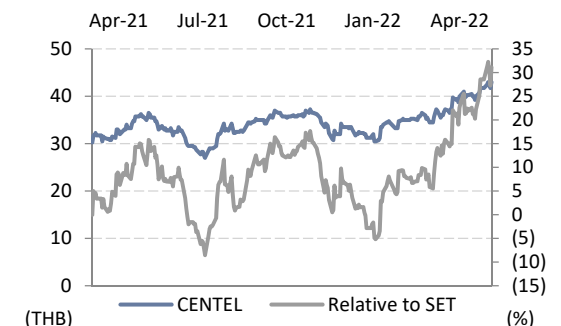
We expect the food business' SSSG to jump by 10% y-y in 1Q22 thanks to recovery of the dine-in business. Meanwhile, the number of outlets should increase by 17% y-y and 2% q-q. Food business revenue should grow by 15% y-y, and we project the EBITDA margin to improve to 27% (vs 26% in 1Q21). Therefore, we expect the food business' core profit to improve from a THB25m profit in 1Q21 to THB140m in 1Q22, relatively in line with the pre-Covid level (THB138m core profit in 1Q19). However, it could drop from THB184m in 4Q21 due to the seasonal effect. Overall, we forecast CENTEL's 1Q22 profit to be relatively flat q-q at THB150m.

### Earnings should exceed pre-Covid level by 2023

The earnings recovery should continue in 2Q22. The food business' high season is normally in 2Q, thanks to the long holidays. Meanwhile, the recovery of international tourists, from an average of c7,000 tourists per day in 1Q22 to c14,000 in April, should support the hotel business, despite the 2Q low season. Overall, we expect CENTEL to turn around from its THB1.8b core loss in 2021 to a THB0.6b core profit in 2022.

### Still trading at a discount to historical average

We maintain our earnings forecasts and roll over our DCF-based TP to 2023 to derive a higher TP of THB49/shr. Despite its share price rallying by 26% over the past three months, CENTEL is still trading at 28x 2023E P/E, lower than its 5-year average of 31x. A short-term catalyst would be the turnaround of its Thai hotel portfolio.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.9	25.5	42.1
Relative to country (%)	8.0	22.7	31.9
Mkt cap (USD m)			1,710
3m avg. daily turnover (USD m)			4.1
Free float (%)			72
Major shareholder	The Chirathivat group (63%)		
12m high/low (THB)	43.50/26.75		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates


**Teerapol Udomvej, CFA**

 teerapol.udo@fssia.com  
 +66 2611 3535

### Investment thesis

CENTEL conservatively invested over the past five years, resulting in lower leverage with a D/E of only 0.9x in 4Q21. 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 (opened in 2021), two in Maldives (2025), 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.

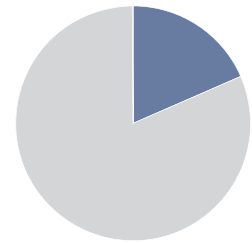
### Company profile

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, 2021)

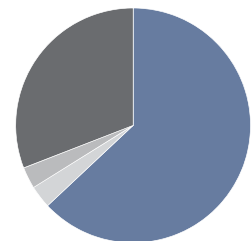
- Hotel revenue - 18.5 %
- F&B revenue - 81.4 %
- Rental income - 0.1 %



Source: Central Plaza Hotel

### Major shareholders

- The Chirathivat group - 63.0 %
- Niti Osathanugrah - 3.1 %
- Thai NVDR - 3.0 %
- Others - 30.9 %



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) the easing of travel restrictions between countries

### 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
May-22	1Q22 results announcement

### Key assumptions

	2022E (%)	2023E (%)	2024E (%)
<b>Owned &amp; leased hotels</b>			
- Number of owned hotel rooms (no.)	5,050	5,565	5,695
- Occupancy rate (OCC)	42.0	77.1	79.0
- RevPAR growth	105	111	5
<b>Food business</b>			
- Number of outlets (no.)	1,582	1,661	1,744
- Same-Store Sales Growth (SSSG)	15	5	2
- Total System Sales Growth (TSSG)	31	10	7

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.

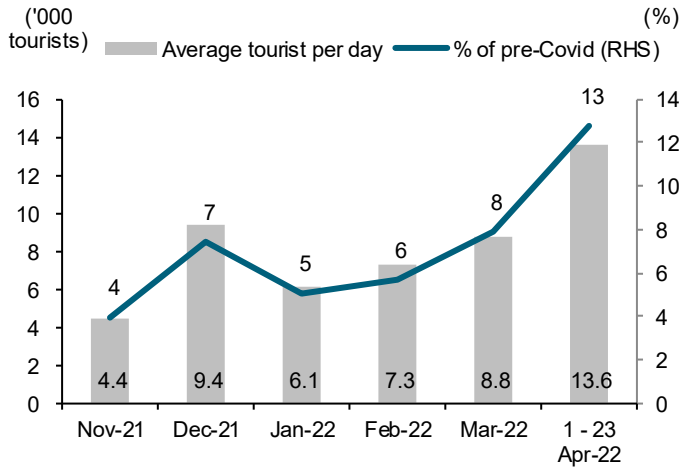
Source: FSSIA estimates

## Exhibit 1: 1Q22E results preview

	1Q21	2Q21	3Q21	4Q21	1Q22E	----- Change -----		2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Sales</b>	<b>2,682</b>	<b>2,566</b>	<b>2,310</b>	<b>3,653</b>	<b>3,712</b>	<b>2</b>	<b>38</b>	<b>11,211</b>	<b>16,758</b>	<b>49</b>
-Hotel operation	442	269	370	1,003	1,131	13	156	2,084	4,787	130
-Food and beverage	2,240	2,297	1,940	2,650	2,581	(3)	15	9,127	11,971	31
COGS (Incl. depreciation)	(1,813)	(1,849)	(1,758)	(2,194)	(2,227)	1	23	(7,613)	(8,106)	6
<b>Gross profit</b>	<b>869</b>	<b>717</b>	<b>553</b>	<b>1,459</b>	<b>1,486</b>	<b>2</b>	<b>71</b>	<b>3,598</b>	<b>8,652</b>	<b>140</b>
SG&A	(1,276)	(1,297)	(1,256)	(1,246)	(1,276)	2	0	(5,075)	(7,569)	49
<b>Operating profit</b>	<b>(407)</b>	<b>(580)</b>	<b>(703)</b>	<b>214</b>	<b>209</b>	<b>(2)</b>	<b>151</b>	<b>(1,477)</b>	<b>1,083</b>	<b>173</b>
Net other income	92	78	114	95	95	0	4	379	505	33
Interest expense	(165)	(172)	(214)	(167)	(169)	1	2	(718)	(770)	7
<b>Pretax profit</b>	<b>(481)</b>	<b>(673)</b>	<b>(803)</b>	<b>142</b>	<b>136</b>	<b>(4)</b>	<b>128</b>	<b>(1,816)</b>	<b>818</b>	<b>145</b>
Income Tax	9	7	(12)	74	14	(81)	49	78	(156)	(301)
Associates	(9)	(13)	(17)	(25)	0	(100)	(100)	(64)	(39)	(39)
Minority interest	5	28	29	(38)	0	(100)	(100)	24	(32)	(234)
<b>Core profit</b>	<b>(476)</b>	<b>(651)</b>	<b>(803)</b>	<b>152</b>	<b>150</b>	<b>(2)</b>	<b>131</b>	<b>(1,778)</b>	<b>591</b>	<b>133</b>
Extraordinaries, GW & FX	0	45	0	0	0			45	0	
<b>Reported net profit</b>	<b>(476)</b>	<b>(606)</b>	<b>(803)</b>	<b>152</b>	<b>150</b>	<b>(2)</b>	<b>131</b>	<b>(1,733)</b>	<b>591</b>	<b>134</b>
Shares out (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350	1,350	0
<b>Pre-ex EPS</b>	<b>(0.35)</b>	<b>(0.48)</b>	<b>(0.60)</b>	<b>0.11</b>	<b>0.11</b>	<b>(2)</b>	<b>131</b>	<b>(1.32)</b>	<b>0.44</b>	<b>(133)</b>
<b>EPS</b>	<b>(0.35)</b>	<b>(0.45)</b>	<b>(0.60)</b>	<b>0.11</b>	<b>0.11</b>	<b>(2)</b>	<b>131</b>	<b>(1.28)</b>	<b>0.44</b>	<b>(134)</b>
										0
COGS Excl. depreciation	(1,003)	(1,033)	(911)	(1,500)	(1,497)	(0)	49	(4,446)	(4,822)	8
Depreciation	(810)	(816)	(847)	(694)	(729)	5	(10)	(3,167)	(3,284)	4
EBITDA	486	302	240	978	1,033	6	113	1,690	4,367	158
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	32	28	24	40	40	0	8	32	52	20
SG&A/Revenue	48	51	54	34	34	0	(13)	45	45	(0)
Hotel EBITDA margin	(19)	(92)	(95)	27	30	3	49			
Food EBITDA margin	26	25	32	26	27	1	1			
Total EBITDA margin	18	11	10	26	28	2	10	15	26	11
Net profit margin	(18)	(24)	(35)	4	4	(0)	22	(15)	4	19
<b>Operating stats</b>										
<b>Hotel</b>										
OCC -Maldives (%)	76	25	64	81	86					
OCC -Thailand (%)	10	11	13	27	26					
ARR - Maldives (THB)	9,366	9,446	9,643	14,128	17,000					
ARR - Thailand (THB)	2,621	2,343	1,592	3,227	3,400					
RevPAR - Maldives (THB)	7,109	2,320	6,174	11,382	14,620					
RevPAR Thailand (THB)	250	259	207	871	884					
<b>Food</b>										
SSSG (y-y %)	(23)	0	(30)	(2)	10					
TSSG (y-y %)	(20)	5	(25)	3	27					

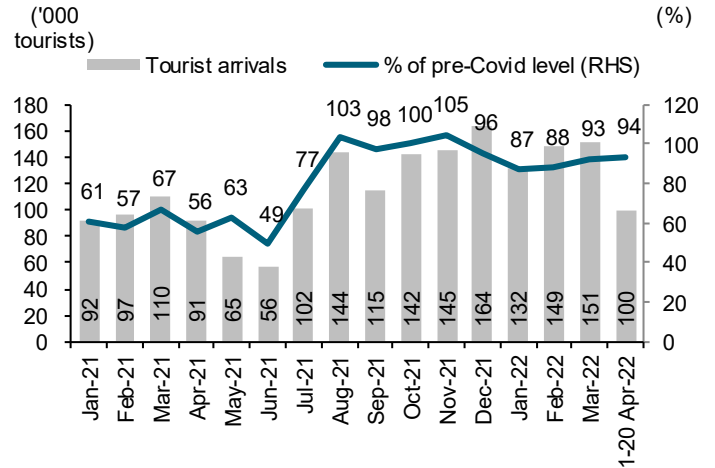
Sources: CENTEL; FSSIA estimates

**Exhibit 2: Thailand monthly tourist arrivals**



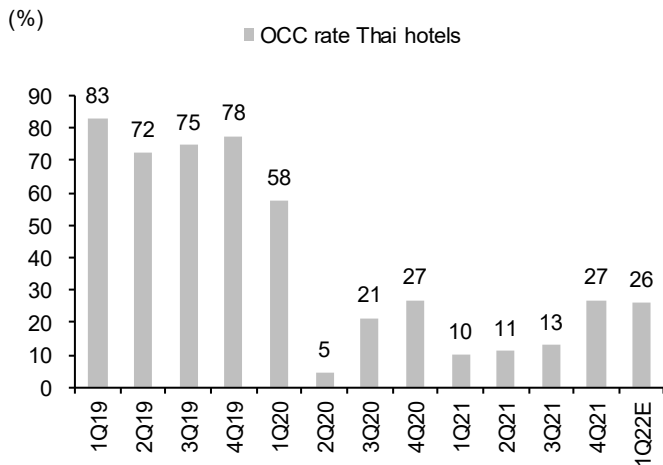
Note: The numbers include Thai citizens returning to Thailand  
Source: Centre for COVID-19 Situation Administration

**Exhibit 3: Maldives monthly tourist arrivals**



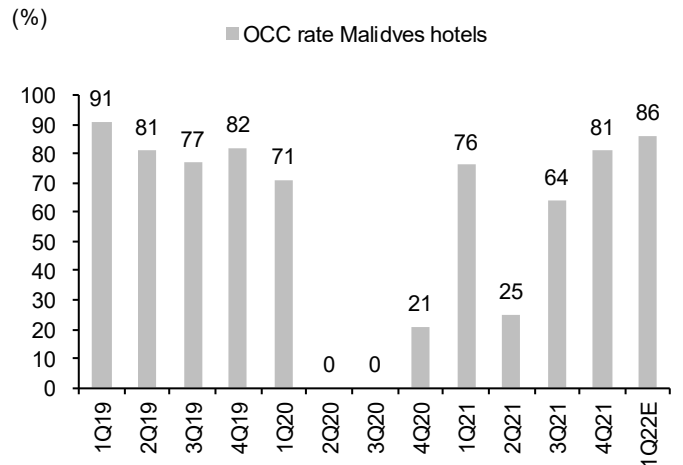
Sources: Ministry of Tourism, Maldives

**Exhibit 4: CENTEL's Thai hotels OCC rate**



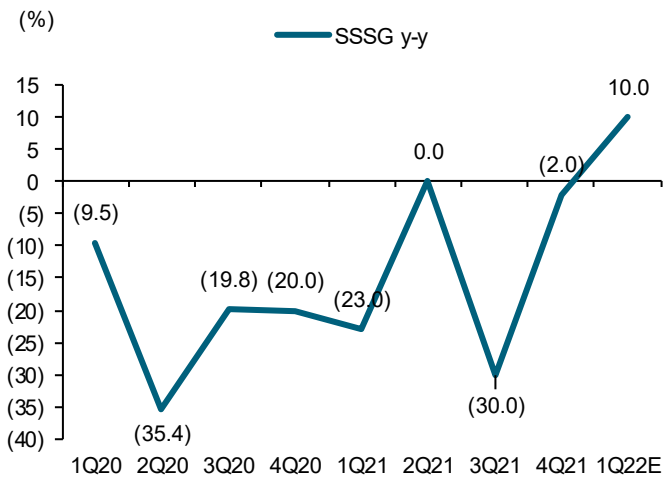
Sources: CENTEL; FSSIA estimate

**Exhibit 5: CENTEL's Maldives hotels OCC rate**



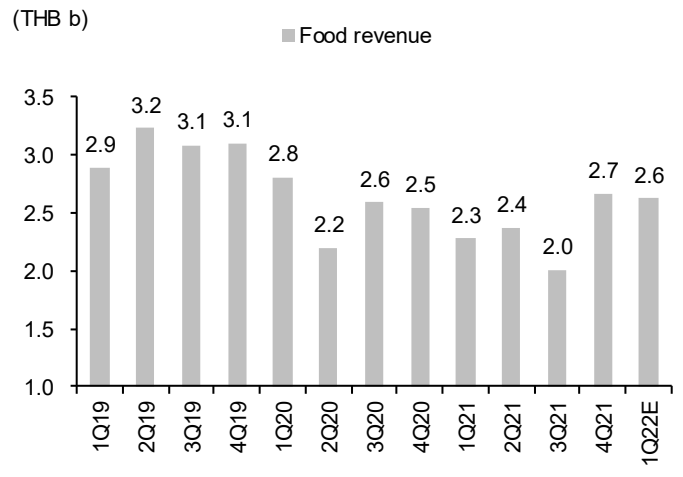
Sources: CENTEL; FSSIA estimate

**Exhibit 6: SSSG**



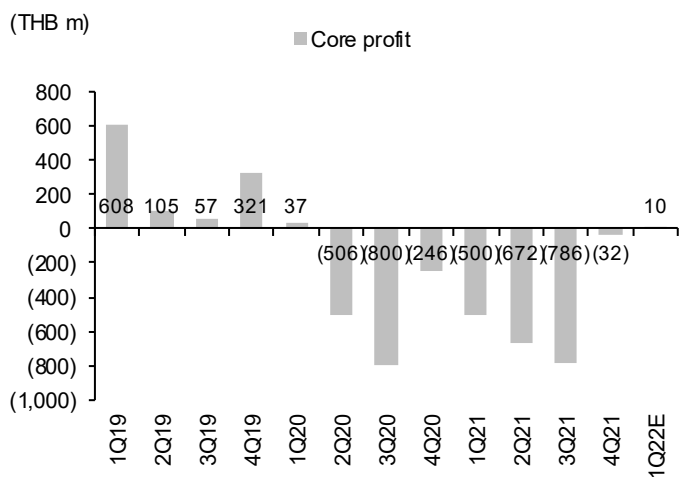
Sources: CENTEL; FSSIA estimate

**Exhibit 7: Food business revenue**



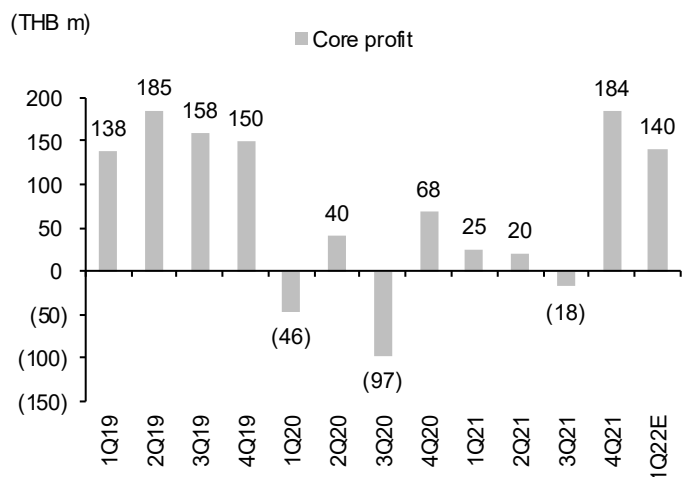
Sources: CENTEL; FSSIA estimate

**Exhibit 8: Hotel business core profit**



Sources: CENTEL; FSSIA estimate

**Exhibit 9: Food business core profit**



Sources: CENTEL; FSSIA estimate

**Exhibit 10: DCF valuation**

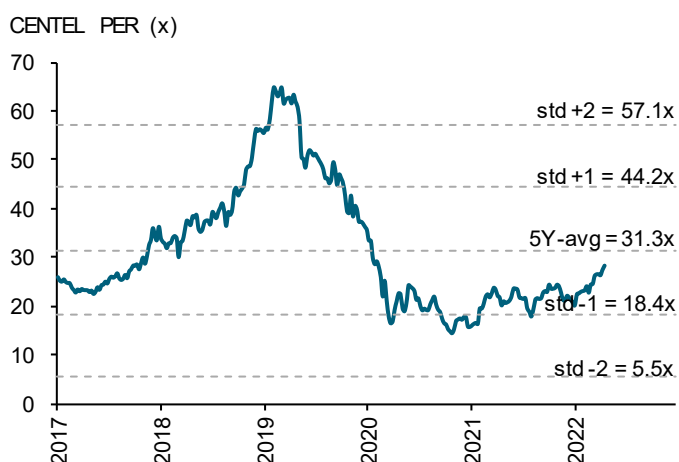
Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pre-tax cost of debt	3.5
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1.1		
Cost of equity, Ke	11.8	Net cost of debt, Kd	2.8
Weight applied	60.0	Weight applied	40.0
<b>WACC</b>	<b>8.2</b>		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	31.1	23.0	WACC 8.2%, risk-free rate 3%, risk premium 8%
Terminal value	51.4	38.0	Terminal growth 2.5%
Cash & liquid assets	2.8	2.1	At end-2023E
Investments	3.9	2.9	At end-2023E
Debt	(22.6)	(16.8)	At end-2023E
Minorities	(0.4)	(0.3)	At end-2023E
<b>Residual ordinary equity</b>	<b>66.2</b>	<b>49.0</b>	

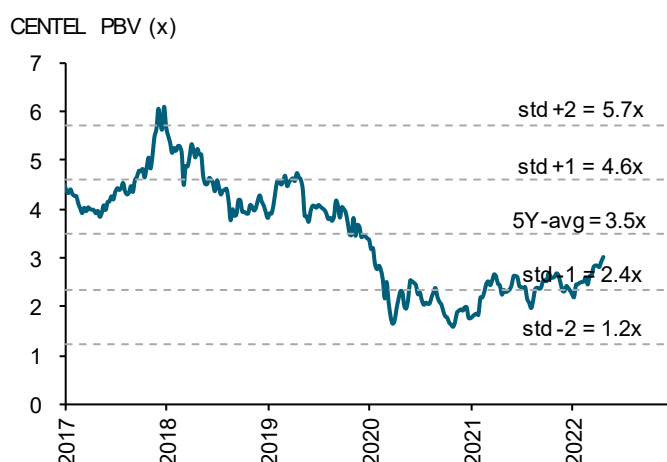
Source: FSSIA estimates

**Exhibit 11: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 12: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

## Exhibit 13: Peer comparisons as of 22 Apr-22

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV / EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
<b>Thailand</b>														
Asset World Corp	AWC TB	BUY	5.00	6.00	20	4,713	548.0	76.7	0.4	2.6	2.0	1.9	69.2	35.5
Minor International	MINT TB	BUY	35.25	42.00	19	5,418	70.4	29.7	4.2	10.0	2.6	3.0	13.2	11.3
Central Plaza Hotel	CENTEL TB	BUY	43.00	49.00	14	1,710	98.1	28.1	3.2	10.5	3.1	2.8	18.2	12.2
Erawan Group	ERW TB	BUY	3.76	4.00	6	502	(170.1)	41.8	(1.7)	6.7	2.9	2.7	25.4	14.7
S Hotels & Resorts	SHR TB	BUY	4.28	5.20	21	453	132.0	30.1	0.7	3.2	1.0	0.9	14.2	10.2
<b>Thailand average</b>						<b>12,795</b>	<b>135.7</b>	<b>41.3</b>	<b>1.4</b>	<b>6.6</b>	<b>2.3</b>	<b>2.3</b>	<b>28.0</b>	<b>16.8</b>
<b>Regional</b>														
Shanghai Jin Jiang Capital	2006 HK	n/a	3.06	n/a	n/a	2,171	28.3	35.4	1.1	4.2	1.5	1.4	n/a	n/a
Btg Hotels Group	600258 CH	n/a	23.15	n/a	n/a	3,891	47.2	22.7	4.4	9.0	2.2	2.0	21.3	13.9
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.99	n/a	n/a	7,408	17.9	7.2	4.9	9.9	0.8	0.8	28.3	16.8
Huangshan Tourism Develop	900942 CH	n/a	0.73	n/a	n/a	925	18.8	10.5	1.9	6.8	0.8	0.7	16.6	8.3
Genting Bhd	GENT MK	n/a	4.59	n/a	n/a	4,011	14.3	10.4	3.0	4.8	0.5	0.5	7.7	6.7
Greentree Hospitality	GHG US	n/a	4.09	n/a	n/a	421	9.8	7.1	11.7	15.3	1.1	1.0	4.5	3.8
Huazhu Group	HTHT US	n/a	29.90	n/a	n/a	9,770	127.5	29.1	4.4	18.0	5.6	4.7	29.3	13.2
Indian Hotels	IH IN	n/a	240.90	n/a	n/a	4,409	n/a	59.5	(4.5)	9.4	5.7	5.4	74.3	29.4
Lemon Tree Hotels	LEMONTRE IN	n/a	65.30	n/a	n/a	668	n/a	107.4	(6.6)	4.3	6.0	5.4	48.8	22.9
Lippo Karawaci	LPKR IJ	n/a	123.00	n/a	n/a	594	28.7	11.9	1.5	2.9	0.4	0.4	7.8	7.0
<b>Regional average</b>						<b>34,268</b>	<b>36.6</b>	<b>30.1</b>	<b>2.2</b>	<b>8.5</b>	<b>2.5</b>	<b>2.2</b>	<b>26.5</b>	<b>13.5</b>
<b>Overall average</b>						<b>47,064</b>	<b>74.7</b>	<b>33.8</b>	<b>1.9</b>	<b>7.8</b>	<b>2.4</b>	<b>2.3</b>	<b>27.1</b>	<b>14.7</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Central Plaza Hotel

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	12,907	11,211	16,758	22,049	23,569
Cost of goods sold	(5,416)	(4,446)	(4,822)	(5,707)	(6,062)
<b>Gross profit</b>	<b>7,491</b>	<b>6,765</b>	<b>11,936</b>	<b>16,342</b>	<b>17,507</b>
Other operating income	-	-	-	-	-
Operating costs	(5,831)	(5,075)	(7,569)	(9,937)	(10,598)
<b>Operating EBITDA</b>	<b>1,660</b>	<b>1,690</b>	<b>4,367</b>	<b>6,406</b>	<b>6,909</b>
Depreciation	(3,421)	(3,167)	(3,284)	(3,530)	(3,802)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(1,761)</b>	<b>(1,477)</b>	<b>1,083</b>	<b>2,876</b>	<b>3,107</b>
Net financing costs	(580)	(611)	(686)	(703)	(702)
Associates	(21)	(64)	(39)	14	55
Recurring non-operating income	232	208	382	486	611
Non-recurring items	(1,225)	45	0	0	0
<b>Profit before tax</b>	<b>(3,333)</b>	<b>(1,835)</b>	<b>779</b>	<b>2,659</b>	<b>3,016</b>
Tax	435	78	(156)	(529)	(592)
<b>Profit after tax</b>	<b>(2,898)</b>	<b>(1,757)</b>	<b>624</b>	<b>2,130</b>	<b>2,424</b>
Minority interests	123	24	(32)	(65)	(69)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(2,775)</b>	<b>(1,733)</b>	<b>591</b>	<b>2,065</b>	<b>2,354</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>1,225</b>	<b>(45)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(1,550)</b>	<b>(1,778)</b>	<b>591</b>	<b>2,065</b>	<b>2,354</b>
<b>Per share (THB)</b>					
Recurring EPS *	(1.15)	(1.32)	0.44	1.53	1.74
Reported EPS	(2.06)	(1.28)	0.44	1.53	1.74
DPS	0.00	0.00	0.18	0.61	0.70
Diluted shares (used to calculate per share data)	1,350	1,350	1,350	1,350	1,350
<b>Growth</b>					
Revenue (%)	(37.8)	(13.1)	49.5	31.6	6.9
Operating EBITDA (%)	(56.5)	1.8	158.4	46.7	7.9
Operating EBIT (%)	nm	nm	nm	165.5	8.1
Recurring EPS (%)	nm	nm	nm	249.1	14.0
Reported EPS (%)	nm	nm	nm	249.1	14.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	31.5	32.1	51.6	58.1	58.1
Gross margin of key business (%)	31.5	32.1	51.6	58.1	58.1
Operating EBITDA margin (%)	12.9	15.1	26.1	29.1	29.3
Operating EBIT margin (%)	(13.6)	(13.2)	6.5	13.0	13.2
Net margin (%)	(12.0)	(15.9)	3.5	9.4	10.0
Effective tax rate (%)	20.9	4.3	19.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	(2.6)	(2.1)	2.1	4.8	5.3
Inventory days	55.7	62.8	54.6	37.9	30.4
Debtor days	18.1	21.4	17.5	13.3	12.4
Creditor days	152.4	186.5	164.1	102.0	94.6
Operating ROIC (%)	(6.2)	(4.6)	2.4	6.2	6.7
ROIC (%)	(4.6)	(3.3)	2.8	6.2	6.8
ROE (%)	(13.1)	(12.7)	3.2	10.5	11.1
ROA (%)	(3.9)	(2.9)	2.5	5.6	6.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	2,855	2,070	4,773	8,867	9,465
F&B revenue	10,037	9,127	11,971	13,168	14,089
Rental income	14	14	14	14	14

Sources: Central Plaza Hotel; FSSIA estimates

## Financial Statements

### Central Plaza Hotel

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(1,550)	(1,778)	591	2,065	2,354
Depreciation	3,421	3,167	3,284	3,530	3,802
Associates & minorities	-	-	-	-	-
Other non-cash items	(4,715)	1,891	32	65	69
Change in working capital	(24)	109	(1,289)	392	29
<b>Cash flow from operations</b>	<b>(2,869)</b>	<b>3,390</b>	<b>2,619</b>	<b>6,052</b>	<b>6,254</b>
Capex - maintenance	(9,627)	(13,597)	(2,800)	(4,500)	(3,649)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,303)	(1,178)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(10,930)</b>	<b>(14,775)</b>	<b>(2,800)</b>	<b>(4,500)</b>	<b>(3,649)</b>
Dividends paid	0	0	0	(237)	(826)
Equity finance	0	0	0	0	0
Debt finance	14,537	2,032	(1,100)	(500)	500
Other financing cash flows	(28)	9,974	(29)	(61)	(66)
<b>Cash flow from financing</b>	<b>14,508</b>	<b>12,006</b>	<b>(1,129)</b>	<b>(798)</b>	<b>(392)</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>710</b>	<b>621</b>	<b>(1,310)</b>	<b>754</b>	<b>2,214</b>
Free cash flow to firm (FCFF)	(13,129.64)	(10,667.15)	588.87	2,295.53	3,349.11
Free cash flow to equity (FCFE)	710.01	620.72	(1,309.77)	990.46	3,039.53

#### Per share (THB)

FCFF per share	(9.73)	(7.90)	0.44	1.70	2.48
FCFE per share	0.53	0.46	(0.97)	0.73	2.25
Recurring cash flow per share	(2.11)	2.43	2.89	4.19	4.61

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	46,402	59,581	62,381	66,881	70,530
Less: Accumulated depreciation	(20,218)	(22,898)	(26,182)	(29,712)	(33,513)
<b>Tangible fixed assets (net)</b>	<b>26,184</b>	<b>36,683</b>	<b>36,199</b>	<b>37,169</b>	<b>37,016</b>
<b>Intangible fixed assets (net)</b>	<b>356</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>360</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,743	3,921	3,921	3,921	3,921
Cash & equivalents	2,734	3,354	2,045	2,799	5,012
A/C receivable	514	801	801	801	801
Inventories	782	748	696	490	520
Other current assets	376	829	1,239	1,065	1,138
<b>Current assets</b>	<b>4,406</b>	<b>5,732</b>	<b>4,781</b>	<b>5,155</b>	<b>7,472</b>
Other assets	1,661	1,896	1,896	1,896	1,896
<b>Total assets</b>	<b>35,350</b>	<b>48,593</b>	<b>47,157</b>	<b>48,501</b>	<b>50,666</b>
Common equity	9,923	18,076	18,668	20,496	22,025
Minorities etc.	293	355	359	362	366
<b>Total shareholders' equity</b>	<b>10,216</b>	<b>18,432</b>	<b>19,027</b>	<b>20,859</b>	<b>22,391</b>
Long term debt	20,477	22,265	21,165	20,665	21,165
Other long-term liabilities	760	2,939	2,939	2,939	2,939
<b>Long-term liabilities</b>	<b>21,236</b>	<b>25,203</b>	<b>24,103</b>	<b>23,603</b>	<b>24,103</b>
A/C payable	1,873	2,669	1,668	1,523	1,618
Short term debt	1,725	1,970	1,970	1,970	1,970
Other current liabilities	300	319	390	547	584
<b>Current liabilities</b>	<b>3,898</b>	<b>4,958</b>	<b>4,027</b>	<b>4,039</b>	<b>4,172</b>
<b>Total liabilities and shareholders' equity</b>	<b>35,350</b>	<b>48,593</b>	<b>47,157</b>	<b>48,501</b>	<b>50,666</b>
Net working capital	(501)	(611)	678	286	258
Invested capital	30,443	42,250	43,055	43,633	43,451

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

#### Per share (THB)

Book value per share	7.35	13.39	13.83	15.18	16.31
Tangible book value per share	7.09	13.12	13.56	14.92	16.05

#### Financial strength

Net debt/equity (%)	190.6	113.3	110.8	95.1	80.9
Net debt/total assets (%)	55.1	43.0	44.7	40.9	35.8
Current ratio (x)	1.1	1.2	1.2	1.3	1.8
CF interest cover (x)	2.2	2.0	(0.9)	2.4	5.3

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>(37.4)</b>	<b>(32.6)</b>	<b>98.1</b>	<b>28.1</b>	<b>24.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(42.7)</b>	<b>(37.2)</b>	<b>111.8</b>	<b>32.0</b>	<b>28.1</b>
Reported P/E (x)	(20.9)	(33.5)	98.1	28.1	24.7
Dividend yield (%)	-	-	0.4	1.4	1.6
Price/book (x)	5.9	3.2	3.1	2.8	2.6
Price/tangible book (x)	6.1	3.3	3.2	2.9	2.7
EV/EBITDA (x) **	46.9	46.9	18.2	12.2	11.1
EV/EBITDA @ target price (x) **	51.7	51.7	20.1	13.5	12.3
EV/invested capital (x)	2.6	1.9	1.8	1.8	1.8

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

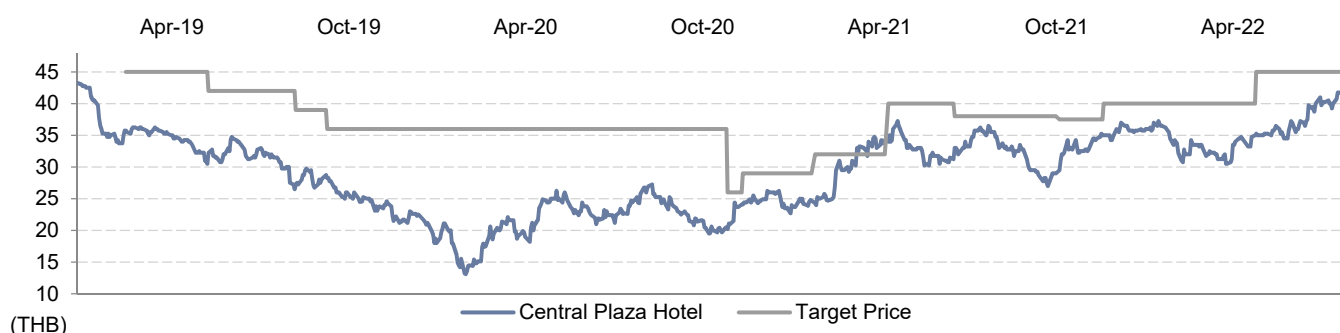
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

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

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

#### Central Plaza Hotel (CENTEL TB)



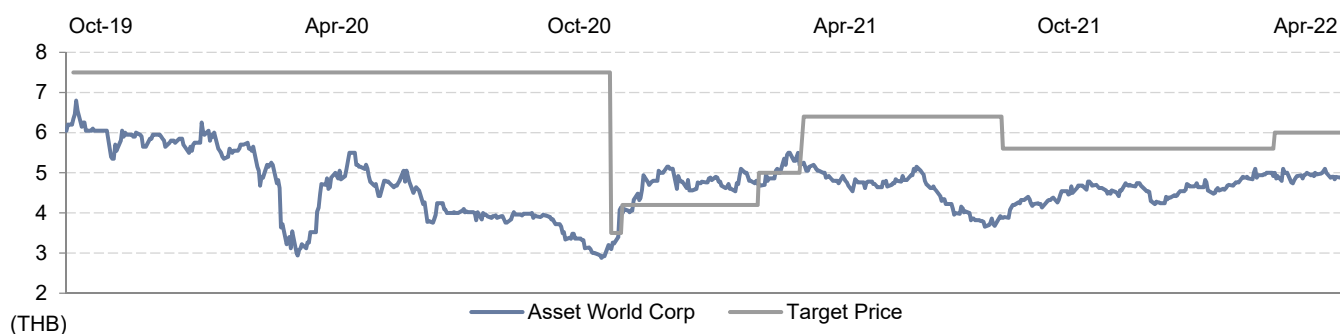
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Jun-2019	BUY	45.00	03-Nov-2020	BUY	26.00	17-May-2021	BUY	38.00
16-Aug-2019	BUY	42.00	16-Nov-2020	BUY	29.00	13-Aug-2021	BUY	37.50
30-Oct-2019	BUY	39.00	15-Jan-2021	BUY	32.00	22-Sep-2021	BUY	40.00
26-Nov-2019	BUY	36.00	19-Mar-2021	BUY	40.00	31-Jan-2022	BUY	45.00

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)



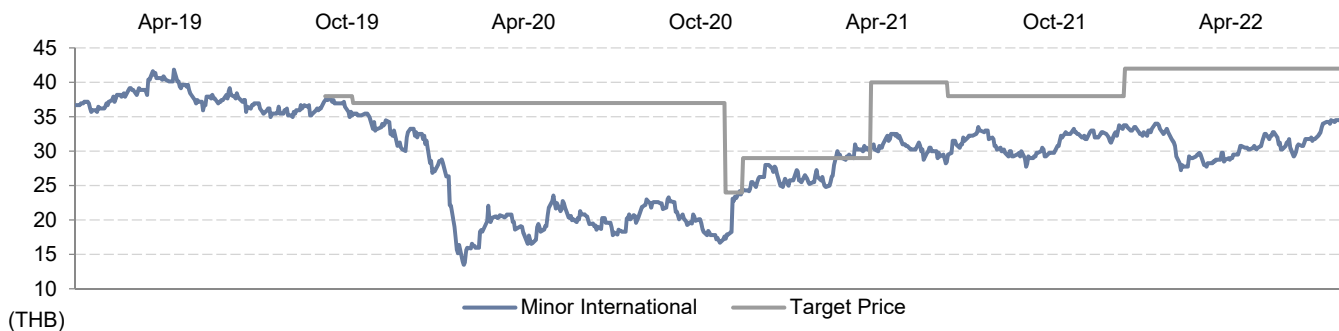
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	17-Feb-2021	HOLD	5.00	22-Feb-2022	BUY	6.00
03-Nov-2020	HOLD	3.50	19-Mar-2021	BUY	6.40			
11-Nov-2020	HOLD	4.20	11-Aug-2021	BUY	5.60			

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)**



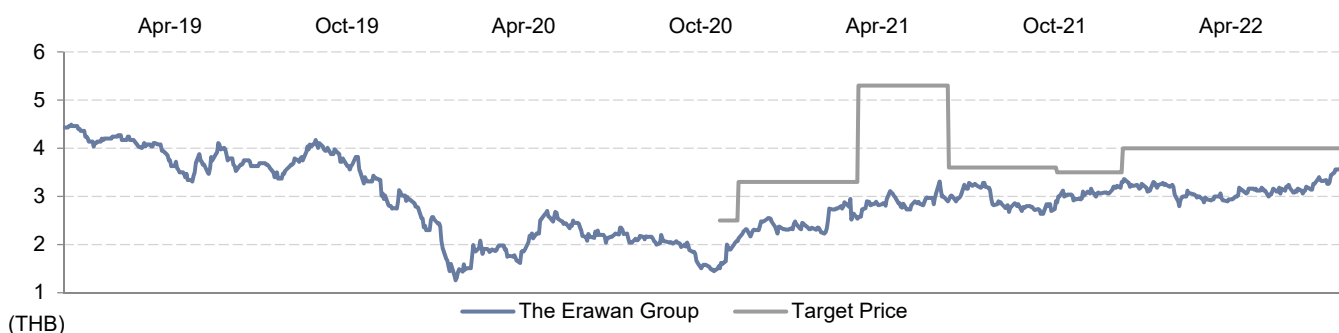
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Nov-2019	HOLD	38.00	18-Nov-2020	BUY	29.00	12-Oct-2021	BUY	42.00
20-Dec-2019	HOLD	37.00	08-Mar-2021	BUY	40.00			
03-Nov-2020	BUY	24.00	13-May-2021	BUY	38.00			

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)**



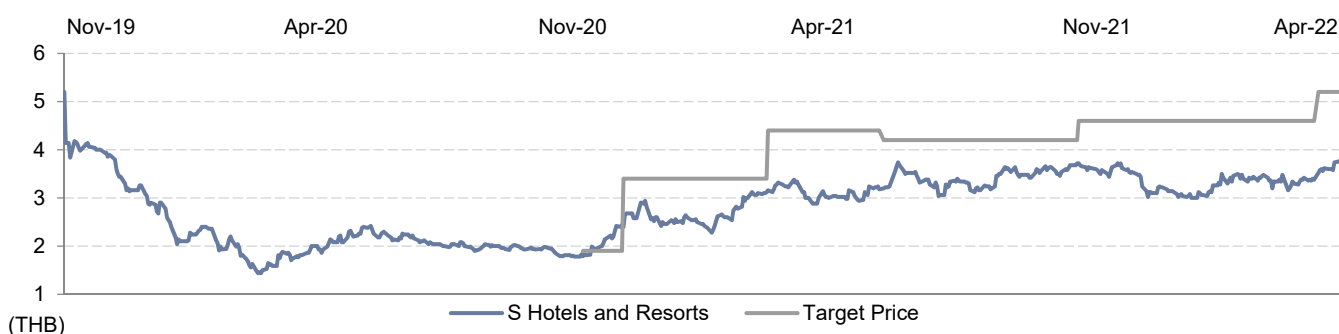
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	01-Mar-2021	BUY	5.30	17-Aug-2021	BUY	3.50
19-Nov-2020	HOLD	3.30	17-May-2021	BUY	3.60	12-Oct-2021	BUY	4.00

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	25-Mar-2022	BUY	5.20

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 43.00	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.
Asset World Corp	AWC TB	THB 5.00	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Minor International	MINT TB	THB 35.25	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 3.76	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.
S Hotels and Resorts	SHR TB	THB 4.28	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 22-Apr-2022 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.