

S HOTELS AND RESORTS

SHR TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

| | |
|-----------------|-----------|
| TARGET PRICE | THB5.20 |
| CLOSE | THB4.06 |
| UP/DOWNSIDE | +28.1% |
| PRIOR TP | THB5.20 |
| CHANGE IN TP | UNCHANGED |
| TP vs CONSENSUS | -0.4% |

Place to stay during volatile market

- Positive feedback from Singapore Property Days event.
- Thailand, UK, Fiji and Mauritius had solid OCC rates in April; expect earnings to turn profitable this year.
- Maintain BUY with DCF-based TP of THB5.2/shr; cheap valuation at only 0.9x 2023E P/BV.

April OCC rate has improved for all portfolios vs 1Q22

SHR joined the Singapore Property Days event hosted by BNP Paribas on 19 May. We also joined the meeting and had positive feedback. The recovery momentum has continued in 2Q22. The Thai hotels OCC rate improved to 59% in April (vs 38% in 1Q22) thanks to the border reopening. UK hotels entered the high tourism season with an OCC rate of 60% in April, and should reach 80% during Jun to Sep. Meanwhile, the Outrigger and Fiji portfolios significantly recovered in April with a 60% OCC rate for Fiji (vs 36% in 1Q22) and 62% for Mauritius (vs 27% in 1Q22) thanks to easing travel restrictions. The Maldives hotels OCC rate remained solid at 77% (vs 74% in 1Q22) despite entering the low season.

Strong ADR to more than offset rising costs

Although we have seen operating costs slightly increase in 1Q22 due to rising inflation, we believe a revenue recovery from 2Q22 onward should more than offset the higher cost. The ADR of Maldives and UK hotels has already exceeded the pre-Covid level, and the ADR of Thai hotels should reach the pre-Covid level in 2H22. This would support the EBITDA margin to improve throughout this year. As a result, we expect SHR to turn profitable in 2022. We forecast revenue to jump by 81% – slightly conservative vs management's guidance of 100% – and the EBITDA margin to improve to 26% in 2022 (vs 12% in 2021 and 15% in 1Q22).

Expect revenue to triple by 2025

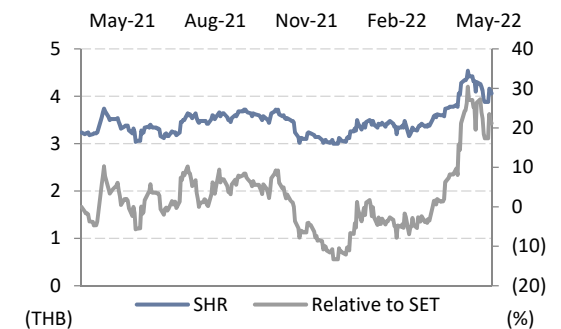
SHR expects its revenue to triple over the next three years, led by the improving profitability of existing assets, asset rotations for the UK portfolio to uplift ADR, and the opening of a third hotel in Maldives in 2023. In addition, SHR also plans for inorganic growth, including M&A deals with a budget of THB4.5b targeting assets in coastal APAC, the Mediterranean and Indian Ocean, with an IRR of 12-14%. SHR also plans to launch an asset-light platform to increase its hotel portfolio.

Cheap valuation with operations to improve throughout this year

SHR is trading at an attractive valuation of 0.9x 2023E P/BV (vs peers' average of 2.2x) and 10x 2023E EV/EBITDA (vs peers' average of 16x). A short-term catalyst is the operational recovery momentum for all portfolios over 2Q-4Q22, in our view.

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|---------|-------|-------|--------|
| Revenue | 4,512 | 8,155 | 9,598 | 10,196 |
| Net profit | (1,234) | 117 | 512 | 709 |
| EPS (THB) | (0.34) | 0.03 | 0.14 | 0.20 |
| vs Consensus (%) | - | 66.7 | 40.0 | 14.3 |
| EBITDA | 363 | 1,937 | 2,508 | 2,757 |
| Core net profit | (1,229) | 117 | 512 | 709 |
| Core EPS (THB) | (0.34) | 0.03 | 0.14 | 0.20 |
| Chg. In EPS est. (%) | nm | - | - | - |
| EPS growth (%) | nm | nm | 339.1 | 38.6 |
| Core P/E (x) | (11.9) | 125.2 | 28.5 | 20.6 |
| Dividend yield (%) | - | 0.3 | 1.4 | 1.9 |
| EV/EBITDA (x) | 84.7 | 13.8 | 9.9 | 8.5 |
| Price/book (x) | 0.9 | 0.9 | 0.9 | 0.9 |
| Net debt/Equity (%) | 101.9 | 76.2 | 62.4 | 52.4 |
| ROE (%) | (7.8) | 0.7 | 3.2 | 4.3 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|----------------------------------|---------|----------|
| Absolute (%) | 7.4 | 16.7 | 31.0 |
| Relative to country (%) | 12.4 | 24.5 | 26.8 |
| Mkt cap (USD m) | 424 | | |
| 3m avg. daily turnover (USD m) | 2.1 | | |
| Free float (%) | 38 | | |
| Major shareholder | S Hotels and Resorts Inter (49%) | | |
| 12m high/low (THB) | 4.64/2.94 | | |
| Issued shares (m) | 3,593.64 | | |

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

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

Maldives has reopened its borders to international tourists since 15 Jul-20. SHR's two hotels in Maldives (40% of total revenue as of 2020) should capture the strong tourism recovery. Its UK portfolio has also recovered after travel restrictions were eased.

SHR's share price is attractive as it has been trading at a deep discount to its THB4.4/shr book value as of 4Q21 and has a potential upside from M&A deals, considering that it has a strong balance sheet with only 0.9x IBD/E as of 1Q22.

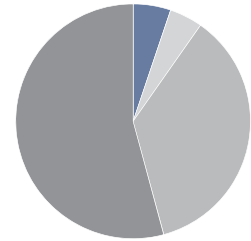
Company profile

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

www.shotelsresorts.com

Principal activities (revenue, 2021)

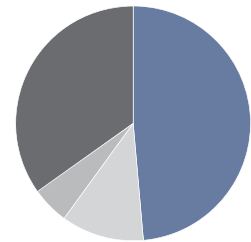
- Self-managed - 5.2 %
- Outrigger - 4.5 %
- Crossroads Ph1 (Maldives hotels) - 36.1 %
- UK - 54.2 %



Source: S Hotels and Resorts

Major shareholders

- S Hotels and Resorts Inter - 48.6 %
- S Hotels and Resorts (SG) - 11.4 %
- Thai NVDR - 5.2 %
- Others - 34.9 %



Source: S Hotels and Resorts

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following a global tourism recovery; 2) the easing of global travel restrictions; and 3) M&A deals.

Risks to our call

Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Event calendar

| Date | Event |
|----------|---------------------------|
| Aug 2022 | 1Q22 results announcement |

Key assumptions

| | 2022E | 2023E | 2024E |
|--|-------|-------|-------|
| | (%) | (%) | (%) |
| Self-Managed - Number of rooms (no.) | 657 | 657 | 657 |
| Self-Managed - Occupancy rate (OCC) | 50.0 | 70.0 | 71.9 |
| Self-Managed - RevPAR growth | 346.9 | 67.2 | 5.8 |
| Project Crossroads - Number of rooms (no.) | 376 | 376 | 376 |
| Project Crossroads - Occupancy rate (OCC) | 70.0 | 71.0 | 72.0 |
| Project Crossroads - RevPAR growth | 57.4 | 4.5 | 5.5 |
| UK - Number of rooms (no.) | 2,790 | 2,690 | 2,690 |
| UK - Occupancy rate (OCC) | 65.0 | 70.0 | 71.0 |
| UK - RevPAR growth | 34.8 | 13.6 | 7.0 |

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC rate, we project a 2023 profit increase of 23%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2023 profit increase of 14%, and vice versa, all else being equal.

Source: FSSIA estimates

1Q22 results recap

SHR reported a 1Q22 core loss of THB199m, missing Bloomberg's consensus estimate of a THB168m core loss, mainly due to slightly higher-than-expected COGS. SHR's 1Q22 core loss was weaker than its 4Q21 core profit of THB31m due to lower tax income and a lower EBITDA margin.

Revenue dropped by 3% q-q in 1Q22 due to the low season for UK hotels whose OCC rate dropped to 46% in 1Q22 from 57% in 4Q21. The other portfolios' performance improved q-q. The RevPAR of Maldives, Thai and Outrigger hotels improved by 25% q-q, 66% q-q and 8% q-q, respectively.

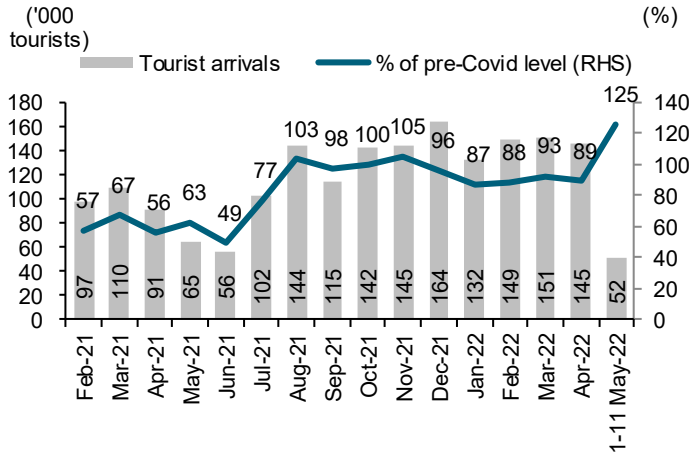
The EBITDA margin declined from 20% in 4Q21 to 15% in 1Q22 due to weaker revenue q-q and 3% q-q higher COGS due to higher fuel costs and energy prices.

Exhibit 1: 1Q22 results review

| | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | Change | | 2022E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|--------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) |
| Sales | 544 | 803 | 1,422 | 1,744 | 1,690 | (3) | 211 | 8,155 |
| - Self-Managed Hotels | 24 | 43 | 32 | 126 | 184 | 46 | 677 | |
| - Outrigger Hotels | 34 | 11 | 10 | 159 | 182 | 14 | 440 | |
| - Project Crossroads Hotels | 398 | 281 | 391 | 558 | 655 | 17 | 64 | |
| - UK | 88 | 468 | 989 | 900 | 669 | (26) | 660 | |
| COGS (Incl. depreciation) | (566) | (786) | (1,019) | (1,226) | (1,259) | 3 | 122 | (5,341) |
| Gross Profit | (22) | 18 | 403 | 518 | 431 | (17) | (2,033) | 2,814 |
| SG&A | (306) | (418) | (498) | (519) | (459) | (12) | 50 | (2,091) |
| Operating Profit | (329) | (401) | (95) | (1) | (28) | (2,692) | 91 | 723 |
| Other income | 46 | 27 | 12 | 76 | 10 | (86) | (77) | 165 |
| - Interest income from JV | 25 | | | | | | | 0 |
| - Other income | 21 | 27 | 12 | 76 | 10 | (86) | (50) | 165 |
| Interest expense | (131) | (192) | (194) | (176) | (176) | (0) | 34 | (753) |
| Pretax profit | (414) | (566) | (277) | (101) | (194) | (91) | 53 | 136 |
| Income Tax | (1) | 13 | (12) | 131 | 4 | (97) | (541) | 0 |
| Associates | (6) | 3 | (1) | 1 | (9) | (821) | 45 | (19) |
| Minority interest | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Core profit | (421) | (549) | (291) | 31 | (199) | (736) | 53 | 117 |
| Extraordinaries, GW & FX | 110 | (22) | 9 | (101) | (5) | (95) | (105) | 0 |
| Net unrealized (loss)/gain on FX | 7 | (30) | 9 | (7) | (5) | (28) | (172) | |
| Non-recurring items | 103 | 8 | | (94) | | | | |
| Reported net profit | (311) | (571) | (282) | (70) | (204) | (191) | 34 | 117 |
| Shares out (end Q, m) | 3,664 | 3,664 | 3,664 | 3,664 | 3,664 | 0 | 0 | 3,664 |
| Core EPS | (0.11) | (0.15) | (0.08) | 0.01 | (0.05) | (736) | (53) | 0.03 |
| EPS | (0.08) | (0.16) | (0.08) | (0.02) | (0.06) | 191 | (34) | 0.03 |
| COGS (Excl. depreciation) | (319) | (446) | (681) | (961) | (971) | 1 | 205 | (4,128) |
| Depreciation | (247) | (340) | (337) | (265) | (288) | 9 | 16 | (1,213) |
| EBITDA | (42) | (31) | 253 | 341 | 261 | (23) | (729) | 2,083 |
| Key ratios | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) |
| Gross margin | (4) | 2 | 28 | 30 | 25 | (4) | 30 | 35 |
| SG&A/Revenue | 56 | 52 | 35 | 30 | 27 | (3) | (29) | 26 |
| EBITDA margin | (8) | (4) | 18 | 20 | 15 | (4) | 23 | 26 |
| Net profit margin | (57) | (71) | (20) | (4) | (12) | (8) | 45 | 1 |
| Operating stats | | | | | | | | |
| Self-Managed Hotels | | | | | | | | |
| OCC (%) | 11.1 | 12.6 | 14.2 | 30.4 | 37.7 | | | |
| ADR (THB) | 2,705 | 2,949 | 2,440 | 4,268 | 5,708 | | | |
| RevPAR (THB) | 301 | 372 | 346 | 1,298 | 2,152 | | | |
| Outrigger Hotels | | | | | | | | |
| OCC (%) | 9.9 | 5.9 | 6.5 | 31.2 | 32.7 | | | |
| ADR (THB) | 2,284 | 2,383 | 1,900 | 6,760 | 6,965 | | | |
| RevPAR (THB) | 225 | 141 | 1,128 | 2,111 | 2,275 | | | |
| Project Crossroads Hotels | | | | | | | | |
| OCC (%) | 67.1 | 44.4 | 56.7 | 63.1 | 74.3 | | | |
| ADR (THB) | 8,287 | 8,088 | 9,954 | 13,944 | 14,843 | | | |
| RevPAR (THB) | 5,564 | 3,589 | 5,640 | 8,796 | 11,028 | | | |
| UK Hotels | | | | | | | | |
| OCC (%) | 18.1 | 34.4 | 67.9 | 57.4 | 46.2 | | | |
| ADR (THB) | 2,173 | 2,837 | 3,664 | 3,511 | 3,065 | | | |
| RevPAR (THB) | 394 | 977 | 2,489 | 2,015 | 1,415 | | | |

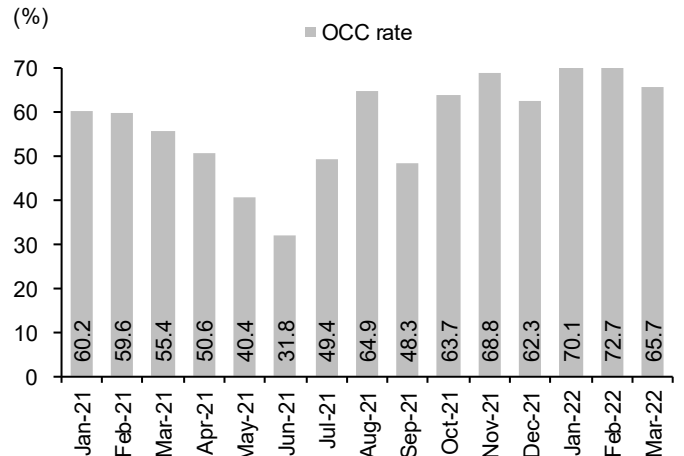
Sources: SHR; FSSIA estimates

Exhibit 2: Maldives industry – tourist arrivals



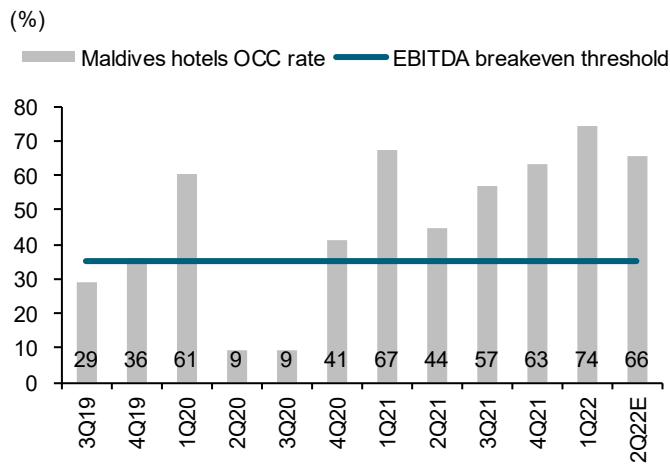
Source: Ministry of Tourism, Republic of Maldives

Exhibit 3: Maldives industry – average OCC rate of Maldives hotels



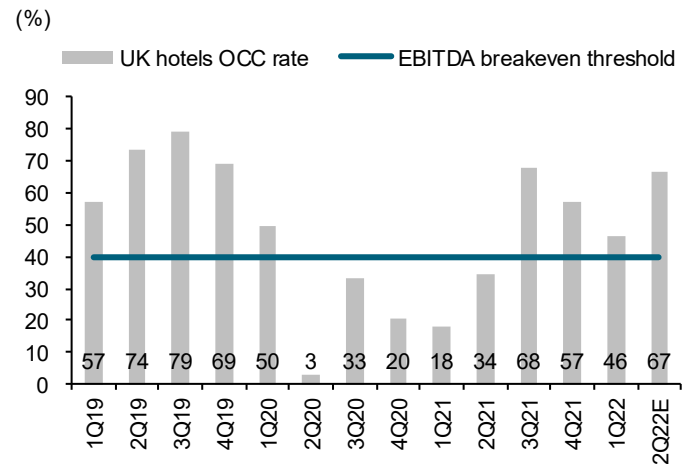
Source: Ministry of Tourism, Republic of Maldives

Exhibit 4: SHR's Crossroads (Maldives) hotels OCC rate



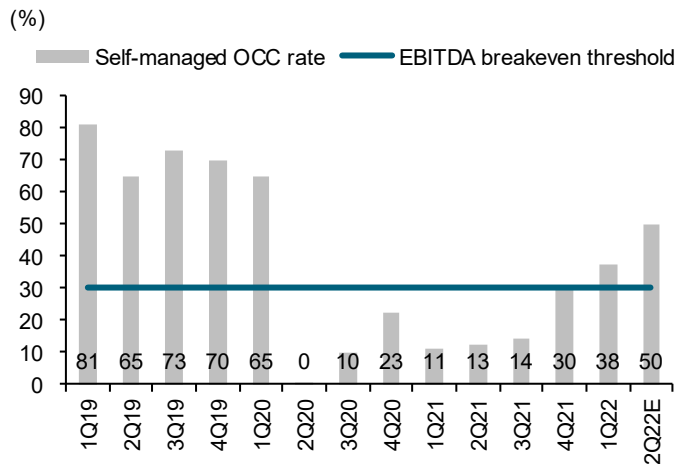
Sources: SHR; FSSIA estimates

Exhibit 5: SHR's UK hotels OCC rate



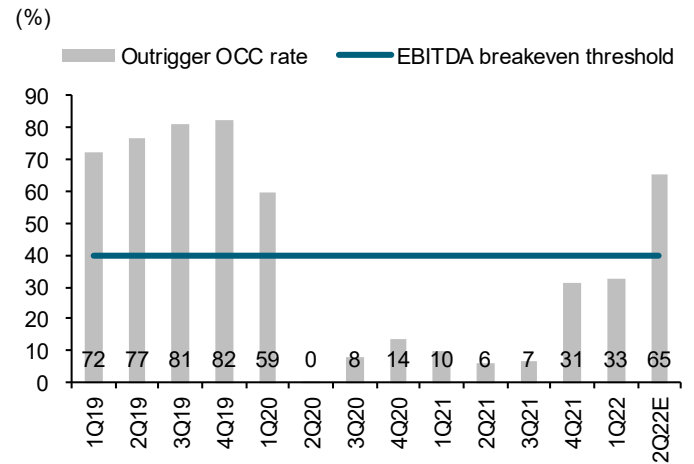
Sources: SHR; FSSIA estimates

Exhibit 6: SHR's self-managed (Thailand) hotels OCC rate



Sources: SHR; FSSIA estimates

Exhibit 7: Outrigger (Mauritius, Fiji) hotels OCC rate



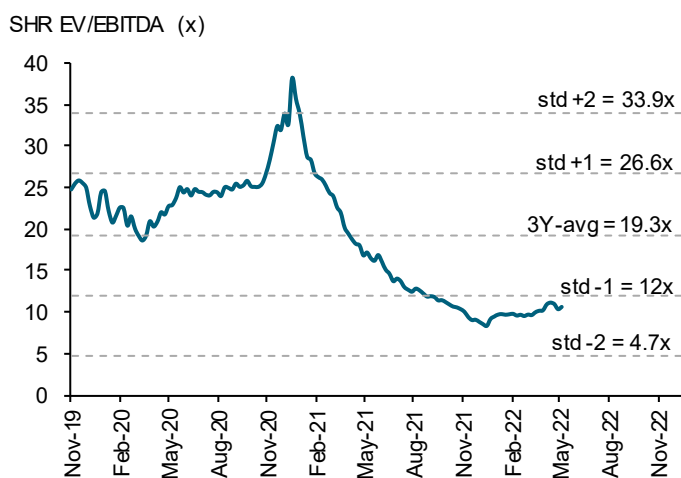
Sources: SHR; FSSIA estimates

Exhibit 8: Peers comparison as of 19 May-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) |
| Thailand | | | | | | | | | | | | | | |
| Asset World Corp | AWC TB | BUY | 4.78 | 6.00 | 26 | 4,441 | 523.9 | 73.3 | 0.4 | 2.6 | 1.9 | 1.8 | 67.0 | 34.4 |
| Minor International | MINT TB | BUY | 33.00 | 45.00 | 36 | 5,000 | 65.9 | 27.8 | 4.2 | 10.0 | 2.4 | 2.8 | 12.8 | 11.0 |
| Central Plaza Hotel | CEN TEL TB | BUY | 40.00 | 49.00 | 23 | 1,568 | 91.3 | 26.1 | 3.2 | 10.5 | 2.9 | 2.6 | 17.3 | 11.6 |
| Erawan Group | ERW TB | BUY | 3.64 | 4.00 | 10 | 479 | (164.6) | 40.4 | (1.7) | 6.7 | 2.8 | 2.6 | 24.9 | 14.4 |
| S Hotels & Resorts | SHR TB | BUY | 4.06 | 5.20 | 28 | 424 | 125.2 | 28.5 | 0.7 | 3.2 | 0.9 | 0.9 | 13.8 | 9.9 |
| Thailand average | | | | | | 11,911 | 128.3 | 39.2 | 1.4 | 6.6 | 2.2 | 2.2 | 27.2 | 16.3 |
| Regional | | | | | | | | | | | | | | |
| Shanghai Jin Jiang Capital | 2006 HK | n/a | 3.09 | n/a | n/a | 2,192 | 138.3 | 36.5 | 1.1 | 4.2 | 1.6 | 1.5 | n/a | n/a |
| Btg Hotels Group | 600258 CH | n/a | 21.65 | n/a | n/a | 3,638 | 77.0 | 24.5 | 2.5 | 8.1 | 2.1 | 2.0 | 22.6 | 12.5 |
| Sh Jinjiang Intl Hotels | 900934 CH | n/a | 1.93 | n/a | n/a | 7,219 | 24.2 | 7.6 | 3.8 | 10.0 | 0.8 | 0.8 | 30.5 | 16.6 |
| Huangshan Tourism Develop | 900942 CH | n/a | 0.72 | n/a | n/a | 927 | 54.8 | 12.0 | 1.0 | 6.6 | 0.8 | 0.8 | 26.7 | 9.4 |
| Genting Bhd | GENT MK | n/a | 4.86 | n/a | n/a | 4,208 | 15.4 | 10.8 | 2.9 | 4.9 | 0.6 | 0.6 | 7.8 | 6.7 |
| Greentree Hospitality | GHG US | n/a | 4.00 | n/a | n/a | 412 | 13.6 | 7.8 | 9.8 | 14.9 | 1.2 | 1.0 | 7.2 | 4.1 |
| Huazhu Group | HTHT US | n/a | 28.78 | n/a | n/a | 9,262 | 212.7 | 29.3 | 3.2 | 17.7 | 5.3 | 4.5 | 32.5 | 13.2 |
| Indian Hotels | IH IN | n/a | 220.10 | n/a | n/a | 4,067 | n/a | 52.7 | (4.5) | 7.9 | 5.3 | 4.2 | 63.3 | 24.9 |
| Lemon Tree Hotels | LEMONTRE IN | n/a | 60.45 | n/a | n/a | 633 | n/a | 102.9 | (6.2) | 4.8 | 5.7 | 5.5 | 47.5 | 21.6 |
| Lippo Karawaci | LPKR IJ | n/a | 122.00 | n/a | n/a | 605 | 28.3 | 16.9 | 1.6 | 2.7 | 0.5 | 0.4 | 8.7 | 7.7 |
| Regional average | | | | | | 33,163 | 70.6 | 30.1 | 1.5 | 8.2 | 2.4 | 2.1 | 27.4 | 13.0 |
| Overall average | | | | | | 45,074 | 92.8 | 33.1 | 1.5 | 7.6 | 2.3 | 2.1 | 27.3 | 14.1 |

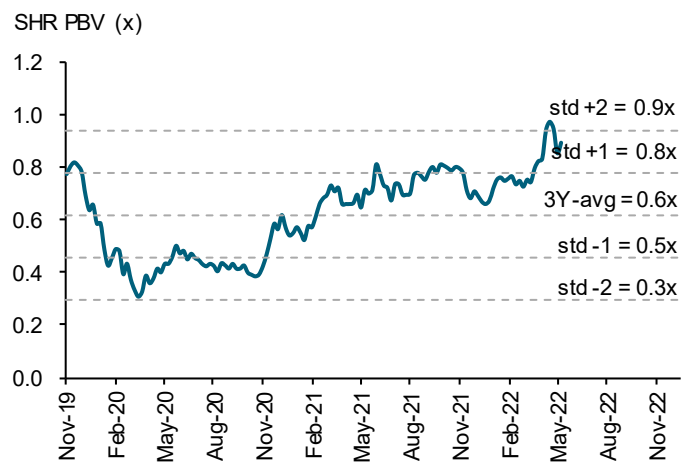
Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

S Hotels and Resorts

| Profit and Loss (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------------|----------------|--------------|--------------|--------------|
| Revenue | 1,563 | 4,512 | 8,155 | 9,598 | 10,196 |
| Cost of goods sold | (683) | (2,407) | (4,128) | (4,706) | (4,961) |
| Gross profit | 880 | 2,105 | 4,027 | 4,892 | 5,235 |
| Other operating income | - | - | - | - | - |
| Operating costs | (1,480) | (1,742) | (2,091) | (2,383) | (2,479) |
| Operating EBITDA | (600) | 363 | 1,937 | 2,508 | 2,757 |
| Depreciation | (986) | (1,189) | (1,213) | (1,263) | (1,317) |
| Goodwill amortisation | - | - | - | - | - |
| Operating EBIT | (1,586) | (826) | 723 | 1,245 | 1,439 |
| Net financing costs | (377) | (693) | (753) | (714) | (675) |
| Associates | (172) | (3) | (19) | (50) | (22) |
| Recurring non-operating income | 51 | 158 | 146 | 121 | 151 |
| Non-recurring items | (462) | (5) | 0 | 0 | 0 |
| Profit before tax | (2,374) | (1,366) | 117 | 652 | 916 |
| Tax | 4 | 131 | 0 | (140) | (206) |
| Profit after tax | (2,371) | (1,234) | 117 | 512 | 709 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | (2,371) | (1,234) | 117 | 512 | 709 |
| Non-recurring items & goodwill (net) | 462 | 5 | 0 | 0 | 0 |
| Recurring net profit | (1,908) | (1,229) | 117 | 512 | 709 |
| Per share (THB) | | | | | |
| Recurring EPS * | (0.53) | (0.34) | 0.03 | 0.14 | 0.20 |
| Reported EPS | (0.66) | (0.34) | 0.03 | 0.14 | 0.20 |
| DPS | 0.00 | 0.00 | 0.01 | 0.06 | 0.08 |
| Diluted shares (used to calculate per share data) | 3,594 | 3,594 | 3,594 | 3,594 | 3,594 |
| Growth | | | | | |
| Revenue (%) | (59.1) | 188.7 | 80.7 | 17.7 | 6.2 |
| Operating EBITDA (%) | nm | nm | 433.1 | 29.5 | 9.9 |
| Operating EBIT (%) | nm | nm | nm | 72.2 | 15.6 |
| Recurring EPS (%) | nm | nm | nm | 339.1 | 38.6 |
| Reported EPS (%) | nm | nm | nm | 339.1 | 38.6 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | (6.7) | 20.3 | 34.5 | 37.8 | 38.4 |
| Gross margin of key business (%) | (6.7) | 20.3 | 34.5 | 37.8 | 38.4 |
| Operating EBITDA margin (%) | (38.4) | 8.1 | 23.7 | 26.1 | 27.0 |
| Operating EBIT margin (%) | (101.5) | (18.3) | 8.9 | 13.0 | 14.1 |
| Net margin (%) | (122.1) | (27.2) | 1.4 | 5.3 | 7.0 |
| Effective tax rate (%) | 0.2 | 9.7 | 20.0 | 20.0 | 22.0 |
| Dividend payout on recurring profit (%) | - | - | 40.0 | 40.0 | 40.0 |
| Interest cover (X) | (4.1) | (1.0) | 1.2 | 1.9 | 2.4 |
| Inventory days | 127.9 | 28.3 | 23.7 | 28.1 | 29.2 |
| Debtor days | 39.7 | 17.8 | 17.3 | 14.7 | 13.9 |
| Creditor days | 615.3 | 168.5 | 229.3 | 310.1 | 335.9 |
| Operating ROIC (%) | (7.9) | (2.9) | 2.0 | 3.8 | 4.5 |
| ROIC (%) | (6.6) | (2.1) | 2.2 | 3.8 | 4.5 |
| ROE (%) | (11.4) | (7.8) | 0.7 | 3.2 | 4.3 |
| ROA (%) | (5.4) | (1.9) | 1.9 | 2.8 | 3.2 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Self-managed | 329 | 234 | 1,037 | 1,671 | 1,768 |
| Outrigger | 607 | 205 | 1,157 | 1,471 | 1,558 |
| Crossroads Ph1 (Maldives hotels) | 627 | 1,627 | 2,374 | 2,453 | 2,587 |
| UK | 0 | 2,446 | 3,587 | 4,003 | 4,283 |

Sources: S Hotels and Resorts; FSSIA estimates

Financial Statements

S Hotels and Resorts

| Cash Flow (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|----------------|----------------|---------------|---------------|----------------|
| Recurring net profit | (1,908) | (1,229) | 117 | 512 | 709 |
| Depreciation | 986 | 1,189 | 1,213 | 1,263 | 1,317 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | (497) | (190) | (6) | (6) | (6) |
| Change in working capital | (1,357) | (750) | 3,231 | 748 | 179 |
| Cash flow from operations | (2,776) | (981) | 4,555 | 2,517 | 2,200 |
| Capex - maintenance | (116) | (11,050) | (483) | (570) | (606) |
| Capex - new investment | - | - | - | - | - |
| Net acquisitions & disposals | (186) | 1,555 | 0 | 0 | 0 |
| Other investments (net) | - | - | - | - | - |
| Cash flow from investing | (302) | (9,495) | (483) | (570) | (606) |
| Dividends paid | 0 | 0 | 0 | (47) | (205) |
| Equity finance | 26 | 13 | (44) | 0 | 0 |
| Debt finance | 1,769 | 8,476 | (900) | (900) | (900) |
| Other financing cash flows | 29 | 1,408 | 0 | 0 | 0 |
| Cash flow from financing | 1,824 | 9,897 | (944) | (947) | (1,105) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (1,255) | (579) | 3,128 | 1,000 | 489 |
| Free cash flow to firm (FCFF) | (2,701.00) | (9,783.45) | 4,824.41 | 2,660.64 | 2,269.20 |
| Free cash flow to equity (FCFE) | (1,280.72) | (591.92) | 3,171.83 | 1,046.75 | 694.02 |
| Per share (THB) | | | | | |
| FCFF per share | (0.75) | (2.72) | 1.34 | 0.74 | 0.63 |
| FCFE per share | (0.36) | (0.16) | 0.88 | 0.29 | 0.19 |
| Recurring cash flow per share | (0.39) | (0.06) | 0.37 | 0.49 | 0.56 |
| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
| Tangible fixed assets (gross) | 25,004 | 36,405 | 36,894 | 37,470 | 38,082 |
| Less: Accumulated depreciation | (4,910) | (6,444) | (7,657) | (8,920) | (10,238) |
| Tangible fixed assets (net) | 20,093 | 29,961 | 29,237 | 28,550 | 27,844 |
| Intangible fixed assets (net) | 1,023 | 1,641 | 1,641 | 1,641 | 1,641 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 1,982 | 427 | 427 | 427 | 427 |
| Cash & equivalents | 2,493 | 1,914 | 5,042 | 6,042 | 6,531 |
| A/C receivable | 52 | 387 | 387 | 387 | 387 |
| Inventories | 176 | 198 | 339 | 387 | 408 |
| Other current assets | 918 | 2,224 | 941 | 1,107 | 1,176 |
| Current assets | 3,638 | 4,723 | 6,709 | 7,923 | 8,503 |
| Other assets | 381 | 463 | 463 | 463 | 463 |
| Total assets | 27,117 | 37,214 | 38,476 | 39,003 | 38,877 |
| Common equity | 15,676 | 15,882 | 15,955 | 16,420 | 16,924 |
| Minorities etc. | 0 | 0 | 0 | 0 | 0 |
| Total shareholders' equity | 15,676 | 15,882 | 15,955 | 16,420 | 16,924 |
| Long term debt | 9,487 | 18,092 | 17,192 | 16,292 | 15,392 |
| Other long-term liabilities | 890 | 1,392 | 1,392 | 1,392 | 1,392 |
| Long-term liabilities | 10,377 | 19,485 | 18,585 | 17,685 | 16,785 |
| A/C payable | 587 | 1,635 | 3,552 | 4,445 | 4,686 |
| Short term debt | 130 | 0 | 0 | 0 | 0 |
| Other current liabilities | 347 | 213 | 385 | 453 | 482 |
| Current liabilities | 1,064 | 1,848 | 3,937 | 4,899 | 5,168 |
| Total liabilities and shareholders' equity | 27,117 | 37,214 | 38,476 | 39,003 | 38,877 |
| Net working capital | 211 | 961 | (2,270) | (3,018) | (3,197) |
| Invested capital | 23,690 | 33,453 | 29,497 | 28,062 | 27,178 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 4.36 | 4.42 | 4.44 | 4.57 | 4.71 |
| Tangible book value per share | 4.08 | 3.96 | 3.98 | 4.11 | 4.25 |
| Financial strength | | | | | |
| Net debt/equity (%) | 45.4 | 101.9 | 76.2 | 62.4 | 52.4 |
| Net debt/total assets (%) | 26.3 | 43.5 | 31.6 | 26.3 | 22.8 |
| Current ratio (x) | 3.4 | 2.6 | 1.7 | 1.6 | 1.6 |
| CF interest cover (x) | (2.4) | 0.1 | 5.2 | 2.5 | 2.0 |
| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
| Recurring P/E (x) * | (7.6) | (11.9) | 125.2 | 28.5 | 20.6 |
| Recurring P/E @ target price (x) * | (9.8) | (15.2) | 160.3 | 36.5 | 26.3 |
| Reported P/E (x) | (6.2) | (11.8) | 125.2 | 28.5 | 20.6 |
| Dividend yield (%) | - | - | 0.3 | 1.4 | 1.9 |
| Price/book (x) | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| Price/tangible book (x) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| EV/EBITDA (x) ** | (36.2) | 84.7 | 13.8 | 9.9 | 8.5 |
| EV/EBITDA @ target price (x) ** | (43.0) | 96.0 | 15.9 | 11.5 | 10.0 |
| EV/invested capital (x) | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income | | | | | |

Sources: S Hotels and Resorts; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL | | | | | | | | | | |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|-------|
| AAV | ADVANC | AF | AIRA | AKP | AKR | ALT | AMA | AMATA | AMATAV | ANAN |
| AOT | AP | ARIP | ARROW | ASP | BAFS | BANPU | BAY | BCP | BCPG | BDMS |
| BEC | BEM | BGRIM | BIZ | BKI | BLA | BOL | BPP | BRR | BTS | BWG |
| CENTEL | CFRESH | CHEWA | CHO | CIMBT | CK | CKP | CM | CNT | COL | COMAN |
| COTTO | CPALL | CPF | CPI | CPN | CSS | DELTA | DEMCO | DRT | DTAC | DTC |
| DV8 | EA | EASTW | ECF | ECL | EGCO | EPG | ETE | FNS | FPI | FPT |
| FSMART | GBX | GC | GCAP | GEL | GFPT | GGC | GPSC | GRAMMY | GUNKUL | HANA |
| HARN | HMPRO | ICC | ICI | III | ILINK | INTUCH | IRPC | IVL | JKN | JSP |
| JWD | K | KBANK | KCE | KKP | KSL | KTB | KTC | LANNA | LH | LHFG |
| LIT | LPN | MAKRO | MALEE | MBK | MBKET | MC | MCOT | METCO | MFEC | MINT |
| MONO | MOONG | MSC | MTC | NCH | NCL | NEP | NKI | NOBLE | NSI | NVD |
| NYT | OISHI | ORI | OTO | PAP | PAP | PCSGH | PDJ | PG | PHOL | PLANB |
| PLAT | PORT | PPS | PR9 | PREB | PRG | PRM | PSH | PSL | PTG | PTT |
| PTTEP | PTTGC | PYLON | Q-CON | QH | QTC | RATCH | RS | S | S & J | SAAM |
| SABINA | SAMART | SAMTEL | SAT | SC | SCB | SCC | SCCC | SCG | SCN | SDC |
| SEAFCO | 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

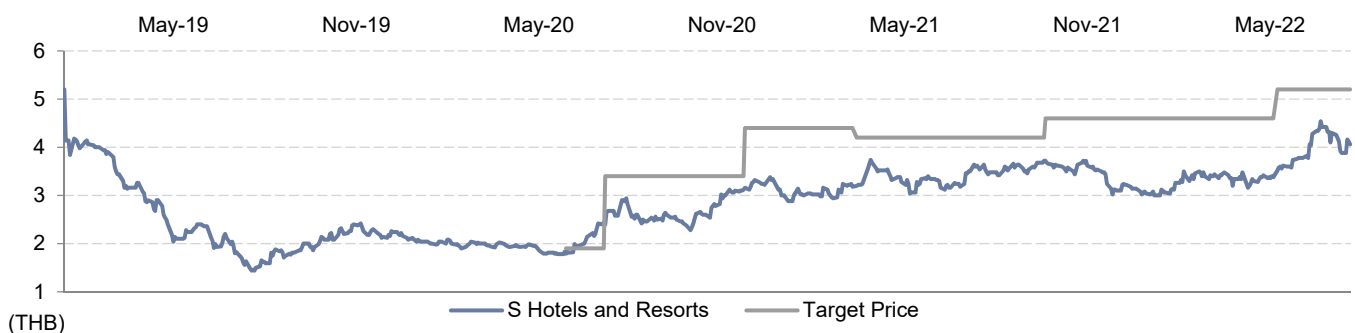
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

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

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)



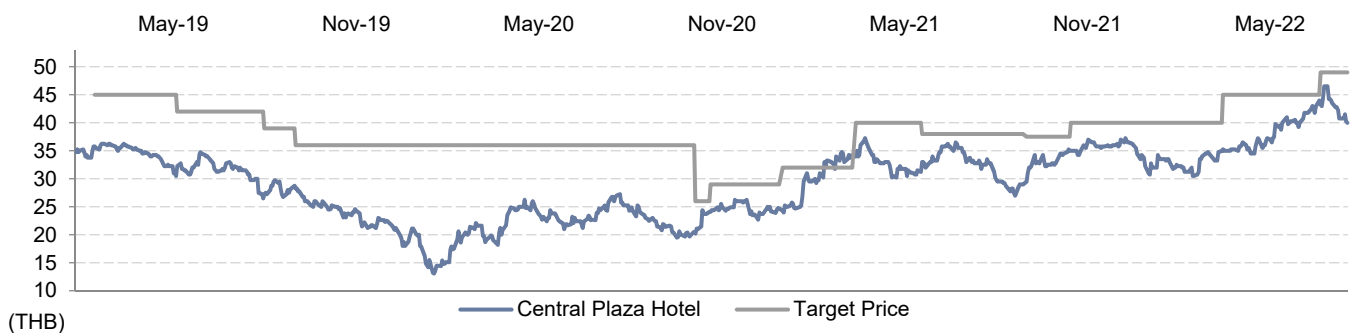
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 26-Nov-2019 | HOLD | 38.00 | 18-Nov-2020 | BUY | 29.00 | 12-Oct-2021 | BUY | 42.00 |
| 20-Dec-2019 | HOLD | 37.00 | 08-Mar-2021 | BUY | 40.00 | 28-Apr-2022 | BUY | 45.00 |
| 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

Central Plaza Hotel (CENTEL TB)



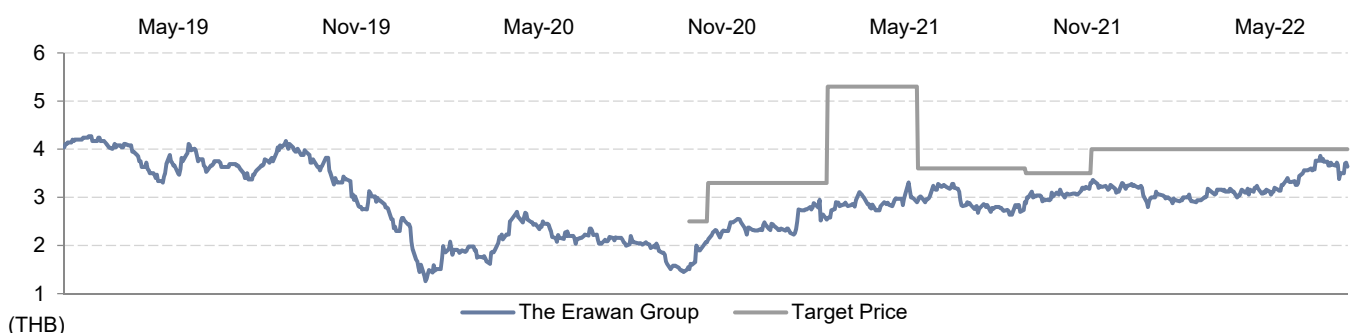
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 06-Jun-2019 | BUY | 45.00 | 16-Nov-2020 | BUY | 29.00 | 22-Sep-2021 | BUY | 40.00 |
| 16-Aug-2019 | BUY | 42.00 | 15-Jan-2021 | BUY | 32.00 | 31-Jan-2022 | BUY | 45.00 |
| 30-Oct-2019 | BUY | 39.00 | 19-Mar-2021 | BUY | 40.00 | 25-Apr-2022 | BUY | 49.00 |
| 26-Nov-2019 | BUY | 36.00 | 17-May-2021 | BUY | 38.00 | | | |
| 03-Nov-2020 | BUY | 26.00 | 13-Aug-2021 | BUY | 37.50 | | | |

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

| Company | Ticker | Price | Rating | Valuation & Risks |
|----------------------|------------|-----------|--------|---|
| S Hotels and Resorts | SHR TB | THB 4.06 | BUY | Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. |
| Asset World Corp | AWC TB | THB 4.78 | 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 33.00 | 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. |
| Central Plaza Hotel | CEN TEL TB | THB 40.00 | 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 3.64 | 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 19-May-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.