

DUSIT THANI DUSIT TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

TARGET PRICE	THB18.00
CLOSE	THB12.20
UP/DOWNSIDE	+47.5%
PRIOR TP	THB18.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+17.7%

Visible growth and diversification

- Positive feedback from analyst meeting: 1) promising outlook for Dusit Foods after partnering with OR; 2) the new business, The Food School, should strengthen its education business; and 3) update on the Dusit Central Park project.
- Maintain BUY with a 2023 DCF-based TP of THB18/shr.

Significant upside from Dusit Foods

DUSIT hosted an analyst meeting and site visit at The Food School on 9 Sep. The meeting confirmed our positive outlook. DUSIT expects Dusit Foods' (DUSIT holds 75% and PTT Oil and Retail Business (OR TB, BUY, TP THB32) holds 25%) revenue to grow at a 15-20% CAGR over 2022-27 to THB2.5b, driven by synergies with OR, the outlet expansions of Bonjour and Kauai, and potential M&A of catering companies. This would offer a significant upside to our forecast of THB1.2b in 2027 for Dusit Foods. DUSIT also plans to spin off and IPO Dusit Foods by 2025.

The Food School to start operating in 4Q22

We also have a positive view on The Food School, the first international multi-brand culinary school, which allows DUSIT to design its own education program and provide an alternative to Le Cordon Blue Dusit Culinary School. As a result, the food and education businesses are diversifying DUSIT's portfolio, and management expects their revenue proportions to reach up to 30% and 8%, respectively, by 2027.

10% share increase in DCP's hotel and residential developer

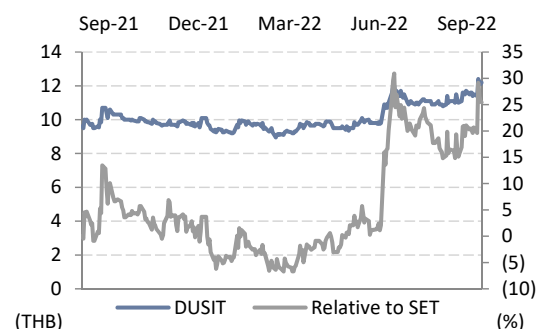
DUSIT recently exercised its call option to buy a 10% share of Vimarn Suriya (the developer of the DCP project's hotel, residential buildings and shopping centre bare shell) from Central Pattana (CPN TB, BUY, TP THB85) for THB460m. This would increase DUSIT's share of Vimarn Suriya to 70% (from 60%). We see this move as positive as DUSIT would recognise additional profits from the hotel and residential project. Based on our projection, we forecast the hotel to contribute a recurring profit of THB170m by 2025, and residences to contribute a one-time profit of up to THB3.0b-4.0b in 2025. On another positive note, management provided an update that the presales of residential projects have risen to 47%, and expects them to reach 50-60% by end-2022 and 100% next year.

Earnings in an upward trend to 2025

DUSIT should offer a series of earnings improvements over the next three years: a turnaround in 2023, an earnings spike in 2024 on DCP's opening, then peaking in 2025 from DCP's residential sales. Its share price should re-rate following the earnings trend. Upsides include Dusit Foods and the higher share proportion of the DCP project.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	2,194	3,698	5,541	7,117
Net profit	(945)	(538)	109	365
EPS (THB)	(1.11)	(0.63)	0.13	0.43
vs Consensus (%)	-	nm	nm	59.3
EBITDA	(734)	174	1,010	1,615
Core net profit	(1,622)	(672)	109	365
Core EPS (THB)	(1.91)	(0.79)	0.13	0.43
Chg. In EPS est. (%)	nm	nm	-	-
EPS growth (%)	nm	nm	nm	235.7
Core P/E (x)	(6.4)	(15.4)	95.5	28.4
Dividend yield (%)	-	-	0.7	2.5
EV/EBITDA (x)	(32.7)	166.4	32.7	23.7
Price/book (x)	3.2	3.8	3.6	3.3
Net debt/Equity (%)	334.8	304.2	246.3	200.5
ROE (%)	(43.1)	(22.3)	3.9	12.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.0	25.1	35.6
Relative to country (%)	4.7	24.1	33.5
Mkt cap (USD m)	286		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	27		
Major shareholder	Chanat family account (50%)		
12m high/low (THB)	12.50/8.40		
Issued shares (m)	850.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

DUSIT will open its first mixed-use project, Dusit Central Park (DCP), consisting of the new flagship hotel, luxury residences and a retail shopping centre at the prime central business district located opposite to Lumpini Park. The total project value is THB46b (THB17.3b for DUSIT's portion) and is scheduled to open in 1Q24.

We expect DUSIT to turn profitable in 2023 when the occupancy (OCC) rate of its existing hotels reaches more than 70% and the non-hotel business turns profitable. Profits should jump in 2024 when the DCP project starts operating, and should peak in 2025 when residential projects start to be transferred.

DUSIT's share price deserves to re-rate, in our view, driven by 1) the DCP project which should drive the profitability margin as it should capture a higher luxury segment with a higher average daily rate (ADR); and 2) a more well-balanced portfolio from the retail shopping mall, food business and education business.

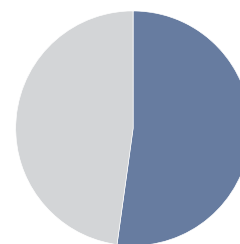
Company profile

DUSIT operates 47 hotels and 267 villas in 16 countries with a total room count of c12,000 currently.

www.dusit.com

Principal activities (revenue, 2021)

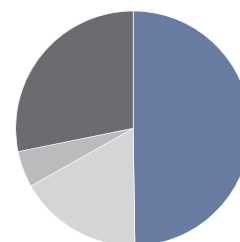
- Hotel revenue - 52.2 %
- Others - 47.8 %



Source: Dusit Thani

Major shareholders

- Chanat family account - 49.7 %
- Central Pattana PCL - 17.1 %
- Ananda Development PCL - 5.0 %
- Others - 28.2 %



Source: Dusit Thani

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following a global tourism recovery; 2) the recovery of domestic business activities; and 3) the Dusit Central Park (DCP) mixed-use project.

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
Nov 2022	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Existing hotels - OCC rate (%)	56	72	73
Existing hotels - ADR (THB)	3,321	3,791	3,904
Food - revenue growth (%)	194	8	2
Education - revenue growth (%)	35	3	4
DCP hotel - OCC rate (%)			67
DCP hotel - ADR (THB)			10,182
DCP retail - OCC rate (%)			90
DCP retail - rental (THB/sqm/month)			1,998

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in the OCC rate of existing hotels, we project a 2024 profit increase of 8% and vice versa, all else being equal.
- For every 1% increase in the OCC rate of DCP hotel, we project a 2024 profit increase of 3%, and vice versa, all else being equal.

Source: FSSIA estimates

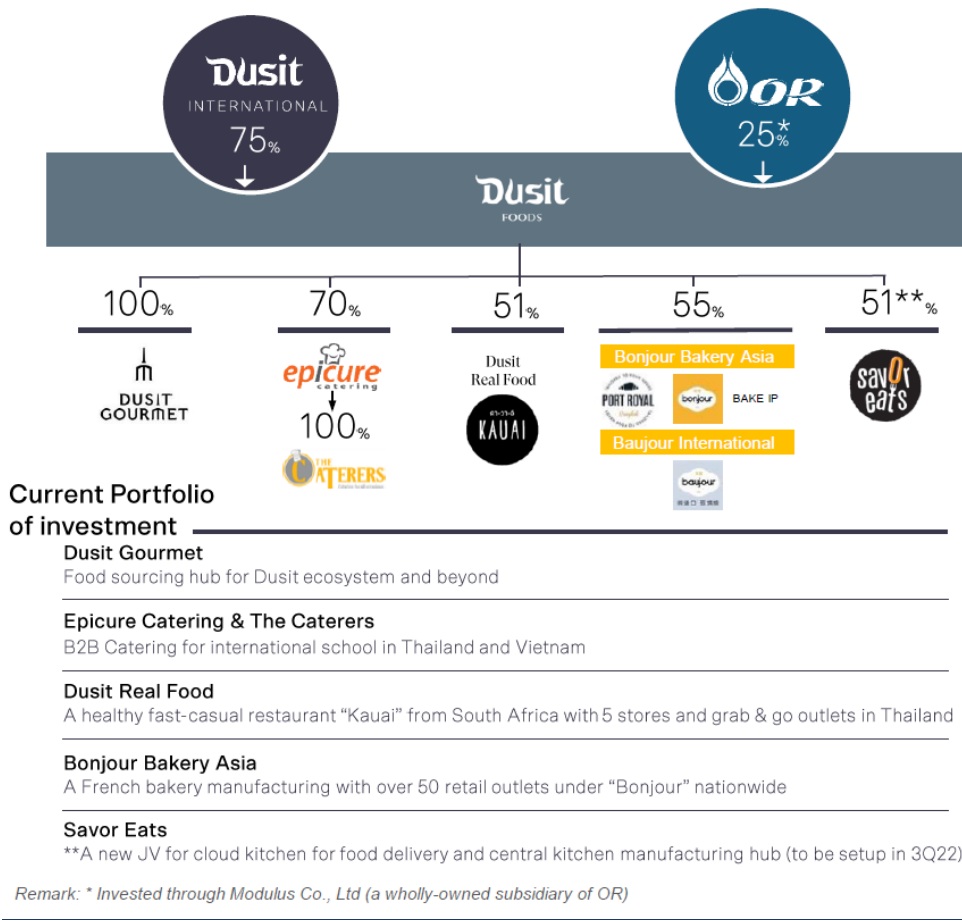
Upside from Dusit Foods after partnering with OR

A subsidiary of OR recently acquired a 25% share of Dusit Foods, a subsidiary of DUSIT which operates a food business, for an investment of THB300m.

Dusit Foods’ portfolio currently consists of 1) Dusit Gourmet which provides sourcing services to operations under DUSIT and customers to optimise quality and cost; 2) Epicure Catering and The Caterers, providers of food & beverages to the international school industry in Thailand and Vietnam; 3) Kauai, a popular healthy fast-casual restaurant chain; 4) Bonjour Bakery Asia which operates the “Bonjour” retail bakery with more than 50 branches in Thailand; and 5) Savor Eats, a new JV for the cloud kitchen concept for food delivery and central kitchen manufacturing.

Management provided some examples of synergy between DUSIT and OR: 1) DUSIT will OEM its bakery to OR’s outlets, especially Café Amazon; 2) there will be collaboration between brands such as Bonjour and Kamu Café to offer in-store bakeries; and 3) DUSIT will open stand-alone shops such as Bonjour in PTT gas stations.

Exhibit 1: Dusit Foods’ structure



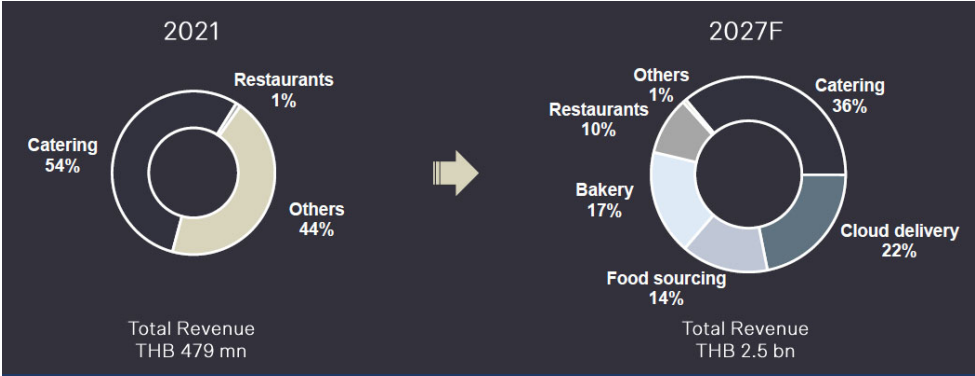
Source: DUSIT

Dusit Foods offers an upside to our forecast

Aside from synergies with OR, another growth driver from Dusit Foods is the outlet expansions of Bonjour (in Thailand and China) and Kauai (in Thailand and other Asian markets, with potential partnerships), the potential M&A of catering companies, and capturing the cloud kitchen market via Savor Eats, a new JV between Dusit Foods and Farm to Plate Processing, which is an innovative food development company.

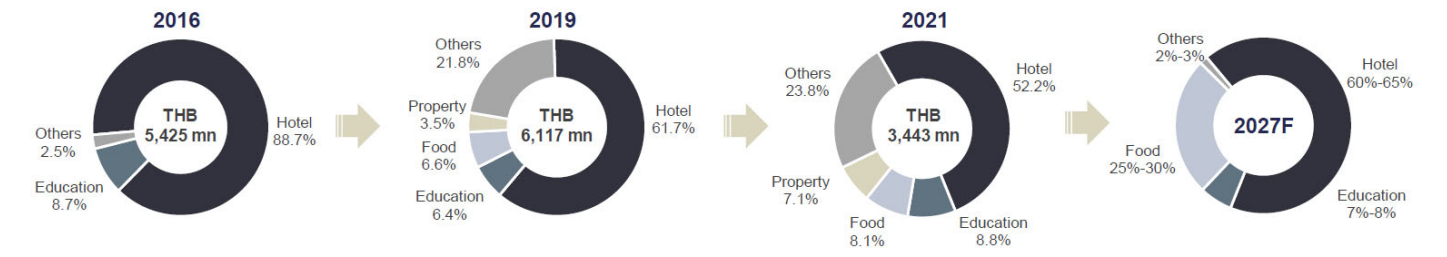
Dusit Foods’ revenue amounted to THB0.5b and accounted for 8% of total revenue in 2021. DUSIT expects the business’ revenue to grow at a 15-20% CAGR over 2022-27 and reach THB2.5b in 2027 (25-30% revenue contribution), with an EBITDA margin of 15-18%. This would offer a significant upside to our forecast of THB1.2b in 2027 for Dusit Foods. DUSIT also plans to spin off and IPO Dusit Foods by 2025.

Exhibit 2: Dusit Foods’ target



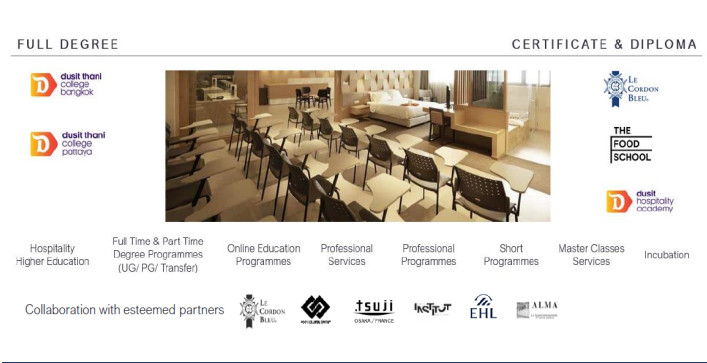
Source: DUSIT

Exhibit 3: Revenue diversification target



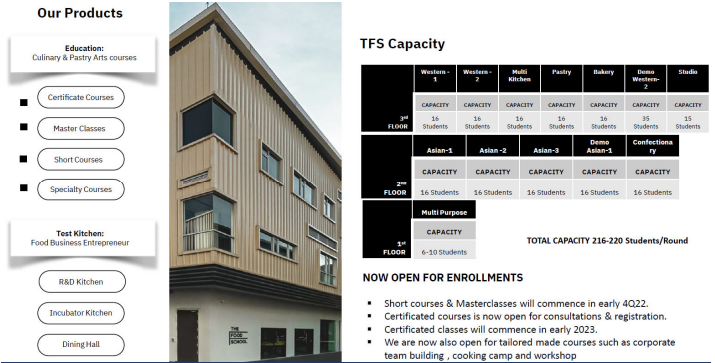
Source: DUSIT

Exhibit 4: Dusit’s education business



Source: DUSIT

Exhibit 5: The Food School summary



Source: DUSIT

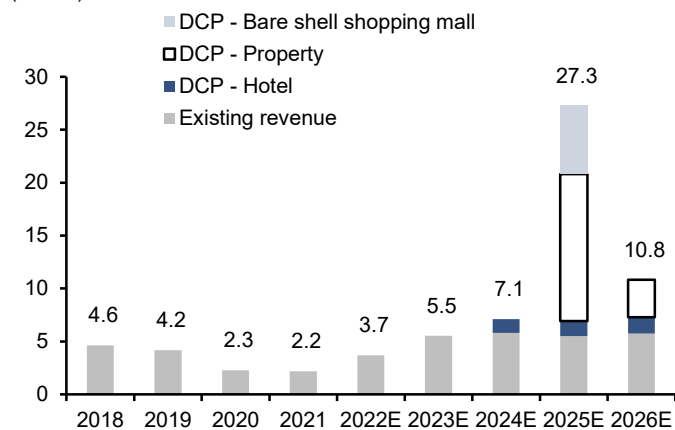
Exhibit 6: DCF valuation

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		1.3			
Cost of equity, Ke		13.4	Net cost of debt, Kd		2.8
Weight applied		50.0	Weight applied		50.0
WACC		8.1			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		11.7	13.8	WACC 8.1%, risk-free rate 3%, risk premium 8%	
Terminal value		21.6	25.4	Terminal growth 3%	
DCP Residential business		2.2	2.6	Project value of THB17.0b with EBITDA margin of 30-35% / DUSIT portion of 60%	
Cash & liquid assets		0.1	0.1	At end-2023E	
Investments		2.4	2.9	At end-2023E	
Debt		(18.3)	(21.5)	At end-2023E	
Minorities		(4.5)	(5.3)	At end-2023E	
Residual ordinary equity		15.3	18.0		

Sources: FSSIA estimates

Exhibit 7: Revenue forecast

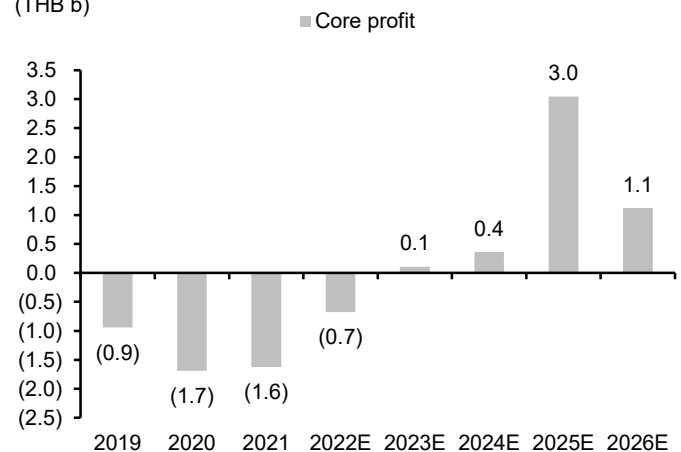
(THB b)



Note: Excludes non-recurring items
 Sources: DUSIT; FSSIA estimates

Exhibit 8: Core profit forecast

(THB b)



Sources: DUSIT; FSSIA estimates

Recap: 2Q22 results review

DUSIT booked a larger q-q core loss of THB292m in 2Q22 (vs the THB263m core loss in 1Q22) mainly due to lower EBITDA from the education business. Including THB34m in non-recurring income (THB37m FX gain and a THB3m loss on measurement of financial assets), the 2Q22 net loss was THB258m.

Hotel business

- Hotel revenue grew by 8% q-q. Owned hotel revenue grew by 2% q-q. The OCC rate increased to 58% in 2Q22 (vs 34% in 1Q22). Revenue from hotel management also improved by 73% q-q.
- The EBITDA margin was relatively flat q-q. Thai hotel operations improved, but were offset by the performance of Maldives hotels during the low season.

Other businesses

- Education business revenue dropped by 38% q-q due to a decrease in the number of students registered for summer courses. The education business booked an EBITDA loss of THB10m in 2Q22 (vs a THB36m profit in 1Q22).
- Food business revenue grew by 19% q-q thanks to the resumption of operations at Epicure Catering. The food business booked an EBITDA loss of THB4m in 2Q22 (vs a THB1m loss in 1Q22) due to the rising cost of ingredients.

Overall

- EBITDA excluding non-recurring items decreased to THB20m in 2Q22 from THB72m in 1Q22, mainly due to the soft performance of the education business.

Exhibit 9: 2Q22 results review

	2Q21	3Q21	4Q21	1Q22	2Q22	----- Change -----		2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	376	436	742	857	881	3	134	3,698	69
COGS (incl depreciation)	(402)	(541)	(592)	(618)	(646)	5	61	(2,548)	25
Gross profit	(26)	(105)	150	239	234	(2)	(1,000)	1,150	664
SG&A	(465)	(362)	(507)	(502)	(574)	14	23	(1,971)	8
Operating profit	(491)	(467)	(357)	(263)	(340)	(29)	31	(821)	51
Dividend income	0	0	0	0	0			0	
Management service income	32	34	61	43	37	(14)	17	215	
Interest income	3	2	2	2	3	31	(6)	24	
Realised income from deferred rental revenue	6	6	6	6	6	1	0	25	
Other income	47	49	80	35	69	95	45	237	(1)
Interest expenses	(109)	(131)	(120)	(123)	(123)	0	13	(503)	7
Pretax profit	(512)	(507)	(328)	(299)	(348)	(16)	32	(822)	51
Income Tax	(18)	9	27	2	23			50	(311)
Associates	(47)	65	(7)	17	15	(14)	(131)	70	345
Minority interest	32	2	25	17	18	6	(45)	30	(62)
Core profit	(544)	(430)	(282)	(263)	(292)	(11)	46	(672)	59
Extraordinaries, GW & FX	168	128	(59)	135	34	(75)	(80)	135	
- Gain on sale of other long term investments	59	0	0	131	0	(100)	(100)		
- Gain on measurement of other financial assets	93	(175)	(43)	32	(3)	(109)	(103)		
- Others	17	303	(16)	(29)	37	(231)	121		
Reported net profit	(376)	(302)	(341)	(129)	(258)	(100)	31	(538)	43
Outstanding shares (m)	850	850	850	850	850	0	0	850	0
Pre-ex EPS (THB)	(0.64)	(0.51)	(0.33)	(0.31)	(0.34)	(11)	46	(0.79)	59
EPS (THB)	(0.44)	(0.36)	(0.40)	(0.15)	(0.30)	(100)	31	(0.63)	43
COGS excl. depreciation	(167)	(308)	(354)	(387)	(417)	8	150	(1,553)	41
Depreciation	(236)	(233)	(238)	(232)	(230)	(1)	(2)	(995)	6
EBITDA	(213)	(77)	23	72	20	(72)	(109)	746	199
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	(7)	(24)	20	28	27	(1)	34	31	24
SG&A/Revenue	124	83	68	59	65	7	(58)	53	(30)
EBITDA margin	(50)	(16)	3	8	2	(6)	52	19	50
Net profit margin	(100)	(69)	(46)	(15)	(29)	(14)	71	(15)	29
Operating stats									
Hotel revenue growth y-y (%)	222	92	59	45	112				
Education revenue growth y-y (%)	(2)	(47)	(27)	22	57				
Food revenue growth y-y (%)	218	(95)	(72)	(11)	211				
Occupancy (%)	33	43	53	47	58				
ADR (THB/night)	2,312	2,360	3,419	3,899	3,041				
RevPar (THB/night)	763	1,007	1,798	1,833	1,751				

Sources: DUSIT; FSSIA estimates

Exhibit 10: Peers comparison as of 9 Sep-22

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/ EBITDA	
			Current	Target	Upside		22E	23E	22E	23E	22E	23E	22E	23E
			(LCY)	(LCY)	(%)		(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Asset World Corp	AWC TB	BUY	5.65	6.50	15	4,980	(613.5)	86.7	(0.4)	2.5	2.2	2.1	91.5	41.2
Minor International	MINT TB	BUY	30.25	43.00	42	4,395	163.7	27.5	1.6	9.5	2.3	2.7	14.0	11.3
Central Plaza Hotel	CENTEL TB	BUY	47.25	49.00	4	1,757	107.8	30.9	3.2	10.5	3.4	3.1	19.5	13.1
Erawan Group	ERW TB	BUY	3.88	4.50	16	484	(26.9)	43.1	(11.5)	7.3	3.3	3.0	48.5	15.2
S Hotels & Resorts	SHR TB	BUY	3.80	5.20	37	376	117.2	26.7	0.7	3.2	0.9	0.8	13.3	9.5
Dusit Thani	DUSIT TB	BUY	12.20	18.00	48	286	(15.4)	95.5	(22.3)	3.9	3.8	3.6	166.4	32.7
Thailand average						12,278	(44.5)	51.7	(4.8)	6.2	2.6	2.6	58.9	20.5
Regional														
Btg Hotels Group	600258 CH	n/a	21.07	n/a	n/a	3,411	413.1	25.4	0.2	7.5	2.1	2.0	28.2	14.2
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.99	n/a	n/a	7,787	46.1	8.4	2.3	9.6	0.9	0.8	34.5	17.6
Huangshan Tourism Develop	900942 CH	n/a	0.76	n/a	n/a	960	n/a	14.9	(0.5)	5.9	0.9	0.9	24.7	9.5
Genting Bhd	GENT MK	n/a	4.60	n/a	n/a	3,891	22.8	12.0	2.5	4.6	0.5	0.5	8.2	6.7
Greentree Hospitality	GHG US	n/a	4.06	n/a	n/a	418	17.3	8.8	8.7	15.2	1.5	1.2	8.5	4.4
Huazhu Group	HTHT US	n/a	36.03	n/a	n/a	11,595	n/a	38.8	(0.3)	17.7	7.4	6.5	59.7	17.9
Indian Hotels	IH IN	n/a	312.50	n/a	n/a	5,572	n/a	58.1	(4.5)	10.3	7.5	5.7	87.2	30.3
Lemon Tree Hotels	LEMONTRE IN	n/a	80.05	n/a	n/a	796	n/a	95.3	(6.2)	8.1	7.4	7.1	56.3	23.4
Lippo Karawaci	LPKR IJ	n/a	118.00	n/a	n/a	573	233.5	22.7	0.2	1.8	0.5	0.5	9.3	8.1
Regional average						35,005	146.6	31.6	0.3	9.0	3.2	2.8	35.2	14.7
Overall average						47,283	42.3	39.6	(1.7)	7.8	3.0	2.7	44.7	17.0

Sources: Bloomberg; FSSIA estimates

Financial Statements

Dusit Thani

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	2,272	2,194	3,698	5,541	7,117
Cost of goods sold	(1,219)	(1,104)	(1,553)	(2,383)	(2,902)
Gross profit	1,054	1,091	2,145	3,159	4,215
Other operating income	-	-	-	-	-
Operating costs	(1,812)	(1,825)	(1,971)	(2,148)	(2,599)
Operating EBITDA	(758)	(734)	174	1,010	1,615
Depreciation	(920)	(940)	(995)	(1,002)	(1,280)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,678)	(1,674)	(821)	8	335
Net financing costs	(404)	(459)	(479)	(515)	(591)
Associates	61	16	70	74	85
Recurring non-operating income	352	456	547	669	769
Non-recurring items	680	677	135	0	0
Profit before tax	(1,051)	(1,000)	(618)	163	512
Tax	1	(24)	50	(4)	(43)
Profit after tax	(1,050)	(1,024)	(568)	159	470
Minority interests	39	79	30	(50)	(105)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(1,011)	(945)	(538)	109	365
Non-recurring items & goodwill (net)	(680)	(677)	(135)	0	0
Recurring net profit	(1,691)	(1,622)	(672)	109	365
Per share (THB)					
Recurring EPS *	(1.99)	(1.91)	(0.79)	0.13	0.43
Reported EPS	(1.19)	(1.11)	(0.63)	0.13	0.43
DPS	0.00	0.00	0.00	0.09	0.30
Diluted shares (used to calculate per share data)	850	850	850	850	850
Growth					
Revenue (%)	(45.8)	(3.4)	68.5	49.8	28.4
Operating EBITDA (%)	nm	nm	nm	479.5	59.9
Operating EBIT (%)	nm	nm	nm	nm	3,876.0
Recurring EPS (%)	nm	nm	nm	nm	235.7
Reported EPS (%)	nm	nm	nm	nm	235.7
Operating performance					
Gross margin inc. depreciation (%)	5.9	6.9	31.1	38.9	41.2
Gross margin of key business (%)	5.9	6.9	31.1	38.9	41.2
Operating EBITDA margin (%)	(33.4)	(33.4)	4.7	18.2	22.7
Operating EBIT margin (%)	(73.9)	(76.3)	(22.2)	0.2	4.7
Net margin (%)	(74.4)	(73.9)	(18.2)	2.0	5.1
Effective tax rate (%)	0.0	(1.4)	20.0	5.0	10.0
Dividend payout on recurring profit (%)	-	-	-	70.0	70.0
Interest cover (X)	(3.3)	(2.7)	(0.6)	1.3	1.9
Inventory days	19.5	20.7	488.7	937.6	1,386.3
Debtor days	163.9	90.8	43.2	28.8	22.5
Creditor days	414.5	414.8	281.7	193.7	174.6
Operating ROIC (%)	(16.1)	(10.5)	(3.5)	0.0	1.1
ROIC (%)	(9.0)	(6.0)	(0.9)	2.3	3.0
ROE (%)	(37.7)	(43.1)	(22.3)	3.9	12.1
ROA (%)	(7.2)	(5.3)	(1.2)	2.2	2.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	1,081	1,145	2,195	3,383	4,372
Others	1,191	1,049	1,504	2,158	2,745

Sources: Dusit Thani; FSSIA estimates

Financial Statements

Dusit Thani

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(1,691)	(1,622)	(672)	109	365
Depreciation	920	940	995	1,002	1,280
Associates & minorities	-	-	-	-	-
Other non-cash items	2,509	1,639	105	50	105
Change in working capital	1,291	(165)	(3,877)	(3,856)	(5,363)
Cash flow from operations	3,030	793	(3,449)	(2,696)	(3,612)
Capex - maintenance	(12,913)	(1,543)	(1,286)	(1,023)	(1,028)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	214	(71)	(294)	(294)	(441)
Other investments (net)	-	-	-	-	-
Cash flow from investing	(12,699)	(1,613)	(1,580)	(1,317)	(1,469)
Dividends paid	(245)	(9)	0	0	(76)
Equity finance	0	0	0	0	0
Debt finance	9,120	672	2,000	2,000	3,000
Other financing cash flows	(386)	(52)	1,966	1,931	2,580
Cash flow from financing	8,489	610	3,966	3,931	5,504
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(1,180)	(210)	(1,063)	(81)	422
Free cash flow to firm (FCFF)	(9,247.88)	(351.20)	(4,525.52)	(3,494.81)	(4,489.12)
Free cash flow to equity (FCFE)	(934.69)	(200.88)	(1,062.66)	(81.21)	498.19
Per share (THB)					
FCFF per share	(10.88)	(0.41)	(5.32)	(4.11)	(5.28)
FCFE per share	(1.10)	(0.24)	(1.25)	(0.10)	0.59
Recurring cash flow per share	2.05	1.13	0.50	1.37	2.06
Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	20,191	22,008	23,294	24,317	25,345
Less: Accumulated depreciation	(3,932)	(5,147)	(6,142)	(7,144)	(8,425)
Tangible fixed assets (net)	16,259	16,861	17,152	17,172	16,920
Intangible fixed assets (net)	652	652	652	652	652
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,781	1,851	2,145	2,439	2,880
Cash & equivalents	1,420	1,210	148	66	489
A/C receivable	653	438	438	438	438
Inventories	61	65	4,095	8,147	13,899
Other current assets	403	490	656	746	821
Current assets	2,538	2,203	5,336	9,397	15,647
Other assets	1,608	2,217	2,217	2,217	2,217
Total assets	22,838	23,784	27,502	31,877	38,316
Common equity	4,243	3,287	2,750	2,858	3,147
Minorities etc.	699	607	2,543	4,524	7,209
Total shareholders' equity	4,942	3,895	5,293	7,383	10,356
Long term debt	11,326	12,970	14,970	16,970	19,970
Other long-term liabilities	2,706	4,317	4,317	4,317	4,317
Long-term liabilities	14,032	17,287	19,287	21,287	24,287
A/C payable	1,388	1,121	1,277	1,252	1,525
Short term debt	2,252	1,281	1,281	1,281	1,281
Other current liabilities	224	201	365	675	867
Current liabilities	3,864	2,603	2,922	3,208	3,673
Total liabilities and shareholders' equity	22,838	23,784	27,502	31,877	38,316
Net working capital	(495)	(330)	3,547	7,403	12,766
Invested capital	19,806	21,252	25,713	29,884	35,435
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.99	3.87	3.24	3.36	3.70
Tangible book value per share	4.22	3.10	2.47	2.60	2.94
Financial strength					
Net debt/equity (%)	246.0	334.8	304.2	246.3	200.5
Net debt/total assets (%)	53.2	54.8	58.6	57.0	54.2
Current ratio (x)	0.7	0.8	1.8	2.9	4.3
CF interest cover (x)	(1.3)	0.6	(1.2)	0.8	1.8
Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(6.1)	(6.4)	(15.4)	95.5	28.4
Recurring P/E @ target price (x) *	(9.0)	(9.4)	(22.8)	140.9	42.0
Reported P/E (x)	(10.3)	(11.0)	(19.3)	95.5	28.4
Dividend yield (%)	-	-	-	0.7	2.5
Price/book (x)	2.4	3.2	3.8	3.6	3.3
Price/tangible book (x)	2.9	3.9	4.9	4.7	4.2
EV/EBITDA (x) **	(30.6)	(32.7)	166.4	32.7	23.7
EV/EBITDA @ target price (x) **	(37.1)	(39.4)	194.7	37.6	26.8
EV/invested capital (x)	1.2	1.1	1.1	1.1	1.1
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Dusit Thani; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	CHAX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEA OIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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:

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
Dusit Thani	DUSIT TB	THB 12.20	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 5.65	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.
Central Plaza Hotel	CENTEL TB	THB 47.25	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 3.88	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 3.80	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
PTT Oil and Retail Business	OR TB	THB 27.50	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.
Central Pattana	CPN TB	THB 68.25	BUY	Key downside risks to our DCF-derived TP are deviations to our estimates on rental rate, occupancy rate, returns on its new investments, capex and interest rate.

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 09-Sep-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.