

CENTRAL PLAZA HOTEL

THAILAND / TOURISM & LEISURE

CENTEL TB

BUY

UNCHANGED

TARGET PRICE	THB54.00
CLOSE	THB48.25
UP/DOWNSIDE	+11.9%
PRIOR TP	THB49.00
CHANGE IN TP	+10.2%
TP vs CONSENSUS	+9.7%

Solid ADR outlook through 2H22

- Expect 3Q22 core profit of THB116m (vs THB22m in 2Q22), driven by Thai hotels and strong SSSG from the food business.
- RevPAR of Thai hotels could recover to 83% of the pre-Covid level in 3Q22, with the potential to reach the pre-Covid level in 4Q22.
- Maintain BUY with higher DCF-TP of THB54/shr.

Hotel business to nearly reach breakeven in 3Q22

We expect hotel revenue to grow 18% q-q, driven by Thai hotels whose RevPAR should grow 24% q-q and recover to 83% of the pre-Covid level in 3Q22 (vs 64% in 2Q22). The strong performance would come from the hotels at CentralWorld, Chaeng Watthana and Krabi. Maldives hotels' RevPAR should drop 27% q-q on the low tourism season and the slowdown of Indian tourists, which made up the key guest segment. Dubai hotels' RevPAR should drop 12% q-q due to the end of the World Expo and seasonality. We estimate the hotel business' EBITDA margin to rise from 23% in 2Q22 to 27% in 3Q22, leading to a smaller hotel core loss of THB35m in 3Q22 (vs THB116m core loss in 2Q22).

Expect food business' core profit to grow 9% q-q

We expect food revenue to grow by 3% q-q – a record high since the Covid pandemic began – and account for 97% of the pre-Covid level thanks to strong projected SSSG of 63% y-y following the low base effect and strong pent-up demand for dine-in restaurants. We estimate the food business' EBITDA margin to improve from 22.6% in 2Q22 to 23% in 3Q22, as CENTEL has raised some menu prices and some raw material prices have declined. As a result, food business core profit should increase by 9% q-q to THB151m in 3Q22. Overall, we expect CENTEL's 3Q22 core profit to increase to THB116m in 3Q22 (vs THB22m in 2Q22).

4Q22 should be the best quarter this year

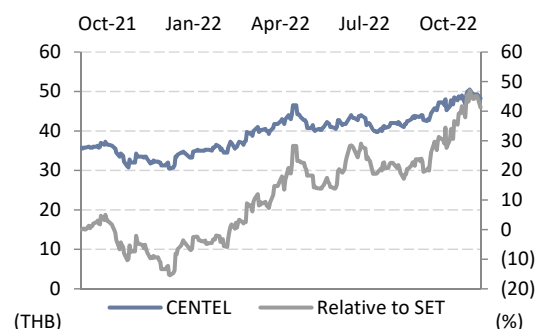
4Q is the high season for all of CENTEL's business units (Thai, Maldives and Dubai hotels and food business). Thus, we expect strong earnings momentum in 4Q22. Thai hotels' RevPAR has the potential to reach the pre-Covid level in 4Q22, driven by ADR which already exceeded the pre-Covid level by 18% in 3Q22. Meanwhile, the food business should continue to grow q-q, with the potential to surpass the pre-Covid level.

Revise up 2023-24E earnings

We cut our 2022E earnings by 30%, mainly due to the weak 1H22 results. We raise our 2023-24E profit by 2-5% to reflect the solid ADR outlook which should lead to a higher EBITDA margin. We derive a new 2023 DCF-TP of THB54/shr. We suggest investors not chase the stock, as CENTEL trades at 31x 2023E P/E, its 5-yr avg.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	11,211	17,830	21,625	23,562
Net profit	(1,733)	413	2,100	2,463
EPS (THB)	(1.28)	0.31	1.56	1.82
vs Consensus (%)	-	7.6	31.8	10.9
EBITDA	1,690	4,074	6,185	6,811
Core net profit	(1,778)	413	2,100	2,463
Core EPS (THB)	(1.32)	0.31	1.56	1.82
Chg. In EPS est. (%)	nm	(30.1)	1.7	4.6
EPS growth (%)	nm	nm	408.2	17.3
Core P/E (x)	(36.6)	157.6	31.0	26.4
Dividend yield (%)	-	0.3	1.3	1.5
EV/EBITDA (x)	51.1	21.2	13.8	12.2
Price/book (x)	3.6	3.5	3.2	3.0
Net debt/Equity (%)	113.3	110.5	94.1	79.6
ROE (%)	(12.7)	2.3	10.8	11.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.6	21.4	35.0
Relative to country (%)	12.7	19.5	41.2
Mkt cap (USD m)	1,703		
3m avg. daily turnover (USD m)	4.7		
Free float (%)	72		
Major shareholder	The Chirathivat group (63%)		
12m high/low (THB)	50.75/30.00		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

CENTEL conservatively invested over the past five years, resulting in lower leverage with a D/E of only 0.9x in 1Q22. 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 CentralWorld) 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.

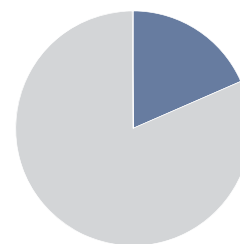
Company profile

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

www.centarahotelsresorts.com

Principal activities (revenue, 2021)

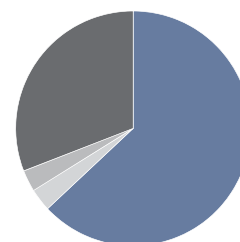
- Hotel revenue - 18.5 %
- F&B revenue - 81.4 %
- Rental income - 0.1 %



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
Nov-22	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Owned & leased hotels			
- Number of owned hotel rooms (no.)	5,050	5,565	5,695
- Occupancy rate (OCC)	47.4	67.5	77.1
- RevPAR growth	160	57	14
Food business			
- Number of outlets (no.)	1,602	1,682	1,766
- Same-Store Sales Growth (SSSG)	15	5	2
- Total System Sales Growth (TSSG)	29	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.

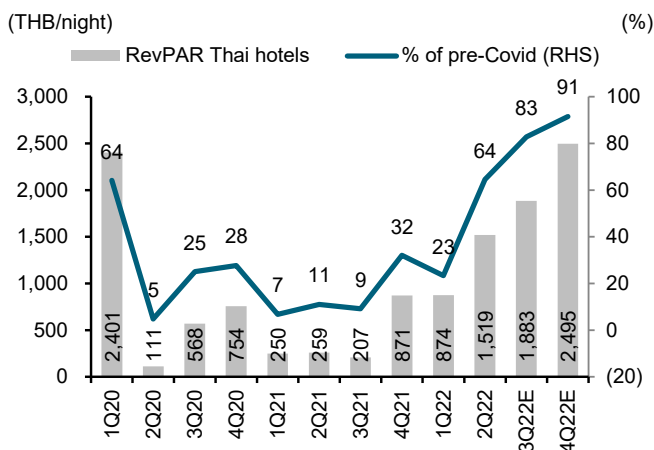
Source: FSSIA estimates

Exhibit 1: 3Q22 results preview

	3Q21	4Q21	1Q22	2Q22	3Q22E	Change		2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	2,310	3,653	3,681	4,193	4,506	7	95	17,830	59
-Hotel operation	370	1,003	1,065	1,298	1,535	18	315	6,091	192
-Food and beverage	1,940	2,650	2,616	2,895	2,971	3	53	11,740	29
COGS (Incl. depreciation)	(1,758)	(2,194)	(2,285)	(2,519)	(2,662)	6	51	(10,575)	39
Gross profit	553	1,459	1,396	1,674	1,844	10	234	7,256	102
SG&A	(1,256)	(1,246)	(1,413)	(1,619)	(1,684)	4	34	(6,466)	27
Operating profit	(703)	214	(17)	55	160	192	123	789	153
Net other income	114	95	201	147	157	7	38	505	33
Interest expense	(214)	(167)	(172)	(177)	(175)	(1)	(18)	(711)	(1)
Pretax profit	(803)	142	11	25	142	478	118	584	132
Income Tax	(12)	74	(35)	12	4	(67)	(133)	(111)	(243)
Associates	(17)	(25)	0	(18)	(10)	(45)	(40)	(26)	(59)
Minority interest	29	(38)	(21)	3	(20)	(688)	(169)	(34)	(240)
Core profit	(803)	152	(44)	22	116	425	114	413	123
Extraordinaries, GW & FX	0	0	0	0	0			0	
Reported net profit	(803)	152	(44)	22	116	425	114	413	124
Shares out (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350	0
Pre-ex EPS	(0.60)	0.11	(0.03)	0.02	0.09	425	114	0.31	(123)
EPS	(0.60)	0.11	(0.03)	0.02	0.09	425	114	0.31	(124)
COGS Excl depreciation	(911)	(1,500)	(1,518)	(1,711)	(1,850)	8	103	(7,290)	64
Depreciation	(847)	(694)	(767)	(807)	(811)	0	(4)	(3,284)	4
EBITDA	240	978	951	991	1,118	13	365	4,074	141
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	24	40	38	40	41	1	17	41	9
SG&A/Revenue	54	34	38	39	40	1	(14)	36	(9)
Hotel EBITDA margin	(95)	27	26	23	27	4	122		0
Food EBITDA margin	32	26	24	23	23	0	(9)		0
Total EBITDA margin	10	26	24	23	24	2	14	23	8
Net profit margin	(35)	4	(1)	1	3	2	37	2	18
Operating stats									
Hotel									
OCC -Maldives (%)	64	81	86	66	52				
OCC -Thailand (%)	13	27	26	45	52				
ARR - Maldives (THB)	9,643	14,128	17,016	13,647	12,627				
ARR - Thailand (THB)	1,592	3,227	3,378	3,410	3,612				
RevPAR - Maldives (THB)	6,174	11,382	14,558	8,969	6,566				
RevPAR Thailand (THB)	207	871	874	1,519	1,883				
Food									
SSSG (y-y %)	(30)	(2)	10	19	63				
TSSG (y-y %)	(25)	3	15	25	72				

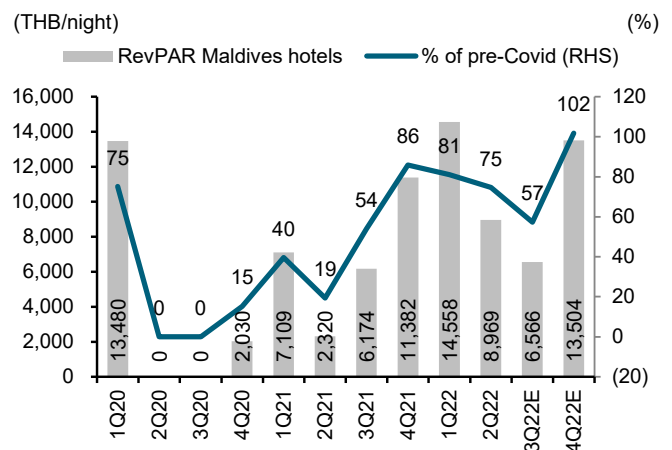
Sources: CENTEL; FSSIA estimates

Exhibit 2: CENTEL's Thai hotels RevPAR



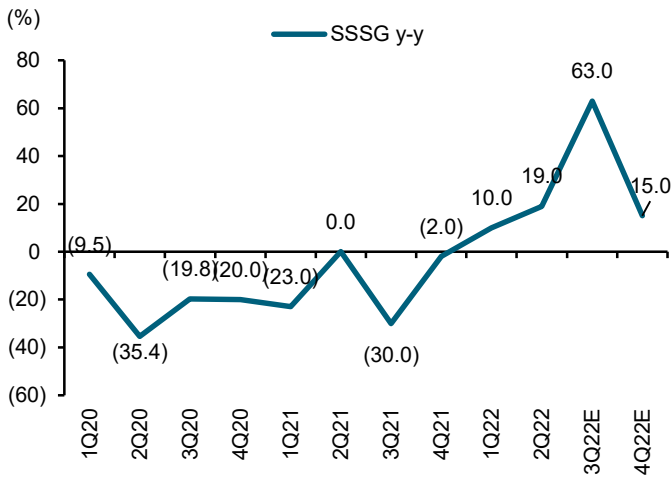
Sources: CENTEL; FSSIA estimates

Exhibit 3: CENTEL's Maldives hotels RevPAR



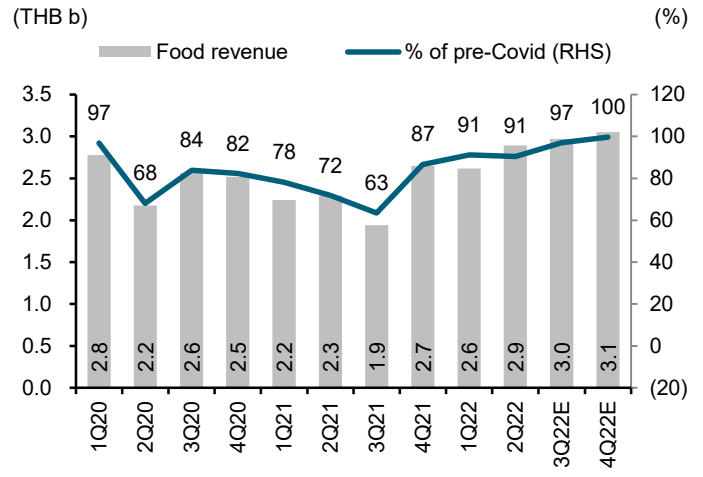
Note: RevPAR excludes F&B revenue since 1Q21
Sources: CENTEL; FSSIA estimates

Exhibit 4: SSSG



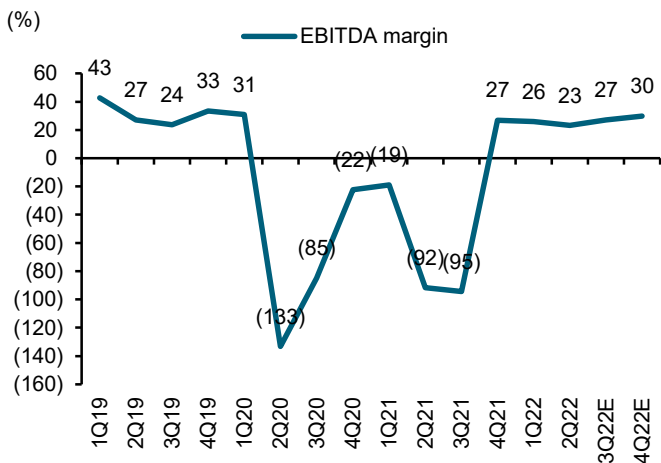
Sources: CENTEL; FSSIA estimates

Exhibit 5: Food business revenue



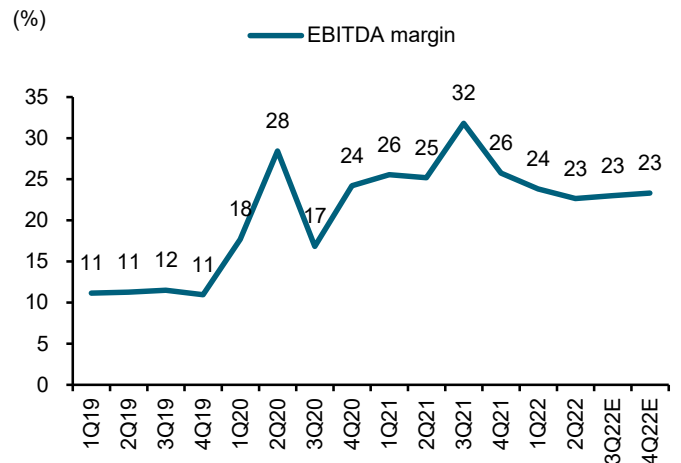
Sources: CENTEL; FSSIA estimates

Exhibit 6: EBITDA margin of hotel business



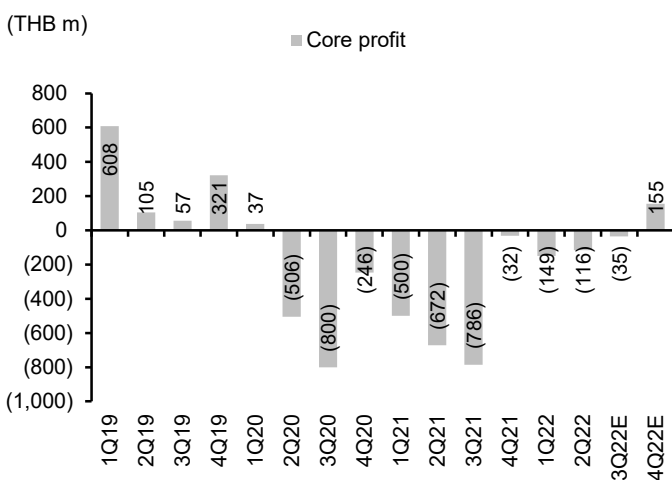
Note: Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 7: EBITDA margin of food business



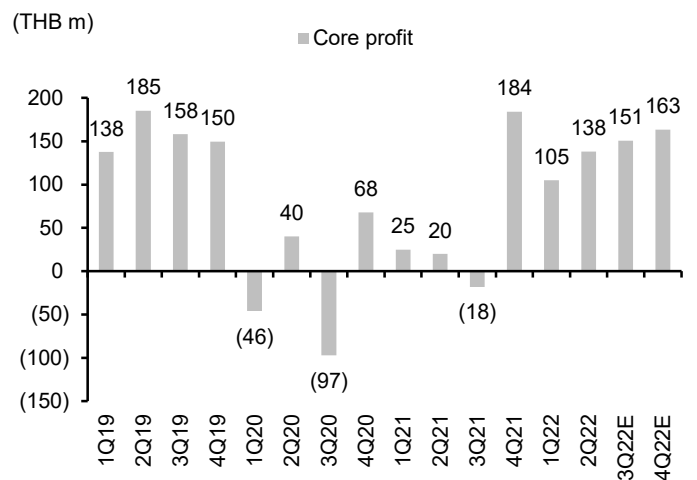
Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 8: Hotel business core profit



Sources: CENTEL; FSSIA estimates

Exhibit 9: Food business core profit



Sources: CENTEL; FSSIA estimates

Earnings and TP revisions

We cut our 2022E earnings by 30%, mainly due to the weak 1H22 results. We raise our 2023-24E profit by 2-5% to reflect the solid ADR outlook. The ADR of Thai hotels has exceeded the pre-Covid level by 18% since 3Q22. Therefore, we forecast Thai hotels' ADR in 2023 to exceed the pre-Covid level by 10%. Meanwhile, we assume an OCC rate of 68% vs the pre-Covid level's 77% as we estimate 32m tourist arrivals to Thailand in 2023, which should then reach the pre-Covid level of 40m in 2024. A higher ADR should lead to a higher EBITDA margin.

Overall, we estimate a core profit of THB2.1b in 2023, consisting of a THB1.2b core profit from the hotel business (vs THB1.1b in 2019) and a THB0.9b core profit from the food business (vs THB0.6b in 2019).

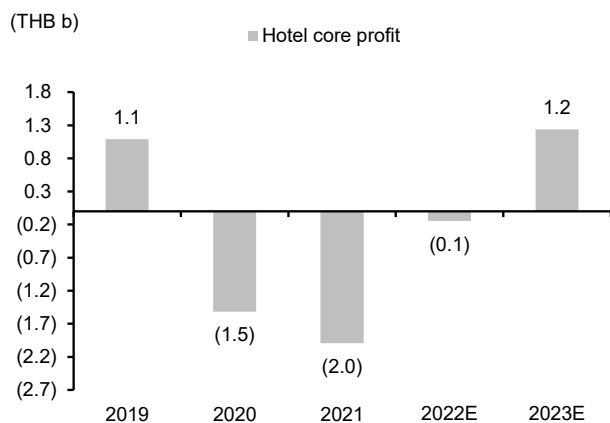
Exhibit 10: Forecast revisions

	Current			Previous			Change		
	2022E (%)	2023E (%)	2024E (%)	2022E (%)	2023E (%)	2024E (%)	2022E (%)	2023E (%)	2024E (%)
OCC	47.4	67.5	77.1	42.0	77.1	79.0	5.4	(9.6)	(1.9)
RevPar (THB)	2,007	3,159	3,608	1,586	3,342	3,518	26.6	(5.5)	2.5
SSSG	15.0	5.0	2.0	15.0	5.0	2.0	0.0	0.0	0.0
TSSG	28.6	10.0	7.0	31.2	10.0	7.0	(2.5)	0.0	0.0
Total revenue (THB b)	17.8	21.6	23.6	16.8	22.0	23.6	6.4	(1.9)	(0.0)
EBITDA margin	22.8	28.6	28.9	26.1	28.4	28.6	(3.2)	0.2	0.3
Core profit (THB b)	413	2,100	2,463	591	2,065	2,354	(30.1)	1.7	4.6

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

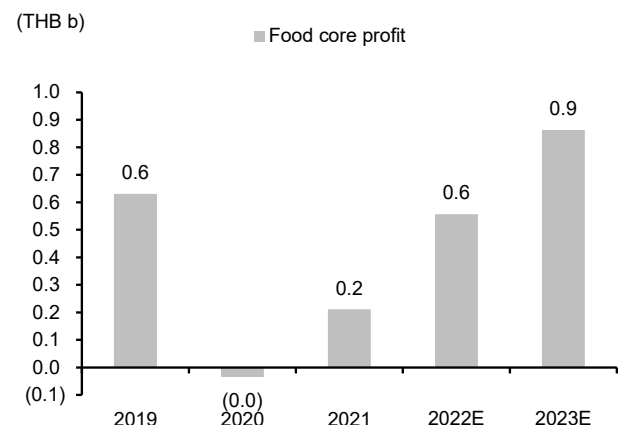
Source: FSSIA estimates

Exhibit 11: Hotel core profit forecast



Sources: CENTEL; FSSIA estimates

Exhibit 12: Food core profit forecast



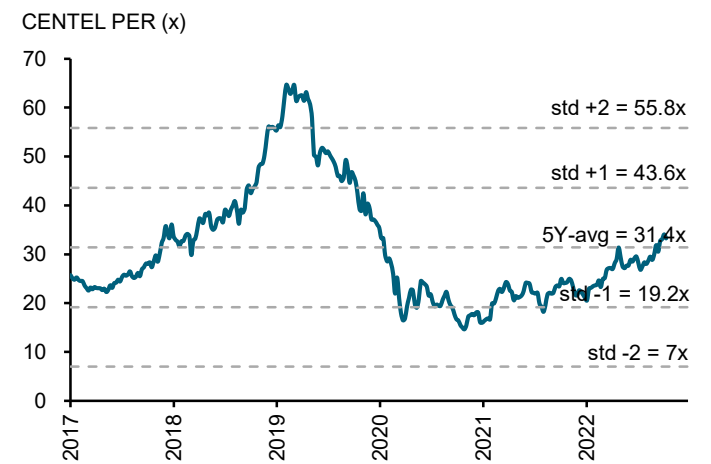
Sources: CENTEL; FSSIA estimates

Exhibit 13: DCF valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.1	Net cost of debt, Kd		2.8
Cost of equity, Ke		11.8	Weight applied		40.0
Weight applied		60.0			
WACC		8.2			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		31.6	23.4	WACC 8.2%, risk-free rate 3%, risk premium 8%	
Terminal value		57.3	42.5	Terminal growth 2.5%	
Cash & liquid assets		3.1	2.3	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	
Residual ordinary equity		73.0	54.0		

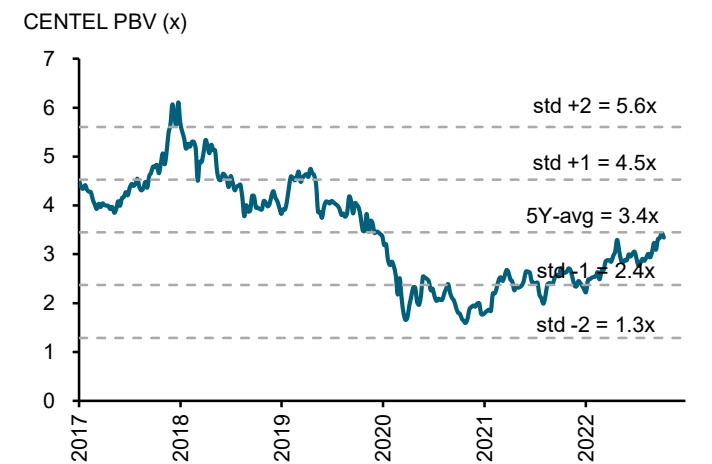
Source: FSSIA estimates

Exhibit 14: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Peer comparisons as of 17 October 2022

Company	BBG	Rec	Share price			Market Cap (USD m)	PE			ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	24E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand															
Asset World Corp	AWC TB	BUY	5.85	6.50	11	4,895	(635.3)	89.7	52.7	(0.4)	2.5	2.3	2.2	94.0	42.4
Minor International	MINT TB	BUY	24.50	43.00	76	3,379	132.6	22.3	19.1	1.6	9.5	1.8	2.2	12.8	10.3
Central Plaza Hotel	CENTEL TB	BUY	48.25	54.00	12	1,703	157.6	31.0	26.4	2.3	10.8	3.5	3.2	21.2	13.8
Erawan Group	ERW TB	BUY	4.24	4.70	11	502	(44.2)	45.1	37.8	(7.5)	7.4	3.4	3.2	41.0	15.9
S Hotels & Resorts	SHR TB	BUY	3.24	5.00	54	304	(71.8)	26.6	17.5	(1.0)	2.8	0.7	0.7	15.0	8.9
Dusit Thani	DUSIT TB	BUY	11.60	18.00	55	258	(14.7)	90.8	27.0	(22.3)	3.9	3.6	3.4	163.5	32.2
Thailand average						11,043	(79.3)	50.9	30.1	(4.6)	6.1	2.6	2.5	57.9	20.6
Regional															
Shanghai Jin Jiang Cap.	2006 HK	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.1	4.2	n/a	n/a	n/a	n/a
Btg Hotels Group	600258 CH	n/a	22.28	n/a	n/a	3,463	n/a	26.2	19.8	(0.6)	7.9	2.3	2.1	28.4	13.4
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.90	n/a	n/a	7,593	57.8	8.3	6.1	1.8	9.4	0.9	0.8	38.8	18.4
Huangshan Tourism Dev.	900942 CH	n/a	0.71	n/a	n/a	859	113.4	13.5	10.1	(0.5)	5.9	0.9	0.8	39.5	9.5
Genting Bhd	GENT MK	n/a	4.29	n/a	n/a	3,502	22.7	11.8	9.4	2.4	4.6	0.5	0.5	8.0	6.6
Greentree Hospitality	GHG US	n/a	3.00	n/a	n/a	309	13.6	6.7	5.0	8.7	15.2	1.1	1.0	6.6	3.3
Huazhu Group	HTHT US	n/a	30.41	n/a	n/a	9,787	n/a	36.9	28.0	(0.6)	18.3	6.3	5.7	52.9	15.6
Indian Hotels	IH IN	n/a	309.75	n/a	n/a	5,493	n/a	59.6	43.6	(4.5)	10.7	7.7	5.8	88.7	30.9
Lemon Tree Hotels	LEMONTRE IN	n/a	83.20	n/a	n/a	801	n/a	83.5	44.0	(6.2)	9.1	7.7	7.4	57.9	24.0
Lippo Karawaci	LPKR IJ	n/a	96.00	n/a	n/a	440	48.0	15.3	20.3	0.7	2.2	0.4	0.4	7.8	7.0
Regional average						32,247	51.1	29.1	20.7	0.2	8.8	3.1	2.7	36.5	14.3
Overall average						43,290	(20.0)	37.8	24.4	(1.6)	7.8	2.9	2.6	45.1	16.8

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	17,830	21,625	23,562
Cost of goods sold	(5,416)	(4,446)	(7,290)	(8,246)	(9,031)
Gross profit	7,491	6,765	10,540	13,378	14,531
Other operating income	-	-	-	-	-
Operating costs	(5,831)	(5,075)	(6,466)	(7,194)	(7,720)
Operating EBITDA	1,660	1,690	4,074	6,185	6,811
Depreciation	(3,421)	(3,167)	(3,284)	(3,414)	(3,630)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,761)	(1,477)	789	2,771	3,181
Net financing costs	(580)	(611)	(627)	(709)	(709)
Associates	(21)	(64)	(26)	11	50
Recurring non-operating income	232	208	395	483	605
Non-recurring items	(1,225)	45	0	0	0
Profit before tax	(3,333)	(1,835)	558	2,545	3,078
Tax	435	78	(111)	(380)	(545)
Profit after tax	(2,898)	(1,757)	447	2,165	2,533
Minority interests	123	24	(34)	(65)	(69)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(2,775)	(1,733)	413	2,100	2,463
Non-recurring items & goodwill (net)	1,225	(45)	0	0	0
Recurring net profit	(1,550)	(1,778)	413	2,100	2,463
Per share (THB)					
Recurring EPS *	(1.15)	(1.32)	0.31	1.56	1.82
Reported EPS	(2.06)	(1.28)	0.31	1.56	1.82
DPS	0.00	0.00	0.12	0.62	0.73
Diluted shares (used to calculate per share data)	1,350	1,350	1,350	1,350	1,350
Growth					
Revenue (%)	(37.8)	(13.1)	59.0	21.3	9.0
Operating EBITDA (%)	(56.5)	1.8	141.0	51.8	10.1
Operating EBIT (%)	nm	nm	nm	251.0	14.8
Recurring EPS (%)	nm	nm	nm	408.2	17.3
Reported EPS (%)	nm	nm	nm	408.2	17.3
Operating performance					
Gross margin inc. depreciation (%)	31.5	32.1	40.7	46.1	46.3
Gross margin of key business (%)	31.5	32.1	40.7	46.1	46.3
Operating EBITDA margin (%)	12.9	15.1	22.8	28.6	28.9
Operating EBIT margin (%)	(13.6)	(13.2)	4.4	12.8	13.5
Net margin (%)	(12.0)	(15.9)	2.3	9.7	10.5
Effective tax rate (%)	20.9	4.3	19.0	15.0	18.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	(2.6)	(2.1)	1.9	4.6	5.3
Inventory days	55.7	62.8	45.1	39.0	30.0
Debtor days	18.1	21.4	16.4	13.5	12.4
Creditor days	152.4	186.5	129.9	104.5	93.2
Operating ROIC (%)	(6.2)	(4.6)	1.8	6.4	7.0
ROIC (%)	(4.6)	(3.3)	2.3	6.4	7.2
ROE (%)	(13.1)	(12.7)	2.3	10.8	11.6
ROA (%)	(3.9)	(2.9)	2.0	5.7	6.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	2,855	2,070	6,077	8,697	9,730
F&B revenue	10,037	9,127	11,740	12,914	13,817
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)	413	2,100	2,463
Depreciation	3,421	3,167	3,284	3,414	3,630
Associates & minorities	-	-	-	-	-
Other non-cash items	(4,715)	1,891	34	65	69
Change in working capital	(24)	109	(846)	419	97
Cash flow from operations	(2,869)	3,390	2,885	5,998	6,259
Capex - maintenance	(9,627)	(13,597)	(2,800)	(4,500)	(3,648)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,303)	(1,178)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(10,930)	(14,775)	(2,800)	(4,500)	(3,648)
Dividends paid	0	0	0	(165)	(840)
Equity finance	0	0	0	0	0
Debt finance	14,537	2,032	(1,100)	(500)	500
Other financing cash flows	(28)	9,974	(30)	(61)	(66)
Cash flow from financing	14,508	12,006	(1,130)	(727)	(406)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	710	621	(1,045)	771	2,205
Free cash flow to firm (FCFF)	(13,129.64)	(10,667.15)	795.86	2,252.78	3,365.75
Free cash flow to equity (FCFE)	710.01	620.72	(1,044.87)	936.26	3,044.73

Per share (THB)

FCFF per share	(9.73)	(7.90)	0.59	1.67	2.49
FCFE per share	0.53	0.46	(0.77)	0.69	2.26
Recurring cash flow per share	(2.11)	2.43	2.76	4.13	4.56

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	46,402	59,581	62,381	66,881	70,529
Less: Accumulated depreciation	(20,218)	(22,898)	(26,182)	(29,595)	(33,225)
Tangible fixed assets (net)	26,184	36,683	36,199	37,285	37,304
Intangible fixed assets (net)	356	360	360	360	360
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,743	3,921	3,921	3,921	3,921
Cash & equivalents	2,734	3,354	2,310	3,081	5,285
A/C receivable	514	801	801	801	801
Inventories	782	748	1,052	708	775
Other current assets	376	829	1,318	1,044	1,138
Current assets	4,406	5,732	5,481	5,634	8,000
Other assets	1,661	1,896	1,896	1,896	1,896
Total assets	35,350	48,593	47,857	49,097	51,481
Common equity	9,923	18,076	18,490	20,425	22,048
Minorities etc.	293	355	359	362	366
Total shareholders' equity	10,216	18,432	18,848	20,787	22,414
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
Long-term liabilities	21,236	25,203	24,103	23,603	24,103
A/C payable	1,873	2,669	2,521	2,201	2,410
Short term debt	1,725	1,970	1,970	1,970	1,970
Other current liabilities	300	319	415	536	584
Current liabilities	3,898	4,958	4,906	4,706	4,964
Total liabilities and shareholders' equity	35,350	48,593	47,857	49,097	51,481
Net working capital	(501)	(611)	235	(183)	(280)
Invested capital	30,443	42,250	42,612	43,279	43,201

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

Per share (THB)

Book value per share	7.35	13.39	13.70	15.13	16.33
Tangible book value per share	7.09	13.12	13.43	14.86	16.06

Financial strength

Net debt/equity (%)	190.6	113.3	110.5	94.1	79.6
Net debt/total assets (%)	55.1	43.0	43.5	39.8	34.7
Current ratio (x)	1.1	1.2	1.1	1.2	1.6
CF interest cover (x)	2.2	2.0	(0.7)	2.3	5.3

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(42.0)	(36.6)	157.6	31.0	26.4
Recurring P/E @ target price (x) *	(47.0)	(41.0)	176.4	34.7	29.6
Reported P/E (x)	(23.5)	(37.6)	157.6	31.0	26.4
Dividend yield (%)	-	-	0.3	1.3	1.5
Price/book (x)	6.6	3.6	3.5	3.2	3.0
Price/tangible book (x)	6.8	3.7	3.6	3.2	3.0
EV/EBITDA (x) **	51.1	51.1	21.2	13.8	12.2
EV/EBITDA @ target price (x) **	55.8	55.7	23.1	15.0	13.4
EV/invested capital (x)	2.8	2.0	2.0	2.0	1.9

* 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 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	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	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	PPP	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	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	NEX	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	TIPIP	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	SEAOIL	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	WIIK
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:

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 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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
Central Plaza Hotel	CENTEL TB	THB 48.25	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Asset World Corp	AWC TB	THB 5.85	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 24.50	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 4.24	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 3.24	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.
Dusit Thani	DUSIT TB	THB 11.60	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 17-Oct-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.