

CENTRAL PLAZA HOTEL

THAILAND / TOURISM & LEISURE

CENTEL TB

BUY

UNCHANGED

Riding high on Thai tourism

- Expect 4Q22 to turnaround to a THB325m core profit after a THB78m loss in 3Q22, driven by strong Thai and Dubai hotels.
- 2023 earnings should exceed pre-Covid by 23%; organic RevPAR to recover to 90% of pre-Covid in 2023;
- Maintain BUY with a higher DCF-derived TP of THB58/shr.

| | |
|-----------------|----------|
| TARGET PRICE | THB58.00 |
| CLOSE | THB50.00 |
| UP/DOWNSIDE | +16.0% |
| PRIOR TP | THB54.00 |
| CHANGE IN TP | +7.4% |
| TP vs CONSENSUS | +14.3% |

Hotel business to turn profitable in 4Q22

We expect hotel revenue to jump by 34% q-q in 4Q22. The RevPAR of Thai hotels should jump by 42% q-q and recover to 98% of the pre-Covid level (vs 83% in 3Q22) led by Bangkok hotels whose RevPAR exceeded pre-Covid by 17% driven by the recovery of MICE and the Apex meeting in Nov-22. Maldives hotels' RevPAR should grow by 62% q-q thanks to the high season. Dubai hotels' RevPAR should also grow by 72% q-q thanks to the high season and World Cup Qatar. We expect its entire portfolio to turn profitable in this quarter. Overall, we estimate hotel EBITDA margins to rise from 16% in 3Q22 to 30% in 4Q22, leading to a recovery in hotel core profit of THB141m in 4Q22 vs THB321m in 4Q19.

Expect food business core profit to grow 4% q-q

We expect the strong momentum of the food business to continue in 4Q22 with SSSG of 12% y-y and TSSG of 18% thanks to strong pent-up demand. Thus, we estimate revenue growth of 7% q-q, which is a new record high exceeding the pre-Covid level. CENTEL normally books write-offs related to outlet closures in 4Q. Therefore, we conservatively project EBITDA margin to be flat at 23% and core profit growth of 4% q-q to THB184m. Overall, we expect CENTEL's 4Q22 earnings to turnaround to THB325m in 4Q22 after a THB78m loss in 3Q22.

Potentially significant benefit from China's reopening

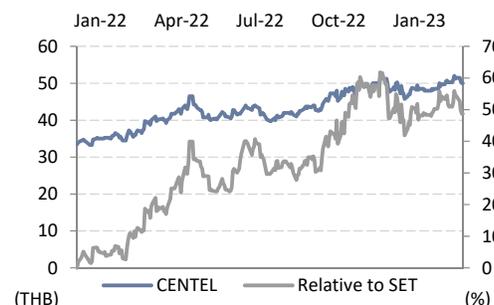
CENTEL should benefit from China's reopening given that Chinese guests accounted for 12% and 15% of room night bookings for Thai and Maldives hotels in 2019, respectively. We expect a 2023 core profit of THB2.1b, exceeding pre-Covid by 23%. We think organic RevPAR should recover to 90% of the pre-Covid level (vs management's guidance of 70%-80%), with inorganic growth including Centara Reserve Samui, Dubai Hotel and Osaka Hotel (opening in Jul-23) further driving revenue.

Revise up 2023-24E earnings

We adjust our 2022E core profit projection to match our 4Q22E and raise our 2023-24 estimate by 2-7% to reflect the earlier than expected China reopening and derive a new 2023 DCF-TP of THB58/shr. CENTEL is trading at 32x/26x of 2023E/2024E P/E (vs its five-year average of 31x). Share price catalyst is pent-up demand from inbound Chinese tourists.

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|----------------------|---------|--------|--------|--------|
| Revenue | 11,211 | 17,532 | 22,326 | 24,707 |
| Net profit | (1,733) | 225 | 2,138 | 2,624 |
| EPS (THB) | (1.28) | 0.17 | 1.58 | 1.94 |
| vs Consensus (%) | - | (23.4) | 40.8 | 14.6 |
| EBITDA | 1,690 | 3,833 | 6,224 | 7,001 |
| Core net profit | (1,778) | 225 | 2,138 | 2,624 |
| Core EPS (THB) | (1.32) | 0.17 | 1.58 | 1.94 |
| Chg. In EPS est. (%) | nm | (45.5) | 1.8 | 6.5 |
| EPS growth (%) | nm | nm | 849.9 | 22.7 |
| Core P/E (x) | (38.0) | 299.9 | 31.6 | 25.7 |
| Dividend yield (%) | - | 0.1 | 1.3 | 1.6 |
| EV/EBITDA (x) | 52.5 | 23.2 | 14.0 | 12.2 |
| Price/book (x) | 3.7 | 3.7 | 3.3 | 3.1 |
| Net debt/Equity (%) | 113.3 | 112.5 | 94.5 | 79.1 |
| ROE (%) | (12.7) | 1.2 | 11.1 | 12.4 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|-----------------------------|---------|----------|
| Absolute (%) | 4.2 | 1.5 | 49.3 |
| Relative to country (%) | 0.3 | (6.0) | 48.6 |
| Mkt cap (USD m) | 2,017 | | |
| 3m avg. daily turnover (USD m) | 7.2 | | |
| Free float (%) | 72 | | |
| Major shareholder | The Chirathivat group (63%) | | |
| 12m high/low (THB) | 52.50/31.25 | | |
| Issued shares (m) | 1,350.00 | | |

Sources: Bloomberg consensus; FSSIA estimates


Teerapol Udomvej, CFA

 teerapol.udo@fssia.com
 +66 2611 3535

Investment thesis

CENTEL has invested conservatively over the past five years, resulting in lower leverage with an IBD/E of only 0.8x in 3Q22. Its strong balance sheet was a key source of strength during the Covid-19 crisis. In our view, CENTEL is the hospitality provider with the lowest risk profile under our sector coverage.

As the Covid crisis subsides, we expect CENTEL to be in an expansion mode after the completion of renovations at two of its hotels (Samui and CentralWorld) and the opening of four big hotel projects: one in Dubai (opened in 2021), two in Maldives (2025), and one in Japan (2023).

CENTEL should benefit from China’s reopening given that Chinese guests accounted for 12% and 15% of room night bookings for Thai and Maldives hotels in 2019, respectively.

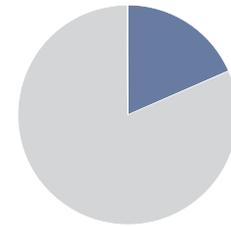
Company profile

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)

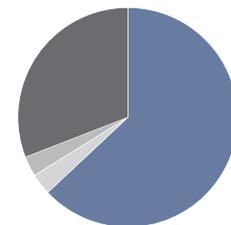
- Hotel revenue - 18.5 %
- F&B revenue - 81.4 %
- Rental income - 0.1 %



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 the recovery in global tourism; 2) improving consumption and economic growth resulting in strong SSSG; and 3) the recovery in Chinese tourist arrivals.

Risks to our call

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

Event calendar

| Date | Event |
|--------|---------------------------|
| Feb-23 | 2022 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) | 48.5 | 67.5 | 77.1 |
| - RevPAR growth | 168 | 54 | 19 |
| Food business | | | |
| - Number of outlets (no.) | 1,562 | 1,687 | 1,771 |
| - Same-Store Sales Growth (SSSG) | 21 | 8 | 2 |
| - Total System Sales Growth (TSSG) | 28 | 16 | 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.

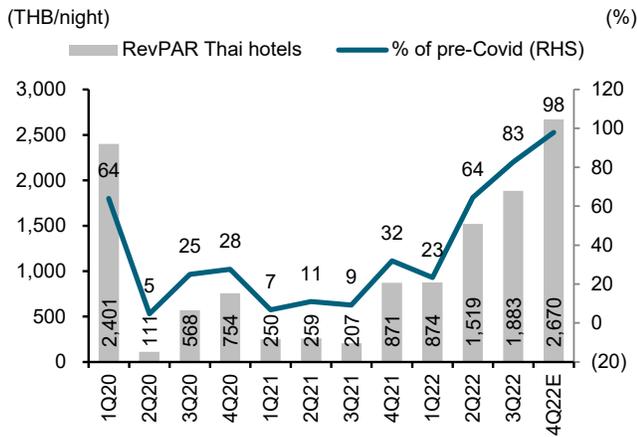
Source: FSSIA estimates

Exhibit 1: 4Q22 results preview

| | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22E | ----- Change ----- | | 2022E | Change |
|----------------------------|--------------|---------------|--------------|---------------|--------------|--------------------|--------------|---------------|--------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (y-y %) |
| Sales | 3,653 | 3,681 | 4,193 | 4,433 | 5,135 | 16 | 41 | 17,532 | 56 |
| -Hotel operation | 1,003 | 1,065 | 1,298 | 1,492 | 2,003 | 34 | 100 | 5,878 | 182 |
| -Food and beverage | 2,650 | 2,616 | 2,895 | 2,941 | 3,132 | 7 | 18 | 11,654 | 28 |
| COGS (Incl. depreciation) | (2,194) | (2,285) | (2,519) | (2,669) | (2,947) | 10 | 34 | (10,625) | 40 |
| Gross Profit | 1,459 | 1,396 | 1,674 | 1,764 | 2,187 | 24 | 50 | 6,907 | 92 |
| SG&A | (1,246) | (1,413) | (1,619) | (1,710) | (1,761) | 3 | 41 | (6,358) | 25 |
| Operating Profit | 214 | (17) | 55 | 54 | 426 | 689 | 100 | 549 | 137 |
| Net other income | 95 | 201 | 147 | 139 | 149 | 7 | 57 | 505 | 33 |
| Interest expense | (167) | (172) | (177) | (184) | (190) | 3 | 14 | (711) | (1) |
| Pretax profit | 142 | 11 | 25 | 9 | 385 | 4,296 | 172 | 344 | 119 |
| Income Tax | 74 | (35) | 12 | (51) | (56) | 10 | (176) | (65) | (184) |
| Associates | (25) | 0 | (18) | (48) | 5 | 110 | (120) | (19) | (70) |
| Minority interest | (38) | (21) | 3 | 12 | (10) | (183) | (73) | (34) | (240) |
| Core profit | 152 | (44) | 22 | (78) | 325 | 516 | 113 | 225 | 113 |
| Extraordinaries, GW & FX | 0 | 0 | 0 | 0 | 0 | | | 0 | |
| Reported net profit | 152 | (44) | 22 | (78) | 325 | 516 | 113 | 225 | 113 |
| Shares out (end Q, m) | 1,350 | 1,350 | 1,350 | 1,351 | 1,351 | 0 | 0 | 1,350 | 0 |
| Pre-ex EPS | 0.11 | (0.03) | 0.02 | (0.06) | 0.24 | (516) | 113 | 0.17 | (113) |
| EPS | 0.11 | (0.03) | 0.02 | (0.06) | 0.24 | (516) | 113 | 0.17 | (113) |
| | | | | | | | | | 0 |
| COGS Excl depreciation | (1,500) | (1,518) | (1,711) | (1,876) | (2,146) | 14 | 43 | (7,341) | 65 |
| Depreciation | (694) | (767) | (807) | (793) | (801) | 1 | 15 | (3,284) | 4 |
| EBITDA | 978 | 951 | 991 | 938 | 1,381 | 47 | 41 | 3,833 | 127 |
| Key Ratios | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) | (ppt) |
| Gross margin | 40 | 38 | 40 | 40 | 43 | 3 | 3 | 39 | 7 |
| SG&A/Revenue | 34 | 38 | 39 | 39 | 34 | (4) | 0 | 36 | (9) |
| Hotel EBITDA margin | 27 | 26 | 23 | 16 | 30 | 14 | 3 | | 0 |
| Food EBITDA margin | 26 | 24 | 23 | 23 | 23 | (0) | (3) | | 0 |
| Total EBITDA margin | 26 | 24 | 23 | 21 | 26 | 5 | (0) | 22 | 7 |
| Net profit margin | 4 | (1) | 1 | (2) | 6 | 8 | 2 | 1 | 17 |
| Operating stats | | | | | | | | | |
| Hotel | | | | | | | | | |
| OCC - Maldives (%) | 81 | 86 | 66 | 52 | 68 | | | | |
| OCC -Thailand (%) | 27 | 26 | 45 | 52 | 66 | | | | |
| ARR - Maldives (THB) | 14,128 | 17,016 | 13,647 | 12,627 | 15,634 | | | | |
| ARR - Thailand (THB) | 3,227 | 3,378 | 3,410 | 3,612 | 4,050 | | | | |
| RevPAR - Maldives (THB) | 11,382 | 14,558 | 8,969 | 6,566 | 10,615 | | | | |
| RevPAR Thailand (THB) | 871 | 874 | 1,519 | 1,883 | 2,670 | | | | |
| Food | | | | | | | | | |
| SSSG (y-y %) | (2) | 10 | 19 | 43 | 12 | | | | |
| TSSG (y-y %) | 3 | 15 | 25 | 51 | 18 | | | | |

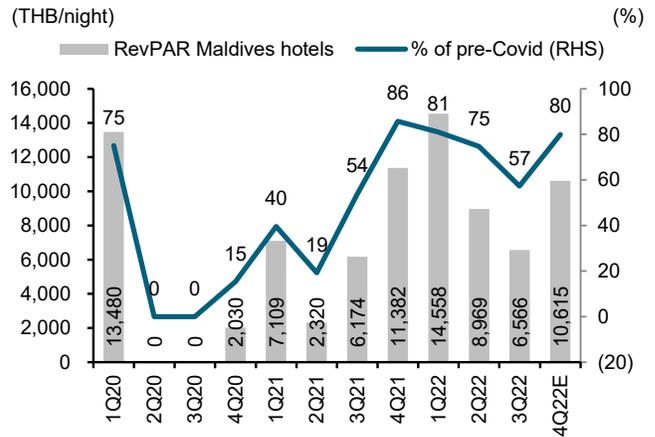
Sources: CENTEL; FSSIA estimates

Exhibit 2: CENTEL's Thai hotels RevPAR



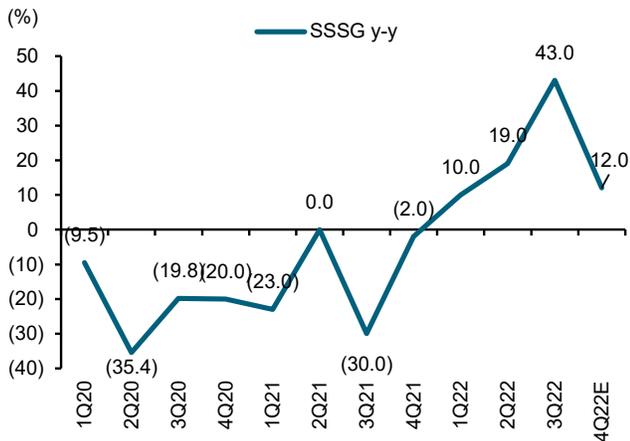
Sources: CENTEL; FSSIA estimates

Exhibit 3: CENTEL's Maldives hotels RevPAR



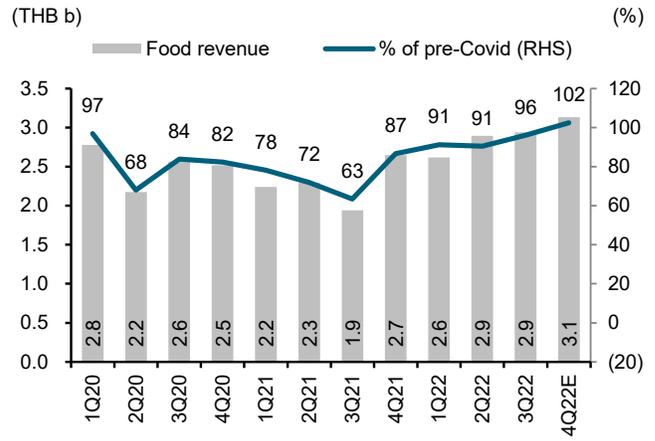
Note: RevPAR excludes F&B revenue since 1Q21
Sources: CENTEL; FSSIA estimates

Exhibit 4: SSSG



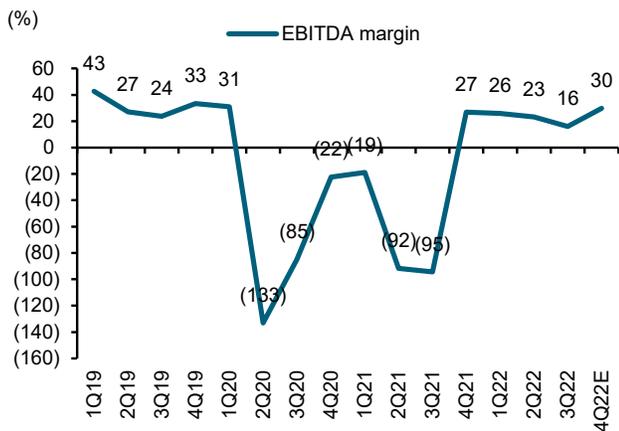
Sources: CENTEL; FSSIA estimates

Exhibit 5: Food business revenue



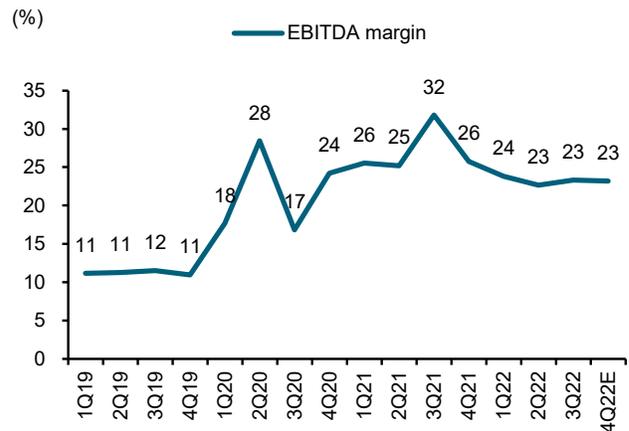
Sources: CENTEL; FSSIA estimates

Exhibit 6: EBITDA margin of hotel business



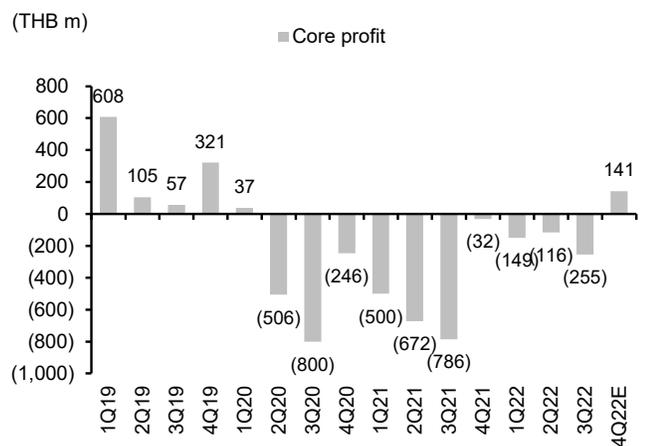
Note: Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 7: EBITDA margin of food business



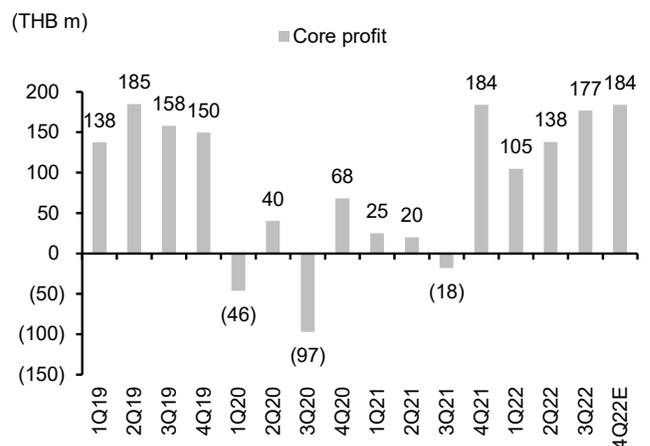
Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 8: Hotel business core profit



Sources: CENTEL; FSSIA estimates

Exhibit 9: Food business core profit



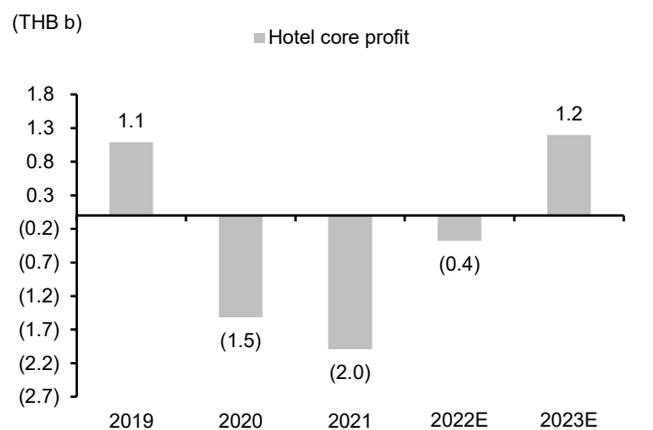
Sources: CENTEL; FSSIA estimates

Exhibit 10: Forecast revisions

| | Current | | | Previous | | | Change | | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2022E (%) | 2023E (%) | 2024E (%) | 2022E (%) | 2023E (%) | 2024E (%) | 2022E (%) | 2023E (%) | 2024E (%) |
| OCC | 48.5 | 67.5 | 77.1 | 47.4 | 67.5 | 77.1 | 1.1 | 0.0 | 0.0 |
| RevPar (THB) | 2,068 | 3,193 | 3,794 | 2,007 | 3,159 | 3,608 | 3.0 | 1.1 | 5.2 |
| SSSG | 21.0 | 8.0 | 2.0 | 15.0 | 5.0 | 2.0 | 6.0 | 3.0 | 0.0 |
| TSSG | 27.7 | 16.0 | 7.0 | 28.6 | 10.0 | 7.0 | (0.9) | 6.0 | 0.0 |
| Total revenue (THB b) | 17.5 | 22.3 | 24.7 | 17.8 | 21.6 | 23.6 | (1.7) | 3.2 | 4.9 |
| EBITDA margin | 21.9 | 27.9 | 28.3 | 22.8 | 28.6 | 28.9 | (1.0) | (0.7) | (0.6) |
| Core profit (THB b) | 225 | 2,138 | 2,624 | 413 | 2,100 | 2,463 | (45.5) | 1.8 | 6.5 |

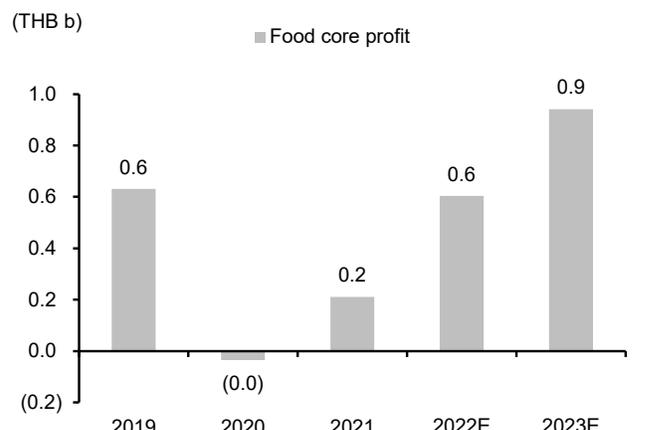
Note: Change of items in percentage terms are represented in ppt change.
Source: FSSIA estimates

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 | | |
| Cost of equity, Ke | 11.8 | Net cost of debt, Kd | 2.8 |
| Weight applied | 60.0 | Weight applied | 40.0 |
| WACC | 8.2 | | |

| DCF valuation estimate | (THB b) | (THB/share) | Comments |
|---------------------------------|-------------|-------------|---|
| NPV | 32.8 | 24.3 | WACC 8.2%, risk-free rate 3%, risk premium 8% |
| Terminal value | 61.5 | 45.5 | 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 | 78.2 | 58.0 | |

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 11 Jan-23

| 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 | 6.05 | 6.80 | 12 | 5,785 | (879.4) | 91.9 | 52.5 | (0.3) | 2.5 | 2.3 | 2.2 | 98.7 | 45.2 |
| Minor International | MINT TB | BUY | 33.75 | 40.00 | 19 | 5,320 | 182.6 | 35.4 | 27.6 | 1.6 | 8.3 | 2.5 | 3.0 | 14.0 | 12.0 |
| Central Plaza Hotel | CENTEL TB | BUY | 50.00 | 58.00 | 16 | 2,017 | 299.9 | 31.6 | 25.7 | 1.2 | 11.1 | 3.7 | 3.3 | 23.2 | 14.0 |
| Erawan Group | ERW TB | BUY | 4.46 | 4.70 | 5 | 604 | (46.5) | 47.4 | 39.8 | (7.5) | 7.4 | 3.6 | 3.4 | 42.3 | 16.4 |
| S Hotels & Resorts | SHR TB | BUY | 4.16 | 5.00 | 20 | 447 | (92.2) | 34.1 | 22.4 | (1.0) | 2.8 | 1.0 | 0.9 | 17.1 | 10.2 |
| Dusit Thani | DUSIT TB | BUY | 11.90 | 18.00 | 51 | 302 | (15.0) | 93.1 | 27.7 | (22.3) | 3.9 | 3.7 | 3.5 | 165.0 | 32.5 |
| Thailand average | | | | | | 14,475 | (91.8) | 55.6 | 32.6 | (4.7) | 6.0 | 2.8 | 2.7 | 60.0 | 21.7 |
| Regional | | | | | | | | | | | | | | | |
| Bitg Hotels Group | 600258 CH | n/a | 24.17 | n/a | n/a | 3,992 | n/a | 31.8 | 22.2 | (2.5) | 7.3 | 2.5 | 2.3 | 24.3 | 12.5 |
| Sh Jinjiang Intl Hotels | 900934 CH | n/a | 2.04 | n/a | n/a | 7,875 | 86.9 | 9.1 | 6.3 | 1.0 | 8.5 | 0.9 | 0.8 | 44.2 | 17.5 |
| Huangshan Tourism Dev. | 900942 CH | n/a | 0.81 | n/a | n/a | 1,072 | n/a | 17.0 | 11.7 | (1.3) | 5.6 | 0.9 | 0.9 | 67.9 | 12.8 |
| Genting Bhd | GENT MK | n/a | 4.87 | n/a | n/a | 4,289 | 35.5 | 14.0 | 11.7 | 1.5 | 3.9 | 0.6 | 0.6 | 8.5 | 7.1 |
| Greentree Hospitality | GHG US | n/a | 3.83 | n/a | n/a | 395 | n/a | 10.1 | 7.1 | 8.3 | 14.1 | 1.4 | 1.2 | 9.3 | 6.3 |
| Huazhu Group | HTHT US | n/a | 44.19 | n/a | n/a | 14,028 | n/a | 48.9 | 35.6 | (11.3) | 19.4 | 11.7 | 9.8 | 115.9 | 22.0 |
| Indian Hotels | IH IN | n/a | 310.35 | n/a | n/a | 5,396 | n/a | 55.3 | 41.5 | (4.5) | 10.6 | 7.5 | 5.7 | 86.3 | 30.0 |
| Lemon Tree Hotels | LEMONTRE IN | n/a | 77.00 | n/a | n/a | 747 | n/a | 60.5 | 39.6 | (6.2) | 11.0 | 7.1 | 6.8 | 54.9 | 21.3 |
| Lippo Karawaci | LPKR IJ | n/a | 75.00 | n/a | n/a | 344 | n/a | n/a | 25.5 | (3.0) | (0.8) | 0.3 | 0.3 | 9.2 | 8.1 |
| Regional average | | | | | | 38,138 | 61.2 | 30.8 | 22.4 | (1.7) | 8.4 | 3.7 | 3.2 | 46.7 | 15.3 |
| Overall average | | | | | | 52,613 | (53.5) | 41.4 | 26.5 | (2.8) | 7.5 | 3.3 | 3.0 | 52.0 | 17.9 |

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 | 17,532 | 22,326 | 24,707 |
| Cost of goods sold | (5,416) | (4,446) | (7,341) | (8,675) | (9,611) |
| Gross profit | 7,491 | 6,765 | 10,191 | 13,651 | 15,096 |
| Other operating income | - | - | - | - | - |
| Operating costs | (5,831) | (5,075) | (6,358) | (7,427) | (8,095) |
| Operating EBITDA | 1,660 | 1,690 | 3,833 | 6,224 | 7,001 |
| Depreciation | (3,421) | (3,167) | (3,284) | (3,414) | (3,632) |
| Goodwill amortisation | - | - | - | - | - |
| Operating EBIT | (1,761) | (1,477) | 549 | 2,810 | 3,368 |
| Net financing costs | (580) | (611) | (627) | (712) | (709) |
| Associates | (21) | (64) | (19) | 18 | 58 |
| Recurring non-operating income | 232 | 208 | 402 | 490 | 613 |
| Non-recurring items | (1,225) | 45 | 0 | 0 | 0 |
| Profit before tax | (3,333) | (1,835) | 324 | 2,589 | 3,272 |
| Tax | 435 | 78 | (65) | (386) | (579) |
| Profit after tax | (2,898) | (1,757) | 259 | 2,203 | 2,693 |
| Minority interests | 123 | 24 | (34) | (65) | (69) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | (2,775) | (1,733) | 225 | 2,138 | 2,624 |
| Non-recurring items & goodwill (net) | 1,225 | (45) | 0 | 0 | 0 |
| Recurring net profit | (1,550) | (1,778) | 225 | 2,138 | 2,624 |
| Per share (THB) | | | | | |
| Recurring EPS * | (1.15) | (1.32) | 0.17 | 1.58 | 1.94 |
| Reported EPS | (2.06) | (1.28) | 0.17 | 1.58 | 1.94 |
| DPS | 0.00 | 0.00 | 0.07 | 0.63 | 0.78 |
| Diluted shares (used to calculate per share data) | 1,350 | 1,350 | 1,350 | 1,350 | 1,350 |
| Growth | | | | | |
| Revenue (%) | (37.8) | (13.1) | 56.4 | 27.3 | 10.7 |
| Operating EBITDA (%) | (56.5) | 1.8 | 126.8 | 62.4 | 12.5 |
| Operating EBIT (%) | nm | nm | nm | 411.9 | 19.8 |
| Recurring EPS (%) | nm | nm | nm | 849.9 | 22.7 |
| Reported EPS (%) | nm | nm | nm | 849.9 | 22.7 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 31.5 | 32.1 | 39.4 | 45.9 | 46.4 |
| Gross margin of key business (%) | 31.5 | 32.1 | 39.4 | 45.9 | 46.4 |
| Operating EBITDA margin (%) | 12.9 | 15.1 | 21.9 | 27.9 | 28.3 |
| Operating EBIT margin (%) | (13.6) | (13.2) | 3.1 | 12.6 | 13.6 |
| Net margin (%) | (12.0) | (15.9) | 1.3 | 9.6 | 10.6 |
| 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) | 1.5 | 4.6 | 5.6 |
| Inventory days | 55.7 | 62.8 | 44.9 | 38.0 | 29.8 |
| Debtor days | 18.1 | 21.4 | 16.7 | 13.1 | 11.8 |
| Creditor days | 152.4 | 186.5 | 129.5 | 102.1 | 92.7 |
| Operating ROIC (%) | (6.2) | (4.6) | 1.2 | 6.5 | 7.5 |
| ROIC (%) | (4.6) | (3.3) | 1.8 | 6.5 | 7.6 |
| ROE (%) | (13.1) | (12.7) | 1.2 | 11.1 | 12.4 |
| ROA (%) | (3.9) | (2.9) | 1.6 | 5.8 | 6.5 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Hotel revenue | 2,855 | 2,070 | 5,864 | 8,793 | 10,228 |
| F&B revenue | 10,037 | 9,127 | 11,654 | 13,519 | 14,465 |
| 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) | 225 | 2,138 | 2,624 |
| Depreciation | 3,421 | 3,167 | 3,284 | 3,414 | 3,632 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | (4,715) | 1,891 | 34 | 65 | 69 |
| Change in working capital | (24) | 109 | (821) | 455 | 114 |
| Cash flow from operations | (2,869) | 3,390 | 2,722 | 6,071 | 6,439 |
| Capex - maintenance | (9,627) | (13,597) | (2,800) | (4,500) | (3,728) |
| 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) | (3,728) |
| Dividends paid | 0 | 0 | 0 | (90) | (855) |
| 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) | (651) | (421) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 710 | 621 | (1,208) | 920 | 2,290 |
| Free cash flow to firm (FCFF) | (13,129.64) | (10,667.15) | 632.93 | 2,326.52 | 3,465.97 |
| Free cash flow to equity (FCFE) | 710.01 | 620.72 | (1,207.80) | 1,010.01 | 3,144.94 |

Per share (THB)

| | | | | | |
|-------------------------------|--------|--------|--------|------|------|
| FCFF per share | (9.73) | (7.90) | 0.47 | 1.72 | 2.57 |
| FCFE per share | 0.53 | 0.46 | (0.89) | 0.75 | 2.33 |
| Recurring cash flow per share | (2.11) | 2.43 | 2.62 | 4.16 | 4.69 |

| Balance Sheet (THB m) Year Ending Dec | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross) | 46,402 | 59,581 | 62,381 | 66,881 | 70,609 |
| Less: Accumulated depreciation | (20,218) | (22,898) | (26,182) | (29,595) | (33,228) |
| Tangible fixed assets (net) | 26,184 | 36,683 | 36,199 | 37,285 | 37,382 |
| 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 | 2,147 | 3,067 | 5,356 |
| A/C receivable | 514 | 801 | 801 | 801 | 801 |
| Inventories | 782 | 748 | 1,060 | 745 | 825 |
| Other current assets | 376 | 829 | 1,296 | 1,078 | 1,193 |
| Current assets | 4,406 | 5,732 | 5,303 | 5,691 | 8,176 |
| Other assets | 1,661 | 1,896 | 1,896 | 1,896 | 1,896 |
| Total assets | 35,350 | 48,593 | 47,680 | 49,153 | 51,735 |
| Common equity | 9,923 | 18,076 | 18,301 | 20,350 | 22,118 |
| Minorities etc. | 293 | 355 | 359 | 362 | 366 |
| Total shareholders' equity | 10,216 | 18,432 | 18,660 | 20,712 | 22,484 |
| 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 | 2,539 | 2,315 | 2,565 |
| Short term debt | 1,725 | 1,970 | 1,970 | 1,970 | 1,970 |
| Other current liabilities | 300 | 319 | 408 | 553 | 612 |
| Current liabilities | 3,898 | 4,958 | 4,916 | 4,838 | 5,147 |
| Total liabilities and shareholders' equity | 35,350 | 48,593 | 47,680 | 49,153 | 51,735 |
| Net working capital | (501) | (611) | 210 | (244) | (358) |
| Invested capital | 30,443 | 42,250 | 42,586 | 43,218 | 43,201 |

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

Per share (THB)

| | | | | | |
|-------------------------------|------|-------|-------|-------|-------|
| Book value per share | 7.35 | 13.39 | 13.56 | 15.07 | 16.38 |
| Tangible book value per share | 7.09 | 13.12 | 13.29 | 14.81 | 16.12 |

Financial strength

| | | | | | |
|---------------------------|-------|-------|-------|------|------|
| Net debt/equity (%) | 190.6 | 113.3 | 112.5 | 94.5 | 79.1 |
| Net debt/total assets (%) | 55.1 | 43.0 | 44.0 | 39.8 | 34.4 |
| Current ratio (x) | 1.1 | 1.2 | 1.1 | 1.2 | 1.6 |
| CF interest cover (x) | 2.2 | 2.0 | (0.9) | 2.4 | 5.4 |

| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|---------------|---------------|--------------|-------------|-------------|
| Recurring P/E (x) * | (43.5) | (38.0) | 299.9 | 31.6 | 25.7 |
| Recurring P/E @ target price (x) * | (50.5) | (44.0) | 347.9 | 36.6 | 29.8 |
| Reported P/E (x) | (24.3) | (38.9) | 299.9 | 31.6 | 25.7 |
| Dividend yield (%) | - | - | 0.1 | 1.3 | 1.6 |
| Price/book (x) | 6.8 | 3.7 | 3.7 | 3.3 | 3.1 |
| Price/tangible book (x) | 7.1 | 3.8 | 3.8 | 3.4 | 3.1 |
| EV/EBITDA (x) ** | 52.6 | 52.5 | 23.2 | 14.0 | 12.2 |
| EV/EBITDA @ target price (x) ** | 59.1 | 58.9 | 26.0 | 15.8 | 13.8 |
| EV/invested capital (x) | 2.9 | 2.1 | 2.1 | 2.0 | 2.0 |

* 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 | BPCG | 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 | 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 | PPPM | 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 | TPIPP | 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) |

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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 |
|----------------------|-----------|-----------|--------|---|
| Central Plaza Hotel | CENTEL TB | THB 50.00 | BUY | Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. |
| Asset World Corp | AWC TB | THB 6.05 | 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 33.75 | BUY | Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. |
| The Erawan Group | ERW TB | THB 4.46 | BUY | Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. |
| S Hotels and Resorts | SHR TB | THB 4.16 | BUY | Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers. |
| Dusit Thani | DUSIT TB | THB 11.90 | 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 11-Jan-2023 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.