

CENTRAL PLAZA HOTEL

CENTEL TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

ได้รับอานิสงส์จากการฟื้นตัวของการท่องเที่ยวไทย

- คาด CENTEL จะพลิกมารายงานกำไรปกติ 325 ลบ. ใน 4Q22 หลังขาดทุน 78 ลบ. ใน 3Q22 จากธุรกิจโรงแรมที่ดีในประเทศไทยและดูไบ
- กำไร 2023 น่าจะสูงกว่าระดับก่อนโควิด 23%; organic RevPAR น่าจะฟื้นตัวเป็น 90% ของระดับก่อนโควิดในปี 2023
- คงแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 58 บาท (DCF)

| | |
|-----------------|----------|
| 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% |

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 |

ธุรกิจโรงแรมน่าจะพลิกมารายงานกำไรใน 4Q22

เราคาดว่ารายได้จากธุรกิจโรงแรมจะกระโดดเพิ่ม 34% q-q ใน 4Q22 โดย RevPAR ของโรงแรมในไทยน่าจะกระโดดเพิ่ม 42% q-q และฟื้นตัวเป็น 98% ของระดับก่อนโควิด (เทียบกับ 83% ใน 3Q22) นำโดยโรงแรมในกรุงเทพฯ ซึ่ง RevPAR สูงกว่าระดับก่อนโควิดอยู่ 17% จากการฟื้นตัวของธุรกิจ MICE และการประชุม Apex ในเดือน พ.ย. 22 ในขณะที่ RevPAR ของโรงแรมในมัลดีฟส์น่าจะโต 62% q-q เนื่องจากเป็นฤดูท่องเที่ยว นอกจากนี้ RevPAR ของโรงแรมในดูไบยังน่าจะโต 72% q-q เนื่องจากเป็นฤดูท่องเที่ยว และการแข่งขันฟุตบอลโลกในการ์ต้า เราคาดว่าพอร์ตรวมจะพลิกมารายงานกำไรในไตรมาสนี้ ในภาพรวมเราคาดว่า EBITDA margins ของธุรกิจโรงแรมจะเพิ่มจาก 16% ใน 3Q22 เป็น 30% ใน 4Q22 ซึ่งจะทำให้กำไรปกติของธุรกิจโรงแรมฟื้นตัวเป็น 141 ลบ. ใน 4Q22 เทียบกับ 321 ลบ. ใน 4Q19

คาดการณ์กำไรปกติของธุรกิจอาหารจะโต 4% q-q

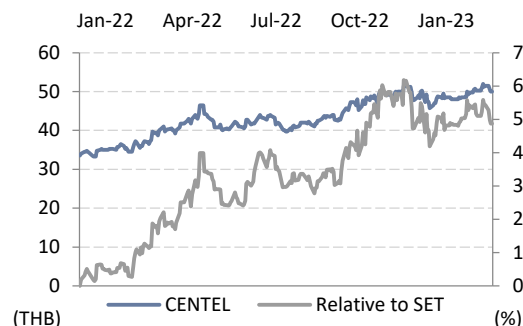
เราคาดว่าธุรกิจอาหารจะมีแนวโน้มที่ดีต่อเนื่องใน 4Q22 โดยคาดการณ์ตัวเลขการเติบโตของยอดขายสาขาเดิม (SSSG) อยู่ที่ 12% y-y และการเติบโตของยอดขายสาขารวม (TSSG) อยู่ที่ 18% จากความต้องการที่ฟื้นตัวเป็นจำนวนมาก ด้วยเหตุผลดังกล่าวเราคาดว่ารายได้จะโต 7% q-q ทำสถิติสูงสุดเป็นประวัติการณ์ใหม่และสูงกว่าระดับก่อนโควิด โดยปกติ CENTEL จะบันทึกการตัดจำหน่ายที่เกี่ยวข้องกับการปิดสาขาใน 4Q เพราะฉะนั้นเราจึงคาดว่า EBITDA margin จะทรงตัวที่ 23% และคาดว่าจะกำไรปกติจะโต 4% q-q เป็น 184 ลบ. ในภาพรวมเราคาดว่า CENTEL จะรายงานผลประกอบการพลิกเป็นกำไร 325 ลบ. ใน 4Q22 หลังขาดทุน 78 ลบ. ใน 3Q22

ประโยชน์อย่างมีนัยสำคัญที่อาจได้จากการเปิดพรมแดนของจีน

CENTEL น่าจะได้รับประโยชน์จากการเปิดพรมแดนของจีนเนื่องจากผู้เข้าพักชาวจีนคิดเป็น 12% และ 15% ของตัวเลขการจองห้องพักของโรงแรมในไทยและมัลดีฟส์ในปี 2019 ตามลำดับ เราคาดว่ากำไรปกติปี 2023 ที่ 2.1 พัน ลบ. สูงกว่าระดับก่อนโควิดถึง 23% เราคิดว่า organic RevPAR น่าจะฟื้นตัวเป็น 90% ของระดับก่อนโควิด (เทียบกับเป้าหมายของผู้บริหารที่ 70%-80%) พร้อมการเติบโตจากภายนอกอันประกอบด้วย Centara Reserve Samui, Dubai Hotel และ Osaka Hotel (กำลังจะเปิดในเดือน ก.ค. 23) ซึ่งจะช่วยผลักดันรายได้ให้เพิ่มขึ้นอีก

ปรับเพิ่มประมาณการกำไรปี 2023-24

เราปรับเพิ่มประมาณการกำไรปกติปี 2022 ให้สอดคล้องกับประมาณการกำไร 4Q22 ของเรา และปรับเพิ่มประมาณการปี 2023-24 อีก 2-7% เพื่อสะท้อนการเปิดพรมแดนของจีนที่มาเร็วเกินคาดซึ่งทำให้ได้ราคาเป้าหมายปี 2023 ใหม่ที่ 58 บาท (DCF) CENTEL มีการซื้อขายที่ 32x/26x ของค่า 2023E/2024E P/E (เทียบกับค่าเฉลี่ย 5 ปีที่ 31x) ราคาหุ้นมีปัจจัยบวกจากความต้องการที่ฟื้นตัวจากนักท่องเที่ยวชาวจีน



| 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



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 12 มกราคม 2023

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.

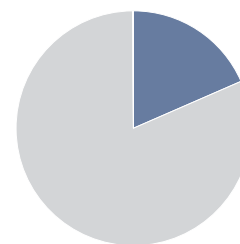
Company profile

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)

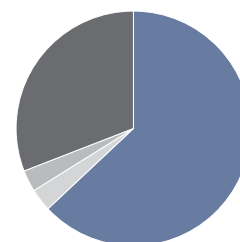
- Hotel revenue - 18.5 %
- F&B revenue - 81.4 %
- Rental income - 0.1 %



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

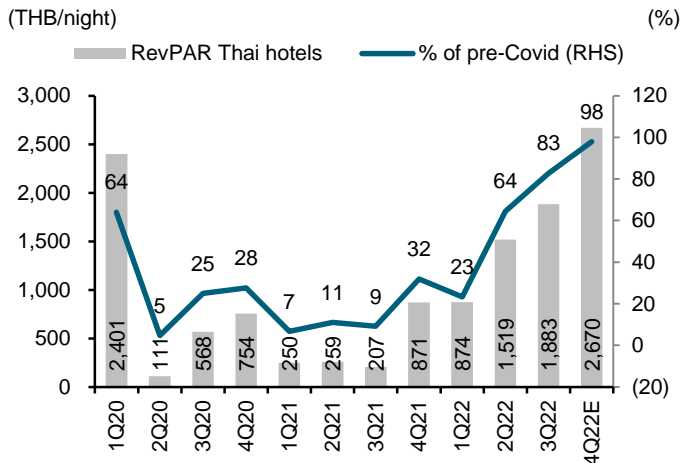
- For every 1% increase in OCC, we project a 2023 profit increase of 2%, and vice versa, all else being equal.
- For every 1% increase in SSSG, we project a 2023 profit increase of 2%, and vice versa, all else being equal.

Source: FSSIA estimates

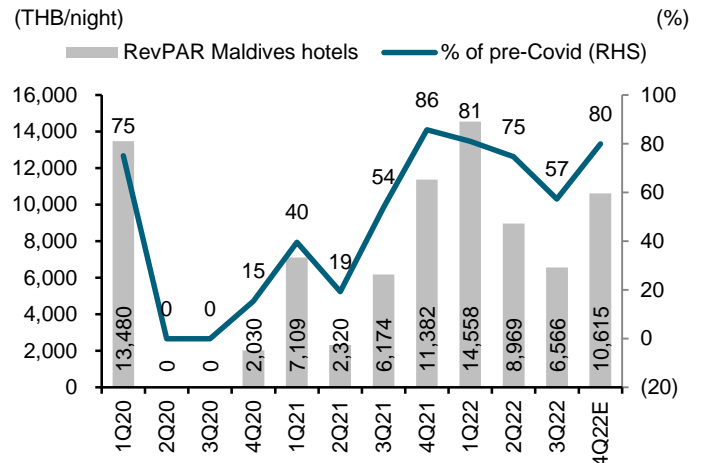
Exhibit 1: 4Q22 results preview

| | 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

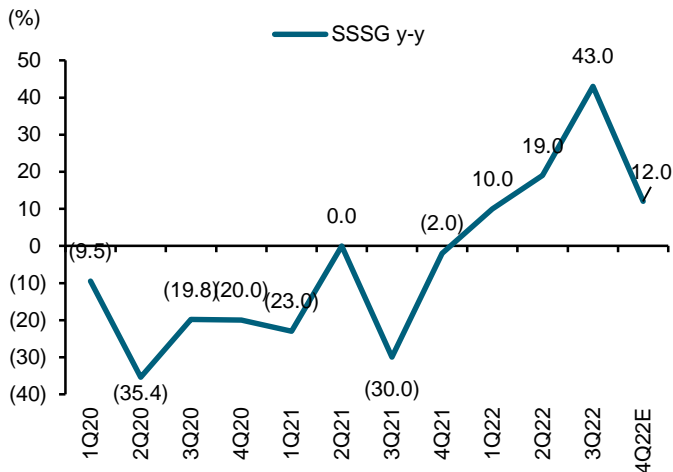
Exhibit 2: CENTEL's Thai hotels RevPAR

Sources: CENTEL; FSSIA estimates

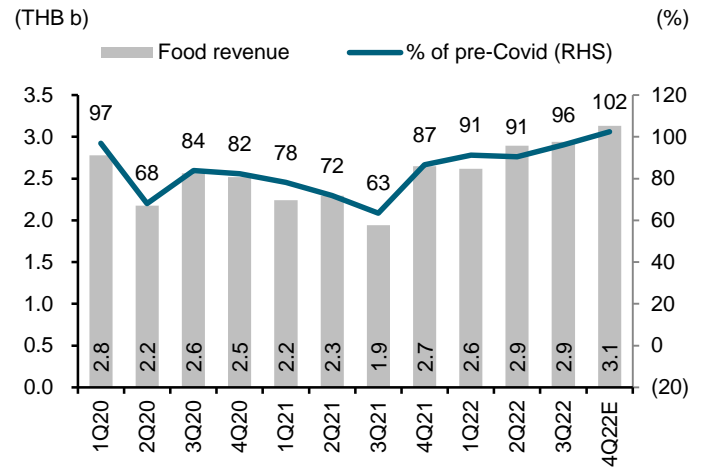
Exhibit 3: CENTEL's Maldives hotels RevPAR

Note: RevPAR excludes F&B revenue since 1Q21

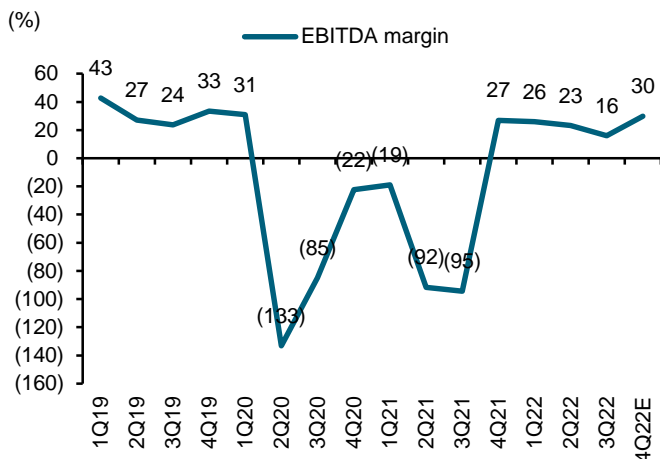
Sources: CENTEL; FSSIA estimates

Exhibit 4: SSSG

Sources: CENTEL; FSSIA estimates

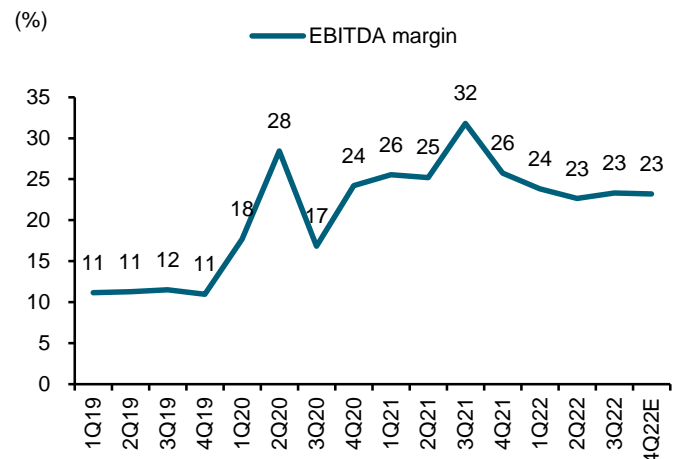
Exhibit 5: Food business revenue

Sources: CENTEL; FSSIA estimates

Exhibit 6: EBITDA margin of hotel business

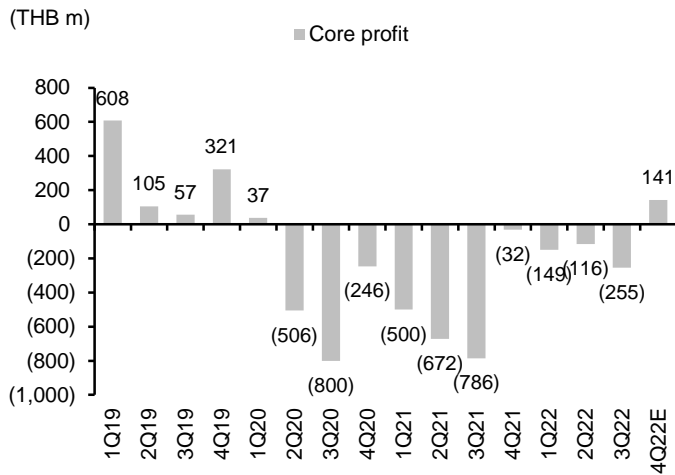
Note: Adopted TFRS16 since 1Q20

Sources: CENTEL; FSSIA estimates

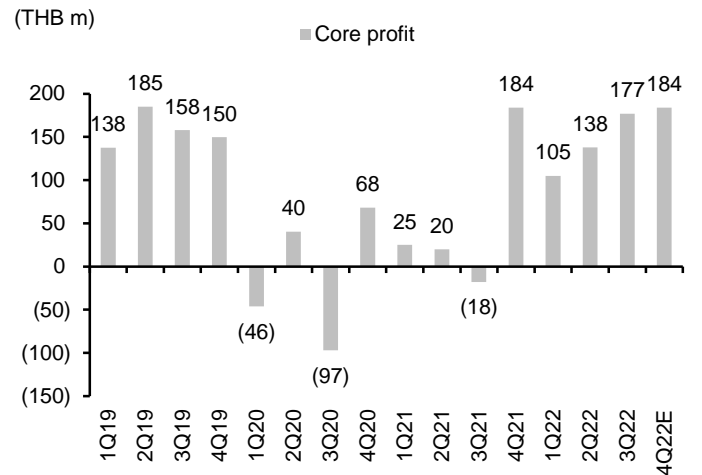
Exhibit 7: EBITDA margin of food business

Adopted TFRS16 since 1Q20

Sources: CENTEL; FSSIA estimates

Exhibit 8: Hotel business core profit

Sources: CENTEL; FSSIA estimates

Exhibit 9: Food business core profit

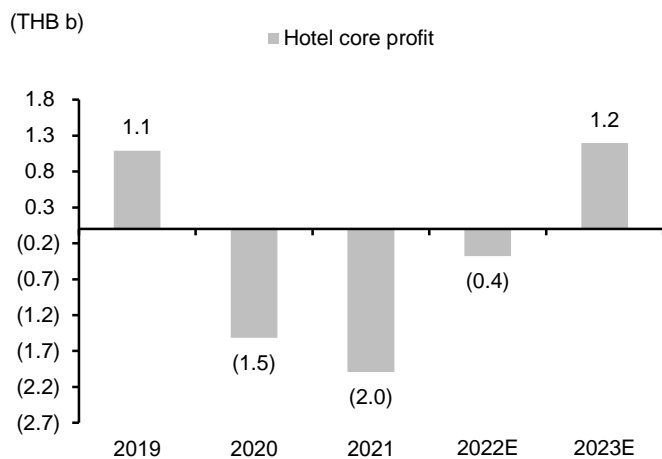
Sources: CENTEL; FSSIA estimates

Exhibit 10: Forecast revisions

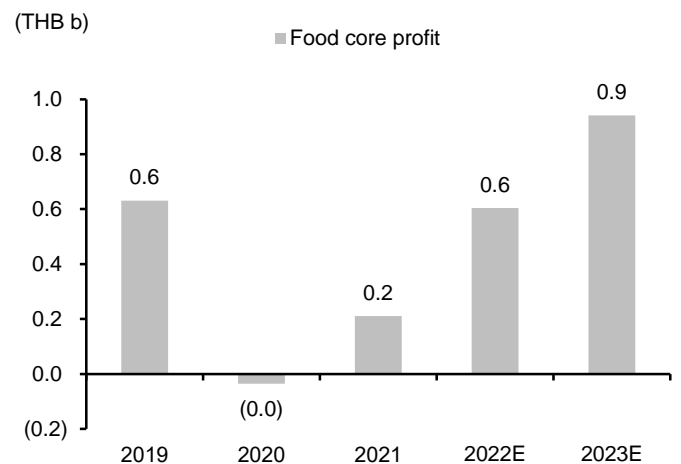
| | Current | | | Previous | | | Change | | |
|-----------------------|---------|-------|-------|----------|-------|-------|--------|-------|-------|
| | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E | 2022E | 2023E | 2024E |
| | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) | (%) |
| OCC | 48.5 | 67.5 | 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

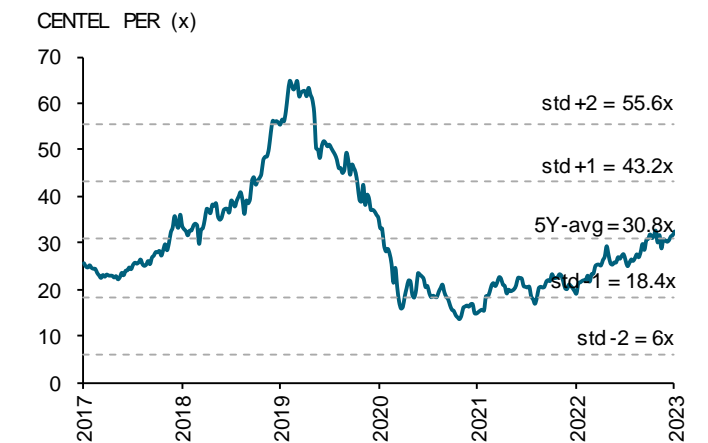
Sources: CENTEL; FSSIA estimates

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 | | | |

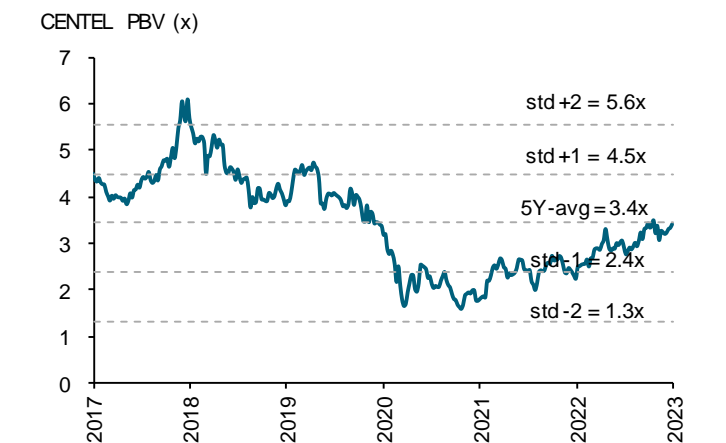
Source: FSSIA estimates

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 | PE | | | ROE | | PBV | | EV/EBITDA | |
|-------------------------|-------------|-----|-------------|--------|--------|---------------|---------------|-------------|-------------|--------------|------------|------------|------------|-------------|-------------|
| | | | Current | Target | Upside | Cap | 22E | 23E | 24E | 22E | 23E | 22E | 23E | 22E | 23E |
| | | | (LCY) | (LCY) | (%) | (USD m) | (x) | (x) | (x) | (%) | (%) | (x) | (x) | (x) | (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 | | | | | | | | | | | | | | | |
| Btg 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) | 2020 | 2021 | 2022E | 2023E | 2024E |
|-----------------------------|--------|-------|--------|--------|--------|
| 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 | BCPG | CPALL | GCAP | K | MSC | PLANET | SAMART | SPI | THRE | TVD |
| ADVANC | BDM5 | 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 | SEOIL | 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 | 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 | 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 | 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:

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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 | SEAOL | 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) |

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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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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

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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.