

BOUND AND BEYOND
THAILAND / TOURISM & LEISURE

BEYOND TB

BUY

เตรียมเติบโตอย่างชัดเจน

- BEYOND อยู่ในฐานะที่จะได้ประโยชน์จากนักท่องเที่ยวที่มีการใช้จ่ายใช้สอยในระดับสูงจากโรงแรมหรูมีแนวโน้มซึ่งเป็นตลาดที่มีอุปทานน้อย
- คาดการณ์ประกอบการจะพลิกฟื้นในปี 2023 โดยคาดว่า RevPAR อาจเพิ่ม 70%-80% y-y
- เริ่มด้วยคำแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 24 บาท (DCF) หุ้นเทรดที่มูลค่าต่ำกว่าที่ควรจะเป็นมากทั้งในด้าน P/E และ NAV

TARGET PRICE	THB24.00
CLOSE	THB14.80
UP/DOWNSIDE	+62.2%
TP vs CONSENSUS	n/a

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	222	2,103	2,913	3,361
Net profit	878	(415)	78	256
EPS (THB)	3.04	(1.44)	0.27	0.82
vs Consensus (%)	-	-	-	-
EBITDA	(171)	143	757	969
Core net profit	(264)	(501)	78	256
Core EPS (THB)	(0.91)	(1.62)	0.25	0.82
EPS growth (%)	nm	nm	nm	228.0

การเปลี่ยนธุรกิจจะเริ่มเห็นผลในปีนี้

BEYOND เปลี่ยนจากธุรกิจพลังงานเป็น Hospitality ในช่วงที่โควิดระบอบ ปัจจุบันบริษัท อยู่ในตำแหน่งที่ดีที่จะรับการฟื้นตัวในธุรกิจท่องเที่ยวของไทยที่ ในฐานะที่เป็นเจ้าของและผู้ประกอบการกิจการโรงแรมหรู 2 แห่งประกอบด้วย Four Seasons Hotel Bangkok และ Capella Bangkok ด้วยจำนวนห้องรวม 400 ห้องบนแม่น้ำเจ้าพระยา โรงแรมทั้งสองมีภัตตาคารและบาร์ 11 แห่ง ซึ่งได้รับรางวัลมากมาย ซึ่งจะช่วยสร้างสมดุลให้แก่กระแสรายได้ของบริษัท (รายได้จากห้องพัก 50% และรายได้จากอาหารและเครื่องดื่ม 45%)

พร้อมจับความต้องการของนักท่องเที่ยวที่มีการใช้จ่ายใช้สอยสูงที่อันอยู่

โรงแรมของ BEYOND อยู่ในตลาดที่มีการแข่งขันต่ำ จากข้อมูลของ CBRE โรงแรมหรูคิดเป็น 17% ของอุปทานโรงแรมรวมในกรุงเทพฯ ในขณะที่อุปทานของโรงแรมริมแม่น้ำมีเพียง 7% ส่งผลให้โรงแรมของบริษัท สามารถทำราคาห้องพักรายวันเฉลี่ย (ADR) อยู่ที่ประมาณ 20,000 บาทใน 4Q22 และ 17,000 บาทในปี 2022 ซึ่งถือเป็นค่า ADR ที่สูงที่สุดในกรุงเทพฯ ในขณะที่สัดส่วนผู้เข้าพักในปี 2022 อยู่ที่ 27% (ไทย) และ 73% (ต่างชาติ) เราเชื่อว่าสัดส่วนของผู้เข้าพักชาวต่างชาติจะเพิ่มขึ้นเป็น 80%-85% ในปี 2023 ซึ่งจะทำให้ ADR เพิ่มขึ้น 5%-10% y-y และอัตราการเข้าพัก (OCC rate) เพิ่มขึ้นด้วย (33% ในปี 2022 เป็น 55% ในปี 2023) ซึ่งจะทำให้ RevPAR โต 77% y-y

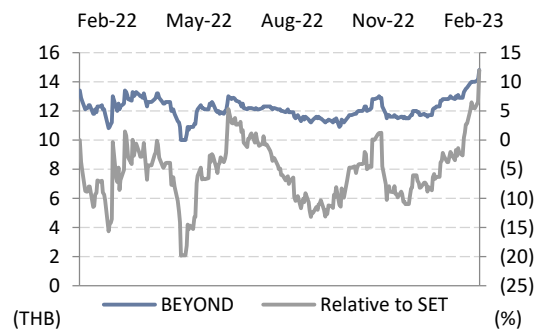
คาดการณ์จุดคุ้มทุนใน 4Q22; กำไรกำลังปรับขึ้นในปี 2023

เราคาดว่า BEYOND จะรายงานผลประกอบการที่ break-even ใน 4Q22 และกำไรจะโตดีในช่วงปี 2023-24 รายได้น่าจะกระโดดเพิ่มจาก 2.1พัน ลบ. ในปี 2022 เป็น 3.4พัน ลบ. ในปี 2024 ด้วยต้นทุนคงที่ที่ไม่เกิน 40% เราคาดว่า EBITDA margin จะเพิ่มจาก 7% ในปี 2022 เป็น 29% ในปี 2024 ซึ่งจะทำให้ได้กำไรปกติที่ 256 ลบ. ในปี 2024 เราเห็น Upside ต่อประมาณการอัตรากำไรสุทธิ (NPM) ของเราซึ่งคาดไว้ที่ 8% ในปี 2024 เนื่องจาก Grand Hyatt Erawan และ Mandarin Oriental Bangkok เคยรายงาน NPM ที่ 12%-16% ก่อนโควิด ถ้า BEYOND ทำ NPM ได้ในระดับเดียวกัน เราคาดว่าบริษัท จะมีกำไรปกติต่อปีที่ 400-500 ลบ.

ทางเลือกที่ถูกที่สุดในกลุ่มท่องเที่ยวไทย

เราได้ราคาเป้าหมายปี 2023 ที่ 24 บาท (DCF) BEYOND เป็นหนึ่งในทางเลือกการลงทุนที่ถูกที่สุดในกลุ่มท่องเที่ยวไทย หุ้นมีการซื้อขายในระดับที่ต่ำเพียง 18x ของค่า 2024E P/E ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 31x นอกจากนี้หุ้นยังมีการซื้อขายต่ำกว่ามูลค่าสินทรัพย์สุทธิ (NAV) เมื่อพิจารณาจาก replacement cost ที่ 24.5 บาท/หุ้น BEYOND ยังไม่ได้รับความสนใจจากตลาดมากนัก แต่เราเชื่อว่าการพลิกฟื้นของผลการดำเนินงานน่าจะดึงดูดความสนใจของตลาดได้

Core P/E (x)	(16.2)	(9.2)	58.8	17.9
Dividend yield (%)	-	-	-	2.8
EV/EBITDA (x)	(51.7)	72.0	13.3	10.0
Price/book (x)	0.7	0.7	0.7	0.7
Net debt/Equity (%)	71.3	100.4	95.4	78.4
ROE (%)	(4.7)	(8.1)	1.3	4.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	15.6	14.7	9.6
Relative to country (%)	15.2	10.8	9.4
Mkt cap (USD m)			127
3m avg. daily turnover (USD m)			0.1
Free float (%)			50
Major shareholder	Country Group Holding PCL (50%)		
12m high/low (THB)			14.80/9.80
Issued shares (m)			309.82

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 8 กุมภาพันธ์ 2023

Investment thesis

BEYOND transformed its business focus from energy to hospitality during the Covid pandemic and is now in a strong position to benefit from Thailand's tourism recovery.

We expect Thailand's tourist arrival numbers to recover significantly in 2023-24, especially in the high-spending segment, which should directly benefit BEYOND's luxury hotels. According to CBRE, luxury hotels accounted for 17% of the total hotel supply in Bangkok, and riverfront hotels only 7% as of 3Q22.

We expect BEYOND's earnings to rebound in 2023 and deliver strong growth over 2024-25 as its EBITDA margin improves from its high operating leverage structure. In addition, its interest expense should gradually decline thanks to its strong cashflow and low levels of maintenance CAPEX.

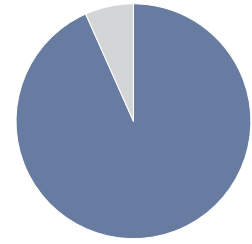
Company profile

BEYOND owns and operates two ultra-luxury hotels, Four Seasons Hotel Bangkok and Capella Bangkok, with 400 rooms total, situated along the Chao Phraya River.

www.boundandbeyond.co.th

Principal activities (revenue, 2021)

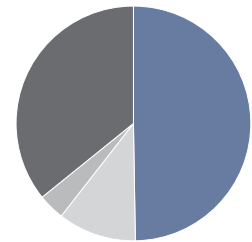
- Hotel revenue - 93.3 %
- Revenue from sales and services - 6.7 %



Source: Bound and Beyond

Major shareholders

- Country Group Holding PCL - 49.7 %
- Kingdom of Thailand Ministry of Finance - 10.8 %
- Supachai Weeraborwornpong - 3.7 %
- Others - 35.8 %



Source: Bound and Beyond

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following the global tourism recovery; 2) strong pent-up demand which should drive ADR; and 3) new project announcements.

Risks to our call

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

Event calendar

Date	Event
Feb-23	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
OCC rate (%)	33	55	64
ADR (THB)	16,800	17,808	18,164
RevPAR growth (%)	481	77	18
EBITDA margin (%)	7	26	29

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC rate, we project a 2024 profit increase of 7%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2024 profit increase of 11%, and vice versa, all else being equal.

Source: FSSIA estimates

Background

BEYOND was founded in 1981 to operate a zinc mining and smelting business under the corporate name of Padaeng Industry PCL (PDI). PDI was listed on the SET in 1987. PDI ceased mining operations in 2016 and transformed itself into a renewable energy business in 2014.

In 2021, PDI downsized its renewable energy business by selling off investments valued at THB2.4b and switched its focus to the hospitality business.

In Nov-21, during the Covid pandemic, PDI had an opportunity to acquire 51% of two new hotels, namely “Four Seasons Hotel Bangkok at Chao Phraya River” under Urban Resort Hotel Co Ltd (URH) and “Capella Bangkok” under Waterfront Hotel Co Ltd (WFH). It also acquired an additional 25% share in Dec-21 and the remaining 24% in April-22 and July-22, resulting in 100% ownership with a total value of THB5.5b. Note that the total project value for the two hotels is THB10.5b – THB5.5b equity and THB5.0b debt.

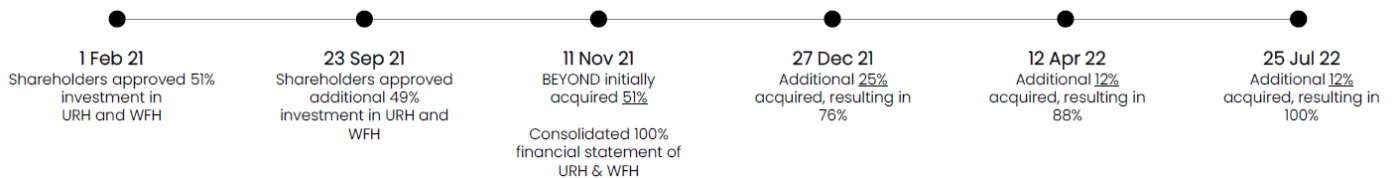
In 2021, the company rebranded to become Bound and Beyond PCL, to align itself with its new hospitality business focus. The Stock Exchange of Thailand (SET) reclassified the company from the Energy and Utilities sector to Tourism and Leisure.

Exhibit 1: Four Seasons Bangkok and Capella Bangkok transaction summary

Company	Hotel	Total assets	Total liabilities	Total equity (BEYOND investment value)
		(THB m)	(THB m)	(THB m)
Urban Resort Hotel Co, Ltd. (URH)	Four Seasons Bangkok	6,850	3,300	3,550
Waterfront Hotel Co, Ltd. (WFH)	Capella Bangkok	3,650	1,700	1,950
	Total	10,500	5,000	5,500

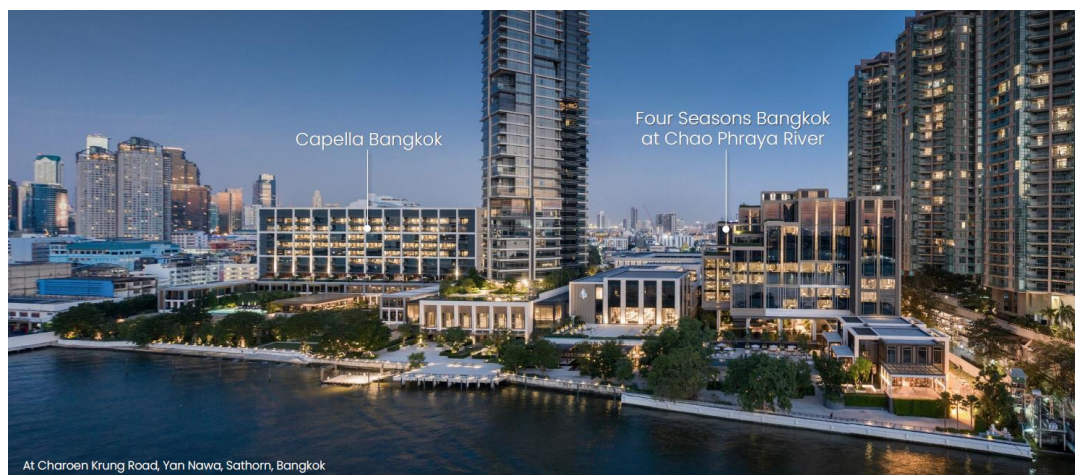
Source: BEYOND

Exhibit 2: Investment timeline



Source: BEYOND

Exhibit 3: Four Seasons Bangkok and Capella Bangkok



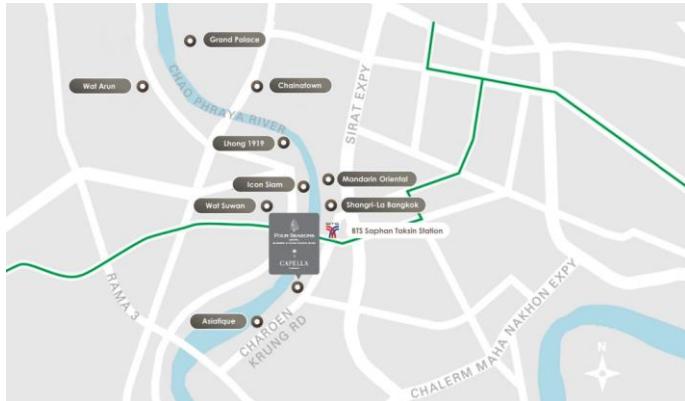
Source: BEYOND

Two world-class hotels situated along the Chao Phraya River

BEYOND owns and operates two hotels in Bangkok under the leasehold rights model, which covers a period of 50 (25 + 25) years (with the option to extend the lease period for another 25 years, for a total 75-year lease period), as well as the rights and other relevant licenses relating to hotel business operations under the Four Seasons and Capella brands, respectively.

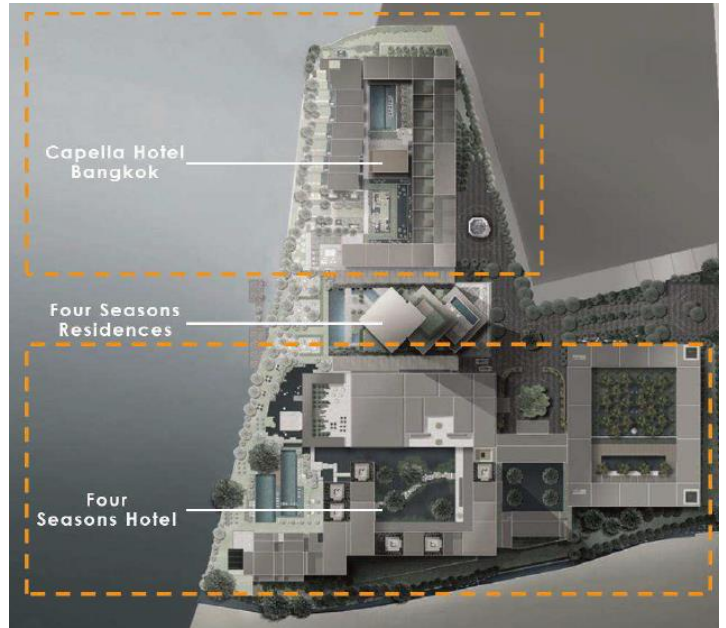
The two hotels are situated in the Chao Phraya Estate Project, a large mixed-use project with a total area of c35 rai (14,268 sq wah), that includes Four Seasons Hotel Bangkok, Capella Bangkok and Four Seasons Private Residences Bangkok. The projects are located near popular tourist attractions including Asiatique, ICONSIAM, and the Chao Phraya River.

Exhibit 4: Unique riverfront location



Source: BEYOND

Exhibit 5: Chao Phraya Estate Project



Source: BEYOND

The hotels partially commenced operations in early 2020 but later closed due to the Covid pandemic before reopening in Oct-20. The details of the two hotels are as follows:

1. Four Seasons Hotel Bangkok

Designed as an ultra-luxury hotel by world-renowned architecture firm Hamiltons International and famous interior designer Jean-Michel Gathy, the hotel is managed under an agreement with Four Seasons Hotels and Resorts.

The hotel has 299 guest rooms with eight different styles ranging from 50 to 450 sq m. More than 50% of the rooms offer views of the Chao Phraya River. Compared to its competitors along the riverside, the hotel’s price per square metre is significantly lower, according to an IFA report.

The hotel offers six restaurants and bars. Yu Ting Yuan received its first Michelin Star in 2022 and RIVA del Fiume is recommended in the Michelin Guide Thailand.

Exhibit 6: Four Seasons Hotel Bangkok key data



Four Seasons Hotel Bangkok at Chao Phraya River

A riverside urban resort in the heart of Bangkok featuring world-class dining destinations

		Room	F&B Outlets	Banquet Facilities
Land area	22 rai (7 acres) Leasehold right to 2069 with option to extend for 25 years		 Yu Ting Yuan One Michelin Star 2022	
Room	299 rooms and suites 8 different types ranging from 50 sq.m. to 450 sq.m.		 "Best Bar in Thailand" by The World's 50 Best Bars 2022	
Food and Beverage	6 restaurants and bars Total capacity of 719 seats 			
Banquet facilities	1 grand ballroom, 1 conservatory, 4 studios and 5 function spaces Total area of 3,401 sq.m. Accommodate up to 3,000 guests Biggest Ballrooms and Event Spaces on Chao Phraya Riverfront			

Source: BEYOND


2. Capella Bangkok

Styled under the award-winning Capella brand, Capella Bangkok is managed via an agreement with Capella Hotel Group, a leading international hotel and resort chain.

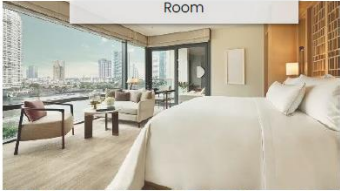












The hotel has 101 guest rooms with 10 different styles ranging in size from 61 to 595 sqm. It offers two zones of accommodations, the riverfront building and villas. All rooms in the building are suites and offer panoramic views while the villas are situated alongside the Chao Phraya River. When compared to its riverside competitors, its price per square metre is significantly lower, according to an IFA report.

The hotel offers five restaurants and bars. Côte by Mauro Colagreco received its first Michelin Star in 2022, and restaurant manager Mr. Thibaud Charlemarty received a Michelin Guide Service Award the same year.

Exhibit 7: Capella Bangkok Hotel key data



Capella Bangkok
A gateway to the urban oasis of the city

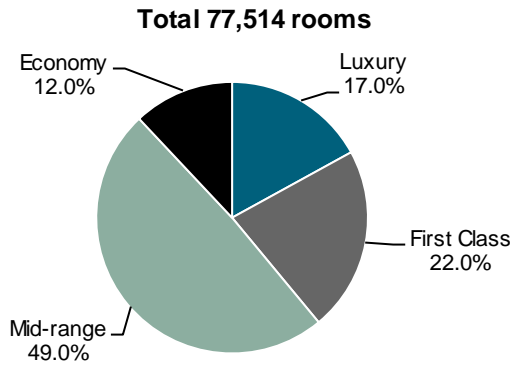
		Room	F&B Outlets	Banquet Facilities
Land area	10-2-60 rai (4.2 acres) Leasehold right to 2069 with option to extend for 25 years			
Room	101 suites and villas 10 different types ranging from 61 sq.m. to 595 sq.m.			
Food and Beverage	5 restaurants and bars Total capacity of 310 seats 		 CÔTE BY MAURO COLAGRECO One Michelin Star 2022	
Banquet facilities	1 ballroom, 4 ateliers and 3 function spaces Total area of 2,037 sq.m. Accommodate up to 1,400 guests All function spaces equip with view of the Chao Phraya river			

Source: BEYOND

Low competition in Chao Phraya River area

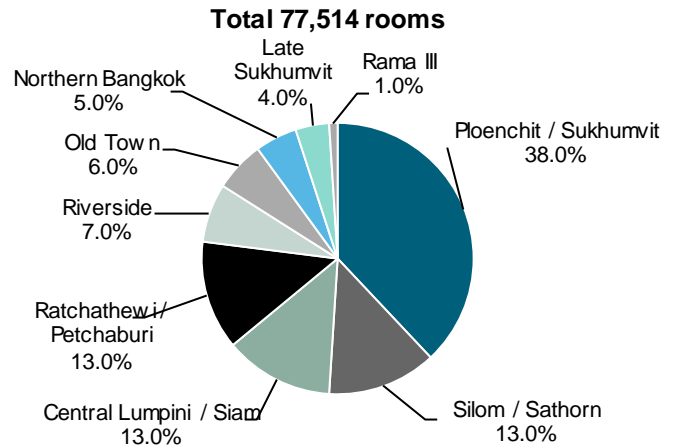
BEYOND’s main competitors are luxury hotels located along the Chao Phraya River. According to CBRE, the total hotel supply in Bangkok comprises 399 properties with 77,514 rooms as of 3Q22. The Mid-range segment dominates the market with 49% of the total hotel supply, followed by First Class (22%), Luxury (17%), and Economy (12%). In terms of location, hotels in Bangkok’s riverside area account for only 7% of the total hotel supply. Thus, we believe the hotels are in a decent position to benefit from Thailand’s tourism recovery.

Exhibit 8: Bangkok hotel supply by segment as of 3Q22



Source: CBRE

Exhibit 9: Bangkok hotel supply by area as of 3Q22

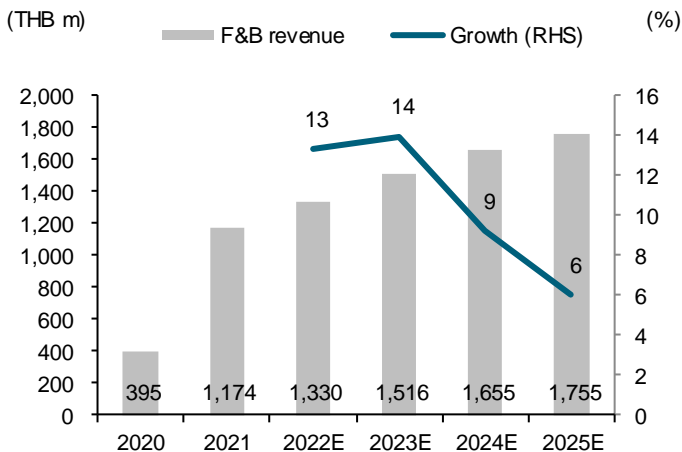


Source: CBRE

Food & Beverage contributes up to 45% of total revenue

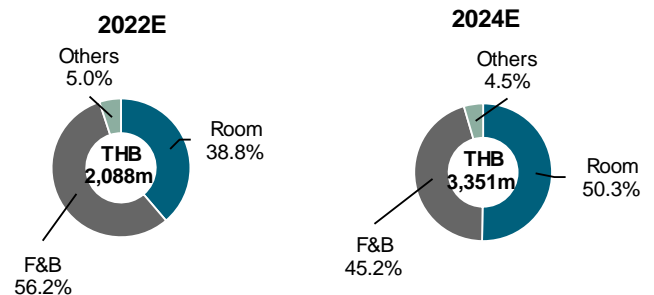
With well-known, award-winning restaurants and bars at both hotels, we think BEYOND should continue to enjoy solid food and beverage (F&B) revenue. During the Covid pandemic, F&B revenue contributed about 60% of total revenue. Therefore, we forecast F&B revenue to grow by 13%-14% in 2023-24 thanks to the recovery of MICE, and the higher projected numbers of international guests who tend to spend more on hotel F&B. F&B contributions should level off to 40%-45% of total revenue in 2024.

Exhibit 10: F&B revenue



Sources: BEYOND; FSSIA estimates

Exhibit 11: Revenue contribution by type



Sources: BEYOND; FSSIA estimates

Financial analysis

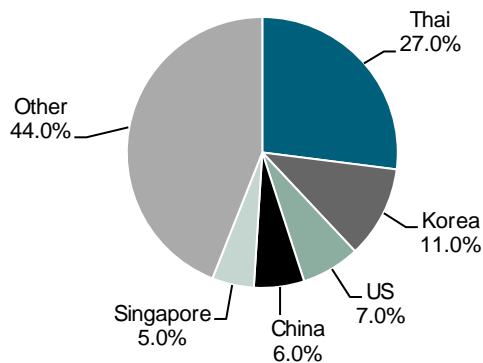
Turnaround expected in 2023

We expect BEYOND’s occupancy (OCC) rate to increase from 33% in 2022 to 55% in 2023, with its average daily rate (ADR) increasing by 6% to cTHB17,808. Key drivers include the recovery in international tourist arrivals, especially the high-spending segment.

In 2022, Thai guests were a key contributor, accounting for about 27% of hotel revenue, followed by guests from South Korea (11%), the US (7%), and China (6%), the majority of whom were expat residents of Thailand. We believe these numbers will grow in line with the expected rise in tourist arrivals to 25m-30m in 2023, up from 11.1m in 2022.

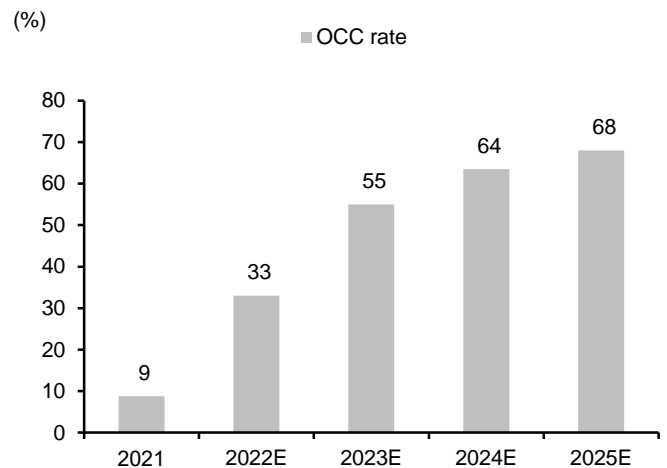
We expect the revenue contribution from Thai guests to decline to 10%-15% in 2023 as revenue from international guests increases to 85%-90%. This factor should drive both ADR and F&B revenue growth based on the high-spending nature of international guests.

Exhibit 12: Revenue breakdown by nationality as of 2022E



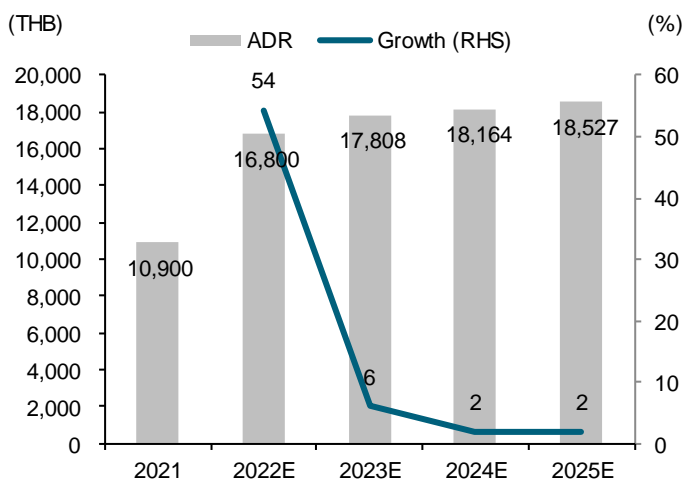
Sources: BEYOND; FSSIA estimates

Exhibit 13: OCC rate



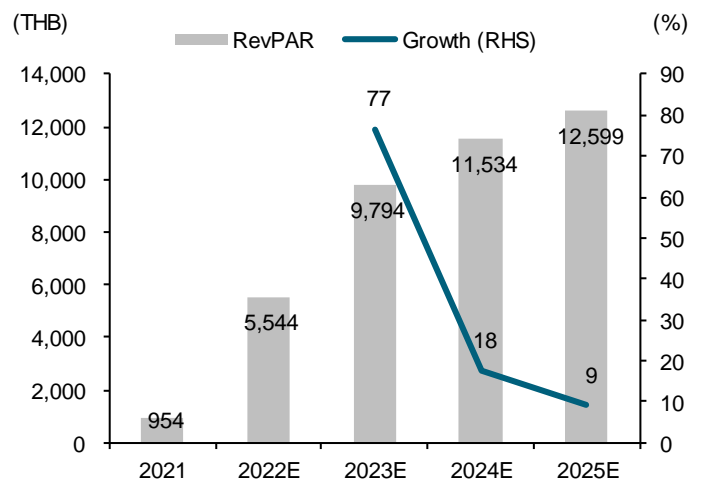
Sources: BEYOND; FSSIA estimates

Exhibit 14: ADR



Sources: BEYOND; FSSIA estimates

Exhibit 15: RevPAR

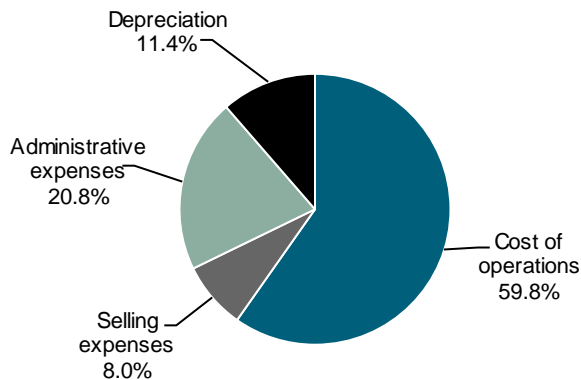


Sources: BEYOND; FSSIA estimates

As a result, we forecast a 77% higher RevPAR and a 39% rise in revenue to THB2.9b in 2023, which should be sufficient to break even. We estimate that the EBITDA margin should also improve from 7% in 2022 to 26% in 2023, leading to a profit of THB78m in 2023.

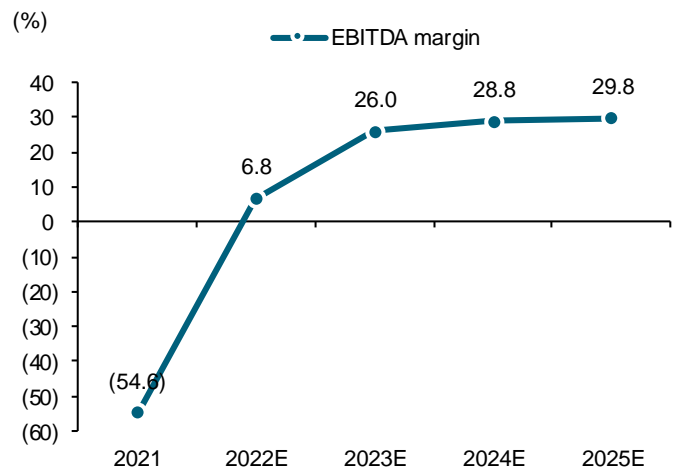
Furthermore, we expect international tourist arrivals to reach 40m in 2024, leading BEYOND's revenue to normalise between THB3.4b-3.7b with an OCC rate of 64%-68%. The EBITDA margin should rise to 29%-30% in 2024-25 due to high operating leverage. We estimate that almost half of its expenses are fixed costs including staff salaries, depreciation, and utilities. Therefore, core profit should accelerate to the THB200m-300m level by 2025 thanks to high operating leverage.

Exhibit 16: Expense breakdown as of 3Q22



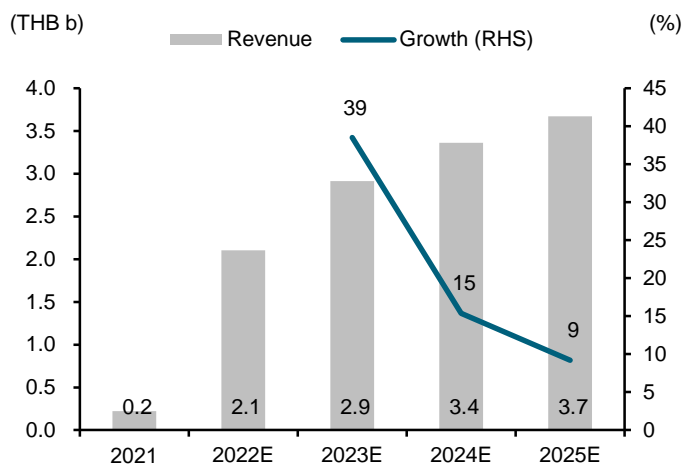
Source: BEYOND

Exhibit 17: EBITDA margin



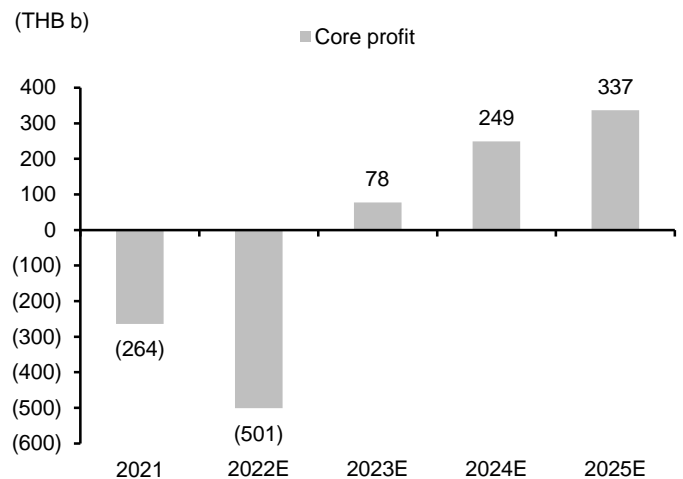
Sources: BEYOND; FSSIA estimate

Exhibit 18: Revenue



Sources: BEYOND; FSSIA estimates

Exhibit 19: Core profit



Sources: BEYOND; FSSIA estimates

Long-term earnings upside if NPM rises to 12%-15%

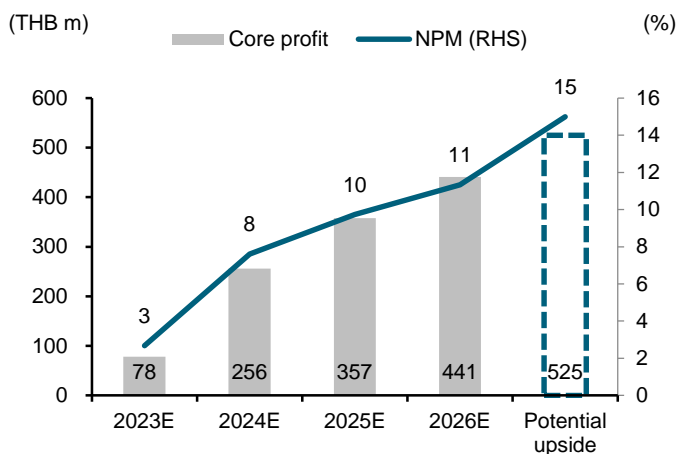
We believe BEYOND’s two hotels have the potential to earn an annual profit of up to THB400m-500m based on our premise that its NPM should continue to improve along with its EBITDA margin as the ADR and OCC rates rise and interest expenses fall due to lower debt.

Currently, we forecast BEYOND’s NPM to rise to 10%-11% when its assets reach the mature stage. However, we believe there is a further potential upside based on other luxury hotels including Grand Hyatt Erawan and Mandarin Oriental Bangkok, which recorded NPMs of 12%-16% pre-Covid.

We believe Mandarin Oriental Bangkok, currently operated by OHTL (OHTL TB, not rated) would be a fair comparison with BEYOND, based on their similar locations and market segment. Mandarin Oriental Bangkok had 368 hotel rooms with an OCC rate of 48% and an ADR of THB13,887 in 2018 (the hotel was under renovation in 2019). The hotel contributed 92% of OHTL’s total revenue of THB2.2b, with a net profit of THB260m and an NPM of 12% in 2018.

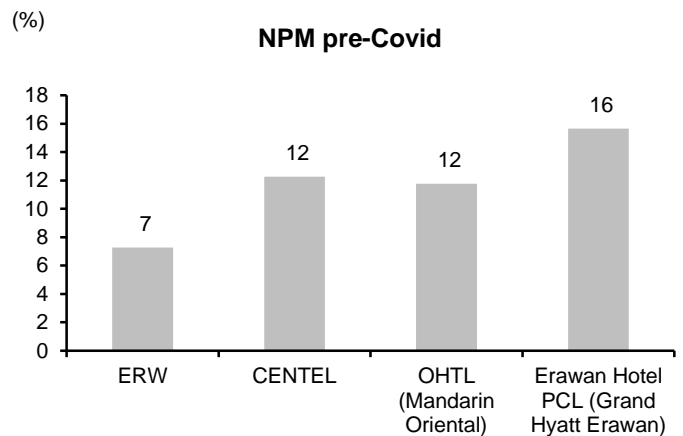
With BEYOND’s larger asset size (400 hotel rooms) and higher ADR profile (almost THB17,000 in 2022E), we see a strong potential for BEYOND to deliver an NPM of up to 12%-15% in the long run. This would imply annual earnings in the range of THB420m-THB525m based on a potential revenue base of THB3.5b.

Exhibit 20: Profit and NPM



Sources: BEYOND; FSSIA estimates

Exhibit 21: Peers’ NPM pre-Covid



Note: data as of 2019, except OHTL data as of 2018
Sources: Company data, FSSIA compilation

Non-operating assets to be divested for hotel portfolio expansion

BEYOND has two major non-operating assets left over from its former business, including land in Rayong and Tak provinces. BEYOND expects to complete the sale of the land in Rayong by 1H23.

According to BEYOND, the total appraised value of the two land plots is THB1.6b (THB0.6b for the Rayong parcel and THB1.0b for the land in Tak), while the book value of the two plots is THB0.7b (Rayong THB0.2b, Tak THB0.5b). Thus, we estimate that BEYOND should book a gain from divesting the two plots of land of THB0.9b. Note that we have not included this transaction in our model yet. BEYOND plans to use the proceeds to expand its hotel portfolio.

Exhibit 22: Two plots of land to be divested



Location: Rayong, Thailand
 Asset detail: 52 rai of land and buildings
 Appraisal value: ~600mn (Appraised in Jan 2022)



Location: Tak, Thailand
 Asset detail: 1,732 rai of land and buildings
 Appraisal value: ~1,000mn (Appraised in Sep 2021)

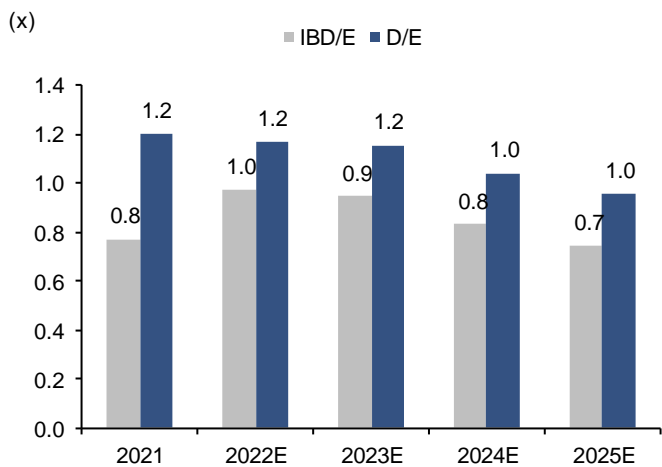
Source: BEYOND

Healthy balance sheet with ample room for expansion

BEYOND had 0.97x IBD/E and 1.2x D/E as of 3Q22, lower than its debt covenant of 3.5x D/E. Its CAPEX over two years is likely to be marginal at only THB100m per year for hotel maintenance, while we expect EBITDA of THB0.8b-1.1b for the same period. Thus, we estimate its interest-bearing debt to fall from the current THB5.8b to cTHB5b, and its IBD/E to dip to 0.7x by 2025. In addition, if BEYOND succeeds in divesting the two plots of land, its IBD/E could potentially fall to 0.6x by 2025.

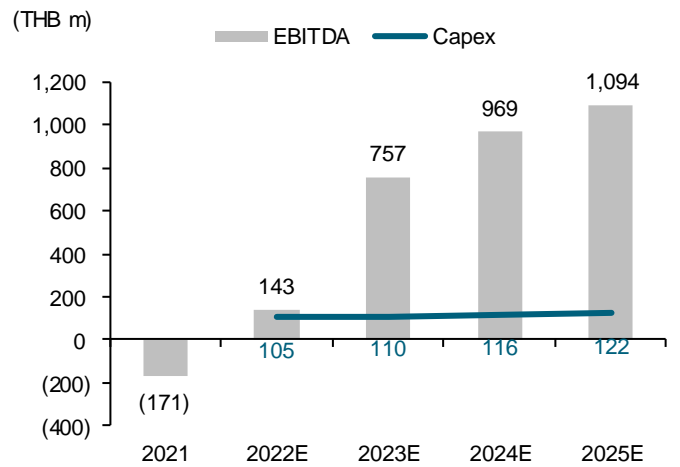
BEYOND's strong balance sheet should allow it to continue its hotel portfolio expansion. According to management, BEYOND plans to diversify its luxury hotel portfolio to include investments in experience-based hotels and resorts in the provinces – mainly greenfield projects with an estimated CAPEX of THB3.0b – along with lifestyle F&B establishments. This should add more potential upside to our TP and forecasts as we have not incorporated these projects into our model yet.

Exhibit 23: IBD/E forecast



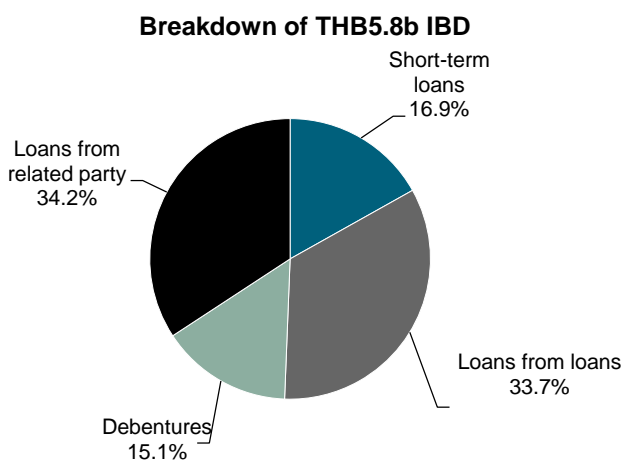
Sources: BEYOND; FSSIA estimates

Exhibit 24: EBITDA and CAPEX



Sources: BEYOND; FSSIA estimates

Exhibit 25: Debt breakdown as of 3Q22



Source: BEYOND

Exhibit 26: Strategic expansion plans



Source: BEYOND

Valuation and TP

We initiate our coverage of BEYOND with a BUY rating and a DCF valuation using 2023 as the base year. We assume a 9.6% WACC and 3% terminal growth, derived from a 3% risk-free rate, 8% market risk premium, 1.5 beta and a 45% debt/55% equity weighting. From this, we derive a DCF-based TP of THB24/shr. Note that our 9.6% WACC is conservative compared to other hotel stocks for which we use a WACC of 7%-9%.

We think BEYOND is trading at a cheap valuation of only 18x 2024E P/E, lower than its peers' average of 31x, because the stock is under-covered and has escaped the market's attention. We believe the re-rating catalysts for this stock are more broker coverage, an earnings turnaround, and the announcement of its hotel expansion plans.

Exhibit 27: DCF-derived TP

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		4.0
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.5			
Cost of equity, Ke		15.2	Net cost of debt, Kd		2.8
Weight applied		55.0	Weight applied		4.5
WACC		9.6			
DCF valuation estimate	(THB b)	(THB/share)	Comments		
NPV	5.5	17.8	WACC 9.6%, Risk-free rate 3%, Risk premium 8%		
Terminal value	6.2	20.1	Terminal growth 3%		
Cash & liquid assets	0.3	1.0	At end-2022E		
Investments	0.2	0.7	At end-2022E		
Land for sales	1.3	4.1	Based on appraisal value of THB1.6b with 20% discount		
Debt	(6.1)	(19.7)	At end-2022E		
Minorities	0.0	0.0	At end-2022E		
Residual ordinary equity	7.4	24.0			

Source: FSSIA estimates

Trading below NAV

As an alternative to our DCF valuation, we calculate BEYOND's net asset value (NAV) at THB7.6b (THB24.5/shr.), comprising the THB8.6b replacement cost of the two hotels, THB2.5b for the land leasehold rights, THB1.6b for the future land sales, and THB5.8b in interest-bearing debt.

BEYOND is trading at a deep discount to its NAV which is unjustified, in our view, given that hotel stocks normally trade at up to 2x NAV. We think this implies a limited downside for the share price.

Exhibit 28: Net Asset Value (NAV)

Cost approach	(THB b)	Note
Total replacement cost	8.6	Based on IFA dated 2 Sep 2021
Add : Leasehold rights of land	2.5	Based on IFA dated 2 Sep 2021
Add : Land (Tak and Rayong)	1.6	Based on appraisal value
Add : Cash and cash equivalents	0.8	As of 3Q22
Less: Interest bearing debt	(5.8)	As of 3Q22
Less: Minorities	0.0	As of 3Q22
Net value	7.6	
No of shares (m)	309.8	
FV per share	24.5	

Source: FSSIA estimates

4Q22 results preview

We expect BEYOND's OCC rate to improve to 50% in 4Q22 from 38% in 3Q22 and its ADR to increase by 24% q-q to THB19,500 thanks to Thailand's tourism high season and a strong recovery in international tourist arrivals. Thus, RevPAR and revenue should grow by 62% q-q and 48% q-q, respectively.

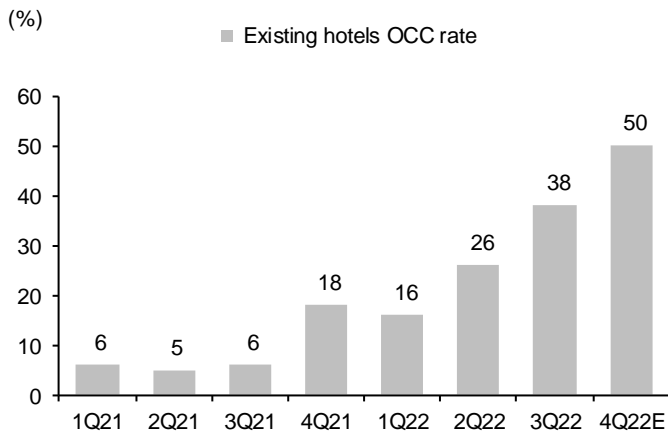
We expect COGS to increase by 30% q-q on the higher revenue, while SG&A should drop by 12% q-q as BEYOND booked a THB34m non-recurring impairment of assets in 3Q22. Therefore, we estimate the EBITDA margin to improve to 22% from 3% in 3Q22. This should lead BEYOND's core profit to reach breakeven in 4Q22.

Exhibit 29: 4Q22 results preview

FY ending Dec	4Q21	1Q22	2Q22	3Q22	4Q22E	Change		2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	210	331	448	530	782	48	273	2,103
COGS (incl depreciation)	(200)	(322)	(358)	(398)	(516)	30	158	(1,591)
Gross Profit	10	10	91	132	266	102	2,658	512
SG&A	(105)	(143)	(166)	(192)	(170)	(12)	62	(673)
Operating Profit	(96)	(133)	(76)	(60)	96	259	200	(160)
Dividend income	0	0	0	0	0			0
Interest income	3	1	1	1	1	0	(64)	5
Other income	5	31	2	0	0	(100)	(100)	31
Interest expenses	(36)	(83)	(123)	(98)	(93)	(5)	154	(396)
Pretax profit	(124)	(184)	(195)	(157)	4	103	104	(520)
Income Tax	4	7	11	1	0	(100)	(100)	19
Associates	(0)	(0)	(0)	(0)	0	(100)	(100)	0
Minority interest	(131)	0	0	0	0			0
Core profit	(251)	(177)	(184)	(156)	4	103	102	(501)
Extraordinaries, GW & FX	820	74	1	11	0			86
Reported net profit	569	(103)	(183)	(145)	4	103	(99)	(415)
Outstanding shares (m)	289	289	289	289	289	0	0	289
Core EPS (THB)	(0.87)	(0.61)	(0.64)	(0.54)	0.02	103	102	(1.73)
EPS (THB)	1.97	(0.36)	(0.63)	(0.50)	0.02	103	(99)	(1.44)
COGS excl. depreciation	(153)	(246)	(282)	(322)	(441)	37	188	(1,287)
Depreciation	(47)	(75)	(76)	(76)	(76)	0	60	(303)
EBITDA	(48)	(58)	(0)	15	172	1,023	456	143
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	5	3	20	25	34	5	(3)	24
SG&A/Revenue	50	43	37	36	22	(1)	(1,441)	32
EBITDA margin	(23)	(17)	(0)	3	22	3	1,345	7
Net profit margin	271	(31)	(41)	(27)	1	13	(6,428)	(20)
Operating stats								
Occupancy (%)	18	16	26	38	50			
ADR (THB/night)	12,220	14,060	14,866	15,742	19,500			
RevPar (THB/night)	2,163	2,305	3,890	6,020	9,750			

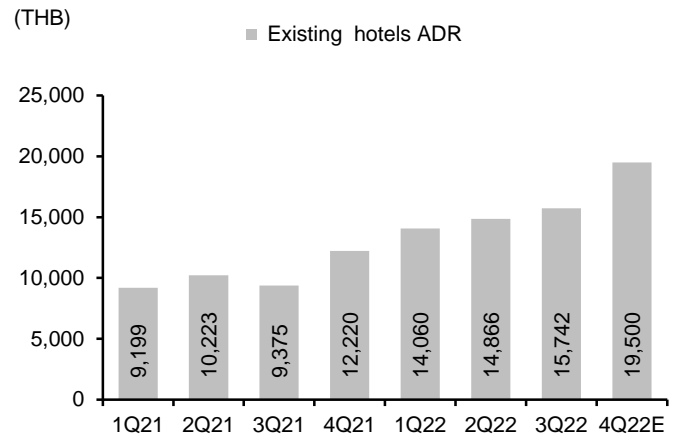
Sources: BEYOND; FSSIA estimates

Exhibit 30: OCC rate (quarterly)



Sources: BEYOND; FSSIA estimate

Exhibit 31: ADR (quarterly)



Sources: BEYOND; FSSIA estimate

Exhibit 32: Peer comparisons as of 7 Feb-23

Company	BBG	Rec	Share price			Market Cap	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	6.80	16	5,568	(850.4)	88.8	50.8	(0.3)	2.5	2.3	2.2	96.2	44.0
Minor International	MINT TB	BUY	33.25	40.00	20	5,217	107.9	34.8	27.2	2.5	7.9	2.4	2.8	12.8	11.3
Central Plaza Hotel	CENDEL TB	BUY	54.00	58.00	7	2,168	323.9	34.1	27.8	1.2	11.1	4.0	3.6	24.6	14.9
Erawan Group	ERW TB	BUY	4.86	5.00	3	655	(64.1)	46.7	41.3	(5.9)	8.0	3.9	3.6	39.3	17.0
S Hotels & Resorts	SHR TB	BUY	4.44	5.30	19	475	(1,049.4)	34.8	23.6	(0.1)	2.8	1.0	1.0	15.7	10.4
Dusit Thani	DUSIT TB	BUY	12.70	18.00	42	321	(16.1)	99.4	29.6	(22.3)	3.9	3.9	3.8	168.9	33.2
Bound and Beyond	BEYOND TB	BUY	14.80	24.00	62	127	(9.2)	58.8	17.9	(8.1)	1.3	0.7	0.7	72.0	13.3
Thailand average						14,531	(222.5)	56.8	31.2	(4.7)	5.4	2.6	2.5	61.4	20.6
Regional															
Btg Hotels Group	600258 CH	n/a	23.05	n/a	n/a	3,805	n/a	31.5	21.4	(3.4)	7.2	2.4	2.2	26.3	12.1
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.06	n/a	n/a	7,866	113.7	9.1	6.3	1.0	8.7	0.9	0.8	44.7	17.3
Huangshan Tourism Dev.	900942 CH	n/a	0.83	n/a	n/a	1,059	182.3	17.7	13.1	(1.1)	5.8	1.0	0.9	44.2	11.0
Genting Bhd	GENT MK	n/a	5.02	n/a	n/a	4,512	44.1	15.2	11.9	1.7	4.3	0.6	0.6	8.4	6.9
Greentree Hospitality	GHG US	n/a	4.08	n/a	n/a	420	n/a	11.6	7.5	7.3	15.3	1.8	1.5	n/a	5.9
Huazhu Group	HTHT US	n/a	48.92	n/a	n/a	15,575	n/a	52.0	38.6	(12.3)	20.3	11.7	10.7	134.9	23.7
Indian Hotels	IH IN	n/a	316.45	n/a	n/a	5,438	n/a	48.4	38.7	(4.5)	12.3	7.6	5.7	87.9	26.9
Lemon Tree Hotels	LEMONTRE IN	n/a	77.95	n/a	n/a	747	n/a	57.8	38.7	(6.2)	11.5	7.2	6.7	55.4	21.1
Lippo Karawaci	LPKR IJ	n/a	85.00	n/a	n/a	399	n/a	n/a	28.9	(3.0)	(0.8)	0.3	0.3	9.4	8.3
Regional average						39,823	113.4	30.4	22.8	(1.9)	8.9	3.7	3.3	51.4	14.8
Overall average						54,353	(121.7)	42.7	26.4	(3.1)	7.4	3.2	2.9	56.0	17.3

Sources: Bloomberg; FSSIA estimates

Corporate Governance – BEYOND

Board structure

Independent Directors (ID)	5 of 10 board members
Percentage of IDs on the board	50%
ID attendance at board meetings	100%
ID in audit/remuneration committee	3/3 in audit committee and 2/3 in remuneration committee
ID terms	Nine years consecutively, but can be re-elected by the Board's justification

Additional information: Beyond ruled to have IDs comprise at least 50% of total board members. Based on 2021 annual report, as of 9 Jan 2023, there are 4 IDs out of 9 board members. The only female on the board is also the Managing Director.

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	THB4.28m in 2021 vs 877.7m net profit
Changes/stability in senior management	Following restructuring, there were changes in the Chairman of the board of director, Chairman of the executive committee, managing director and 3 IDs whose knowledge, skills, and experience are aligned with the new strategic hospitality business development.
Incidents of termination of senior management	None
Track record on insider sales	None

Additional information: None

ESG and sustainability management

Bound and Beyond PCL (BEYOND TB) was originally Padaeng Industry PCL (PDI TB), founded on 10 April 1981 to operate a zinc mining and smelting business. After 34 years in the zinc business, PDI ceased mining operations due to the depletion of the zinc reserves in 2016, and later discontinued the smelting process in 2018. In 2014, PDI restructured and invested in the renewable energy business and exited entirely in 3Q21 with proceeds of THB 2,416.43m. During 2021, the company entered into the hospitality business by acquiring 76% of Urban Resort Hotel Co. Ltd. and Waterfront Hotel Co. Ltd., the owner of Four Seasons Hotel Bangkok at Chao Phraya River and Capella Bangkok, respectively. Both assets were invested in on the grounds that they would generate consistent positive cash flow and offer growth opportunities to the company. The rebranding to Bound and Beyond PCL was official in the Stock Exchange of Thailand on 5 October 2021 with the "BEYOND" ticker. On 28 December 2021, the company's industry group was reclassified from Resources to Services and the sector from Energy and Utilities to Tourism and Leisure.

Materiality issues	Activities and practices
Dependency on outside hotel management operators	In its management contract, Beyond prescribes conditions for the inclusion of contract cancellation upon the failure of the hotel operators to achieve performance targets. In addition, the company has its Asset Management team to coordinate to ensure that hotel management and administration work are properly carried out according to the company's guidelines.
Fierce competition and competitive advantage	Beyond's two assets are ultra-luxury hotels which target leisure travellers, business travellers, and meetings, incentive travel, conventions, and exhibitions (MICE). Both hotels have outstanding features including locations on the bank of the Chao Phraya River, room design, services and amenities which are of a distinguished standard under the Four Seasons and the Capella brands. In addition, both also share several awards worldwide such as TRAVEL + LEISURE 2021, TIME'S 2021 WORLD'S GREATEST PLACES – BANGKOK; CONDE NAST TRAVELER READER'S CHOICE AWARDS 2021; Condé Nast 2021 Hot List; The World's 50 Best Bars; and Michelin Restaurant.
Changes in consumer behaviours, risks from new epidemics, or regulatory risks that impact business operations.	Hotel business is largely sensitive to unpredictable factors such as natural disasters, terrorism, political unrest, changes in regulations from country to country and recently, epidemics. The company therefore focuses on business planning under the "Customer Centric" concept in an attempt to ensure customers' best impressions. Regarding regulations, the company has several related departments to closely monitor and report to the Board of Directors and the Executive Committee on any changes that could materially impact the company's operations.
IT management and cyber security threats	The use of international hotel operators is expected to assure the efficient protection of the hotels' information system, and the consistent development in cyber security to counteract potential cyber security threats. The Company also insures against cyber risk for its hotel operations as a means to mitigate its risk against cyber security threats.
Human resource management	The Company encourages bonding between its employees and the organisation and understanding of its employees' goals with an attempt to foster shared teamwork goals. The core schemes include 1) appropriate distribution of remunerations and fringe benefits, and a proper workplace environment; 2) fair and equal treatment of employees as per human rights principles and labour laws; and 3) promoting career progress and regularly organising competency development for employees.
Communities and society	Each year the Company allocates its budget and its human resources to support socially beneficial activities and projects that respond to the needs of communities and society. The Company has continuously followed these practices for more than 40 years and focuses on the importance of education, public health, religions, cultural tradition, and career development, to promote community development, build community strength, and develop self-reliance. In 2021, the year during which Covid-19 heavily impacted society, the company donated medical equipment and supplies to hospitals in need worth a total of THB3m.

Additional information: [Annual report 2021 \(Form56-1 One report\)](#)

Audit Practices

Auditor	EY Company Limited
Length of service	Since 1Q21
Reporting incidents	None
Fee track record	In 2021, the company paid 1) THB1,990,000 for audit fees, and 2) THB600,000 in non-audit fees to the consultant involved in the investment.
Policy on change of audit firm	To review every five years

Additional information: Prior to EY, the auditor was Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Shareholders' rights

Practice	Activity
Communication - shareholder participation in AGMs/EGMs	AGM once annually, EGM when appropriate and in accordance with SEC guidelines
Related party transactions	In accordance with SEC guidelines
Voting issues - policies, incidents of rejected proposals	None

Additional information: None

Financial Statements

Bound and Beyond

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	13	222	2,103	2,913	3,361
Cost of goods sold	2	(151)	(1,287)	(1,429)	(1,629)
Gross profit	15	71	816	1,484	1,732
Other operating income	-	-	-	-	-
Operating costs	(170)	(242)	(673)	(727)	(763)
Operating EBITDA	(155)	(171)	143	757	969
Depreciation	(13)	(59)	(303)	(306)	(308)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(168)	(230)	(160)	452	661
Net financing costs	(49)	(65)	(391)	(384)	(370)
Associates	0	0	0	0	0
Recurring non-operating income	14	25	31	10	10
Non-recurring items	282	1,142	86	0	0
Profit before tax	79	872	(434)	78	301
Tax	2	6	19	0	(45)
Profit after tax	80	878	(415)	78	256
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	80	878	(415)	78	256
Non-recurring items & goodwill (net)	(282)	(1,142)	(86)	0	0
Recurring net profit	(202)	(264)	(501)	78	256
Per share (THB)					
Recurring EPS *	(0.89)	(0.91)	(1.62)	0.25	0.82
Reported EPS	0.36	3.04	(1.44)	0.27	0.82
DPS	0.00	0.00	0.00	0.00	0.41
Diluted shares (used to calculate per share data)	226	289	310	310	310
Growth					
Revenue (%)	-	1,595.6	848.7	38.5	15.4
Operating EBITDA (%)	-	nm	nm	429.9	28.0
Operating EBIT (%)	-	nm	nm	nm	46.3
Recurring EPS (%)	-	nm	nm	nm	228.0
Reported EPS (%)	-	753.7	nm	nm	205.8
Operating performance					
Gross margin inc. depreciation (%)	17.3	5.5	24.4	40.4	42.4
Gross margin of key business (%)	17.3	5.5	24.4	40.4	42.4
Operating EBITDA margin (%)	(1,186.3)	(77.1)	6.8	26.0	28.8
Operating EBIT margin (%)	(1,285.7)	(103.7)	(7.6)	15.5	19.7
Net margin (%)	(1,545.1)	(119.2)	(23.8)	2.7	7.6
Effective tax rate (%)	0.9	2.2	15.0	15.0	15.0
Dividend payout on recurring profit (%)	-	-	-	-	50.0
Interest cover (X)	(3.1)	(3.1)	(0.3)	1.2	1.8
Inventory days	(4.1)	43.9	12.6	14.3	14.1
Debtor days	1,414.8	113.0	9.0	10.3	10.5
Creditor days	(3,784.3)	286.0	64.6	71.3	70.4
Operating ROIC (%)	(8.5)	(3.0)	(1.2)	3.2	4.7
ROIC (%)	(6.8)	(2.5)	(0.9)	3.2	4.7
ROE (%)	(8.4)	(4.7)	(8.1)	1.3	4.1
ROA (%)	(4.2)	(1.9)	(1.2)	3.1	4.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	0	207	2,088	2,903	3,351
Revenue from sales and services	13	15	15	10	10

Sources: Bound and Beyond; FSSIA estimates

Financial Statements

Bound and Beyond

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(202)	(264)	(501)	78	256
Depreciation	13	59	303	306	308
Associates & minorities	-	-	-	-	-
Other non-cash items	-	1,148	86	0	0
Change in working capital	-	1,206	(1,234)	(49)	9
Cash flow from operations	-	2,149	(1,345)	334	573
Capex - maintenance	-	(8,486)	(105)	(110)	(116)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	391	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	-	(8,096)	(105)	(110)	(116)
Dividends paid	-	0	0	0	0
Equity finance	-	629	0	0	210
Debt finance	-	3,428	770	(100)	(300)
Other financing cash flows	-	174	0	0	0
Cash flow from financing	-	4,231	770	(100)	(90)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	-	0	0	0	0
Net other adjustments	-	0	0	0	0
Movement in cash	-	(1,716)	(681)	124	366
Free cash flow to firm (FCFF)	-	(5,869.34)	(1,054.63)	608.47	828.99
Free cash flow to equity (FCFE)	-	(2,344.61)	(680.75)	123.77	156.79

Per share (THB)

FCFF per share	-	(18.94)	(3.40)	1.96	2.68
FCFE per share	-	(7.57)	(2.20)	0.40	0.51
Recurring cash flow per share	1.70	3.26	(0.39)	1.33	1.82

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	5,343	13,647	13,752	13,862	13,978
Less: Accumulated depreciation	(1,379)	(1,255)	(1,558)	(1,864)	(2,172)
Tangible fixed assets (net)	3,964	12,392	12,194	11,998	11,806
Intangible fixed assets (net)	26	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	595	204	204	204	204
Cash & equivalents	2,582	866	186	309	676
A/C receivable	101	36	67	97	97
Inventories	0	36	53	59	67
Other current assets	23	571	315	437	504
Current assets	2,707	1,509	621	902	1,343
Other assets	1	1	1	1	1
Total assets	7,293	14,106	13,020	13,105	13,354
Common equity	4,782	6,412	5,998	6,076	6,541
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,782	6,412	5,998	6,076	6,541
Long term debt	2,007	4,450	5,220	5,120	4,820
Other long-term liabilities	321	350	350	350	350
Long-term liabilities	2,329	4,801	5,570	5,470	5,170
A/C payable	45	191	265	294	335
Short term debt	0	985	985	985	985
Other current liabilities	138	1,717	202	280	323
Current liabilities	183	2,893	1,452	1,559	1,643
Total liabilities and shareholders' equity	7,293	14,106	13,020	13,105	13,354
Net working capital	(58)	(1,265)	(31)	19	10
Invested capital	4,528	11,332	12,368	12,222	12,020

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

Per share (THB)

Book value per share	21.16	22.20	20.76	21.03	21.11
Tangible book value per share	21.04	22.20	20.76	21.03	21.11

Financial strength

Net debt/equity (%)	(12.0)	71.3	100.4	95.4	78.4
Net debt/total assets (%)	(7.9)	32.4	46.2	44.2	38.4
Current ratio (x)	14.8	0.5	0.4	0.6	0.8
CF interest cover (x)	1.0	(35.0)	(0.7)	1.3	1.4

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(16.6)	(16.2)	(9.2)	58.8	17.9
Recurring P/E @ target price (x) *	(26.9)	(26.2)	(14.8)	95.4	29.1
Reported P/E (x)	41.6	4.9	(10.3)	54.9	17.9
Dividend yield (%)	-	-	-	-	2.8
Price/book (x)	0.7	0.7	0.7	0.7	0.7
Price/tangible book (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x) **	(17.9)	(51.7)	72.0	13.3	10.0
EV/EBITDA @ target price (x) **	(31.3)	(67.3)	90.6	16.8	13.0
EV/invested capital (x)	0.6	0.8	0.8	0.8	0.8

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Bound and Beyond; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100											
AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTT	SCN	STA	TKN	TWPC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SUTHA	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOM	GPI	KCE	MONO	PLANB	SAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENDEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	TTB	THG	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89											
2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPL	WIJK
AIT	BIG	CSC	GTB	KCAR	MITSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCMC	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79											
A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

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

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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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

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ANALYST(S) CERTIFICATION

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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Bound and Beyond	BEYOND TB	THB 14.80	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
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 33.25	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CENDEL TB	THB 54.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 4.86	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 4.44	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 12.70	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 Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 07-Feb-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.