

THE ERAWAN GROUP

THAILAND / TOURISM & LEISURE

ERW TB

BUY

UNCHANGED

Solid 4Q22 driven by luxury hotels

- ERW reported a 4Q22 core profit turnaround at THB200m, beating our expectation and BBG's consensus estimate by 42-49%.
- Expect OCC rate to improve from 58% to 75-80% in 2023, with rising ADR of more than 20%.
- Maintain BUY with a higher DCF-derived TP of THB5.5/shr.

TARGET PRICE	THB5.50
CLOSE	THB4.90
UP/DOWNSIDE	+12.2%
PRIOR TP	THB5.00
CHANGE IN TP	+10.0%
TP vs CONSENSUS	+5.8%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	4,629	6,935	7,374	7,911
Net profit	(224)	533	611	711
EPS (THB)	(0.05)	0.12	0.13	0.15
vs Consensus (%)	-	nm	58.5	13.6
EBITDA	969	2,011	2,175	2,366
Core net profit	(278)	533	611	711
Core EPS (THB)	(0.06)	0.12	0.13	0.15
Chg. In EPS est. (%)	nm	13.0	6.3	nm
EPS growth (%)	nm	nm	6.3	16.3
Core P/E (x)	(79.9)	41.7	39.2	33.7
Dividend yield (%)	-	1.0	1.0	1.2
EV/EBITDA (x)	36.0	17.0	15.8	14.3
Price/book (x)	3.9	3.6	3.1	2.9
Net debt/Equity (%)	222.0	191.5	135.5	121.3
ROE (%)	(4.7)	8.9	8.8	9.0

Strong luxury hotels led 4Q22 earnings

ERW's 4Q22 core profit of THB200m was higher than its 4Q19 core profit of THB176m thanks to tax saving benefits (tax income in 4Q22 vs tax expense in 4Q19). Including a THB29m FX gain and a THB11m reversal on impairment of financial assets, 4Q22 net profit was THB240m. Hotel revenue grew 35% q-q as non-Hop Inn RevPAR increased 44% q-q with an OCC rate of 82% (vs 67% in 3Q22), exceeding pre-Covid by 20% (5% excluding divested hotels). RevPAR of luxury hotels exceeded the pre-Covid level by 14%. For Thailand Hop Inn, RevPAR grew 8% q-q with an OCC rate of 78% (vs 74% in 3Q22), and exceeded the pre-Covid level by 7%. Hop Inn Philippines RevPAR grew 28% q-q and accounted for 93% of the pre-Covid level. EBITDA margin rose to 31% from 25% in 3Q22.

Expect revenue to jump more than 45% in 2023

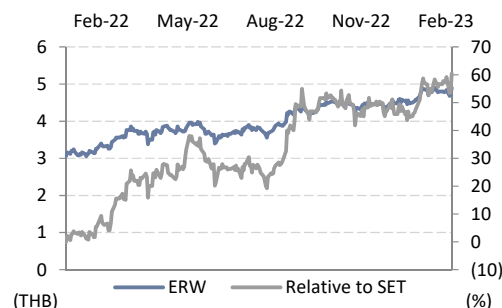
At the analyst meeting yesterday, management provided revenue growth guidance of more than 45% in 2023, driven by an OCC rate of 75-80% (vs 58% in 2022) and rising ADR by more than 20% y-y. Note that we forecast revenue to grow by 50% y-y in 2023. We expect the EBITDA margin to improve from 21% to 29% in 2023. As a result, we forecast core profit to grow to THB533m in 2023, exceeding pre-Covid by 15%.

Earnings momentum to continue in 1Q23

Management guided that strong momentum should continue in 1Q23. Performance was slightly soft in the first two weeks in Jan compared to Dec-22, but picked up in the third week of Jan into Feb. They also believe hotels in Phuket will see fewer guests in 2Q-3Q22 due to fewer Russian tourists. However, this should be partially offset by more Chinese tourists in hotels in Bangkok and Pattaya. For its expansion, ERW has no plan to open any hotels in 2023, but expects to start developing 15 Thai Hop Inn (51 currently) and 3 Philippine (7 currently) hotels to open in 2024-25.

Revise up our 2023-24 earnings estimates

We revise up 2023-24E profit by 6-13% to reflect the strong 4Q22 and ERW's promising outlook, and derive a new 2023 DCF-TP of THB5.5/shr. ERW trades at 39x 2024E P/E (first normalised year) vs its five-year average of 34x. It deserves a premium valuation, in our view, as it is a top beneficiary of Thailand's tourism recovery due to its asset-heavy model.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.0	11.9	58.1
Relative to country (%)	8.6	9.5	61.6
Mkt cap (USD m)	642		
3m avg. daily turnover (USD m)	2.1		
Free float (%)	59		
Major shareholder	Chottanavat (17%)		
12m high/low (THB)	4.94/2.96		
Issued shares (m)	4,531.56		

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com
+66 2611 3535

Investment thesis

ERW is an asset-heavy business, as all of its hotels are owned hotels and it has no asset-light model. Thus, it should be one of the stocks that benefits the most from the recovery of international tourist arrival numbers.

ERW raised capital through a rights offering leading to a lower D/E, which is currently lower than its debt covenant of 2.5x.

ERW plans to use the proceeds from the capital increase to expand its Thai Hop Inn portfolio to more than 100 hotels by 2025, up from 51 hotels currently. Hop Inn is ERW's flagship budget hotel brand focused on domestic travellers and has shown resilient performance.

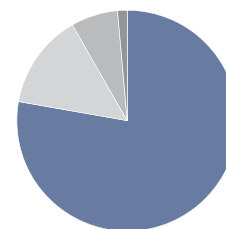
Company profile

ERW is a hotel operator and developer with a focus on Thailand and ASEAN.

www.theerawan.com

Principal activities (revenue, 2022)

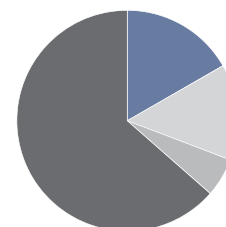
- Non-Hop Inn hotel - 77.8 %
- Hop Inn Thailand - 14.0 %
- Hop Inn Philippines - 6.9 %
- Others - 1.4 %



Source: The Erawan Group

Major shareholders

- Chottanavat - 16.7 %
- Mitr Siam Capital Limited - 14.1 %
- Mitr Phol Sugar Corp - 5.7 %
- Others - 63.5 %



Source: The Erawan Group

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following the global tourism recovery; 2) strong pent-up demand from Chinese tourists; and 3) the recovery of domestic business activities.

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
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Number of hotels (no.)	78	84	93
Number of rooms (no.)	10,225	10,951	11,804
All hotels excl. Hop Inn			
Occupancy rate (OCC %)	80	81	82
RevPAR growth (y-y %)	68	2	4
Thailand Hop Inn			
Occupancy rate (OCC %)	74	74	75
RevPAR growth (y-y %)	5	2	4

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC, we project a 2023 profit increase of 7%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2023 profit increase of 9%, and vice versa, all else being equal.

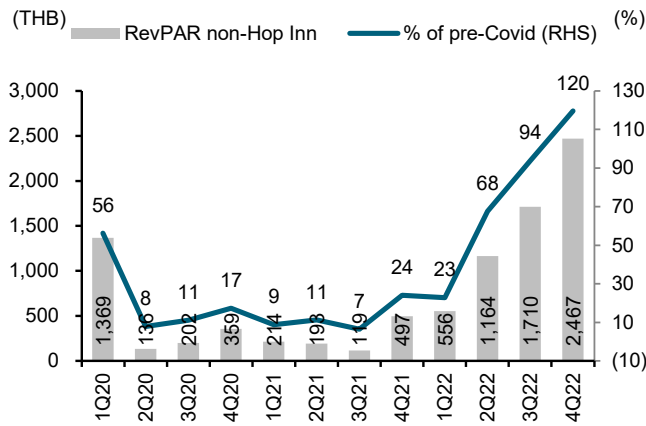
Source: FSSIA estimates

Exhibit 1: 4Q22 results review

	4Q21	1Q22	2Q22	3Q22	4Q22	Change		2022
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	619	638	974	1,283	1,733	35	180	4,629
- Thailand non-Hop Inn	434	431	743	1,014	1,411	39	225	
- Hop Inn Thailand	124	134	156	165	190	15	53	
- Hop Inn Phil	41	51	61	90	116	29	183	
- Rental	19	21	13	15	16	7	(16)	
COGS (Incl. depreciation)	(617)	(618)	(735)	(827)	(973)	18	58	(3,154)
Gross Profit	2	20	239	456	759	66	42,314	1,475
SG&A	(283)	(255)	(311)	(362)	(450)	24	59	(1,377)
Operating Profit	(281)	(235)	(71)	94	309	228	(210)	97
Other income	14	8	12	6	14	136	(1)	40
Interest	(121)	(112)	(111)	(114)	(122)	7	1	(458)
Pretax profit	(388)	(339)	(170)	(13)	201	1,594	152	(321)
Income Tax	4	8	7	5	6			26
Associates	5	3	9	3	13	287	144	29
Minority interest	12	12	4	(6)	(21)			(11)
Core profit	(366)	(315)	(151)	(11)	200	1,859	155	(278)
Extraordinaries, GW & FX	120	2	12	(0)	40			54
Reported net profit	(246)	(313)	(139)	(12)	240	2,179	197	(224)
Shares out (end Q, m)	4,532	4,532	4,532	4,532	4,532	0	0	4,532
Core EPS	(0.08)	(0.07)	(0.03)	(0.00)	0.04	1,859	155	(0.06)
EPS	(0.05)	(0.07)	(0.03)	(0.00)	0.05	2,179	197	(0.05)
COGS (Excl. depreciation)	(398)	(405)	(520)	(607)	(750)	24	89	(2,282)
Depreciation	(220)	(213)	(215)	(220)	(223)	1	2	(872)
EBITDA	(47)	(14)	155	320	547	71	1,258	1,009
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	0	3	25	36	44	8	44	32
SG&A/Revenue	46	40	32	28	26	(2)	(20)	30
EBITDA margin	(7)	(2)	16	25	31	6	39	21
Net profit margin	(40)	(49)	(14)	(1)	14	15	54	(5)
Operating stats								
Non-Hop Inn								
OCC (%)	30	31	55	67	82			
OCC growth (y-y %)	5	14	42	57	52			
RevPAR (THB)	497	556	1,164	1,710	2,467			
RevPAR growth (y-y %)	38	160	503	1,337	396			
Thailand Hop Inn								
OCC (%)	59	67	73	74	78			
OCC growth (y-y %)	(10)	19	42	47	19			
RevPAR (THB)	365	409	450	462	499			
RevPAR growth (y-y %)	(15)	39	163	182	37			
Philippines Hop Inn								
OCC (%)	49	51	58	59	74			
OCC growth (y-y %)	16	12	12	(1)	25			
RevPAR (THB)	423	473	565	620	794			
RevPAR growth (y-y %)	0	14	15	22	26			

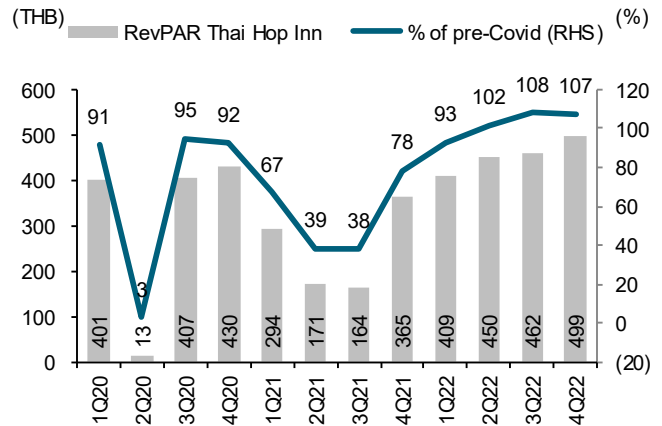
Sources: ERW; FSSIA estimates

Exhibit 2: RevPAR non-Hop Inn hotels, quarterly



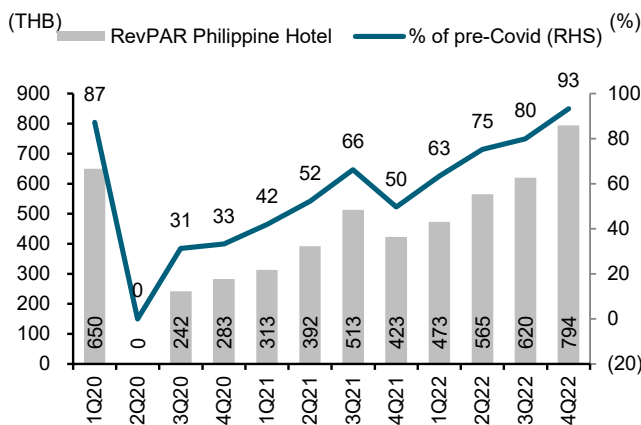
Sources: ERW; FSSIA estimates

Exhibit 3: RevPAR Thai Hop Inn hotels, quarterly



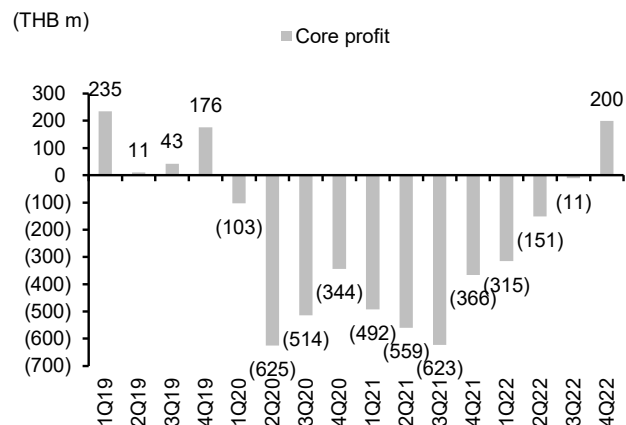
Sources: ERW; FSSIA estimates

Exhibit 4: RevPAR Philippine Hop Inn hotels, quarterly



Sources: ERW; FSSIA estimates

Exhibit 5: Core profit, quarterly



Sources: ERW; FSSIA estimates

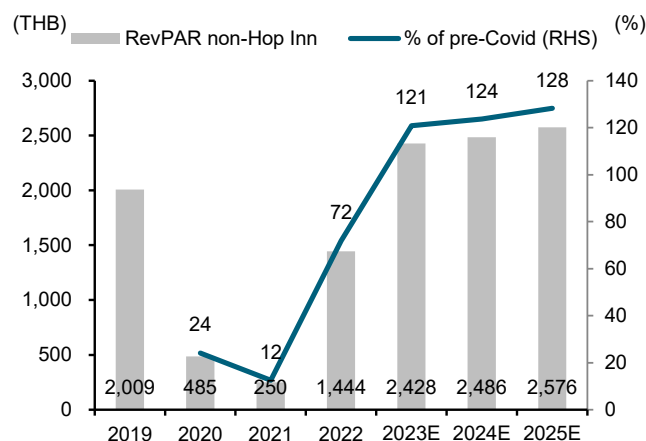
Exhibit 6: Forecast revisions

	Current			Previous		Change (%)	
	2023E	2024E	2025E	2023E	2024E	2023E	2024E
All hotels excl. Hop Inn - OCC (%)	79.6	81.5	82.0	74.0	79.0	5.6	2.5
All hotels excl. Hop Inn - RevPAR (THB)	2,428	2,486	2,576	2,206	2,354	10.1	5.6
Thailand Hop Inn - OCC (%)	73.5	74.0	74.5	73.5	74.0	0.0	0.0
Thailand Hop Inn - RevPAR (THB)	480	488	506	480	488	0.1	0.1
Revenue (THB b)	6.93	7.37	7.91	6.53	7.04	6.2	4.7
EBITDA margin (%)	29.0	29.5	29.9	29.7	29.9	(0.7)	(0.4)
Core earnings (THB m)	533	611	711	472	575	13.0	6.3

Note: Change of items in percentage terms is represented in ppt change.

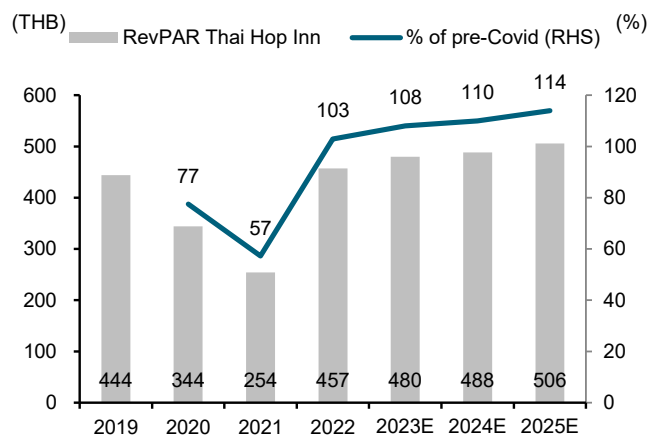
Source: FSSIA estimates

Exhibit 7: RevPAR non-Hop Inn hotels, yearly



Sources: ERW; FSSIA estimates

Exhibit 8: RevPAR Thai Hop Inn hotels, yearly



Sources: ERW; FSSIA estimates

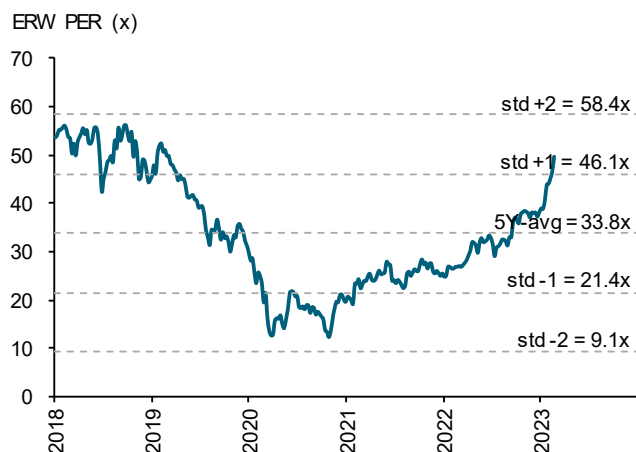
Exhibit 9: DCF valuation

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	1.2		
Cost of equity, Ke	12.6	Net cost of debt, Kd	3.2
Weight applied	55.0	Weight applied	45.0
WACC		8.2	

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	11.9	2.4	WACC 8.2%, risk-free rate 3%, risk premium 8%
Terminal value	23.1	4.7	Terminal growth 2.5%
Cash & liquid assets	1.8	0.4	At end-2023E
Investments	0.1	0.0	At end-2023E
Debt	(9.8)	(2.0)	At end-2023E
Minorities	(0.0)	(0.0)	At end-2023E
Residual ordinary equity	27.0	5.5	

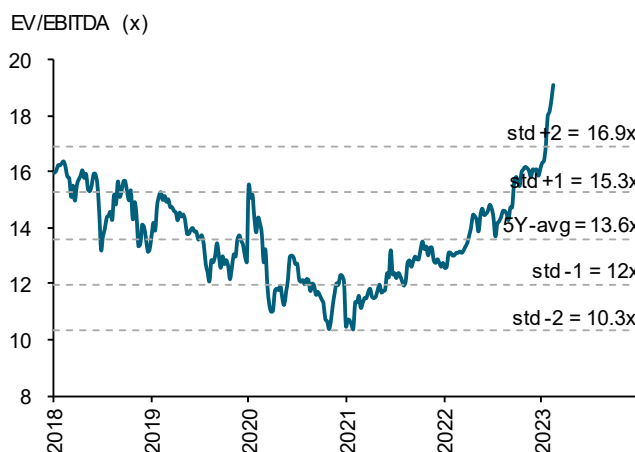
Source: FSSIA estimates

Exhibit 10: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Peer comparisons as of 22 Feb-23

Company	BBG	Rec	---Share price---			Market Cap (USD m)	----- PE -----			---- ROE ----		---- PBV ----		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	24E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand															
Asset World Corp	AWC TB	BUY	5.85	6.80	16	5,415	(850.4)	88.8	50.8	(0.3)	2.5	2.3	2.2	96.2	44.0
Minor International	MINT TB	BUY	33.50	40.00	19	5,156	108.7	35.1	27.4	2.5	7.9	2.4	2.8	12.9	11.4
Central Plaza Hotel	CENDEL TB	BUY	55.75	58.00	4	2,177	334.4	35.2	28.7	1.2	11.1	4.1	3.7	25.2	15.3
Erawan Group	ERW TB	BUY	4.90	5.50	12	642	(79.9)	41.7	39.2	(4.7)	8.9	3.9	3.6	36.0	17.0
S Hotels & Resorts	SHR TB	BUY	4.50	5.30	18	468	(1,063.6)	35.3	23.9	(0.1)	2.8	1.0	1.0	15.8	10.5
Dusit Thani	DUSIT TB	BUY	12.30	18.00	46	302	(15.6)	96.3	28.7	(22.3)	3.9	3.8	3.7	166.9	32.8
Bound and Beyond	BEYOND TB	BUY	16.20	24.00	48	135	(10.0)	64.4	19.6	(8.1)	1.3	0.8	0.8	74.9	13.8
Thailand average						14,296	nm	56.7	31.2	(4.5)	5.5	2.6	2.5	61.1	20.7
Regional															
Btg Hotels Group	600258 CH	n/a	24.66	n/a	n/a	4,004	n/a	33.6	22.9	(3.4)	7.2	2.6	2.4	27.7	12.7
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.10	n/a	n/a	8,630	90.5	9.4	6.6	1.0	8.7	0.9	0.9	33.5	18.8
Huangshan Tourism Develop	900942 CH	n/a	0.84	n/a	n/a	1,064	186.1	18.0	13.3	(1.1)	5.8	1.0	0.9	45.2	11.2
Genting Bhd	GENT MK	n/a	4.67	n/a	n/a	4,064	40.0	14.6	11.3	1.7	4.3	0.6	0.5	8.2	6.8
Greentree Hospitality	GHG US	n/a	4.03	n/a	n/a	415	n/a	11.7	7.5	(4.4)	15.3	1.8	1.5	n/a	5.9
Huazhu Group	HTHT US	n/a	50.29	n/a	n/a	16,012	n/a	54.2	37.5	(12.3)	20.3	12.2	11.2	148.9	24.3
Indian Hotels	IH IN	n/a	299.60	n/a	n/a	5,275	n/a	48.5	38.4	(4.5)	11.9	7.4	5.6	85.5	26.2
Lemon Tree Hotels	LEMONTRE IN	n/a	73.35	n/a	n/a	711	n/a	50.9	36.6	(6.2)	12.9	6.9	6.0	53.5	19.9
Lippo Karawaci	LPKR IJ	n/a	77.00	n/a	n/a	378	n/a	n/a	27.5	(3.0)	(0.8)	0.3	0.3	9.3	8.2
Regional average						40,552	105.5	30.1	22.4	(3.1)	9.0	3.7	3.3	51.5	14.9
Overall average						54,848	nm	42.5	26.2	(3.7)	7.5	3.2	2.9	56.0	17.4

Sources: Bloomberg; FSSIA estimates

Financial Statements

The Erawan Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	1,485	4,629	6,935	7,374	7,911
Cost of goods sold	(1,284)	(2,282)	(3,259)	(3,444)	(3,671)
Gross profit	201	2,346	3,675	3,930	4,241
Other operating income	-	-	-	-	-
Operating costs	(915)	(1,377)	(1,664)	(1,755)	(1,875)
Operating EBITDA	(713)	969	2,011	2,175	2,366
Depreciation	(936)	(872)	(921)	(966)	(1,008)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,649)	97	1,090	1,209	1,358
Net financing costs	(518)	(455)	(475)	(457)	(428)
Associates	9	29	0	0	0
Recurring non-operating income	67	66	41	41	41
Non-recurring items	(10)	54	0	0	0
Profit before tax	(2,109)	(239)	656	793	971
Tax	(46)	26	(66)	(119)	(194)
Profit after tax	(2,155)	(213)	590	674	777
Minority interests	105	(11)	(57)	(63)	(66)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(2,050)	(224)	533	611	711
Non-recurring items & goodwill (net)	10	(54)	0	0	0
Recurring net profit	(2,040)	(278)	533	611	711
Per share (THB)					
Recurring EPS *	(0.45)	(0.06)	0.12	0.13	0.15
Reported EPS	(0.45)	(0.05)	0.12	0.13	0.15
DPS	0.00	0.00	0.05	0.05	0.06
Diluted shares (used to calculate per share data)	4,532	4,532	4,532	4,891	4,891
Growth					
Revenue (%)	(35.6)	211.6	49.8	6.3	7.3
Operating EBITDA (%)	nm	nm	107.6	8.2	8.7
Operating EBIT (%)	nm	nm	1,022.3	11.0	12.3
Recurring EPS (%)	nm	nm	nm	6.3	16.3
Reported EPS (%)	nm	nm	nm	6.3	16.3
Operating performance					
Gross margin inc. depreciation (%)	(49.4)	31.9	39.7	40.2	40.9
Gross margin of key business (%)	(49.4)	31.9	39.7	40.2	40.9
Operating EBITDA margin (%)	(48.0)	20.9	29.0	29.5	29.9
Operating EBIT margin (%)	(111.0)	2.1	15.7	16.4	17.2
Net margin (%)	(137.4)	(6.0)	7.7	8.3	9.0
Effective tax rate (%)	(2.2)	8.0	10.0	15.0	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	(3.1)	0.4	2.4	2.7	3.3
Inventory days	12.2	6.6	5.9	6.8	6.7
Debtor days	21.7	10.2	8.4	7.9	7.4
Creditor days	40.8	30.2	31.9	36.5	36.3
Operating ROIC (%)	(8.7)	0.5	5.2	5.5	5.8
ROIC (%)	(8.2)	0.8	5.3	5.6	5.9
ROE (%)	(41.5)	(4.7)	8.9	8.8	9.0
ROA (%)	(7.4)	0.7	4.6	4.7	4.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Non-Hop Inn hotel	921	3,600	5,605	5,858	6,153
Hop Inn Thailand	339	646	758	792	894
Hop Inn Philippines	154	318	409	491	624
Others	71	65	163	233	240

Sources: The Erawan Group; FSSIA estimates

Financial Statements

The Erawan Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(2,040)	(278)	533	611	711
Depreciation	936	872	921	966	1,008
Associates & minorities	-	-	-	-	-
Other non-cash items	701	193	46	52	55
Change in working capital	(1,056)	1,207	273	52	64
Cash flow from operations	(1,460)	1,994	1,773	1,681	1,837
Capex - maintenance	(1,588)	(722)	(989)	(989)	(989)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	(15)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,588)	(737)	(989)	(989)	(989)
Dividends paid	0	0	0	(213)	(245)
Equity finance	2,014	0	0	1,079	0
Debt finance	(1,538)	(692)	(500)	(500)	(1,000)
Other financing cash flows	2,192	(274)	(57)	(63)	(66)
Cash flow from financing	2,667	(967)	(557)	303	(1,310)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(380)	290	227	995	(462)
Free cash flow to firm (FCFF)	(2,526.87)	1,714.43	1,262.30	1,152.55	1,282.27
Free cash flow to equity (FCFE)	(2,394.52)	289.75	227.29	129.32	(217.86)

Per share (THB)

FCFF per share	(0.56)	0.38	0.28	0.25	0.28
FCFE per share	(0.53)	0.06	0.05	0.03	(0.05)
Recurring cash flow per share	(0.09)	0.17	0.33	0.33	0.36

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	25,682	26,373	27,373	28,373	29,373
Less: Accumulated depreciation	(6,274)	(7,089)	(8,010)	(8,976)	(9,983)
Tangible fixed assets (net)	19,409	19,285	19,364	19,398	19,390
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	48	63	63	63	63
Cash & equivalents	1,242	1,532	1,759	2,754	2,292
A/C receivable	100	160	160	160	160
Inventories	39	43	62	66	70
Other current assets	1,274	291	436	464	498
Current assets	2,655	2,026	2,417	3,444	3,019
Other assets	338	338	338	338	338
Total assets	22,450	21,712	22,182	23,242	22,810
Common equity	6,012	5,698	6,231	7,709	8,175
Minorities etc.	11	23	23	24	24
Total shareholders' equity	6,023	5,722	6,255	7,732	8,199
Long term debt	14,237	13,935	13,435	12,935	11,935
Other long-term liabilities	880	846	846	846	846
Long-term liabilities	15,117	14,781	14,281	13,781	12,781
A/C payable	143	235	335	354	377
Short term debt	690	300	300	300	300
Other current liabilities	478	675	1,011	1,075	1,153
Current liabilities	1,311	1,209	1,646	1,729	1,830
Total liabilities and shareholders' equity	22,450	21,712	22,182	23,242	22,810
Net working capital	793	(415)	(687)	(739)	(803)
Invested capital	20,587	19,271	19,077	19,059	18,988

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

Per share (THB)

Book value per share	1.33	1.26	1.38	1.58	1.67
Tangible book value per share	1.33	1.26	1.38	1.58	1.67

Financial strength

Net debt/equity (%)	227.2	222.0	191.5	135.5	121.3
Net debt/total assets (%)	61.0	58.5	54.0	45.1	43.6
Current ratio (x)	2.0	1.7	1.5	2.0	1.6
CF interest cover (x)	(3.6)	1.6	1.5	1.3	0.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(10.9)	(79.9)	41.7	39.2	33.7
Recurring P/E @ target price (x) *	(12.2)	(89.6)	46.8	44.0	37.8
Reported P/E (x)	(10.8)	(99.0)	41.7	39.2	33.7
Dividend yield (%)	-	-	1.0	1.0	1.2
Price/book (x)	3.7	3.9	3.6	3.1	2.9
Price/tangible book (x)	3.7	3.9	3.6	3.1	2.9
EV/EBITDA (x) **	(50.3)	36.0	17.0	15.8	14.3
EV/EBITDA @ target price (x) **	(54.1)	38.9	18.4	17.2	15.6
EV/invested capital (x)	1.7	1.8	1.8	1.8	1.8

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

Sources: The Erawan Group; 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	PTA	SCN	STA	TKN	TPWC
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	SVI	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	GFC	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	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	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	THG	TTB	
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	TIPLI	WIHK
AIT	BIG	CSC	GTB	KCAR	MTSIB	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	SMIT	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	CENDEL	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)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

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

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

GENERAL DISCLAIMER**ANALYST(S) CERTIFICATION****Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd**

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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
The Erawan Group	ERW TB	THB 4.90	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.
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 33.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CEN TEL TB	THB 55.75	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.
S Hotels and Resorts	SHR TB	THB 4.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Dusit Thani	DUSIT TB	THB 12.30	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.
Bound and Beyond	BEYOND TB	THB 16.20	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 22-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.