

S HOTELS AND RESORTS

THAILAND / TOURISM & LEISURE

SHR TB

BUY

UNCHANGED

Entering the harvesting period

- Expect revenue to jump from THB8.7b in 2022 to more than THB10.0b in 2023; all portfolios and RevPAR should improve.
- RevPAR of Thai and Maldives hotels jumped in Jan-23, suggesting strong 1Q23 earnings momentum.
- Maintain BUY with a DCF-TP of THB5.3/shr.

TARGET PRICE	THB5.30
CLOSE	THB4.62
UP/DOWNSIDE	+14.7%
PRIOR TP	THB5.30
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-8.2%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	8,693	10,470	11,118	11,542
Net profit	14	458	677	779
EPS (THB)	0.00	0.13	0.19	0.22
vs Consensus (%)	-	nm	52.0	17.0
EBITDA	1,859	2,640	2,841	2,969
Core net profit	(39)	458	677	779
Core EPS (THB)	(0.01)	0.13	0.19	0.22
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	nm	nm	47.6	15.1
Core P/E (x)	(426.6)	36.2	24.5	21.3
Dividend yield (%)	-	1.1	1.6	1.9
EV/EBITDA (x)	16.6	10.1	8.9	8.1
Price/book (x)	1.0	1.0	1.0	1.0
Net debt/Equity (%)	88.6	61.1	51.9	43.4
ROE (%)	(0.2)	2.8	4.1	4.5

RevPAR of all portfolios to exceed pre-Covid level this year

At the analyst meeting today, management mentioned they are targeting 2023 revenue growth of more than 15% to THB10.0b (relatively in line with our estimate). RevPAR of all portfolios should improve y-y and exceed the pre-Covid level. The key driver would be Thai hotels, whose RevPAR should jump by 56% y-y (+7% vs pre-Covid). Maldives and UK hotels should continue to recover with RevPAR growth of 20-30% y-y (+75% and 37% vs pre-Covid, respectively). The RevPAR of the outrigger portfolio should exceed pre-Covid by 4-5%, though the estimated growth rate is below other portfolios due to the renovation of Outrigger Fiji Beach Resort from Oct-22 to Dec-23.

EBITDA margin to improve from 21% in 2022 to 25-30% by 2025

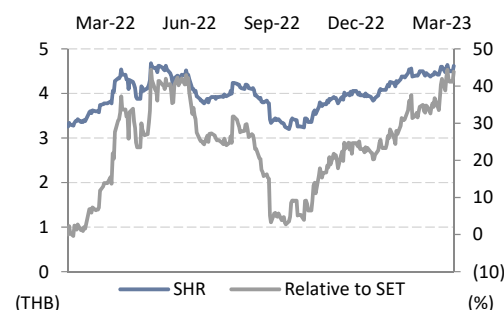
Management targets an EBITDA margin improvement to at least 25% in 2023 (from 21% in 2022). They also expect the EBITDA margin to potentially ramp up to 30% by 2025 after major renovations during 2023-24 uplift existing assets, including UK hotels (Edinburgh, Manchester, Leicester), SAii Phi Phi Village, SAii Laguna Phuket and Outrigger Fiji. We conservatively forecast an EBITDA margin of 25-26% over 2023-25. This suggests ample room for upside to our earnings forecast.

Strong Thai and Maldives hotels to offset UK low season in 1Q23

SHR suggests the strong earnings momentum will continue in 1Q23. The OCC rate of Thai and Maldives hotels jumped to 90-91% in Jan-23, leading to RevPAR growth of 73% and 34% vs 4Q22, respectively. On a negative note, the RevPAR of UK and Outrigger hotels dropped by 15-20% in Jan due to the seasonal effect. Overall, we believe 1Q23 core profit should be relatively flat q-q or slightly drop q-q, with the swing factor being the UK portfolio, which normally contributes a loss in 1Q. We expect SHR to post a profit in every quarter this year thanks to its well-balanced portfolio.

Trading at an attractive valuation

We maintain our TP while adjusting some of our 2023-24 forecasts. We expect core profit to jump to THB0.46b in 2023 (from breakeven level in 2022). SHR trades at an attractive valuation of 1.0x 2024E P/BV and 25x 2024E P/E (vs peers' average of 2.3x and 31x).



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.1	16.1	46.2
Relative to country (%)	8.1	17.1	51.0
Mkt cap (USD m)	480		
3m avg. daily turnover (USD m)	1.8		
Free float (%)	38		
Major shareholder	S Hotels and Resorts Inter (49%)		
12m high/low (THB)	4.90/3.04		
Issued shares (m)	3,593.64		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

SHR raised THB7.5b at THB5.20/shr during its IPO in Nov-19. Its share price has been below the IPO price since then, mainly due to operating losses from two hotels in the Crossroads Maldives project and the impact of the Covid-19 pandemic.

SHR has successfully turned its operations around since 3Q22. We think this momentum should continue in 2023 with its Thai hotels and Maldives hotels benefiting from strong tourist arrivals of 25m-30m for Thailand (vs 40m in 2019) and 2.0m in 2023 for the Maldives (vs 1.7m in 2019). Its EBITDA margin should continue to improve to 30%, which is its long-term target by 2025.

SHR's share price is attractive as it trades at a lower P/BV compared to its peers and it has a potential upside from M&A deals, given its strong balance sheet with only 0.8x IBD/E as of 4Q22.

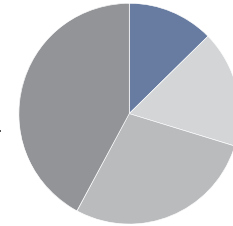
Company profile

SHR is the holding company of all of the resorts and hotels under the Singha Estate (S TB, not rated) group.

www.shotelsresorts.com

Principal activities (revenue, 2022)

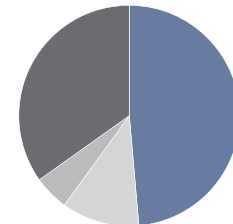
- Self-managed - 12.6 %
- Outrigger - 17.1 %
- Crossroads Ph1 (Maldives hotels) - 28.1 %
- UK - 42.1 %



Source: S Hotels and Resorts

Major shareholders

- S Hotels and Resorts Inter - 48.6 %
- S Hotels and Resorts (SG) - 11.4 %
- Thai NVDR - 5.2 %
- Others - 34.9 %



Source: S Hotels and Resorts

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following the global tourism recovery; 2) the easing of global travel restrictions; and 3) M&A deals.

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	1Q22 results announcement

Key assumptions

	2023E (%)	2024E (%)	2025E (%)
Self-Managed - Number of rooms (no.)	604	604	604
Self-Managed - Occupancy rate (OCC)	72.0	72.5	73.0
Self-Managed - RevPAR growth	56.2	3.7	3.7
Project Crossroads - Number of rooms (no.)	376	376	376
Project Crossroads - Occupancy rate (OCC)	71.0	72.0	73.0
Project Crossroads - RevPAR growth	19.7	4.5	4.4
UK - Number of rooms (no.)	2,740	2,740	2,740
UK - Occupancy rate (OCC)	72.0	72.5	73.0
UK - RevPAR growth	27.1	5.7	3.7

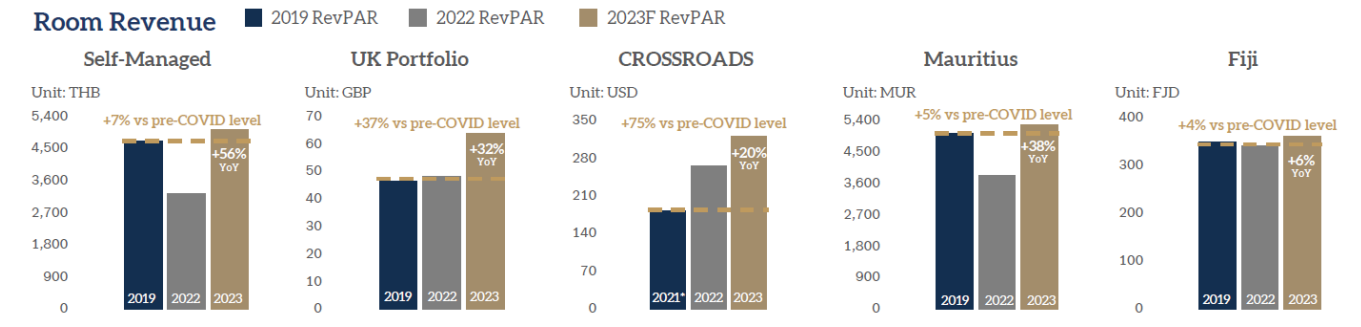
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC rate, we project a 2023 profit increase of 23%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2023 profit increase of 14%, and vice versa, all else being equal.

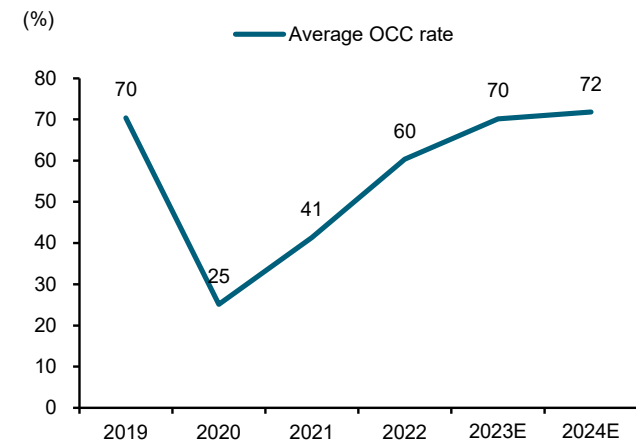
Source: FSSIA estimates

Exhibit 1: RevPAR improvement for all portfolios



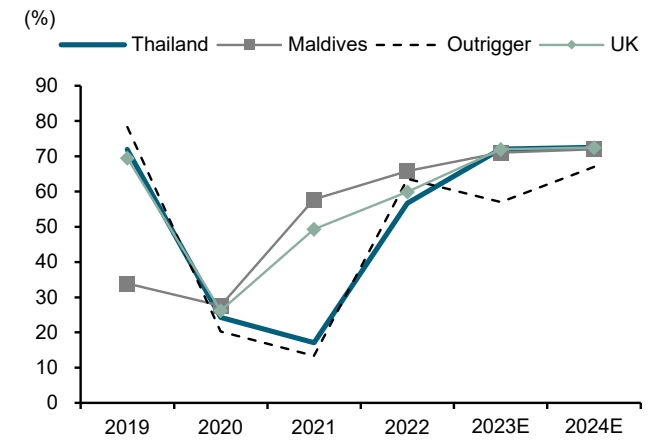
Source: SHR

Exhibit 2: Average OCC rate



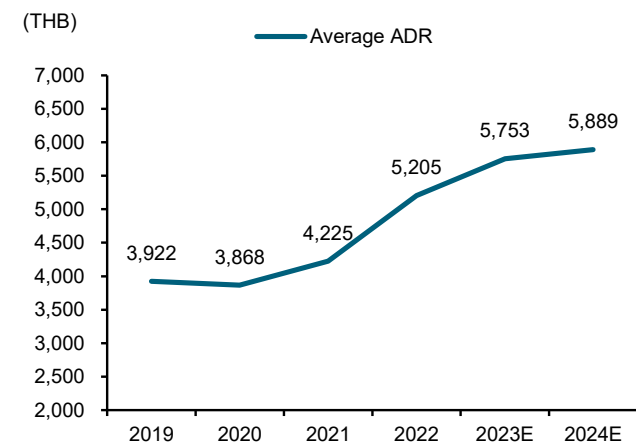
Sources: SHR; FSSIA estimates

Exhibit 3: OCC rate breakdown by portfolio



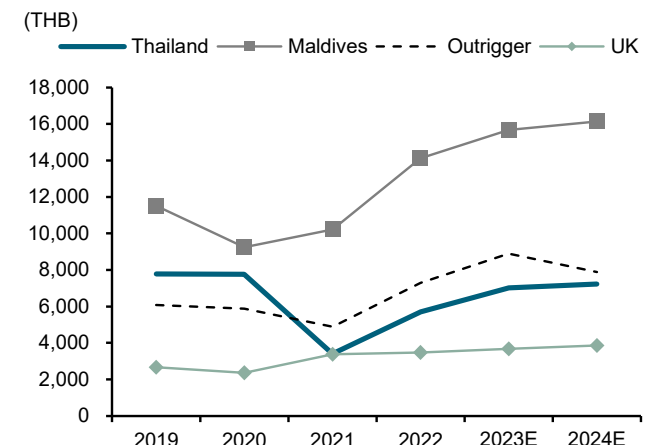
Sources: SHR; FSSIA estimates

Exhibit 4: Average ADR



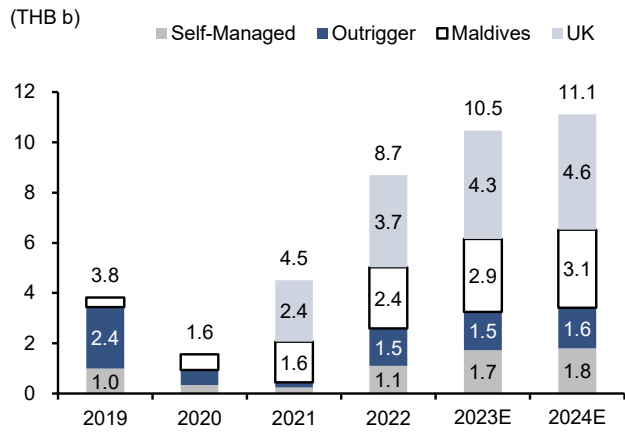
Sources: SHR; FSSIA estimates

Exhibit 5: ADR breakdown by portfolio



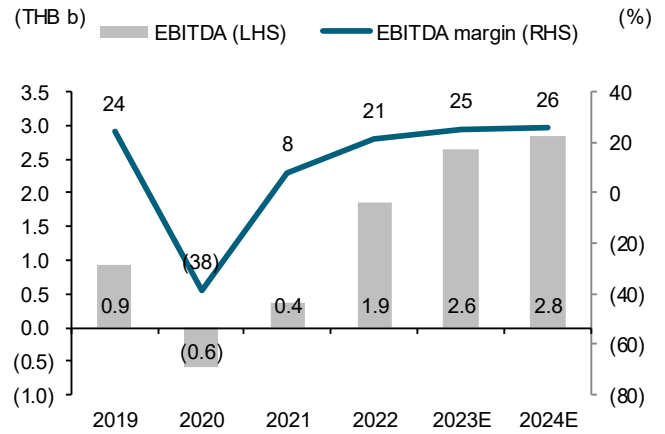
Sources: SHR; FSSIA estimates

Exhibit 6: Revenue forecast



Sources: SHR; FSSIA estimates

Exhibit 7: EBITDA forecast



Sources: SHR; FSSIA estimates

Recap: 4Q22 results review

SHR reported a 4Q22 core profit of THB125m, missing our estimate of THB148m due to a THB21m tax expense (THB35m tax income in 3Q22). Including a THB17m unrealised FX loss, 4Q22 net profit was THB108m.

4Q22 revenue grew by 9% q-q, led by the strong performance of Thai hotels. RevPAR of Thai hotels jumped by 100% q-q and exceeded the pre-Covid level by 4%. RevPAR of Maldives hotels grew by 30% q-q. RevPAR of UK hotels fell by 18% q-q due to the seasonal effect, but still exceeded pre-Covid by 21%. RevPAR of Outrigger hotels fell by 3%, but still exceeded pre-Covid by 14%.

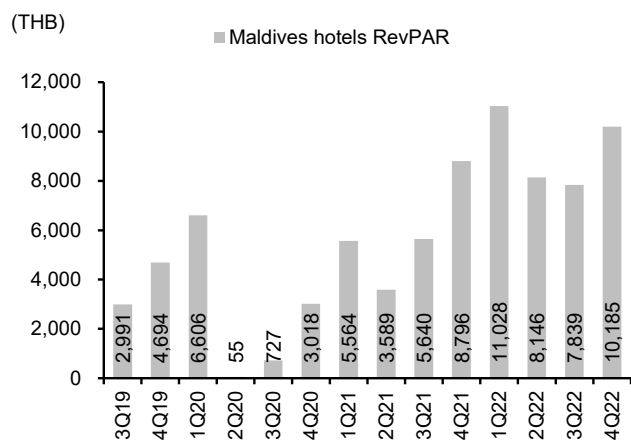
The EBITDA margin was flat q-q at 26% in 4Q22, with 8% q-q higher SG&A and 4% q-q higher COGS. Note that in this quarter, Thai, Maldives, and Outrigger hotels booked positive EBT, while UK hotels booked negative EBT.

Exhibit 8: 4Q22 results review

	4Q21 (THB m)	1Q22 (THB m)	2Q22 (THB m)	3Q22 (THB m)	4Q22 (THB m)	----- Change -----		2022 (THB m)
						(q-q %)	(y-y %)	
Sales	1,744	1,690	2,071	2,362	2,570	9	47	8,693
- Self-managed Hotels	126	184	208	272	434	60	243	
- Outrigger Hotels	159	182	365	465	474	2	197	
- Project Crossroads Hotels	558	655	562	552	676	22	21	
- UK	900	669	936	1,073	986	(8)	10	
COGS (Incl. depreciation)	(1,226)	(1,259)	(1,427)	(1,528)	(1,593)	4	30	(5,807)
Gross profit	518	431	644	834	976	17	88	2,885
SG&A	(519)	(459)	(550)	(553)	(600)	8	16	(2,142)
Operating profit	(1)	(28)	94	280	376	34	(36,929)	743
Other income	76	10	23	67	15	(77)	(80)	94
- Other income	76	10	23	67	15	(77)	(80)	94
Interest expense	(176)	(176)	(193)	(233)	(241)	4	37	(842)
Pretax profit	(101)	(194)	(76)	115	150	31	249	(4)
Income Tax	131	4	(30)	35	(21)	(161)	(116)	(13)
Associates	1	(9)	(5)	(3)	(4)	33	(457)	(21)
Minority interest	0	0	0	0	0			0
Core profit	31	(199)	(111)	146	125	(14)	300	(39)
Extraordinaries, GW & FX	(101)	(5)	14	62	(17)	(128)	(83)	38
Net unrealized (loss)/gain on FX	(7)	(5)	14	24	(17)	(171)	141	
Non-recurring items	(94)			38		(100)	(100)	
Reported net profit	(70)	(204)	(97)	207	108	48	254	14
Shares out (end Q, m)	3,664	3,664	3,664	3,664	3,664	0	0	3,664
Core EPS	0.01	(0.05)	(0.03)	0.04	0.03	(14)	300	(0.01)
EPS	(0.02)	(0.06)	(0.03)	0.06	0.03	48	0	0.00
COGS (Excl. depreciation)	(961)	(971)	(1,160)	(1,258)	(1,302)	4	36	(4,691)
Depreciation	(265)	(288)	(267)	(270)	(291)	8	10	(1,116)
EBITDA	341	261	379	614	678	10	99	1,932
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	30	25	31	35	38	(3)	8	33
SG&A/Revenue	30	27	27	23	23	0	(6)	25
EBITDA margin	20	15	18	26	26	(0)	7	21
Net profit margin	(4)	(12)	(5)	9	4	5	8	0
Operating stats								
Self-Managed Hotels								
OCC (%)	30.4	37.7	49.9	54.5	71.9			
ADR (THB)	4,268	5,708	4,276	4,911	7,435			
RevPAR (THB)	1,298	2,152	2,132	2,676	5,346			
Outrigger Hotels								
OCC (%)	31.2	32.7	63.6	78.0	79.6			
ADR (THB)	6,760	6,965	6,894	7,708	7,304			
RevPAR (THB)	2,111	2,275	4,386	6,014	5,811			
Project Crossroads Hotels								
OCC (%)	63.1	74.3	65.2	60.8	63.2			
ADR (THB)	13,944	14,843	12,499	12,895	16,123			
RevPAR (THB)	8,796	11,028	8,146	7,839	10,185			
UK Hotels								
OCC (%)	57.4	46.2	61.4	69.0	62.7			
ADR (THB)	3,511	3,065	3,475	3,801	3,421			
RevPAR (THB)	2,015	1,415	2,135	2,622	2,145			

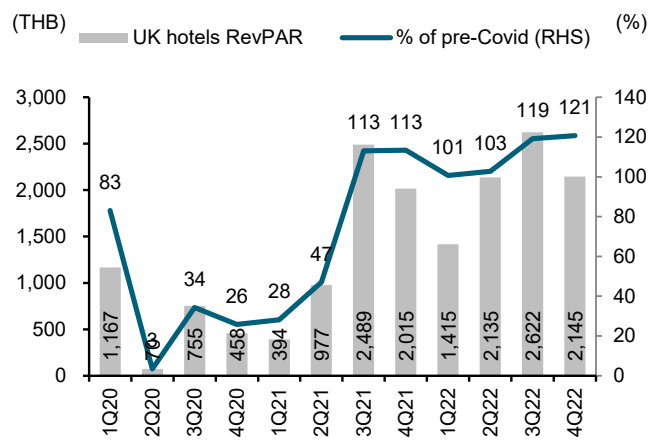
Sources: SHR; FSSIA estimates

Exhibit 9: SHR's Crossroads (Maldives) hotels RevPAR



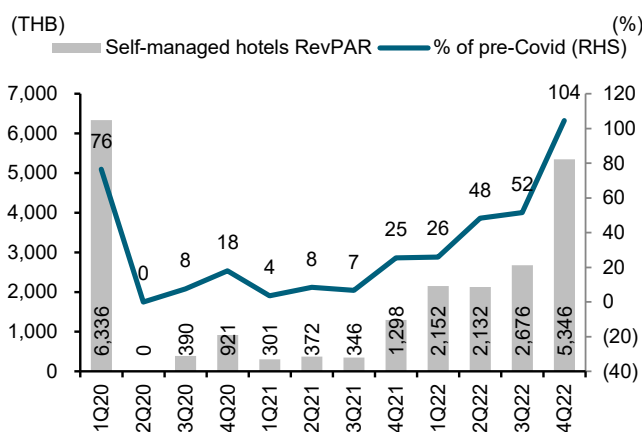
Sources: SHR; FSSIA estimates

Exhibit 10: SHR's UK hotels RevPAR



Sources: SHR; FSSIA estimates

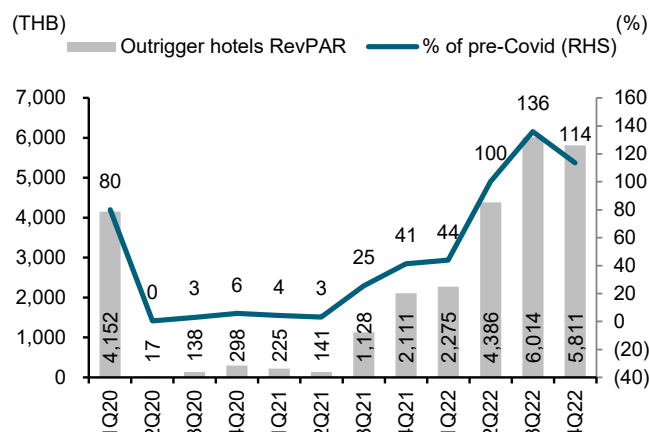
Exhibit 11: SHR's self-managed (Thailand) hotels RevPAR



Note: Saii Laguna Phuket, Saii Koh Samui Bophut and Konotta Maldives have been transferred from Outrigger to self-managed since 1Q21

Sources: SHR; FSSIA estimates

Exhibit 12: Outrigger (Mauritius, Fiji) hotels RevPAR



Note: Saii Laguna Phuket, Saii Koh Samui Bophut and Konotta Maldives have been transferred from Outrigger to self-managed since 1Q21

Sources: SHR; FSSIA estimates

Exhibit 13: Forecast revisions

	Current			Previous		Change	
	2023E (THB)	2024E (THB)	2025E (THB)	2023E (THB)	2024E (THB)	2023E (%)	2024E (%)
Self-Managed - OCC rate (%)	72.0	72.5	73.0	72.0	72.5	-	-
Self-Managed - RevPAR	5,056	5,244	5,438	4,771	4,948	6.0	6.0
Outrigger - OCC rate (%)	57.0	67.0	67.0	55.0	67.0	2.0	-
Outrigger - RevPAR	5,074	5,279	5,438	4,752	5,210	6.8	1.3
Project Crossroads - OCC rate (%)	71.0	72.0	73.0	71.0	72.0	-	-
Project Crossroads - RevPAR	11,128	11,623	12,138	10,974	11,574	1.4	0.4
UK -OCC rate (%)	72	73	73	70	71	2.0	1.5
UK -RevPAR	2,647	2,799	2,903	2,451	2,623	8.0	6.7
Revenue (THB b)	10.5	11.1	11.5	10.1	10.9	3.6	2.0
EBITDA margin (%)	25.2	25.6	25.7	24.7	25.5	0.6	0.1
Core earnings (THB m)	458	677	779	458	677	(0.0)	0.0

Note: Change in % terms is represented in ppt change

Source: FSSIA estimates

Exhibit 14: DCF valuation

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	1.3		
Cost of equity, Ke	13.2	Net cost of debt, Kd	3.2
Weight applied	60.0	Weight applied	40.0
WACC	9.2		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	16.8	4.7	WACC 9.2%, risk-free rate 3%, risk premium 8%
Terminal value	15.7	4.4	Terminal growth 2.5%
Cash & liquid assets	2.5	0.7	At end-2023E
Investments	0.7	0.2	At end-2023E
Debt	(16.7)	(4.6)	At end-2023E
Minorities	0.0	0.0	At end-2023E
Residual ordinary equity	19.0	5.3	

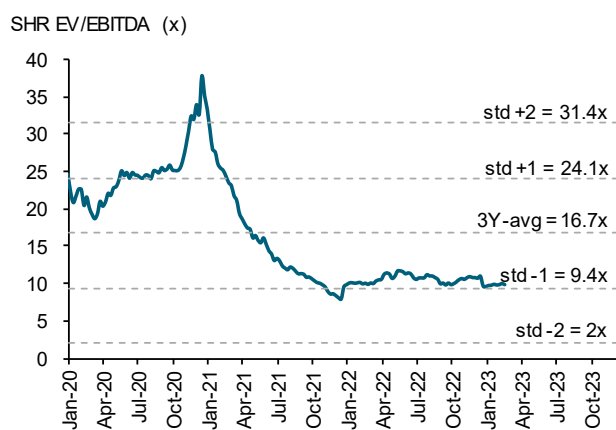
Source: FSSIA estimates

Exhibit 15: Peer comparisons as of 7 Mar-23

Company	BBG	Rec	Share price			Market Cap (USD m)	PE			ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	25E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Thailand															
Asset World Corp	AWC TB	BUY	5.90	6.80	15	5,462	89.6	51.2	0.0	2.5	4.1	2.2	2.0	44.3	30.2
Minor International	MINT TB	BUY	33.50	40.00	19	5,156	35.1	27.4	0.0	7.9	10.7	2.8	2.9	11.4	10.4
Central Plaza Hotel	CEN TEL TB	BUY	55.50	58.00	5	2,167	35.0	28.6	0.0	11.1	12.4	3.7	3.4	15.2	13.3
Erawan Group	ERW TB	BUY	4.92	5.50	12	645	41.8	39.4	33.9	8.9	8.8	3.6	3.1	17.1	15.9
S Hotels & Resorts	SHR TB	BUY	4.62	5.30	15	480	36.2	24.5	21.3	2.8	4.1	1.0	1.0	10.1	8.9
Dusit Thani	DUSIT TB	BUY	11.80	18.00	53	290	92.4	27.5	0.0	3.9	12.1	3.5	3.2	32.4	23.5
Bound and Beyond	BEYOND TB	BUY	16.00	24.00	50	134	63.6	19.4	0.0	1.3	4.1	0.8	0.8	13.8	10.4
Thailand average						14,335	nm	31.1	7.9	5.5	8.0	2.5	2.3	20.6	16.1
Regional															
Btg Hotels Group	600258 CH	n/a	24.89	n/a	n/a	3,998	34.0	23.1	20.2	7.2	9.8	2.4	2.2	12.8	10.4
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.11	n/a	n/a	8,754	9.5	6.7	5.6	8.7	11.4	0.9	0.8	19.2	14.1
Huangshan Tourism Dev.	900942 CH	n/a	0.83	n/a	n/a	1,096	17.8	13.3	n/a	5.8	7.9	0.9	1.0	11.8	9.3
Genting Bhd	GENT MK	n/a	4.67	n/a	n/a	3,972	15.1	11.5	9.7	4.4	5.5	0.6	0.5	6.6	6.1
Greentree Hospitality	GHG US	n/a	4.13	n/a	n/a	426	12.1	7.8	n/a	15.3	20.6	1.5	1.3	6.1	4.8
Huazhu Group	HTHT US	n/a	50.63	n/a	n/a	16,120	47.7	30.1	19.1	20.3	25.7	11.4	9.0	24.7	17.6
Indian Hotels	IH IN	n/a	319.70	n/a	n/a	5,586	50.9	40.3	33.9	11.9	13.3	5.9	5.2	27.4	24.2
Lemon Tree Hotels	LEMONTRE IN	n/a	80.80	n/a	n/a	774	56.7	39.3	25.4	12.9	15.2	6.5	5.8	21.0	17.7
Lippo Karawaci	LPKR IJ	n/a	80.00	n/a	n/a	367	n/a	27.2	n/a	(0.8)	1.1	0.3	0.3	8.2	7.1
Regional average						41,092	30.5	22.1	19.0	8.7	11.5	3.4	2.9	15.3	12.4
Overall average						55,427	nm	26.1	13.0	7.4	10.0	3.0	2.7	17.6	14.0

Sources: Bloomberg; FSSIA estimates

Exhibit 16: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

S Hotels and Resorts

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	4,512	8,693	10,470	11,118	11,542
Cost of goods sold	(2,407)	(4,691)	(5,395)	(5,709)	(5,915)
Gross profit	2,105	4,001	5,075	5,410	5,627
Other operating income	-	-	-	-	-
Operating costs	(1,742)	(2,142)	(2,434)	(2,568)	(2,658)
Operating EBITDA	363	1,859	2,640	2,841	2,969
Depreciation	(1,189)	(1,116)	(1,191)	(1,218)	(1,262)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(826)	743	1,450	1,624	1,707
Net financing costs	(693)	(842)	(949)	(881)	(840)
Associates	(3)	(21)	(50)	(22)	4
Recurring non-operating income	158	73	47	77	105
Non-recurring items	(5)	53	0	0	0
Profit before tax	(1,366)	27	548	820	972
Tax	131	(13)	(90)	(143)	(194)
Profit after tax	(1,234)	14	458	677	779
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(1,234)	14	458	677	779
Non-recurring items & goodwill (net)	5	(53)	0	0	0
Recurring net profit	(1,229)	(39)	458	677	779
Per share (THB)					
Recurring EPS *	(0.34)	(0.01)	0.13	0.19	0.22
Reported EPS	(0.34)	0.00	0.13	0.19	0.22
DPS	0.00	0.00	0.05	0.08	0.09
Diluted shares (used to calculate per share data)	3,594	3,594	3,594	3,594	3,594
Growth					
Revenue (%)	188.7	92.6	20.4	6.2	3.8
Operating EBITDA (%)	nm	411.7	42.0	7.6	4.5
Operating EBIT (%)	nm	nm	95.2	12.0	5.1
Recurring EPS (%)	nm	nm	nm	47.6	15.1
Reported EPS (%)	nm	nm	3,087.7	47.6	15.1
Operating performance					
Gross margin inc. depreciation (%)	20.3	33.2	37.1	37.7	37.8
Gross margin of key business (%)	20.3	33.2	37.1	37.7	37.8
Operating EBITDA margin (%)	8.1	21.4	25.2	25.6	25.7
Operating EBIT margin (%)	(18.3)	8.5	13.8	14.6	14.8
Net margin (%)	(27.2)	(0.4)	4.4	6.1	6.7
Effective tax rate (%)	9.7	(289.8)	15.0	17.0	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	(1.0)	1.0	1.6	1.9	2.2
Inventory days	28.3	16.6	16.6	17.3	17.5
Debtor days	17.8	18.7	17.5	16.5	15.9
Creditor days	168.5	130.1	230.3	335.3	338.8
Operating ROIC (%)	(2.9)	9.7	4.6	5.4	5.7
ROIC (%)	(2.1)	9.7	4.2	5.1	5.4
ROE (%)	(7.8)	(0.2)	2.8	4.1	4.5
ROA (%)	(1.9)	8.8	3.3	3.6	3.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Self-managed	234	1,098	1,728	1,792	1,858
Outrigger	205	1,486	1,525	1,625	1,674
Crossroads Ph1 (Maldives hotels)	1,627	2,445	2,902	3,111	3,248
UK	2,446	3,664	4,315	4,591	4,761

Sources: S Hotels and Resorts; FSSIA estimates

Financial Statements

S Hotels and Resorts

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(1,229)	(39)	458	677	779
Depreciation	1,189	1,116	1,191	1,218	1,262
Associates & minorities	-	-	-	-	-
Other non-cash items	(190)	109	(8)	(8)	(8)
Change in working capital	(750)	1,052	3,169	215	141
Cash flow from operations	(981)	2,238	4,810	2,101	2,173
Capex - maintenance	(11,050)	(116)	(620)	(659)	(684)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	1,555	(277)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(9,495)	(393)	(620)	(659)	(684)
Dividends paid	0	0	0	(183)	(271)
Equity finance	13	0	(44)	0	0
Debt finance	8,476	(1,418)	(900)	(900)	(500)
Other financing cash flows	1,408	139	0	0	0
Cash flow from financing	9,897	(1,280)	(944)	(1,083)	(771)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(579)	566	3,246	358	718
Free cash flow to firm (FCFF)	(9,783.45)	2,686.85	5,139.33	2,322.46	2,329.07
Free cash flow to equity (FCFE)	(591.92)	565.63	3,290.21	541.75	988.97

Per share (THB)					
FCFF per share	(2.72)	0.75	1.43	0.65	0.65
FCFE per share	(0.16)	0.16	0.92	0.15	0.28
Recurring cash flow per share	(0.06)	0.33	0.46	0.52	0.57

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	36,405	36,291	36,919	37,586	38,278
Less: Accumulated depreciation	(6,444)	(7,323)	(8,513)	(9,731)	(10,992)
Tangible fixed assets (net)	29,961	28,968	28,406	27,855	27,286
Intangible fixed assets (net)	1,641	1,630	1,630	1,630	1,630
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	427	704	704	704	704
Cash & equivalents	1,914	2,479	5,726	6,084	6,802
A/C receivable	387	501	501	501	501
Inventories	198	229	263	278	288
Other current assets	2,224	1,324	1,594	1,693	1,758
Current assets	4,723	4,533	8,084	8,557	9,350
Other assets	463	615	615	615	615
Total assets	37,214	36,450	39,439	39,361	39,584
Common equity	15,882	16,019	16,434	16,927	17,435
Minorities etc.	0	0	0	0	0
Total shareholders' equity	15,882	16,019	16,434	16,927	17,435
Long term debt	18,092	16,674	15,774	14,874	14,374
Other long-term liabilities	1,392	1,612	1,612	1,612	1,612
Long-term liabilities	19,485	18,286	17,386	16,486	15,986
A/C payable	1,635	1,711	5,096	5,393	5,587
Short term debt	0	0	0	0	0
Other current liabilities	213	433	522	554	575
Current liabilities	1,848	2,144	5,618	5,947	6,162
Total liabilities and shareholders' equity	37,214	36,450	39,439	39,361	39,584
Net working capital	961	(90)	(3,260)	(3,474)	(3,616)
Invested capital	33,453	31,826	28,094	27,329	26,619

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

Per share (THB)					
Book value per share	4.42	4.46	4.57	4.71	4.85
Tangible book value per share	3.96	4.00	4.12	4.26	4.40

Financial strength					
Net debt/equity (%)	101.9	88.6	61.1	51.9	43.4
Net debt/total assets (%)	43.5	38.9	25.5	22.3	19.1
Current ratio (x)	2.6	2.1	1.4	1.4	1.5
CF interest cover (x)	0.1	1.7	4.5	1.6	2.2

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(13.5)	(426.6)	36.2	24.5	21.3
Recurring P/E @ target price (x) *	(15.5)	(489.4)	41.5	28.1	24.5
Reported P/E (x)	(13.5)	1,154.4	36.2	24.5	21.3
Dividend yield (%)	-	-	1.1	1.6	1.9
Price/book (x)	1.0	1.0	1.0	1.0	1.0
Price/tangible book (x)	1.2	1.2	1.1	1.1	1.1
EV/EBITDA (x) **	90.2	16.6	10.1	8.9	8.1
EV/EBITDA @ target price (x) **	97.0	17.9	11.0	9.8	9.0
EV/invested capital (x)	1.0	1.0	0.9	0.9	0.9

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

Sources: S Hotels and Resorts; 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	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	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	TCCM	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:

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
S Hotels and Resorts	SHR TB	THB 4.62	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 5.90	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.
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 55.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 4.92	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Dusit Thani	DUSIT TB	THB 11.80	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.
Bound and Beyond	BEYOND TB	THB 16.00	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

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

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