

CENTRAL PLAZA HOTEL

THAILAND / TOURISM & LEISURE

CENTEL TB

BUY

UNCHANGED

กำไรอยู่ในช่วงฟื้นตัว

- คาดกำไรปกติ 1Q23 จะโต 8% q-q เป็น 0.5 พัน ลบ. โดยจะได้ปัจจัยผลักดันจากธุรกิจโรงแรมซึ่ง RevPAR รวมน่าจะโต 20-25% q-q
- นักท่องเที่ยวชาวจีนที่เข้ามาเพิ่มขึ้นน่าจะช่วยหนุนฤดูท่องเที่ยวที่ซบเซาใน 2Q23; ธุรกิจอาหารน่าจะโต q-q ใน 2Q23
- คงแนะนำซื้อที่ราคาเป้าหมายที่ 58 บาท (DCF)

TARGET PRICE	THB58.00
CLOSE	THB53.00
UP/DOWNSIDE	+9.4%
PRIOR TP	THB58.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.5%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	17,502	22,367	25,296	27,690
Net profit	398	2,138	2,624	2,813
EPS (THB)	0.29	1.58	1.94	2.08
vs Consensus (%)	-	23.9	3.0	(4.8)
EBITDA	3,741	5,853	6,661	7,134
Core net profit	398	2,138	2,624	2,813
Core EPS (THB)	0.29	1.58	1.94	2.08
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	nm	437.2	22.7	7.2
Core P/E (x)	179.7	33.5	27.3	25.4
Dividend yield (%)	-	1.2	1.5	1.6
EV/EBITDA (x)	24.4	15.8	13.6	12.5
Price/book (x)	3.9	3.5	3.2	3.0
Net debt/Equity (%)	102.4	96.5	82.8	71.2
ROE (%)	2.2	10.9	12.2	12.1

กำไรปกติของธุรกิจโรงแรมน่าจะโต 11% q-q ใน 1Q23

เราคาดว่ารายได้จากธุรกิจโรงแรมจะกระโดดเพิ่ม 16% q-q ใน 1Q23 RevPAR ของโรงแรมในไทยน่าจะกระโดดเพิ่ม 28% q-q และฟื้นตัวเป็น 89% ของระดับก่อนโควิด กำไรน่าจะโต q-q จากโรงแรมในต่างจังหวัดหลังตัวเลขนักท่องเที่ยวต่างชาติฟื้นตัวแรง RevPAR ของโรงแรมในมัลดีฟส์น่าจะโต 35% q-q จากฤดูกาลขายและลูกค้า wholesale จากยุโรปที่เพิ่มขึ้น RevPAR ของโรงแรมในดูไบน่าจะลดลงเล็กน้อยที่ 11% q-q จากฐานที่สูงอันเกิดจากการแข่งฟุตบอลโลกที่การต่ำ เราคาดว่า EBITDA margin ของธุรกิจโรงแรมน่าจะค่อนข้างทรงตัว q-q ที่ 37% ใน 1Q23 เมื่อหักกำไรจากอัตราแลกเปลี่ยนที่บันทึกใน 4Q22 ตัวเลขน่าจะปรับตัวดีขึ้นจาก 35% ในไตรมาสดังกล่าว ในภาพรวมเราคาดกำไรปกติของธุรกิจโรงแรมที่ 400 ลบ. ใน 1Q23 (เทียบกับ 359 ลบ. ใน 4Q22 และ 608 ลบ. ใน 1Q19)

กำไรปกติของธุรกิจอาหารน่าจะทรงตัว q-q ใน 2Q23

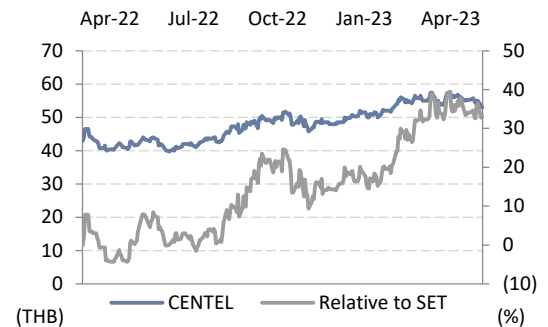
ใน 1Q23 เราคาดตัวเลขการเติบโตของยอดขายจากสาขาเดิม (SSSG) ในระดับสูงที่ 8% y-y และอัตราการเติบโตของสาขาทั้งหมด (TSSG) ที่ 15% y-y จากยอดขาย Dine-in เราคาดว่า EBITDA margin ของธุรกิจอาหารจะปรับตัวดีขึ้นเป็น 20.6% (เทียบกับ 20.1% ใน 4Q22) เพราะฉะนั้นเรายังคงคาดว่ากำไรปกติของธุรกิจอาหารที่ 136 ลบ. ค่อนข้างทรงตัว q-q และเท่ากับกำไรปกติใน 1Q19 ในภาพรวมเราคาดกำไรปกติ 1Q23 จะโต 8% q-q เป็น 536 ลบ.

นักท่องเที่ยวจีนและธุรกิจอาหารจะช่วยหนุนธุรกิจโรงแรมที่ซบเซาใน 2Q23

CENTEL กำลังอยู่นอกฤดูกาลขายใน 2Q23 แต่เราเชื่อว่าความต้องการของนักท่องเที่ยวจีนที่อ่อนแอจะช่วยชดเชยตัวเลขนักท่องเที่ยวจากยุโรปที่ลดลง ทั้งนี้ผู้เข้าพักชาวจีนเคยอยู่ในอันดับ 2 ในด้านตัวเลขการจองห้องพักโดยคิดเป็น 12% ของโรงแรมในไทยและ 15% ของโรงแรมในมัลดีฟส์ในปี 2019 กลุ่มลูกค้าดังกล่าวได้ไต่ระดับมาอยู่อันดับ 5 สำหรับโรงแรมในไทยใน 1Q23 และโมเมนตัมน่าจะดีต่อเนื่อง นอกจากนี้รายได้จากธุรกิจอาหารก็น่าจะโต q-q ใน 2Q23 จากฤดูกาลขายในช่วงเทศกาลสงกรานต์และช่วงโรงเรียนปิดภาคการศึกษา

ราคาหุ้นที่ปรับตัวลดลงเป็นโอกาสในการซื้อ

เราคงประมาณการกำไรและราคาเป้าหมาย (DCF) ของเรา ปัจจุบัน CENTEL มีการซื้อขายที่ 34x/27x ของค่า 2023E/2024E P/E (เทียบกับค่าเฉลี่ย 5 ปีย้อนหลังที่ 31x) เราเห็นว่าราคาที่ปรับลงในช่วงตลาดผันผวนเป็นโอกาสในการสะสมหุ้น เนื่องจาก CENTEL เป็นหุ้นท่องเที่ยวไทยที่น่าจะได้ประโยชน์จากความต้องการที่อ่อนแอเป็นจำนวนมากของนักท่องเที่ยวชาวจีน โดยเฉพาะอย่างยิ่งในช่วง 2H23



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.4)	1.4	20.5
Relative to country (%)	(4.3)	10.8	31.0
Mkt cap (USD m)	2,079		
3m avg. daily turnover (USD m)	5.4		
Free float (%)	72		
Major shareholder	The Chirathivat group (62%)		
12m high/low (THB)	58.25/38.75		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

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 26 เมษายน 2023

Investment thesis

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

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

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

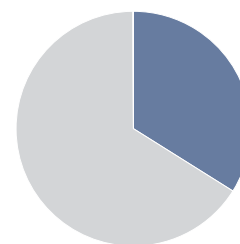
Company profile

CENTEL owns and operates 18 hotels in Thailand and the Maldives, and more than 1,000 restaurant outlets in Thailand.

www.centarahotelsresorts.com

Principal activities (revenue, 2022)

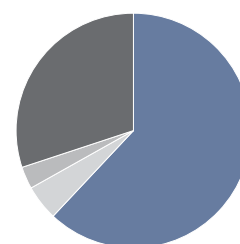
- Hotel revenue - 33.9 %
- F&B revenue - 66.0 %
- Rental income - 0.1 %



Source: Central Plaza Hotel

Major shareholders

- The Chirathivat group - 62.0 %
- Thai NVDR - 4.9 %
- Niti Osathanugrah - 3.1 %
- Others - 30.1 %



Source: Central Plaza Hotel

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following the recovery in global tourism; 2) improving consumption and economic growth resulting in strong SSSG; and 3) the recovery in Chinese tourist arrivals.

Risks to our call

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

Event calendar

Date	Event
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025E
	(%)	(%)	(%)
Owned & leased hotels			
- Number of owned hotel rooms (no.)	5,566	5,696	6,006
- Occupancy rate (OCC)	67.5	77.1	77.4
- RevPAR growth	44	16	18
Food business			
- Number of outlets (no.)	1,592	1,672	1,739
- Same-Store Sales Growth (SSSG)	8	2	2
- Total System Sales Growth (TSSG)	15	7	6

Source: FSSIA estimates

Earnings sensitivity

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

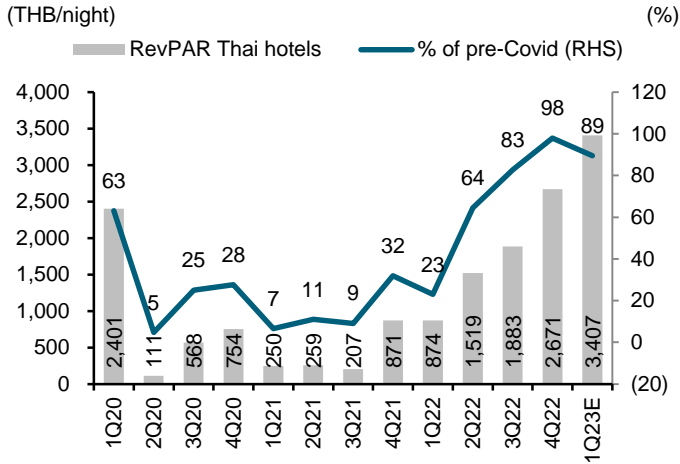
Source: FSSIA estimates

Exhibit 1: 1Q23 results preview

	1Q22	2Q22	3Q22	4Q22	1Q23E	----- Change -----		2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	3,681	4,193	4,433	5,195	5,444	5	48	22,367	56
-Hotel operation	1,065	1,298	1,492	2,094	2,436	16	129	9,082	185
-Food and beverage	2,616	2,895	2,941	3,101	3,008	(3)	15	13,285	27
COGS (Incl. depreciation)	(2,285)	(2,519)	(2,669)	(3,021)	(3,142)	4	38	(12,233)	38
Gross profit	1,396	1,674	1,764	2,174	2,302	6	65	10,135	95
SG&A	(1,413)	(1,619)	(1,710)	(1,658)	(1,708)	3	21	(7,508)	26
Operating profit	(17)	55	54	516	594	15	3,608	2,627	141
Net other income	201	147	139	227	211	(7)	5	725	88
Interest expense	(172)	(177)	(184)	(193)	(193)	0	12	(809)	1
Pretax profit	11	25	9	551	612	11	5,264	2,542	133
Income Tax	(35)	12	(51)	(65)	(72)	12	110	(254)	(278)
Share profit from associates	7	7	7	7	7	0	(3)	(107)	(32)
Share profit from JV	(7)	(25)	(55)	16					
Minority interest	(21)	3	12	(11)	(11)	0	(45)	(42)	(168)
Core profit	(44)	22	(78)	498	536	8	1,326	2,138	122
Extraordinaries, GW & FX	0	0	0	0	0			0	
Reported net profit	(44)	22	(78)	498	536	8	1,326	2,138	123
Shares out (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350	0
Pre-ex EPS	(0.03)	0.02	(0.06)	0.37	0.40	8	(1,326)	1.58	(122)
EPS	(0.03)	0.02	(0.06)	0.37	0.40	8	(1,326)	1.58	(123)
									0
COGS Excl depreciation	(1,518)	(1,711)	(1,876)	(2,256)	(2,378)	5	57	(9,006)	66
Depreciation	(767)	(807)	(793)	(765)	(765)	0	(0)	(3,226)	(1)
EBITDA	959	1,016	993	1,515	1,577	4	64	5,853	121
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	38	40	40	42	42	0	4	45	8
SG&A/Revenue	38	39	39	32	31	(1)	(7)	34	(9)
Hotel EBITDA margin	26	23	16	38	37	(1)	11		0
Food EBITDA margin	24	23	23	20	21	0	(3)		0
Total EBITDA margin	24	23	21	28	28	0	4	26	6
Net profit margin	(1)	1	(2)	10	10	0	11	10	18
Operating stats									
Hotel									
OCC -Maldives (%)	86	66	52	68					
OCC -Thailand (%)	26	45	52	66					
ARR - Maldives (THB)	17,016	13,647	12,627	15,634					
ARR - Thailand (THB)	3,378	3,410	3,612	4,053					
RevPAR - Maldives (THB)	14,558	8,969	6,566	10,615					
RevPAR Thailand (THB)	874	1,519	1,883	2,671					
Food									
SSSG (y-y %)	10	19	43	12					
TSSG (y-y %)	15	25	51	18					

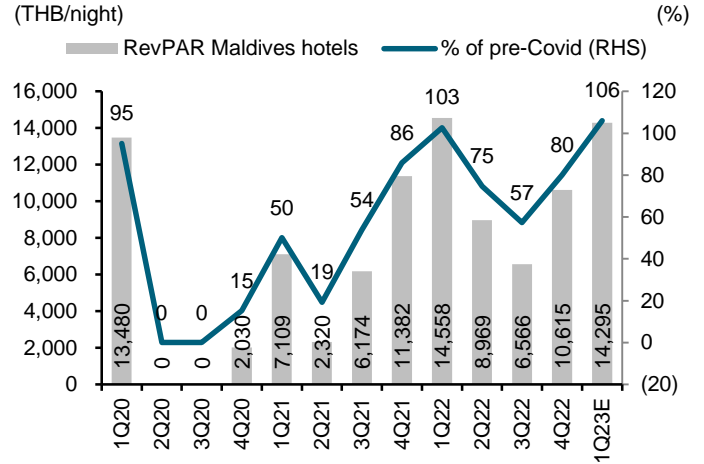
Sources: CENTEL; FSSIA estimates

Exhibit 2: CENTEL's Thai hotels RevPAR



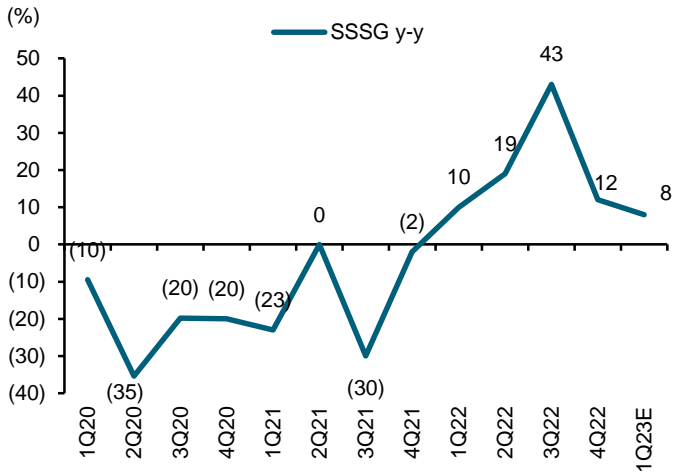
Sources: CENTEL; FSSIA estimates

Exhibit 3: CENTEL's Maldives hotels RevPAR



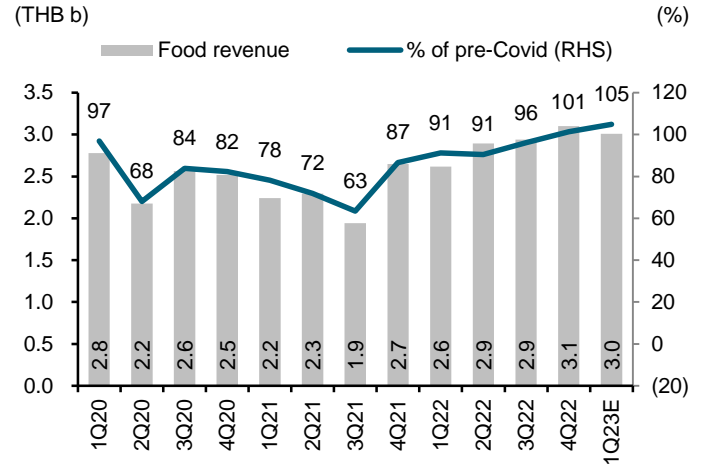
Note: RevPAR excludes F&B revenue since 1Q21
Sources: CENTEL; FSSIA estimates

Exhibit 4: SSSG



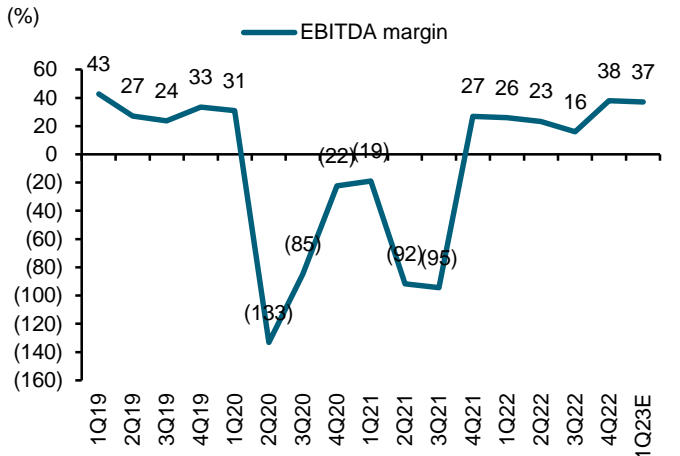
Sources: CENTEL; FSSIA estimates

Exhibit 5: Food business revenue



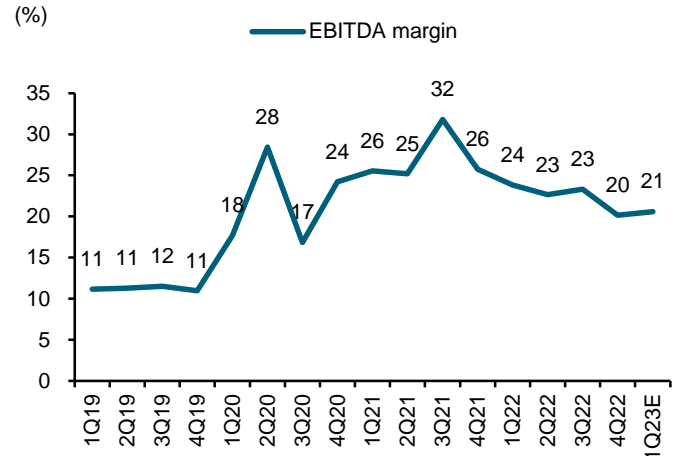
Sources: CENTEL; FSSIA estimates

Exhibit 6: EBITDA margin of hotel business



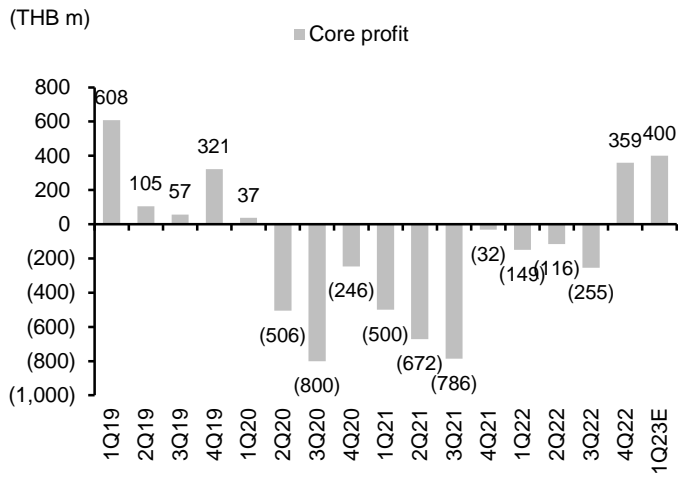
Note: Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 7: EBITDA margin of food business



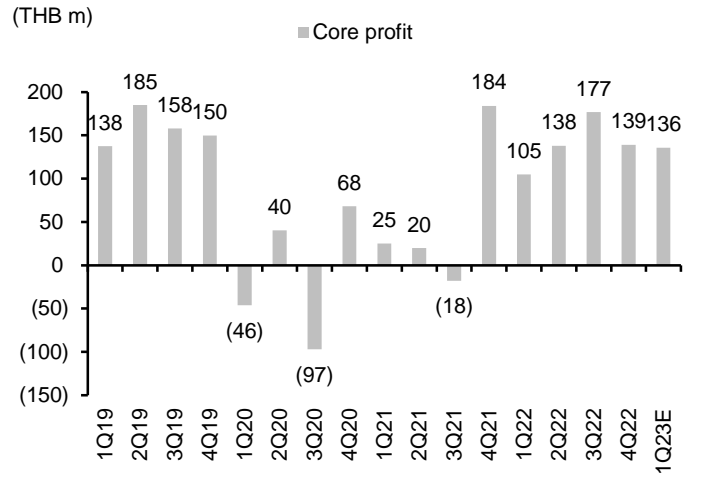
Note: Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 8: Hotel business core profit



Sources: CENTEL; FSSIA estimates

Exhibit 9: Food business core profit



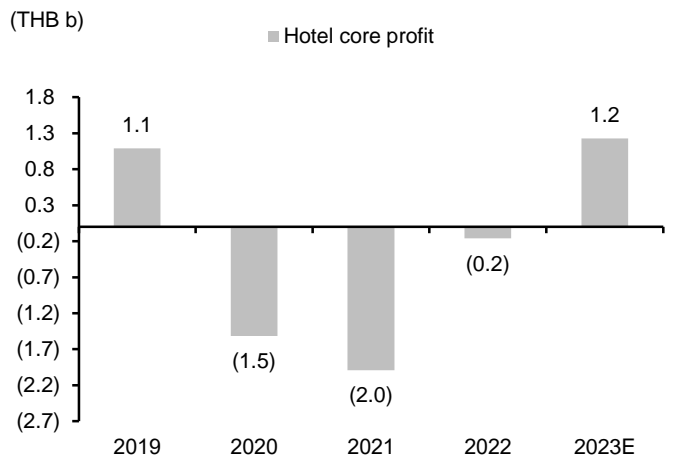
Sources: CENTEL; FSSIA estimates

Exhibit 10: Forecast revisions

	Current			Previous		Change	
	2023E	2024E	2025E	2023E	2024E	2023E	2024E
OCC (%)	67.5	77.1	77.4	67.5	77.1	0.0	0.0
RevPar (THB)	3,205	3,726	4,407	3,193	3,794	0.4	(1.8)
SSSG (%)	8.0	2.0	2.0	8.0	2.0	0.0	0.0
TSSG (%)	15.0	7.0	6.0	16.0	7.0	(1.0)	0.0
Total revenue (THB b)	22.4	25.3	27.7	22.3	24.7	0.2	2.4
EBITDA margin (%)	26.2	26.3	25.8	27.9	28.3	(1.7)	(2.0)
Core profit (THB m)	2,138	2,624	2,813	2,138	2,624	0.0	0.0

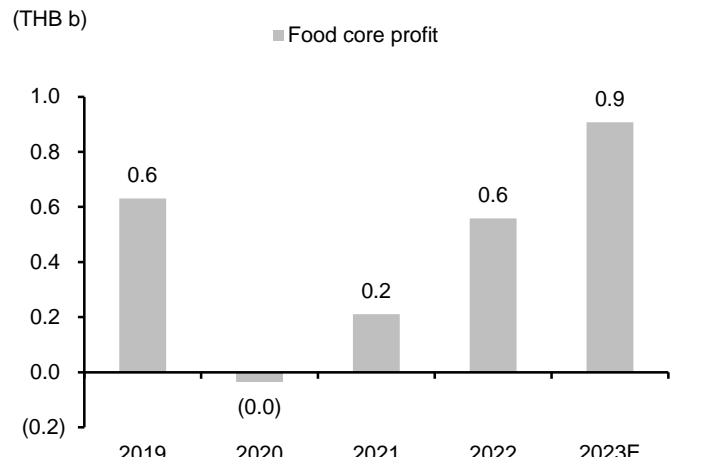
Note: Change of items in percentage terms are represented in ppt change
Source: FSSIA estimates

Exhibit 11: Hotel core profit forecast



Sources: CENTEL; FSSIA estimates

Exhibit 12: Food core profit forecast



Sources: CENTEL; FSSIA estimates

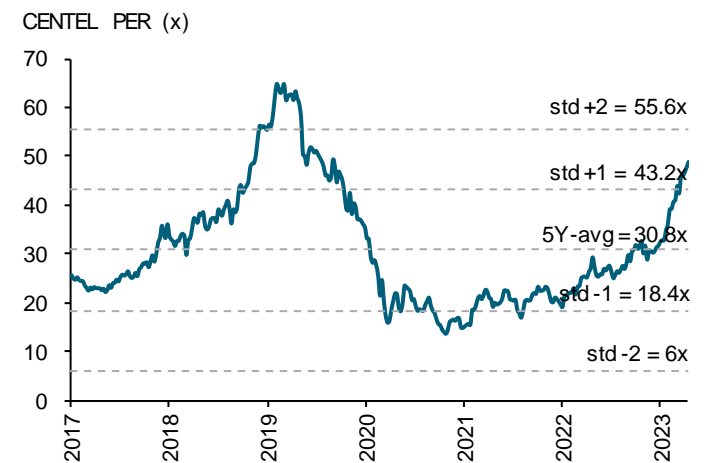
Exhibit 13: DCF valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.1			
Cost of equity, Ke		11.8	Net cost of debt, Kd		2.8
Weight applied		60.0	Weight applied		40.0
WACC		8.2			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	32.0	23.7	WACC 8.2%, risk-free rate 3%, risk premium 8%
Terminal value	62.4	46.2	Terminal growth 2.5%
Cash & liquid assets	2.2	1.6	At end-2023E
Investments	4.6	3.4	At end-2023E
Debt	(22.5)	(16.7)	At end-2023E
Minorities	(0.4)	(0.3)	At end-2023E
Residual ordinary equity	78.2	58.0	

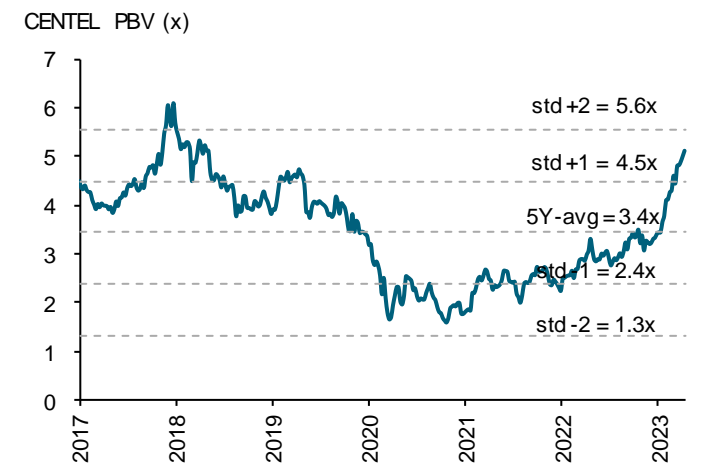
Source: FSSIA estimates

Exhibit 14: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Peer comparisons as of 25 April 2023

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	5.30	6.80	28	4,927	80.5	46.0	n/a	2.5	4.1	1.9	1.8	40.8	27.8	
Minor International	MINT TB	BUY	30.75	40.00	30	4,753	32.2	25.1	22.2	7.0	9.2	2.0	2.6	10.4	10.5	
Central Plaza Hotel	CENTEL TB	BUY	53.00	58.00	9	2,079	33.5	27.3	25.4	10.9	12.2	3.5	3.2	15.8	13.6	
Erawan Group	ERW TB	BUY	4.70	5.50	17	619	40.0	37.6	32.3	8.9	8.8	3.4	3.0	16.6	15.4	
S Hotels & Resorts	SHR TB	BUY	3.48	5.30	52	363	27.3	18.5	16.0	2.8	4.1	0.8	0.7	8.5	7.5	
Dusit Thani	DUSIT TB	BUY	11.20	18.00	61	277	186.2	38.9	3.8		1.2	5.7	2.3	2.2	41.1	31.8
Bound and Beyond	BEYOND TB	BUY	14.80	24.00	62	124	58.7	17.9	14.2	1.3	4.0	0.7	0.7	12.4	9.4	
Thailand average						13,142	65.5	30.2	19.0	5.0	6.9	2.1	2.0	20.8	16.6	
Regional																
Bitg Hotels Group	600258 CH	n/a	21.40	n/a	n/a	3,460	29.8	20.5	17.4	7.3	9.8	2.1	1.9	12.3	10.5	
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.03	n/a	n/a	7,201	9.7	6.6	5.5	8.5	11.3	0.8	0.8	16.8	12.9	
Huangshan Tourism Develop	900942 CH	n/a	0.82	n/a	n/a	1,219	15.2	11.9	9.7	6.3	8.0	0.9	0.9	14.1	11.5	
Genting Bhd	GENT MK	n/a	4.71	n/a	n/a	4,033	14.7	11.5	9.6	3.9	5.1	0.6	0.5	6.7	6.2	
Greentree Hospitality	GHG US	n/a	4.33	n/a	n/a	446	10.0	6.8	6.4	19.1	25.0	1.6	1.4	5.5	4.5	
Huazhu Group	HTHT US	n/a	44.97	n/a	n/a	14,318	38.3	28.9	29.9	23.7	25.1	10.1	8.0	19.8	15.3	
Indian Hotels	IH IN	n/a	338.85	n/a	n/a	5,942	52.9	42.2	35.7	12.6	13.5	6.2	5.5	28.5	25.4	
Lemon Tree Hotels	LEMONTRE IN	n/a	82.85	n/a	n/a	862	59.0	42.3	26.7	13.0	15.5	7.1	6.1	22.6	18.8	
Lippo Karawaci	LPKR IJ	n/a	81.00	n/a	n/a	392	n/a	70.4	n/a	(1.3)	0.3	0.3	0.3	8.8	7.8	
Regional average						37,872	28.7	26.8	17.6	9.4	11.8	3.3	2.8	15.0	12.5	
Overall average						51,013	45.9	28.3	18.2	7.6	9.8	2.8	2.5	17.5	14.3	

Sources: Bloomberg; FSSIA estimates

Financial Statements

Central Plaza Hotel

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	11,211	17,502	22,367	25,296	27,690
Cost of goods sold	(4,446)	(7,361)	(9,006)	(10,271)	(11,428)
Gross profit	6,765	10,141	13,361	15,025	16,263
Other operating income	-	-	-	-	-
Operating costs	(5,075)	(6,400)	(7,508)	(8,365)	(9,128)
Operating EBITDA	1,690	3,741	5,853	6,661	7,134
Depreciation	(3,167)	(3,133)	(3,226)	(3,379)	(3,583)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,477)	608	2,627	3,281	3,552
Net financing costs	(611)	(547)	(638)	(662)	(661)
Associates	(64)	(44)	(107)	13	58
Recurring non-operating income	208	491	446	626	707
Non-recurring items	45	0	0	0	0
Profit before tax	(1,835)	552	2,435	3,246	3,597
Tax	78	(138)	(254)	(552)	(708)
Profit after tax	(1,757)	414	2,181	2,694	2,889
Minority interests	24	(16)	(42)	(69)	(76)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(1,733)	398	2,138	2,624	2,813
Non-recurring items & goodwill (net)	(45)	0	0	0	0
Recurring net profit	(1,778)	398	2,138	2,624	2,813
Per share (THB)					
Recurring EPS *	(1.32)	0.29	1.58	1.94	2.08
Reported EPS	(1.28)	0.29	1.58	1.94	2.08
DPS	0.00	0.00	0.63	0.78	0.83
Diluted shares (used to calculate per share data)	1,350	1,350	1,350	1,350	1,350
Growth					
Revenue (%)	(13.1)	56.1	27.8	13.1	9.5
Operating EBITDA (%)	1.8	121.3	56.5	13.8	7.1
Operating EBIT (%)	nm	nm	331.7	24.9	8.2
Recurring EPS (%)	nm	nm	437.2	22.7	7.2
Reported EPS (%)	nm	nm	437.2	22.7	7.2
Operating performance					
Gross margin inc. depreciation (%)	32.1	40.0	45.3	46.0	45.8
Gross margin of key business (%)	32.1	40.0	45.3	46.0	45.8
Operating EBITDA margin (%)	15.1	21.4	26.2	26.3	25.8
Operating EBIT margin (%)	(13.2)	3.5	11.7	13.0	12.8
Net margin (%)	(15.9)	2.3	9.6	10.4	10.2
Effective tax rate (%)	4.3	23.1	10.0	17.1	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	(2.1)	2.0	4.8	5.9	6.4
Inventory days	62.8	43.9	36.4	29.4	29.7
Debtor days	21.4	21.2	24.5	30.0	35.9
Creditor days	186.5	152.0	118.8	91.4	92.5
Operating ROIC (%)	(4.6)	1.3	6.6	7.3	7.5
ROIC (%)	(3.3)	2.0	6.5	7.3	7.6
ROE (%)	(12.7)	2.2	10.9	12.2	12.1
ROA (%)	(2.9)	1.7	5.6	6.4	6.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	2,070	5,935	9,067	11,067	12,607
F&B revenue	9,127	11,553	13,285	14,215	15,068
Rental income	14	14	14	14	14

Sources: Central Plaza Hotel; FSSIA estimates

Financial Statements

Central Plaza Hotel

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(1,778)	398	2,138	2,624	2,813
Depreciation	3,167	3,133	3,226	3,379	3,583
Associates & minorities	-	-	-	-	-
Other non-cash items	1,891	(248)	42	69	76
Change in working capital	109	54	(1,332)	(456)	(521)
Cash flow from operations	3,390	3,336	4,075	5,617	5,951
Capex - maintenance	(13,597)	(1,201)	(5,000)	(3,270)	(3,437)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,178)	(644)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(14,775)	(1,845)	(5,000)	(3,270)	(3,437)
Dividends paid	0	0	0	(855)	(1,050)
Equity finance	0	0	0	0	0
Debt finance	2,032	(1,754)	0	0	0
Other financing cash flows	9,974	45	(38)	(66)	(73)
Cash flow from financing	12,006	(1,709)	(38)	(921)	(1,122)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	621	(218)	(963)	1,427	1,391
Free cash flow to firm (FCFF)	(10,667.15)	2,217.57	(115.34)	3,157.04	3,322.88
Free cash flow to equity (FCFE)	620.72	(217.80)	(963.11)	2,282.04	2,440.97

Per share (THB)

FCFF per share	(7.90)	1.64	(0.09)	2.34	2.46
FCFE per share	0.46	(0.16)	(0.71)	1.69	1.81
Recurring cash flow per share	2.43	2.43	4.01	4.50	4.79

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	59,581	59,125	64,125	67,395	70,832
Less: Accumulated depreciation	(22,898)	(24,314)	(27,541)	(30,920)	(34,502)
Tangible fixed assets (net)	36,683	34,811	36,585	36,475	36,330
Intangible fixed assets (net)	360	360	360	360	360
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	3,921	4,565	4,565	4,565	4,565
Cash & equivalents	3,354	3,137	2,174	3,600	4,991
A/C receivable	801	1,227	1,772	2,388	3,062
Inventories	748	1,024	773	882	981
Other current assets	829	927	1,080	1,222	1,337
Current assets	5,732	6,315	5,799	8,091	10,371
Other assets	1,896	2,115	2,115	2,115	2,115
Total assets	48,593	48,166	49,423	51,606	53,741
Common equity	18,076	18,518	20,656	22,426	24,189
Minorities etc.	355	373	376	380	384
Total shareholders' equity	18,432	18,891	21,033	22,806	24,573
Long term debt	22,265	21,671	21,671	21,671	21,671
Other long-term liabilities	2,939	2,952	2,952	2,952	2,952
Long-term liabilities	25,203	24,623	24,623	24,623	24,623
A/C payable	2,669	3,460	2,404	2,741	3,050
Short term debt	1,970	809	809	809	809
Other current liabilities	319	383	554	627	686
Current liabilities	4,958	4,652	3,767	4,177	4,545
Total liabilities and shareholders' equity	48,593	48,166	49,423	51,606	53,741
Net working capital	(611)	(665)	667	1,123	1,644
Invested capital	42,250	41,186	44,292	44,638	45,013

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

Per share (THB)

Book value per share	13.39	13.72	15.30	16.61	17.92
Tangible book value per share	13.12	13.45	15.03	16.34	17.65

Financial strength

Net debt/equity (%)	113.3	102.4	96.5	82.8	71.2
Net debt/total assets (%)	43.0	40.2	41.1	36.6	32.5
Current ratio (x)	1.2	1.4	1.5	1.9	2.3
CF interest cover (x)	2.0	0.6	(0.5)	4.4	4.7

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(40.2)	179.7	33.5	27.3	25.4
Recurring P/E @ target price (x) *	(44.0)	196.7	36.6	29.8	27.8
Reported P/E (x)	(41.3)	179.7	33.5	27.3	25.4
Dividend yield (%)	-	-	1.2	1.5	1.6
Price/book (x)	4.0	3.9	3.5	3.2	3.0
Price/tangible book (x)	4.0	3.9	3.5	3.2	3.0
EV/EBITDA (x) **	54.9	24.4	15.8	13.6	12.5
EV/EBITDA @ target price (x) **	58.9	26.2	16.9	14.6	13.5
EV/invested capital (x)	2.2	2.2	2.1	2.0	2.0

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

Sources: Central Plaza Hotel; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The CG Score indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the Thai IOD website in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The five underlying categories and weighting used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The Checklist contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A CAC certified member is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member start with by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the CAC Council for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (THSI) quantifies responsibility in Environmental, and Social issues, by managing business with transparency in Governance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >15% by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: Economic (CG, risk management, customer relation management, supply chain management, and innovation); Environmental (environmental management, eco-efficiency, and climate risk); Social (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the THSI list, the SET further developed a sustainability SETTHSI Index in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: SEC; Thai IOD; Thai CAC; SET; FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association (Thai IOD) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association (TIA) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption (CAC) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List (THSI), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – Wikipedia – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

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
Central Plaza Hotel	CENTEL TB	THB 53.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Asset World Corp	AWC TB	THB 5.30	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.
Minor International	MINT TB	THB 30.75	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 4.70	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.
S Hotels and Resorts	SHR TB	THB 3.48	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 11.20	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.
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.

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

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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 25-Apr-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.