

BOUND AND BEYOND

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BUY

UNCHANGED

ระยะเก็บเกี่ยวกำลังเริ่มต้น

- คาดการณ์การเข้าพัก (OCC rate) จะปรับตัวดีขึ้นจาก 50% ใน 2Q23 เป็น 55% ใน 3Q23 และแตะ 58-60% ใน 4Q23 ซึ่งจะทำให้ผลประกอบการพลิกฟื้น
- หนี้ 5.8 พัน ลบ. จะเริ่มลดลงในปี 2024 โดยได้รับแรงหนุนจาก EBITDA ที่อยู่ในเกณฑ์ดีถึง 0.6-1 พัน ลบ. ต่อปี ซึ่งจะทำให้ค่าใช้จ่ายดอกเบี้ยลดลง
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 24 บาท (DCF)

TARGET PRICE	THB24.00
CLOSE	THB13.80
UP/DOWNSIDE	+73.9%
PRIOR TP	THB24.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.0%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	2,148	2,974	3,490	3,728
Net profit	(342)	197	205	288
EPS (THB)	(1.18)	0.68	0.66	0.93
vs Consensus (%)	-	750.0	(13.2)	(4.1)
EBITDA	128	567	883	969
Recurring net profit	(441)	(120)	205	288
Core EPS (THB)	(1.53)	(0.39)	0.66	0.93
Chg. In EPS est. (%)	nm	nm	(13.1)	(4.4)
EPS growth (%)	nm	nm	nm	40.5
Core P/E (x)	(9.0)	(35.6)	20.9	14.9
Dividend yield (%)	-	-	2.4	3.4
EV/EBITDA (x)	73.7	15.8	9.8	8.5
Price/book (x)	0.7	0.6	0.6	0.6
Net debt/Equity (%)	89.3	78.8	64.6	57.2
ROE (%)	(7.0)	(1.9)	3.1	4.2

ข้อมูลเชิงบวกจากที่ประชุมนักวิเคราะห์หลังผลประกอบการ 2Q23

ผู้บริหารคาดว่าจะดำเนินงานจะพลิกฟื้นใน 3Q23 พร้อม OCC rate ที่ปรับตัวขึ้นเป็น 55% ในเดือน ก.ค. - ส.ค. (เทียบกับ 50% ใน 2Q23) นอกจากนี้รายได้จากธุรกิจอาหารและเครื่องดื่ม (F&B) ซึ่งลดลง 16% y-y ใน 2Q23 จากการชะลอตัวทางเศรษฐกิจและการบริโภคที่อ่อนแอ ก่อนการเลือกตั้งยังติดลบโดยปรับขึ้น 8-9% y-y ในเดือน ก.ค. - ส.ค. จากกิจกรรมในธุรกิจ MICE ที่เพิ่มขึ้น ด้วยเหตุดังกล่าวเราคาดว่ารายได้จะโตทั้ง y-y และ q-q ใน 3Q23 สอดคล้องกับค่าบริการของพนักงานของทั้ง 2 โรงแรมของบริษัทฯ (ดู Exhibits 1 & 2) ซึ่งกระโดดเพิ่มในเดือน ส.ค. (+ประมาณ 20% เทียบกับค่าเฉลี่ยใน 2Q23) และเท่ากับตัวเลขที่ดีในเดือน เม.ย. (ข้อมูลจาก Social media) ซึ่งบอกเป็นนัยว่ารายได้จากธุรกิจโรงแรมในเดือน ส.ค. ปรับตัวดีขึ้นอย่างมีนัยสำคัญและแนวโน้มดังกล่าวจะเกิดต่อเนื่องใน 4Q23

ผลการดำเนินงานจะพลิกเป็นกำไรใน 4Q23 และปี 2024

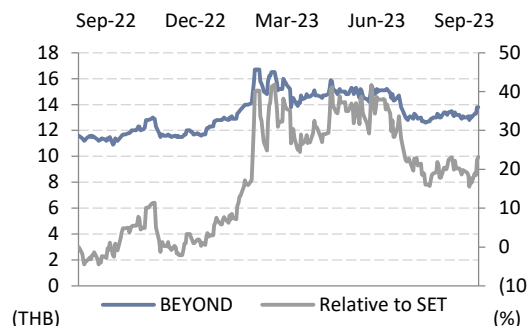
OCC rate น่าจะปรับตัวขึ้นเป็น 58-60% ใน 4Q23 ในขณะที่ธุรกิจ F&B น่าจะแตะจุดสูงสุดจากฤดูเฉลิมฉลอง แม้เราจะคาดว่า BEYOND จะยังรายงานผลขาดทุนปกติ 120 ลบ. ในปี 2023 เราสนใจเกี่ยวกับแนวโน้มการพลิกฟื้นของบริษัทฯ เนื่องจากโรงแรมทั้ง 2 แห่งน่าจะมีส่วนแบ่งกำไร ผลขาดทุนน่าจะเกิดขึ้นส่วนมากจากค่าใช้จ่ายองค์กรซึ่งเป็นค่าใช้จ่ายคงที่รายได้ที่เพิ่มเติมในปี 2024 พร้อม OCC rate ที่กว่า 60% น่าจะช่วยผลักดัน BEYOND ให้พลิกฟื้น

กระแสเงินสดที่ใช้งานได้ที่อยู่ในเกณฑ์ดีจะช่วยลดภาระหนี้และค่าใช้จ่ายดอกเบี้ย

เราคาดว่า EBITDA ที่ 0.6-1 พัน ลบ. ในปี 2024-25 BEYOND จะเริ่มจ่ายคืนหนี้มีดอกเบี้ยในปัจจุบันที่ 5.8 พัน ลบ. นับตั้งแต่เดือน ธ.ค. 23 เป็นต้นไป จากตารางการชำระหนี้บริษัทฯ จะลดหนี้ได้ประมาณ 677 ลบ. ในปี 2024 (หุ้นกู้ 577 ลบ. จะครบกำหนดในเดือน มี.ค. 24 และสินเชื่อระยะยาวอีกประมาณ 100 ลบ.) ซึ่งจะช่วยประหยัดค่าใช้จ่ายดอกเบี้ยได้ 40-45 ลบ. ต่อปี กระแสเงินสดที่อยู่ในเกณฑ์ดีและฐานะทางการเงินที่มั่นคงพร้อมเงินสดในมือในปัจจุบันที่ 1.2 พัน ลบ. น่าจะช่วยเพิ่มความมั่นใจให้แก่นักลงทุนในอนาคต

หุ้น Wildcard ในกลุ่มท่องเที่ยว

เราปรับลดประมาณการกำไรสุทธิปี 2023-25 ลง 4-28% เพื่อสะท้อนผลประกอบการ 2Q23 ที่อ่อนแอ อย่างไรก็ตามเรายังคงแนะนำราคาเป้าหมายของเราที่ 24 บาท (DCF) จากเงินที่ได้จากการขายที่ดินในจังหวัดระยองที่สูงเกินคาด เรามอง BEYOND เป็นหุ้น Wildcard ในกลุ่มท่องเที่ยวจากระดับการประเมินมูลค่าที่ต่ำเพียง 21x ของค่า 2024E P/E และ 0.6x ของค่า P/BV ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 30.5x และ 2.0x บริษัทฯ น่าจะได้รับประโยชน์จากการกลับมาของนักท่องเที่ยวชาวจีนซึ่งมีการจับจ่ายสอยในระดับสูงใน 4Q23 เนื่องจากลูกค้าชาวจีนสร้างรายได้ 20% ให้แก่บริษัทฯ ในช่วง 7M23.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.0	(9.2)	19.0
Relative to country (%)	2.3	(11.8)	23.2
Mkt cap (USD m)			114
3m avg. daily turnover (USD m)			0.1
Free float (%)			50
Major shareholder	Country Group Holding PCL (39%)		
12m high/low (THB)			17.30/10.90
Issued shares (m)			309.82

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 1 กันยายน 2023

Investment thesis

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

We expect Thailand’s tourist arrival numbers to recover significantly in 2023-24, especially in the high-spending segment, which should directly benefit BEYOND’s luxury hotels. According to CBRE, luxury hotels accounted for 17% of the total hotel supply in Bangkok, and riverfront hotels only made up 7% as of 2022.

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

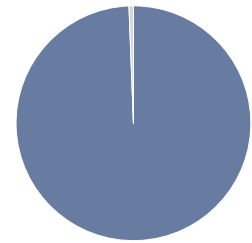
Company profile

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

www.boundandbeyond.co.th

Principal activities (revenue, 2022)

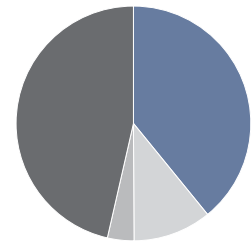
- Hotel revenue - 99.4 %
- Revenue from sales and services - 0.6 %



Source: Bound and Beyond

Major shareholders

- Country Group Holding PCL - 39.1 %
- Kingdom of Thailand Ministry of Finance - 10.8 %
- Supachai Weeraborwornpong - 3.7 %
- Others - 46.4 %



Source: Bound and Beyond

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
Nov 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
OCC rate (%)	55	63	66
ADR (THB)	18,546	19,010	19,390
RevPAR growth (%)	83	17	7
EBITDA margin (%)	19	25	26

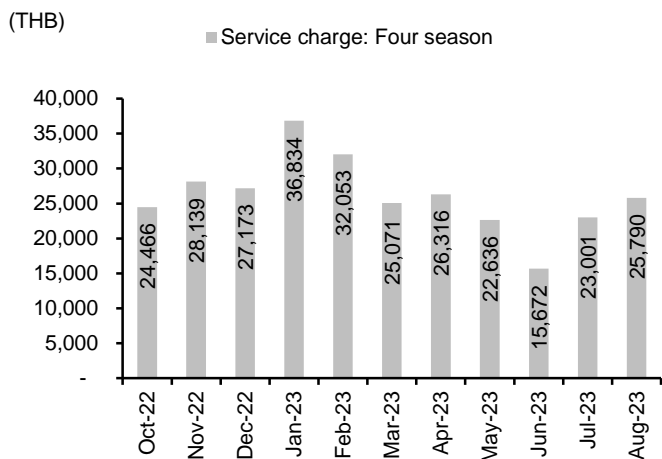
Source: FSSIA estimates

Earnings sensitivity

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

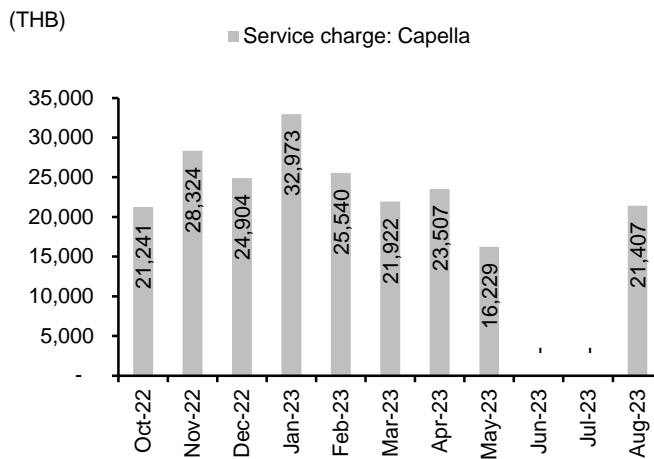
Source: FSSIA estimates

Exhibit 1: Service charges: Four Seasons Hotel Bangkok



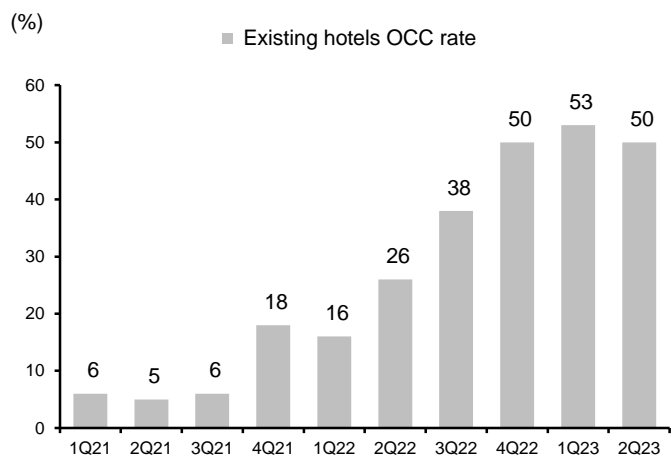
Note: Each period starts from the 21st (previous month) and ends on the 20th (for example Aug-23 stats are from 21 July to 20 Aug)
Source: Facebook page – Hotel Service Charge Update

Exhibit 2: Service charges: Capella Bangkok



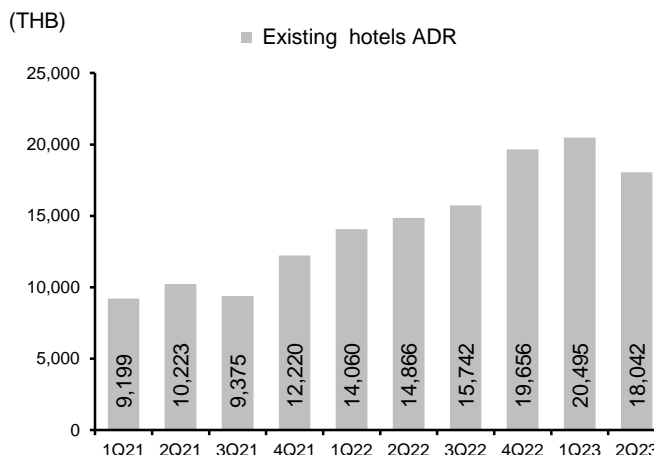
Note: Each period starts from the 21st (previous month) and ends on the 20th
Source: Facebook page – Hotel Service Charge Update

Exhibit 3: OCC rate (quarterly)



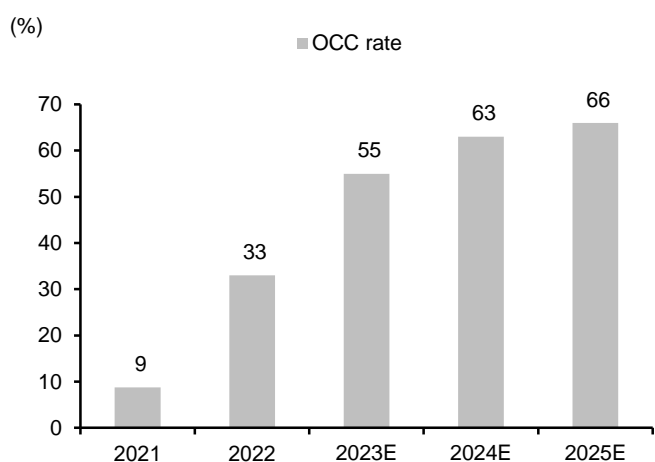
Source: BEYOND

Exhibit 4: ADR (quarterly)



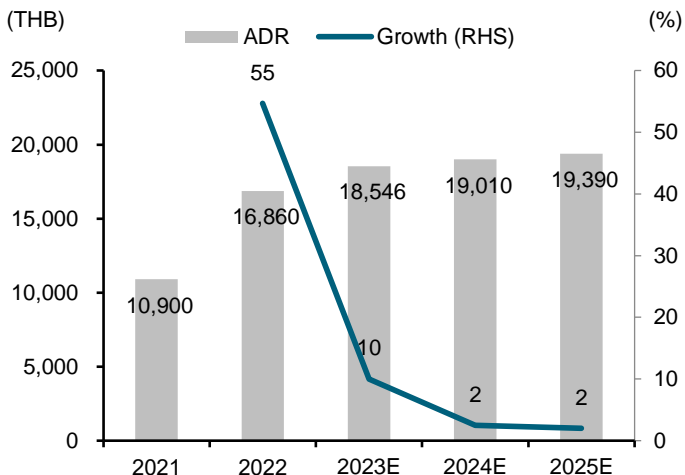
Source: BEYOND

Exhibit 5: OCC rate, yearly



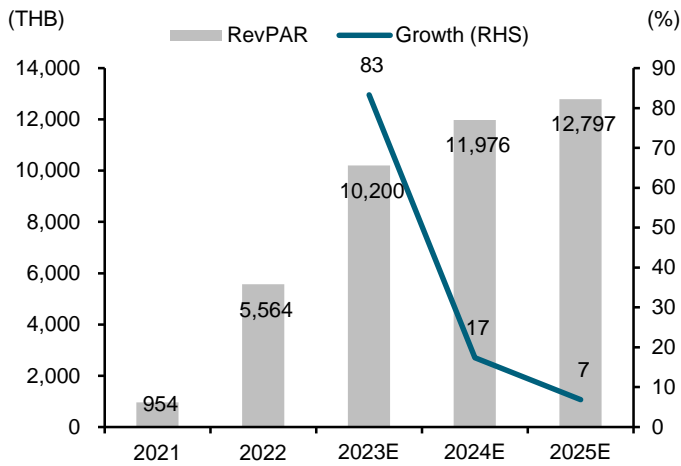
Sources: BEYOND; FSSIA estimates

Exhibit 6: ADR yearly



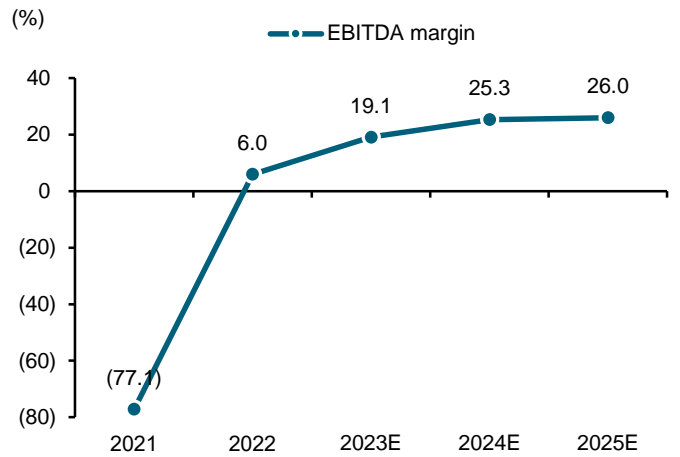
Sources: BEYOND; FSSIA estimates

Exhibit 7: RevPAR, yearly



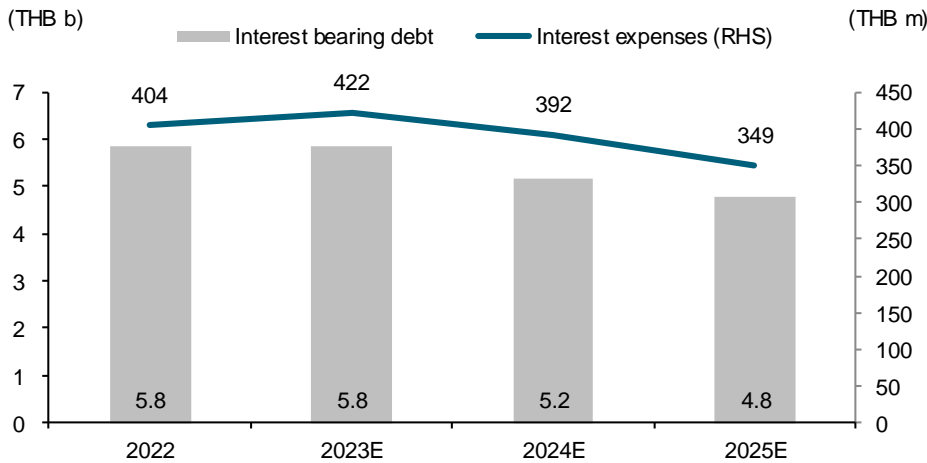
Sources: BEYOND; FSSIA estimates

Exhibit 8: EBITDA margin



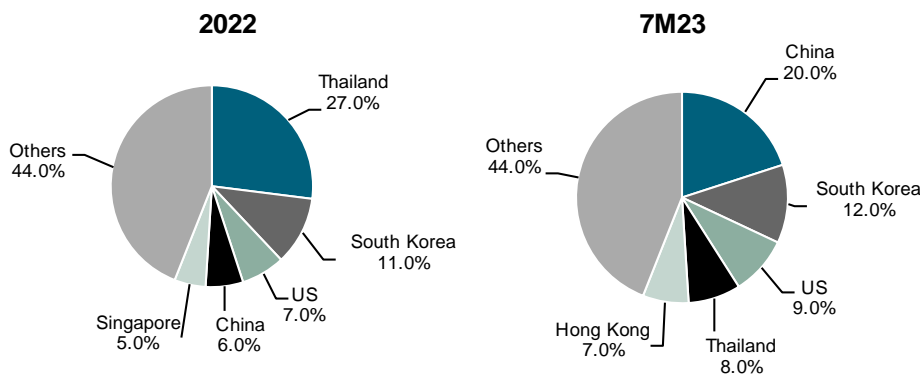
Sources: BEYOND; FSSIA estimates

Exhibit 9: Interest bearing debt and interest expense to decline from 2024



Sources: BEYOND; FSSIA estimates

Exhibit 10: Revenue breakdown by nationality



Sources: BEYOND; FSSIA estimates

Exhibit 11: Forecast revisions

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	2,974	3,490	3,728	3,116	3,567	3,811	(5)	(2)	(2)
EBITDA margin (%)	19.1	25.3	26.0	22.6	26.4	27.1	(4)	(1)	(1)
Core profit	(120)	205	288	25	236	301	(583)	(13)	(4)
Net profit	197	205	288	275	236	301	(28)	(13)	(4)
Key assumptions									
OCC rate (%)	55	63	66	55	63	66	0	0	0
ADR (THB)	18,546	19,010	19,390	19,052	19,433	19,821	(3)	(2)	(2)

Source: FSSIA estimates

Exhibit 12: DCF-derived TP

Cost of equity assumptions	(%)		Cost of debt assumptions	(%)
Risk-free rate	3.0		Pre-tax cost of debt	4.0
Market risk premium	8.0		Marginal tax rate	20.0
Stock beta	1.5			
Cost of equity, Ke	15.2		Net cost of debt, Kd	2.8
Weight applied	55.0		Weight applied	4.5
WACC	9.6			
DCF valuation estimate	(THB b)	(THB/share)	Comments	
NPV	5.2	16.7	WACC 9.6%, Risk-free rate 3%, Risk premium 8%	
Terminal value	5.5	17.8	Terminal growth 3%	
Cash & liquid assets	1.2	3.8	At end-2024E	
Investments	0.3	0.9	At end-2024E	
Land for sales	0.8	2.6	Based on appraisal value of THB1.0b with 20% discount	
Debt	(5.5)	(17.8)	At end-2024E	
Minorities	0.0	0.0	At end-2024E	
Residual ordinary equity	7.4	24.0		

Source: FSSIA estimates

Exhibit 13: Net asset value (NAV)

Cost approach	(THB b)	Note
Total replacement cost	8.6	Based on IFA dated 2 Sep 2021
Add : Leasehold rights of land	2.5	Based on IFA dated 2 Sep 2021
Add : Land (Tak)	1.0	Based on appraisal value
Add : Cash and cash equivalents	1.2	As of 2Q23
Less: Interest bearing debt	(5.9)	As of 2Q23
Less: Minorities	0.0	As of 2Q23
Net Value	7.4	
No of shares (m)	309.8	
FV per share	24.0	

Source: FSSIA estimates

Exhibit 14: Peer comparisons as of 31 August 2023

Company	BBG	Rec	Share price			Market cap	PE			ROE		PBV		EV/ EBITDA	
			Current	Target	Upside		23E	24E	25E	23E	24E	23E	24E	23E	24E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand															
Asset World Corp	AWC TB	BUY	4.42	6.80	54	3,989	67.1	38.4	34.5	2.5	4.1	1.6	1.5	36.7	26.6
Minor International	MINT TB	BUY	33.50	43.00	28	5,319	29.8	26.2	23.6	8.2	9.5	2.2	2.8	10.4	10.5
Central Plaza Hotel	CENDEL TB	BUY	47.25	55.00	16	1,843	37.5	30.1	26.9	8.8	10.1	3.2	2.9	16.2	14.1
Erawan Group	ERW TB	BUY	5.70	6.30	11	719	40.1	38.2	32.4	10.7	10.2	4.1	3.5	18.2	16.8
S Hotels & Resorts	SHR TB	BUY	2.98	4.80	61	304	62.9	21.1	16.7	1.1	3.1	0.7	0.6	9.5	7.8
Dusit Thani	DUSIT TB	BUY	11.10	18.00	62	265	184.5	38.6	3.8	1.2	5.7	2.3	2.2	41.0	31.7
Bound and Beyond	BEYOND TB	BUY	13.80	24.00	74	114	(35.6)	20.9	14.9	(1.9)	3.1	0.6	0.6	15.8	9.8
Thailand average						12,552	55.2	30.5	21.8	4.4	6.6	2.1	2.0	21.1	16.8
Regional															
Btg Hotels Group	600258 CH	n/a	17.53	n/a	n/a	2,696	26.0	18.1	15.1	7.1	9.2	1.8	1.6	10.9	9.0
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.62	n/a	n/a	5,158	9.0	6.1	4.9	8.1	10.5	0.7	0.6	13.2	10.4
Huangshan Tourism Dev.	900942 CH	n/a	0.71	n/a	n/a	1,044	11.0	8.7	7.8	8.1	9.2	0.9	0.8	9.6	8.5
Genting Bhd	GENT MK	n/a	4.37	n/a	n/a	3,625	16.4	11.3	9.7	3.8	5.0	0.5	0.5	6.5	5.8
Huazhu Group	HTHT US	n/a	40.28	n/a	n/a	12,837	26.7	23.9	19.5	30.7	25.7	8.6	6.7	15.2	13.3
Indian Hotels	IH IN	n/a	420.90	n/a	n/a	7,152	64.3	47.5	39.7	12.6	14.3	7.5	6.5	34.3	28.4
Lemon Tree Hotels	LEMONTRE IN	n/a	109.25	n/a	n/a	1,034	74.2	52.8	31.8	12.3	15.5	9.4	7.7	26.2	21.0
Lippo Karawaci	LPKR IJ	n/a	98.00	n/a	n/a	460	7.0	5.8	5.0	5.9	6.6	0.4	0.4	8.8	8.3
Regional average						34,006	29.3	21.8	16.7	11.1	12.0	3.7	3.1	15.6	13.1
Overall average						46,559	41.4	25.8	19.1	7.9	9.5	3.0	2.6	18.1	14.8

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bound and Beyond

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	222	2,148	2,974	3,490	3,728
Cost of goods sold	(209)	(1,607)	(1,909)	(2,053)	(2,165)
Gross profit	12	541	1,065	1,436	1,563
Other operating income	-	-	-	-	-
Operating costs	(242)	(716)	(802)	(858)	(905)
Operating EBITDA	(171)	128	567	883	969
Depreciation	(59)	(303)	(304)	(304)	(311)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(230)	(174)	264	578	658
Net financing costs	(65)	(399)	(417)	(384)	(342)
Associates	0	0	0	0	0
Recurring non-operating income	25	38	10	10	11
Non-recurring items	1,142	99	317	0	0
Profit before tax	872	(437)	174	205	327
Tax	6	95	23	0	(39)
Profit after tax	878	(342)	197	205	288
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	878	(342)	197	205	288
Non-recurring items & goodwill (net)	(1,142)	(99)	(317)	0	0
Recurring net profit	(264)	(441)	(120)	205	288
Per share (THB)					
Recurring EPS *	(0.91)	(1.53)	(0.39)	0.66	0.93
Reported EPS	3.04	(1.18)	0.68	0.66	0.93
DPS	0.00	0.00	0.00	0.33	0.46
Diluted shares (used to calculate per share data)	289	289	310	310	310
Growth					
Revenue (%)	1,595.6	869.1	38.4	17.4	6.8
Operating EBITDA (%)	nm	nm	343.1	55.6	9.8
Operating EBIT (%)	nm	nm	nm	119.5	13.7
Recurring EPS (%)	nm	nm	nm	nm	40.5
Reported EPS (%)	753.7	nm	nm	(3.0)	40.5
Operating performance					
Gross margin inc. depreciation (%)	5.5	25.2	35.8	41.2	41.9
Gross margin exc. depreciation (%)	32.1	39.3	46.0	49.9	50.3
Operating EBITDA margin (%)	(77.1)	6.0	19.1	25.3	26.0
Operating EBIT margin (%)	(103.7)	(8.1)	8.9	16.6	17.7
Net margin (%)	(119.2)	(20.5)	(4.0)	5.9	7.7
Effective tax rate (%)	2.2	17.7	10.0	0.0	12.0
Dividend payout on recurring profit (%)	-	-	-	50.0	50.0
Interest cover (X)	(3.1)	(0.3)	0.7	1.5	2.0
Inventory days	43.9	11.4	11.4	12.1	12.2
Debtor days	113.0	12.2	11.4	8.2	7.6
Creditor days	286.0	78.6	82.2	76.7	77.7
Operating ROIC (%)	(3.0)	(1.3)	2.1	5.3	5.4
ROIC (%)	(2.5)	(1.0)	2.1	5.1	5.2
ROE (%)	(4.7)	(7.0)	(1.9)	3.1	4.2
ROA (%)	(1.9)	(0.8)	1.9	4.4	4.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	207	2,135	2,964	3,480	3,718
Revenue from sales and services	15	13	10	10	10

Sources: Bound and Beyond; FSSIA estimates

Financial Statements

Bound and Beyond

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(264)	(441)	(120)	205	288
Depreciation	59	303	304	304	311
Associates & minorities	-	-	-	-	-
Other non-cash items	1,148	119	295	0	0
Change in working capital	1,206	(1,037)	(38)	22	17
Cash flow from operations	2,149	(1,056)	441	531	616
Capex - maintenance	(8,486)	(634)	(110)	(116)	(122)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	391	967	160	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(8,096)	333	50	(116)	(122)
Dividends paid	0	0	0	0	(102)
Equity finance	629	0	0	210	0
Debt finance	3,428	778	(25)	(677)	(438)
Other financing cash flows	174	(161)	0	0	0
Cash flow from financing	4,231	617	(25)	(467)	(540)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(1,716)	(105)	466	(53)	(46)
Free cash flow to firm (FCFF)	(5,869.34)	(318.31)	912.72	806.78	843.57
Free cash flow to equity (FCFE)	(2,344.61)	(105.32)	466.06	(262.16)	56.27

Per share (THB)

FCFF per share	(18.94)	(1.03)	2.95	2.60	2.72
FCFE per share	(7.57)	(0.34)	1.50	(0.85)	0.18
Recurring cash flow per share	3.26	(0.06)	1.66	1.64	1.93

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	13,878	12,656	12,576	12,692	12,814
Less: Accumulated depreciation	(1,486)	(961)	(1,265)	(1,569)	(1,880)
Tangible fixed assets (net)	12,392	11,695	11,312	11,123	10,934
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	204	264	294	294	294
Cash & equivalents	866	761	1,227	1,174	1,128
A/C receivable	36	108	78	78	78
Inventories	36	45	55	60	64
Other current assets	571	373	343	403	430
Current assets	1,509	1,287	1,703	1,715	1,700
Other assets	1	100	125	125	125
Total assets	14,106	13,346	13,434	13,258	13,053
Common equity	6,412	6,103	6,300	6,714	6,899
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,412	6,103	6,300	6,714	6,899
Long term debt	4,450	5,227	5,202	4,525	4,087
Other long-term liabilities	350	277	280	280	280
Long-term liabilities	4,801	5,504	5,482	4,805	4,367
A/C payable	191	371	352	383	406
Short term debt	985	986	986	986	986
Other current liabilities	1,717	382	315	369	394
Current liabilities	2,893	1,739	1,653	1,739	1,787
Total liabilities and shareholders' equity	14,106	13,346	13,434	13,258	13,053
Net working capital	(1,265)	(227)	(190)	(211)	(229)
Invested capital	11,332	11,832	11,541	11,331	11,124

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

Per share (THB)

Book value per share	22.20	21.13	21.81	21.67	22.27
Tangible book value per share	22.20	21.13	21.81	21.67	22.27

Financial strength

Net debt/equity (%)	71.3	89.3	78.8	64.6	57.2
Net debt/total assets (%)	32.4	40.9	36.9	32.7	30.2
Current ratio (x)	0.5	0.7	1.0	1.0	1.0
CF interest cover (x)	(35.0)	0.7	2.1	0.3	1.2

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(15.1)	(9.0)	(35.6)	20.9	14.9
Recurring P/E @ target price (x) *	(26.2)	(15.7)	(61.9)	36.3	25.8
Reported P/E (x)	4.5	(11.7)	20.3	20.9	14.9
Dividend yield (%)	-	-	-	2.4	3.4
Price/book (x)	0.6	0.7	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.7	0.6	0.6	0.6
EV/EBITDA (x) **	(50.0)	73.7	15.8	9.8	8.5
EV/EBITDA @ target price (x) **	(67.3)	96.7	21.0	13.3	11.7
EV/invested capital (x)	0.8	0.8	0.8	0.8	0.7

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

Sources: Bound and Beyond; 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).

Corporate Governance Report Disclaimer

The disclosure of the survey result 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 companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). 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 data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

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 **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. 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 >150 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: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (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.

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Company	Ticker	Price	Rating	Valuation & Risks
Bound and Beyond	BEYOND TB	THB 13.80	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Asset World Corp	AWC TB	THB 4.42	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	CENDEL TB	THB 47.25	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 5.70	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 2.98	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 11.10	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 31-Aug-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.