

CENTRAL PLAZA HOTEL
THAILAND / TOURISM & LEISURE

CENTEL TB

BUY

UNCHANGED

กำไร 3Q23 จะผ่านจุดต่ำสุด

- คาดกำไรปกติ 3Q23 ที่ 140 ลบ. (เทียบกับ 121 ลบ. ใน 2Q19) RevPAR ของโรงแรมในไทยน่าจะสูงกว่าระดับก่อนโควิดอยู่ 19%
- คาดกำไรจะปรับขึ้นใน 4Q23 จากฤดูกาลท่องเที่ยวของทุกพอร์ต กำไรปกติน่าจะสูงกว่าระดับก่อนโควิดในปี 2024
- คงแนะนำซื้อหลังปรับลดราคาเป้าหมายลงเหลือ 53 บาท (DCF)

TARGET PRICE	THB53.00
CLOSE	THB43.75
UP/DOWNSIDE	+21.1%
PRIOR TP	THB55.00
CHANGE IN TP	-3.6%
TP vs CONSENSUS	+1.7%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	17,502	22,038	24,718	27,081
Net profit	398	1,375	1,973	2,240
EPS (THB)	0.29	1.02	1.46	1.66
vs Consensus (%)	-	(11.1)	(13.0)	(14.4)
EBITDA	3,741	5,066	5,770	6,332
Recurring net profit	398	1,375	1,973	2,240
Core EPS (THB)	0.29	1.02	1.46	1.66
Chg. In EPS est. (%)	-	(19.3)	(6.9)	(5.4)
EPS growth (%)	nm	245.4	43.5	13.5
Core P/E (x)	148.4	43.0	29.9	26.4
Dividend yield (%)	-	0.9	1.3	1.5
EV/EBITDA (x)	21.1	17.3	15.5	14.2
Price/book (x)	3.2	3.0	2.8	2.6
Net debt/Equity (%)	102.4	138.0	139.2	130.8
ROE (%)	2.2	7.2	9.6	10.2

คาดการณ์ธุรกิจโรงแรมจะพลิกมามีกำไรใน 3Q23

RevPAR ของโรงแรมในไทยน่าจะโต 44% y-y และ 7% q-q นอกจากนี้ตัวเลขดังกล่าวก็ยังน่าจะสูงกว่าระดับก่อนโควิดอยู่ 19% โดยได้ปัจจัยหนุนจากค่าห้องรายวันเฉลี่ย (ADR) และโรงแรมในโอซาก้าซึ่งเปิดในเดือน ก.ค. น่าจะรายงานอัตราการเข้าพัก (OCC rate) อยู่ในเกณฑ์ที่ดีที่ 67% แม้ว่าอยู่นอกฤดูท่องเที่ยว ส่วน RevPAR ของโรงแรมในดูไบน่าจะโต 28% y-y จาก ADR ที่ดีขึ้น ในด้านลบ RevPAR ของโรงแรมในมัลดีฟส์น่าจะปรับตัวลดลง 3% q-q จากการแข่งขันที่อยู่ในระดับสูง เราคาดว่า EBITDA margin จะค่อนข้างทรงตัว q-q และผลประกอบการจะพลิกเป็นกำไรที่ 10 ลบ. (เทียบกับที่ขาดทุน 14 ลบ. ใน 2Q23) เราคาดว่าโรงแรมในโอซาก้าจะพลิกเป็นกำไรที่ขาดทุนประมาณ 120-130 ลบ. ใน 2Q23 เป็นเท่าทุนใน 3Q23 อย่างไรก็ตามผลประกอบการน่าจะได้รับแรงกดดันจาก 1) ค่าเสื่อมและดอกเบี้ยที่สูงขึ้น 19 ลบ. และค่าภาษีรถตัดบัญชีของโรงแรมในหัวหินจำนวน 32 ลบ., 2) การปิด Centara Karon ซึ่งอาจก่อให้เกิดผลขาดทุนไม่เกิน 10 ลบ. และ 3) กำไรจากอัตราแลกเปลี่ยนที่หายไป (38 ลบ. ใน 2Q23)

คาดการณ์กำไรจากธุรกิจอาหารจะค่อนข้างทรงตัว q-q

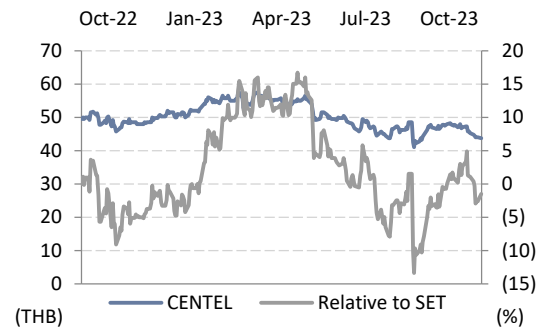
เราคาดว่ากำไรของยอดขายจากสาขาเดิม (SSSG) ใน 2Q23 จะทรงตัว y-y โดยเราคาดว่ายอดขาย Dine-in ที่สูงขึ้นจะช่วยชดเชยยอดขาย Delivery ที่ลดลง รายได้จากธุรกิจอาหารน่าจะโต 3% y-y และแตะระดับก่อนโควิด เราคาดว่า 3Q23 EBITDA margin ของธุรกิจอาหารจะปรับตัวดีขึ้นเป็น 19.5% (จาก 18.9% ใน 2Q23) จากต้นทุนวัตถุดิบที่ลดลงและคาดว่าธุรกิจอาหารจะรายงานกำไรปกติค่อนข้างทรงตัว q-q ที่ 130 ลบ. ในภาพรวมเราคาดว่า CENTEL จะรายงานกำไรปกติ 3Q23 อยู่ที่ 140 ลบ. (เทียบกับ 121 ลบ. ใน 2Q23 และ 215 ลบ. ใน 3Q19)

โรงแรมใหม่จะช่วยหนุนกำไรปี 2024 ให้สูงกว่าระดับก่อนโควิด

เราคาดว่ากำไรจะฟื้นตัวใน 4Q23 จากฤดูกาลท่องเที่ยวของทุกพอร์ตโรงแรม (ไทย มัลดีฟส์ ดูไบและญี่ปุ่น) และธุรกิจอาหาร เราคาดว่ากำไรปกติปี 2024 จะโต 44% เป็น 2.0 พัน ลบ. สูงกว่าระดับก่อนโควิดที่ 1.7 พัน ลบ. โดยมีปัจจัยหนุนจากส่วนแบ่งกำไรที่ดีจากโรงแรมใหม่ (ในดูไบและโอซาก้า)

ปรับลดประมาณการกำไรปกติ

เราปรับลดประมาณการกำไรปกติปี 2023-25 ลง 5-19% เพื่อสะท้อนค่าเช่าที่สูงขึ้นของโรงแรมในหัวหินและผลจากการปรับปรุง Centara Karon และ Centara Grand Mirage Pattaya ซึ่งทำให้ได้ราคาเป้าหมายปี 2024 ที่ 53 บาท (DCF) CENTEL มีการซื้อขายที่ค่า 2024E P/E ที่ 30x (เทียบกับค่าเฉลี่ย 5 ปีย้อนหลังที่ 33x) ราคาหุ้นที่อ่อนแอเป็นโอกาสในการซื้อเนื่องจากกำไรที่อ่อนแอใน 2Q-3Q23 เป็นเรื่องชั่วคราว นอกจากนี้กำไรยังน่าจะฟื้นตัวตั้งแต่ 4Q23 เป็นต้นไป



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.9)	(2.2)	(11.2)
Relative to country (%)	(1.5)	4.7	(2.2)
Mkt cap (USD m)	1,629		
3m avg. daily turnover (USD m)	7.2		
Free float (%)	76		
Major shareholder	The Chirathivat group (62%)		
12m high/low (THB)	58.25/40.75		
Issued shares (m)	1,350.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 17 ตุลาคม 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 1Q23. 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), one in Japan (opened 2023) and two in the Maldives (2024-25).

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.

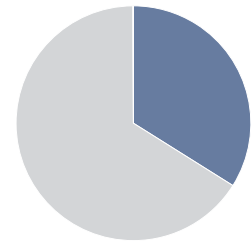
Company profile

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)

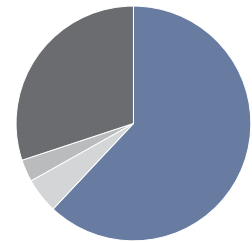
- Hotel revenue - 33.9 %
- F&B revenue - 66.0 %
- Rental income - 0.1 %



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
Nov 2023	3Q23 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.)	1,577	1,656	1,722
- Same-Store Sales Growth (SSSG)	4	2	2
- Total System Sales Growth (TSSG)	10	7	6

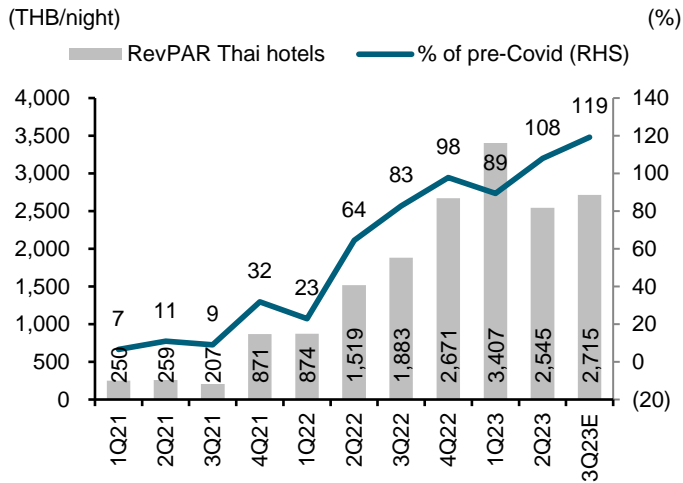
Source: FSSIA estimates

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.

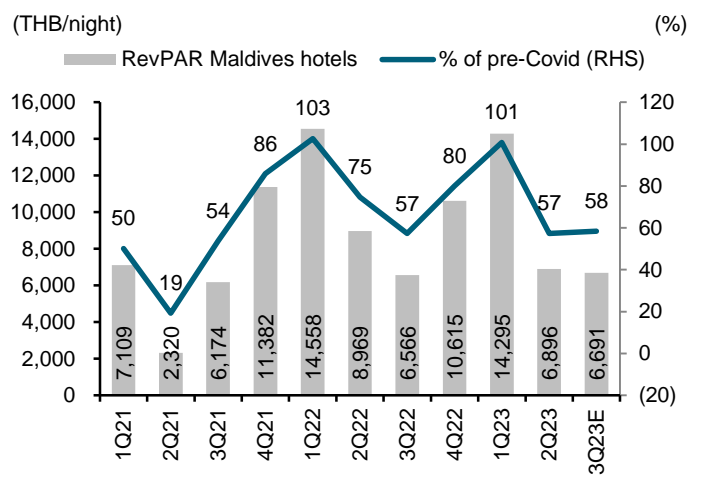
Source: FSSIA estimates

Exhibit 1: CENTEL's Thai hotels RevPAR



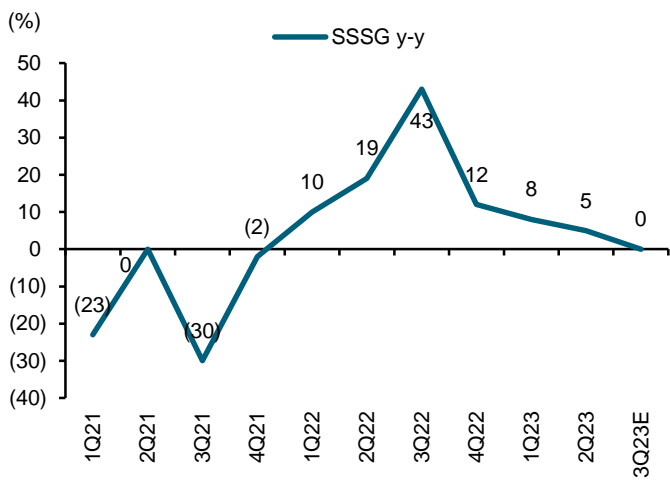
Sources: CENTEL; FSSIA estimates

Exhibit 2: CENTEL's Maldives hotels RevPAR



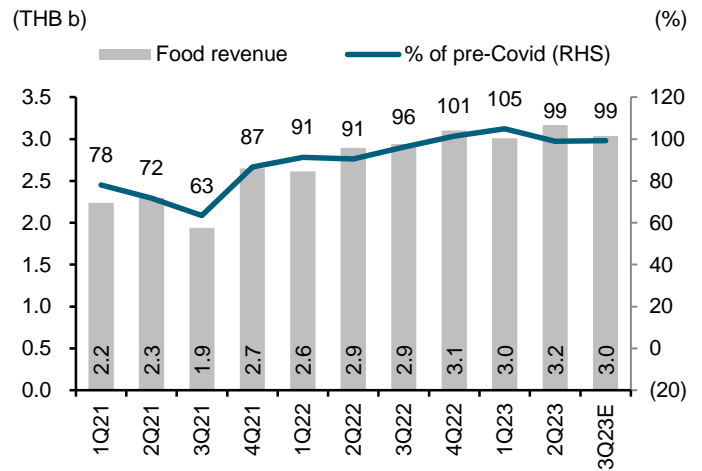
Note: RevPAR excludes F&B revenue since 1Q21
Sources: CENTEL; FSSIA estimates

Exhibit 3: SSSG



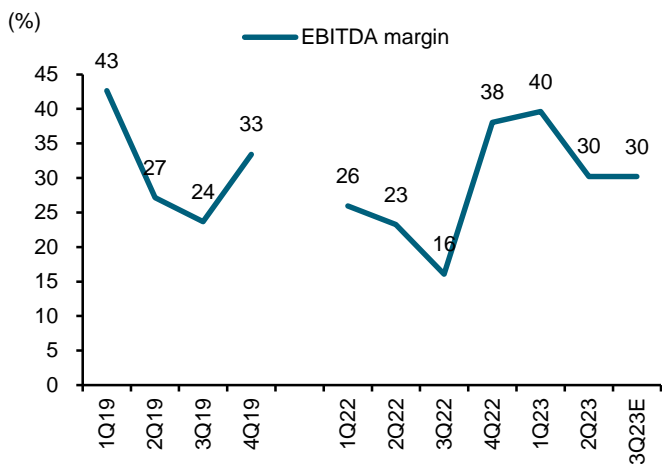
Sources: CENTEL; FSSIA estimates

Exhibit 4: Food business revenue



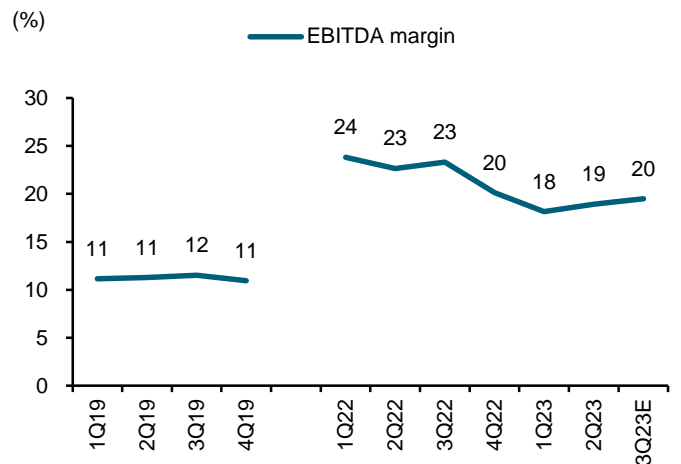
Sources: CENTEL; FSSIA estimates

Exhibit 5: EBITDA margin of hotel business



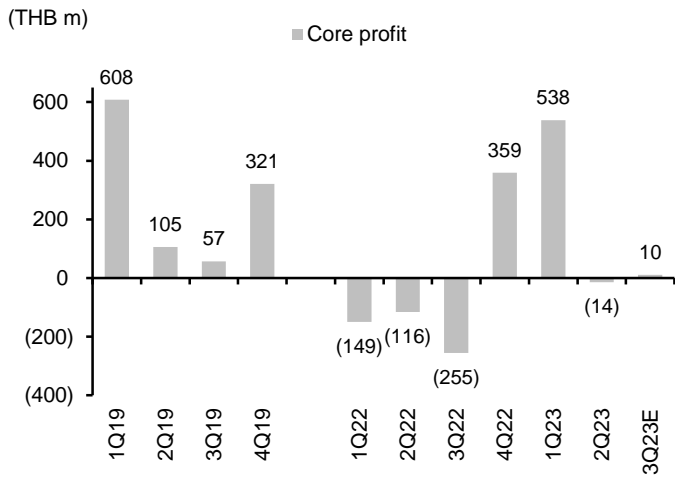
Note: Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 6: EBITDA margin of food business



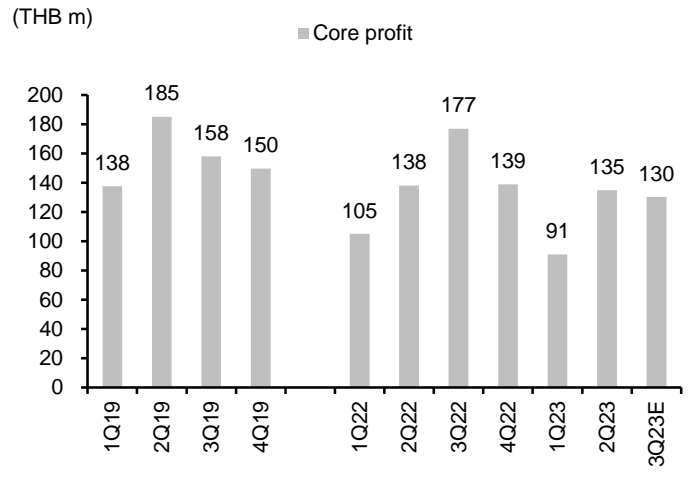
Note: Adopted TFRS16 since 1Q20
Sources: CENTEL; FSSIA estimates

Exhibit 7: Hotel business core profit



Sources: CENTEL; FSSIA estimates

Exhibit 8: Food business core profit



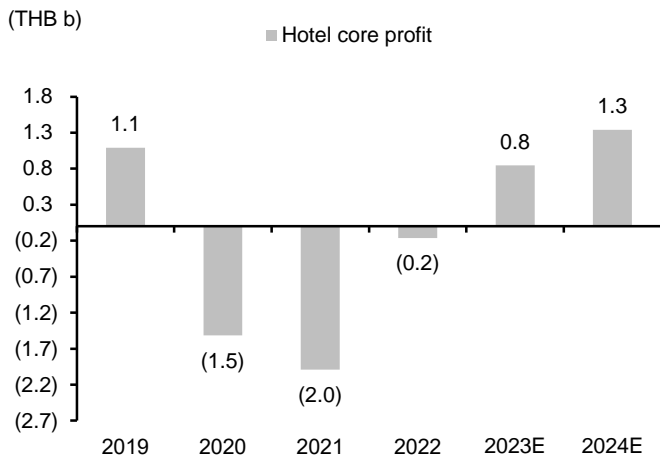
Sources: CENTEL; FSSIA estimates

Exhibit 9: Forecast revisions

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
OCC (%)	67.5	77.1	77.4	67.5	77.1	77.4	0.0	0.0	0.0
RevPar (THB)	3,205	3,726	4,407	3,205	3,726	4,407	0.0	0.0	0.0
SSSG (%)	4.0	2.0	2.0	7.0	2.0	2.0	(3.0)	0.0	0.0
TSSG (%)	10.0	7.0	6.0	13.0	7.0	6.0	(3.0)	0.0	0.0
Total revenue (THB b)	22.0	24.7	27.1	22.1	25.0	27.4	(0.4)	(1.3)	(1.3)
EBITDA margin (%)	23.0	23.3	23.4	23.8	24.8	25.5	(0.8)	(1.4)	(2.1)
Core profit (THB m)	1,375	1,973	2,240	1,703	2,119	2,368	(19.3)	(6.9)	(5.4)

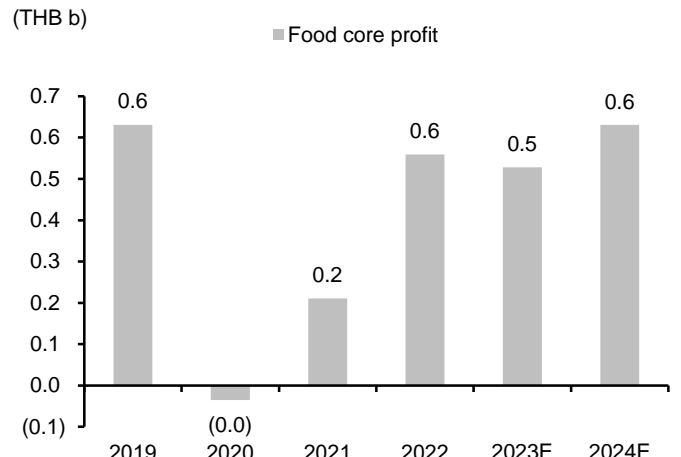
Note: Change of items in percentage terms are represented in ppt change
Source: FSSIA estimates

Exhibit 10: Hotel core profit forecast



Sources: CENTEL; FSSIA estimates

Exhibit 11: Food core profit forecast



Sources: CENTEL; FSSIA estimates

Exhibit 12: 3Q23 results preview

	3Q22	4Q22	1Q23	2Q23	3Q23E	----- Change -----		2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	4,433	5,195	5,530	5,061	5,325	5	20	22,038	26
- Hotel operations	1,492	2,094	2,520	1,895	2,290	21	53	9,330	57
- Food and beverage	2,941	3,101	3,010	3,166	3,035	(4)	3	12,708	10
COGS (Incl. depreciation)	(2,669)	(3,021)	(3,049)	(3,045)	(3,149)	3	18	(12,723)	21
Gross profit	1,764	2,174	2,481	2,016	2,176	8	23	9,315	33
SG&A	(1,710)	(1,658)	(1,837)	(1,762)	(1,797)	2	5	(7,397)	16
Operating profit	54	516	644	254	379	49	602	1,918	(215)
Net other income	139	227	333	189	146	(23)	5	828	16
Interest expense	(184)	(193)	(186)	(273)	(285)	4	55	(1,036)	43
Pretax profit	9	551	792	170	240	41	2,639	1,710	(187)
Income Tax	(51)	(65)	(84)	(81)	(107)	32	110	(299)	117
Share profit from associates	7	7	7	7	7	0	(3)	14	(133)
Share profit from JV	(55)	16	(34)	3					
Minority interest	12	(11)	(52)	22	0			(50)	206
Core profit	(78)	498	629	121	140	16	279	1,375	(245)
Extraordinaries, GW & FX	0	0	0	0	0			0	
Reported net profit	(78)	498	629	121	140	16	279	1,375	(245)
Shares out (end Q, m)	1,350	1,350	1,350	1,350	1,350	0	0	1,350	0
Pre-ex EPS	(0.06)	0.37	0.47	0.09	0.10	16	279	1.02	245
EPS	(0.06)	0.37	0.47	0.09	0.10	16	279	1.02	245
COGS Excl. depreciation	(1,876)	(2,256)	(2,328)	(2,276)	(2,373)	4	26	(9,574)	30
Depreciation	(793)	(765)	(721)	(769)	(776)	1	(2)	(3,148)	1
EBITDA	993	1,515	1,706	1,219	1,308	7	32	5,066	35
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	40	42	45	40	41	1	1	42	2
SG&A/Revenue	39	32	33	35	34	(1)	(5)	34	(3)
Hotel EBITDA margin	16	38	40	30	30	(1)	13		0
Food EBITDA margin	23	20	18	19	20	1	(4)		0
Total EBITDA margin	21	28	29	23	24	1	3	23	2
Net profit margin	(2)	10	11	2	3	0	4	6	4
Operating stats									
Hotel									
OCC -Maldives (%)	52	68	89	56	70				
OCC -Thailand (%)	52	66	76	65	68				
OCC -Dubai (%)	80	84	83	82	77				
OCC -Japan (%)		0	0	0	67				
ARR - Maldives (THB)	12,627	15,634	16,151	12,361	9,558				
ARR - Thailand (THB)	3,612	4,053	4,461	3,901	3,984				
ARR - Dubai (THB)	4,401	7,169	6,444	6,226	5,493				
ARR - Japan (THB)					6,582				
RevPAR - Maldives (THB)	6,566	10,615	14,295	6,896	6,691				
RevPAR - Thailand (THB)	1,883	2,671	3,407	2,545	2,715				
RevPAR - Dubai (THB)	3,510	6,046	5,374	5,094	4,230				
RevPAR - Japan (THB)					4,410				
Food									
SSSG (y-y %)	43	12	8	5	0				
TSSG (y-y %)	51	18	15	10	4				

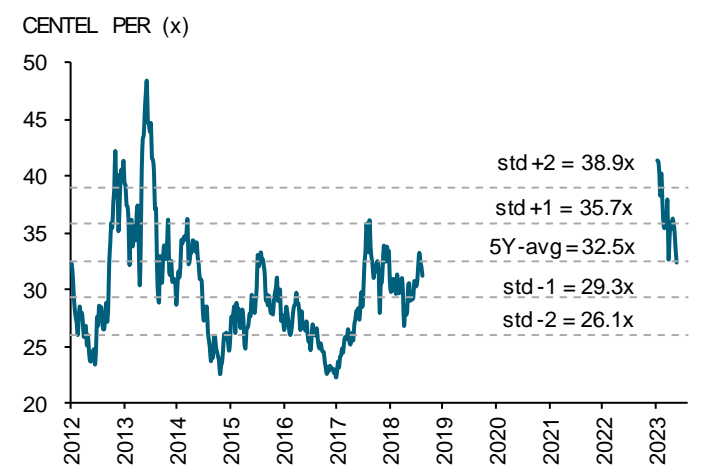
Sources: CENTEL; FSSIA estimates

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			
NPV		34.0	25.2	WACC 8.2%, risk-free rate 3%, risk premium 8%	
Terminal value		63.5	47.1	Terminal growth 2.5%	
Cash & liquid assets		0.2	0.2	At end-2024E	
Investments		4.6	3.4	At end-2024E	
Debt		(30.4)	(22.5)	At end-2024E	
Minorities		(0.4)	(0.3)	At end-2024E	
Residual ordinary equity		71.5	53.0		

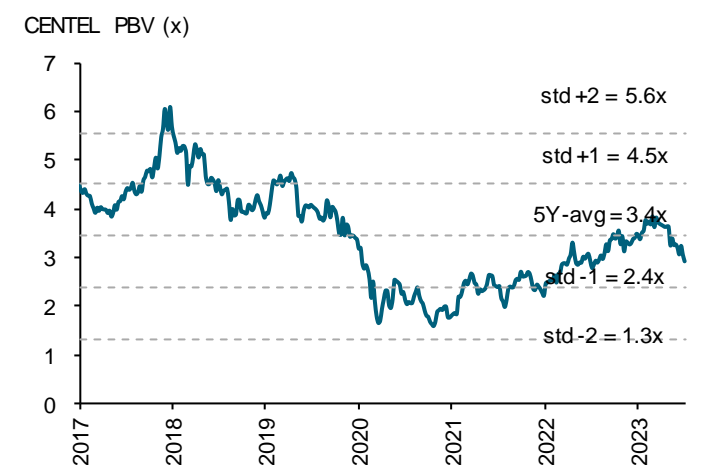
Source: FSSIA estimates

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 16 Oct 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	3.46	6.80	97	3,054	52.6	30.0	27.0	2.5	4.1	1.3	1.2	31.2	22.6
Minor International	MINT TB	BUY	29.50	43.00	46	4,553	26.2	23.1	20.7	8.2	9.5	1.9	2.5	9.8	9.9
Central Plaza Hotel	CENTEL TB	BUY	43.75	53.00	21	1,629	43.0	29.9	26.4	7.2	9.6	3.0	2.8	17.3	15.5
Erawan Group	ERW TB	BUY	5.15	6.30	22	644	36.2	34.5	29.3	10.7	10.2	3.7	3.2	17.0	15.6
S Hotels & Resorts	SHR TB	BUY	2.48	4.80	94	246	52.3	17.5	13.9	1.1	3.1	0.6	0.5	8.7	7.1
Dusit Thani	DUSIT TB	BUY	8.30	18.00	117	195	138.0	28.8	2.9	1.2	5.7	1.7	1.6	37.5	29.4
Bound and Beyond	BEYOND TB	BUY	11.70	24.00	105	94	(30.2)	17.7	12.6	(1.9)	3.1	0.5	0.5	14.7	9.0
Thailand average						10,414	45.4	25.9	19.0	4.1	6.5	1.8	1.8	19.4	15.6
Regional															
Btg Hotels Group	600258 CH	n/a	15.81	n/a	n/a	2,505	25.4	17.9	14.8	6.7	8.7	1.6	1.5	10.7	9.7
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.51	n/a	n/a	4,349	8.9	6.3	4.9	7.8	9.9	0.7	0.6	12.6	10.0
Huangshan Tourism Dev.	900942 CH	n/a	0.70	n/a	n/a	940	9.8	8.2	7.4	8.8	9.4	0.8	0.8	7.6	7.0
Genting Bhd	GENM MK	n/a	4.09	n/a	n/a	3,342	15.6	10.4	9.0	3.3	4.6	0.5	0.5	6.5	5.9
Huazhu Group	HTHT US	n/a	35.68	n/a	n/a	11,374	23.4	21.2	17.4	30.9	25.7	7.6	5.9	13.4	11.8
Indian Hotels	IH IN	n/a	416.70	n/a	n/a	7,114	64.3	47.3	39.6	12.6	14.5	7.5	6.5	34.3	28.3
Lemon Tree Hotels	LEMONTRE IN	n/a	122.05	n/a	n/a	1,162	83.9	60.5	36.1	12.3	15.9	10.6	9.0	28.7	23.2
Lippo Karawaci	LPKR IJ	n/a	93.00	n/a	n/a	420	6.6	5.4	4.7	5.9	6.6	0.4	0.4	8.6	8.2
Regional average						31,206	29.7	22.2	16.7	11.0	11.9	3.7	3.1	15.3	13.0
Overall average						41,620	37.1	23.9	17.8	7.8	9.4	2.8	2.5	17.2	14.2

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	22,038	24,718	27,081
Cost of goods sold	(7,613)	(10,494)	(12,723)	(14,074)	(15,313)
Gross profit	3,598	7,008	9,315	10,645	11,768
Other operating income	-	-	-	-	-
Operating costs	(5,075)	(6,400)	(7,397)	(8,173)	(8,928)
Operating EBITDA	1,690	3,741	5,066	5,770	6,332
Depreciation	(3,167)	(3,133)	(3,148)	(3,299)	(3,491)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,477)	608	1,918	2,471	2,840
Net financing costs	(611)	(547)	(812)	(868)	(920)
Associates	(64)	(44)	14	94	136
Recurring non-operating income	208	491	619	849	928
Non-recurring items	45	0	0	0	0
Profit before tax	(1,835)	552	1,724	2,453	2,849
Tax	78	(138)	(299)	(425)	(543)
Profit after tax	(1,757)	414	1,425	2,028	2,306
Minority interests	24	(16)	(50)	(55)	(66)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(1,733)	398	1,375	1,973	2,240
Non-recurring items & goodwill (net)	(45)	0	0	0	0
Recurring net profit	(1,778)	398	1,375	1,973	2,240
Per share (THB)					
Recurring EPS *	(1.32)	0.29	1.02	1.46	1.66
Reported EPS	(1.28)	0.29	1.02	1.46	1.66
DPS	0.00	0.00	0.41	0.58	0.66
Diluted shares (used to calculate per share data)	1,350	1,350	1,350	1,350	1,350
Growth					
Revenue (%)	(13.1)	56.1	25.9	12.2	9.6
Operating EBITDA (%)	1.8	121.3	35.4	13.9	9.7
Operating EBIT (%)	nm	nm	215.2	28.9	14.9
Recurring EPS (%)	nm	nm	245.4	43.5	13.5
Reported EPS (%)	nm	nm	245.4	43.5	13.5
Operating performance					
Gross margin inc. depreciation (%)	32.1	40.0	42.3	43.1	43.5
Gross margin exc. depreciation (%)	60.3	57.9	56.6	56.4	56.3
Operating EBITDA margin (%)	15.1	21.4	23.0	23.3	23.4
Operating EBIT margin (%)	(13.2)	3.5	8.7	10.0	10.5
Net margin (%)	(15.9)	2.3	6.2	8.0	8.3
Effective tax rate (%)	4.3	23.1	17.5	18.0	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	(2.1)	2.0	3.1	3.8	4.1
Inventory days	62.8	43.9	35.2	29.6	29.9
Debtor days	21.4	21.2	24.8	30.5	36.3
Creditor days	186.5	152.0	114.7	92.0	93.1
Operating ROIC (%)	(4.6)	1.3	4.0	4.4	4.7
ROIC (%)	(3.3)	2.0	4.5	5.1	5.4
ROE (%)	(12.7)	2.2	7.2	9.6	10.2
ROA (%)	(2.9)	1.7	4.0	4.8	5.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	2,070	5,935	9,316	11,107	12,653
F&B revenue	9,127	11,553	12,708	13,597	14,413
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	1,375	1,973	2,240
Depreciation	3,167	3,133	3,148	3,299	3,491
Associates & minorities	-	-	-	-	-
Other non-cash items	1,891	(248)	50	55	66
Change in working capital	109	54	(1,213)	(447)	(525)
Cash flow from operations	3,390	3,336	3,360	4,879	5,272
Capex - maintenance	(13,597)	(1,201)	(11,950)	(6,500)	(4,500)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,178)	(644)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(14,775)	(1,845)	(11,950)	(6,500)	(4,500)
Dividends paid	0	0	0	(550)	(789)
Equity finance	0	0	0	0	0
Debt finance	2,032	(1,754)	6,950	1,000	1,000
Other financing cash flows	9,974	45	(46)	(51)	(62)
Cash flow from financing	12,006	(1,709)	6,904	399	149
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	621	(218)	(1,686)	(1,222)	921
Free cash flow to firm (FCFF)	(10,667.15)	2,217.57	(7,554.08)	(573.02)	1,854.80
Free cash flow to equity (FCFE)	620.72	(217.80)	(1,685.97)	(671.82)	1,710.03

Per share (THB)

FCFF per share	(7.90)	1.64	(5.60)	(0.42)	1.37
FCFE per share	0.46	(0.16)	(1.25)	(0.50)	1.27
Recurring cash flow per share	2.43	2.43	3.39	3.95	4.29

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	59,581	59,125	71,075	77,575	82,075
Less: Accumulated depreciation	(22,898)	(24,314)	(27,463)	(30,761)	(34,252)
Tangible fixed assets (net)	36,683	34,811	43,613	46,814	47,823
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	1,451	229	1,150
A/C receivable	801	1,227	1,764	2,366	3,025
Inventories	748	1,024	822	925	1,015
Other current assets	829	927	1,064	1,194	1,308
Current assets	5,732	6,315	5,101	4,713	6,497
Other assets	1,896	2,115	2,115	2,115	2,115
Total assets	48,593	48,166	55,753	58,567	61,360
Common equity	18,076	18,518	19,893	21,316	22,767
Minorities etc.	355	373	376	380	384
Total shareholders' equity	18,432	18,891	20,269	21,696	23,151
Long term debt	22,265	21,671	28,621	29,621	30,621
Other long-term liabilities	2,939	2,952	2,952	2,952	2,952
Long-term liabilities	25,203	24,623	31,573	32,573	33,573
A/C payable	2,669	3,460	2,556	2,876	3,155
Short term debt	1,970	809	809	809	809
Other current liabilities	319	383	546	613	671
Current liabilities	4,958	4,652	3,911	4,298	4,636
Total liabilities and shareholders' equity	48,593	48,166	55,753	58,567	61,360
Net working capital	(611)	(665)	548	996	1,521
Invested capital	42,250	41,186	51,201	54,850	56,384

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

Per share (THB)

Book value per share	13.39	13.72	14.74	15.79	16.86
Tangible book value per share	13.12	13.45	14.47	15.52	16.60

Financial strength

Net debt/equity (%)	113.3	102.4	138.0	139.2	130.8
Net debt/total assets (%)	43.0	40.2	50.2	51.6	49.3
Current ratio (x)	1.2	1.4	1.3	1.1	1.4
CF interest cover (x)	2.0	0.6	(1.1)	0.2	2.9

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(33.2)	148.4	43.0	29.9	26.4
Recurring P/E @ target price (x) *	(40.2)	179.7	52.0	36.3	31.9
Reported P/E (x)	(34.1)	148.4	43.0	29.9	26.4
Dividend yield (%)	-	-	0.9	1.3	1.5
Price/book (x)	3.3	3.2	3.0	2.8	2.6
Price/tangible book (x)	3.3	3.3	3.0	2.8	2.6
EV/EBITDA (x) **	47.5	21.1	17.3	15.5	14.2
EV/EBITDA @ target price (x) **	54.9	24.4	19.7	17.7	16.1
EV/invested capital (x)	1.9	1.9	1.7	1.6	1.6

* 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).

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 **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.

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Company	Ticker	Price	Rating	Valuation & Risks
Central Plaza Hotel	CENTEL TB	THB 43.75	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.
Asset World Corp	AWC TB	THB 3.46	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 29.50	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 5.15	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 2.48	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 8.30	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Bound and Beyond	BEYOND TB	THB 11.70	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 16-Oct-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.