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FSS INTERNATIONAL INVESTMENT ADVISORY

Thailand Tourism

No more bets or raising stakes on tourism recovery?

- ประเทศไทยสามารถรักษาสถานะการเป็นแหล่งท่องเที่ยวชั้นนำด้วยส่วนแบ่งตลาด 13% ของตัวเลขนักท่องเที่ยว ขาออกของจีนไม่รวมฮ่องกงและมาเก๊าในช่วง 9M23 (เทียบกับ 11% ในปี 2019)
- แม้ว่าสายการบินจะยกเลิกเที่ยวบินในเส้นทางจีน เราคาดว่าตัวเลขนักท่องเที่ยวขาเข้าชาวจีนจะฟื้นตัวเป็น 40-50% ของระดับก่อนโควิดภายในเดือน ธ.ค. 23
- คงให้น้ำหนักมากกว่าตลาดโดยคาดตัวเลขนักท่องเที่ยวขาเข้าอยู่ที่ 35ล้านในปี 2024 (88% ของระดับก่อนโควิด)

ตัวเลขนักท่องเที่ยวชาวจีนที่ออกเดินทางมายังประเทศไทยฟื้นตัวดีกว่าค่าเฉลี่ยรวม

ตัวเลขนักท่องเที่ยวขาเข้าชาวจีนที่ต่ำกว่าคาดได้ก่อให้เกิดความกังวลว่าประเทศไทยกำลังสูญเสียความนิยมในฐานะที่เ แหล่งท่องเที่ยว มีความกังวลว่าประเด็นความปลอดภัยหลังภาพยนตร์จีนที่ได้รับความนิยมสูงเรื่อง "No More Bets" ที่อล ฉายในเดือน ส.ค. อาจทำให้นักท่องเที่ยวชาวจีนไม่อยากเดินทางมายังประเทศไทย จากการวิเคราะห์เราสรุปได้ว่าปัญห า ที่แท้จริงอาจอยู่ที่ตัวเลขนักท่องเที่ยวขาออกของจีนที่ฟื้นตัวช้ากว่าคาดโดยฟื้นตัวเป็นเพียง 25% และ 36% ของระดับ ก่อนโควิดในช่วง 9M23 และ 3Q23 ตามลำดับ ในด้านบวกตัวเลขนักท่องเที่ยวขาเข้าชาวจีนที่มายังประเทศไทยฟื้นตัวเ กว่าโดยอยู่ที่ 29% และ 37% ในช่วง 9M23 และ 3Q23 ตามลำดับ นอกจากนี้ประเทศไทยยังอยู่ในอันดับหนึ่งในแง่ข ส่วนแบ่งตลาดสำหรับนักท่องเที่ยวขาออกของจีนโดยอยู่ที่ 13% ในช่วง 9M23 และ 10% ใน 3Q23 (เทียบกับ 11% ใน 2019) ซึ่งหมายความว่าประเทศไทยยังไม่ได้สูญเสียส่วนแบ่งตลาด

เที่ยวบินในเส้นทางจีนลดลงเหลือ 50-59% ของระดับก่อนโควิดในเดือน ธ.ค. 23 ถึง ม.ค. 24

อีกประเด็นความกังวลอยู่ที่การยกเลิกเที่ยวบินในเส้นทางไทย-จีนของผู้ประกอบการสายการบินถึง 39% ในช่วงเดือน ธ.ค. 23 ถึง ม.ค. 24 อย่างไรก็ดีเที่ยวบินที่เหลืออีก 5,858 เที่ยวบินในเดือน ธ.ค. 23 และ 7,420 เที่ยวในเดือน ม.ค. 24 ยังคิดเป็น 50-59% ของระดับก่อนโควิดซึ่งชี้ให้เห็นว่าตัวเลขนักท่องเที่ยวชาวจีนอาจฟื้นตัวจาก 35% ของระดับก่อนโค ในเดือน ต.ค. เป็น 40-50% ในเดือน ธ.ค. 23 และ ม.ค. 24 เพราะฉะนั้นเราจึงคาดว่าตัวเลขนักท่องเที่ยวชาวจีนจะจบที่ 3.5ล้านในปี 2023 และโตเป็น 6.0ล้านในปี 2024 โดยสมมติฐานคือนักท่องเที่ยวกรุ๊ปทัวร์ซึ่งปกติคิดเป็น 40-50% ของ ตัวเลขนักท่องเที่ยวขาเข้าชาวจีนเริ่มฟื้นตัว

ตัวเลขนักท่องเที่ยวขาเข้าที่ไม่ใช่ชาวจีนน่าจะเกือบแตะระดับก่อนโควิดภายในสิ้นปีนี้

ตัวเลขนักท่องเที่ยวที่ไม่ใช่ชาวจีนมีการฟื้นตัวที่เร็วกว่าโดยอยู่ที่ประมาณ 86% ของระดับก่อนโควิดในเดือน ต.ค. โดยได ปัจจัยผลักดันจากนักท่องเที่ยวจากตะวันออกกลาง มาเลเซีย ยุโรปและอินเดีย (131%, 107%, 93% และ 88% ของระดั ก่อนโควิดตามลำดับ) เราคาดว่าทั้งหมดน่าจะฟื้นตัวเป็น 100% ของระดับก่อนโควิดในปี 2024 ซึ่งจะทำให้ตัวเลข นักท่องเที่ยวที่ไม่ใช่ชาวจีนเพิ่มเป็น 29ล้าน ด้วยเหตุผลดังกล่าวตัวเลขนักท่องเที่ยวขาเข้าน่าจะฟื้นตัวเป็น 35ล้านในปี 2024 จาก 28ล้านในปี 2023 ในแง่ของการใช้จ่ายต่อเที่ยวในรอบ 11M23 ตัวเลขอยู่ที่ 42,000 บาทซึ่งยังต่ำกว่า 49,000 บาทในปี 2019 เราเห็นว่าตัวเลขดังกล่าวก็น่าจะแตะระดับก่อนโควิดได้ภายในปีหน้าเช่นเดียวกัน

ชอบหุ้นที่มีศักยภาพในการขึ้นราคามากกว่า

เราคงให้น้ำหนักกลุ่มท่องเที่ยวมากกว่าตลาด ประเทศไทยกำลังรักษาส่วนแบ่งตลาดของนักท่องเที่ยวจีนและเหตุ ที่ทำให้ตัวเลขนักท่องเที่ยวขาออกของจีนอ่อนตัวน่าจะอยู่ที่ 1) การชะลอตัวทางเศรษฐกิจ; 2) การต่ออายุหนังสือเดินทา ของนักท่องเที่ยวชาวจีนที่ล่าช้าและ 3) นโยบายของรัฐบาลในการกระตุ้นการท่องเที่ยวในประเทศมากกว่าต่างประเท ส สถานการณ์ดังกล่าวน่าจะปรับตัวดีขึ้นในปีหน้า นอกจากนี้ประเทศไทยยังมุ่งเน้นไปที่ตลาดทางเลือกอื่นอีกด้วยซึ่งน่าจะ เป็นตัวช่วยชดเชยให้แก่ตัวเลขนักท่องเที่ยวชาวจีนที่อ่อนแอ หุ้นเด่นของเราประกอบด้วย CENTEL, AWC และ BA *(ดู รายละเอียดเพิ่มเติมในหน้า 8)*

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Recap: strong growth of outbound Chinese tourists before Covid pandemic and Thailand was top destination

Outbound Chinese tourist numbers grew at 38% CAGR over 2013-19. Excluding Hong Kong and Macau, they grew faster at 47% CAGR. In 2019, Thailand ranked first in terms of outbound Chinese tourist destinations with 11m tourists and a market share of 11%.
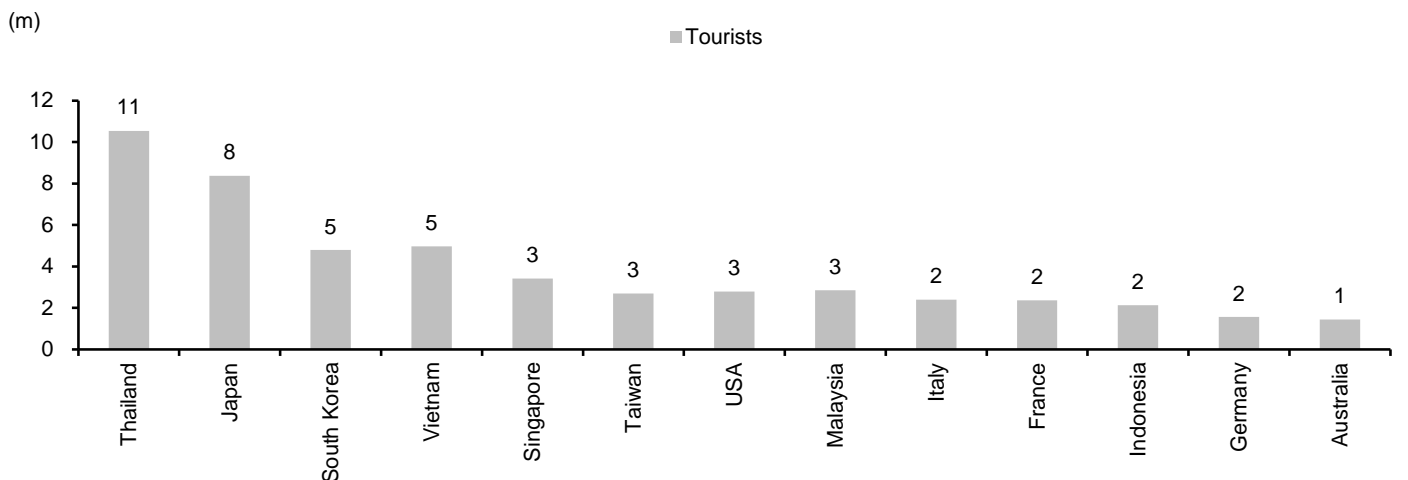
Exhibit 1: Outbound Chinese tourists
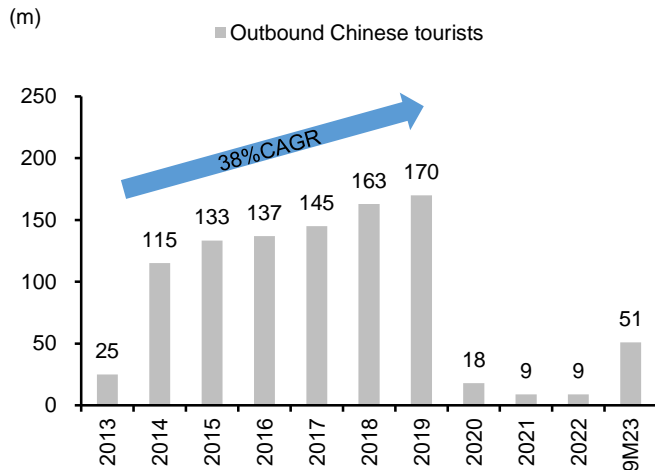
Sources: Bloomberg; China Outbound Tourism Research Institute (COTRI)

Exhibit 2: Outbound Chinese tourists excluding Hong Kong and Macau
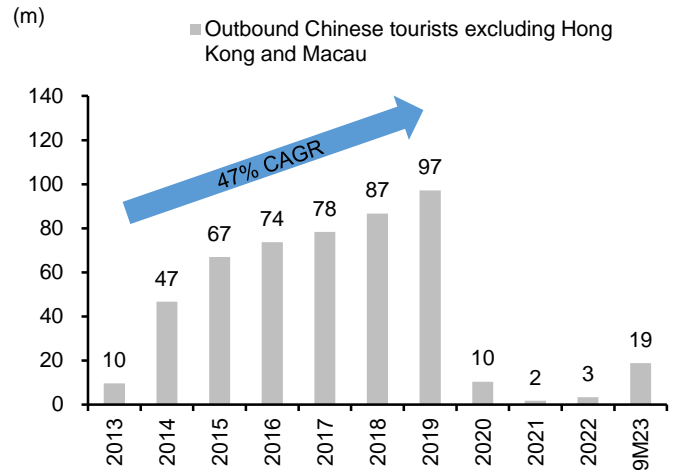
Sources: Bloomberg; COTRI

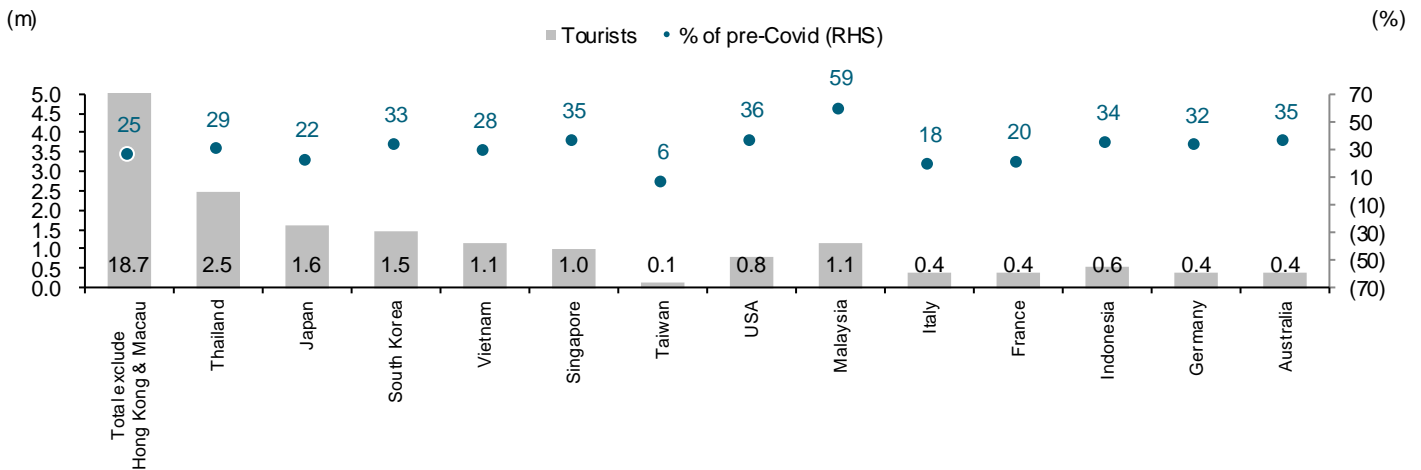**Exhibit 3: Outbound Chinese tourists, breakdown as of 2019**

Sources: Bloomberg; COTRI

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Thailand remains top destination and maintains market share of outbound Chinese tourists in 9M23

Outbound Chinese tourists to Thailand recovered to 29% and 37% of pre-Covid in 9M23 and 3Q23, respectively. This was faster than the total number of outbound Chinese tourists, which recovered to 25% and 35% of pre-Covid in 9M23 and 3Q23, respectively. Thailand remains in first rank in terms of outbound Chinese tourist destinations with a market share of 13% in 9M23 and 10% in 3Q23.
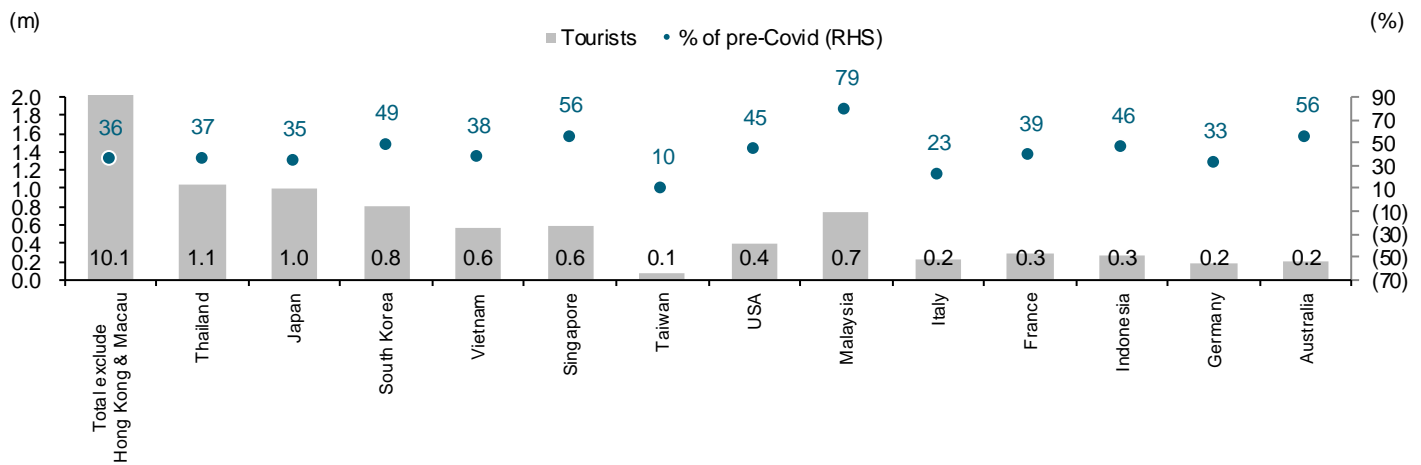
South Korea, Malaysia and Singapore are destinations that have strong recovery rates and have gained larger market shares from other destinations.

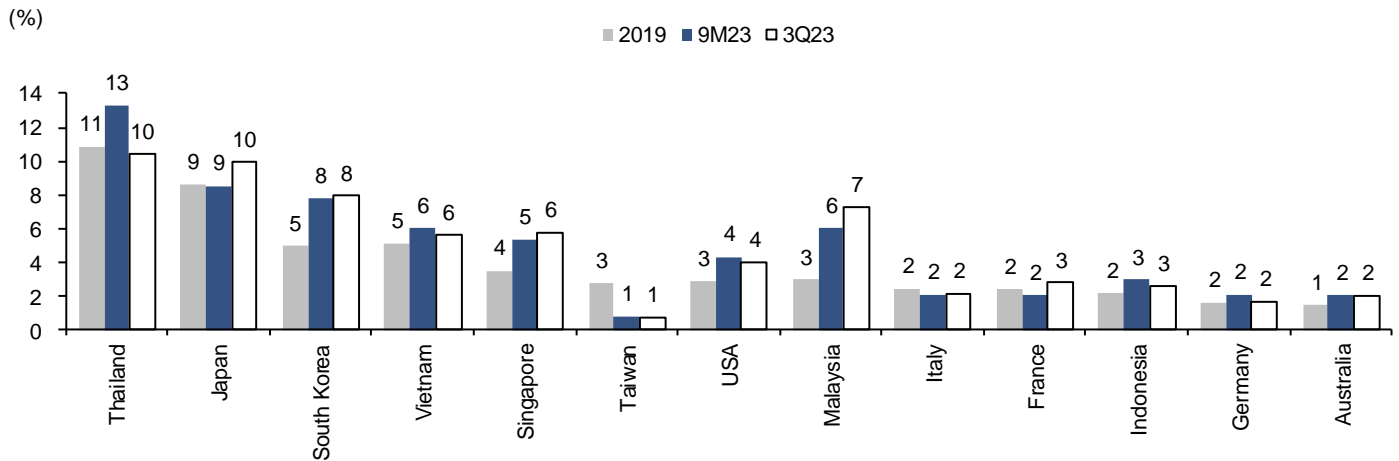**Exhibit 4: Outbound Chinese tourists, breakdown as of 9M23 and recovery rate**

Sources: Bloomberg; COTRI

Exhibit 5: Outbound Chinese tourists, breakdown as of 3Q23 and recovery rate

Sources: Bloomberg; COTRI

Exhibit 6: Market shares of outbound Chinese tourists by top destination countries


Note: Excluding Hong Kong and Macau
Sources: Bloomberg; COTRI

Strong recovery trend for both Chinese and non-Chinse tourists

Inbound tourists hit a record on a weekly basis for three consecutive weeks during Nov-23, while inbound Chinese tourists have gradually recovered after Golden Week in Oct. We expect inbound Chinese tourists to recover to 40-50% of the pre-Covid level and inbound non-Chinese tourists to recover to 90-95% of pre-Covid by the end of this year.
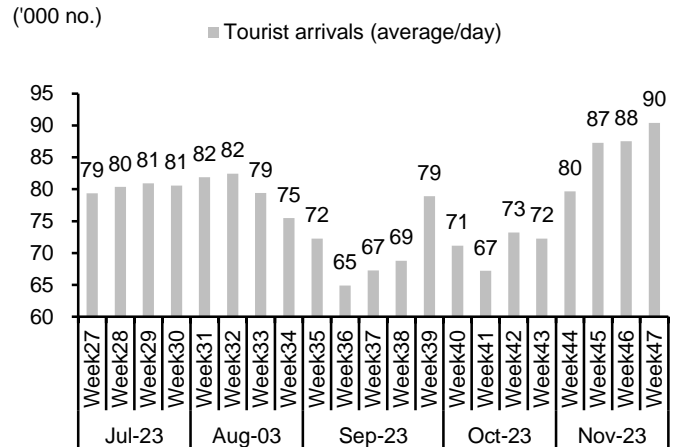
Middle East, Malaysia, Europe and India are the markets that had strong recovery rates in Oct at 131%, 107%, 93% and 88% compared to pre-Covid, respectively.

Exhibit 7: Inbound Chinese tourist arrivals, weekly
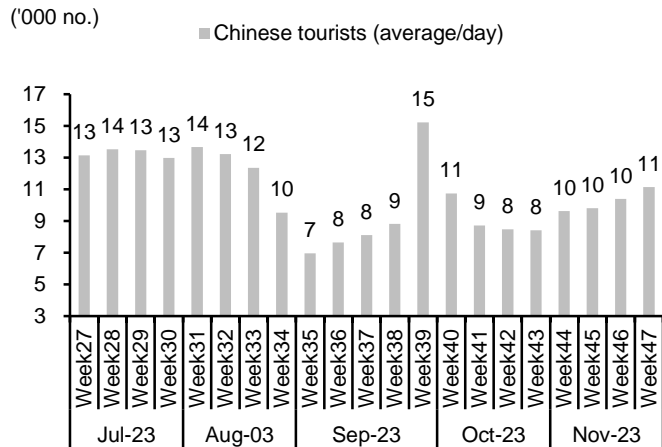
Source: Economics Tourism and Sports Division

Exhibit 8: Inbound total tourist arrivals, weekly

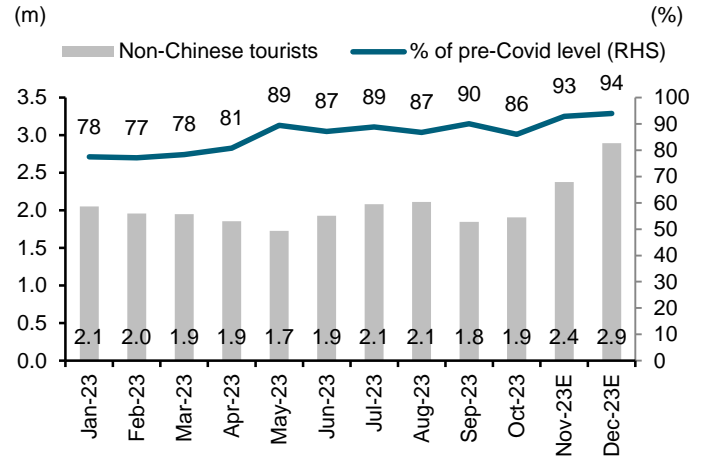Source: Economics Tourism and Sports Division

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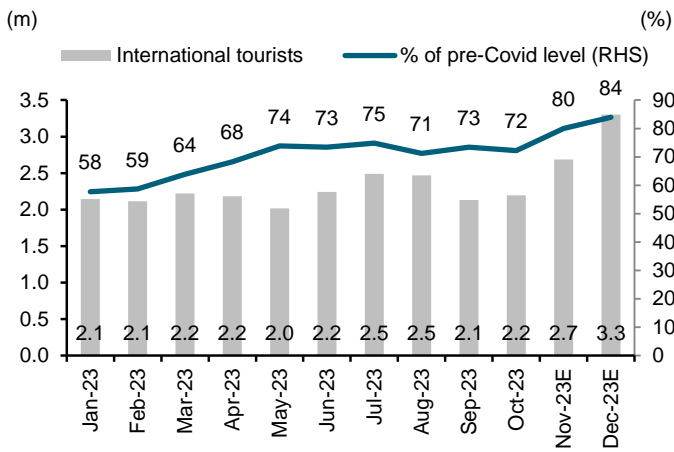**Exhibit 9: Chinese tourist arrivals by month in 2023**

Sources: MOTS; FSSIA estimates

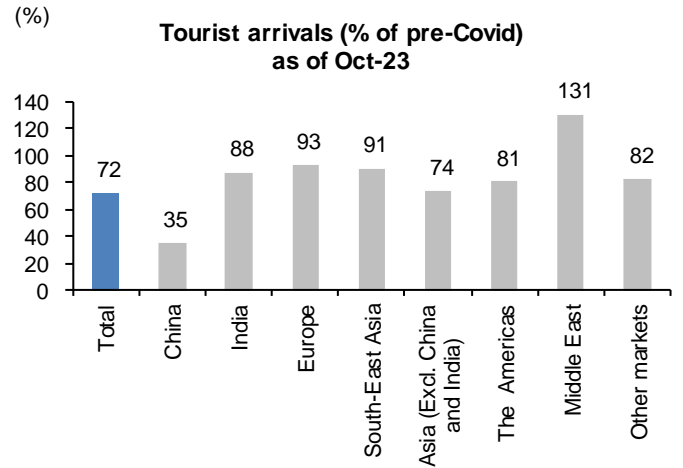**Exhibit 10: Non-Chinese tourist arrivals by month in 2023**

Sources: MOTS: FSSIA estimates

Exhibit 11: Tourist arrivals by month in 2023

Sources: MOTS; FSSIA estimates

Exhibit 12: Key market segment recovery rates

Sources: MOTS

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Expect inbound tourist arrivals of 35m in 2024

We forecast inbound Chinese tourists to end at 3.5m in 2023 and grow to 6.0m in 2024 (equivalent to 55% of pre-Covid), based on the assumption that group tours, which normally accounted, for 40-50% of Chinese tourists in 2019 should start recovering.

We expect overall inbound tourists to grow from 28m in 2023 to 35m in 2024. Key drivers would be tourists from the Middle East, India, Europe and South East Asia, which should surpass the pre-Covid levels, while the other markets should recover to 90-95% of pre-Covid.

Exhibit 13: Inbound tourist arrival forecast
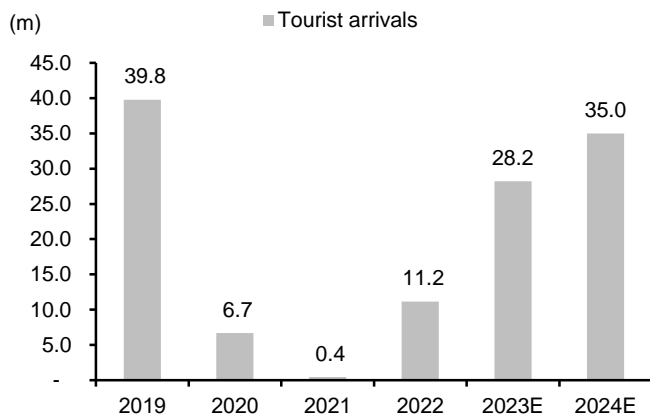
Source: MOTS; FSSIA estimates

Exhibit 14: Inbound Chinese tourist arrival forecast
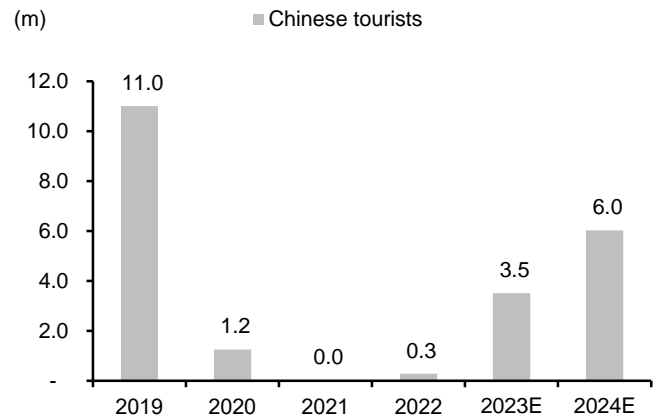
Source: MOTS; FSSIA estimates

Exhibit 15: Key assumptions for tourist arrivals in 2023
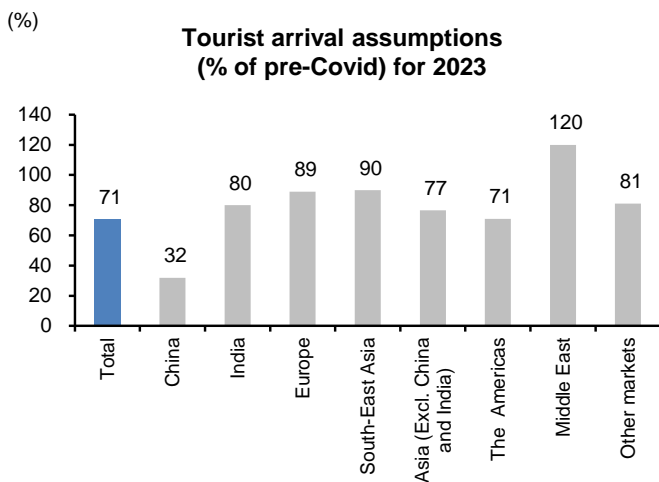
Source: FSSIA estimates

Exhibit 16: Key assumptions for tourist arrivals in 2024

Source: FSSIA estimates

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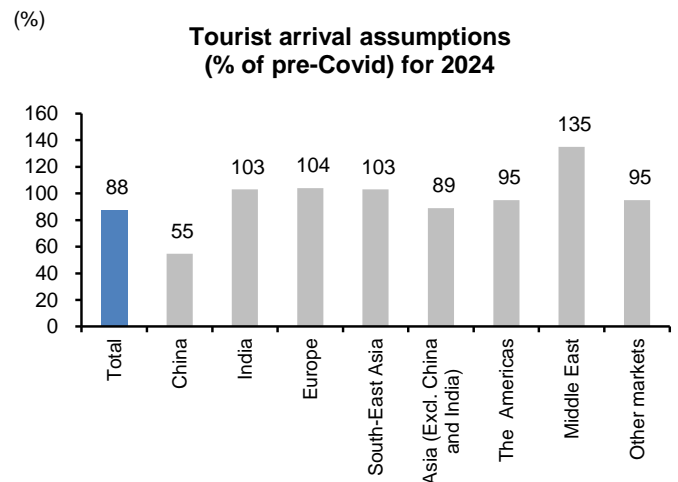
International spending should convert to pre-Covid level in 2024

International tourist spending should fall below the pre-Covid level by c40% in 2023. The Tourism Authority of Thailand (TAT) mentioned that it expects spending to reach pre-Covid with a scope to surpass it in 2024.

In terms of spending per head, in 11M23 it was THB42k, still below THB49k in 2019, due to a lack of Chinese tourists who spent THB49k on average in 2019. The number should convert to the pre-Covid level next year as TAT aims to focus on the quality of tourists.

Exhibit 17: International tourist spending
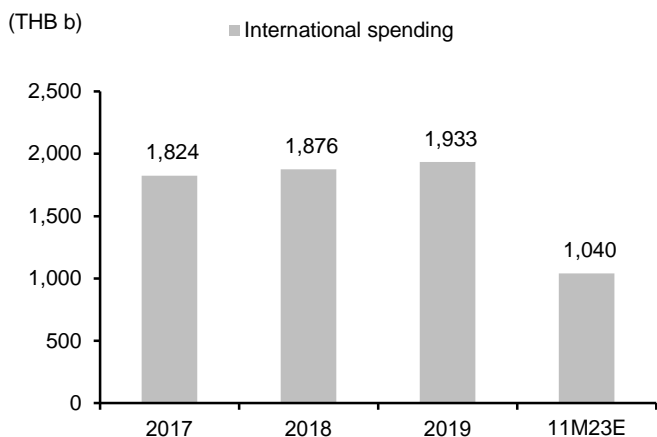
Sources: MOTS; Economics Tourism and Sports Division

Exhibit 18: International tourist spending per head
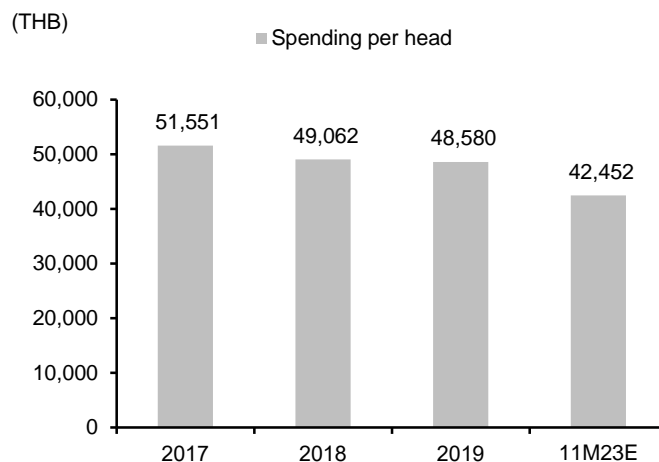
Sources: MOTS; Economics Tourism and Sports Division

Overweight sector

As Thailand is leaning toward the quality of tourists rather than quantity, we prefer stocks that have the ability to raise rates. Our top picks are CENTEL, AWC and BA.

CENTEL's earnings have been hit by several one-time expenses in 2023. We expect organic operations to improve, and its new Osaka hotel should turn around in 2024.

AWC's hotel portfolio is in the upscale and luxury segments and should benefit from the rising ADR trend. AWC's operating asset size has jumped by 52% from THB83b in 2019 to THB126b in 3Q23, vs its share price which is currently 39% below its IPO price of THB6.0/shr.

BA is focusing on its Samui route, which targets the upscale segment. As a result, its earnings hit a record high in 2023 and should continue to grow in 2024, led by the recovery of international passenger numbers at Samui Airport and lower interest expenses, as BA has strong cash flow to repay its debt. BA is also the cheapest of the Thai tourism stocks in terms of P/E multiple.

Our wildcard pick is BEYOND due to its cheap valuation, and its hotels are well-positioned in the ultra-luxury segment.

Exhibit 19: Hotels – peers' comparison as of 28 Nov 2023

Company	BBG	Rec	--------- Share price ---------			Market	----------- PE -----------			----- ROE -----		---- PBV ----		EV/ EBITDA	
			Current	Target	Upside	cap	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	3.64	5.50	51	3,336	107.3	42.0	39.6	1.3	3.1	1.3	1.3	38.3	26.7
Minor International	MINT TB	BUY	27.25	43.00	58	4,366	24.2	21.3	19.2	8.2	9.5	1.8	2.3	9.5	9.5
Central Plaza Hotel	CENTEL TB	BUY	42.50	53.00	25	1,643	41.7	29.1	25.6	7.2	9.6	2.9	2.7	16.9	15.2
Erawan Group	ERW TB	BUY	5.30	6.30	19	688	37.3	35.5	30.1	10.7	10.2	3.8	3.3	17.3	16.0
S Hotels & Resorts	SHR TB	BUY	2.64	4.40	67	272	195.1	23.6	17.5	0.3	2.5	0.6	0.6	9.1	7.4
Dusit Thani	DUSIT TB	BUY	7.60	18.00	137	185	126.4	26.4	2.6	1.2	5.7	1.5	1.5	36.6	28.8
Bound and Beyond	BEYOND TB	BUY	11.60	24.00	107	96	(29.9)	17.5	12.5	(1.9)	3.1	0.5	0.5	14.6	9.0
Thailand average						10,586	71.7	27.9	21.0	3.8	6.2	1.8	1.7	20.3	16.1
Regional															
Btg Hotels Group	600258 CH	n/a	16.75	n/a	n/a	2,632	24.1	18.6	15.5	7.2	8.5	1.7	1.6	9.6	8.6
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.46	n/a	n/a	4,379	8.8	6.2	5.0	7.2	9.3	0.6	0.6	12.3	10.1
Huangshan Tourism Dev.	900942 CH	n/a	0.72	n/a	n/a	983	9.5	7.8	7.1	8.9	9.6	0.8	0.8	8.4	7.2
Genting Bhd	GENT MK	n/a	4.68	n/a	n/a	3,875	15.2	10.5	9.3	3.8	4.9	0.6	0.5	6.4	5.8
Huazhu Group	HTHT US	n/a	36.72	n/a	n/a	11,705	23.9	21.6	21.6	32.5	26.2	6.9	5.0	12.9	11.6
Indian Hotels	IH IN	n/a	422.75	n/a	n/a	7,225	65.4	48.1	38.9	12.6	14.4	7.7	6.6	34.9	28.9
Lemon Tree Hotels	LEMONTRE IN	n/a	114.25	n/a	n/a	1,086	78.6	54.3	32.5	12.3	16.4	9.9	9.1	27.7	22.2
Lippo Karawaci	LPKR IJ	n/a	83.00	n/a	n/a	382	17.1	4.8	4.2	2.3	6.6	0.4	0.3	8.5	8.0
Regional average						32,268	30.3	21.5	16.8	10.8	12.0	3.6	3.1	15.1	12.8
Overall average						42,854	49.6	24.5	18.8	7.6	9.3	2.7	2.4	17.5	14.3

Sources: Bloomberg; FSSIA estimates

Exhibit 20: Airports – peers' comparison as of 28 Nov 2023

Company	BBG	Rec	--- Share price ---		Market	3Y EPS	---------- PE ----------			---- ROE ----		--- PBV ---		---- EV/ EBITDA ----		
			Current	Target	cap	CAGR	23E	24E	25E	23E	24E	23E	24E	23E	24E	25E
			(THB)	(THB)	(USD m)	(%)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)	(x)
Thailand																
Airports of Thailand*+	AOT TB	BUY	60.50	76.00	24,749	(242)	93.5	40.9	29.7	8.7	17.5	7.8	6.6	39.7	22.7	18.0
Malaysia																
Malaysia Airports	MAHB MK	n/a	7.30	NR	2,615	76	29	18	15	6.2	10.0	1.7	1.6	8.0	6.7	6.7
China																
Beijing Capital Intl -A	694 HK	n/a	3.07	NR	1,733	(158)	n/a	17	8	(7.2)	5.7	0.8	0.7	40.4	8.0	8.0
Hainan Meilan Intl	357 HK	n/a	7.28	NR	423	(240)	35	6	4	1.9	8.7	0.7	0.6	7.5	5.0	5.0
Shanghai Intl Airport-A	600009 CH	n/a	36.63	NR	12,675	(209)	70	21	15	3.1	10.0	2.2	2.0	25	13.0	13.0
Guangzhou Baiyun Intl	600004 CH	n/a	11.05	NR	3,658	(208)	51.3	17.9	14.7	2.9	7.8	1.5	1.4	10.9	7.4	7.4
Shenzhen Airport -A	000089 CH	n/a	6.78	NR	1,940	(172)	56	30.3	21.1	2.8	4.1	1.3	1.2	15	12.7	12.7
Xiamen Int Airport -A	600897 CH	n/a	13.18	NR	764	(427)	13	10.8	10	10.5	12.2	1.3	1.3	4.7	4.0	4.0
Australia																
Auckland Intl Airport**	AIA AU	n/a	7.36	NR	7,229	n/a	83	42.3	37.9	1.7	3.3	1.4	1.4	33.5	21.2	21.2
Japan																
Japan Airport Termi***	9706 JP	n/a	6,641	NR	4,178	(247)	n/a	7.9	35.8	4.0	7.9	4.0	3.8	38	14.9	14.9
Average					59,964	(235)	53.9	21.2	19.1	3.5	8.7	2.3	2.1	22.3	11.5	11.1

*Fiscal year ends 30 September; ** Fiscal year ends 30 June; *** Fiscal year ends 31 March
Sources: Bloomberg consensus; +FSSIA estimates

Exhibit 21: Airlines – peers' comparison as of 28 Nov 2023

Company	BBG	Rec	--- Share price ---		Up	Market	---------- PE ----------			---- PBV ----		--- EV/ EBITDA --	
			Current	Target	side	cap	23E	24E	25E	23E	24E	23E	24E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand													
Bangkok Airways	BA TB	BUY	14.20	22.00	*54.9*	854	13.7	12.7	11.9	1.5	1.4	12.3	11.0
Asia Aviation	AAV TB	BUY	2.00	2.80	*40.0*	736	516.8	17.8	14.5	4.4	3.5	9.1	6.7
Thailand average						1,590	265.2	15.3	13.2	2.9	2.5	10.7	8.8
Regional													
Spring Airlines Co Ltd-A	601021 CH	n/a	53.35	n/a	n/a	7,271	20.3	14.5	14.5	3.2	2.7	12.8	9.7
Interglobe Aviation	INDIGO IN	n/a	2,642.45	n/a	n/a	12,276	n/a	16.4	16.4	n/a	3,330.8	18.4	8.3
Cebu Air Inc	CEB PM	n/a	32.05	n/a	n/a	360	4.5	2.9	2.9	8.8	2.1	6.0	4.8
Singapore Airlines	SIA SP	n/a	6.34	n/a	n/a	14,137	9.4	7.4	7.4	1.2	1.2	4.8	4.7
Japan Airlines	9201 JP	n/a	2,830.00	n/a	n/a	8,320	43.1	13.7	13.7	1.5	1.4	6.6	4.9
Ana Holdings	9202 JP	n/a	3,074.00	n/a	n/a	10,030	24.1	13.3	13.3	1.7	1.5	6.8	5.4
Cathay Pacific Airways	293 HK	n/a	7.85	n/a	n/a	6,490	6.1	7.1	7.1	0.9	0.8	4.8	5.4
Vietjet Aviation	VJC VN	n/a	106,500	n/a	n/a	2,364	131.3	30.2	30.2	3.7	3.2	37.9	18.6
Regional average						61,248	34.1	13.2	13.2	3.0	418.0	12.3	7.7
Global													
Eva Airways	2618 TT	n/a	31.45	n/a	n/a	5,339	8.0	12.4	12.4	1.6	1.4	2.9	3.8
Air New Zealand	AIR NZ	n/a	0.65	n/a	n/a	1,332	5.1	8.4	8.4	1.0	1.0	2.5	3.1
Air Arabia	AIRARABIA UH	n/a	2.74	n/a	n/a	3,482	8.8	9.0	9.0	1.8	1.7	5.2	5.1
Easyjet (UK)	EZJ LN	n/a	421.20	n/a	n/a	4,052	8.9	7.7	7.7	1.1	1.0	2.8	2.4
Gol Linhas Aereas Intel. (Brazil)	GOLL4 BS	n/a	9.50	n/a	n/a	817	11.6	6.5	6.5	n/a	n/a	5.0	4.3
JetBlue Airways (US, Latin AM)	JBLU	n/a	4.37	n/a	n/a	1,456	n/a	n/a	n/a	0.5	0.5	8.8	7.5
Norwegian Air Shuttle (Norway)	NWARF US	n/a	0.88	n/a	n/a	878	7.2	6.9	6.9	1.6	1.3	2.5	2.3
Southwest Airlines (US)	LUV US	n/a	24.82	n/a	n/a	14,796	18.0	15.1	15.1	1.3	1.2	4.9	4.4
Global average						32,152	9.7	9.4	9.4	1.3	1.2	4.3	4.1
Overall average						94,990	52.3	11.9	11.6	2.2	197.5	8.6	6.2

Sources: Bloomberg; FSSIA estimates

FINANSIA

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > 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.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. 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 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 scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (*Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including 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 document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. NEGL 0-10 · Low 10-20 · Medium 20-30 · High 30-40 · Severe 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	
	AAA 8.571-10.000 / AA 7.143-8.570	**Leader:** leading its industry in managing the most significant ESG risks and opportunities
	A 5.714-7.142 / BBB 4.286-5.713 / BB 2.857-4.285	**Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
	B 1.429-2.856 / CCC 0.000-1.428	**Laggard:** lagging its industry based on its high exposure and failure to manage significant ESG risks
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (*Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.*)	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

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**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.
Source: FSSIA's compilation

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

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Company	Ticker	Price	Rating	Valuation & Risks
Airports of Thailand	AOT TB	THB 60.50	BUY	Downside risks to our DCF-based target price include 1) a slowdown in the recovery of international passengers; 2) delays in the Suvarnabhumi Airport expansions (satellite terminal and northern expansion); and 3) the termination of the duty-free concession contracts from King Power.
Central Plaza Hotel	CENTEL TB	THB 42.50	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.
Asset World Corp	AWC TB	THB 3.64	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.
Bangkok Airways	BA TB	THB 14.20	BUY	Downside risks to our SoTP-based TP include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Asia Aviation	AAV TB	THB 2.00	BUY	Downside risks to our P/BV multiple target price include 1) extraordinary events such as political turmoil and natural disasters; 2) higher-than-expected fuel expenses following an increase in oil prices; and 3) the slower-than-expected recovery of international tourist numbers.
Minor International	MINT TB	THB 27.25	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 5.30	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.
S Hotels and Resorts	SHR TB	THB 2.64	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 7.60	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 11.60	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 28-Nov-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.