

# BOUND AND BEYOND BEYOND TB

## THAILAND / TOURISM & LEISURE

# BUY

UNCHANGED

TARGET PRICE	THB22.00
CLOSE	THB11.80
UP/DOWNSIDE	+86.4%
PRIOR TP	THB24.00
CHANGE IN TP	-8.3%
TP vs CONSENSUS	-8.3%

## A luxury free cash flow generator

- Expect core profit to turn profitable at THB15m in 4Q23, driven by a new revenue high following strong ADR.
- Expect OCC rate to improve from 50% in 4Q23 to 52-55% in 1Q24 and to 59% in 2024 by penetrating new market (i.e. Indian tourists).
- Maintain BUY with a 2024 DCF-derived TP of THB22/shr.

### Expect revenue to hit a new record high in 4Q23

We expect OCC rate to be relatively flat y-y at 50% in 4Q23. ADR should grow by 3-4% y-y to THB20,300 on the strong performance of Capella Bangkok. As a result, we forecast room revenue to grow by 5% y-y. However, we expect F&B revenue to drop by 3% y-y due to the high base in 4Q22 on the pent-up demand for MICE activities. Overall, 4Q23 total revenue should grow by 3% y-y and hit a new record high of THB866m, while the EBITDA margin should improve to 23% (vs 20% in 4Q22). This should lead to a core profit turnaround to THB15m in 4Q23, vs a THB68m loss in 3Q22 and breakeven in 4Q22 (excluding tax revenue).

### Expect core profit to turn profitable in 2024

We believe the earnings momentum should continue in 1Q24 as operations have just significantly picked up in Dec-23. Thus, we expect OCC rate to improve to 52-55% in 1Q24. We also expect revenue to jump by 16% in 2024, driven mainly by an improving OCC rate to 59% in 2024 from 51% in 2023. BEYOND plans to penetrate a new market, Indian tourists, which are ranked fourth in terms of Thailand's tourist arrivals but have not been in the top five of BEYOND's source markets yet. Overall, we estimate 2024 core profit to turn profitable at THB151m.

### Strong balance sheet and cash flow leads to potential upsides

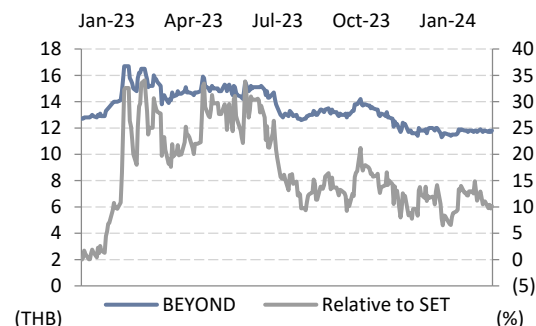
BEYOND has a strong balance sheet with cash on hand of THB1.3b and 0.9x IBD/E as of 3Q23. It should generate EBITDA of up to THB0.9b-1.0b in 2024-26. This should give BEYOND the flexibility to either invest in new projects with estimated capex of THB0.8b-1.0b or prepay its total debt of THB5.9b (THB3.0b in bank loans, THB0.9b in debentures and THB2.0b in loans from related party) to lower interest expenses of cTHB430m in 2023. In addition, BEYOND has the potential to negotiate with banks to reduce the interest rate from around 6% currently.

### Cut earnings; still trading at attractive valuations

We cut 2023-25E earnings by 17-27% to reflect the slower-than-expected recovery of Chinese tourists, and derive a new 2024 DCF-TP of THB22/shr. BEYOND is our wildcard tourism pick due to its cheap valuations of 24x P/E, 9x EV/EBITDA and 0.6x P/BV in 2024E; lower than its peers' averages of 29x P/E, 16x EV/EBITDA and 1.8x P/BV.

### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	2,148	2,967	3,429	3,645
Net profit	(342)	168	151	239
EPS (THB)	(1.18)	0.58	0.49	0.77
vs Consensus (%)	-	nm	(25.8)	(17.2)
EBITDA	128	558	863	933
Recurring net profit	(441)	(149)	151	239
Core EPS (THB)	(1.53)	(0.48)	0.49	0.77
Chg. In EPS est. (%)	nm	nm	(26.5)	(16.8)
EPS growth (%)	nm	nm	nm	59.1
Core P/E (x)	(7.7)	(24.6)	24.3	15.3
Dividend yield (%)	-	-	2.1	3.3
EV/EBITDA (x)	69.2	15.0	9.4	8.3
Price/book (x)	0.6	0.5	0.6	0.5
Net debt/Equity (%)	89.3	79.5	66.6	59.6
ROE (%)	(7.0)	(2.4)	2.3	3.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.7	(7.8)	(3.3)
Relative to country (%)	0.7	(3.5)	12.5
Mkt cap (USD m)	100		
3m avg. daily turnover (USD m)	0.0		
Free float (%)	50		
Major shareholder	Country Group Holding PCL (39%)		
12m high/low (THB)	17.30/11.00		
Issued shares (m)	309.82		

Sources: Bloomberg consensus; FSSIA estimates



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### 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 2024, 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 2024 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](http://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
Feb 2024	4Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
OCC rate (%)	51	59	62
ADR (THB)	18,968	19,916	20,314
RevPAR growth (%)	74	21	6
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

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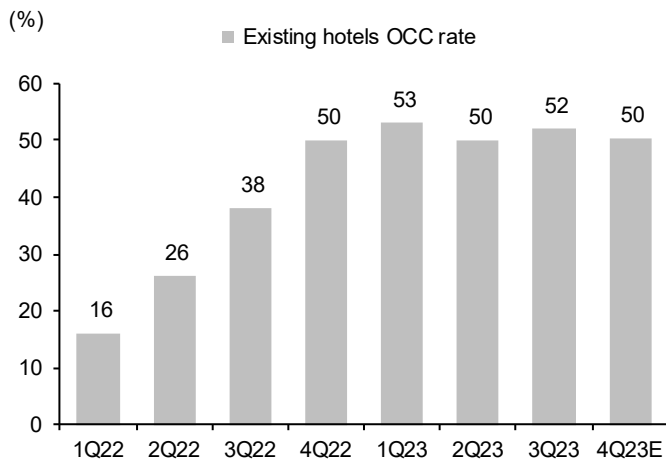
2 JANUARY 2024

## Exhibit 1: 4Q23 results preview

FY ending Dec	4Q22	1Q23	2Q23	3Q23	4Q23E	Change		2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	839	815	614	673	866	29	3	2,967
COGS (incl depreciation)	(530)	(488)	(438)	(465)	(541)	16	2	(1,922)
<b>Gross profit</b>	<b>309</b>	<b>327</b>	<b>176</b>	<b>208</b>	<b>325</b>	<b>56</b>	<b>5</b>	<b>1,045</b>
SG&A	(215)	(205)	(199)	(183)	(202)	10	(6)	(791)
<b>Operating profit</b>	<b>94</b>	<b>122</b>	<b>(23)</b>	<b>25</b>	<b>123</b>	<b>389</b>	<b>30</b>	<b>254</b>
Dividend income	0	0	0	0	0			0
Interest income	2	1	2	2	2	0	(8)	5
Other income	4	2	0	9	3	(68)	(25)	10
Interest expenses	(100)	(102)	(107)	(109)	(109)	0	9	(428)
<b>Pretax profit</b>	<b>0</b>	<b>23</b>	<b>(127)</b>	<b>(73)</b>	<b>18</b>	<b>(125)</b>	<b>5,500</b>	<b>(159)</b>
Income Tax	76	(6)	14	5	(4)	(176)	(105)	10
Associates	(0)	(0)	0	(0)	0	(100)	(100)	(0)
Minority interest	0	0	0	0	0			0
<b>Core profit</b>	<b>76</b>	<b>17</b>	<b>(113)</b>	<b>(68)</b>	<b>15</b>	<b>(121)</b>	<b>(81)</b>	<b>(149)</b>
Extraordinaries, GW & FX	13	0	317	7	0	(100)	(100)	317
<b>Reported net profit</b>	<b>89</b>	<b>17</b>	<b>205</b>	<b>(61)</b>	<b>15</b>	<b>(124)</b>	<b>(83)</b>	<b>168</b>
Outstanding shares (m)	289	289	289	289	289	0	0	289
<b>Core EPS (THB)</b>	<b>0.26</b>	<b>0.06</b>	<b>(0.39)</b>	<b>(0.24)</b>	<b>0.05</b>	<b>(121)</b>	<b>(81)</b>	<b>(0.51)</b>
<b>EPS (THB)</b>	<b>0.31</b>	<b>0.06</b>	<b>0.71</b>	<b>(0.21)</b>	<b>0.05</b>	<b>(124)</b>	<b>(83)</b>	<b>0.58</b>
COGS excl. depreciation	(454)	(412)	(362)	(388)	(465)	20	2	(1,618)
Depreciation	(76)	(76)	(76)	(77)	(77)	0	1	(304)
EBITDA	170	198	54	102	199	96	17	558
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>
Gross margin	37	40	29	31	38	7	1	35
SG&A/Revenue	26	25	32	27	23	(4)	(2)	27
EBITDA margin	20	24	9	15	23	8	3	19
Net profit margin	11	2	33	(9)	2	11	(9)	6
<b>Operating stats</b>								
Occupancy (%)	50	53	50	52	50			
ADR (THB/night)	19,656	20,495	18,042	16,741	20,340			
RevPar (THB/night)	9,828	10,862	9,021	8,705	10,251			

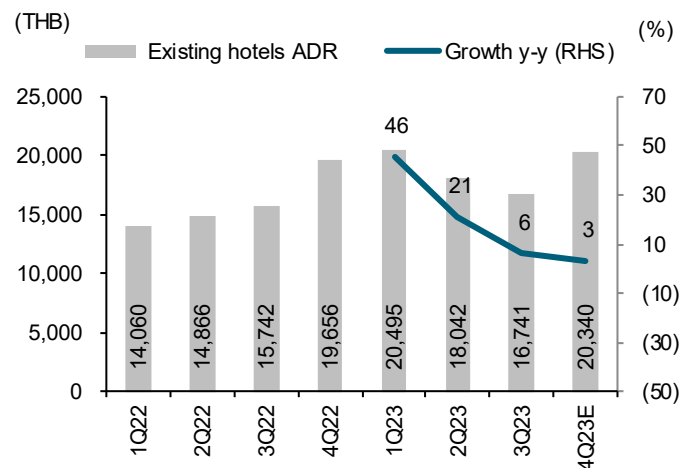
Sources: BEYOND; FSSIA estimates

## Exhibit 2: OCC rate (quarterly)

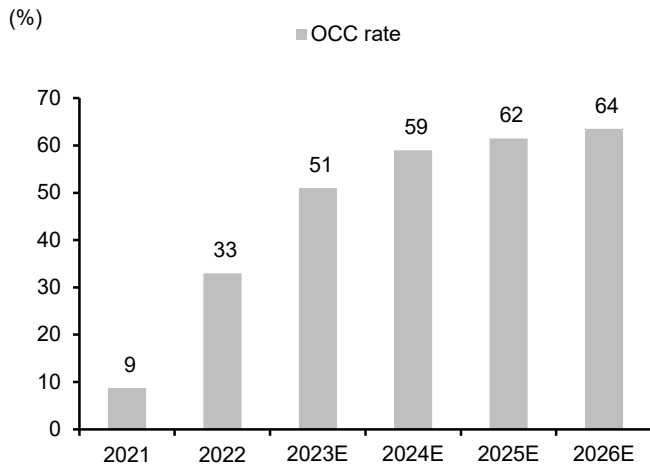


Sources: BEYOND; FSSIA estimate

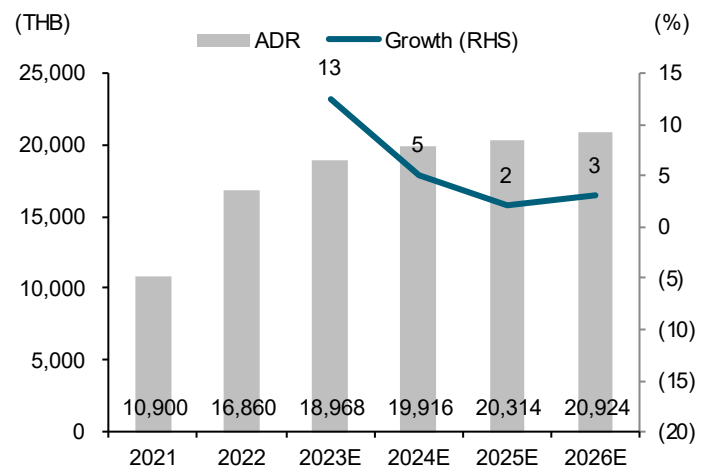
## Exhibit 3: ADR (quarterly)



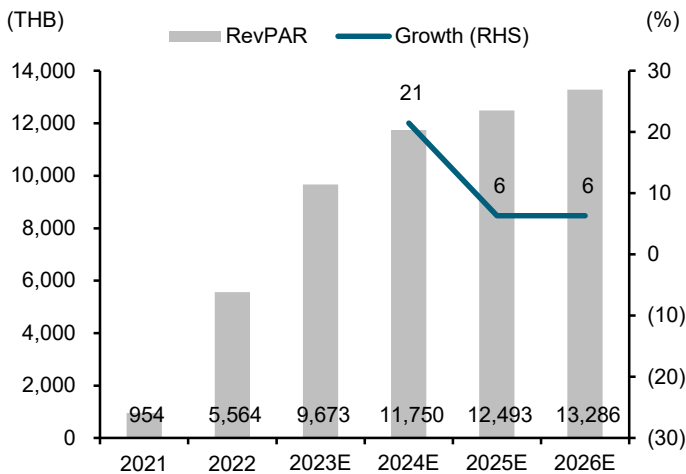
Sources: BEYOND; FSSIA estimate

**Exhibit 4: OCC rate (yearly)**

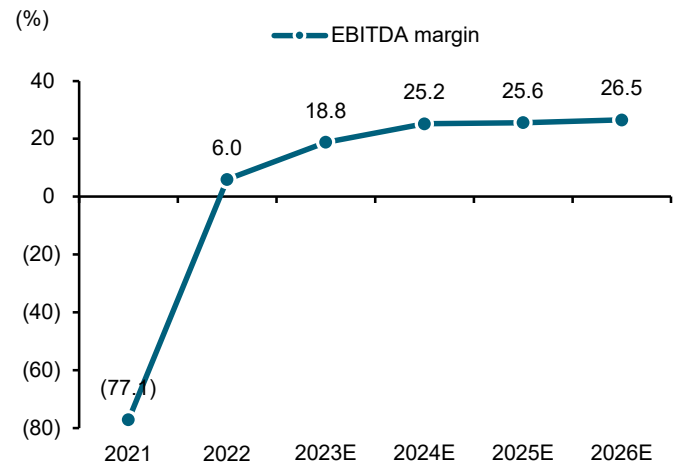
Sources: BEYOND; FSSIA estimates

**Exhibit 5: ADR (yearly)**

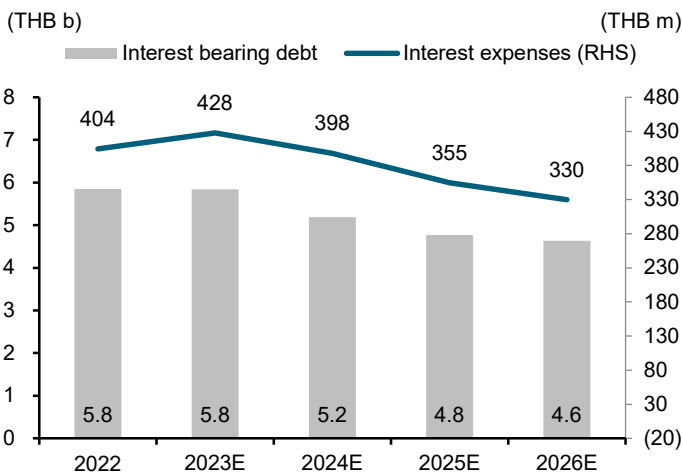
Sources: BEYOND; FSSIA estimates

**Exhibit 6: RevPAR (yearly)**

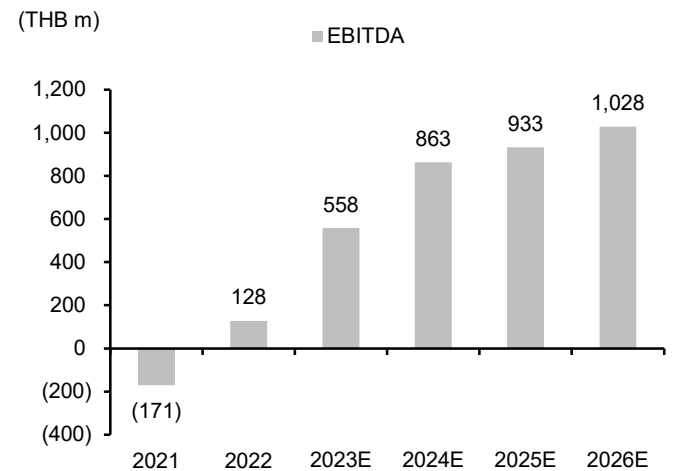
Sources: BEYOND; FSSIA estimates

**Exhibit 7: EBITDA margin**

Sources: BEYOND; FSSIA estimates

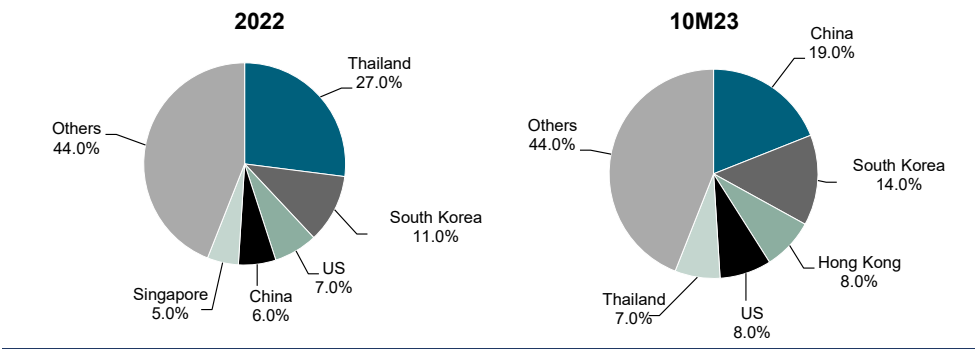
**Exhibit 8: Interest bearing debt and interest expense to decline from 2024**

Sources: BEYOND; FSSIA estimates

**Exhibit 9: Strong EBITDA over next three years**

Sources: BEYOND; FSSIA estimates

Exhibit 10: Revenue breakdown by nationality



Sources: BEYOND; FSSIA estimates

Exhibit 11: Forecast revisions

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Revenue	2,967	3,429	3,645	2,974	3,490	3,728	(0)	(2)	(2)
EBITDA margin (%)	18.8	25.2	25.6	19.1	25.3	26.0	(0)	(0)	(0)
Core profit	(149)	151	239	(120)	205	288	(24)	(27)	(17)
Key assumptions									
OCC rate (%)	51	59	62	55	63	66	(4)	(4)	(5)
ADR (THB)	18,968	19,916	20,314	18,546	19,010	19,390	2	5	5

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	4.8	15.4	WACC 9.6%, Risk-free rate 3%, Risk premium 8%
Terminal value	5.4	17.3	Terminal growth 3%
Cash & liquid assets	1.1	3.5	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	6.8	22.0	

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	1.3	As of 3Q23
Less: Interest bearing debt	(5.9)	As of 3Q23
Less: Minorities	0.0	As of 3Q23
<b>Net Value</b>	<b>7.5</b>	
No of shares (m)	309.8	
<b>FV per share</b>	<b>24.1</b>	

Source: FSSIA estimates

**Exhibit 14: Peer comparisons as of 28 Dec 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)
<b>Thailand</b>															
Asset World Corp	AWC TB	BUY	3.56	5.50	54	3,338	104.9	41.1	38.7	1.3	3.1	1.3	1.2	37.7	26.3
Minor International	MINT TB	BUY	29.50	43.00	46	4,836	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	1,730	43.0	29.9	26.4	7.2	9.6	3.0	2.8	17.3	15.5
Erawan Group	ERW TB	BUY	5.25	6.30	20	697	36.9	35.2	29.8	10.7	10.2	3.7	3.2	17.2	15.9
S Hotels & Resorts	SHR TB	BUY	2.26	4.40	95	238	167.1	20.2	15.0	0.3	2.5	0.5	0.5	8.5	6.8
Dusit Thani	DUSIT TB	BUY	8.65	18.00	108	215	143.8	30.1	3.0	1.2	5.7	1.8	1.7	37.9	29.6
Bound and Beyond	BEYOND TB	BUY	11.80	22.00	86	100	(24.6)	24.3	15.3	(2.4)	2.3	0.5	0.6	15.0	9.4
<b>Thailand average</b>						<b>11,154</b>	<b>71.0</b>	<b>29.1</b>	<b>21.3</b>	<b>3.8</b>	<b>6.1</b>	<b>1.8</b>	<b>1.8</b>	<b>20.5</b>	<b>16.2</b>
<b>Regional</b>															
Btg Hotels Group	600258 CH	n/a	15.62	n/a	n/a	2,423	22.1	17.3	14.5	7.2	8.4	1.5	1.4	9.1	8.2
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.26	n/a	n/a	3,998	7.8	5.5	4.4	7.2	9.3	0.5	0.5	11.6	9.6
Huangshan Tourism Dev.	900942 CH	n/a	0.72	n/a	n/a	951	9.5	7.8	7.2	8.9	9.6	0.8	0.8	8.0	6.9
Genting Bhd	GENT MK	n/a	4.62	n/a	n/a	3,859	14.5	10.3	9.1	3.7	4.9	0.5	0.5	6.5	5.9
Huazhu Group	HTHT US	n/a	33.44	n/a	n/a	10,660	19.4	17.6	15.2	34.1	27.6	5.8	4.6	11.7	10.6
Indian Hotels	IH IN	n/a	436.10	n/a	n/a	7,449	67.3	49.4	39.8	12.6	14.4	7.9	6.8	35.8	29.7
Lemon Tree Hotels	LEMONTRE IN	n/a	118.70	n/a	n/a	1,131	81.6	56.9	34.0	12.3	16.1	10.3	9.4	28.5	22.8
Lippo Karawaci	LPKR IJ	n/a	97.00	n/a	n/a	437	16.6	15.1	13.5	2.6	2.8	0.4	0.4	9.2	8.7
<b>Regional average</b>						<b>30,908</b>	<b>29.9</b>	<b>22.5</b>	<b>17.2</b>	<b>11.1</b>	<b>11.6</b>	<b>3.5</b>	<b>3.1</b>	<b>15.1</b>	<b>12.8</b>
<b>Overall average</b>						<b>42,062</b>	<b>48.7</b>	<b>25.1</b>	<b>18.9</b>	<b>7.7</b>	<b>9.1</b>	<b>2.7</b>	<b>2.5</b>	<b>17.6</b>	<b>14.4</b>

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	2,967	3,429	3,645
Cost of goods sold	(209)	(1,607)	(1,922)	(2,039)	(2,146)
<b>Gross profit</b>	<b>12</b>	<b>541</b>	<b>1,045</b>	<b>1,390</b>	<b>1,499</b>
Other operating income	-	-	-	-	-
Operating costs	(242)	(716)	(791)	(835)	(877)
<b>Operating EBITDA</b>	<b>(171)</b>	<b>128</b>	<b>558</b>	<b>863</b>	<b>933</b>
Depreciation	(59)	(303)	(304)	(308)	(311)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(230)</b>	<b>(174)</b>	<b>254</b>	<b>555</b>	<b>622</b>
Net financing costs	(65)	(399)	(423)	(390)	(347)
Associates	0	0	0	0	0
Recurring non-operating income	25	38	10	10	11
Non-recurring items	1,142	99	317	0	0
<b>Profit before tax</b>	<b>872</b>	<b>(437)</b>	<b>158</b>	<b>175</b>	<b>285</b>
Tax	6	95	10	(25)	(46)
<b>Profit after tax</b>	<b>878</b>	<b>(342)</b>	<b>168</b>	<b>151</b>	<b>239</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>878</b>	<b>(342)</b>	<b>168</b>	<b>151</b>	<b>239</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(1,142)</b>	<b>(99)</b>	<b>(317)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(264)</b>	<b>(441)</b>	<b>(149)</b>	<b>151</b>	<b>239</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.91)	(1.53)	(0.48)	0.49	0.77
Reported EPS	3.04	(1.18)	0.58	0.49	0.77
DPS	0.00	0.00	0.00	0.24	0.39
Diluted shares (used to calculate per share data)	289	289	310	310	310
<b>Growth</b>					
Revenue (%)	1,595.6	869.1	38.1	15.6	6.3
Operating EBITDA (%)	nm	nm	335.9	54.6	8.1
Operating EBIT (%)	nm	nm	nm	118.1	12.1
Recurring EPS (%)	nm	nm	nm	nm	59.1
Reported EPS (%)	753.7	nm	nm	(16.7)	59.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	5.5	25.2	35.2	40.5	41.1
Gross margin exc. depreciation (%)	32.1	39.3	45.5	49.5	49.7
Operating EBITDA margin (%)	(77.1)	6.0	18.8	25.2	25.6
Operating EBIT margin (%)	(103.7)	(8.1)	8.6	16.2	17.1
Net margin (%)	(119.2)	(20.5)	(5.0)	4.4	6.6
Effective tax rate (%)	2.2	17.7	10.0	14.0	16.0
Dividend payout on recurring profit (%)	-	-	-	50.0	50.0
Interest cover (X)	(3.1)	(0.3)	0.6	1.4	1.8
Inventory days	43.9	11.4	11.4	12.2	12.2
Debtor days	113.0	12.2	11.4	8.3	7.8
Creditor days	286.0	78.6	81.9	77.4	77.7
Operating ROIC (%)	(3.0)	(1.3)	2.0	4.3	4.8
ROIC (%)	(2.5)	(1.0)	2.0	4.2	4.7
ROE (%)	(4.7)	(7.0)	(2.4)	2.3	3.6
ROA (%)	(1.9)	(0.8)	1.7	3.7	4.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	207	2,135	2,952	3,414	3,630
Revenue from sales and services	15	13	15	15	15

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)	(149)	151	239
Depreciation	59	303	304	308	311
Associates & minorities	-	-	-	-	-
Other non-cash items	1,148	119	295	0	0
Change in working capital	1,206	(1,037)	(35)	16	17
<b>Cash flow from operations</b>	<b>2,149</b>	<b>(1,056)</b>	<b>415</b>	<b>475</b>	<b>568</b>
Capex - maintenance	(8,486)	(634)	(110)	(116)	(122)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	391	967	160	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(8,096)</b>	<b>333</b>	<b>50</b>	<b>(116)</b>	<b>(122)</b>
Dividends paid	0	0	0	0	(75)
Equity finance	629	0	0	210	0
Debt finance	3,428	778	(25)	(677)	(438)
Other financing cash flows	174	(161)	0	0	0
<b>Cash flow from financing</b>	<b>4,231</b>	<b>617</b>	<b>(25)</b>	<b>(467)</b>	<b>(513)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(1,716)</b>	<b>(105)</b>	<b>440</b>	<b>(108)</b>	<b>(67)</b>
Free cash flow to firm (FCFF)	(5,869.34)	(318.31)	892.97	756.98	800.55
Free cash flow to equity (FCFE)	(2,344.61)	(105.32)	440.11	(317.81)	7.96

#### Per share (THB)

FCFF per share	(18.94)	(1.03)	2.88	2.44	2.58
FCFE per share	(7.57)	(0.34)	1.42	(1.03)	0.03
Recurring cash flow per share	3.26	(0.06)	1.56	1.48	1.78

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)	(1,573)	(1,884)
<b>Tangible fixed assets (net)</b>	<b>12,392</b>	<b>11,695</b>	<b>11,312</b>	<b>11,119</b>	<b>10,930</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	204	264	294	294	294
Cash & equivalents	866	761	1,201	1,093	1,025
A/C receivable	36	108	78	78	78
Inventories	36	45	56	60	63
Other current assets	571	373	342	396	421
<b>Current assets</b>	<b>1,509</b>	<b>1,287</b>	<b>1,677</b>	<b>1,626</b>	<b>1,587</b>
Other assets	1	100	125	125	125
<b>Total assets</b>	<b>14,106</b>	<b>13,346</b>	<b>13,408</b>	<b>13,165</b>	<b>12,936</b>
Common equity	6,412	6,103	6,271	6,631	6,795
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>6,412</b>	<b>6,103</b>	<b>6,271</b>	<b>6,631</b>	<b>6,795</b>
Long term debt	4,450	5,227	5,202	4,525	4,087
Other long-term liabilities	350	277	280	280	280
<b>Long-term liabilities</b>	<b>4,801</b>	<b>5,504</b>	<b>5,482</b>	<b>4,805</b>	<b>4,367</b>
A/C payable	191	371	355	379	402
Short term debt	985	986	986	986	986
Other current liabilities	1,717	382	314	363	386
<b>Current liabilities</b>	<b>2,893</b>	<b>1,739</b>	<b>1,655</b>	<b>1,728</b>	<b>1,774</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,106</b>	<b>13,346</b>	<b>13,408</b>	<b>13,165</b>	<b>12,936</b>
Net working capital	(1,265)	(227)	(192)	(209)	(226)
Invested capital	11,332	11,832	11,539	11,330	11,123

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

#### Per share (THB)

Book value per share	22.20	21.13	21.71	21.40	21.93
Tangible book value per share	22.20	21.13	21.71	21.40	21.93

#### Financial strength

Net debt/equity (%)	71.3	89.3	79.5	66.6	59.6
Net debt/total assets (%)	32.4	40.9	37.2	33.6	31.3
Current ratio (x)	0.5	0.7	1.0	0.9	0.9
CF interest cover (x)	(35.0)	0.7	2.0	0.2	1.0

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>(12.9)</b>	<b>(7.7)</b>	<b>(24.6)</b>	<b>24.3</b>	<b>15.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(24.0)</b>	<b>(14.4)</b>	<b>(45.9)</b>	<b>45.3</b>	<b>28.5</b>
Reported P/E (x)	3.9	(10.0)	20.2	24.3	15.3
Dividend yield (%)	-	-	-	2.1	3.3
Price/book (x)	0.5	0.6	0.5	0.6	0.5
Price/tangible book (x)	0.5	0.6	0.5	0.6	0.5
EV/EBITDA (x) **	(46.7)	69.2	15.0	9.4	8.3
EV/EBITDA @ target price (x) **	(63.9)	92.2	20.3	13.0	11.6
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7

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

Sources: Bound and Beyond; FSSIA estimates



# BOUND AND BEYOND PCL (BEYOND TB)

FSSIA ESG rating

★ ★

Exhibit 15: FSSIA ESG score implication

25.31 /100

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Source: FSSIA estimates

Exhibit 16: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BEYOND	25.31	--	--	--	5.00	5.00	Certified	--	42.49	--	--	--	--	--	--
CENTEL	62.78	--	Y	Y	5.00	5.00	Certified	Medium	57.54	--	--	71.56	48.00	2.93	54.19
DUSIT	24.81	--	--	--	5.00	4.00	Certified	--	46.50	--	--	--	--	--	--
ERW	39.65	--	--	--	4.00	4.00	Certified	--	54.22	--	--	51.15	21.00	3.90	--
SHR	25.00	--	Y	Y	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 17: ESG disclosure from the company's one report

FY ending Dec 31		FY 2022	FY ending Dec 31		FY 2022
Environmental			Governance		
Climate change policy	Yes		Board size / Independent directors (ID) / Female	9 / 4 / 1	
Climate change opportunities discussed	--		No. of board meetings for the year / % attendance	8 / 97.22%	
GHG scope 2 location-based policy	Yes		Company conducts board evaluations	Yes	
Biodiversity policy	Yes		Number of non-executive directors on board	8	
Energy efficiency policy	Yes		Director share ownership guidelines	No	
Electricity used	Yes		Board age limit	No	
Fuel used - crude oil/diesel	--		Age of the youngest / oldest director	36 / 80	
Waste reduction policy	Yes		Number of executives / female	7 / 3	
Water policy	Yes		Executive share ownership guidelines	No	
Water consumption	Yes		Size of audit committee / ID	3 / 3	
Social			Audit committee meetings	5	
Human rights policy	Yes		Audit committee meeting attendance (%)	100	
Policy against child labor	Yes		Size of compensation committee	3 / 0	
Quality assurance and recall policy	--		Number of compensation committee meetings	2	
Consumer data protection policy	Yes		Compensation committee meeting attendance (%)	100	
Equal opportunity policy	Yes		Size of nomination committee / ID	3 / 0	
Gender pay gap breakout	--		Number of nomination committee meetings	2	
Pct women in workforce	48%		Nomination committee meeting attendance (%)	100	
Business ethics policy	Yes		Board compensation (THB m)	7.01	
Anti-bribery ethics policy	Yes		Auditor fee (THB m)	2.35	
Health and safety policy	Yes		(EY Company Limited)		
Lost time incident rate - employees	--				
Training policy	Yes				
Fair remuneration policy	Yes				
Number of employees - CSR	977				
Total hours spent by firm - employee training	--				
Social supply chain management	--				

Source: FSSIA's compilation

## 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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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%). <i>(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&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	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. <i>(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.)</i>	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 Sustainabilitytics	The Sustainability's 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. <i>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 &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	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. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	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
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
AA	7.143-8.570																					
A	5.714-7.142																					
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																			
BB	2.857-4.285																					
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. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
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

## 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 11.80	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Asset World Corp	AWC TB	THB 3.56	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.
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.
The Erawan Group	ERW TB	THB 5.25	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 2.26	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 8.65	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-Dec-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.