

# DUSIT THANI DUSIT TB

THAILAND / TOURISM & LEISURE

**BUY**

UNCHANGED

TARGET PRICE	THB15.00
CLOSE	THB10.90
UP/DOWNSIDE	+37.6%
PRIOR TP	THB15.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+14.5%

## The legendary hotel is returning

- Dusit Central Park (DCP) hotel to open in Sep-24 with target ADR of THB12,000, higher than the initial target of THB10,000.
- Existing business to turn profitable by 2025; DCP hotel has the potential to break even in the first year of operation.
- Maintain BUY with a 2024 DCF-based TP of THB15/shr.

### Positive feedback from analyst meeting

We attended the analyst meeting on 26 Aug and have positive feedback on the Dusit Central Park project (DCP). The hotel will open in Sep-24, followed by the office and retail building in 2H25 and residences in 4Q25. The hotel plans to launch with an initial ADR of THB12,000 in 4Q24, which could potentially rise to THB15,000 in 2025. This is significantly higher than our ADR assumption of THB10,200-10,500. We maintain our conservative ADR assumption and leave it as an upside. Note that we forecast the DCP hotel to break even in 2025 and generate profit of up to THB150m in 2026. Our sensitivity analysis suggests that every THB1,000 increment in ADR would raise the DCP hotel's profit by cTHB50m/year. In addition, the residence's presales were at 80% as of end-2Q24.

### Expect total revenue to grow by 18% y-y in 2024

For the existing business, we expect revenue (including other income and share income) to grow 18% y-y in 2024 (vs 24% y-y in 1H24), driven by 18% y-y growth of the hotel business following an improving OCC rate of owned hotels to 75% (vs 70% in 2023 and 76% in 1H24). We expect the food business to grow 20% y-y, led by international school catering, which signed seven new school contracts in 1H24, plus an expansion to Hong Kong. We estimate education business revenue to grow 10% y-y. Overall, we expect the existing business to break even in profit in 2025.

### Expect recurring core profit of THB350m in 2026

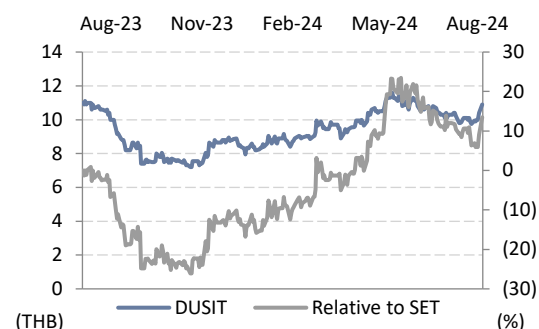
We forecast a recurring core profit of cTHB350m in 2026, consisting of cTHB100m from existing businesses and cTHB250m from the DCP project. Including one-time profit from transferring residential units, earnings should reach THB0.7b in 2025 and THB1.8b in 2026.

### Trading at an attractive valuation

We trim our 2024-25E earnings to reflect management's guidance revision of food business revenue growth to 20-25% in 2024 (previous target 30-35%) and the shift in the DCP residential transfer proportion to 20%/80% in 2025/2026 (from 30%/70%) due to the delay of the project. We maintain our 2024 DCF-TP of THB15/shr. DUSIT is trading at an attractive valuation of 26x 2026E P/E (based on recurring profit of THB350m) and 5x 2026E P/E (including profit from residential transfer).

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,377	6,690	18,276	22,567
Net profit	(570)	(54)	1,248	1,755
EPS (THB)	(0.67)	(0.06)	1.47	2.06
vs Consensus (%)	-	nm	14.0	8.4
EBITDA	(129)	319	2,291	3,970
Recurring net profit	(551)	(54)	748	1,755
Core EPS (THB)	(0.65)	(0.06)	0.88	2.06
Chg. In EPS est. (%)	nm	nm	(31.8)	8.9
EPS growth (%)	nm	nm	nm	134.6
Core P/E (x)	(16.8)	(170.6)	12.4	5.3
Dividend yield (%)	-	-	5.7	13.3
EV/EBITDA (x)	(173.1)	84.2	14.1	4.8
Price/book (x)	2.7	2.7	2.0	1.6
Net debt/Equity (%)	283.6	262.3	295.9	176.8
ROE (%)	(14.6)	(1.6)	18.7	33.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	5.8	3.8	(1.8)
Relative to country (%)	1.4	3.8	12.3
Mkt cap (USD m)	273		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	27		
Major shareholder	Chanat family account (50%)		
12m high/low (THB)	11.80/7.15		
Issued shares (m)	850.00		

Sources: Bloomberg consensus; FSSIA estimates


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### Investment thesis

DUSIT will open its first mixed-use project, Dusit Central Park (DCP), consisting of the new flagship hotel, luxury residences and a retail shopping center at the prime central business district located opposite to Lumpini Park. The total project value is THB46b (THB17.3b for DUSIT's portion) and is scheduled to open in mid-2024.

We expect DUSIT to turn profitable in 2025 when the occupancy (OCC) rate of its existing hotels reaches more than 70% and the non-hotel business turns profitable. Profits should jump in 2025 when the DCP project starts operating, and should peak in 2025-26 when residential projects start to be transferred.

DUSIT's share price deserves to re-rate, in our view, driven by 1) the DCP project, which should drive the profitability margin, as it should capture a higher luxury segment with a higher average daily rate (ADR); and 2) a more balanced portfolio from the retail shopping mall, food business and education business.

### Company profile

DUSIT operates 56 hotels and 236 villas in 19 countries with a total room count of c12,500 currently.

[www.dusit.com](http://www.dusit.com)

### Principal activities (revenue, 2023)

Activity	Percentage
Hotel revenue	68.5 %
Others	31.5 %

Source: Dusit Thani

### Major shareholders

Shareholder	Percentage
Chanat family account	49.7 %
Central Pattana PCL	17.1 %
Bangkok Bank	4.1 %
Others	29.1 %

Source: Dusit Thani

### Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following a global tourism recovery; 2) the recovery of domestic business activities; and 3) the Dusit Central Park (DCP) mixed-use project.

### Risks to our call

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

### Event calendar

Date	Event
Nov 2024	3Q24 results announcement

### Key assumptions

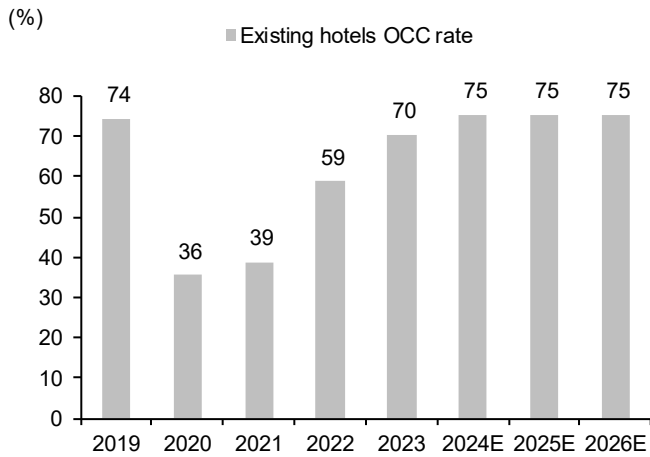
	2024E	2025E	2026E
Existing hotels - OCC rate (%)	75	75	75
Existing hotels - ADR (THB)	4,193	4,277	4,363
Food - revenue growth (%)	20	12	9
Education - revenue growth (%)	10	13	3
DCP hotel - OCC rate (%)	50	70	75
DCP hotel - ADR (THB)	10,200	10,506	10,821
DCP retail - OCC rate (%)	0	90	93
DCP retail - rental (THB/sqm/month)	0	2,098	2,262

Source: FSSIA estimates

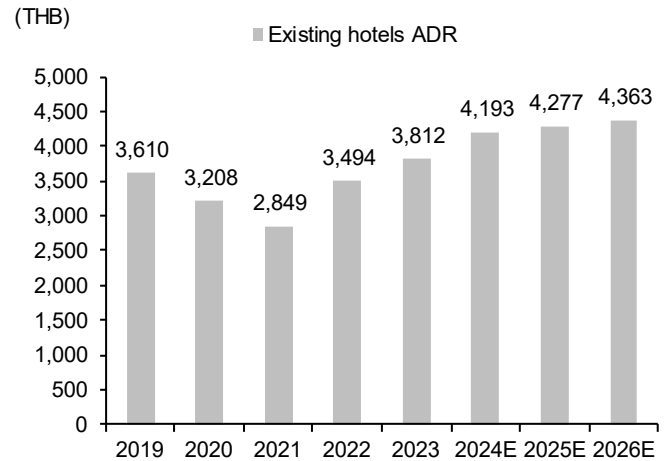
### Earnings sensitivity

- For every 1% increase in the OCC rate of existing hotels, we project a 2024 profit increase of 8% and vice versa, all else being equal.
- For every 1% increase in the OCC rate of the DCP hotel, we project a 2024 profit increase of 3%, and vice versa, all else being equal.

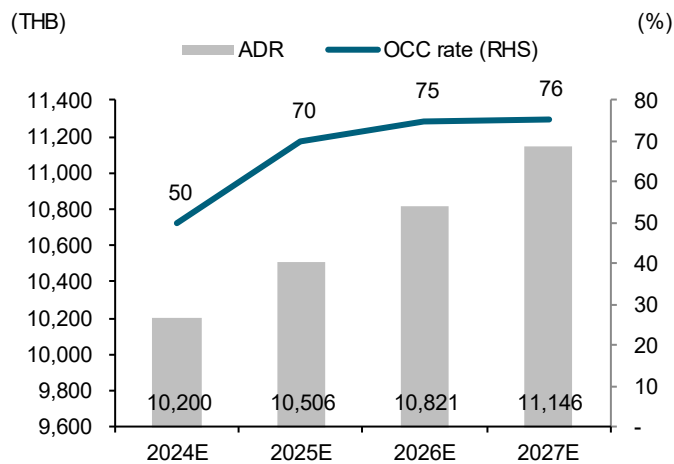
Source: FSSIA estimates

**Exhibit 1: Existing owned hotels OCC rate, yearly**

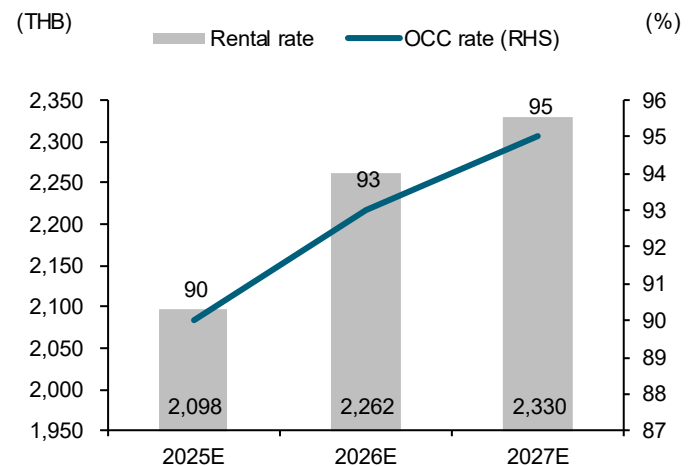
Sources: DUSIT; FSSIA estimates

**Exhibit 2: Existing owned hotels ADR, yearly**

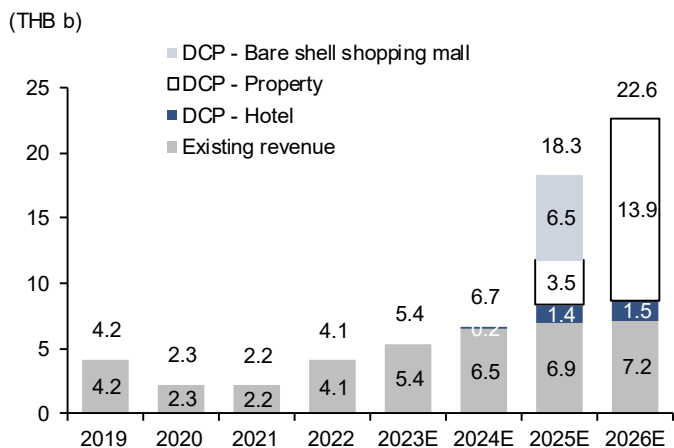
Sources: DUSIT; FSSIA estimates

**Exhibit 3: DCP hotel project key assumptions**

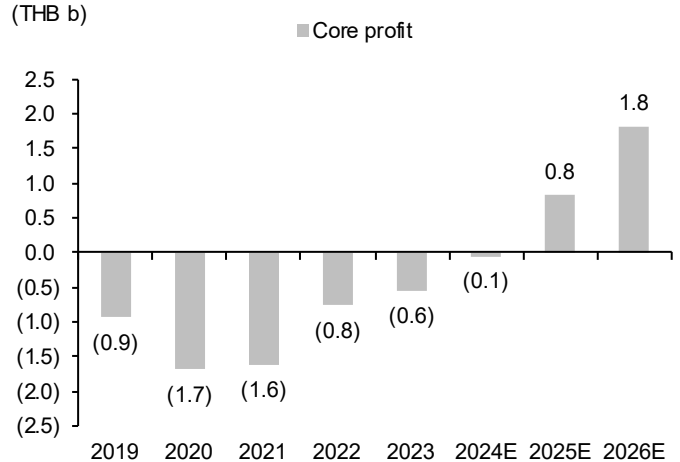
Sources: DUSIT; FSSIA estimates

**Exhibit 4: DCP shopping mall project key assumptions**

Sources: DUSIT; FSSIA estimates

**Exhibit 5: Revenue forecast**

Note: Excludes non-recurring items  
Sources: DUSIT; FSSIA estimates

**Exhibit 6: Core profit forecast**

Sources: DUSIT; FSSIA estimates

Exhibit 7: Comparison of DCP project and old flagship hotel

	DCP project (THB m)	DCP project (DUSIT's portion) (THB m)	Old Dusit Thani Bangkok in 2018 (THB m)
Hotel in 2026E			
OCC rate (%)	75	75	77
ADR (THB)	10,821	10,821	3,150
Revenue	1,527	1,069	840
EBITDA	333	233	180
Net profit	153	107	n/a
Residential in 2025-26E			
Revenue for residential business	17,359	12,152	-
Net profit for residential units	2,951	2,066	-
Shopping mall in 2025E			
OCC rate	93	93	-
Rental rate	2,262	2,262	-
Revenue	1,083	162	-
Net profit	386	58	-
Hotel management fee/Brand loyalty fee	-	76	-

Sources: DUSIT; FSSIA estimates

Exhibit 8: DCP project summary

### Our Real Estate Development Business

THB 46 bn mixed-use project covering 440,000 sqm of prime estate on the corner of Silom and Rama IV roads, in partnership with Central Pattana.

#### Dusit Thani Bangkok

- The new flagship of Dusit International
- 5-star park view hotel
- Elegant design embracing Thai heritage and identity
- Digital technology services
- 39 Floors, 49,500 sq m

#### The Residences at Dusit Central Park

- Super luxury Residences with two concepts under Dusit Residences (Refined, Timeless, Exclusive) and One Parkside (Elegant, Contemporary, Curated)
- 69 Floors, 50,500 sqm (Net saleable area)

#### Central Park

- World class retail centre with interactive retail experiences
- Iconic brands and a variety of international F&B outlets
- 8 Floors, 30,000 sqm (Net saleable area)

#### Central Park Offices

- The best-in-class office building with LEED certified in CSD Bangkok
- Fully equipped with functions for intelligent building
- 40 Floors, 90,000 sqm

#### Roof Park

- Thailand's biggest roof park, 11,200 sqm (7 rail) of green space on top of retail podium
- Open space for sports, leisure activities, and special events

(Green) Excluding parking area

Source: DUSIT


Exhibit 9: DCP hotel room offering view of Lumpini park from every room

### Distinctive Park-View Accommodations

Setting a new standard for city-centre stays with uninterrupted views of magnificent Lumpini Park from every room.

Elegant details decorate the spaces ranging from sensational rooms to signature suites, each evoking the timeless elegance of Dusit Thani Bangkok's original designs, while colourful accents orientate guests in a truly Thai setting.

Full-width windows frame uninterrupted views of magnificent Lumpini Park. This design represents a gilded picture frame for the memories made during every stay.



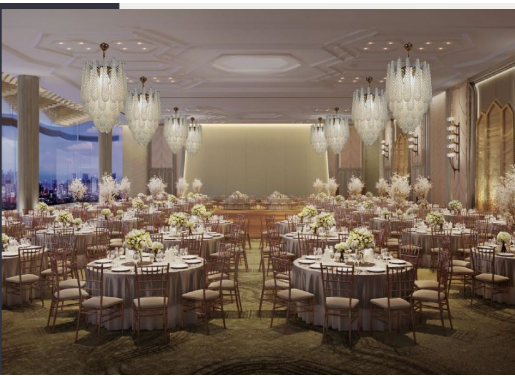
Source: DUSIT

Exhibit 10: DCP hotel's Napalai Grand Ballroom

### Napalai Grand Ballroom

The Napalai Grand Ballroom boasts panoramic Lumpini Park views and a full-width window for breathtaking backdrops beneath a soaring double-height ceiling.

The state-of-the-art ballroom accommodates 900 people seated at tables or 1,400 guests for cocktails within its event space.



Source: DUSIT

Exhibit 11: DCP hotel's Lumpini Lawn

### Lumpini Lawn

Step onto Lumpini Lawn, an immaculately landscaped terrace, where lush tropical foliage frames a stylish outdoor space. Seat up to 160 guests or host an intimate gathering or party with views of the city below.



Source: DUSIT



## Exhibit 12: DUSIT – 2Q24 results summary

FY ending Dec	2Q23	3Q23	4Q23	1Q24	2Q24	----- Change -----		2023	2024E	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	1,121	1,181	1,602	1,810	1,372	(24)	22	5,377	6,453	20
COGS (incl depreciation)	(772)	(843)	(1,060)	(1,105)	(918)	(17)	19	(3,573)	(3,961)	11
<b>Gross profit</b>	<b>349</b>	<b>338</b>	<b>542</b>	<b>705</b>	<b>454</b>	<b>(36)</b>	<b>30</b>	<b>1,804</b>	<b>2,492</b>	<b>38</b>
SG&A	(688)	(723)	(738)	(778)	(754)	(3)	10	(2,834)	(3,007)	6
<b>Operating profit</b>	<b>(340)</b>	<b>(385)</b>	<b>(196)</b>	<b>(73)</b>	<b>(301)</b>	<b>(311)</b>	<b>(12)</b>	<b>(1,030)</b>	<b>(515)</b>	<b>(50)</b>
Management service income	120	146	193	174	121	(31)	0	619	667	8
Interest income	7	6	9	7	12	70	61	27	22	(20)
Realized income from deferred rental revenue	7	7	7	7	7	1	0	27	27	0
Other income	61	50	107	38	50	31	(18)	263	270	3
Interest expenses	(126)	(133)	(140)	(135)	(136)	0	8	(524)	(573)	9
<b>Pretax profit</b>	<b>(270)</b>	<b>(309)</b>	<b>(20)</b>	<b>18</b>	<b>(247)</b>	<b>1,496</b>	<b>(9)</b>	<b>(618)</b>	<b>(102)</b>	<b>(83)</b>
Income tax	12	16	(25)	(20)	5	(125)	(58)	4	61	1,347
Associates	33	14	(26)	60	105	75	221	48	51	5
Minority interest	8	7	3	(4)	6	(253)	(23)	14	44	210
<b>Core profit</b>	<b>(218)</b>	<b>(273)</b>	<b>(68)</b>	<b>54</b>	<b>(131)</b>	<b>346</b>	<b>(40)</b>	<b>(551)</b>	<b>(54)</b>	<b>(110)</b>
Extraordinaries, GW & FX	32	26	(78)	69	1			(19)	0	(100)
- Gain on sale of other long-term investments	0	0	0	0	0					
- Gain on measurement of other financial assets	0	0	2	1	1					
- FX gain/loss	32	26	(97)	67	0					
- Others	0	0	18	0	0					
<b>Reported net profit</b>	<b>(186)</b>	<b>(247)</b>	<b>(146)</b>	<b>122</b>	<b>(131)</b>	<b>207</b>	<b>(30)</b>	<b>(570)</b>	<b>(54)</b>	<b>(109)</b>
Outstanding shares (m)	850	850	850	850	850	0	0	850	850	0
<b>Core EPS (THB)</b>	<b>(0.26)</b>	<b>(0.32)</b>	<b>(0.08)</b>	<b>0.06</b>	<b>(0.15)</b>	<b>346</b>	<b>(40)</b>	<b>(0.65)</b>	<b>(0.06)</b>	<b>(110)</b>
<b>EPS (THB)</b>	<b>(0.22)</b>	<b>(0.29)</b>	<b>(0.17)</b>	<b>0.14</b>	<b>(0.15)</b>	<b>207</b>	<b>(30)</b>	<b>(0.67)</b>	<b>(0.06)</b>	<b>(109)</b>
COGS excl. depreciation	(553)	(612)	(829)	(878)	(690)	(21)	25	(2,672)	(2,854)	7
Depreciation	(219)	(231)	(231)	(228)	(228)	0	4	(901)	(1,107)	23
EBITDA	108	69	326	441	221	(50)	106	856	1,629	90
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	31	29	34	39	33	(6)	2	34	39	5
SG&A/Revenue	61	61	46	43	55	12	(6)	53	47	(6)
EBITDA margin	9	6	19	24	16	(8)	6	15	24	9
Net profit margin	(17)	(21)	(9)	7	(10)	(16)	7	(11)	1	11
<b>Operating stats</b>										
Hotel revenue growth y-y (%)	31	18	23	24	15					
Education revenue growth y-y (%)	(5)	420	(20)	4	(6)					
Foods revenue growth y-y (%)	67	22	25	20	33					
Occupancy (%)	66	68	73	81	70					
ADR (THB/night)	3,311	3,201	4,230	4,828	3,531					
RevPar (THB/night)	2,187	2,174	3,096	3,932	2,485					

Sources: DUSIT; FSSIA estimates

## Exhibit 13: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total normalized revenue	6,690	18,276	22,567	6,453	19,477	20,244	4	(6)	11
Existing hotel revenue	5,191	5,377	5,484	4,894	5,025	5,125	6	7	7
Other business revenue	1,261	1,548	1,664	1,226	1,367	1,426	3	13	17
DCP project revenue	238	11,352	15,418	333	13,086	13,693	(29)	(13)	13
EBITDA margin* (%)	4.8	12.5	17.6	9.2	14.5	18.0	(4)	(2)	(0)
Core profit	(54)	748	1,755	54	1,097	1,611	(201)	(32)	9
<b>Key assumptions</b>									
Existing hotel - OCC rate (%)	75	75	75	74	74	74	1	1	1
Existing ADR (THB)	4,193	4,277	4,363	4,003	4,083	4,164	5	5	5
DCP - OCC rate (%)	50	70	75	70	70	75	(20)	0	0
DCP -ADR (THB)	10,200	10,506	10,821	10,200	10,506	10,821	0	0	0

\*Note: EBITDA margin excludes other income and non-recurring items

Source: FSSIA estimates

Exhibit 14: 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		1.3			
Cost of equity, Ke		13.4	Net cost of debt, Kd		2.8
Weight applied		50.0	Weight applied		50.0
WACC		8.1			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	6.6	7.8	WACC 8.1%, risk-free rate 3%, risk premium 8%
Terminal value	19.8	23.3	Terminal growth 3%
DCP residential business	1.7	2.0	Project value of THB17.0b with EBITDA margin of 20-25% / DUSIT holds 70%
Cash & liquid assets	0.3	0.3	At end-2024E
Investments	2.2	2.6	At end-2024E
Debt	(15.4)	(18.2)	At end-2024E
Minorities	(2.4)	(2.8)	At end-2024E
Residual ordinary equity	12.7	15.0	

Source: FSSIA estimates

Exhibit 15: Peer comparisons as of 26 Aug 2024

Company	BBG	Rec	Share price			Market cap	PE			ROE		PBV		EV/EBITDA		
			Current	Target	Upside		24E	25E	26E	24E	25E	24E	25E	24E	25E	
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand																
Asset World Corp	AWC TB	BUY	3.70	5.50	49	3,485	54.1	45.3	36.8	2.4	2.8	1.3	1.2	31.5	28.5	
Minor International	MINT TB	BUY	26.50	44.00	66	4,422	18.4	16.5	14.8	10.7	11.3	1.9	1.8	7.5	6.8	
Central Plaza Hotel	CENTEL TB	BUY	34.25	50.00	46	1,361	30.2	24.1	20.6	7.5	8.8	2.2	2.1	14.2	13.1	
Erawan Group	ERW TB	BUY	3.82	6.50	70	549	22.1	20.3	18.8	11.6	10.8	2.3	2.1	13.3	12.0	
S Hotels & Resorts	SHR TB	BUY	2.02	3.80	88	214	26.8	15.9	12.8	1.7	2.8	0.4	0.4	8.3	7.5	
Dusit Thani	DUSIT TB	BUY	10.90	15.00	38	273	(170.6)	12.4	5.3	(1.6)	18.7	2.7	2.0	84.2	14.1	
Bound and Beyond	BEYOND TB	BUY	8.65	20.00	131	74	25.6	11.7	9.7	1.6	3.4	0.4	0.4	8.7	7.1	
Thailand average						10,376	0.9	20.9	17.0	4.8	8.4	1.6	1.4	24.0	12.7	
Regional																
Btg Hotels Group	600258 CH	n/a	11.22	n/a	n/a	1,757	16.0	13.7	12.3	7.2	7.6	1.1	1.1	8.0	7.5	
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.42	n/a	n/a	3,202	9.6	7.5	7.0	6.5	8.3	0.6	0.6	11.3	9.9	
Huangshan Tourism Dev.	900942 CH	n/a	0.72	n/a	n/a	920	9.9	8.3	7.6	8.5	9.2	0.8	0.8	9.2	6.8	
Genting Bhd	GENT MK	n/a	4.33	n/a	n/a	3,831	16.2	9.3	8.0	3.9	5.0	0.5	0.5	6.2	5.6	
Huazhu Group	HTHT US	n/a	29.09	n/a	n/a	9,273	16.6	16.2	13.8	34.4	29.7	4.9	4.7	9.7	9.2	
Indian Hotels	IH IN	n/a	661.60	n/a	n/a	11,254	102.4	72.9	58.4	12.6	14.8	12.0	10.3	53.6	43.3	
Lemon Tree Hotels	LEMONTRE IN	n/a	132.95	n/a	n/a	1,255	91.5	76.6	48.6	12.3	14.6	11.6	10.7	31.1	25.7	
Lippo Karawaci	LPKR IJ	n/a	79.00	n/a	n/a	366	n/a	11.4	4.2	n/a	3.2	n/a	0.4	n/a	6.1	
Regional average						31,858	37.5	27.0	20.0	12.2	11.6	4.5	3.6	18.4	14.3	
Global																
Nh Hotel Group	NHH SM	n/a	4.14	n/a	n/a	2,014	16.9	12.5	10.5	12.9	15.4	1.9	1.6	7.1	6.4	
Melia Hotels International	MEL SM	n/a	6.45	n/a	n/a	1,590	14.0	11.0	10.3	21.4	20.6	2.8	2.3	8.5	7.7	
Intercontinental Hotels G.	IHG LN	n/a	7,520	n/a	n/a	15,739	26.2	23.0	20.1	(34.6)	(32.9)	n/a	n/a	17.1	15.6	
Whitbread	WTB LN	n/a	2,848	n/a	n/a	6,769	20.2	13.1	13.5	6.8	10.6	1.4	1.4	11.3	9.1	
Accor	ACRFF US	n/a	39.38	n/a	n/a	9,594	19.5	15.8	14.1	11.3	12.0	1.7	1.8	11.9	10.6	
Choice Hotels	CHH US	n/a	125.56	n/a	n/a	5,928	20.8	19.4	18.9	242.2	1,441.7	67.0	n/a	14.2	13.1	
Hilton Worldwide Holdings	HLT US	n/a	215.29	n/a	n/a	53,053	35.3	30.7	26.6	(95.3)	(56.7)	n/a	n/a	20.5	18.4	
Hyatt Hotels Corp	H US	n/a	147.08	n/a	n/a	14,845	66.3	34.2	35.6	6.1	12.9	4.3	3.9	16.4	14.7	
Marriott International	MAR US	n/a	224.67	n/a	n/a	63,250	26.2	24.0	21.1	(914.9)	(195.7)	n/a	n/a	16.5	15.3	
Global average						172,782	27.3	20.4	19.0	(82.7)	136.4	13.2	2.2	13.7	12.3	
Overall average						215,016	22.3	22.7	18.7	(27.2)	57.5	6.1	2.5	18.3	13.1	

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Dusit Thani

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,084	5,377	6,690	18,276	22,567
Cost of goods sold	(2,851)	(3,573)	(4,262)	(13,124)	(14,569)
<b>Gross profit</b>	<b>1,233</b>	<b>1,804</b>	<b>2,428</b>	<b>5,152</b>	<b>7,997</b>
Other operating income	-	-	-	-	-
Operating costs	(2,305)	(2,834)	(3,172)	(4,210)	(5,412)
<b>Operating EBITDA</b>	<b>(138)</b>	<b>(129)</b>	<b>319</b>	<b>2,291</b>	<b>3,970</b>
Depreciation	(934)	(901)	(1,063)	(1,349)	(1,385)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(1,072)</b>	<b>(1,030)</b>	<b>(744)</b>	<b>942</b>	<b>2,586</b>
Net financing costs	(481)	(497)	(551)	(724)	(653)
Associates	67	48	170	146	163
Recurring non-operating income	706	958	1,130	1,190	1,257
Non-recurring items	264	(19)	0	500	0
<b>Profit before tax</b>	<b>(583)</b>	<b>(588)</b>	<b>(165)</b>	<b>1,908</b>	<b>3,189</b>
Tax	36	4	61	(243)	(599)
<b>Profit after tax</b>	<b>(547)</b>	<b>(584)</b>	<b>(105)</b>	<b>1,665</b>	<b>2,590</b>
Minority interests	46	14	50	(417)	(835)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(501)</b>	<b>(570)</b>	<b>(54)</b>	<b>1,248</b>	<b>1,755</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(264)</b>	<b>19</b>	<b>0</b>	<b>(500)</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(766)</b>	<b>(551)</b>	<b>(54)</b>	<b>748</b>	<b>1,755</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.90)	(0.65)	(0.06)	0.88	2.06
Reported EPS	(0.59)	(0.67)	(0.06)	1.47	2.06
DPS	0.00	0.00	0.00	0.62	1.45
Diluted shares (used to calculate per share data)	850	850	850	850	850
<b>Growth</b>					
Revenue (%)	86.1	31.7	24.4	173.2	23.5
Operating EBITDA (%)	nm	nm	nm	618.7	73.3
Operating EBIT (%)	nm	nm	nm	nm	174.6
Recurring EPS (%)	nm	nm	nm	nm	134.6
Reported EPS (%)	nm	nm	nm	nm	40.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	30.2	33.6	36.3	28.2	35.4
Gross margin exc. depreciation (%)	53.1	50.3	52.2	35.6	41.6
Operating EBITDA margin (%)	(3.4)	(2.4)	4.8	12.5	17.6
Operating EBIT margin (%)	(26.3)	(19.2)	(11.1)	5.2	11.5
Net margin (%)	(18.8)	(10.2)	(0.8)	4.1	7.8
Effective tax rate (%)	3.9	0.7	0.0	19.3	19.8
Dividend payout on recurring profit (%)	-	-	-	70.0	70.0
Interest cover (X)	(0.8)	(0.1)	0.7	2.9	5.9
Inventory days	16.5	15.0	210.0	205.7	141.9
Debtor days	43.4	38.1	32.1	11.7	9.5
Creditor days	289.9	265.5	246.1	51.4	63.4
Operating ROIC (%)	(6.1)	(5.6)	(3.5)	2.9	8.8
ROIC (%)	(1.6)	(0.3)	1.5	5.4	10.6
ROE (%)	(20.7)	(14.6)	(1.6)	18.7	33.4
ROA (%)	(1.4)	(0.3)	1.5	5.1	9.2
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	2,563	3,682	4,575	12,278	14,956
Others	1,520	1,694	2,116	5,998	7,610

Sources: Dusit Thani; FSSIA estimates

## Financial Statements

Dusit Thani

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	(766)	(551)	(54)	748	1,755
Depreciation	934	901	1,063	1,349	1,385
Associates & minorities	-	-	-	-	-
Other non-cash items	1,505	1,526	(50)	917	835
Change in working capital	583	66	(3,089)	(6,458)	10,888
<b>Cash flow from operations</b>	<b>2,257</b>	<b>1,943</b>	<b>(2,132)</b>	<b>(3,444)</b>	<b>14,862</b>
Capex - maintenance	(2,094)	(3,088)	(1,952)	(1,050)	(429)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	91	25	(441)	(441)	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(2,003)</b>	<b>(3,064)</b>	<b>(2,393)</b>	<b>(1,491)</b>	<b>(429)</b>
Dividends paid	(24)	(23)	0	0	(524)
Equity finance	0	0	0	0	0
Debt finance	(1,127)	819	1,500	5,500	(9,000)
Other financing cash flows	1,830	(108)	1,578	(489)	(3,348)
<b>Cash flow from financing</b>	<b>679</b>	<b>688</b>	<b>3,078</b>	<b>5,011</b>	<b>(12,871)</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>933</b>	<b>(433)</b>	<b>(1,447)</b>	<b>76</b>	<b>1,562</b>
Free cash flow to firm (FCFF)	745.94	(597.04)	(3,952.11)	(4,207.63)	15,091.14
Free cash flow to equity (FCFE)	956.34	(410.73)	(1,447.10)	75.76	2,085.82
<b>Per share (THB)</b>					
FCFF per share	0.88	(0.70)	(4.65)	(4.95)	17.75
FCFE per share	1.13	(0.48)	(1.70)	0.09	2.45
Recurring cash flow per share	1.97	2.21	1.13	3.55	4.68
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	23,625	26,221	28,174	29,224	29,653
Less: Accumulated depreciation	(5,604)	(6,013)	(7,075)	(8,425)	(9,810)
<b>Tangible fixed assets (net)</b>	<b>18,021</b>	<b>20,208</b>	<b>21,098</b>	<b>20,799</b>	<b>19,843</b>
<b>Intangible fixed assets (net)</b>	<b>971</b>	<b>999</b>	<b>999</b>	<b>999</b>	<b>999</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,761	1,736	2,177	2,618	2,618
Cash & equivalents	2,143	1,710	262	338	1,901
A/C receivable	534	588	588	588	588
Inventories	109	111	3,570	9,701	549
Other current assets	614	662	772	527	1,736
<b>Current assets</b>	<b>3,399</b>	<b>3,071</b>	<b>5,192</b>	<b>11,155</b>	<b>4,774</b>
Other assets	2,077	1,908	1,908	1,908	1,908
<b>Total assets</b>	<b>26,229</b>	<b>27,922</b>	<b>31,375</b>	<b>37,479</b>	<b>30,142</b>
Common equity	4,121	3,440	3,386	4,634	5,865
Minorities etc.	923	873	2,401	2,328	(184)
<b>Total shareholders' equity</b>	<b>5,045</b>	<b>4,313</b>	<b>5,786</b>	<b>6,962</b>	<b>5,681</b>
Long term debt	11,999	12,622	14,122	19,622	10,622
Other long-term liabilities	5,892	7,327	7,327	7,327	7,327
<b>Long-term liabilities</b>	<b>17,891</b>	<b>19,948</b>	<b>21,448</b>	<b>26,948</b>	<b>17,948</b>
A/C payable	1,924	1,964	2,351	968	3,612
Short term debt	1,125	1,321	1,321	1,321	1,321
Other current liabilities	245	377	469	1,280	1,581
<b>Current liabilities</b>	<b>3,294</b>	<b>3,661</b>	<b>4,140</b>	<b>3,568</b>	<b>6,513</b>
<b>Total liabilities and shareholders' equity</b>	<b>26,229</b>	<b>27,922</b>	<b>31,375</b>	<b>37,479</b>	<b>30,142</b>
Net working capital	(913)	(979)	2,110	8,568	(2,319)
Invested capital	21,917	23,872	28,292	34,893	23,049
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	4.85	4.05	3.98	5.45	6.90
Tangible book value per share	3.71	2.87	2.81	4.28	5.72
<b>Financial strength</b>					
Net debt/equity (%)	217.7	283.6	262.3	295.9	176.8
Net debt/total assets (%)	41.9	43.8	48.4	55.0	33.3
Current ratio (x)	1.0	0.8	1.3	3.1	0.7
CF interest cover (x)	3.0	0.2	(1.6)	1.1	4.2
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>(12.1)</b>	<b>(16.8)</b>	<b>(170.6)</b>	<b>12.4</b>	<b>5.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(16.6)</b>	<b>(23.2)</b>	<b>(234.7)</b>	<b>17.0</b>	<b>7.3</b>
Reported P/E (x)	(18.5)	(16.3)	(170.6)	7.4	5.3
Dividend yield (%)	-	-	-	5.7	13.3
Price/book (x)	2.2	2.7	2.7	2.0	1.6
Price/tangible book (x)	2.9	3.8	3.9	2.5	1.9
EV/EBITDA (x) **	(153.5)	(173.1)	84.2	14.1	4.8
EV/EBITDA @ target price (x) **	(178.8)	(200.1)	95.1	15.6	5.7
EV/invested capital (x)	1.0	0.9	0.9	0.9	0.8
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Dusit Thani; FSSIA estimates



# Dusit Thani PCL (DUSIT TB)

FSSIA ESG rating

★★

Exhibit 16: FSSIA ESG score implication

24.81 /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 17: 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	24.98	--	--	--	5.00	5.00	Certified	--	39.83	--	--	--	--	--	--
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	--
MINT	84.43	Y	Y	Y	5.00	4.00	Certified	Medium	57.57	AA	37.00	91.18	69.00	5.00	--
SHR	25.00	--	Y	Y	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 18: 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		12 / 8 / 6
Climate change opportunities discussed		--	No. of board meetings for the year / % attendance		11 / 95.02%
GHG scope 2 location-based policy		Yes	Company conducts board evaluations		Yes
Biodiversity policy		Yes	Number of non-executive directors on board		9
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		55 / 86
Waste reduction policy		Yes	Number of executives / female		7 / 3
Water policy		Yes	Executive share ownership guidelines		No
Water consumption		504.12	Size of audit committee / ID		3 / 3
Social			Audit committee meetings		7
Human rights policy		Yes	Audit committee meeting attendance (%)		100
Policy against child labor		Yes	Size of compensation committee		3 / 3
Quality assurance and recall policy		Yes	Number of compensation committee meetings		5
Consumer data protection policy		Yes	Compensation committee meeting attendance (%)		100
Equal opportunity policy		Yes	Size of nomination committee / ID		3 / 3
Gender pay gap breakout		--	Number of nomination committee meetings		5
Pct women in workforce		52.08	Nomination committee meeting attendance (%)		100
Business ethics policy		Yes	Board compensation (THB m)		7.01
Anti-bribery ethics policy		Yes	Auditor fee (THB m)		2.05
Health and safety policy		Yes	(KPMG PHOOMCHAI AUDIT COMPANY LIMITED)		
Lost time incident rate - employees		Yes			
Training policy		Yes			
Fair remuneration policy		Yes			
Number of employees - CSR		--			
Total hours spent by firm - employee training		--			
Social supply chain management		Yes			

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 Sustainabilitytics' 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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
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B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
CCC	0.000-1.428																					
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
Dusit Thani	DUSIT TB	THB 10.90	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 3.70	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.
Minor International	MINT TB	THB 26.50	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 34.25	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 more intense competition in the F&B business, which may result in price competition; and 3) a slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 3.82	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 2.02	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 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 26-Aug-2024 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.