

Thailand Hotels

RevPAR resilient and rising in 3Q24

- Positive RevPAR trend in July and Aug. Double-digit organic growth y-y for Thai hotels and 4-6% y-y growth estimated for hotels with renovation programs. Strong recovery of Maldives hotels. European hotels still have robust RevPAR growth.
- Maintain OVERWEIGHT; decent 3Q24E earnings with promising outlook in upcoming high season.

Thai hotels: RevPAR growth continues in 3Q24

We updated the RevPAR trend with Thai hotels over July and Aug and see positive movement. Starting with RevPAR of hotels based in Thailand, we estimate RevPAR growth of more than 10% y-y for MINT, AWC, and BEYOND. However, some hotels should record lesser growth of around 4-6% y-y, including CENTEL (from major renovation of Centara Mirage Pattaya), SHR (from renovation of SAii Laguna Phuket), ERW (from the poisoning incident at Grand Hyatt) and DUSIT (from renovation of Dusit Thani Phuket). Overall, we see that RevPAR is still growing well in 3Q24, but it may not attract much market attention when compared to the 10-15% y-y RevPAR growth in 1H24. We expect RevPAR to accelerate in 4Q24 – the high season.

Overseas hotels: RevPAR picking up in Maldives; Europe still healthy

RevPAR of Maldives hotels (CENTEL, SHR, and DUSIT) has shown a significant recovery, growing 10-20% y-y, driven by an increase in tourist arrivals, from growth of 2% y-y in 2Q24 to 15% y-y in July and Aug. RevPAR of European hotels has also consistently improved at a rate of 13-15% for MINT and 5-6% y-y for SHR (lower due to the expiration of the exclusive use agreement of some hotels). For Japan hotels (CENTEL and ERW), RevPAR should decline by 9-12% q-q due to the low season (y-y comparison is not applicable as the hotels have recently opened).

3Q24 earnings outlook: expect all stocks to report growth y-y

We believe all of the hotel stocks under our coverage should deliver core profit growth y-y thanks to better y-y RevPAR. For q-q, we have categorized the stocks into three groups: 1) ERW and SHR should record growth q-q; 2) AWC and BEYOND are expected to maintain stable core earnings; and 3) the last group's profit is likely to decline q-q, including MINT (from seasonality), CENTEL (from pre-operating expenses of new Maldives hotels), and DUSIT (from pre-operating expenses of the Dusit Central Park (DCP) project).

Top picks are MINT and AWC; wildcard picks are SHR and DUSIT

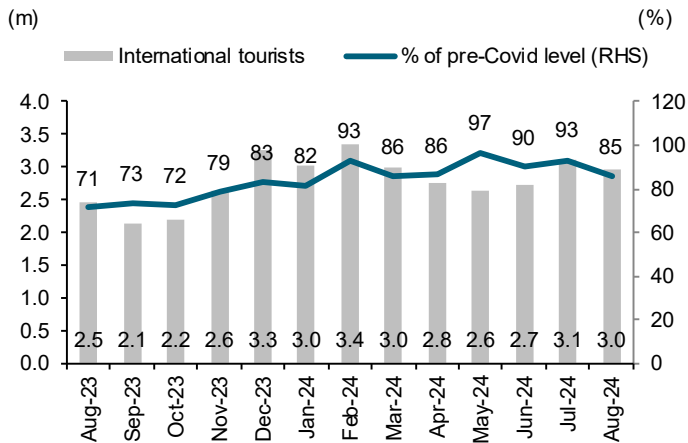
We are Overweight on the sector. While 3Q24 earnings may not be a major market catalyst, we recommend starting to accumulate the stocks for strong growth during 4Q24-1Q25 due to the high tourism season (for Thailand and Maldives). Our top picks are 1) MINT, driven by strong RevPAR growth, a cheap valuation, and its deleveraging plan in 2H24; and 2) AWC, led by the earnings growth cycle of its hotel business and a larger asset size vs pre-Covid. Our wildcard picks are 1) SHR, from its earnings bottom with potential growth q-q and y-y over the next three consecutive quarters after all its hotel portfolios perform at a normalized level; and 2) DUSIT, led by the DCP project, scheduled to open on 27 Sep.



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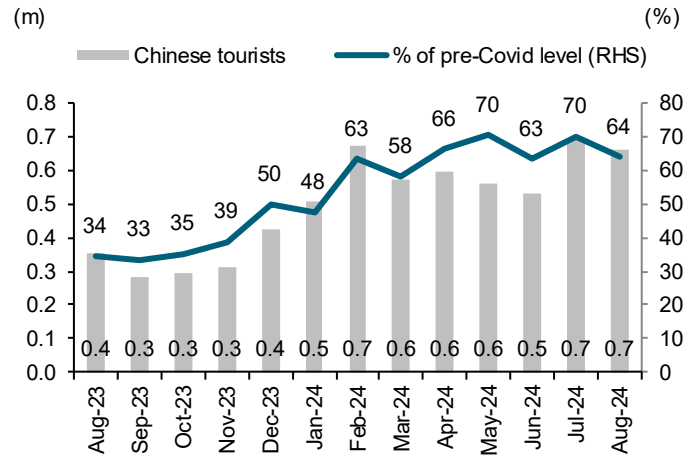
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Exhibit 1: Thailand's total tourist arrivals by month



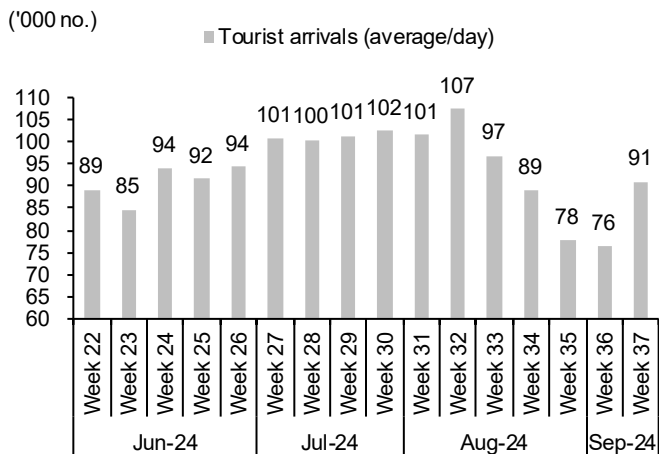
Source: MOTs

Exhibit 2: Thailand's Chinese tourist arrivals by month



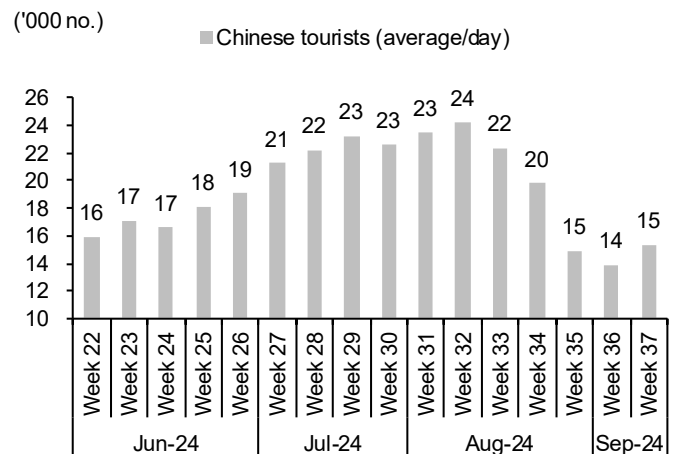
Source: MOTs

Exhibit 3: Thailand's tourist arrivals



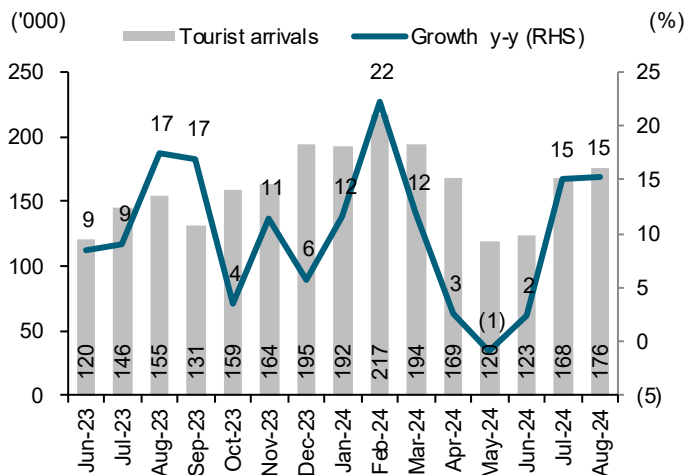
Source: Economics Tourism and Sports Division

Exhibit 4: Thailand's Chinese tourist arrivals



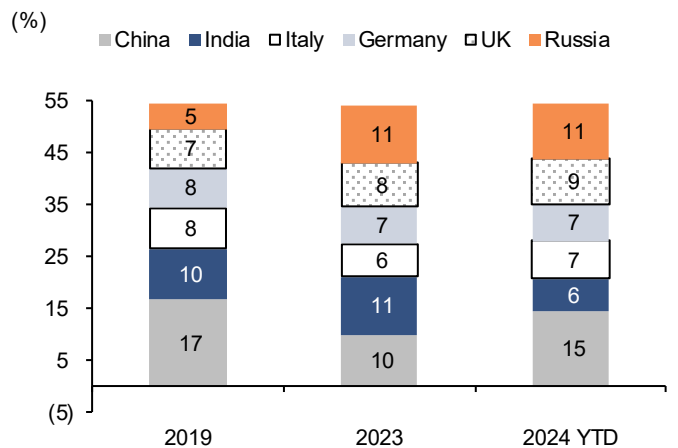
Source: Economics Tourism and Sports Division

Exhibit 5: Maldives' total tourist arrivals by month



Source: Ministry of Tourism, Maldives

Exhibit 6: Maldives' total tourist arrivals breakdown



Source: Ministry of Tourism, Maldives

Exhibit 7: Thai hotels – RevPAR for stocks under coverage

RevPAR (Unit: THB)	2Q23	3Q23	4Q23	1Q24	2Q24	Jul-Aug 24E	Change	Change (%)
	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(y-y%)	(vs 2Q24)
MINT	3,905	3,991	5,547	7,278	4,450	4,869	16	9
AWC	3,356	3,367	3,767	4,711	3,589	4,030	10	12
CENTEL	2,545	2,715	3,149	4,092	2,760	3,150	5	14
ERW (excl Hop Inn)	2,361	2,491	2,689	2,882	2,515	2,670	5	6
SHR	4,184	3,724	5,104	9,914	3,963	4,540	6	15
DUSIT	2,077	2,001	2,896	3,830	2,265	2,350	5	4
BEYOND	9,021	8,705	11,177	13,841	10,833	10,502	12	(3)
Growth y-y	(%)	(%)	(%)	(%)	(%)			
MINT	76	36	14	23	14			
AWC	82	29	4	13	7			
CENTEL	68	44	18	20	8			
ERW (excl Hop Inn)	103	46	9	11	7			
SHR	96	39	(5)	15	(5)			
DUSIT	43	21	18	21	9			
BEYOND	132	45	14	27	20			

Note: 1) Thai hotel portfolio only; 2) ERW's data excludes Hop Inn

Source: FSSIA's compilation and estimates

Exhibit 8: Overseas hotels – RevPAR for stocks under coverage

RevPAR (Unit: THB)	2Q23	3Q23	4Q23	1Q24	2Q24	Jul-Aug 24E	Change	Change (%)
	(THB)	(THB)	(THB)	(THB)	(THB)	(THB)	(y-y%)	(vs 2Q24)
Europe								
MINT (NH Hotel) (Unit: EUR)	111	103	95	78	120	117	14	(2)
SHR (UK)	2,866	3,226	2,312	2,032	3,064	3,500	6	14
Maldives								
MINT (Maldives) (Unit: USD)	391	302	493	787	381	N/A	N/A	N/A
CENTEL (Maldives)	6,896	6,685	10,127	15,237	6,887	7,300	12	6
SHR (Maldives)	7,258	6,690	10,167	14,378	8,102	8,430	14	4
DUSIT (Maldives)	6,889	7,405	13,841	17,787	9,017	9,200	18	2
Japan								
CENTEL (Osaka)		4,126	5,457	4,740	6,284	5,740	40	(9)
ERW (Japan)				1,404	2,322	2,040	N/A	(12)
Other								
SHR (Outrigger)	4,362	5,643	6,273	4,657	7,148	8,570	63	20
CENTEL(Dubai)	5,094	4,217	6,840	6,686	5,932	4,900	3	(17)
Growth y-y	(%)	(%)	(%)	(%)	(%)			
Europe								
MINT (NH Hotel)	25	7	16	13	8			
SHR (UK)	34	23	8	(1)	7			
Maldives								
MINT (Maldives)	(23)	(25)	(24)	(10)	(3)			
CENTEL (Maldives)	(23)	2	(5)	7	(0)			
SHR (Maldives)	(11)	(15)	(0)	17	12			
DUSIT (Maldives)	(24)	(7)	4	17	31			
Japan								
CENTEL (Osaka)		N/A	N/A	N/A	N/A			
ERW (Japan)				N/A	N/A			
Other								
SHR (Outrigger)	(1)	(6)	8	23	64			
CENTEL(Dubai)	28	20	13	24	16			

Note: CENTEL Maldives RevPAR excludes F&B revenue since 1Q21

Source: FSSIA's compilation and estimates

Exhibit 9: 3Q24E core profit outlook

Core profit	2Q23	3Q23	4Q23	1Q24	2Q24	----- 3Q24E outlook -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)
AWC	81	126	481	680	204	+	0
MINT	3,005	2,273	2,501	(352)	3,230	+	-
CENTEL	121	74	297	755	313	+	-
ERW	112	145	205	286	126	+/-0	+
SHR	(119)	(10)	65	129	(81)	+	+
DUSIT	(218)	(273)	(68)	54	(131)	+	-
BEYOND	(113)	(68)	(5)	68	(38)	+	0
Total	2,982	2,335	3,481	1,551	3,658		

Sources: Company data; FSSIA estimates

Exhibit 10: Core profit forecast summary

Stocks	----- Core net profit -----						----- Growth -----			
	2019	2022	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	(%)
Hotel	9,185	844	9,465	13,155	16,117	19,334	1,021	39	23	20
Asset World Corp	977	(49)	1,134	2,190	2,616	3,222	2,397	93	19	23
Central Plaza Hotel	1,722	398	1,120	1,533	1,917	2,246	181	37	25	17
The Erawan Group	464	(278)	719	846	922	996	359	18	9	8
S Hotels and Resorts	(98)	(39)	80	271	457	566	305	240	68	24
Minor International	7,060	2,019	7,132	8,294	9,262	10,293	253	16	12	11
Dusit Thani	(938)	(766)	(551)	(54)	748	1,755	28	90	1,477	135
Bound and Beyond	n/a	(441)	(169)	75	196	257	62	144	161	31

Sources: Company data; FSSIA estimates

Exhibit 11: Hotel – peer comparisons as of 16 Sep 2024

Company	BBG	Rec	----- Share price -----			Market	----- PE -----			----- ROE -----		----- PBV -----		EV/ EBITDA	
			Current	Target	Upside	cap	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	3.74	5.50	47	3,604	54.6	45.8	37.2	2.4	2.8	1.3	1.2	31.7	28.7
Minor International	MINT TB	BUY	28.50	44.00	54	4,865	19.8	17.7	15.9	10.7	11.3	2.1	1.9	7.7	7.0
Central Plaza Hotel	CENTEL TB	BUY	38.75	50.00	29	1,575	34.1	27.3	23.3	7.5	8.8	2.5	2.3	15.3	14.1
Erawan Group	ERW TB	BUY	4.04	6.50	61	594	23.4	21.4	19.8	11.6	10.8	2.4	2.2	13.7	12.4
S Hotels & Resorts	SHR TB	BUY	2.30	3.80	65	249	30.5	18.1	14.6	1.7	2.8	0.5	0.5	8.7	7.9
Dusit Thani	DUSIT TB	BUY	12.10	15.00	24	310	(189.3)	13.8	5.9	(1.6)	18.7	3.0	2.2	87.4	14.5
Bound and Beyond	BEYOND TB	BUY	9.05	18.00	99	79	35.0	13.4	10.2	1.2	3.1	0.4	0.4	9.2	7.5
Thailand average						11,276	1.2	22.5	18.1	4.8	8.3	1.7	1.5	24.8	13.2
Regional															
Btg Hotels Group	600258 CH	n/a	11.23	n/a	n/a	1,768	16.0	14.1	12.8	7.2	7.5	1.1	1.1	8.0	8.6
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.38	n/a	n/a	3,122	9.3	7.2	6.9	6.5	8.2	0.6	0.6	10.2	9.3
Huangshan Tourism Dev.	900942 CH	n/a	0.70	n/a	n/a	898	9.6	9.4	8.3	8.5	8.2	0.8	0.8	8.8	6.9
Genting Bhd	GENT MK	n/a	4.21	n/a	n/a	3,731	15.5	9.4	8.1	3.9	5.0	0.5	0.5	6.1	5.7
Huazhu Group	HTHT US	n/a	28.74	n/a	n/a	9,162	16.3	16.0	13.7	34.4	30.1	4.9	4.7	9.5	9.1
Indian Hotels	IH IN	n/a	690.95	n/a	n/a	11,742	106.6	75.9	60.7	12.6	14.8	12.5	10.8	55.8	45.0
Lemon Tree Hotels	LEMONTRE IN	n/a	132.56	n/a	n/a	1,236	89.9	75.3	48.0	12.3	14.6	11.3	10.5	30.7	25.4
Lippo Karawaci	LPKR IJ	n/a	87.00	n/a	n/a	411	n/a	12.7	4.7	n/a	3.2	n/a	0.4	n/a	6.3
Regional average						32,070	37.6	27.5	20.4	12.2	11.5	4.5	3.7	18.4	14.5
Global															
Nh Hotel Group	NHH SM	n/a	4.14	n/a	n/a	1,977	16.6	12.3	11.0	12.9	14.7	1.8	1.6	7.1	6.4
Melia Hotels International	MEL SM	n/a	6.49	n/a	n/a	1,597	14.1	11.2	10.4	21.4	20.5	2.8	2.3	8.5	7.7
Intercontinental Hotels G.	IHG LN	n/a	7,850	n/a	n/a	16,670	27.8	24.2	21.2	(34.6)	(32.0)	n/a	n/a	17.9	16.4
Whitbread	WTB LN	n/a	3,063	n/a	n/a	7,329	21.8	14.2	14.6	6.8	10.6	1.5	1.5	11.8	9.5
Accor	ACRFF US	n/a	42.25	n/a	n/a	10,293	21.0	17.1	15.2	11.3	12.0	1.8	2.0	12.5	11.1
Choice Hotels	CHH US	n/a	125.30	n/a	n/a	5,916	20.8	19.4	18.6	242.2	873.0	66.8	n/a	14.2	13.1
Hilton Worldwide Holdings	HLT US	n/a	218.10	n/a	n/a	53,746	35.7	31.1	26.9	(95.3)	(56.7)	n/a	n/a	20.8	18.6
Hyatt Hotels Corp	H US	n/a	144.85	n/a	n/a	14,620	65.3	33.7	35.1	6.1	13.9	4.2	3.7	16.2	14.6
Marriott International	MAR US	n/a	232.46	n/a	n/a	65,443	27.1	24.8	21.8	(914.9)	(196.0)	n/a	n/a	17.0	15.7
Global average						177,590	27.8	20.9	19.4	(82.7)	73.3	13.2	2.2	14.0	12.6
Overall average						220,936	22.7	23.6	19.4	(27.2)	33.7	6.1	2.6	18.7	13.4

Sources: Bloomberg; FSSIA estimates

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%). <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&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 Sustainability	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 & 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
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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; >25 to 50 = satisfactory; >50 to 75 = good; and >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

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Company	Ticker	Price	Rating	Valuation & Risks
Asset World Corp	AWC TB	THB 3.74	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 28.50	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 38.75	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 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 4.04	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 2.30	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.
Dusit Thani	DUSIT TB	THB 12.10	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Bound and Beyond	BEYOND TB	THB 9.05	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

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

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