

DUSIT THANI DUSIT TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

TARGET PRICE	THB15.00
CLOSE	THB11.00
UP/DOWNSIDE	+36.4%
PRIOR TP	THB15.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.0%

New era of Dusit Thani Bangkok

- Dusit Thani Bangkok reopened in Sep and expects to ramp up the OCC rate to 30-50% in Dec and 60-70% in 2025.
- Expect earnings to turn positive in 4Q24 and 2025 from transferring the bare-shell shopping malls and residential units.
- Maintain BUY with a 2025 DCF-based TP of THB15/shr.

Positive feedback from analyst meeting

We attended the analyst meeting on 27 Nov and have positive feedback on the Dusit Central Park project (DCP). The hotel recently soft opened on 27 Sep and the OCC rate has ramped up to 20-30% in Nov with ADR of THB9,000-10,000. Although we believe DUSIT may still record an operational loss in 4Q24, pressured by a loss from the DCP hotel, DUSIT should book a positive net profit as it would book revenue of cTHB4.0b and a profit of THB250-300m following the transfer of the bare-shell shopping malls to Suanlum Property (associate company which operates shopping malls; 85% held by CPN and 15% held by DUSIT).

Expect DCP hotel to reach breakeven in 2026

Management expects the DCP hotel's OCC rate to increase to 60-70% with ADR of THB12,000 in 2025. This is slightly higher than our previous assumption. We estimate this should be sufficient to break even at the EBITDA level. However, it should turn profitable at the net profit level in 2026. In addition, the residential units have a transfer target in late 2025 to 2026, with presales of 83-84% as of Nov-24 (vs 85% target by the end of this year). The average selling price has also increased to THB350,000/sqm from 280,000/sqm at the beginning of the project.

Earnings to turn profitable in 2026

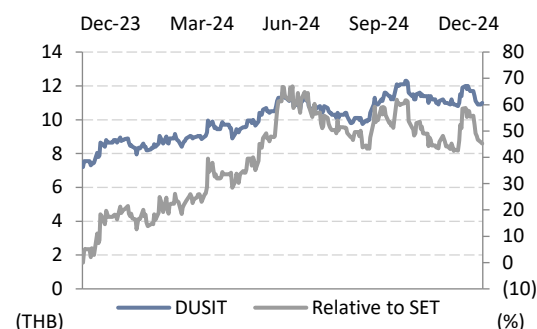
We expect DUSIT's earnings to turn profitable at THB264m in 2025, driven by the DCP residential project, which should transfer in late 2025 (we assume 20% of the total units will be transferred in 4Q25, with the remaining transferred in 2026). Earnings should peak at THB1.7b in 2026. We forecast a recurring core profit of cTHB350m in 2026, consisting of cTHB100m from existing businesses and cTHB250m from the DCP project.

Revising down earnings

We revise down the 2024E core loss to THB188m from THB54m mainly due to the pre-operating expenses of the DCP project (THB80m recorded in 3Q24 and estimated at THB20m in 4Q24) and a lower-than-expected existing business core profit. We also cut 2025E core profit from THB0.7b to THB0.3b as we shift the gain from transferring the bare-shell malls from 2025 to 2024. We also roll our DCF base over to 2025 and maintain our TP of THB15/shr. DUSIT is trading at a valuation of 26x 2026E P/E (based on recurring profit of THB350m) and 5x 2026E P/E (including residential sales).

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,377	10,433	10,399	23,558
Net profit	(570)	(328)	264	1,715
EPS (THB)	(0.67)	(0.39)	0.31	2.02
vs Consensus (%)	-	nm	(28.7)	(51.6)
EBITDA	(129)	442	1,246	3,793
Recurring net profit	(551)	(188)	264	1,715
Core EPS (THB)	(0.65)	(0.22)	0.31	2.02
Chg. In EPS est. (%)	nm	nm	(64.7)	(2.3)
EPS growth (%)	nm	nm	nm	549.0
Core P/E (x)	(17.0)	(49.8)	35.4	5.5
Dividend yield (%)	-	-	2.0	12.8
EV/EBITDA (x)	(173.8)	58.9	28.2	5.4
Price/book (x)	2.7	3.0	2.8	1.9
Net debt/Equity (%)	283.6	363.9	437.3	280.6
ROE (%)	(14.6)	(5.7)	8.1	41.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	(0.9)	49.7
Relative to country (%)	0.6	(7.0)	42.0
Mkt cap (USD m)	272		
3m avg. daily turnover (USD m)	0.3		
Free float (%)	27		
Major shareholder	Chanat family account (50%)		
12m high/low (THB)	12.40/7.15		
Issued shares (m)	850.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

DUSIT has opened 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).

We expect DUSIT to turn profitable in 2025 when the DCP project starts operating and the occupancy (OCC) rate of its existing hotels reaches more than 70%. Profits should jump in 2026 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

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
Feb 2025	4Q24 results announcement

Key assumptions

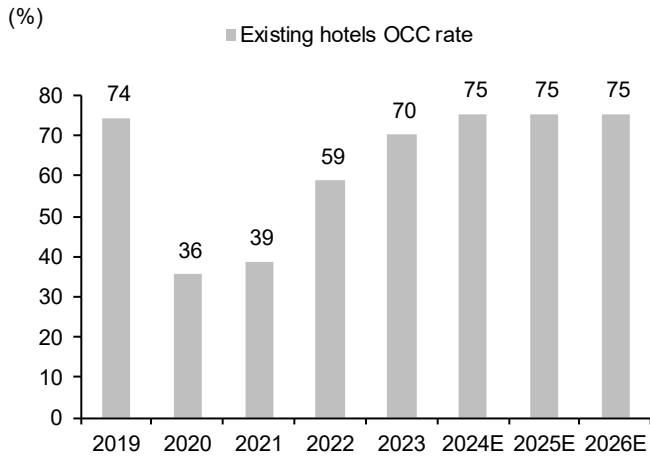
	2024E	2025E	2026E
Existing hotels - OCC rate (%)	75	75	75
Existing hotels - ADR (THB)	4,079	4,160	4,244
Food - revenue growth (%)	15	12	9
Education - revenue growth (%)	5	18	3
DCP hotel - OCC rate (%)	50	70	75
DCP hotel - ADR (THB)	10,200	10,506	10,821
DCP retail - OCC rate (%)	0	90	93
DCP retail - rental (THB/sqm/month)	0	2,098	2,262

Source: FSSIA estimates

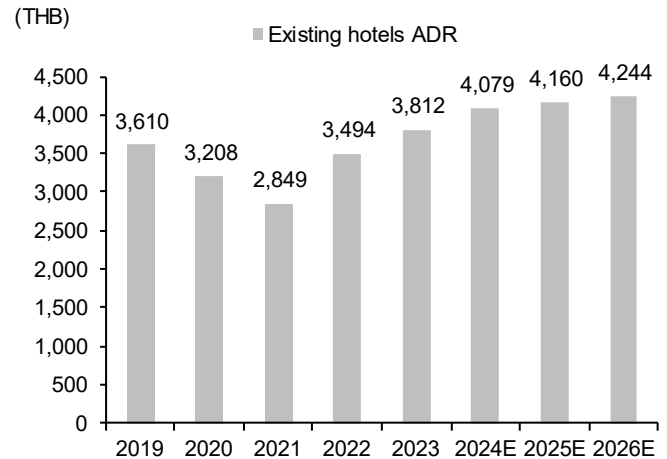
Earnings sensitivity

- 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.

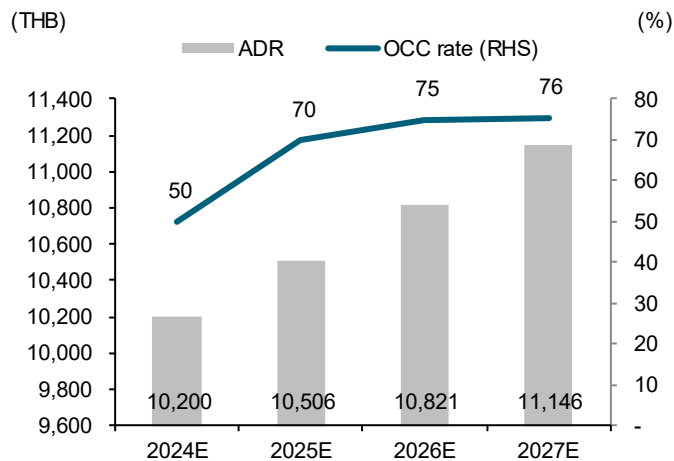
Source: FSSIA estimates

Exhibit 1: Existing owned hotels OCC rate, yearly

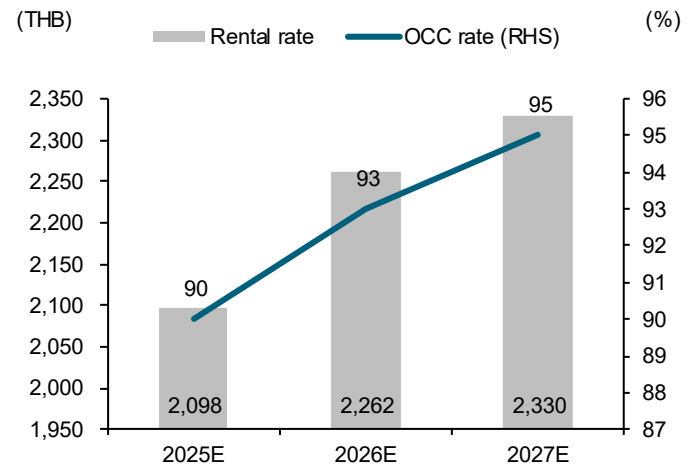
Sources: DUSIT; FSSIA estimates

Exhibit 2: Existing owned hotels ADR, yearly

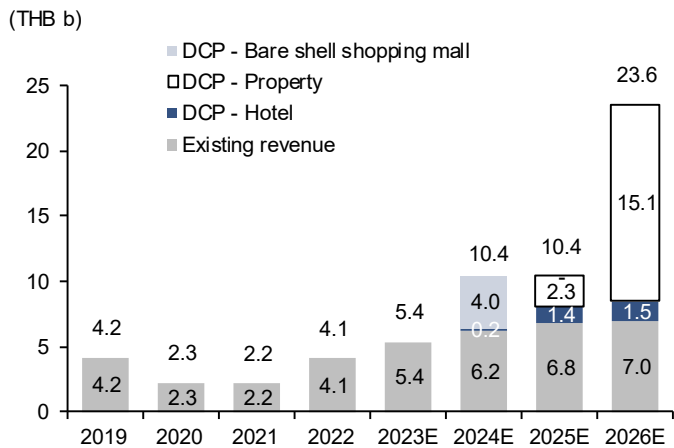
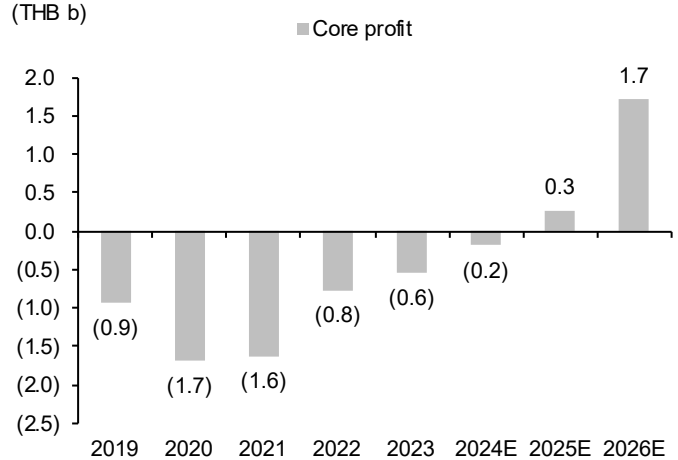
Sources: DUSIT; FSSIA estimates

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 forecastNote: 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	1,515	1,061	840
EBITDA	330	231	180
Net profit	152	106	n/a
Residential in 2025-26E			
Revenue for residential business	17,353	12,147	-
Net profit for residential units	2,950	2,065	-
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



Source: DUSIT

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



Source: DUSIT

Exhibit 10: DUSIT – 3Q24 results summary

FY ending Dec	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	----- Change ----- (q-q %) (y-y %)		2023 (THB m)	2024E (THB m)	Chg. (y-y %)
Sales	1,181	1,602	1,810	1,372	1,260	(8)	7	5,377	10,433	94
COGS (incl depreciation)	(843)	(1,060)	(1,105)	(918)	(889)	(3)	5	(3,573)	(7,846)	120
Gross profit	338	542	705	454	371	(18)	10	1,804	2,587	43
SG&A	(723)	(738)	(778)	(754)	(753)	(0)	4	(2,834)	(3,129)	10
Operating profit	(385)	(196)	(73)	(301)	(381)	27	(1)	(1,030)	(542)	(47)
Management service income	146	193	174	121	117	(3)	(20)	619	631	2
Interest income	6	9	7	12	6	(52)	(0)	27	22	(20)
Realized income from deferred rental revenue	7	7	7	7	7	1	0	27	27	0
Other income	50	107	38	50	52	3	3	263	184	(30)
Interest expenses	(133)	(140)	(135)	(136)	(134)	(2)	1	(524)	(583)	11
Pretax profit	(309)	(20)	18	(247)	(334)	35	8	(618)	(261)	(58)
Income tax	16	(25)	(20)	5	(30)	(697)	(291)	4	(40)	(1,056)
Associates	14	(26)	60	105	3	(97)	(80)	48	180	271
Minority interest	7	3	(4)	6	34	469	419	14	(67)	(571)
Core profit	(273)	(68)	54	(131)	(328)	150	20	(551)	(188)	(66)
Extraordinaries, GW & FX	26	(78)	69	1	(210)			(19)	(141)	631
- Gain on sale of other long-term investments	0	0	0	0	0					
- Gain on measurement of other financial assets	0	2	1	1	1					
- FX gain/loss	26	(97)	67	0	(142)					
- Others	0	18	0	0	(68)					
Reported net profit	(247)	(146)	122	(131)	(538)	311	118	(570)	(328)	(42)
Outstanding shares (m)	850	850	850	850	850	0	0	850	850	0
Core EPS (THB)	(0.32)	(0.08)	0.06	(0.15)	(0.39)	150	20	(0.65)	(0.22)	(66)
EPS (THB)	(0.29)	(0.17)	0.14	(0.15)	(0.63)	311	118	(0.67)	(0.39)	(42)
COGS excl. depreciation	(612)	(829)	(878)	(690)	(651)	(6)	6	(2,672)	(6,862)	157
Depreciation	(231)	(231)	(228)	(228)	(238)	4	3	(901)	(984)	9
EBITDA	69	326	441	221	(28)	(113)	(141)	856	1,486	74
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	29	34	39	33	29	(4)	1	34	25	(9)
SG&A/Revenue	61	46	43	55	60	5	(1)	53	30	(23)
EBITDA margin	6	19	24	16	(2)	(18)	(8)	15	14	(1)
Net profit margin	(21)	(9)	7	(10)	(43)	(33)	(22)	(11)	(3)	7
Operating stats										
Hotel revenue growth y-y (%)	18	23	24	15	0					
Education revenue growth y-y (%)	420	(20)	4	(6)	14					
Foods revenue growth y-y (%)	22	25	20	33	7					
Occupancy (%)	68	73	81	70	67					
ADR (THB/night)	3,201	4,230	4,828	3,531	3,371					
RevPar (THB/night)	2,174	3,096	3,932	2,485	2,241					

Sources: DUSIT; FSSIA estimates

Exhibit 11: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total normalized revenue	10,433	10,399	23,558	6,690	18,276	22,567	56	(43)	4
Existing hotel revenue	5,028	5,207	5,311	5,191	5,377	5,484	(3)	(3)	(3)
Other business revenue	1,169	1,543	1,655	1,261	1,548	1,664	(7)	(0)	(1)
DCP project revenue	4,236	3,649	16,592	238	11,352	15,418	1,682	(68)	8
EBITDA margin* (%)	4.2	12.0	16.1	4.8	12.5	17.6	(1)	(1)	(1)
Core profit	(188)	264	1,715	(54)	748	1,755	n/a	(65)	(2)
Key assumptions									
Existing hotel - OCC rate (%)	75	75	75	75	75	75	0	0	0
Existing ADR (THB)	4,079	4,160	4,244	4,193	4,277	4,363	(3)	(3)	(3)
DCP - OCC rate (%)	50	70	75	50	70	75	0	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 12: 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-2025E
Investments	2.2	2.6	At end-2025E
Debt	(15.4)	(18.2)	At end-2025E
Minorities	(2.4)	(2.8)	At end-2025E
Residual ordinary equity	12.7	15.0	

Source: FSSIA estimates

Exhibit 13: Peer comparisons as of 3 Dec 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	3.66	5.50	50	3,403	53.5	44.8	36.4	2.4	2.8	1.3	1.2	31.3	28.4
Minor International	MINT TB	BUY	27.75	45.00	62	4,571	19.3	17.2	15.5	10.7	11.3	2.0	1.9	7.7	6.9
Central Plaza Hotel	CENTEL TB	BUY	37.50	48.00	28	1,471	33.0	29.2	24.1	7.5	8.0	2.4	2.3	15.7	14.7
Erawan Group	ERW TB	BUY	4.10	6.00	46	582	25.1	23.1	21.3	10.3	9.1	2.2	2.0	13.7	12.5
S Hotels & Resorts	SHR TB	BUY	2.40	3.80	58	251	57.5	23.5	16.7	0.9	2.2	0.5	0.5	9.1	8.2
Dusit Thani	DUSIT TB	BUY	11.00	15.00	36	272	(49.8)	35.4	5.5	(5.7)	8.1	3.0	2.8	58.9	28.2
Bound and Beyond	BEYOND TB	BUY	8.70	18.00	107	73	33.7	12.9	9.8	1.2	3.1	0.4	0.4	9.1	7.4
Thailand average						10,623	24.6	26.6	18.5	3.9	6.4	1.7	1.6	20.8	15.2
Regional															
Btg Hotels Group	600258 CH	n/a	14.50	n/a	n/a	2,222	19.1	17.1	15.0	7.3	7.7	1.4	1.3	9.3	9.6
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.52	n/a	n/a	3,551	9.5	9.0	7.6	7.0	7.3	0.7	0.6	10.3	10.0
Huangshan Tourism Dev.	900942 CH	n/a	0.75	n/a	n/a	978	11.5	10.1	9.3	7.4	8.0	0.8	0.8	8.2	7.7
Genting Bhd	GENT MK	n/a	3.65	n/a	n/a	3,144	8.8	7.7	7.0	4.7	5.1	0.4	0.4	5.4	5.2
Huazhu Group	HTHT US	n/a	32.98	n/a	n/a	10,513	19.5	16.6	14.5	28.9	29.4	6.0	5.2	11.3	10.1
Indian Hotels	IH IN	n/a	801.05	n/a	n/a	13,558	88.6	69.0	55.4	14.8	15.9	12.6	10.5	51.5	41.3
Lemon Tree Hotels	LEMONTRE IN	n/a	130.34	n/a	n/a	1,225	75.4	53.3	36.0	14.6	17.4	10.6	7.5	24.5	20.5
Lippo Karawaci	LPKR IJ	n/a	113.00	n/a	n/a	503	0.8	10.2	9.4	3.2	8.1	0.3	0.3	3.2	n/a
Regional average						35,695	29.2	24.1	19.3	11.0	12.4	4.1	3.3	15.4	14.9
Global															
Nh Hotel Group	NHH SM	n/a	4.35	n/a	n/a	2,021	12.9	11.5	11.0	15.0	11.8	1.8	1.5	6.5	6.3
Melia Hotels International	MEL SM	n/a	6.78	n/a	n/a	1,585	11.6	11.0	10.3	21.5	17.9	2.4	2.0	7.8	7.6
Intercontinental Hotels G.	IHG LN	n/a	9,856	n/a	n/a	19,866	29.1	25.5	22.6	(32.7)	(33.4)	n/a	n/a	19.0	17.5
Whitbread	WTB LN	n/a	2,814	n/a	n/a	6,316	13.0	13.5	12.4	10.6	10.8	1.4	1.5	9.1	9.1
Accor	ACRFF US	n/a	44.70	n/a	n/a	10,892	19.1	17.0	15.0	12.3	13.8	2.2	2.2	12.1	11.1
Choice Hotels	CHH US	n/a	150.59	n/a	n/a	7,064	22.5	21.5	19.8	243.4	343.8	n/a	47.3	14.9	14.7
Hilton Worldwide Holdings	HLT US	n/a	250.47	n/a	n/a	61,060	35.5	31.4	27.1	(54.5)	(41.5)	n/a	n/a	20.8	19.2
Hyatt Hotels Corp	H US	n/a	156.21	n/a	n/a	14,746	40.0	40.5	31.8	10.3	12.1	4.3	4.5	14.9	14.1
Marriott International	MAR US	n/a	286.24	n/a	n/a	79,544	30.9	26.9	23.8	(158.2)	(113.3)	n/a	n/a	18.7	17.3
Global average						203,093	23.8	22.1	19.3	7.5	24.7	2.4	9.8	13.8	13.0
Overall average						249,410	25.8	24.1	19.0	7.6	15.2	2.8	4.6	16.4	14.3

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	10,433	10,399	23,558
Cost of goods sold	(2,851)	(3,573)	(7,846)	(6,352)	(15,045)
Gross profit	1,233	1,804	2,587	4,046	8,512
Other operating income	-	-	-	-	-
Operating costs	(2,305)	(2,834)	(3,129)	(3,995)	(5,944)
Operating EBITDA	(138)	(129)	442	1,246	3,793
Depreciation	(934)	(901)	(984)	(1,194)	(1,225)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(1,072)	(1,030)	(542)	52	2,568
Net financing costs	(481)	(497)	(561)	(661)	(633)
Associates	67	48	180	146	163
Recurring non-operating income	706	958	1,022	1,069	1,131
Non-recurring items	264	(19)	(141)	0	0
Profit before tax	(583)	(588)	(221)	459	3,066
Tax	36	4	(40)	(60)	(575)
Profit after tax	(547)	(584)	(261)	399	2,491
Minority interests	46	14	(67)	(135)	(776)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(501)	(570)	(328)	264	1,715
Non-recurring items & goodwill (net)	(264)	19	141	0	0
Recurring net profit	(766)	(551)	(188)	264	1,715
Per share (THB)					
Recurring EPS *	(0.90)	(0.65)	(0.22)	0.31	2.02
Reported EPS	(0.59)	(0.67)	(0.39)	0.31	2.02
DPS	0.00	0.00	0.00	0.22	1.41
Diluted shares (used to calculate per share data)	850	850	850	850	850
Growth					
Revenue (%)	86.1	31.7	94.0	(0.3)	126.5
Operating EBITDA (%)	nm	nm	nm	181.7	204.5
Operating EBIT (%)	nm	nm	nm	nm	4,871.9
Recurring EPS (%)	nm	nm	nm	nm	549.0
Reported EPS (%)	nm	nm	nm	nm	549.0
Operating performance					
Gross margin inc. depreciation (%)	30.2	33.6	24.8	38.9	36.1
Gross margin exc. depreciation (%)	53.1	50.3	34.2	50.4	41.3
Operating EBITDA margin (%)	(3.4)	(2.4)	4.2	12.0	16.1
Operating EBIT margin (%)	(26.3)	(19.2)	(5.2)	0.5	10.9
Net margin (%)	(18.8)	(10.2)	(1.8)	2.5	7.3
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)	0.9	1.7	5.8
Inventory days	16.5	15.0	132.1	533.3	142.5
Debtor days	43.4	38.1	20.6	20.6	9.1
Creditor days	289.9	265.5	186.3	193.4	55.6
Operating ROIC (%)	(6.1)	(5.6)	(2.6)	0.2	8.5
ROIC (%)	(1.6)	(0.3)	1.9	2.8	9.9
ROE (%)	(20.7)	(14.6)	(5.7)	8.1	41.4
ROA (%)	(1.4)	(0.3)	1.4	2.6	8.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Hotel revenue	2,563	3,682	7,188	7,023	15,695
Others	1,520	1,694	3,246	3,376	7,863

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)	(188)	264	1,715
Depreciation	934	901	984	1,194	1,225
Associates & minorities	-	-	-	-	-
Other non-cash items	1,505	1,526	(73)	135	776
Change in working capital	583	66	(1,854)	(9,077)	12,413
Cash flow from operations	2,257	1,943	(1,132)	(7,485)	16,129
Capex - maintenance	(2,094)	(3,088)	(1,947)	(1,047)	(418)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	91	25	(441)	(441)	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,003)	(3,064)	(2,388)	(1,488)	(418)
Dividends paid	(24)	(23)	0	0	(185)
Equity finance	0	0	0	0	0
Debt finance	(1,127)	819	2,000	8,500	(10,000)
Other financing cash flows	1,830	(108)	217	762	(3,544)
Cash flow from financing	679	688	2,217	9,262	(13,729)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	933	(433)	(1,303)	290	1,982
Free cash flow to firm (FCFF)	745.94	(597.04)	(2,937.46)	(8,305.89)	16,352.86
Free cash flow to equity (FCFE)	956.34	(410.73)	(1,303.00)	289.88	2,167.15
Per share (THB)					
FCFF per share	0.88	(0.70)	(3.46)	(9.77)	19.24
FCFE per share	1.13	(0.48)	(1.53)	0.34	2.55
Recurring cash flow per share	1.97	2.21	0.85	1.87	4.37
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	23,625	26,221	28,169	29,215	29,633
Less: Accumulated depreciation	(5,604)	(6,013)	(6,997)	(8,191)	(9,416)
Tangible fixed assets (net)	18,021	20,208	21,172	21,025	20,217
Intangible fixed assets (net)	971	999	999	999	999
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,761	1,736	2,177	2,618	2,618
Cash & equivalents	2,143	1,710	407	696	2,679
A/C receivable	534	588	588	588	588
Inventories	109	111	4,857	10,217	576
Other current assets	614	662	1,204	300	1,812
Current assets	3,399	3,071	7,055	11,801	5,655
Other assets	2,077	1,908	1,908	1,908	1,908
Total assets	26,229	27,922	33,311	38,351	31,397
Common equity	4,121	3,440	3,112	3,376	4,906
Minorities etc.	923	873	1,157	2,054	(714)
Total shareholders' equity	5,045	4,313	4,269	5,430	4,192
Long term debt	11,999	12,622	14,622	23,122	13,122
Other long-term liabilities	5,892	7,327	7,327	7,327	7,327
Long-term liabilities	17,891	19,948	21,948	30,448	20,448
A/C payable	1,924	1,964	5,042	424	3,786
Short term debt	1,125	1,321	1,321	1,321	1,321
Other current liabilities	245	377	731	728	1,650
Current liabilities	3,294	3,661	7,094	2,473	6,757
Total liabilities and shareholders' equity	26,229	27,922	33,311	38,351	31,397
Net working capital	(913)	(979)	875	9,953	(2,460)
Invested capital	21,917	23,872	27,131	36,502	23,282
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.85	4.05	3.66	3.97	5.77
Tangible book value per share	3.71	2.87	2.49	2.80	4.60
Financial strength					
Net debt/equity (%)	217.7	283.6	363.9	437.3	280.6
Net debt/total assets (%)	41.9	43.8	46.6	61.9	37.5
Current ratio (x)	1.0	0.8	1.0	4.8	0.8
CF interest cover (x)	3.0	0.2	(1.3)	1.4	4.4
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	(12.2)	(17.0)	(49.8)	35.4	5.5
Recurring P/E @ target price (x) *	(16.6)	(23.2)	(67.9)	48.3	7.4
Reported P/E (x)	(18.6)	(16.4)	(28.5)	35.4	5.5
Dividend yield (%)	-	-	-	2.0	12.8
Price/book (x)	2.3	2.7	3.0	2.8	1.9
Price/tangible book (x)	3.0	3.8	4.4	3.9	2.4
EV/EBITDA (x) **	(154.1)	(173.8)	58.9	28.2	5.4
EV/EBITDA @ target price (x) **	(178.8)	(200.1)	66.6	30.9	6.3
EV/invested capital (x)	1.0	0.9	1.0	1.0	0.9
* 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 14: 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 15: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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 16: 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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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 Sustainabilitys	The Sustainabilitys' 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
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																				
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; >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

GENERAL DISCLAIMER

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

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Company	Ticker	Price	Rating	Valuation & Risks
Dusit Thani	DUSIT TB	THB 11.00	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 3.66	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 27.75	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.
Central Plaza Hotel	CENTEL TB	THB 37.50	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 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 4.10	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.
S Hotels and Resorts	SHR TB	THB 2.40	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 8.70	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 03-Dec-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.