

BOUND AND BEYOND BEYOND TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

Smoother road to profitability

- ข้อมูลเชิงบวกจากที่ประชุมนักวิเคราะห์ คาด RevPAR จะโต 10% q-q ใน 1Q23 จากนักท่องเที่ยวจีน
- อัตราค่าห้องพักวันเฉลี่ย (ADR) ปรับขึ้นเร็วกว่าคาดถึง 20-30% ซึ่งอาจทำให้รายได้และ EBITDA ถึงจุดทรงตัวก่อนปี 2025
- คำแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 24 บาท (DCF)

TARGET PRICE	THB24.00
CLOSE	THB15.10
UP/DOWNSIDE	+58.9%
PRIOR TP	THB24.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.0%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	2,148	2,951	3,405	3,718
Net profit	(342)	78	256	323
EPS (THB)	(1.18)	0.27	0.83	1.04
vs Consensus (%)	-	8.0	1.2	-
EBITDA	128	763	967	1,060
Core net profit	(441)	78	256	323
Core EPS (THB)	(1.53)	0.25	0.83	1.04
Chg. In EPS est. (%)	nm	0.2	0.2	nm
EPS growth (%)	nm	nm	228.1	26.0
Core P/E (x)	(9.9)	59.9	18.3	14.5
Dividend yield (%)	-	-	2.7	3.4
EV/EBITDA (x)	76.6	12.5	9.5	8.2
Price/book (x)	0.7	0.7	0.7	0.7
Net debt/Equity (%)	89.3	83.7	67.1	58.9
ROE (%)	(7.0)	1.3	4.0	4.8

ข้อมูลเชิงบวกจากที่ประชุมนักวิเคราะห์

เราเข้าร่วมการประชุมนักวิเคราะห์ของ BEYOND เมื่อวันที่ 4 เม.ย. ซึ่งทำให้เราคาดว่า RevPAR จะโตประมาณ 10% q-q ใน 1Q23 จากตัวเลขผู้เข้าพักที่เพิ่มขึ้นจากจีน เกาหลีและฮ่องกง เราคาดกำไรปกติ 1Q23 ที่ 24 ลบ. RevPAR น่าจะชะลอตัวใน 2Q23 เนื่องจากอยู่นอกฤดูกาลขาย อย่างไรก็ตามเราคาดว่าความต้องการที่อื่นอยู่เป็นจำนวนมากของนักท่องเที่ยวจีนจะช่วยชดเชยปัจจัยด้านฤดูกาลได้บางส่วน ผู้เข้าพักชาวจีนเคยอยู่ในอันดับที่ 4 ในแง่ของรายได้จากห้องพักโรงแรมและสร้างรายได้ 6% ในปี 2022 แต่กลับขึ้นเป็นอันดับ 1 และสร้างรายได้ประมาณ 20% ในช่วงเดือน ม.ค. ถึง ก.พ. 23 RevPAR น่าจะกลับมาฟื้นตัวในช่วง 2H23 ซึ่งเป็นเวลาที่เราคาดว่านักท่องเที่ยวจีนจะไหลเข้าสู่ประเทศ

ขายที่ดินในระยะของภายใน 2Q23

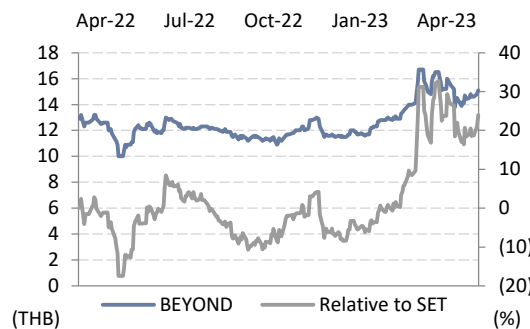
BEYOND น่าจะขายที่ดินในระยะของได้สำเร็จซึ่งจะทำให้ได้เงินจากการขายประมาณ 400-500 ลบ. และบันทึกกำไรได้ 200-300 ลบ. ใน 2Q23 บริษัทฯ วางแผนใช้เงินที่ได้ลงทุนในโครงการต่าง ๆ พร้อมมองลงทุนที่คาดว่าจะอยู่ที่ 3 พัน ลบ. โดยจะเป็นโรงแรมและที่พักตากอากาศที่จะมอบประสบการณ์ที่ดีให้แก่ผู้เข้าพักรวมถึงร้านอาหารและเครื่องดื่มนำเสนอ Lifestyle ที่ดึงดูดน่าสนใจ เราไม่มีความกังวลเกี่ยวกับการลงทุนใหม่เนื่องจากบริษัทฯ มีค่า IBD/E ต่ำเพียง 1.0x ณ สิ้น 4Q22 นอกจากนี้การเติบโตของโรงแรม 2 แห่งในปัจจุบันน่าจะมากพอที่จะชดเชยผลขาดทุนในช่วงแรกของการดำเนินงานของโครงการใหม่

Upside ที่อาจได้จากแนวโน้มอัตราค่าห้องพักวันเฉลี่ย (ADR) ขาขึ้น

ผู้บริหารคาดว่าผลประกอบการของธุรกิจโรงแรมจะทรงตัวภายในปี 2025 โดยมีรายได้ที่ 3.5 พัน ลบ. และอัตราการเข้าพักที่ 70% (คิดเป็น ADR ที่ 17,000-17,500 บาท) เราเชื่อว่าธุรกิจโรงแรมอาจถึงจุดทรงตัวได้เร็วกว่าคาดโดยได้ปัจจัยผลักดันจาก ADR ซึ่งปัจจุบันอยู่ที่ 19,000-20,000 บาท ด้วยเหตุดังกล่าวบริษัทฯ อาจรายงาน EBITDA margin ทรงตัวที่ 30% เร็วขึ้น (อาจเป็นในปี 2024) ทั้งนี้เราคาดรายได้ที่ 3.4-3.7 พัน ลบ. พร้อม EBITDA margin ที่ 28-29% ในปี 2024-25

ข้อขายในระดับต่ำกว่าที่ควรมากทั้งในแง่ของ P/E และ NAV

เราคงประมาณการปี 2023-24 และราคาเป้าหมาย (DCF) ของเรา BEYOND เป็นหนึ่งในทางเลือกการลงทุนที่ถูกที่สุดในกลุ่มหุ้นท่องเที่ยวไทยโดยมีการซื้อขายที่ระดับการประเมินมูลค่าที่ไม่สมเหตุสมผลเพียง 18x ของค่า 2024E P/E ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มฯ ที่ 31x นอกจากนี้หุ้นยังมีการซื้อขายต่ำกว่าค่า NAV ซึ่งมีต้นทุนทดแทนที่ 24.4 บาท/หุ้น การพลิกฟื้นของกำไรในปี 2023 น่าจะทำให้ตลาดหันมาให้ความสนใจในตัวหุ้น



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.7)	18.9	15.3
Relative to country (%)	0.1	24.8	23.1
Mkt cap (USD m)			127
3m avg. daily turnover (USD m)			0.4
Free float (%)			50
Major shareholder	Country Group Holding PCL (39%)		
12m high/low (THB)			17.30/9.80
Issued shares (m)			288.87

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 5 เมษายน 2023

Investment thesis

BEYOND transformed its business focus from energy to hospitality during the Covid pandemic and is now in a strong position to benefit from Thailand's tourism recovery.

We expect Thailand's tourist arrival numbers to recover significantly in 2023-24, especially in the high-spending segment, which should directly benefit BEYOND's luxury hotels. According to CBRE, luxury hotels accounted for 17% of the total hotel supply in Bangkok, and riverfront hotels only made up 7% as of 3Q22.

We expect BEYOND's earnings to rebound in 2023 and deliver strong growth over 2024-25, as its EBITDA margin improves from its high operating leverage structure. In addition, its interest expenses should gradually decline thanks to its strong cashflow and low levels of maintenance CAPEX.

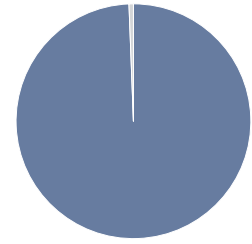
Company profile

BEYOND owns and operates two ultra-luxury hotels, Four Seasons Hotel Bangkok and Capella Bangkok, with 400 rooms total, situated along the Chao Phraya River.

www.boundandbeyond.co.th

Principal activities (revenue, 2022)

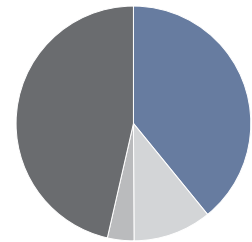
- Hotel revenue - 99.4 %
- Revenue from sales and services - 0.6 %



Source: Bound and Beyond

Major shareholders

- Country Group Holding PCL - 39.1 %
- Kingdom of Thailand Ministry of Finance - 10.8 %
- Supachai Weeraborwornpong - 3.7 %
- Others - 46.4 %



Source: Bound and Beyond

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following the global tourism recovery; 2) strong pent-up demand which should drive ADR; and 3) new project announcements.

Risks to our call

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

Event calendar

Date	Event
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025E
OCC rate (%)	55	64	68
ADR (THB)	18,040	18,401	18,769
RevPAR growth (%)	78	18	9
EBITDA margin (%)	26	28	29

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC rate, we project a 2024 profit increase of 7%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2024 profit increase of 11%, and vice versa, all else being equal.

Source: FSSIA estimates

1Q23 results preview

We expect BEYOND's OCC rate to improve to 54% in 1Q23 from 50% in 4Q22, and its ADR to increase by 2% q-q to cTHB20,000 thanks to Thailand's tourism high season and a strong recovery in international tourist arrivals. Thus, RevPAR should grow by 10% q-q.

We estimate room revenue to grow by 3% q-q in 1Q23. However, F&B revenue should drop by 11% q-q due to the high base in 4Q22 following the festive season.

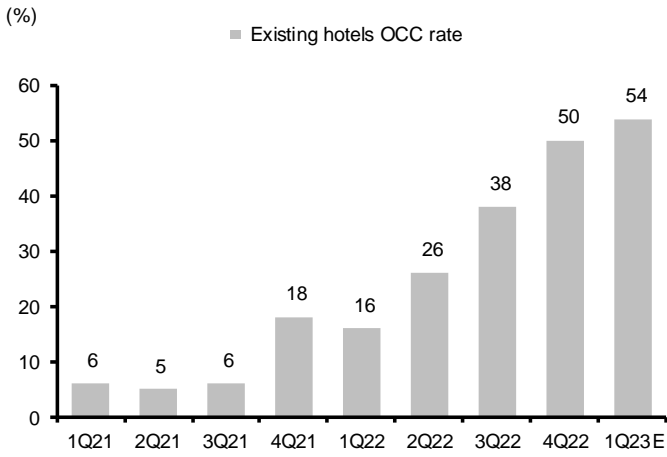
We estimate an improving EBITDA margin to 25% in 1Q23 (vs 20% in 4Q22) due to a higher proportion of room revenue, which has a higher margin than F&B revenue. Overall, we forecast a core profit of THB24m in 1Q23. Note that core profit should drop q-q as BEYOND booked THB76m in tax income in 4Q22. Excluding tax, its pre-tax profit should jump to THB30m in 1Q23 (vs breaking even in 4Q22).

Exhibit 1: 1Q23 results preview

FY ending Dec	1Q22	2Q22	3Q22	4Q22	1Q23E	Change		2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	331	448	530	839	800	(5)	142	2,951
COGS (incl depreciation)	(322)	(358)	(398)	(530)	(486)	(8)	51	(1,742)
Gross profit	10	91	132	309	314	1	3,146	1,208
SG&A	(143)	(166)	(192)	(215)	(190)	(12)	33	(751)
Operating profit	(133)	(76)	(60)	94	124	31	(193)	457
Dividend income	0	0	0	0	0			0
Interest income	1	1	1	2	2	0	65	5
Other income	31	2	0	4	4	0	(87)	10
Interest expenses	(83)	(123)	(98)	(100)	(100)	0	20	(385)
Pretax profit	(184)	(195)	(157)	0	30	8,942	(116)	87
Income tax	7	11	1	76	(6)	(108)	(186)	(9)
Associates	(0)	(0)	(0)	(0)	(0)			(0)
Minority interest	0	0	0	0	0			0
Core profit	(177)	(184)	(156)	76	24	(69)	113	78
Extraordinaries, GW & FX	74	1	11	13	0			0
Reported net profit	(103)	(183)	(145)	89	24	(73)	123	78
Outstanding shares (m)	289	289	289	289	289	0	0	289
Core EPS (THB)	(0.61)	(0.64)	(0.54)	0.26	0.08	(69)	(113)	0.25
EPS (THB)	(0.36)	(0.63)	(0.50)	0.31	0.08	(73)	(123)	0.27
COGS excl. depreciation	(246)	(282)	(322)	(454)	(410)	(10)	67	(1,436)
Depreciation	(75)	(76)	(76)	(76)	(76)	0	1	(306)
EBITDA	(58)	(0)	15	170	200	17	446	763
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	3	20	25	37	39	2	36	41
SG&A/Revenue	43	37	36	26	24	(1)	(19)	25
EBITDA margin	(17)	(0)	3	20	25	3	42	26
Net profit margin	(31)	(41)	(27)	11	3	13	34	3
Operating stats								
Occupancy (%)	16	26	38	50	54			
ADR (THB/night)	14,060	14,866	15,742	19,656	20,000			
RevPar (THB/night)	2,305	3,890	6,020	9,828	10,760			

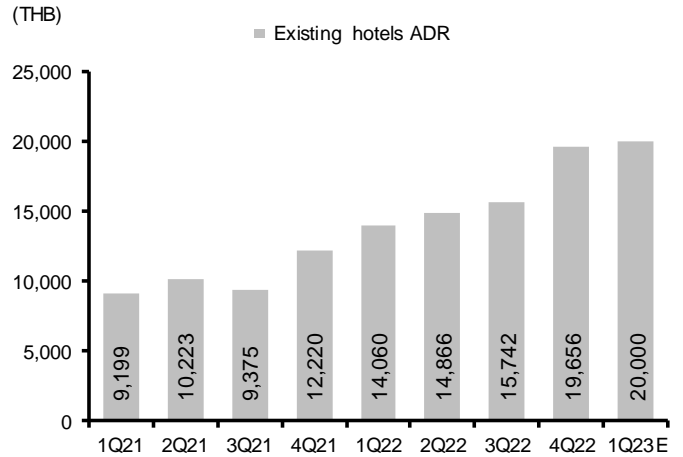
Sources: BEYOND; FSSIA estimates

Exhibit 2: OCC rate (quarterly)



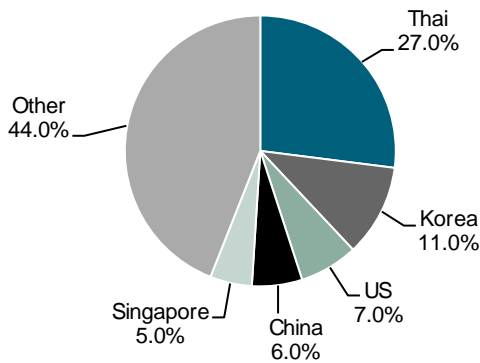
Sources: BEYOND; FSSIA estimate

Exhibit 3: ADR (quarterly)



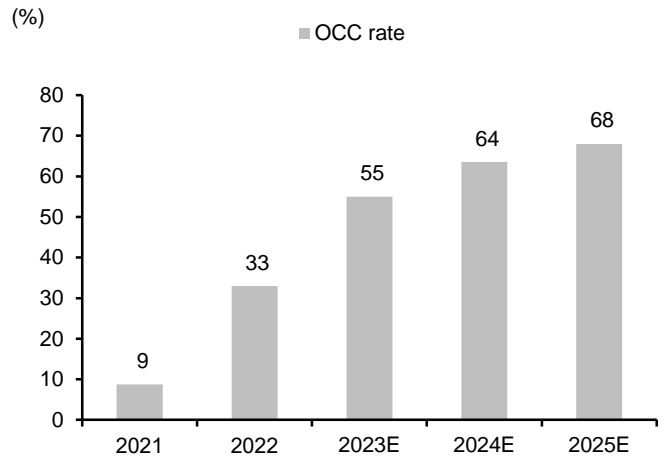
Sources: BEYOND; FSSIA estimate

Exhibit 4: Revenue breakdown by nationality as of 2022



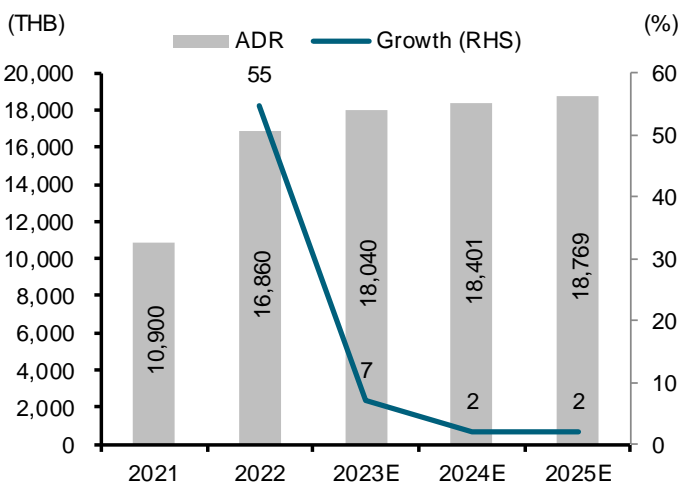
Sources: BEYOND; FSSIA estimates

Exhibit 5: OCC rate



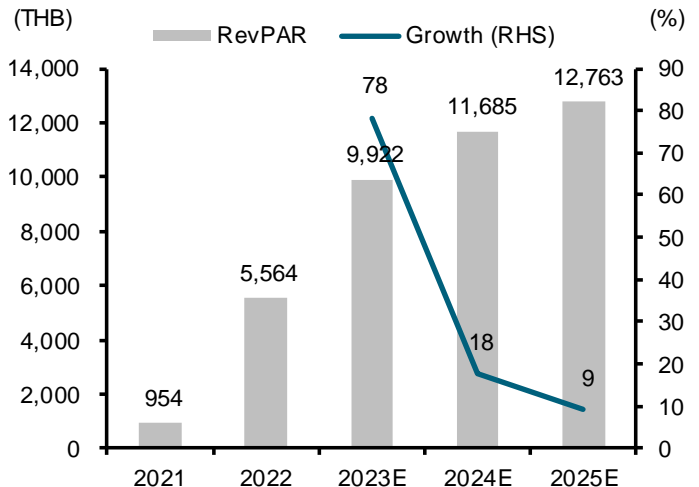
Sources: BEYOND; FSSIA estimates

Exhibit 6: ADR



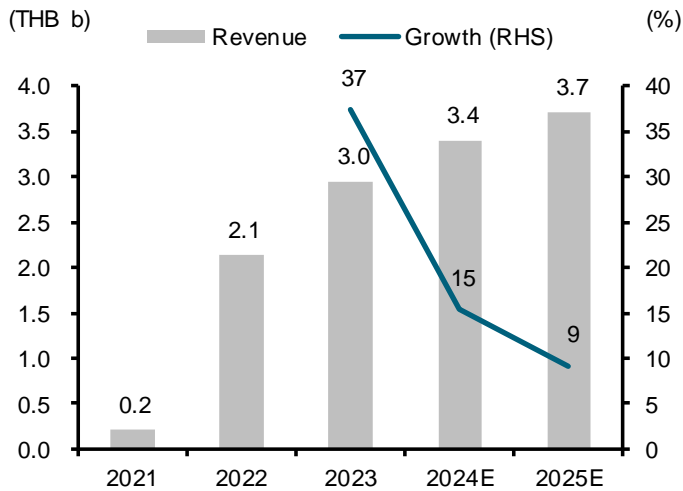
Sources: BEYOND; FSSIA estimates

Exhibit 7: RevPAR



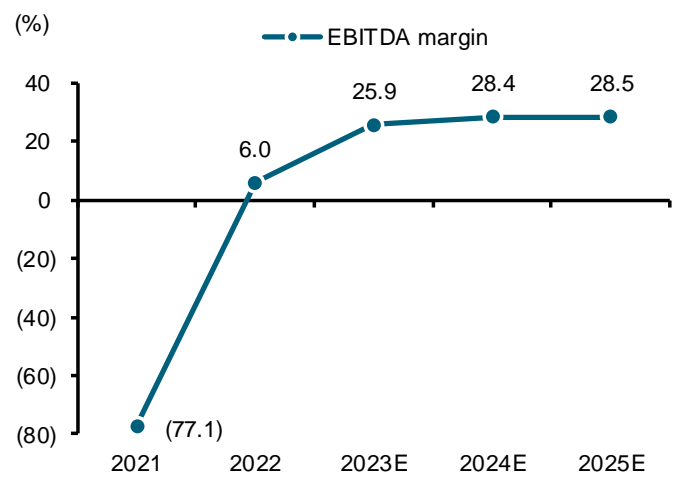
Sources: BEYOND; FSSIA estimates

Exhibit 8: Revenue



Source: BEYOND; FSSIA estimates

Exhibit 9: EBITDA margin



Sources: BEYOND; FSSIA estimates

Exhibit 10: DCF-derived TP

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		4.0
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.5			
Cost of equity, Ke		15.2	Net cost of debt, Kd		2.8
Weight applied		55.0	Weight applied		4.5
WACC		9.6			
DCF valuation estimate	(THB b)	(THB/share)	Comments		
NPV	5.4	17.5	WACC 9.6%, Risk-free rate 3%, Risk premium 8%		
Terminal value	5.6	18.2	Terminal growth 3%		
Cash & liquid assets	0.9	3.0	At end-2022E		
Investments	0.3	0.9	At end-2022E		
Land for sales	1.3	4.1	Based on appraisal value of THB1.6b with 20% discount		
Debt	(6.1)	(19.7)	At end-2022E		
Minorities	0.0	0.0	At end-2022E		
Residual ordinary equity	7.4	24.0			

Source: FSSIA estimates

Exhibit 11: Net asset value (NAV)

Cost approach	(THB b)	Note
Total replacement cost	8.6	Based on IFA dated 2 Sep 2021
Add : Leasehold rights of land	2.5	Based on IFA dated 2 Sep 2021
Add : Land (Tak and Rayong)	1.6	Based on appraisal value
Add : Cash and cash equivalents	0.7	As of 4Q22
Less: Interest bearing debt	(5.8)	As of 4Q22
Less: Minorities	0.0	As of 4Q22
Net value	7.6	
No of shares (m)	309.8	
FV per share	24.4	

Exhibit 12: Peer comparisons as of 4 April 2023

Company	BBG	Rec	Share price			Market Cap (USD m)	PE			ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	25E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Thailand															
Asset World Corp	AWC TB	BUY	5.80	6.80	17	5,423	88.1	50.4	0.0	2.5	4.1	2.1	2.0	43.7	29.8
Minor International	MINT TB	BUY	32.25	40.00	24	5,013	33.8	26.3	0.0	7.9	10.7	2.7	2.8	11.2	10.2
Central Plaza Hotel	CENTEL TB	BUY	56.00	58.00	4	2,209	35.4	28.8	0.0	11.1	12.4	3.7	3.4	15.3	13.4
Erawan Group	ERW TB	BUY	4.94	5.50	11	654	42.0	39.5	34.0	8.9	8.8	3.6	3.1	17.1	15.9
S Hotels & Resorts	SHR TB	BUY	4.06	5.30	31	426	31.8	21.6	18.7	2.8	4.1	0.9	0.9	9.3	8.2
Dusit Thani	DUSIT TB	BUY	11.70	18.00	54	291	194.5	40.7	4.0	1.2	5.7	2.4	2.3	41.7	32.2
Bound and Beyond	BEYOND TB	BUY	15.10	24.00	59	127	60.0	18.3	0.0	1.3	4.1	0.7	0.7	13.4	10.1
Thailand average						14,143	69.4	32.2	8.1	5.1	7.1	2.3	2.2	21.7	17.1
Regional															
Btg Hotels Group	600258 CH	n/a	24.14	n/a	n/a	3,926	33.5	22.6	20.1	7.3	10.0	2.4	2.2	13.6	11.5
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.13	n/a	n/a	9,076	9.3	6.6	5.6	8.9	11.5	0.9	0.8	19.2	14.2
Huangshan Tourism Develop	900942 CH	n/a	0.83	n/a	n/a	1,231	17.2	13.1	n/a	5.8	7.9	0.9	1.0	13.2	10.4
Genting Bhd	GENT MK	n/a	4.72	n/a	n/a	4,092	15.3	11.8	9.9	3.9	5.1	0.6	0.5	6.8	6.3
Greentree Hospitality	GHG US	n/a	4.52	n/a	n/a	466	12.4	7.9	n/a	19.1	25.0	1.7	1.4	6.1	4.9
Huazhu Group	HTHT US	n/a	49.38	n/a	n/a	15,722	42.8	29.9	30.7	23.4	25.1	10.1	8.0	21.7	16.6
Indian Hotels	IH IN	n/a	321.05	n/a	n/a	5,532	50.4	40.0	33.7	11.9	13.3	5.8	5.2	27.2	24.0
Lemon Tree Hotels	LEMONTRE IN	n/a	77.30	n/a	n/a	755	52.7	37.6	23.7	13.0	15.4	6.8	5.6	20.6	17.1
Lippo Karawaci	LPKR IJ	n/a	89.00	n/a	n/a	427	n/a	77.3	n/a	(1.3)	0.3	0.4	0.4	8.8	7.8
Regional average						41,227	29.2	27.4	20.6	9.3	11.8	3.3	2.8	15.2	12.5
Overall average						55,370	48.0	29.5	13.9	7.6	9.8	2.8	2.5	18.1	14.6

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bound and Beyond

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	222	2,148	2,951	3,405	3,718
Cost of goods sold	(151)	(1,305)	(1,436)	(1,637)	(1,801)
Gross profit	71	844	1,515	1,768	1,917
Other operating income	-	-	-	-	-
Operating costs	(242)	(716)	(751)	(801)	(857)
Operating EBITDA	(171)	128	763	967	1,060
Depreciation	(59)	(303)	(306)	(309)	(316)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(230)	(174)	457	658	744
Net financing costs	(65)	(399)	(380)	(367)	(351)
Associates	0	0	0	0	0
Recurring non-operating income	25	38	10	10	11
Non-recurring items	1,142	99	0	0	0
Profit before tax	872	(437)	87	301	403
Tax	6	95	(9)	(45)	(81)
Profit after tax	878	(342)	78	256	323
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	878	(342)	78	256	323
Non-recurring items & goodwill (net)	(1,142)	(99)	0	0	0
Recurring net profit	(264)	(441)	78	256	323
Per share (THB)					
Recurring EPS *	(0.91)	(1.53)	0.25	0.83	1.04
Reported EPS	3.04	(1.18)	0.27	0.83	1.04
DPS	0.00	0.00	0.00	0.41	0.52
Diluted shares (used to calculate per share data)	289	289	310	310	310
Growth					
Revenue (%)	1,595.6	869.1	37.4	15.4	9.2
Operating EBITDA (%)	nm	nm	496.1	26.7	9.7
Operating EBIT (%)	nm	nm	nm	43.9	13.2
Recurring EPS (%)	nm	nm	nm	228.1	26.0
Reported EPS (%)	753.7	nm	nm	205.9	26.0
Operating performance					
Gross margin inc. depreciation (%)	5.5	25.2	41.0	42.8	43.1
Gross margin of key business (%)	5.5	25.2	41.0	42.8	43.1
Operating EBITDA margin (%)	(77.1)	6.0	25.9	28.4	28.5
Operating EBIT margin (%)	(103.7)	(8.1)	15.5	19.3	20.0
Net margin (%)	(119.2)	(20.5)	2.6	7.5	8.7
Effective tax rate (%)	2.2	17.7	10.0	15.0	20.0
Dividend payout on recurring profit (%)	-	-	-	50.0	50.0
Interest cover (X)	(3.1)	(0.3)	1.2	1.8	2.1
Inventory days	43.9	11.4	12.0	11.8	12.0
Debtor days	113.0	12.2	15.2	14.7	13.5
Creditor days	286.0	78.6	99.1	97.4	99.1
Operating ROIC (%)	(3.0)	(1.3)	3.6	5.0	5.5
ROIC (%)	(2.5)	(1.0)	3.6	4.9	5.4
ROE (%)	(4.7)	(7.0)	1.3	4.0	4.8
ROA (%)	(1.9)	(0.8)	3.1	4.2	4.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	207	2,135	2,941	3,395	3,708
Revenue from sales and services	15	13	10	10	10

Sources: Bound and Beyond; FSSIA estimates

Financial Statements

Bound and Beyond

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(264)	(441)	78	256	323
Depreciation	59	303	306	309	316
Associates & minorities	-	-	-	-	-
Other non-cash items	1,148	119	0	0	0
Change in working capital	1,206	(1,037)	7	52	42
Cash flow from operations	2,149	(1,056)	391	617	681
Capex - maintenance	(8,486)	(634)	(110)	(116)	(122)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	391	967	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(8,096)	333	(110)	(116)	(122)
Dividends paid	0	0	0	0	(128)
Equity finance	629	0	0	210	0
Debt finance	3,428	778	(100)	(300)	(100)
Other financing cash flows	174	(161)	0	0	0
Cash flow from financing	4,231	617	(100)	(90)	(228)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(1,716)	(105)	181	411	331
Free cash flow to firm (FCFF)	(5,869.34)	(318.31)	666.24	874.16	919.46
Free cash flow to equity (FCFE)	(2,344.61)	(105.32)	181.03	201.44	459.25

Per share (THB)

FCFF per share	(20.32)	(1.10)	2.31	3.03	3.18
FCFE per share	(8.12)	(0.36)	0.63	0.70	1.59
Recurring cash flow per share	3.26	(0.06)	1.33	1.82	2.06

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	13,878	12,656	12,766	12,882	13,004
Less: Accumulated depreciation	(1,486)	(961)	(1,267)	(1,576)	(1,892)
Tangible fixed assets (net)	12,392	11,695	11,499	11,306	11,112
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	204	264	264	264	264
Cash & equivalents	866	761	942	1,353	1,684
A/C receivable	36	108	137	137	137
Inventories	36	45	49	56	62
Other current assets	571	373	512	591	645
Current assets	1,509	1,287	1,641	2,138	2,529
Other assets	1	100	100	100	100
Total assets	14,106	13,346	13,504	13,807	14,004
Common equity	6,412	6,103	6,181	6,647	6,841
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,412	6,103	6,181	6,647	6,841
Long term debt	4,450	5,227	5,127	4,827	4,727
Other long-term liabilities	350	277	277	277	277
Long-term liabilities	4,801	5,504	5,404	5,104	5,004
A/C payable	191	371	408	466	512
Short term debt	985	986	986	986	986
Other current liabilities	1,717	382	524	605	661
Current liabilities	2,893	1,739	1,919	2,057	2,159
Total liabilities and shareholders' equity	14,106	13,346	13,504	13,807	14,004
Net working capital	(1,265)	(227)	(234)	(286)	(328)
Invested capital	11,332	11,832	11,629	11,384	11,147

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

Per share (THB)

Book value per share	22.20	21.13	21.40	21.45	22.08
Tangible book value per share	22.20	21.13	21.40	21.45	22.08

Financial strength

Net debt/equity (%)	71.3	89.3	83.7	67.1	58.9
Net debt/total assets (%)	32.4	40.9	38.3	32.3	28.8
Current ratio (x)	0.5	0.7	0.9	1.0	1.2
CF interest cover (x)	(35.0)	0.7	1.5	1.5	2.3

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(16.5)	(9.9)	59.9	18.3	14.5
Recurring P/E @ target price (x) *	(26.2)	(15.7)	95.2	29.0	23.0
Reported P/E (x)	5.0	(12.8)	55.9	18.3	14.5
Dividend yield (%)	-	-	-	2.7	3.4
Price/book (x)	0.7	0.7	0.7	0.7	0.7
Price/tangible book (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x) **	(52.2)	76.6	12.5	9.5	8.2
EV/EBITDA @ target price (x) **	(67.3)	96.7	15.9	12.3	10.8
EV/invested capital (x)	0.8	0.8	0.8	0.8	0.8

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

Sources: Bound and Beyond; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

[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**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) **Sustainability Investment List (THSI)** by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The [CG Score](#) indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The [five underlying categories and weighting](#) used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

AGM Checklist by the Thai Investors Association (TIA)²

The "[AGM Checklist](#)" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The [Checklist](#) contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A [CAC certified member](#) is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member [start with](#) by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the [CAC Council](#) for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment ([THSI](#)) quantifies responsibility in **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >15% by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the [THSI list](#), the SET further developed a sustainability [SETTHSI Index](#) in June 2018 from selected THSI companies whose 1) market capitalisation > 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.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

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.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Bound and Beyond	BEYOND TB	THB 15.10	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.
Asset World Corp	AWC TB	THB 5.80	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Minor International	MINT TB	THB 32.25	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CENDEL TB	THB 56.00	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 and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 4.94	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 4.06	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 11.70	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 Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 04-Apr-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.