

BOUND AND BEYOND  
THAILAND / TOURISM & LEISURE

## BEYOND TB

BUY

UNCHANGED

## พลิกฟื้นดีขึ้น

- คาด BEYOND จะรายงานผลขาดทุนปกติลดลง q-q และ y-y มาอยู่ที่ 73 ลบ. ใน 3Q23 โดยได้ปัจจัยหนุนจากรายได้ธุรกิจ F&B ที่อยู่ในเกณฑ์ดี
- ผลการดำเนินงานน่าจะพลิกเป็นกำไรใน 4Q23 จากอัตราการเข้าพัก (OCC rate) ที่สูงขึ้นเป็น 55-58%
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 24 บาท (DCF)

TARGET PRICE	THB24.00
CLOSE	THB12.00
UP/DOWNSIDE	+100.0%
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	2,974	3,490	3,728
Net profit	(342)	197	205	288
EPS (THB)	(1.18)	0.68	0.66	0.93
vs Consensus (%)	-	nm	(97.1)	(97.1)
EBITDA	128	567	883	969
Recurring net profit	(441)	(120)	205	288
Core EPS (THB)	(1.53)	(0.39)	0.66	0.93
Chg. In EPS est. (%)	nm	nm	-	-
EPS growth (%)	nm	nm	nm	40.5
Core P/E (x)	(7.9)	(30.9)	18.2	12.9
Dividend yield (%)	-	-	2.8	3.9
EV/EBITDA (x)	69.6	14.9	9.1	7.9
Price/book (x)	0.6	0.6	0.6	0.5
Net debt/Equity (%)	89.3	78.8	64.6	57.2
ROE (%)	(7.0)	(1.9)	3.1	4.2

## คาดการณ์รายได้โต 6% q-q ใน 3Q23

เราคาดว่า OCC rate ใน 3Q23 จะเพิ่มเป็น 52% (เทียบกับ 50% ใน 2Q23) อย่างไรก็ตามราคาห้องพักรายวันเฉลี่ย (ADR) น่าจะลดลง 7% q-q มาอยู่ที่ประมาณ 16,700 บาทเนื่องจาก BEYOND ได้เพิ่มสัดส่วนลูกค้าขายส่งโดยเฉพาะอย่างยิ่งจากสิงคโปร์และสหรัฐอเมริกา ซึ่งทำให้ RevPAR และรายได้จากการใช้ห้องพักน่าจะลดลง 4-5% q-q ในด้านบวกรายได้จากธุรกิจ F&B น่าจะโต 20-25% q-q และพลิกกลับมาโต 3-4% y-y ใน 3Q23 จากการจัดงาน MICE และตัวเลขลูกค้าในธุรกิจภัตตาคารที่ดีขึ้น ในภาพรวมเราคาดว่ารายได้ 3Q23 จะโต 6% q-q และ 23% y-y ในขณะที่ EBITDA margin น่าจะปรับตัวดีขึ้นเป็น 14% (เทียบกับ 9% ใน 2Q23) ซึ่งน่าจะทำให้ผลขาดทุนปกติลดลงเป็น 73 ลบ. (เทียบกับที่เคยขาดทุนปกติ 113 ลบ. ใน 2Q23 และ 156 ลบ. ใน 3Q22)

## ผลการดำเนินงานน่าจะพลิกฟื้นใน 4Q23

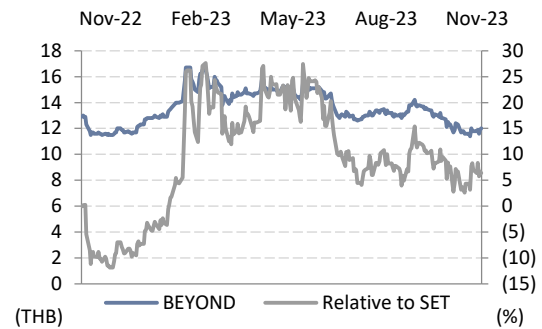
เราคาดว่าผลการดำเนินงานจะฟื้นตัวใน 4Q23 จากฤดูท่องเที่ยว ADR น่าจะทรงตัว y-y อยู่ในระดับสูงที่ประมาณ 19,500-20,000 บาทในขณะที่ OCC rate น่าจะเพิ่มเป็น 55-58% (เทียบกับ 50% ใน 4Q22) นอกจากนี้ BEYOND ยังเห็น demand จำนวนมากสำหรับการจัดงาน MICE ใน 4Q23 ปัจจัยดังกล่าวจะทำให้รายได้จากธุรกิจ F&B โตเล็กน้อย y-y แม้ว่าฐานใน 4Q22 จะอยู่สูง เพราะฉะนั้นเราจึงคาดว่าผลการดำเนินงานจะพลิกเป็นกำไรได้อีกครั้งใน 4Q23

## กำไรปกติน่าจะกระโดดเพิ่มในปี 2024 โดยได้ปัจจัยหนุนจาก OCC rate ที่สูงขึ้น

เราคาดว่ากำไรปกติจะกระโดดเพิ่มเป็น 205 ลบ. ในปี 2024 จากปริมาณนักท่องเที่ยวขาเข้าที่สูงขึ้นโดยเราคาดว่าจะเพิ่มจาก 28-29 ล้านในปี 2023 เป็น 35 ล้านในปี 2024 ด้วยเหตุดังกล่าวเราคาดว่า OCC rate จะปรับตัวดีขึ้นเป็น 63% ในปี 2024 (เทียบกับ 55% ในปี 2023E) นอกจากนี้เรายังคาดว่าค่าใช้จ่ายดอกเบี้ยจะลดลง 30-40 ลบ. ในปี 2024 เนื่องจาก BEYOND น่าจะจ่ายคืนหนี้ประมาณ 650-700 ลบ. ในปี 2024 (หุ้นกู้ครบกำหนด 577 ลบ. ในเดือน มี.ค. 24 และหนี้ระยะยาวอีก 100-120 ลบ.) หมายเหตุ BEYOND มีฐานะทางการเงินที่ดี โดยมีเงินสดในมือ 1.2 พัน ลบ. ณ. สิ้นไตรมาส 2Q23 และเราคาดว่าบริษัท จะสร้าง EBITDA ได้อีกไม่เกิน 0.6-1.0 พัน ลบ. ในปี 2024-25

## การฟื้นตัวของนักท่องเที่ยวชาวจีนเป็นปัจจัยบวกสำคัญ

เราคงประมาณการและราคาเป้าหมายปี 2024 ของเราที่ 24 บาท (DCF) เรามองว่า BEYOND เป็น Wildcard tourism pick จากการประเมินมูลค่าที่อยู่ในระดับต่ำเพียง 18x ของค่า 2024E P/E และ 0.6x ของค่า P/BV ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 27x และ 1.8x ตามลำดับ BEYOND น่าจะได้ประโยชน์จากการฟื้นตัวของนักท่องเที่ยวชาวจีนใน 4Q23-1Q24 เนื่องจากผู้เข้าพักชาวจีนคิดเป็น 20% ของรายได้ในช่วง 7M23



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.8)	(9.1)	(6.3)
Relative to country (%)	1.1	(2.1)	7.3
Mkt cap (USD m)	97		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	50		
Major shareholder	Country Group Holding PCL (39%)		
12m high/low (THB)	17.30/11.10		
Issued shares (m)	309.82		

Sources: Bloomberg consensus; FSSIA estimates



## Teerapol Udomvej, CFA

Fundamental Investment Analyst on Securities; License no. 080523  
teerapol.udo@fssia.com, +66 2646 9969

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 6 พฤศจิกายน 2023

**Analysis**

Shifted its business focus from energy to the Covid pandemic and is now in a position to benefit from Thailand's tourism recovery.

Thailand's tourist arrival numbers to recover in 2023-24, especially in the high-spending segment, should directly benefit BEYOND's luxury hotels. According to CBRE, luxury hotels accounted for 15% of hotel supply in Bangkok, and riverfront hotels up 7% as of 2022.

BEYOND's earnings to rebound in 2023 and grow over 2024-25 as its EBITDA margin improves due to its high operating leverage structure. In 2023, most expenses should gradually decline as operating cash flow and low levels of debt improve PEX.

**Operational**

BEYOND operates two ultra-luxury hotels, Capella Bangkok and Capella Bangkok, with 1,000 rooms, situated along the Chao Phraya River.

[beyond.co.th](http://beyond.co.th)

### Principal activities (revenue, 2022)

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

Source: Bound and Beyond

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### 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
Nov 2023	3Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
OCC rate (%)	55	63	66
ADR (THB)	18,546	19,010	19,390
RevPAR growth (%)	83	17	7
EBITDA margin (%)	19	25	26

Source: FSSIA estimates

### Earnings sensitivity

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

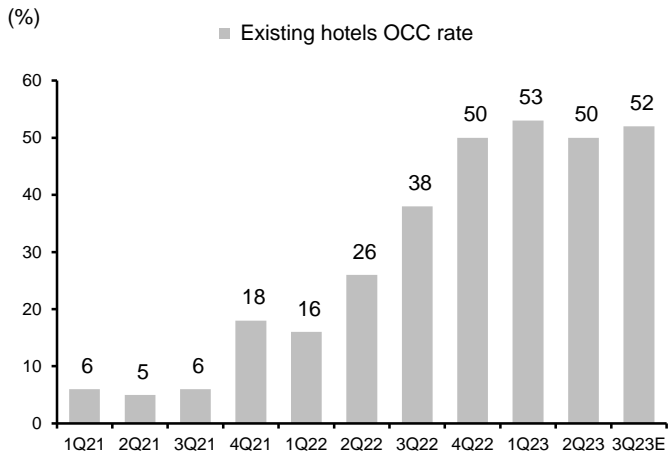
Source: FSSIA estimates

## Exhibit 1: 3Q23 results preview

FY ending Dec	3Q22	4Q22	1Q23	2Q23	3Q23E	Change		2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	530	839	815	614	653	6	23	2,974
COGS (incl depreciation)	(398)	(530)	(488)	(438)	(439)	0	10	(1,909)
<b>Gross profit</b>	<b>132</b>	<b>309</b>	<b>327</b>	<b>176</b>	<b>213</b>	<b>21</b>	<b>62</b>	<b>1,065</b>
SG&A	(192)	(215)	(205)	(199)	(200)	1	4	(802)
<b>Operating profit</b>	<b>(60)</b>	<b>94</b>	<b>122</b>	<b>(23)</b>	<b>13</b>	<b>159</b>	<b>122</b>	<b>264</b>
Dividend income	0	0	0	0	0			0
Interest income	1	2	1	2	2	0	130	5
Other income	0	4	2	0	2			10
Interest expenses	(98)	(100)	(102)	(107)	(107)	0	9	(422)
<b>Pretax profit</b>	<b>(157)</b>	<b>0</b>	<b>23</b>	<b>(127)</b>	<b>(89)</b>	<b>30</b>	<b>43</b>	<b>(143)</b>
Income Tax	1	76	(6)	14	16	11	2,421	23
Associates	(0)	(0)	(0)	0	0			(0)
Minority interest	0	0	0	0	0			0
<b>Core profit</b>	<b>(156)</b>	<b>76</b>	<b>17</b>	<b>(113)</b>	<b>(73)</b>	<b>35</b>	<b>53</b>	<b>(120)</b>
Extraordinaries, GW & FX	11	13	0	317	0			317
<b>Reported net profit</b>	<b>(145)</b>	<b>89</b>	<b>17</b>	<b>205</b>	<b>(73)</b>	<b>(136)</b>	<b>50</b>	<b>197</b>
Outstanding shares (m)	289	289	289	289	289	0	0	289
<b>Core EPS (THB)</b>	<b>(0.54)</b>	<b>0.26</b>	<b>0.06</b>	<b>(0.39)</b>	<b>(0.25)</b>	<b>35</b>	<b>53</b>	<b>(0.42)</b>
<b>EPS (THB)</b>	<b>(0.50)</b>	<b>0.31</b>	<b>0.06</b>	<b>0.71</b>	<b>(0.25)</b>	<b>(136)</b>	<b>50</b>	<b>0.68</b>
COGS excl. depreciation	(322)	(454)	(412)	(362)	(363)	0	13	(1,605)
Depreciation	(76)	(76)	(76)	(76)	(76)	0	1	(304)
EBITDA	15	170	198	54	90	67	487	567
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>
Gross margin	25	37	40	29	33	4	8	36
SG&A/Revenue	36	26	25	32	31	(2)	(6)	27
EBITDA margin	3	20	24	9	14	5	11	19
Net profit margin	(27)	11	2	33	(11)	(45)	16	7
<b>Operating stats</b>								
Occupancy (%)	38	50	53	50	52			
ADR (THB/night)	15,742	19,656	20,495	18,042	16,741			
RevPar (THB/night)	6,020	9,828	10,862	9,021	8,705			

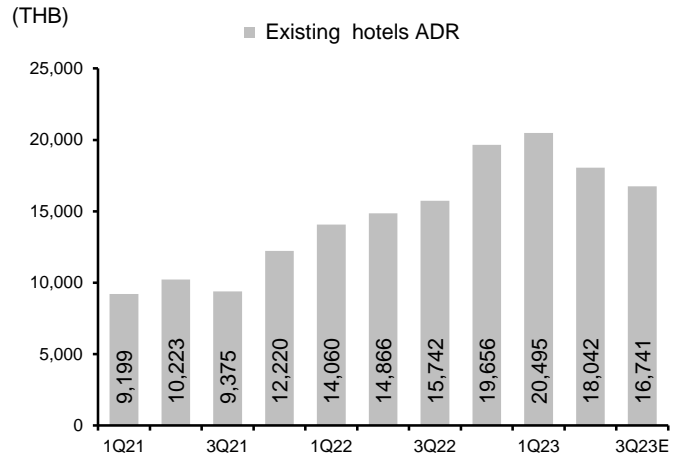
Sources: BEYOND; FSSIA estimates

**Exhibit 2: OCC rate (quarterly)**



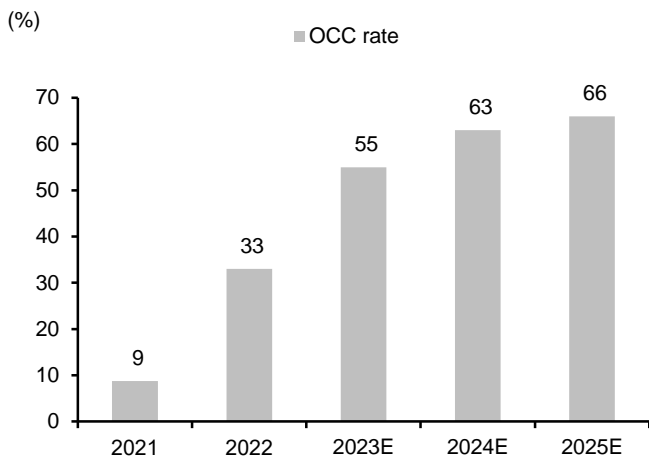
Sources: BEYOND; FSSIA estimate

**Exhibit 3: ADR (quarterly)**



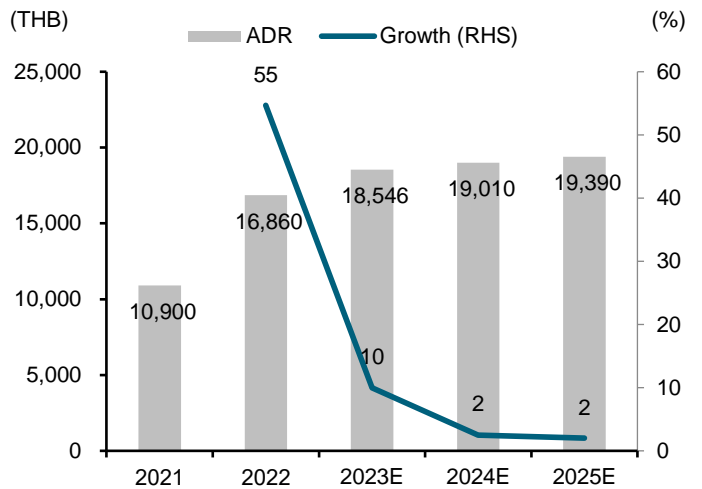
Sources: BEYOND; FSSIA estimate

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



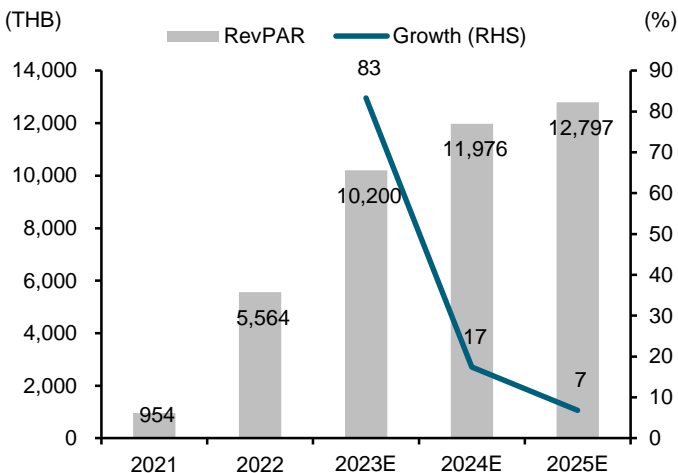
Sources: BEYOND; FSSIA estimates

**Exhibit 5: ADR (yearly)**



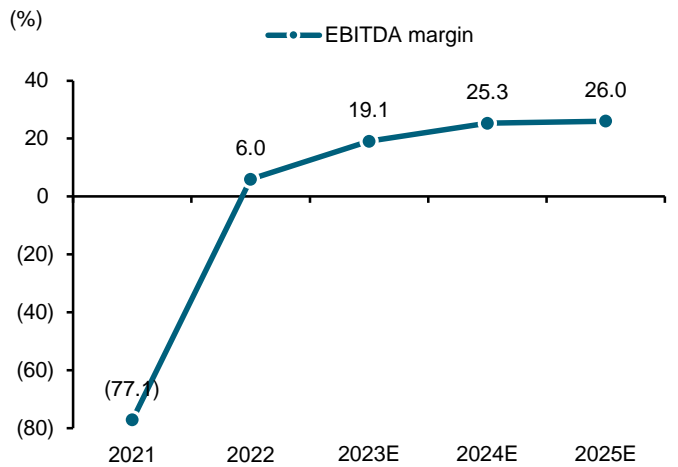
Sources: BEYOND; FSSIA estimates

**Exhibit 6: RevPAR (yearly)**



Sources: BEYOND; FSSIA estimates

**Exhibit 7: EBITDA margin**



Sources: BEYOND; FSSIA estimates

## Exhibit 8: 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	5.2	16.7	WACC 9.6%, Risk-free rate 3%, Risk premium 8%	
Terminal value	5.5	17.8	Terminal growth 3%	
Cash & liquid assets	1.2	3.8	At end-2024E	
Investments	0.3	0.9	At end-2024E	
Land for sales	0.8	2.6	Based on appraisal value of THB1.0b with 20% discount	
Debt	(5.5)	(17.8)	At end-2024E	
Minorities	0.0	0.0	At end-2024E	
<b>Residual ordinary equity</b>	<b>7.4</b>	<b>24.0</b>		

Source: FSSIA estimates

## Exhibit 9: Net asset value (NAV)

Cost approach	(THB b)	Note
Total replacement cost	8.6	Based on IFA dated 2 Sep 2021
Add : Leasehold rights of land	2.5	Based on IFA dated 2 Sep 2021
Add : Land (Tak)	1.0	Based on appraisal value
Add : Cash and cash equivalents	1.2	As of 2Q23
Less: Interest bearing debt	(5.9)	As of 2Q23
Less: Minorities	0.0	As of 2Q23
<b>Net Value</b>	<b>7.4</b>	
No of shares (m)	309.8	
<b>FV per share</b>	<b>24.0</b>	

Source: FSSIA estimates

## Exhibit 10: Peer comparisons as of 3 Nov 2023

Company	BBG	Rec	Share price			Market cap	PE			ROE		PBV		EV/EBITDA	
			Current	Target	Upside		23E	24E	25E	23E	24E	23E	24E	23E	24E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>															
Asset World Corp	AWC TB	BUY	3.58	6.80	90	3,208	54.4	31.1	27.9	2.5	4.1	1.3	1.2	31.9	23.1
Minor International	MINT TB	BUY	29.25	43.00	47	4,584	26.0	22.9	20.6	8.2	9.5	1.9	2.5	9.8	9.8
Central Plaza Hotel	CENDEL TB	BUY	46.00	53.00	15	1,739	45.2	31.5	27.7	7.2	9.6	3.1	2.9	17.9	16.1
Erawan Group	ERW TB	BUY	5.15	6.30	22	654	36.2	34.5	29.3	10.7	10.2	3.7	3.2	17.0	15.6
S Hotels & Resorts	SHR TB	BUY	2.52	4.40	75	254	186.3	22.5	16.7	0.3	2.5	0.6	0.6	8.9	7.2
Dusit Thani	DUSIT TB	BUY	8.00	18.00	125	190	133.0	27.8	2.7	1.2	5.7	1.6	1.6	37.1	29.1
Bound and Beyond	BEYOND TB	BUY	12.00	24.00	100	97	(30.9)	18.2	12.9	(1.9)	3.1	0.6	0.6	14.9	9.1
<b>Thailand average</b>						<b>10,726</b>	<b>64.3</b>	<b>26.9</b>	<b>19.7</b>	<b>4.0</b>	<b>6.4</b>	<b>1.8</b>	<b>1.8</b>	<b>19.6</b>	<b>15.7</b>
<b>Regional</b>															
Btg Hotels Group	600258 CH	n/a	16.65	n/a	n/a	2,553	24.3	18.4	15.2	7.1	8.5	1.7	1.5	9.6	8.6
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.48	n/a	n/a	4,365	8.9	6.2	5.0	7.6	9.8	0.7	0.6	12.3	9.9
Huangshan Tourism Dev.	900942 CH	n/a	0.71	n/a	n/a	955	9.8	8.3	7.4	8.8	9.4	0.8	0.8	7.7	7.1
Genting Bhd	GENT MK	n/a	4.15	n/a	n/a	3,501	16.1	10.7	9.2	3.3	4.6	0.5	0.5	6.6	6.0
Huazhu Group	HTHT US	n/a	36.77	n/a	n/a	11,721	23.8	21.3	17.8	31.2	25.7	7.8	6.0	13.7	12.1
Indian Hotels	IH IN	n/a	392.90	n/a	n/a	6,741	60.9	45.0	37.0	12.6	14.3	7.1	6.2	32.6	27.0
Lemon Tree Hotels	LEMONTRE IN	n/a	108.95	n/a	n/a	1,082	78.1	56.3	32.6	12.3	16.5	9.9	8.3	27.2	21.8

Lippo Karawaci	LPKR IJ	n/a	89.00	n/a	<i>n/a</i>	402	18.1	5.1	4.4	2.3	6.6	0.4	0.3	8.6	8.1
<b>Regional average</b>						<b>31,319</b>	<b>30.0</b>	<b>21.4</b>	<b>16.1</b>	<b>10.6</b>	<b>11.9</b>	<b>3.6</b>	<b>3.0</b>	<b>14.8</b>	<b>12.6</b>
<b>Overall average</b>						<b>42,045</b>	<b>46.0</b>	<b>24.0</b>	<b>17.8</b>	<b>7.6</b>	<b>9.4</b>	<b>2.8</b>	<b>2.4</b>	<b>17.0</b>	<b>14.1</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Bound and Beyond

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	222	2,148	2,974	3,490	3,728
Cost of goods sold	(209)	(1,607)	(1,909)	(2,053)	(2,165)
<b>Gross profit</b>	<b>12</b>	<b>541</b>	<b>1,065</b>	<b>1,436</b>	<b>1,563</b>
Other operating income	-	-	-	-	-
Operating costs	(242)	(716)	(802)	(858)	(905)
<b>Operating EBITDA</b>	<b>(171)</b>	<b>128</b>	<b>567</b>	<b>883</b>	<b>969</b>
Depreciation	(59)	(303)	(304)	(304)	(311)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(230)</b>	<b>(174)</b>	<b>264</b>	<b>578</b>	<b>658</b>
Net financing costs	(65)	(399)	(417)	(384)	(342)
Associates	0	0	0	0	0
Recurring non-operating income	25	38	10	10	11
Non-recurring items	1,142	99	317	0	0
<b>Profit before tax</b>	<b>872</b>	<b>(437)</b>	<b>174</b>	<b>205</b>	<b>327</b>
Tax	6	95	23	0	(39)
<b>Profit after tax</b>	<b>878</b>	<b>(342)</b>	<b>197</b>	<b>205</b>	<b>288</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>878</b>	<b>(342)</b>	<b>197</b>	<b>205</b>	<b>288</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(1,142)</b>	<b>(99)</b>	<b>(317)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(264)</b>	<b>(441)</b>	<b>(120)</b>	<b>205</b>	<b>288</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.91)	(1.53)	(0.39)	0.66	0.93
Reported EPS	3.04	(1.18)	0.68	0.66	0.93
DPS	0.00	0.00	0.00	0.33	0.46
Diluted shares (used to calculate per share data)	289	289	310	310	310
<b>Growth</b>					
Revenue (%)	1,595.6	869.1	38.4	17.4	6.8
Operating EBITDA (%)	nm	nm	343.1	55.6	9.8
Operating EBIT (%)	nm	nm	nm	119.5	13.7
Recurring EPS (%)	nm	nm	nm	nm	40.5
Reported EPS (%)	753.7	nm	nm	(3.0)	40.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	5.5	25.2	35.8	41.2	41.9
Gross margin exc. depreciation (%)	32.1	39.3	46.0	49.9	50.3
Operating EBITDA margin (%)	(77.1)	6.0	19.1	25.3	26.0
Operating EBIT margin (%)	(103.7)	(8.1)	8.9	16.6	17.7
Net margin (%)	(119.2)	(20.5)	(4.0)	5.9	7.7
Effective tax rate (%)	2.2	17.7	10.0	0.0	12.0
Dividend payout on recurring profit (%)	-	-	-	50.0	50.0
Interest cover (X)	(3.1)	(0.3)	0.7	1.5	2.0
Inventory days	43.9	11.4	11.4	12.1	12.2
Debtor days	113.0	12.2	11.4	8.2	7.6
Creditor days	286.0	78.6	82.2	76.7	77.7
Operating ROIC (%)	(3.0)	(1.3)	2.1	5.3	5.4
ROIC (%)	(2.5)	(1.0)	2.1	5.1	5.2
ROE (%)	(4.7)	(7.0)	(1.9)	3.1	4.2
ROA (%)	(1.9)	(0.8)	1.9	4.4	4.5
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	207	2,135	2,964	3,480	3,718
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)	(120)	205	288
Depreciation	59	303	304	304	311
Associates & minorities	-	-	-	-	-
Other non-cash items	1,148	119	295	0	0
Change in working capital	1,206	(1,037)	(38)	22	17
<b>Cash flow from operations</b>	<b>2,149</b>	<b>(1,056)</b>	<b>441</b>	<b>531</b>	<b>616</b>
Capex - maintenance	(8,486)	(634)	(110)	(116)	(122)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	391	967	160	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(8,096)</b>	<b>333</b>	<b>50</b>	<b>(116)</b>	<b>(122)</b>
Dividends paid	0	0	0	0	(102)
Equity finance	629	0	0	210	0
Debt finance	3,428	778	(25)	(677)	(438)
Other financing cash flows	174	(161)	0	0	0
<b>Cash flow from financing</b>	<b>4,231</b>	<b>617</b>	<b>(25)</b>	<b>(467)</b>	<b>(540)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(1,716)</b>	<b>(105)</b>	<b>466</b>	<b>(53)</b>	<b>(46)</b>
Free cash flow to firm (FCFF)	(5,869.34)	(318.31)	912.72	806.78	843.57
Free cash flow to equity (FCFE)	(2,344.61)	(105.32)	466.06	(262.16)	56.27

#### Per share (THB)

FCFF per share	(18.94)	(1.03)	2.95	2.60	2.72
FCFE per share	(7.57)	(0.34)	1.50	(0.85)	0.18
Recurring cash flow per share	3.26	(0.06)	1.66	1.64	1.93

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	13,878	12,656	12,576	12,692	12,814
Less: Accumulated depreciation	(1,486)	(961)	(1,265)	(1,569)	(1,880)
<b>Tangible fixed assets (net)</b>	<b>12,392</b>	<b>11,695</b>	<b>11,312</b>	<b>11,123</b>	<b>10,934</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	204	264	294	294	294
Cash & equivalents	866	761	1,227	1,174	1,128
A/C receivable	36	108	78	78	78
Inventories	36	45	55	60	64
Other current assets	571	373	343	403	430
<b>Current assets</b>	<b>1,509</b>	<b>1,287</b>	<b>1,703</b>	<b>1,715</b>	<b>1,700</b>
Other assets	1	100	125	125	125
<b>Total assets</b>	<b>14,106</b>	<b>13,346</b>	<b>13,434</b>	<b>13,258</b>	<b>13,053</b>
Common equity	6,412	6,103	6,300	6,714	6,899
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>6,412</b>	<b>6,103</b>	<b>6,300</b>	<b>6,714</b>	<b>6,899</b>
Long term debt	4,450	5,227	5,202	4,525	4,087
Other long-term liabilities	350	277	280	280	280
<b>Long-term liabilities</b>	<b>4,801</b>	<b>5,504</b>	<b>5,482</b>	<b>4,805</b>	<b>4,367</b>
A/C payable	191	371	352	383	406
Short term debt	985	986	986	986	986
Other current liabilities	1,717	382	315	369	394
<b>Current liabilities</b>	<b>2,893</b>	<b>1,739</b>	<b>1,653</b>	<b>1,739</b>	<b>1,787</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,106</b>	<b>13,346</b>	<b>13,434</b>	<b>13,258</b>	<b>13,053</b>
Net working capital	(1,265)	(227)	(190)	(211)	(229)
Invested capital	11,332	11,832	11,541	11,331	11,124

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

#### Per share (THB)

Book value per share	22.20	21.13	21.81	21.67	22.27
Tangible book value per share	22.20	21.13	21.81	21.67	22.27

#### Financial strength

Net debt/equity (%)	71.3	89.3	78.8	64.6	57.2
Net debt/total assets (%)	32.4	40.9	36.9	32.7	30.2
Current ratio (x)	0.5	0.7	1.0	1.0	1.0
CF interest cover (x)	(35.0)	0.7	2.1	0.3	1.2

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>(13.1)</b>	<b>(7.9)</b>	<b>(30.9)</b>	<b>18.2</b>	<b>12.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(26.2)</b>	<b>(15.7)</b>	<b>(61.9)</b>	<b>36.3</b>	<b>25.8</b>
Reported P/E (x)	3.9	(10.1)	17.6	18.2	12.9
Dividend yield (%)	-	-	-	2.8	3.9
Price/book (x)	0.5	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.5	0.6	0.6	0.6	0.5
EV/EBITDA (x) **	(47.0)	69.6	14.9	9.1	7.9
EV/EBITDA @ target price (x) **	(67.3)	96.7	21.0	13.3	11.7
EV/invested capital (x)	0.7	0.8	0.7	0.7	0.7

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

Sources: Bound and Beyond; FSSIA estimates



# BOUND AND BEYOND PSL (BEYOND TB)

**FSSIA ESG rating**

**24.98 /100**
**Exhibit 11: FSSIA ESG score implication**

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.
★★	<b>&gt;19-39</b>	<b>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.</b>
★	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 12: ESG – peer comparison**

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BEYOND	24.98	--	--	--	5.00	5.00	Certified	--	39.83	--	--	--	--	--	--
CENTEL	62.78	--	Y	Y	5.00	5.00	Certified	Medium	57.54	--	--	71.56	48.00	2.93	54.19
DUSIT	24.81	--	--	--	5.00	4.00	Certified	--	46.50	--	--	--	--	--	--
ERW	39.65	--	--	--	4.00	4.00	Certified	--	54.22	--	--	51.15	21.00	3.90	--
SHR	25.00	--	Y	Y	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 13: ESG disclosure from the company's one report**

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

Source: FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																							
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																							
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																							
<b>CG Score</b> 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%).																							
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																							
<b>Thai CAC</b> 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.																							
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr></thead><tbody><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></tbody></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+																					
<b>ESG Book</b>	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.																							
<b>MSCI</b>	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 border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>Rating</th><th>Score Range</th><th>Category</th><th>Description</th></tr></thead><tbody><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></tbody></table>	Rating	Score Range	Category	Description	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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<b>Moody's ESG solutions</b>	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.																								
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																								
<b>S&amp;P Global</b>	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.																								
<b>Bloomberg</b>	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.																							

Source: FSSIA's compilation

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

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Company	Ticker	Price	Rating	Valuation & Risks
Bound and Beyond	BEYOND TB	THB 12.00	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 3.58	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Minor International	MINT TB	THB 29.25	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 46.00	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 5.15	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 2.52	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Dusit Thani	DUSIT TB	THB 8.00	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.

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-Nov-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.