

BOUND AND BEYOND

BEYOND TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

A bargain amidst the cadmium dust

TARGET PRICE	THB18.00
CLOSE	THB8.50
UP/DOWNSIDE	+111.8%
PRIOR TP	THB20.00
CHANGE IN TP	-10.0%
TP vs CONSENSUS	-10.0%

- BEYOND รายงานผลประกอบการหลักพลิกเป็นกำไรในช่วง 1H24 แต่ไม่ได้รับความสนใจจากตลาดเนื่องจากประเด็นปัญหาภาคแคดเมียม
- คาดแนวโน้มจะดีต่อเนื่องในช่วง 2H24 และน่าจะมีการประกาศโครงการโรงแรมและธุรกิจอาหารและเครื่องดื่มใหม่ภายในสิ้นปีนี้
- คงคำแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 18 บาท (DCF)

เหลือค่าใช้จ่ายที่เกี่ยวข้องกับแคดเมียมอีกเพียงเล็กน้อยในช่วง 2H24

BEYOND รายงานกำไรจากธุรกิจโรงแรมอยู่ในเกณฑ์ดีแต่กลับถูกดบงโดยชาวลบเกี่ยวกับประเด็นปัญหาภาคแคดเมียม ในช่วง 1H24 รายได้โต 20% y-y พร้อม EBITDA margin ที่ปรับตัวดีขึ้นอย่างมีนัยสำคัญเป็น 23% (เทียบกับ 18% ในช่วง 1H23) ในขณะที่ผลการดำเนินงานหลักพลิกเป็นกำไรที่ประมาณ 29 ลบ. (เทียบกับผลขาดทุนปกติ 96 ลบ. ในช่วง 1H23) ประเด็นปัญหาภาคแคดเมียมน่าจะจบลงได้ในเร็ว ๆ นี้ โดย BEYOND ได้บันทึกค่าใช้จ่ายที่เกี่ยวข้องกับค่าชดเชยในคดีความและค่าธรรมเนียมทางกฎหมายสำหรับปัญหาการปนเปื้อนแคดเมียมจำนวน 34 ลบ. ไปแล้วใน 2Q24 และน่าจะบันทึกค่าใช้จ่ายในการนำภาคแคดเมียมกลับมาลงมืออีกไม่เกิน 15 ลบ. ในช่วง 2H24

ข้อมูลเชิงบวกจากที่ประชุมนักวิเคราะห์

เราเข้าร่วมการประชุมนักวิเคราะห์เมื่อวานนี้และได้รับข้อมูลเชิงบวกเกี่ยวกับการดำเนินงานของธุรกิจโรงแรม ตัวเลขการเข้าพักน่าจะรักษาแนวโน้มไว้ได้ที่อัตรา 58-60% ใน 3Q24 (เทียบกับ 52% ใน 3Q23) ในขณะที่ผู้บริหารเห็นความต้องการที่อยู่ในเกณฑ์ดีจากธุรกิจ MICE สำหรับในช่วงที่เหลือของปีนี้ ซึ่งจะสะท้อนรายได้ธุรกิจอาหารและเครื่องดื่มที่ต่อเนื่องในช่วง 2H24 (+14% y-y ในช่วง 1H24) ในภาพรวมเราคาดว่า RevPAR จะโต 20% ในปี 2024 (อัตราเข้าพัก (OCC rate) ที่ปรับตัวขึ้นเป็น 59% ในปี 2024 จาก 52% ในปี 2023 และค่าห้องรายวันเฉลี่ย (ADR) ที่สูงขึ้น 5% y-y) ซึ่งจะทำให้ผลประกอบการปกติพลิกเป็นกำไรที่ประมาณ 75 ลบ. ในปี 2024 จากที่เคยขาดทุน 169 ลบ. ในปี 2023

โรงแรมใหม่จะเปิดตัวได้ภายในปี 2025

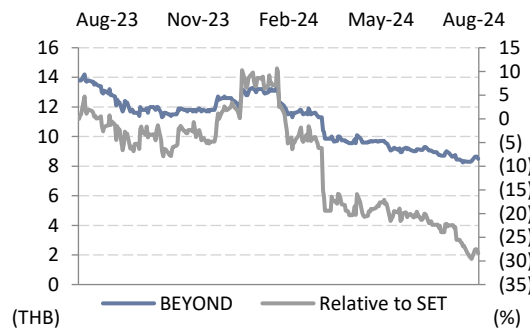
เมื่อเร็ว ๆ นี้ BEYOND ได้ออกหุ้นกู้มูลค่า 400 ลบ. ที่อัตราดอกเบี้ย 7% และอายุ 1 ปี 9 เดือนเพื่อสนับสนุนโครงการใหม่อันประกอบด้วยโรงแรมใหม่ 1 แห่งในภาคใต้ของประเทศไทยด้วยเงินลงทุน 600-700 ลบ. โดยมีกำหนดเปิดให้บริการภายใน 4Q25 และธุรกิจอาหารและเครื่องดื่มซึ่งจะเปิดตัวได้ภายในสิ้นปีนี้ แม้ว่านี่จะเพิ่มขึ้นเราน่าจะยังเห็นค่าใช้จ่ายดอกเบี้ยลดลงเนื่องจากธนาคารได้ปรับดอกเบี้ยของสินเชื่อบริษัทลง 50 bps ตั้งแต่ 2Q24 และอาจลดลงต่อเนื่องอีกในปีนี้

ปรับลดประมาณการกำไร ราคาหุ้นลดลงมากเกินเหตุ

เราปรับลดประมาณการกำไรปี 2024-26 ของเราเพื่อสะท้อนค่าใช้จ่ายที่สูงเกินคาด (โดยเฉพาะในส่วนที่เกี่ยวข้องกับประเด็นปัญหาภาคแคดเมียม) และได้ราคาเป้าหมายใหม่ที่ 18 บาท (DCF) เราเชื่อว่าราคาหุ้นลดลงมากเกินไปเมื่อพิจารณาจากมูลค่าหลักทรัพย์ตามราคาตลาดที่ลดลง 770 ลบ. นับตั้งแต่ปัญหาภาคแคดเมียมเริ่มต้นเทียบกับค่าใช้จ่ายที่เกี่ยวข้องกับปัญหาภาคแคดเมียมรวมเพียง 50 ลบ. BEYOND มีการซื้อขายโดยมี Valuations ที่ต่ำเพียง 0.4x 2024E P/BV และ 9x 2024E EV/EBITDA

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,978	3,395	3,642	3,836
Net profit	158	25	196	257
EPS (THB)	0.55	0.09	0.68	0.89
vs Consensus (%)	-	(73.5)	(8.1)	-
EBITDA	546	782	915	974
Recurring net profit	(169)	75	196	257
Core EPS (THB)	(0.58)	0.26	0.68	0.89
Chg. In EPS est. (%)	nm	(23.6)	(8.8)	(0.7)
EPS growth (%)	nm	nm	161.3	31.1
Core P/E (x)	(14.6)	32.9	12.6	9.6
Dividend yield (%)	-	1.5	4.0	5.2
EV/EBITDA (x)	13.3	9.0	7.4	6.6
Price/book (x)	0.4	0.4	0.4	0.4
Net debt/Equity (%)	76.4	72.8	65.9	60.2
ROE (%)	(2.7)	1.2	3.1	3.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.3)	(11.9)	(36.1)
Relative to country (%)	(5.9)	(12.4)	(26.1)
Mkt cap (USD m)			73
3m avg. daily turnover (USD m)			0.0
Free float (%)			50
Major shareholder	Country Group Holding PCL (39%)		
12m high/low (THB)			14.50/8.20
Issued shares (m)			290.07

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 30 สิงหาคม 2024

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 2024, 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 2022.

We expect BEYOND's earnings to rebound in 2024 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 cash flow and low levels of maintenance CAPEX.

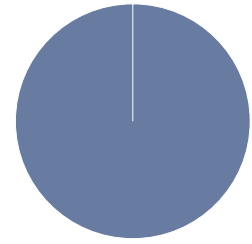
Company profile

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, 2023)

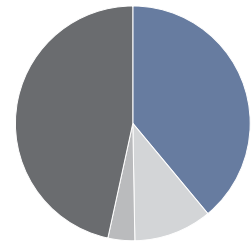
■ Hotel revenue - 100.0 %



Source: Bound and Beyond

Major shareholders

■ Country Group Holding PCL - 39.0 %
 ■ Kingdom of Thailand Ministry of Finance - 10.8 %
 ■ Supachai Weeraborwornpong - 3.7 %
 ■ Others - 46.6 %



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 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
OCC rate (%)	59	61	63
ADR (THB)	19,958	20,757	21,172
RevPAR growth (%)	20	8	5
EBITDA margin (%)	23	25	25

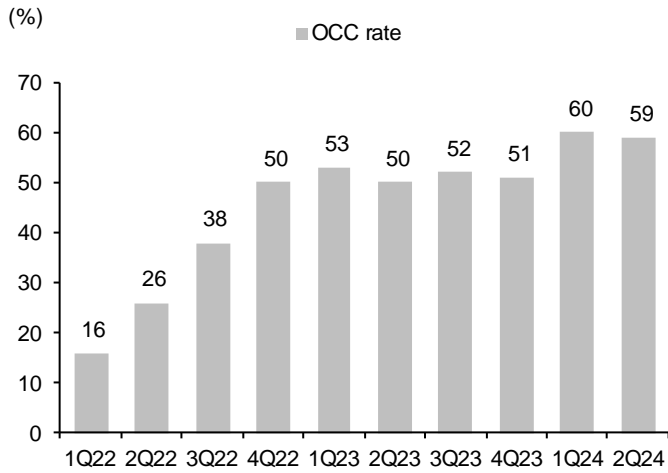
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC rate, we project a 2025 profit increase of 7%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project a 2025 profit increase of 11%, and vice versa, all else being equal.

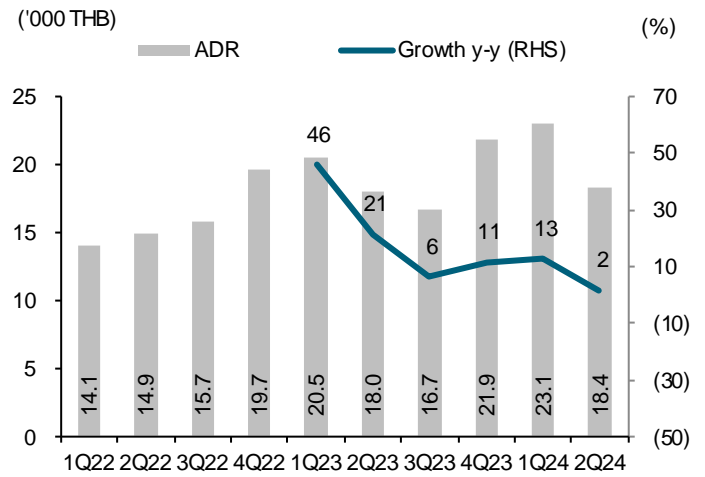
Source: FSSIA estimates

Exhibit 1: OCC rate



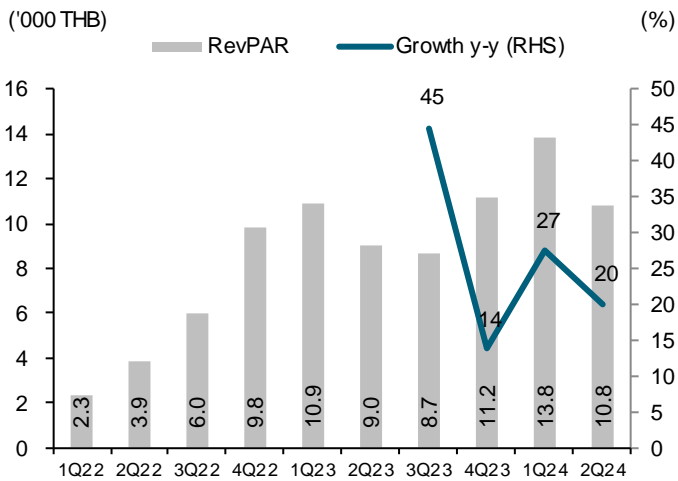
Source: BEYOND

Exhibit 2: ADR



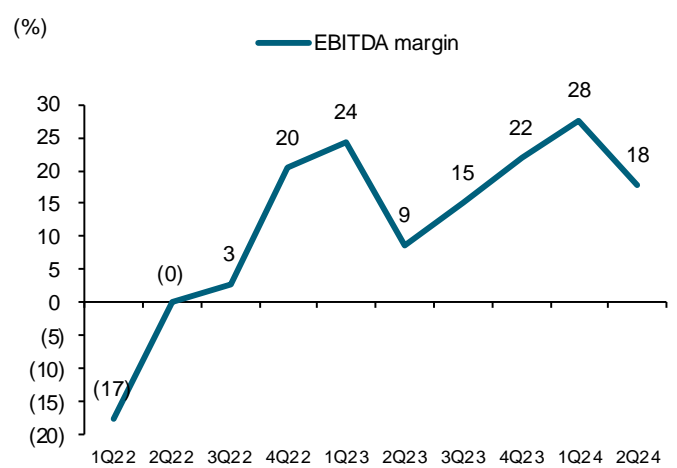
Source: BEYOND

Exhibit 3: RevPAR



Source: BEYOND

Exhibit 4: EBITDA margin



Source: BEYOND

Exhibit 5: BEYOND – 2Q24 results summary

FY ending Dec	2Q23	3Q23	4Q23	1Q24	2Q24	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	614	673	875	952	762	(20)	24	2,978	3,395	14
COGS (incl depreciation)	(438)	(465)	(549)	(532)	(491)	(8)	12	(1,940)	(2,033)	5
Gross Profit	176	208	326	421	271	(36)	54	1,037	1,363	31
SG&A	(199)	(183)	(211)	(236)	(214)	(9)	8	(798)	(889)	12
Operating Profit	(23)	25	115	185	57	(69)	354	240	473	(98)
Dividend income	0	0	0	0	0			0	0	
Interest income	2	2	3	0	1			8	10	
Other income	0	9	0	4	2			11	17	50
Interest expenses	(107)	(109)	(108)	(105)	(96)	(8)	(10)	(426)	(406)	(5)
Pretax profit	(127)	(73)	10	84	(36)	(142)	72	(167)	94	156
Income Tax	14	5	(15)	(17)	(2)	(85)	(117)	(2)	(19)	
Associates	0	(0)	0	0	0			(1)	0	
Minority interest	0	0	0	0	0			0	0	
Core profit	(113)	(68)	(5)	68	(38)	(157)	66	(169)	75	144
Extraordinaries, GW & FX	317	7	3	0	(34)			328	(50)	
Reported net profit	205	(61)	(3)	68	(72)	(207)	(135)	158	25	84
Outstanding shares (m)	289	289	289	289	289	0	0	290	290	0
Core EPS (THB)	(0.39)	(0.24)	(0.02)	0.23	(0.13)	(157)	66	(0.58)	0.26	144
EPS (THB)	0.71	(0.21)	(0.01)	0.23	(0.25)	(207)	(135)	0.55	0.09	84
COGS excl. depreciation	(362)	(388)	(472)	(453)	(412)	(9)	14	(1,634)	(1,724)	5
Depreciation	(76)	(77)	(77)	(78)	(79)	1	3	(306)	(308)	1
EBITDA	54	102	192	263	136	(48)	154	546	782	(43)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	29	31	37	44	36	(9)	7	35	40	5
SG&A/Revenue	32	27	24	25	28	3	(4)	27	26	(1)
EBITDA margin	9	15	22	28	18	(10)	9	18	23	5
Net profit margin	33	(9)	(0)	7	(9)	(17)	(43)	5	1	(5)
Operating stats										
Occupancy (%)	50	52	51	60	59			52	59	
ADR (THB/night)	18,042	16,741	21,916	23,068	18,361			19,008	19,958	
RevPar (THB/night)	9,021	8,705	11,177	13,841	10,833			9,789	11,775	

Sources: BEYOND; FSSIA estimates

Exhibit 6: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	3,395	3,642	3,836	3,395	3,642	3,836	0	0	0
EBITDA margin (%)	23.0	25.1	25.4	23.7	25.6	25.3	(1)	(0)	0
Core profit	75	196	257	105	230	276	(28)	(15)	(7)
Net profit	25	196	257	105	230	276	(76)	(15)	(7)
Key assumptions									
OCC rate (%)	59	61	63	59	61	63	0	0	0
ADR (THB)	19,958	20,757	21,172	19,958	20,757	21,172	0	0	0

Source: FSSIA estimates

Exhibit 7: 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	4.1	14.2	WACC 9.6%, Risk-free rate 3%, Risk premium 8%
Terminal value	4.6	15.8	Terminal growth 3%
Cash & liquid assets	1.2	4.2	At end-2024E
Investments	0.3	1.1	At end-2024E
Land for sales	0.8	2.8	Based on appraisal value of THB1.0b with 20% discount
Debt	(5.8)	(20.1)	At end-2024E
Minorities	0.0	0.0	At end-2024E
Residual ordinary equity	5.2	18.0	

Source: FSSIA estimates

Exhibit 8: 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	2.3	Based on IFA dated 2 Sep 2021 / estimated from remaining leasehold right to 2069
Add : Land (Tak)	1.0	Based on appraisal value
Add : Cash and cash equivalents	0.5	As of 1Q24
Less: Interest bearing debt	(5.1)	As of 1Q24
Less: Minorities	0.0	As of 1Q24
Net value	7.2	
No of shares (m)	290.1	
FV per share	24.9	

Source: FSSIA estimates

Exhibit 9: Peer comparisons as of 29 Aug 2024

Company	BBG	Rec	Share price			Market cap (USD m)	PE			ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24E (x)	25E (x)	26E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
Thailand															
Asset World Corp	AWC TB	BUY	3.58	5.50	54	3,370	52.3	43.8	35.6	2.4	2.8	1.2	1.2	30.9	28.0
Minor International	MINT TB	BUY	26.50	44.00	66	4,420	18.4	16.5	14.8	10.7	11.3	1.9	1.8	7.5	6.8
Central Plaza Hotel	CENDEL TB	BUY	36.00	50.00	39	1,430	31.7	25.4	21.6	7.5	8.8	2.3	2.2	14.6	13.5
Erawan Group	ERW TB	BUY	3.78	6.50	72	543	21.8	20.1	18.6	11.6	10.8	2.2	2.1	13.2	11.9
S Hotels & Resorts	SHR TB	BUY	2.02	3.80	88	214	26.8	15.9	12.8	1.7	2.8	0.4	0.4	8.3	7.5
Dusit Thani	DUSIT TB	BUY	10.90	15.00	38	273	(170.6)	12.4	5.3	(1.6)	18.7	2.7	2.0	84.2	14.1
Bound and Beyond	BEYOND TB	BUY	8.65	18.00	108	74	33.5	12.8	9.8	1.2	3.1	0.4	0.4	9.1	7.4
Thailand average						10,323	2.0	21.0	16.9	4.8	8.3	1.6	1.4	24.0	12.7
Regional															
Btg Hotels Group	600258 CH	n/a	11.39	n/a	n/a	1,789	16.3	13.9	12.5	7.2	7.6	1.1	1.1	8.1	9.9
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.44	n/a	n/a	3,247	9.7	7.6	7.0	6.5	8.3	0.6	0.6	11.3	10.0
Huangshan Tourism Dev.	900942 CH	n/a	0.72	n/a	n/a	916	9.8	8.3	7.6	8.5	9.2	0.8	0.8	9.1	6.8
Genting Bhd	GENT MK	n/a	4.44	n/a	n/a	3,876	16.3	9.4	8.0	3.9	5.0	0.5	0.5	6.2	5.6
Huazhu Group	HTHT US	n/a	28.71	n/a	n/a	9,152	16.4	15.9	13.6	34.4	29.7	4.9	4.6	9.5	9.1
Indian Hotels	IH IN	n/a	654.20	n/a	n/a	11,002	100.0	71.2	57.2	12.6	14.8	11.7	10.1	52.4	42.3
Lemon Tree Hotels	LEMONTRE IN	n/a	132.65	n/a	n/a	1,266	92.2	77.2	49.2	12.3	14.6	11.6	10.8	31.3	25.9
Lippo Karawaci	LPKR IJ	n/a	82.00	n/a	n/a	377	n/a	11.7	4.3	n/a	3.2	n/a	0.4	n/a	6.2
Regional average						31,625	37.2	26.9	19.9	12.2	11.6	4.5	3.6	18.3	14.5
Global															
Nh Hotel Group	NHH SM	n/a	4.08	n/a	n/a	1,983	16.7	12.3	10.4	12.9	15.4	1.8	1.6	7.1	6.4
Melia Hotels International	MEL SM	n/a	6.44	n/a	n/a	1,589	14.0	11.0	10.3	21.4	20.7	2.8	2.3	8.5	7.7
Intercontinental Hotels G.	IHG LN	n/a	7,548	n/a	n/a	15,890	26.5	23.2	20.3	(34.6)	(32.9)	n/a	n/a	17.2	15.7
Whitbread	WTB LN	n/a	2,832	n/a	n/a	6,837	20.4	13.2	13.7	6.8	10.6	1.4	1.4	11.4	9.2
Accor	ACRFF US	n/a	39.38	n/a	n/a	9,594	19.6	15.9	14.1	11.3	12.0	1.7	1.8	11.9	10.6
Choice Hotels	CHH US	n/a	126.79	n/a	n/a	5,986	21.0	19.6	19.1	242.2	873.0	67.6	n/a	14.3	13.2
Hilton Worldwide Holdings	HLT US	n/a	217.08	n/a	n/a	53,494	35.6	31.0	26.8	(95.3)	(56.7)	n/a	n/a	20.7	18.5
Hyatt Hotels Corp	H US	n/a	146.80	n/a	n/a	14,817	66.2	34.1	35.4	6.1	14.6	4.3	3.9	16.4	14.7
Marriott International	MAR US	n/a	227.32	n/a	n/a	63,996	26.5	24.3	21.4	(914.9)	(195.7)	n/a	n/a	16.7	15.4
Global average						174,186	27.4	20.5	19.0	(82.7)	73.4	13.3	2.2	13.8	12.4
Overall average						216,133	22.7	22.8	18.7	(27.2)	33.8	6.1	2.5	18.3	13.2

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bound and Beyond

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	2,148	2,978	3,395	3,642	3,836
Cost of goods sold	(1,607)	(1,940)	(2,033)	(2,120)	(2,233)
Gross profit	541	1,037	1,363	1,522	1,603
Other operating income	-	-	-	-	-
Operating costs	(716)	(798)	(889)	(916)	(943)
Operating EBITDA	128	546	782	915	974
Depreciation	(303)	(306)	(308)	(309)	(314)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(174)	240	473	606	659
Net financing costs	(399)	(418)	(396)	(369)	(346)
Associates	0	(1)	0	0	0
Recurring non-operating income	38	11	17	8	8
Non-recurring items	99	328	(50)	0	0
Profit before tax	(437)	160	44	245	321
Tax	95	(2)	(19)	(49)	(64)
Profit after tax	(342)	158	25	196	257
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(342)	158	25	196	257
Non-recurring items & goodwill (net)	(99)	(328)	50	0	0
Recurring net profit	(441)	(169)	75	196	257
Per share (THB)					
Recurring EPS *	(1.53)	(0.58)	0.26	0.68	0.89
Reported EPS	(1.18)	0.55	0.09	0.68	0.89
DPS	0.00	0.00	0.13	0.34	0.44
Diluted shares (used to calculate per share data)	289	290	290	290	290
Growth					
Revenue (%)	869.1	38.6	14.0	7.3	5.3
Operating EBITDA (%)	nm	326.0	43.3	17.1	6.4
Operating EBIT (%)	nm	nm	97.6	28.0	8.8
Recurring EPS (%)	nm	nm	nm	161.3	31.1
Reported EPS (%)	nm	nm	(84.2)	684.3	31.1
Operating performance					
Gross margin inc. depreciation (%)	25.2	34.8	40.1	41.8	41.8
Gross margin exc. depreciation (%)	39.3	45.1	49.2	50.3	50.0
Operating EBITDA margin (%)	6.0	18.3	23.0	25.1	25.4
Operating EBIT margin (%)	(8.1)	8.0	13.9	16.6	17.2
Net margin (%)	(20.5)	(5.7)	2.2	5.4	6.7
Effective tax rate (%)	17.7	(1.1)	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	50.0	50.0	50.0
Interest cover (X)	(0.3)	0.6	1.2	1.7	1.9
Inventory days	11.4	11.0	11.6	11.6	11.6
Debtor days	12.2	12.7	10.7	9.9	9.4
Creditor days	78.6	96.0	106.3	106.5	106.1
Operating ROIC (%)	(1.3)	2.2	3.5	4.5	5.0
ROIC (%)	(1.0)	2.2	3.5	4.4	4.9
ROE (%)	(7.0)	(2.7)	1.2	3.1	3.9
ROA (%)	(0.8)	1.9	2.9	3.7	4.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel revenue	2,135	2,978	3,395	3,642	3,836
Revenue from sales and services	13	0	0	0	0

Sources: Bound and Beyond; FSSIA estimates

Financial Statements

Bound and Beyond

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	(441)	(169)	75	196	257
Depreciation	303	306	308	309	314
Associates & minorities	-	-	-	-	-
Other non-cash items	119	275	(50)	0	0
Change in working capital	(1,037)	150	30	26	32
Cash flow from operations	(1,056)	562	363	532	603
Capex - maintenance	(634)	(154)	(154)	(162)	(230)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	967	183	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	333	29	(154)	(162)	(230)
Dividends paid	0	0	0	(37)	(98)
Equity finance	0	12	0	0	0
Debt finance	778	(11)	(380)	(468)	(150)
Other financing cash flows	(161)	34	0	0	0
Cash flow from financing	617	36	(380)	(505)	(248)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(105)	627	(170)	(135)	125
Free cash flow to firm (FCFF)	(318.31)	1,016.67	615.47	747.57	726.83
Free cash flow to equity (FCFE)	(105.32)	614.72	(170.41)	(98.01)	222.77

Per share (THB)

FCFF per share	(1.10)	3.50	2.12	2.58	2.51
FCFE per share	(0.36)	2.12	(0.59)	(0.34)	0.77
Recurring cash flow per share	(0.06)	1.42	1.15	1.74	1.97

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	12,656	12,448	12,602	12,764	12,994
Less: Accumulated depreciation	(961)	(1,139)	(1,448)	(1,757)	(2,071)
Tangible fixed assets (net)	11,695	11,309	11,155	11,007	10,923
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	264	315	315	315	315
Cash & equivalents	761	1,388	1,217	1,082	1,207
A/C receivable	108	99	99	99	99
Inventories	45	53	56	59	63
Other current assets	373	293	334	358	377
Current assets	1,287	1,833	1,707	1,598	1,746
Other assets	100	158	158	158	158
Total assets	13,346	13,615	13,334	13,078	13,142
Common equity	6,103	6,300	6,325	6,484	6,643
Minorities etc.	0	0	0	0	0
Total shareholders' equity	6,103	6,300	6,325	6,484	6,643
Long term debt	5,227	5,215	4,938	4,520	4,370
Other long-term liabilities	277	289	289	289	289
Long-term liabilities	5,504	5,504	5,227	4,809	4,659
A/C payable	371	489	516	541	574
Short term debt	986	988	885	835	835
Other current liabilities	382	334	381	409	431
Current liabilities	1,739	1,811	1,782	1,785	1,839
Total liabilities and shareholders' equity	13,346	13,615	13,334	13,078	13,142
Net working capital	(227)	(378)	(407)	(434)	(465)
Invested capital	11,832	11,405	11,221	11,046	10,931

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

Per share (THB)

Book value per share	21.13	21.72	21.81	22.35	22.90
Tangible book value per share	21.13	21.72	21.81	22.35	22.90

Financial strength

Net debt/equity (%)	89.3	76.4	72.8	65.9	60.2
Net debt/total assets (%)	40.9	35.4	34.5	32.7	30.4
Current ratio (x)	0.7	1.0	1.0	0.9	0.9
CF interest cover (x)	0.7	2.5	0.6	0.7	1.6

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	(5.6)	(14.6)	32.9	12.6	9.6
Recurring P/E @ target price (x) *	(11.8)	(30.8)	69.6	26.7	20.3
Reported P/E (x)	(7.2)	15.6	98.7	12.6	9.6
Dividend yield (%)	-	-	1.5	4.0	5.2
Price/book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.4	0.4	0.4	0.4	0.4
EV/EBITDA (x) **	61.8	13.3	9.0	7.4	6.6
EV/EBITDA @ target price (x) **	83.2	18.4	12.6	10.4	9.5
EV/invested capital (x)	0.7	0.6	0.6	0.6	0.6

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

Sources: Bound and Beyond; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.																												
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.	<table border="1"> <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> <p>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.</p>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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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 border="0"> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>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> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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 8.65	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
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 26.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CENTEL TB	THB 36.00	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 more intense competition in the F&B business, which may result in price competition; and 3) a slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 3.78	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 2.02	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Dusit Thani	DUSIT TB	THB 10.90	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

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 29-Aug-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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