21 MARCH 2023

EQUITY RESEARCH - COMPANY REPORT

DUSIT THANI DUSIT TB

THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

TARGET PRICE	THB18.00
CLOSE	THB11.90
UP/DOWNSIDE	+51.3%
PRIOR TP	THB18.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.0%

เร่งเข้าสู่ช่วงการเติบโต

- คาดรายได้จะโต 30-35% ในปี 2023 จากธุรกิจโรงแรม คาด RevPAR ของโรงแรมที่บริษัทฯ เป็นเจ้าของจะกระโดดเพิ่ม 35%
- กำไรอยู่ในแนวโน้มขาขึ้นจนถึงปี 2025 คาดว่าผลประกอบการจะพลิกฟื้นในปี 2023 ก่อนกระโดดเพิ่มในปี 2024 จากการเปิด Dusit Central Park (DCP) และสูงสุดในปี 2025 จากยอดขายที่พักอาศัย
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 18 บาท (DCF)

แนวโน้มธุรกิจโรงแรมดูดี

เราเข้าร่วมการประชุมนักวิเคราะห์เมื่อวันที่ 14 มี.ค. และกลับมาพร้อมกับมุมมองเชิงบวก DUSIT คาดว่ารายได้จะกระโดดเพิ่ม 30-35% (ค่อนข้างใกล้เคียงกับประมาณการของเรา) ในปี 2023 จากพอร์ตโรงแรม อัตราการเข้าพักของโรงแรมที่บริษัทฯ เป็นเจ้าของน่าจะกระโดดเพิ่มจาก 59% เป็น 70% ในขณะที่ค่าห้องรายวันเฉลี่ยน่าจะสูงกว่าระดับก่อนโควิดอยู่ 10-15% นอกจากนี้ DUSIT ยังวางแผนเปิดโรงแรมของตนเองอีก 1 แห่ง (ASAI Bangkok Sathorn) ใน 2Q23 และโรงแรมที่บริษัทฯ รับจ้างบริหารอีก 13 แห่งในปี 2023 ซึ่งจะทำให้โรงแรมรวมในพอร์ตเพิ่มเป็น 62 แห่ง (เป็นเจ้าของเอง 10 แห่งและรับจ้างบริหาร 52 แห่ง) ในภาพรวมธุรกิจโรงแรมน่าจะพลิกมามีกำไรได้ในปีนี้

ธุรกิจอาหารและการศึกษาอยู่ในช่วงฟื้นตัว

ธุรกิจอาหารน่าจะฟื้นตัวจากการกลับมาของโรงเรียนนานาชาติที่ให้บริการอาหารในไทยและเวียดนาม Bonjour Bakery น่าจะจัดส่งสินค้ารับจ้างผลิต (OEM) ให้แก่พันธมิตร กล่าวคือ PTT Oil and Retail Business (OR TB, BUY, TP THB26) DUSIT วางแผน IPO ธุรกิจอาหารในอีกไม่กี่ปีข้างหน้า ในด้านธุรกิจการศึกษา DUSIT คาดว่า Dusit Thani College และ Le Cordon Bleu Dusit Culinary School จะมีนักเรียนเพิ่มขึ้นในปีนี้

DCP จะช่วยหนุนกำไรในปี 2024-25

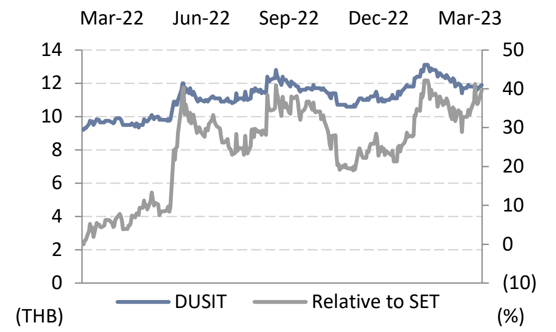
โครงการ DCP ล่าช้าเล็กน้อยจากโควิด ปัจจุบันโครงการโรงแรมมีกำหนดเปิดให้บริการในกลางปี 2024 (จาก 1Q24 ก่อนหน้า) ในขณะที่โครงการอาคารสำนักงาน อาคารเพื่อการค้าปลีกและอาคารที่อยู่อาศัยน่าจะเปิดในปี 2025 เราคาดว่าโครงการ DCP จะสร้างกำไรที่เกิดเป็นประจำ (recurring) อยู่ที่230-260 ลบ. ในปี 2025 ประกอบด้วย 100-110 ลบ. จากโรงแรมที่ แห่งใหม่ (คำนวนจากสัดส่วนที่ DUSIT ถืออยู่ 70%) ส่วนแบ่งรายได้ 50-60 ลบ. จากศูนย์การค้าและอีก 80-90 ลบ. จากการบริหารโรงแรม.

ปรับประมาณการกำไรปี 2024 จากโครงการ DCP ที่ล่าช้าเล็กน้อย

เราปรับลดประมาณการกำไรปี 2023-24 จาก 109-365 ลบ. เป็น 51-245 ลบ. จากค่าใช้จ่ายในช่วงก่อนดำเนินงานและปัญหาความล่าช้าในโครงการ DCP เราคงประมาณการปี 2025-26 และราคาเป้าหมายปี 2023 ไว้ที่ 18 บาท (DCF) อันประกอบด้วย 1) มูลค่าธุรกิจหลัก 16.1 บาท; และ 2) มูลค่าโครงการที่พักอาศัยในโครงการ DCP ที่ 1.9 บาท ปัจจุบัน DUSIT มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 28x ของค่า 2025E P/E (จากประมาณการกำไรที่เกิดเป็นประจำในปี 2025 โดยไม่รวมกำไรจากการขายที่พักอาศัย 360 ลบ.) ผลประกอบการที่ปรับตัวดีขึ้นเริ่มตั้งแต่การพลิกฟื้นในปี 2023 ก่อนที่กำไรจะเพิ่มขึ้นในปี 2024 จากการเปิดของ DCP และสูงสุดในปี 2025 จากการขายที่พักอาศัยน่าจะเป็นปัจจัยบวกที่ทำให้ราคาหุ้นปรับขึ้นได้

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	4,084	5,987	6,711	27,822
Net profit	(501)	51	245	2,475
EPS (THB)	(0.59)	0.06	0.29	2.91
vs Consensus (%)	-	(14.3)	(42.0)	1.7
EBITDA	(138)	684	1,018	4,682
Core net profit	(766)	51	245	2,475
Core EPS (THB)	(0.90)	0.06	0.29	2.91
Chg. In EPS est. (%)	nm	(52.9)	(32.9)	nm
EPS growth (%)	nm	nm	378.4	911.7
Core P/E (x)	(13.2)	197.8	41.4	4.1
Dividend yield (%)	-	0.4	1.7	17.1
EV/EBITDA (x)	(159.7)	42.0	32.4	4.9
Price/book (x)	2.5	2.4	2.3	1.5
Net debt/Equity (%)	217.7	215.7	202.3	123.4
ROE (%)	(20.7)	1.2	5.7	44.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.7)	9.2	28.0
Relative to country (%)	4.8	12.6	38.1

Mkt cap (USD m)	297
3m avg. daily turnover (USD m)	0.3
Free float (%)	27
Major shareholder	Chanat family account (50%)
12m high/low (THB)	13.20/8.40
Issued shares (m)	850.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 21 มีนาคม 2023

Investment thesis

DUSIT will open its first mixed-use project, Dusit Central Park (DCP), consisting of the new flagship hotel, luxury residences and a retail shopping centre at the prime central business district located opposite to Lumphini Park. The total project value is THB46b (THB17.3b for DUSIT's portion) and is scheduled to open in 1Q24.

We expect DUSIT to turn profitable in 2023 when the occupancy (OCC) rate of its existing hotels reaches more than 70% and the non-hotel business turns profitable. Profits should jump in 2024 when the DCP project starts operating, and should peak in 2025 when residential projects start to be transferred.

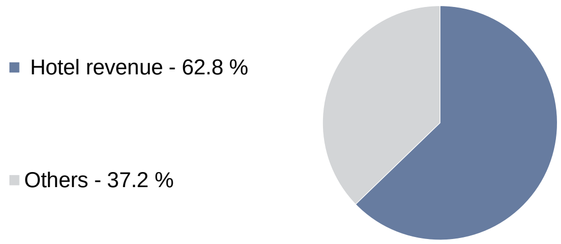
DUSIT's share price deserves to re-rate, in our view, driven by 1) the DCP project, which should drive the profitability margin as it should capture a higher luxury segment with a higher average daily rate (ADR); and 2) a more balanced portfolio from the retail shopping mall, food business and education business.

Company profile

DUSIT operates 48 hotels and 300 villas in 16 countries with a total room count of c12,400 currently.

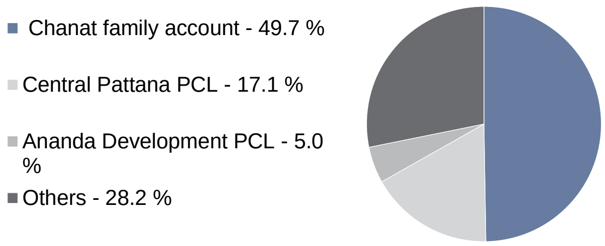
www.dusit.com

Principal activities (revenue, 2022)



Source: Dusit Thani

Major shareholders



Source: Dusit Thani

Catalysts

Key potential growth drivers include 1) a faster OCC ramp-up rate following a global tourism recovery; 2) the recovery of domestic business activities; and 3) the Dusit Central Park (DCP) mixed-use project.

Risks to our call

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

Event calendar

Date	Event
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Existing hotels - OCC rate (%)	70	74	74
Existing hotels - ADR (THB)	3,971	4,090	4,172
Food - revenue growth (%)	16	2	2
Education - revenue growth (%)	13	4	4
DCP hotel - OCC rate (%)		67	70
DCP hotel - ADR (THB)		10,182	10,487
DCP retail - OCC rate (%)		0	90
DCP retail - rental (THB/sqm/month)		0	2,098

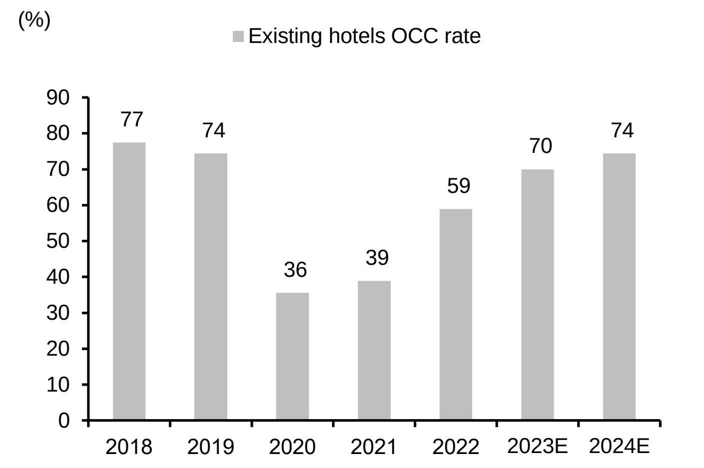
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in the OCC rate of existing hotels, we project a 2024 profit increase of 8% and vice versa, all else being equal.
- For every 1% increase in the OCC rate of the DCP hotel, we project a 2024 profit increase of 3%, and vice versa, all else being equal.

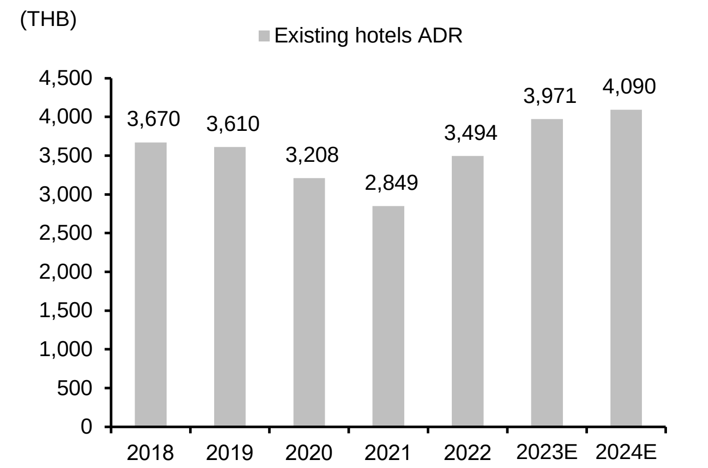
Source: FSSIA estimates

Exhibit 1: Existing owned hotels OCC rate, yearly



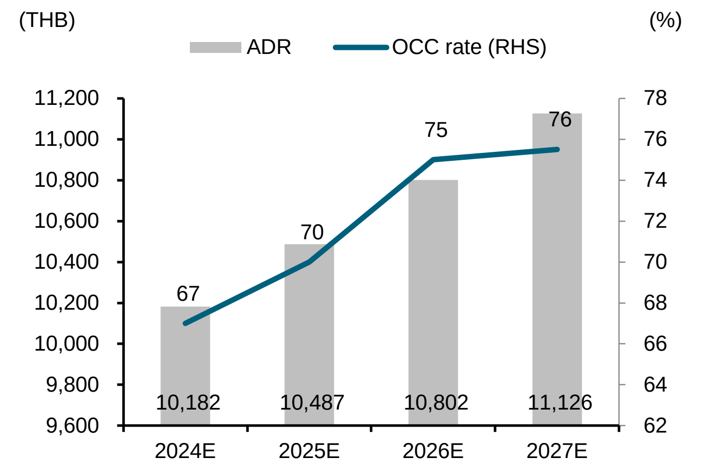
Sources: DUSIT; FSSIA estimates

Exhibit 2: Existing owned hotels ADR, yearly



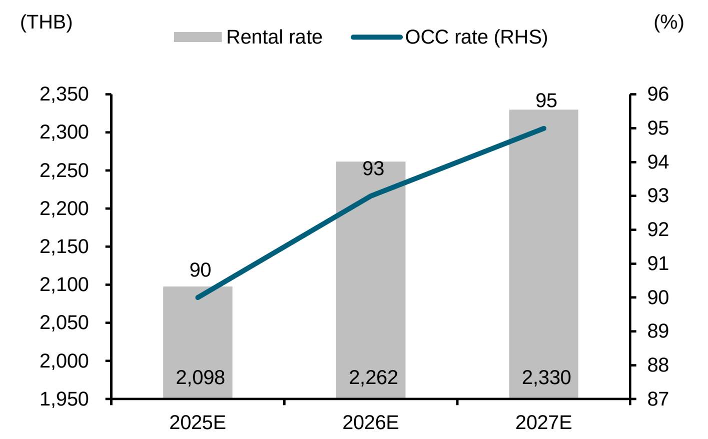
Sources: DUSIT; FSSIA estimates

Exhibit 3: DCP hotel project key assumptions



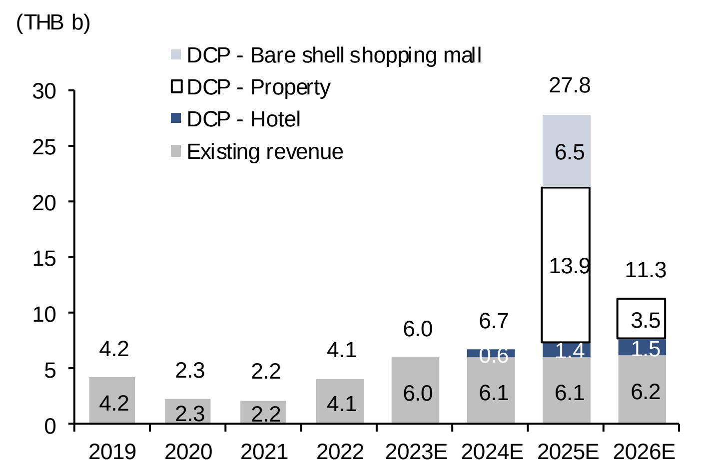
Sources: DUSIT; FSSIA estimates

Exhibit 4: DCP shopping mall project key assumptions



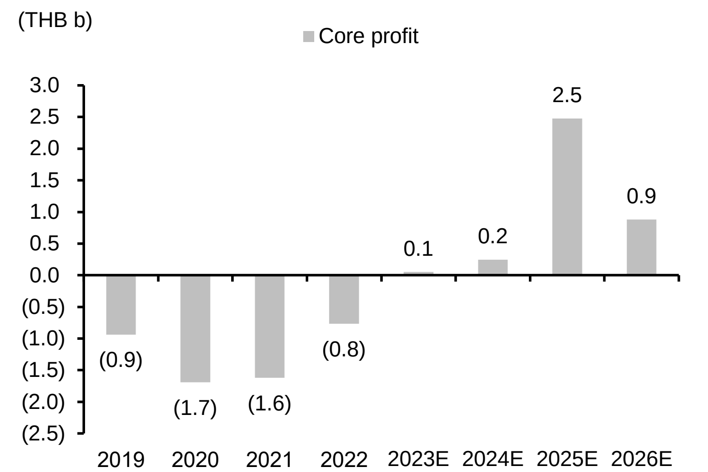
Sources: DUSIT; FSSIA estimates

Exhibit 5: Revenue forecast



Note: Excludes non-recurring items
Sources: DUSIT; FSSIA estimates

Exhibit 6: Core profit forecast



Sources: DUSIT; FSSIA estimates

Exhibit 7: Comparison of DCP project and old flagship hotel

	DCP project	DCP project (DUSIT's portion)	Old Dusit Thani Bangkok in 2018
	(THB m)	(THB m)	(THB m)
Hotel in 2025			
OCC rate (%)	70	70	77
ADR (THB)	10,487	10,487	3,150
Revenue	1,381	967	840
EBITDA	373	261	180
Net profit	152	106	n/a
Residential in 2025-26			
Revenue for residential business	17,414	12,190	-
Net profit for residential units	3,483	2,438	-
Shopping Mall in 2025			**-**
OCC rate	90	90	-
Rental rate	2,098	2,098	-
Revenue	972	146	-
Net profit	304	46	-
Hotel Management fee/Brand Loyalty fee	**-**	**84**	**-**

Sources: DUSIT; FSSIA estimates

Recap: 4Q22 results review

DUSIT booked a smaller q-q core loss of THB30m in 4Q22 (vs THB180m core loss in 3Q22), mainly due to an improvement in the hotel business. Including THB76m in non-recurring income (THB100m gain on changes in the fair value of investment properties, a THB68m gain on sales of land, and a THB100m FX loss), the 4Q22 net profit was THB46m.

Hotel business

Hotel revenue grew by 36% q-q in 4Q22. Owned hotel revenue grew by 40%, driven mainly by Thai hotels. RevPAR grew by 46% q-q with an OCC rate of 69% (vs 62% in 3Q22). Revenue from hotel management also improved by 20% q-q. The 4Q22 EBITDA margin improved to 32% (vs 28% in 3Q22).

Other businesses

Education business revenue jumped q-q due to an increase in revenue from Dusit Thani College. As a result, the education business booked EBITDA of THB47m (vs a THB90m EBITDA loss in 3Q22).

Food business revenue grew by 22% q-q in 4Q22 thanks to the resumption of Epicure Catering's operations and contributions from Bonjour. The food business booked EBITDA of THB26m (vs a THB8m EBITDA loss in 3Q22) thanks to Bonjour's operations.

DUSIT booked property business revenue of THB64m in 4Q22 thanks to revenue from the Hampton project (JV with Origin Property (ORI TB, not rated)).

Overall

EBITDA excluding non-recurring items increased to THB349m in 4Q22 from THB138m in 3Q22, mainly due to the improving hotel business.

Exhibit 8: 4Q22 results review

FY ending Dec	4Q21	1Q22	2Q22	3Q22	4Q22	------- Change -------		2022	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(q-q %)*	*(y-y %)*	(THB m)	*(y-y %)*
Sales	742	857	881	1,002	1,344	*34*	*81*	4,084	*86*
COGS (incl depreciation)	(592)	(618)	(646)	(722)	(864)	*20*	*46*	(2,851)	*39*
Gross profit	**150**	**239**	**234**	**280**	**480**	***71***	***220***	**1,233**	***719***
SG&A	(507)	(502)	(574)	(582)	(647)	*11*	*28*	(2,305)	*26*
Operating profit	**(357)**	**(263)**	**(340)**	**(302)**	**(167)**	***45***	***53***	**(1,072)**	***36***
Dividend income	0	0	0	0	0			0	
Management service income	61	43	37	81	245	*203*	*304*	407	
Interest income	2	2	3	3	4	*60*	*74*	12	
Realised income from deferred rental revenue	6	6	6	6	7	*3*	*3*	26	
Other income	80	35	69	95	8	*(92)*	*(90)*	207	*(14)*
Interest expenses	(120)	(123)	(123)	(124)	(122)	*(2)*	*2*	(493)	*5*
Pretax profit	**(328)**	**(299)**	**(348)**	**(241)**	**(26)**	***89***	***92***	**(914)**	***46***
Income tax	27	2	23	22	(11)	*(152)*	*(142)*	36	*(250)*
Associates	(7)	17	15	16	19	*21*	*(387)*	67	*324*
Minority interest	25	17	18	23	(12)	*(153)*	*(147)*	46	*(42)*
Core profit	**(282)**	**(263)**	**(292)**	**(180)**	**(30)**	***83***	***89***	**(766)**	***53***
Extraordinaries, GW & FX	(59)	135	34	19	76	*296*	*(228)*	264	
- Gain on sale of other long term investments	0	131	0	0	0				
- Gain on measurement of other financial assets	(43)	32	(3)	1	1				
- Others	(16)	(29)	37	18	75				
Reported net profit	**(341)**	**(129)**	**(258)**	**(161)**	**46**	***129***	***114***	**(501)**	***47***
Outstanding shares (m)	850	850	850	850	850	*0*	*0*	850	*0*
Core EPS (THB)	**(0.33)**	**(0.31)**	**(0.34)**	**(0.21)**	**(0.04)**	***(83)***	***(89)***	**(0.90)**	***53***
EPS (THB)	**(0.40)**	**(0.15)**	**(0.30)**	**(0.19)**	**0.05**	***(129)***	***(114)***	**(0.59)**	***47***
COGS excl. depreciation	(354)	(387)	(417)	(483)	(631)	*31*	*78*	(1,917)	*74*
Depreciation	(238)	(232)	(230)	(239)	(234)	*(2)*	*(2)*	(934)	*(1)*
EBITDA	23	72	20	138	349	*154*	*(1,420)*	580	*177*
Key ratios	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	***(ppt)***	***(ppt)***	**(%)**	***(ppt)***
Gross margin	20	28	27	28	36	*8*	*15*	30	*23*
SG&A/Revenue	68	59	65	58	48	*(10)*	*(20)*	56	*(27)*
EBITDA margin	3	8	2	13	26	*13*	*23*	14	*44*
Net profit margin	(46)	(15)	(29)	(16)	3	*20*	*49*	(12)	*31*
Operating stats									
Hotel revenue growth y-y (%)	59	45	112	107	69				
Education revenue growth y-y (%)	(27)	22	57	(73)	71				
Food revenue growth y-y (%)	(72)	(11)	211	3,867	383				
Occupancy (%)	50	47	58	62	69				
ADR (THB/night)	3,266	3,899	3,041	3,057	3,989				
RevPar (THB/night)	1,645	1,833	1,751	1,885	2,753				

Sources: DUSIT; FSSIA estimates

Exhibit 9: Forecast revisions

	Current				Previous		*Change*	
	2023E	2024E	2025E	2026E	2023E	2024E	*2023E*	*2024E*
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(%)*	*(%)*
Total normalised revenue	5,987	6,711	27,822	11,267	5,541	7,117	*8*	*(6)*
Existing hotel revenue	4,273	4,776	4,894	4,992	3,794	4,008	*13*	*19*
Other business revenue	1,714	1,299	1,175	1,209	1,747	1,819	*(2)*	*(29)*
DCP project revenue	-	636	21,753	5,066	-	1,290	-	*(51)*
EBITDA margin* (%)	11.4	15.2	16.8	0.0	18.2	22.7	*(7)*	*(8)*
Core profit	51	245	2,475	882	109	365	*(53)*	*(33)*
Key assumptions								
Existing hotel - OCC rate (%)	70	74	74	74	72	73	*(2)*	*1*
Existing ADR (THB)	3,971	4,090	4,172	4,255	3,791	3,904	*5*	*5*
DCP - OCC rate (%)		67	70	75		67		*0*
DCP -ADR (THB)		10,182	10,487	10,802		10,182		*0*

Note: EBITDA margin excludes other income and non-recurring items

Source: FSSIA estimates

Exhibit 10: DCF valuation

Cost of equity assumptions	(%)		Cost of debt assumptions	(%)
Risk-free rate	3.0		Pre-tax cost of debt	3.5
Market risk premium	8.0		Marginal tax rate	20.0
Stock beta	1.3			
Cost of equity, Ke	13.4		Net cost of debt, Kd	2.8
Weight applied	50.0		Weight applied	50.0
WACC	8.1			
DCF valuation estimate	**(THB b)**	**(THB/share)**	**Comments**	
NPV	9.0	10.5	WACC 8.1%, risk-free rate 3%, risk premium 8%	
Terminal value	21.2	25.0	Terminal growth 3%	
DCP residential business	1.6	1.9	Project value of THB17.0b with EBITDA margin of 30-35% / DUSIT holds 60%	
Cash & liquid assets	0.1	0.1	At end-2023E	
Investments	2.1	2.4	At end-2023E	
Debt	(15.6)	(18.4)	At end-2023E	
Minorities	(3.0)	(3.6)	At end-2023E	
Residual ordinary equity	**15.3**	**18.0**		

Sources: FSSIA estimates

Exhibit 11: Peers comparison as of 20 March 2023

Company	BBG	Rec	Share price			Market	PE			ROE		PBV		EV/ EBITDA	
			Current	Target	*Upside*	Cap	23E	24E	25E	23E	24E	23E	24E	23E	24E
			(LCY)	(LCY)	*(%)*	(USD m)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand															
Asset World Corp	AWC TB	BUY	5.35	6.80	*27*	5,023	81.2	46.5	0.0	2.5	4.1	2.0	1.9	41.1	28.0
Minor International	MINT TB	BUY	31.25	40.00	*28*	4,878	32.7	25.5	0.0	7.9	10.7	2.7	2.7	11.0	10.0
Central Plaza Hotel	CENTEL TB	BUY	53.75	58.00	*8*	2,129	33.9	27.7	0.0	11.1	12.4	3.6	3.3	14.9	13.0
Erawan Group	ERW TB	BUY	4.88	5.50	*13*	649	41.5	39.0	33.6	8.9	8.8	3.5	3.1	17.0	15.8
S Hotels & Resorts	SHR TB	BUY	4.06	5.30	*31*	428	31.8	21.6	18.7	2.8	4.1	0.9	0.9	9.3	8.2
Dusit Thani	DUSIT TB	BUY	11.90	18.00	*51*	297	197.8	41.4	4.1	1.2	5.7	2.4	2.3	42.0	32.4
Bound and Beyond	BEYOND TB	BUY	13.90	24.00	*73*	118	55.3	16.8	0.0	1.3	4.1	0.7	0.7	13.0	9.7
Thailand average						**13,522**	**nm**	**31.2**	**8.1**	**5.1**	**7.1**	**2.2**	**2.1**	**21.2**	**16.7**
Regional															
Btg Hotels Group	600258 CH	n/a	22.32	n/a	*n/a*	3,703	31.4	21.3	18.5	7.1	9.8	2.2	2.0	12.0	9.8
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.06	n/a	*n/a*	8,378	9.2	6.4	5.4	8.7	11.4	0.9	0.8	18.4	13.4
Huangshan Tourism Dev.	900942 CH	n/a	0.78	n/a	*n/a*	1,096	16.7	12.7	n/a	5.8	7.9	0.9	0.9	11.6	9.2
Genting Bhd	GENT MK	n/a	4.44	n/a	*n/a*	3,853	14.5	11.0	9.3	4.4	5.5	0.5	0.5	6.5	6.0
Greentree Hospitality	GHG US	n/a	4.07	n/a	*n/a*	419	11.2	7.1	n/a	19.1	25.0	1.5	1.3	5.5	4.4
Huazhu Group	HTHT US	n/a	47.51	n/a	*n/a*	15,126	43.8	27.9	17.7	20.6	25.7	10.5	8.3	22.8	16.4
Indian Hotels	IH IN	n/a	315.10	n/a	*n/a*	5,458	50.1	39.7	33.4	11.9	13.3	5.8	5.1	27.0	23.8
Lemon Tree Hotels	LEMONTRE IN	n/a	76.75	n/a	*n/a*	737	51.8	36.9	24.1	13.0	15.4	6.6	5.5	20.3	16.9
Lippo Karawaci	LPKR IJ	n/a	74.00	n/a	*n/a*	365	n/a	26.8	n/a	(0.8)	1.1	0.3	0.3	8.2	7.1
Regional average						**39,136**	**28.6**	**21.1**	**18.1**	**9.1**	**11.9**	**3.2**	**2.8**	**14.7**	**11.9**
Overall average						**52,658**	**nm**	**25.5**	**12.7**	**7.4**	**9.9**	**2.8**	**2.5**	**17.5**	**14.0**

Sources: Bloomberg; FSSIA estimates

Financial Statements

Dusit Thani

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	2,194	4,084	5,987	6,711	27,822
Cost of goods sold	(1,104)	(1,917)	(2,652)	(2,806)	(17,986)
Gross profit	**1,091**	**2,167**	**3,335**	**3,904**	**9,836**
Other operating income	-	-	-	-	-
Operating costs	(1,825)	(2,305)	(2,651)	(2,886)	(5,155)
Operating EBITDA	**(734)**	**(138)**	**684**	**1,018**	**4,682**
Depreciation	(940)	(934)	(959)	(1,152)	(1,318)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	**(1,674)**	**(1,072)**	**(275)**	**(134)**	**3,364**
Net financing costs	(459)	(481)	(496)	(513)	(450)
Associates	16	67	60	63	112
Recurring non-operating income	456	706	869	938	1,074
Non-recurring items	677	264	0	0	0
Profit before tax	**(1,000)**	**(583)**	**98**	**292**	**3,989**
Tax	(24)	36	0	0	(582)
Profit after tax	**(1,024)**	**(547)**	**98**	**292**	**3,407**
Minority interests	79	46	(47)	(47)	(933)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**(945)**	**(501)**	**51**	**245**	**2,475**
Non-recurring items & goodwill (net)	**(677)**	**(264)**	**0**	**0**	**0**
Recurring net profit	**(1,622)**	**(766)**	**51**	**245**	**2,475**
Per share (THB)					
Recurring EPS *	(1.91)	(0.90)	0.06	0.29	2.91
Reported EPS	(1.11)	(0.59)	0.06	0.29	2.91
DPS	0.00	0.00	0.04	0.20	2.04
Diluted shares (used to calculate per share data)	850	850	850	850	850
Growth					
Revenue (%)	(3.4)	86.1	46.6	12.1	314.6
Operating EBITDA (%)	nm	nm	nm	48.9	359.8
Operating EBIT (%)	nm	nm	nm	nm	nm
Recurring EPS (%)	nm	nm	nm	378.4	911.7
Reported EPS (%)	nm	nm	nm	378.4	911.7
Operating performance					
Gross margin inc. depreciation (%)	6.9	30.2	39.7	41.0	30.6
Gross margin of key business (%)	6.9	30.2	39.7	41.0	30.6
Operating EBITDA margin (%)	(33.4)	(3.4)	11.4	15.2	16.8
Operating EBIT margin (%)	(76.3)	(26.3)	(4.6)	(2.0)	12.1
Net margin (%)	(73.9)	(18.8)	0.9	3.6	8.9
Effective tax rate (%)	(1.4)	3.9	0.0	0.0	15.0
Dividend payout on recurring profit (%)	-	-	70.0	70.0	70.0
Interest cover (X)	(2.7)	(0.8)	1.2	1.6	9.9
Inventory days	20.7	16.5	372.6	914.1	122.5
Debtor days	90.8	43.4	32.5	29.0	7.0
Creditor days	414.8	289.9	228.3	186.5	30.0
Operating ROIC (%)	(10.5)	(6.1)	(1.4)	(0.5)	12.2
ROIC (%)	(6.0)	(1.6)	2.4	2.6	12.9
ROE (%)	(43.1)	(20.7)	1.2	5.7	44.7
ROA (%)	(5.3)	(1.4)	2.1	2.4	11.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2021	2022	2023E	2024E	2025E
Hotel revenue	1,145	2,563	3,719	4,591	19,403
Others	1,049	1,520	2,267	2,120	8,420

Sources: Dusit Thani; FSSIA estimates

Financial Statements

Dusit Thani

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(1,622)	(766)	51	245	2,475
Depreciation	940	934	959	1,152	1,318
Associates & minorities	-	-	-	-	-
Other non-cash items	1,639	1,505	47	47	933
Change in working capital	(165)	583	(5,435)	(3,244)	7,974
Cash flow from operations	**793**	**2,257**	**(4,378)**	**(1,801)**	**12,698**
Capex - maintenance	(1,543)	(2,094)	(1,943)	(1,945)	(1,033)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(71)	91	(294)	(441)	(441)
Other investments (net)	-	-	-	-	-
Cash flow from investing	**(1,613)**	**(2,003)**	**(2,237)**	**(2,386)**	**(1,474)**
Dividends paid	(9)	(24)	0	(36)	(171)
Equity finance	0	0	0	0	0
Debt finance	672	(1,127)	2,500	3,000	(7,000)
Other financing cash flows	(52)	1,830	2,061	1,545	(3,555)
Cash flow from financing	**610**	**679**	**4,561**	**4,509**	**(10,726)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(210)**	**933**	**(2,054)**	**322**	**498**
Free cash flow to firm (FCFF)	(351.20)	745.94	(6,097.45)	(3,673.22)	11,678.04
Free cash flow to equity (FCFE)	(200.88)	956.34	(2,054.31)	358.14	**669.65**
Per share (THB)					
FCFF per share	(0.41)	0.88	(7.17)	(4.32)	13.74
FCFE per share	(0.24)	1.13	(2.42)	0.42	0.79
Recurring cash flow per share	1.13	1.97	1.24	1.70	5.56

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	22,008	23,625	25,568	27,513	28,546
Less: Accumulated depreciation	(5,147)	(5,604)	(6,563)	(7,715)	(9,033)
Tangible fixed assets (net)	**16,861**	**18,021**	**19,005**	**19,798**	**19,514**
Intangible fixed assets (net)	**652**	**971**	**971**	**971**	**971**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,851	1,761	2,055	2,496	2,937
Cash & equivalents	1,210	2,143	89	411	909
A/C receivable	438	534	534	534	534
Inventories	65	109	5,306	8,751	3,325
Other current assets	490	614	806	774	803
Current assets	**2,203**	**3,399**	**6,734**	**10,470**	**5,571**
Other assets	2,217	2,077	2,077	2,077	2,077
Total assets	**23,784**	**26,229**	**30,842**	**35,812**	**31,070**
Common equity	3,287	4,121	4,173	4,381	6,685
Minorities etc.	607	923	3,031	4,623	2,001
Total shareholders' equity	**3,895**	**5,045**	**7,203**	**9,004**	**8,686**
Long term debt	12,970	11,999	14,499	17,499	10,499
Other long-term liabilities	4,317	5,892	5,892	5,892	5,892
Long-term liabilities	**17,287**	**17,891**	**20,391**	**23,391**	**16,391**
A/C payable	1,121	1,924	1,394	1,475	1,478
Short term debt	1,281	1,125	1,125	1,125	1,125
Other current liabilities	201	245	729	818	3,390
Current liabilities	**2,603**	**3,294**	**3,248**	**3,417**	**5,993**
Total liabilities and shareholders' equity	**23,784**	**26,229**	**30,842**	**35,812**	**31,070**
Net working capital	(330)	(913)	4,522	7,766	(207)
Invested capital	21,252	21,917	28,630	33,109	25,292
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.87	4.85	4.91	5.15	7.86
Tangible book value per share	3.10	3.71	3.77	4.01	6.72
Financial strength					
Net debt/equity (%)	334.8	217.7	215.7	202.3	123.4
Net debt/total assets (%)	54.8	41.9	50.4	50.9	34.5
Current ratio (x)	0.8	1.0	2.1	3.1	0.9
CF interest cover (x)	0.6	3.0	(3.1)	1.7	2.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	**(6.2)**	**(13.2)**	**197.8**	**41.4**	**4.1**
Recurring P/E @ target price (x) *	**(9.4)**	**(20.0)**	**299.3**	**62.6**	**6.2**
Reported P/E (x)	(10.7)	(20.2)	197.8	41.4	4.1
Dividend yield (%)	-	-	0.4	1.7	17.1
Price/book (x)	3.1	2.5	2.4	2.3	1.5
Price/tangible book (x)	3.8	3.2	3.2	3.0	1.8
EV/EBITDA (x) **	(32.4)	(159.7)	42.0	32.4	4.9
EV/EBITDA @ target price (x) **	(39.4)	(197.3)	49.5	37.5	6.0
EV/invested capital (x)	1.1	1.0	1.0	1.0	0.9

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

Sources: Dusit Thani; FSSIA estimates

Disclaimer: Corporate Governance Report of Thai listed companies (CGR)

The Thai Institute of Directors Association (Thai IOD), with support from the Stock Exchange of Thailand (SET), assesses the corporate governance practices of Thai listed businesses. The report will be reviewed and updated on an annual basis. It is publicly disclosed and can be accessed by a general public investor at the Thai IOD website. The results are from the perspective of a third party. It is not an evaluation of operations and is not based on inside information. The CGR results recognise corporate governance in four levels: Excellent (score range 90-100), Very Good (score range 80-89), Good (Score range 70-79), and Lower Levels.

The five underlying categories used for corporate governance scoring are the rights of shareholders, equitable treatment of shareholders, the role of stakeholders, disclosure and transparency, and board responsibilities.

The survey results are as of the date appearing in the Corporate Governance Report of Thai Listed Companies. Accordingly, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

Other useful information regarding corporate governance and sustainable development evaluation

Apart from the CG Score report by the Thai Institute of Directors Association (Thai IOD), mentioned above, investors may find other useful information from The Securities and Exchange Commission of Thailand website, including 1) AGM quality assessments by the Thai Investors Association; 2) companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under the Thai IOD that are categorised into companies that have declared their intention to join the CAC and companies certified by the CAC; and 3) the record of listed companies with corporate sustainable development, "Thai Sustainability Investment", by the Stock Exchange of Thailand for SET and MAI-listed companies which have passed the assessment conducted by the Stock Exchange of Thailand and THSI (SET), THSI (MAI), and SET-listed companies which have passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI).

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ANALYST(S) CERTIFICATION

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

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 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Dusit Thani	DUSIT TB	THB 11.90	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.
Asset World Corp	AWC TB	THB 5.35	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 31.25	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	CENTEL TB	THB 53.75	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
The Erawan Group	ERW TB	THB 4.88	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.
Bound and Beyond	BEYOND TB	THB 13.90	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.
PTT Oil and Retail Business	OR TB	THB 20.30	BUY	The downside risks to our SOTP-based TP include: 1) lower-than-expected demand for petroleum products; 2) a lower marketing margin; and 3) weaker-than-expected jet demand.

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

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All share prices are as at market close on 20-Mar-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.