

DUSIT THANI DUSIT TB  
THAILAND / TOURISM & LEISURE

BUY

UNCHANGED

## ดุสิต เซ็นทรัล พาร์ค จะช่วยปลดล็อกการเติบโตในปี 2024

- คาด DUSIT จะรายงานผลขาดทุนจากการดำเนินงานหลักลดลง q-q ใน 4Q23 และพลิกเป็นกำไรได้ในปี 2024
- คาดผลประกอบการจะโตดีในปี 2025 จากการรับรู้ผลประกอบการของ Dusit Central Park (DCP) เต็มปีและจะสูงสุดในปี 2026 จากยอดขายที่อยู่อาศัย
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 15 บาท (DCF)

TARGET PRICE	THB15.00
CLOSE	THB8.65
UP/DOWNSIDE	+73.4%
PRIOR TP	THB18.00
CHANGE IN TP	-16.7%
TP vs CONSENSUS	-0.7%

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	4,084	5,247	6,448	19,049
Net profit	(501)	(472)	53	1,097
EPS (THB)	(0.59)	(0.56)	0.06	1.29
vs Consensus (%)	-	nm	(87.9)	(55.3)
EBITDA	(138)	(61)	596	2,742
Recurring net profit	(766)	(530)	53	1,097
Core EPS (THB)	(0.90)	(0.62)	0.06	1.29
Chg. In EPS est. (%)	nm	nm	(78.1)	(55.7)
EPS growth (%)	nm	nm	nm	1,952.1
Core P/E (x)	(9.6)	(13.9)	137.5	6.7
Dividend yield (%)	-	-	0.5	10.4
EV/EBITDA (x)	(139.6)	(361.6)	44.3	10.4
Price/book (x)	1.8	2.0	2.0	1.5
Net debt/Equity (%)	217.7	242.2	226.3	244.6
ROE (%)	(20.7)	(13.6)	1.5	25.9

## ธุรกิจโรงแรมและอาหารจะช่วยผลักดันให้ผลประกอบการพลิกฟื้นในปี 2024

เราคาดว่า DUSIT จะพลิกมีกำไรปี 2024 โดยได้ปัจจัยผลักดันจากอัตราการเข้าพัก (OCC rate) ที่ปรับตัวดีขึ้นของโรงแรมที่บริษัท เป็นเจ้าของโดยจะเพิ่มจาก 70% ในปี 2023 เป็น 74% ในปี 2024E เท่ากับระดับก่อนโควิด จากตัวเลขนักท่องเที่ยวชาวไทยปรับที่นำจะดีขึ้น (เป็น 35 ล้านในปี 2024E เทียบกับ 28 ล้านในปี 2023) นอกจากนี้ DUSIT ยังวางแผนเพิ่มโรงแรมที่บริษัท รับจ้างบริหารอีก 5-10 แห่งในปี 2024 จาก 46 ในปัจจุบัน ธุรกิจอาหารน่าจะโต 5-10% y-y ส่วนมากจากสัญญาให้บริการบริหารจัดการโรงเรียนนานาชาติแห่งใหม่และสาขา Bounjour Bakery ที่เปิดใหม่ ทั้งนี้ DUSIT วางแผนแยกธุรกิจอาหารออกในปี 2025

## ผลประโยชน์หลายประการจาก DCP

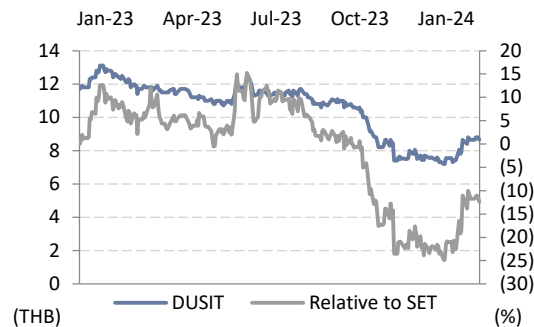
โครงการ DCP มีกำหนดเปิดโรงแรมในกลางปี 2024 ในขณะที่อาคารสำนักงานและอาคารเพื่อการพาณิชย์น่าจะเปิดให้บริการได้ในกลางปี 2025 นอกจากนี้ธุรกิจที่อยู่อาศัยยังมีเป้าโอนในปลายปี 2025 ถึงปี 2026 โดยมียอดขายโครงการอยู่ที่ 75% ณ. สิ้นเดือน ต.ค. 23 เราคาดว่า DCP จะผลักดันกำไรของ DUSIT โดยจะให้ 1) กำไรประมาณ 100-150 ลบ. จากโครงการโรงแรมในปี 2025; 2) ส่วนแบ่งรายได้ 40-50 ลบ. จากโครงการศูนย์การค้าในปี 2026; 3) ค่าธรรมเนียมบริหาร 50-70 ลบ. ในปี 2025; 4) กำไรพิเศษ 300-500 ลบ. จากการโอนโครงสร้างศูนย์สรรพสินค้าให้แก่ Suanlum Property (บริษัทร่วมซึ่งดำเนินการศูนย์การค้าซึ่ง CPN ถือหุ้น 75%); และ 5) กำไรไม่เกิน 1.8-2.2 พัน ลบ. จากการโอนที่พักอาศัย

## ขยายสัญญาเช่าที่ดินของโครงการ DCP เพิ่มอีก 2 ปี

เมื่อไม่นานมานี้ DUSIT ประกาศว่าบริษัท ได้แก้ไขสัญญาเช่าที่ดินของโครงการ DCP กับสำนักทรัพย์สินพระมหากษัตริย์เพื่อขยายระยะเวลาก่อสร้างจาก 7 เป็น 9 ปี (จาก ก.ค. 2017 ถึง มิ.ย. 2026) ด้วยเหตุดังกล่าววันเริ่มต้นของระยะเวลาเช่าที่ดิน 30+30 ปีจะเลื่อนเป็น ก.ค. 2026 (จาก ก.ค. 2024) และสิ้นสุดในเดือน มิ.ย. 2086 การแก้ไขดังกล่าวจะให้ผลกระทบเชิงบวกเล็กน้อยต่อบทบาทของ DUSIT เนื่องจากระยะเวลาเช่าที่เพิ่มขึ้นจะทำให้ค่าเสื่อมและค่าใช้จ่ายดอกเบี้ยลดลง

## ปรับลดประมาณการกำไรปกติ หุ่นมีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจ

เราปรับลดประมาณการกำไรปี 2023-25 ลงส่วนมากจากจากธุรกิจการศึกษาและค่าใช้จ่ายดอกเบี้ยที่สูงขึ้น นอกจากนี้เรายังเปลี่ยนสัดส่วนการโอนที่อยู่อาศัยของโครงการ DCP ในปี 2025/2026 เป็น 30%/70% (จาก 80%/20%) จากปัญหาความล่าช้าของโครงการซึ่งทำให้เราได้ราคาเป้าหมายปี 2024 ใหม่ที่ 15 บาท (DCF) DUSIT มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 21x ของค่า 2025E P/E (คิดจากประมาณการกำไรปกติปี 2025 ที่ 350 ลบ. ซึ่งไม่รวมการขายที่อยู่อาศัย)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	20.1	1.8	(23.5)
Relative to country (%)	16.4	3.5	(10.8)
Mkt cap (USD m)			212
3m avg. daily turnover (USD m)			0.2
Free float (%)			27
Major shareholder	Chanat family account (50%)		
12m high/low (THB)	13.20/7.15		
Issued shares (m)	850.00		

Sources: Bloomberg consensus; FSSIA estimates



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### 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 center at the prime central business district located opposite to Lumpini Park. The total project value is THB46b (THB17.3b for DUSIT's portion) and is scheduled to open in mid-2024.

We expect DUSIT to turn profitable in 2024 when the occupancy (OCC) rate of its existing hotels reaches more than 70% and the non-hotel business turns profitable. Profits should jump in 2025 when the DCP project starts operating, and should peak in 2025-26 when residential projects start to be transferred.

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

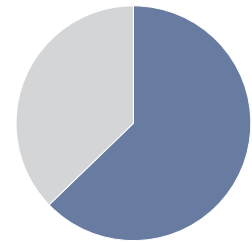
### Company profile

DUSIT operates 56 hotels and 236 villas in 19 countries with a total room count of c12,500 currently.

[www.dusit.com](http://www.dusit.com)

### Principal activities (revenue, 2022)

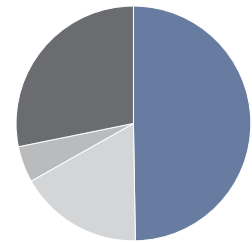
- Hotel revenue - 62.8 %
- Others - 37.2 %



Source: Dusit Thani

### Major shareholders

- Chanat family account - 49.7 %
- Central Pattana PCL - 17.1 %
- Chatri Sophonpanich - 5.0 %
- Others - 28.2 %



Source: Dusit Thani

### Catalysts

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

### Risks to our call

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

### Event calendar

Date	Event
Feb 2024	4Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
Existing hotels - OCC rate (%)	70	74	74
Existing hotels - ADR (THB)	3,765	3,878	3,956
Food - revenue growth (%)	35	7	8
Education - revenue growth (%)	0	18	4
DCP hotel - OCC rate (%)		67	70
DCP hotel - ADR (THB)		10,182	10,487
DCP retail - OCC rate (%)			90
DCP retail - rental (THB/sqm/month)			2,098

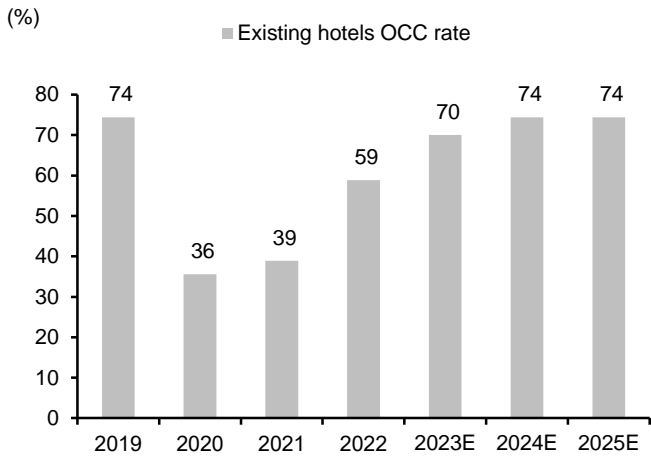
Source: FSSIA estimates

### 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.

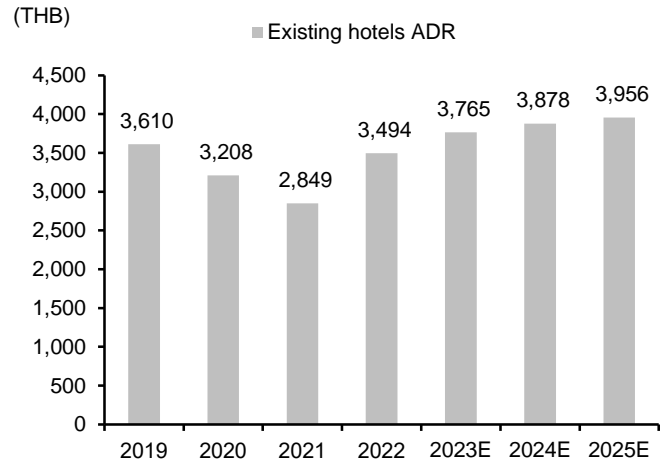
Source: FSSIA estimates

**Exhibit 1: Existing owned hotels OCC rate, yearly**



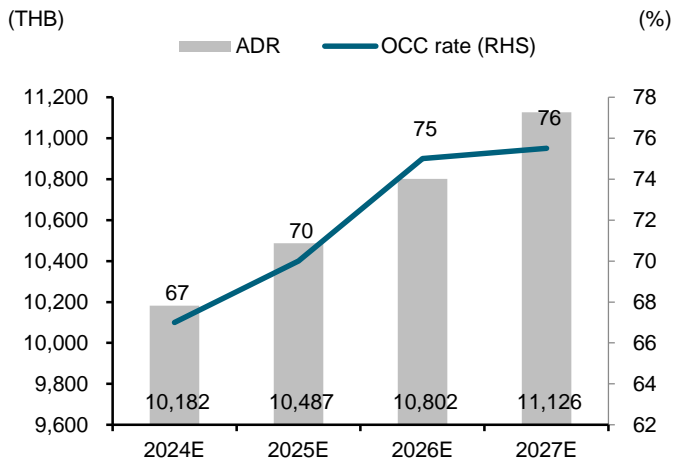
Sources: DUSIT; FSSIA estimates

**Exhibit 2: Existing owned hotels ADR, yearly**



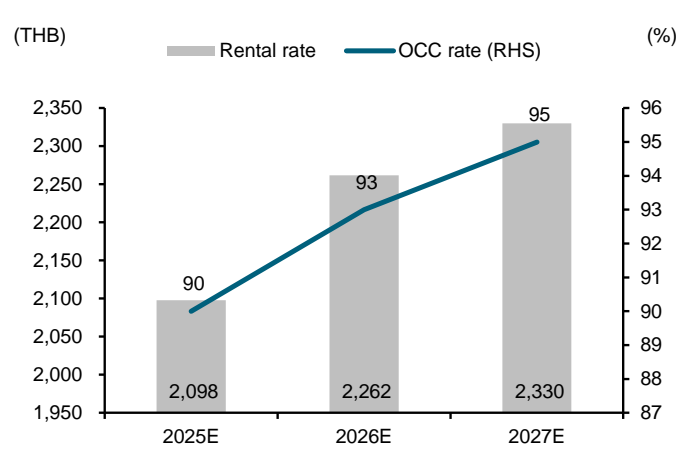
Sources: DUSIT; FSSIA estimates

**Exhibit 3: DCP hotel project key assumptions**



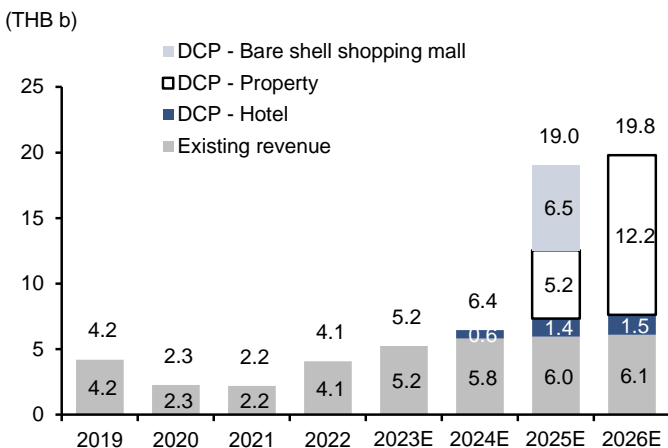
Sources: DUSIT; FSSIA estimates

**Exhibit 4: DCP shopping mall project key assumptions**



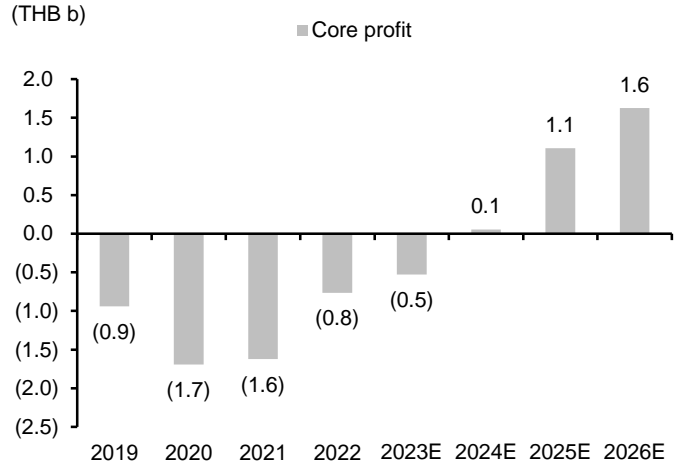
Sources: DUSIT; FSSIA estimates

**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 (THB m)	DCP project (DUSIT's portion) (THB m)	Old Dusit Thani Bangkok in 2018 (THB m)
<b>Hotel in 2025E</b>			
OCC rate (%)	70	70	77
ADR (THB)	10,487	10,487	3,150
Revenue	1,381	967	840
EBITDA	304	213	180
<b>Net profit</b>	<b>152</b>	<b>106</b>	<b>n/a</b>
<b>Residential in 2025-26E</b>			
Revenue for residential business	17,369	12,158	-
<b>Net profit for residential units</b>	<b>2,953</b>	<b>2,067</b>	-
<b>Shopping Mall in 2025E</b>			
OCC rate	90	90	-
Rental rate	2,098	2,098	-
Revenue	972	146	-
<b>Net profit</b>	<b>304</b>	<b>46</b>	-
<b>Hotel Management fee/Brand Loyalty fee</b>	<b>-</b>	<b>69</b>	-

Sources: DUSIT; FSSIA estimates

## 4Q23 results preview

We expect total revenue to grow by 8% y-y. Hotel revenue should grow by 10% y-y in 4Q23, driven mainly by an improved OCC rate which should rise to 70-72% in 4Q23 (vs 69% in 4Q22), while ADR should grow by 3-5% y-y. Food business revenue should also grow by 5-10% y-y, led by the catering business, which recently signed 12 new international school contracts, and Bonjour Bakery which expects to open 15 stores in 2H23. On a negative note, the education business should continue to be pressured by a loss from The Food School and a lower-than-targeted number of students for short courses.

Overall, we forecast DUSIT to post a smaller core loss of THB47m in 4Q23 (vs THB273m in 3Q23). However, the core loss should be slightly larger y-y, dragged by the education business, higher interest expenses and fewer unit transfers for Hampton Sriracha.

### Exhibit 8: 4Q23 results preview

FY ending Dec	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	1,353	1,472	1,121	1,181	1,460	24	8	5,247
COGS (incl depreciation)	(864)	(897)	(772)	(843)	(905)	7	5	(3,477)
<b>Gross profit</b>	<b>489</b>	<b>575</b>	<b>349</b>	<b>338</b>	<b>555</b>	<b>64</b>	<b>14</b>	<b>1,770</b>
SG&A	(647)	(685)	(688)	(723)	(737)	2	14	(2,789)
<b>Operating profit</b>	<b>(158)</b>	<b>(110)</b>	<b>(340)</b>	<b>(385)</b>	<b>(183)</b>	<b>52</b>	<b>(15)</b>	<b>(1,019)</b>
Dividend income	0	0	0	0	0			0
Management service income	247	160	120	146	160	10	(35)	590
Interest income	4	5	7	6	6	0	37	21
Realised income from deferred rental revenue	7	7	7	7	7	0	5	26
Other income	1	44	61	50	50	0	3,371	207
Interest expenses	(122)	(124)	(126)	(133)	(133)	0	9	(514)
<b>Pretax profit</b>	<b>(21)</b>	<b>(18)</b>	<b>(270)</b>	<b>(309)</b>	<b>(93)</b>	<b>70</b>	<b>(338)</b>	<b>(690)</b>
Income tax	(11)	1	12	16	15	(6)	(231)	40
Associates	19	28	33	14	25	83	30	100
Minority interest	(12)	(3)	8	7	6	(8)	(150)	20
<b>Core profit</b>	<b>(25)</b>	<b>8</b>	<b>(218)</b>	<b>(273)</b>	<b>(47)</b>	<b>83</b>	<b>(84)</b>	<b>(530)</b>
Extraordinaries, GW & FX	72	1	32	26				58
- Gain on sale of other long-term investments	0	0	0	0				
- Gain on measurement of other financial assets	1	1	0	0				
- Others	(106)	0	32	26				
<b>Reported net profit</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>				
	<b>46</b>	<b>9</b>	<b>(186)</b>	<b>(247)</b>	<b>(47)</b>	<b>81</b>	<b>201</b>	<b>(472)</b>
Outstanding shares (m)	850	850	850	850	850	0	0	850
<b>Core EPS (THB)</b>								
<b>EPS (THB)</b>	<b>(0.03)</b>	<b>0.01</b>	<b>(0.26)</b>	<b>(0.32)</b>	<b>(0.05)</b>	<b>83</b>	<b>(84)</b>	<b>(0.62)</b>
	<b>0.05</b>	<b>0.01</b>	<b>(0.22)</b>	<b>(0.29)</b>	<b>(0.05)</b>	<b>81</b>	<b>201</b>	<b>(0.56)</b>
COGS excl. depreciation								
Depreciation	(631)	(678)	(553)	(612)	(674)	10	7	(2,518)
EBITDA	(234)	(219)	(219)	(231)	(231)	0	(1)	(959)
	354	353	108	69	296	331	(16)	883
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>
Gross margin	36	39	31	29	38	9	2	34
SG&A/Revenue	48	47	61	61	51	(11)	3	53
EBITDA margin	26	23	9	6	20	14	(7)	16
Net profit margin	3	1	(17)	(21)	(3)	18	(7)	(9)
<b>Operating stats</b>								
Hotel revenue growth y-y (%)	69	88	31	18				
Education revenue growth y-y (%)	72	(6)	(5)	420				
Foods revenue growth y-y (%)	382	116	67	22				
Occupancy (%)	69	75	66	68				
ADR (THB/night)	3,989	4,413	3,311	3,201				
RevPar (THB/night)	2,753	3,289	2,187	2,174				

Sources: DUSIT; FSSIA estimates

## Exhibit 9: Forecast revisions

	Current				Previous				Change			
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2023E (%)	2024E (%)	2025E (%)	2026E (%)
Total normalized revenue	5,247	6,448	19,049	19,796	5,987	6,711	27,822	11,267	(12)	(4)	(32)	76
Existing hotel revenue	4,265	4,688	4,812	4,909	4,273	4,776	4,894	4,992	(0)	(2)	(2)	(2)
Other business revenue	982	1,124	1,154	1,197	1,714	1,299	1,175	1,209	(43)	(13)	(2)	(1)
DCP project revenue	-	636	13,083	13,690	-	636	21,753	5,066		0	(40)	170
EBITDA margin* (%)	(1.2)	9.2	14.4	0.0	11.4	15.2	16.8	0.0	(13)	(6)	(2)	0
Core profit	(530)	53	1,097	1,611	51	245	2,475	882	(1,136)	(78)	(56)	83
<b>Key assumptions</b>												
Existing hotel - OCC rate (%)	70	74	74	74	70	74	74	74	0	0	0	0
Existing ADR (THB)	3,765	3,878	3,956	4,035	3,971	4,090	4,172	4,255	(5)	(5)	(5)	(5)
DCP - OCC rate (%)		67	70	75		67	70	75		0	0	0
DCP - ADR (THB)		10,182	10,487	10,802		10,182	10,487	10,802		0	0	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	7.7	9.0	WACC 8.1%, risk-free rate 3%, risk premium 8%
Terminal value	20.1	23.7	Terminal growth 3%
DCP residential business	1.6	1.9	Project value of THB17.0b with EBITDA margin of 20-25% / DUSIT holds 70%
Cash & liquid assets	0.4	0.4	At end-2024E
Investments	2.3	2.8	At end-2024E
Debt	(16.2)	(19.0)	At end-2024E
Minorities	(3.3)	(3.9)	At end-2024E
<b>Residual ordinary equity</b>	<b>12.7</b>	<b>15.0</b>	

Sources: FSSIA estimates

## Exhibit 11: Peers comparison as of 5 Jan 2024

Company	BBG	Rec	Share price			Market Cap (USD m)	PE			ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	25E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
<b>Thailand</b>															
Asset World Corp	AWC TB	BUY	4.14	5.50	33	3,816	122.0	47.8	45.0	1.3	3.1	1.5	1.4	41.7	28.9
Minor International	MINT TB	BUY	29.25	43.00	47	4,714	26.0	22.9	20.6	8.2	9.5	1.9	2.5	9.8	9.8
Central Plaza Hotel	CENTEL TB	BUY	46.00	53.00	15	1,789	45.2	31.5	27.7	7.2	9.6	3.1	2.9	17.9	16.1
Erawan Group	ERW TB	BUY	5.25	6.30	20	685	36.9	35.2	29.8	10.7	10.2	3.7	3.2	17.2	15.9
S Hotels & Resorts	SHR TB	BUY	2.52	4.40	75	261	186.3	22.5	16.7	0.3	2.5	0.6	0.6	8.9	7.2
Dusit Thani	DUSIT TB	BUY	8.65	15.00	73	212	(13.9)	137.5	6.7	(13.6)	1.5	2.0	2.0	(361.6)	44.3
Bound and Beyond	BEYOND TB	BUY	12.50	22.00	76	104	(26.1)	25.7	16.2	(2.4)	2.3	0.6	0.6	15.4	9.6
<b>Thailand average</b>						<b>11,581</b>	<b>53.8</b>	<b>46.2</b>	<b>23.2</b>	<b>1.7</b>	<b>5.5</b>	<b>1.9</b>	<b>1.9</b>	<b>(35.8)</b>	<b>18.8</b>
<b>Regional</b>															
Btg Hotels Group	600258 CH	n/a	15.11	n/a	n/a	2,361	21.6	16.9	14.2	7.2	8.4	1.5	1.4	8.9	8.1
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.26	n/a	n/a	3,964	7.9	5.5	4.4	7.2	9.3	0.5	0.5	11.5	9.6
Huangshan Tourism Develop	900942 CH	n/a	0.72	n/a	n/a	969	9.6	7.9	7.2	8.9	9.6	0.8	0.8	8.3	7.1
Genting Bhd	GENT MK	n/a	4.72	n/a	n/a	3,904	14.9	10.6	9.3	3.7	4.9	0.6	0.5	6.6	5.9
Huazhu Group	HTHT US	n/a	33.67	n/a	n/a	10,733	19.6	17.8	15.4	34.1	27.6	5.8	4.6	11.9	10.7
Indian Hotels	IH IN	n/a	456.05	n/a	n/a	7,792	70.4	51.8	41.5	12.6	14.4	8.2	7.1	37.4	31.0
Lemon Tree Hotels	LEMONTRE IN	n/a	129.35	n/a	n/a	1,233	89.0	62.7	37.3	12.3	16.0	11.2	10.3	30.5	24.4
Lippo Karawaci	LPKR IJ	n/a	93.00	n/a	n/a	425	16.2	14.7	13.2	2.6	2.8	0.4	0.4	9.1	8.7
<b>Regional average</b>						<b>31,380</b>	<b>31.2</b>	<b>23.5</b>	<b>17.8</b>	<b>11.1</b>	<b>11.6</b>	<b>3.6</b>	<b>3.2</b>	<b>15.5</b>	<b>13.2</b>
<b>Overall average</b>						<b>42,961</b>	<b>41.7</b>	<b>34.1</b>	<b>20.3</b>	<b>6.7</b>	<b>8.8</b>	<b>2.8</b>	<b>2.6</b>	<b>(8.4)</b>	<b>15.8</b>

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	5,247	6,448	19,049
Cost of goods sold	(2,044)	(2,851)	(3,477)	(3,936)	(13,553)
<b>Gross profit</b>	<b>151</b>	<b>1,233</b>	<b>1,770</b>	<b>2,512</b>	<b>5,496</b>
Other operating income	-	-	-	-	-
Operating costs	(1,825)	(2,305)	(2,789)	(3,066)	(4,071)
<b>Operating EBITDA</b>	<b>(734)</b>	<b>(138)</b>	<b>(61)</b>	<b>596</b>	<b>2,742</b>
Depreciation	(940)	(934)	(959)	(1,151)	(1,316)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(1,674)</b>	<b>(1,072)</b>	<b>(1,019)</b>	<b>(555)</b>	<b>1,425</b>
Net financing costs	(459)	(481)	(493)	(522)	(606)
Associates	16	67	100	105	156
Recurring non-operating income	456	706	922	1,032	1,147
Non-recurring items	677	264	58	0	0
<b>Profit before tax</b>	<b>(1,000)</b>	<b>(583)</b>	<b>(532)</b>	<b>(45)</b>	<b>1,966</b>
Tax	(24)	36	40	60	(362)
<b>Profit after tax</b>	<b>(1,024)</b>	<b>(547)</b>	<b>(492)</b>	<b>15</b>	<b>1,604</b>
Minority interests	79	46	20	38	(507)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(945)</b>	<b>(501)</b>	<b>(472)</b>	<b>53</b>	<b>1,097</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(677)</b>	<b>(264)</b>	<b>(58)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(1,622)</b>	<b>(766)</b>	<b>(530)</b>	<b>53</b>	<b>1,097</b>
<b>Per share (THB)</b>					
Recurring EPS *	(1.91)	(0.90)	(0.62)	0.06	1.29
Reported EPS	(1.11)	(0.59)	(0.56)	0.06	1.29
DPS	0.00	0.00	0.00	0.04	0.90
Diluted shares (used to calculate per share data)	850	850	850	850	850
<b>Growth</b>					
Revenue (%)	(3.4)	86.1	28.5	22.9	195.4
Operating EBITDA (%)	nm	nm	nm	nm	359.7
Operating EBIT (%)	nm	nm	nm	nm	nm
Recurring EPS (%)	nm	nm	nm	nm	1,952.1
Reported EPS (%)	nm	nm	nm	nm	1,952.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	6.9	30.2	33.7	39.0	28.9
Gross margin exc. depreciation (%)	49.7	53.1	52.0	56.8	35.8
Operating EBITDA margin (%)	(33.4)	(3.4)	(1.2)	9.2	14.4
Operating EBIT margin (%)	(76.3)	(26.3)	(19.4)	(8.6)	7.5
Net margin (%)	(73.9)	(18.8)	(10.1)	0.8	5.8
Effective tax rate (%)	(1.4)	3.9	0.0	0.0	20.0
Dividend payout on recurring profit (%)	-	-	-	70.0	70.0
Interest cover (X)	(2.7)	(0.8)	(0.2)	0.9	4.2
Inventory days	20.7	16.5	80.5	357.5	197.0
Debtor days	90.8	43.4	37.1	30.2	10.2
Creditor days	414.8	289.9	235.3	182.6	36.8
Operating ROIC (%)	(10.5)	(6.1)	(5.6)	(2.6)	4.6
ROIC (%)	(6.0)	(1.6)	(0.4)	1.8	6.8
ROE (%)	(43.1)	(20.7)	(13.6)	1.5	25.9
ROA (%)	(5.3)	(1.4)	(0.2)	1.8	6.3
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel revenue	1,145	2,563	3,581	4,426	13,093
Others	1,049	1,520	1,666	2,022	5,956

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)	(530)	53	1,097
Depreciation	940	934	959	1,151	1,316
Associates & minorities	-	-	-	-	-
Other non-cash items	1,639	1,505	38	(38)	507
Change in working capital	(165)	583	(1,192)	(3,203)	(3,029)
<b>Cash flow from operations</b>	<b>793</b>	<b>2,257</b>	<b>(725)</b>	<b>(2,036)</b>	<b>(108)</b>
Capex - maintenance	(1,543)	(2,094)	(1,928)	(1,940)	(1,031)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(71)	91	(147)	(441)	(441)
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(1,613)</b>	<b>(2,003)</b>	<b>(2,075)</b>	<b>(2,381)</b>	<b>(1,472)</b>
Dividends paid	(9)	(24)	0	0	(37)
Equity finance	0	0	0	0	0
Debt finance	672	(1,127)	1,535	1,500	2,500
Other financing cash flows	(52)	1,830	805	1,605	(1,014)
<b>Cash flow from financing</b>	<b>610</b>	<b>679</b>	<b>2,340</b>	<b>3,105</b>	<b>1,448</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>(210)</b>	<b>933</b>	<b>(461)</b>	<b>(1,312)</b>	<b>(132)</b>
Free cash flow to firm (FCFF)	(351.20)	745.94	(2,286.82)	(3,877.74)	(970.78)
Free cash flow to equity (FCFE)	(200.88)	956.34	(460.73)	(1,312.38)	(94.57)

### Per share (THB)

FCFF per share	(0.41)	0.88	(2.69)	(4.56)	(1.14)
FCFE per share	(0.24)	1.13	(0.54)	(1.54)	(0.11)
Recurring cash flow per share	1.13	1.97	0.55	1.37	3.44

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	22,008	23,625	25,553	27,493	28,524
Less: Accumulated depreciation	(5,147)	(5,604)	(6,563)	(7,714)	(9,030)
<b>Tangible fixed assets (net)</b>	<b>16,861</b>	<b>18,021</b>	<b>18,990</b>	<b>19,779</b>	<b>19,494</b>
<b>Intangible fixed assets (net)</b>	<b>652</b>	<b>971</b>	<b>971</b>	<b>971</b>	<b>971</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,851	1,761	1,908	2,349	2,790
Cash & equivalents	1,210	2,143	1,682	370	238
A/C receivable	438	534	534	534	534
Inventories	65	109	1,002	4,454	8,755
Other current assets	490	614	706	744	549
<b>Current assets</b>	<b>2,203</b>	<b>3,399</b>	<b>3,924</b>	<b>6,102</b>	<b>10,076</b>
Other assets	2,217	2,077	2,077	2,077	2,077
<b>Total assets</b>	<b>23,784</b>	<b>26,229</b>	<b>27,871</b>	<b>31,278</b>	<b>35,408</b>
Common equity	3,287	4,121	3,650	3,703	4,763
Minorities etc.	607	923	1,708	3,274	2,767
<b>Total shareholders' equity</b>	<b>3,895</b>	<b>5,045</b>	<b>5,357</b>	<b>6,977</b>	<b>7,530</b>
Long term debt	12,970	11,999	13,499	14,999	17,499
Other long-term liabilities	4,317	5,892	5,892	5,892	5,892
<b>Long-term liabilities</b>	<b>17,287</b>	<b>17,891</b>	<b>19,391</b>	<b>20,891</b>	<b>23,391</b>
A/C payable	1,121	1,924	1,323	1,464	1,006
Short term debt	1,281	1,125	1,160	1,160	1,160
Other current liabilities	201	245	639	786	2,321
<b>Current liabilities</b>	<b>2,603</b>	<b>3,294</b>	<b>3,123</b>	<b>3,409</b>	<b>4,487</b>
<b>Total liabilities and shareholders' equity</b>	<b>23,784</b>	<b>26,229</b>	<b>27,871</b>	<b>31,278</b>	<b>35,408</b>
Net working capital	(330)	(913)	279	3,482	6,511
Invested capital	21,252	21,917	24,226	28,659	31,843

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

### Per share (THB)

Book value per share	3.87	4.85	4.29	4.36	5.60
Tangible book value per share	3.10	3.71	3.15	3.21	4.46

### Financial strength

Net debt/equity (%)	334.8	217.7	242.2	226.3	244.6
Net debt/total assets (%)	54.8	41.9	46.6	50.5	52.0
Current ratio (x)	0.8	1.0	1.3	1.8	2.2
CF interest cover (x)	0.6	3.0	0.1	(1.5)	0.8

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>(4.5)</b>	<b>(9.6)</b>	<b>(13.9)</b>	<b>137.5</b>	<b>6.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(7.9)</b>	<b>(16.6)</b>	<b>(24.1)</b>	<b>238.5</b>	<b>11.6</b>
Reported P/E (x)	(7.8)	(14.7)	(15.6)	137.5	6.7
Dividend yield (%)	-	-	-	0.5	10.4
Price/book (x)	2.2	1.8	2.0	2.0	1.5
Price/tangible book (x)	2.8	2.3	2.7	2.7	1.9
EV/EBITDA (x) **	(28.6)	(139.6)	(361.6)	44.3	10.4
EV/EBITDA @ target price (x) **	(36.0)	(178.8)	(450.2)	53.3	12.4
EV/invested capital (x)	1.0	0.9	0.9	0.9	0.9

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

Sources: Dusit Thani; FSSIA estimates



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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.																			
<a href="#">Morningstar Sustainability</a>	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 &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-left: auto; margin-right: auto;"> <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+									
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0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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>																				
<a href="#">S&amp;P Global</a>	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.																			

[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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Dusit Thani	DUSIT 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 4.14	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 5.25	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, 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.
Bound and Beyond	BEYOND TB	THB 12.50	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, 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 05-Jan-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.