

Falling share price offers buying opportunity

Among hoteliers YTD, ERW's share price performance has been the worst with a 12% drop, which we believe reflects market pessimism about its recent overseas investment in Japan and normalizing earnings growth in 2024. We see negatives as largely priced in as ERW is trading near -1SD of its historical average and we view this as an opportunity to accumulate the stock for stronger earnings in 1Q24 and growth in 2024. ERW is on our top pick list for the Tourism sector. We assign a 3-month tactical call of OUTPERFORM with end-2024 TP of Bt6/share.

Catalyst #1: Attractive risk/reward. Among hoteliers, ERW's share price performance YTD has been the worst with a 12% drop, underperforming the 1-16% increase for peers and the SET's 2% drop. We believe this reflects market pessimism about its overseas investment in Japan and normalizing earnings growth in 2024. We see the negatives as largely priced in as valuation is down to 28x 2024PE, nearly -1SD of its historical average.

Catalyst #2: Earnings impact from new hotels in Japan is limited. We forecast ERW's 2024 core earnings growth at 10% YoY to Bt818mn. Upside to earnings would come from stronger-than-expected operations at hotels in Japan. Our projection factors in an estimated loss of Bt30-40mn (3-5% of projected 2024 earnings) from four hotels in Japan in the first full year of operations, based on 75% occupancy rate and ARR at Bt3,000/room. ERW sees a strong outlook for tourism in Japan, backed by high demand from both domestic and international travelers while supply is limited by lack of available land in prime areas.

Catalyst #3: Strong earnings in 1Q24. Tagging the high season for Thai tourism, RevPar (3-5-star hotel segment, 80% of revenue) in January-February was ~Bt2,900/room, up 13% YoY and 9% QoQ, driven by ARR at ~Bt3,400/room, up 12% YoY and 6% QoQ, while occupancy rate remains high a 85% (vs. 84% in 1Q23 and 83% in 4Q23). We expect core 1Q24 earnings to grow YoY and QoQ.

Action & recommendation. We view the falling share price with a discounted valuation as indicating the market's low expectations against projected stronger earnings in 1Q24 and an earnings uptrend in 2024. We see this as an opportunity to accumulate the stock. ERW is on our top pick list for the Tourism sector. We assign a 3-month tactical call of OUTPERFORM with end-2024 TP of Bt6/share, based on 13x EV/EBITDA (LT average in 2005-19).

Risks are: 1) an economic slowdown that would derail travel demand, 2) political uncertainty and 3) cost inflation that would damage profitability. We see ESG risk as effective environmental management (E).

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	4,629	6,986	7,676	8,107	8,373
EBITDA	(Btmn)	1,058	2,200	2,625	2,841	2,985
Core profit	(Btmn)	(229)	746	818	883	946
Reported profit	(Btmn)	(224)	743	818	883	946
Core EPS	(Bt)	(0.05)	0.15	0.17	0.18	0.19
DPS	(Bt)	0.00	0.07	0.08	0.08	0.10
P/E, core	(x)	N.A.	30.4	27.7	25.7	24.0
EPS growth, core	(%)	N.A.	N.A.	9.7	7.9	7.1
P/BV, core	(x)	4.0	3.6	2.8	2.7	2.5
ROE	(%)	(3.9)	12.3	11.4	10.7	10.7
Dividend yield	(%)	0.0	1.5	1.7	1.8	2.2
EV/EBITDA	(x)	28.3	13.9	11.4	10.5	9.9
EBITDA growth	(%)	N.A.	108.1	19.3	8.2	5.1

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data

Last close (Mar 27) (Bt)	4.64
Target price (Bt)	6.00
Mkt cap (Btbn)	21.03
Mkt cap (US\$m)	578
Beta	H
Mkt cap (%) SET	0.12
Sector % SET	1.87
Shares issued (mn)	4,532
Par value (Bt)	1.00
12-m high / low (Bt)	5.4 / 4.5
Avg. daily 6m (US\$m)	2.22
Foreign limit / actual (%)	49 / 6
Free float (%)	58.2
Dividend policy (%)	40

Share performance

(%)	1M	3M	12M
Absolute	(2.9)	(11.6)	(5.7)
Relative to SET	(2.8)	(9.4)	9.7

Source: SET, InnovestX Research

2023 Sustainability/2022 ESG Score

SET ESG Ratings	A
-----------------	---

ESG Bloomberg Rank in the sector

ESG Score Rank	3/15
Environmental Score Rank	3/15
Social Score Rank	3/15
Governance Score Rank	2/15

ESG comment

ERW's ESG score rank is above sector average. ERW is clearly committed to its environmental target and policies for energy management.

Source: Bloomberg Finance L.P.

Analyst

Raweenuch Piyakriengkai

Fundamental Investment
Analyst on Securities
(66-2) 949-1002
raweenuch.piyakriengkai@scb.co.th

Value proposition

ERW's hotel portfolio ranges from luxury to midscale, to the economy and budget segment across Thailand's key destinations. ERW is focusing on expanding HOP INN, a network of budget hotels developed and operated by ERW, in Thailand, the Philippines and Japan.

Business outlook

We forecast ERW's core earnings growth in 2024 at 10% to Bt818mn. ERW is committed to long-term sustainable growth with a more diversified portfolio. It targets 150 HOP INN hotels (~14,000 rooms) by 2030 and beyond. This will boost HOP INN contribution to EBITDA to 39% in 2030 from 24% in 2024. HOP INN expansion will include markets with good potential such as Singapore, Malaysia, Indonesia, South Korea, Vietnam and Australia.

Bullish views	Bearish views
1. ERW is poised to be a prime beneficiary of Thailand's tourism recovery given its position as a pure hotel play.	1. Slow ramping up of new investment.
2. Strong ARR is a key for growth	2. An economic slowdown that would derail travel demand.

Key catalysts

Factor	Event	Impact	Comment
Near-term earnings outlook	1Q24 earnings momentum	+YoY, +QoQ	Tagging high season of Thai tourism, RevPar (3-5-star hotel segment, 80% of revenue) in January-February is ~Bt2,900/room, up 13% YoY and 9% QoQ, driven by ARR at ~Bt3,400/room, up 12% YoY and 6% QoQ, while occupancy rate remains high at 85% (vs. 84% in 1Q23 and 83% in 4Q23). We expect core earnings to grow both YoY and QoQ in 1Q24.
Factors to be aware in 2024	Ramping up operations of new hotels	Positive/Negative	Our earnings projection factors in an estimated loss of Bt30-40mn (3-5% of projected 2024 earnings) from four hotels in Japan during the first full year of operations, based on 75% occupancy rate and ARR at Bt3,000/room.

Sensitivity analysis

Factor	Earnings impact	TP impact
1ppt change in revenue	4-5%	Bt0.2/share (3%)

Our view on ESG

ERW is moving on its focus on sustainability development under its Sustainable Development Plan. The company is clearly committed to its environmental targets and policies for energy management. We expect to see further development in social and governance issues as ERW has implemented policies but has not set committed targets.

ESG Disclosure Score

Bloomberg ESG Score	44.48 (2022)
Rank in Sector	3/15

	CG Rating	DJSI	SETESG	SET ESG Ratings
ERW	5	No	No	A

Source: Thai Institute of Directors (IOD), SET

Environmental Issue (E)

- Every hotel brand expressly commits to zero greenhouse gas emission by 2050 through efficient energy, water and waste management as well as environmental-friendly procurement, which are practice guidelines for GHG emission reduction. In 2022, ERW conducted a study and collected carbon footprint data from all hotels. The Grand Hyatt Erawan Bangkok was the first hotel to audit its GHG emission based on Thailand Greenhouse Gas Management Organization's (TGO) criteria.
- ERW has introduced energy-efficient electrical appliances and equipment. For example, replacing light bulbs with LED bulbs. Every hotel embarked on a replacement project on a zone basis in 2019. ERW plans to meet the 100% goal in 2025. In 2022, ERW was able to reduce the energy use by 3% compared to the 2019 level and 80% of hotels have entirely changed their light bulbs into LED.
- ERW aims to reduce waste destined for landfill by 50% within 2027 through the 4R principles of Reduce, Reuse, Recycle and Resource. ERW is collaborating with partners to create a recycling journey for the waste by enhancing waste separation efficiency, reducing the volume of landfill waste and gathering statistics of waste destined for landfill generated by hotels in Bangkok for monitoring the performance.

Governance Issue (G)

- ERW established key criteria for classifying important trading partners to effectively assess risks within the business supply chain. Screening and selection criteria have been developed, along with payment policies. Furthermore, a Supplier Code of Conduct has been implemented to promote sustainable coexistence and create a mutually beneficial business environment.
- The board of directors comprises 11 directors, four independent directors equal to 36.36% of the total number of directors, i.e., not less than one-third (1/3) of the board of directors.
- The chairman is not an independent director.
- Major shareholders control 58% of total issued and paid-up shares.

Social Issue (S)

- ERW commits to oversee the OHS elements and provides training on self protection through online doctor consultation, telemedicine for staffs. It also provides an annual health check-up, supports immunization booster vaccination, regularly conducts office space sterilization and performs an annual fire drill and fire prevention event to prepare for emergency situation. During 2019-2022, there was no labor dispute that accounted for a significant ratio.
- Starting in 2022, ERW has signed MOU with 10 education institutions in areas where our hotels are operated, totaling 10 institutions. The duration of the internships ranges from 1 to 5 years. Students will have the opportunity to participate in internships at Hop Inn Hotel and may continue working with the hotel based on predetermined criteria.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	46.46	44.48
Environment	23.23	24.01
Emissions Reduction Initiatives	Yes	Yes
GHG Scope 1	0.75	9.57
GHG Scope 2 Location-Based	28.03	32.36
GHG Scope 3	0.00	0.00
Energy Efficiency Policy	Yes	Yes
Waste Reduction Policy	Yes	Yes
Social	32.44	25.70
Pct Women in Workforce	55.90	56.22
Business Ethics Policy	Yes	Yes
Number of Employees - CSR	3,000	3,721
Employee Turnover Pct	24.66	—
Total Hours Spent by Firm - Employee Training	88,371	101,024
Governance	83.59	83.59
Size of the Board	11	11
Number of Female Executives	2	2
Number of Women on Board	2	2
Number of Independent Directors	4	4

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	6,379	2,306	1,485	4,629	6,986	7,676	8,107	8,373
Cost of goods sold	(Btmn)	3,729	2,477	2,220	3,154	3,936	4,104	4,275	4,396
Gross profit	(Btmn)	2,650	(171)	(734)	1,475	3,051	3,572	3,831	3,977
SG&A	(Btmn)	1,608	1,005	915	1,377	1,811	1,919	1,987	2,036
Other income	(Btmn)	60	42	58	89	60	77	81	109
Interest expense	(Btmn)	402	536	521	458	589	707	641	664
Pre-tax profit	(Btmn)	700	(1,669)	(2,112)	(272)	710	1,023	1,284	1,386
Corporate tax	(Btmn)	155	(39)	46	(26)	(17)	145	337	369
Equity a/c profits	(Btmn)	0	(18)	9	29	36	0	0	0
Minority interests	(Btmn)	(57)	63	105	(11)	(17)	(59)	(65)	(71)
Core profit	(Btmn)	489	(1,585)	(2,044)	(229)	746	818	883	946
Extra-ordinary items	(Btmn)	(43)	(130)	(7)	5	(4)	0	0	0
Net Profit	(Btmn)	446	(1,715)	(2,050)	(224)	743	818	883	946
EBITDA	(Btmn)	1,931	(121)	(656)	1,058	2,200	2,625	2,841	2,985
Core EPS (Bt)	(Btmn)	0.20	(0.64)	(0.42)	(0.05)	0.15	0.17	0.18	0.19
Net EPS (Bt)	(Bt)	0.18	(0.69)	(0.42)	(0.05)	0.15	0.17	0.18	0.19
DPS (Bt)	(Bt)	0.07	0.00	0.00	0.00	0.07	0.08	0.08	0.10

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	1,456	1,962	2,655	2,026	1,885	2,738	2,396	2,589
Total fixed assets	(Btmn)	14,442	14,281	14,474	14,536	16,164	17,532	18,279	19,006
Total assets	(Btmn)	17,834	21,215	22,450	21,712	23,675	25,639	25,786	26,446
Total loans	(Btmn)	10,162	12,687	11,151	10,448	10,819	10,887	10,387	10,384
Total current liabilities	(Btmn)	3,360	2,812	1,489	1,762	3,058	2,911	2,988	3,012
Total long-term liabilities	(Btmn)	8,125	10,551	10,356	9,665	9,067	9,567	9,064	9,086
Total liabilities	(Btmn)	11,893	17,286	16,427	15,990	17,305	17,658	17,232	17,277
Paid-up capital	(Btmn)	2,518	2,518	4,532	4,532	4,532	4,891	4,891	4,891
Total equity	(Btmn)	5,941	3,929	6,023	5,722	6,370	7,981	8,554	9,169
BVPS (Bt)	(Bt)	2.40	1.59	1.33	1.26	1.41	1.76	1.89	2.02

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	489	(1,585)	(2,044)	(229)	746	818	883	946
Depreciation and amortization	(Btmn)	830	1,012	936	872	901	895	915	935
Operating cash flow	(Btmn)	1,780	(536)	(634)	1,287	2,289	1,901	1,841	1,911
Investing cash flow	(Btmn)	(1,778)	(602)	346	231	(2,256)	(2,007)	(1,404)	(1,403)
Financing cash flow	(Btmn)	(73)	1,785	(122)	(1,215)	(344)	861	(809)	(334)
Net cash flow	(Btmn)	(71)	647	(409)	303	(311)	754	(372)	174

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	41.5	(7.4)	(49.4)	31.9	43.7	46.5	47.3	47.5
Operating margin	(%)	16.3	(51.0)	(111.0)	2.1	17.7	21.5	22.8	23.2
EBITDA margin	(%)	30.3	(5.3)	(44.1)	22.9	31.5	34.2	35.0	35.7
EBIT margin	(%)	17.3	(49.1)	(107.1)	4.0	18.6	22.5	23.8	24.5
Net profit margin	(%)	7.0	(74.4)	(138.0)	(4.8)	10.6	10.7	10.9	11.3
ROE	(%)	8.4	(32.1)	(41.1)	(3.9)	12.3	11.4	10.7	10.7
ROA	(%)	2.8	(8.1)	(9.4)	(1.0)	3.3	3.3	3.4	3.6
Net D/E	(x)	1.5	2.8	1.5	1.6	1.5	1.1	1.0	0.9
Interest coverage	(x)	4.8	(0.2)	(1.3)	2.3	3.7	3.7	4.4	4.5
Debt service coverage	(x)	0.8	(0.0)	(0.5)	0.9	0.9	1.3	1.4	1.5
Payout Ratio	(%)	38.9	0.0	0.0	0.0	42.7	42.7	42.7	50.0

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Owned hotels (3-5 star)									
Occupancy rate	(%)	78.0	24.0	17.0	58.0	82.0	82.1	82.1	82.1
ARR	(Bt/room/night)	2,570	2,004	1,429	2,496	3,074	3,263	3,361	3,462
% YoY growth	(%)	(3.8)	(22.0)	(28.7)	74.7	23.2	6.1	3.0	3.0
RevPar	(Bt/room/night)	2,009	485	250	1,444	2,533	2,678	2,758	2,841
% YoY growth	(%)	(6.9)	(75.9)	(48.5)	477.6	75.4	5.7	3.0	3.0
No. of rooms	rooms	5,343	5,343	5,056	4,392	4,391	4,391	4,391	4,391

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	638	974	1,283	1,733	1,753	1,623	1,736	1,874
Cost of goods sold	(Btmn)	618	735	827	973	993	948	990	1,004
Gross profit	(Btmn)	20	239	456	759	760	675	746	870
SG&A	(Btmn)	255	311	362	450	434	441	446	490
Other income	(Btmn)	8	32	6	43	21	18	7	13
Interest expense	(Btmn)	112	111	114	122	135	143	150	161
Pre-tax profit	(Btmn)	(339)	(150)	(13)	230	213	109	157	232
Corporate tax	(Btmn)	(8)	(7)	(5)	(6)	(6)	(5)	(3)	(2)
Equity a/c profits	(Btmn)	3	9	3	13	3	21	3	9
Minority interests	(Btmn)	12	4	(6)	(21)	1	(2)	(7)	(10)
Core profit	(Btmn)	(315)	(131)	(11)	229	224	133	156	233
Extra-ordinary items	(Btmn)	2	12	(0)	11	15	9	(8)	(19)
Net Profit	(Btmn)	(313)	(119)	(12)	240	239	142	148	214
EBITDA	(Btmn)	(14)	175	320	576	566	474	540	621
Core EPS (Bt)	(Btmn)	(0.06)	(0.03)	(0.00)	0.05	0.05	0.03	0.03	0.05
Net EPS (Bt)	(Bt)	(0.07)	(0.03)	(0.00)	0.05	0.05	0.03	0.03	0.05

Balance Sheet

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	2,688	1,485	1,617	2,026	1,858	1,742	1,955	1,885
Total fixed assets	(Btmn)	19,327	19,343	19,394	19,285	19,221	19,401	21,438	21,396
Total assets	(Btmn)	22,388	21,251	21,434	21,712	21,482	21,553	23,814	23,675
Total loans	(Btmn)	10,641	10,403	10,495	10,448	9,999	9,770	11,095	10,819
Total current liabilities	(Btmn)	2,675	1,378	1,510	1,762	1,882	2,043	2,869	3,058
Total long-term liabilities	(Btmn)	9,514	9,783	9,794	9,665	9,162	8,823	9,475	9,067
Total liabilities	(Btmn)	16,731	15,699	15,868	15,990	15,502	15,386	17,536	17,305
Paid-up capital	(Btmn)	4,532	4,532	4,532	4,532	4,532	4,532	4,532	4,532
Total equity	(Btmn)	5,657	5,552	5,566	5,722	5,980	6,167	6,278	6,370
BVPS (Bt)	(Bt)	1.25	1.23	1.23	1.26	1.32	1.36	1.39	1.41

Cash Flow Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	(315)	(131)	(11)	229	224	133	156	233
Depreciation and amortization	(Btmn)	213	215	220	223	218	222	233	229
Operating cash flow	(Btmn)	87	25	339	836	558	480	638	613
Investing cash flow	(Btmn)	(169)	811	(198)	(214)	(83)	(246)	(1,581)	(346)
Financing cash flow	(Btmn)	101	(1,063)	(68)	(185)	(641)	(353)	1,081	(432)
Net cash flow	(Btmn)	19	(226)	73	437	(166)	(119)	139	(164)

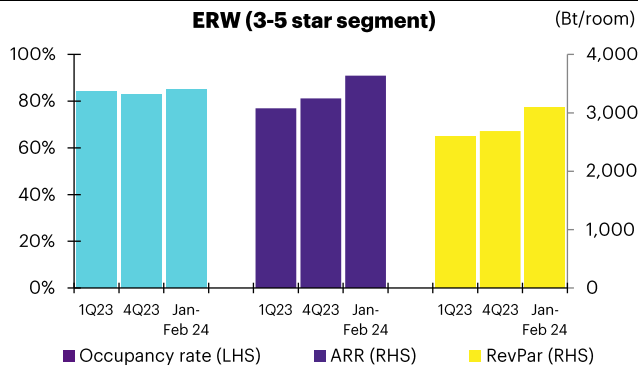
Key Financial Ratios

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	3.1	24.6	35.5	43.8	43.4	41.6	43.0	46.4
Operating margin	(%)	(36.8)	(7.3)	7.3	17.8	18.6	14.4	17.3	20.3
EBITDA margin	(%)	(2.1)	18.0	25.0	33.2	32.3	29.2	31.1	33.1
EBIT margin	(%)	(35.6)	(4.1)	7.8	20.3	19.8	15.5	17.7	20.9
Net profit margin	(%)	(49.1)	(12.2)	(0.9)	13.8	13.6	8.7	8.5	11.4
ROE	(%)	(27.7)	(14.3)	(10.3)	7.4	15.4	12.2	11.6	12.9
ROA	(%)	(5.8)	(4.0)	(2.7)	2.0	4.1	3.3	3.0	3.4
Net D/E	(x)	1.5	1.7	1.7	1.6	1.4	1.4	1.5	1.5
Interest coverage	(x)	(0.1)	1.6	2.8	4.7	4.2	3.3	3.6	3.9
Debt service coverage	(x)	(0.0)	0.7	1.1	1.8	1.6	1.2	1.0	1.0

Main Assumptions

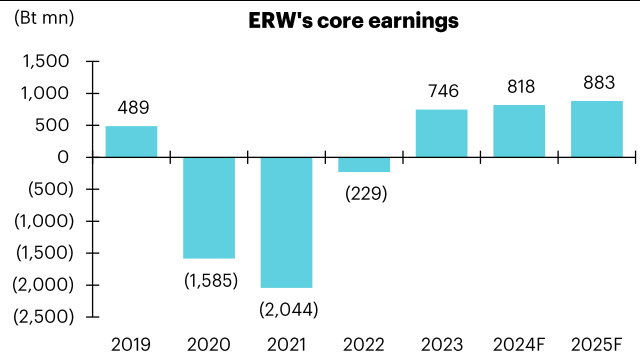
FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Owned hotels (excl. HOP INN)									
Occupancy rate	(%)	31.0	55.0	67.0	82.0	84.0	80.0	82.0	83.0
ARR	(Bt/room/night)	1,815	2,098	2,552	3,017	3,079	2,936	3,028	3,247
% YoY growth	(%)	45.3	57.9	115.5	81.7	69.6	39.9	18.7	7.6
RevPar	(Bt/room/night)	556	1,164	1,710	2,467	2,591	2,361	2,491	2,689
% YoY growth	(%)	159.8	580.7	1,337.0	396.4	366.0	102.8	45.7	9.0
No. of rooms	rooms	5,056	4,392	4,392	4,392	4,392	4,392	4,391	4,391

Figure 1: Strong operations in Jan-Feb



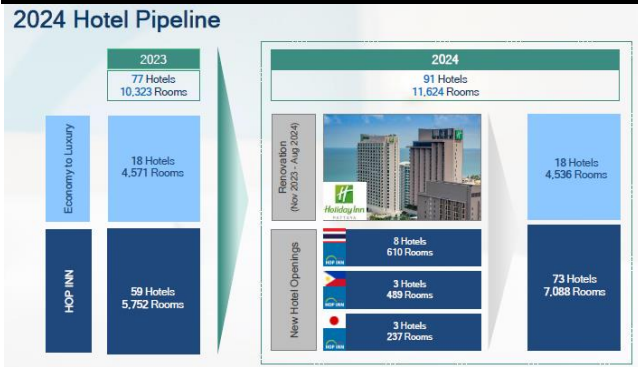
Source: Company data and InnovestX Research

Figure 2: ERW earnings forecast



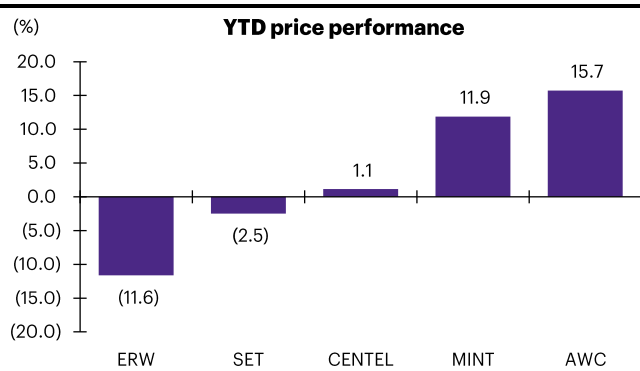
Source: InnovestX Research

Figure 3: ERW's hotel expansion



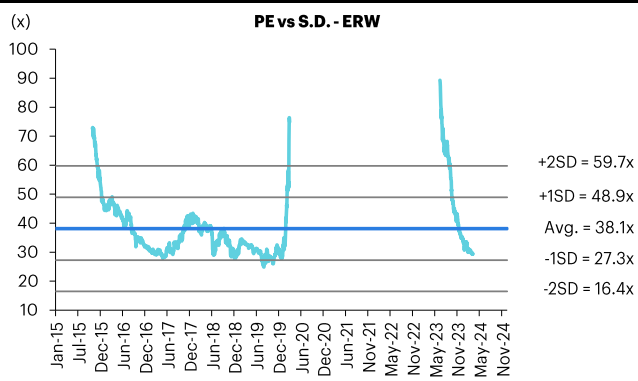
Source: Company data and InnovestX Research

Figure 4: Price performance



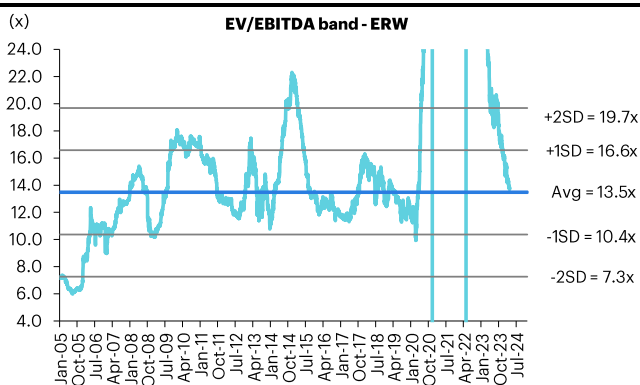
Source: SET and InnovestX Research

Figure 5: ERW PE band



Source: SET and InnovestX Research

Figure 6: ERW EV/EBITDA band



Source: SET and InnovestX Research

Figure 7: Valuation summary (price as of Mar 27, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
AWC	Neutral	4.12	5.4	31.6	124.7	75.3	51.8	n.m.	66	45	1.5	1.5	1.5	1	2	3	1.2	0.5	0.8	41.0	33.5	27.5
CENTEL	Neutral	44.25	45.0	2.7	54.6	44.4	38.7	182.9	22.9	14.6	3.0	2.9	2.8	5.6	6.6	7.3	0.9	1.0	1.2	12.0	11.1	11.0
ERW	Outperform	4.64	6.0	31.0	30.4	27.7	25.7	n.m.	9.7	7.9	3.6	2.8	2.7	12.3	11.4	10.7	1.5	1.7	1.8	13.9	11.4	10.5
MINT	Outperform	33.00	44.0	34.7	25.3	22.7	20.1	241.1	11.6	12.9	2.1	2.0	1.9	8.4	8.9	9.5	1.7	1.3	1.5	7.0	6.3	5.9
Average					58.7	42.5	34.1	212.0	27.4	20.1	2.5	2.3	2.2	6.9	7.2	7.6	1.3	1.1	1.3	18.5	15.6	13.7

Source: InnovestX Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited (“INVX”) is wholly owned by SCB X Public Company Limited (“SCBX”) and The Siam Commercial Bank Public Company Limited (“SCB”) is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited (“INVX”) which is wholly owned by SCB X Public Company Limited (“SCBX”). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the “Information”) is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.

CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCT, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMPC, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, METRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PFI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้รับรับรอง)

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASC, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนาจริง)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, PEER, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BLC, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINI, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NFG, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJINA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TW2, TYCN, UAC, UBA, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.