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KEY HIGHLIGHTS

Asian Gems Corporate Highlights

WHA Corporation (WHA TB/BUY/Bt5.45/Target: Bt6.30) Page 2

3Q23 results preview: Positive momentum to persist throughout the year. Upgrade to BUY.

The Erawan Group (ERW TB/BUY/Bt5.20/Target: Bt6.50) Page 5

Outlook remains positive; expect RevPar growth to continue in 2024.

KEY INDICES

Symbol	Close	Chg	%Chg
SET	1,427.11	(23.64)	(1.63)
SET50	876.65	(13.61)	(1.53)
Value (Btm) - SET	53,677		
Top 5 Sector			
BANK	389.64	(3.62)	(0.92)
PETRO	685.03	(12.28)	(1.76)
PROP	227.08	(4.79)	(2.07)
ENERG	20,467.30	(188.23)	(0.91)
ICT	156.97	(2.20)	(1.38)

Source: Bloomberg

TOP VOLUME

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
CPALL	57.25	(3.78)	1,769.6
AOT	66.75	(2.55)	1,451.5
PTTEP	172.00	1.78	2,188.4
HANA	62.00	(4.25)	1,563.3
PTT	33.25	(0.75)	1,403.0

TOP GAINERS

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
THL	0.05	66.67	3.7
ALL	0.05	25.00	0.3
NATION	0.09	12.50	0.4
TPA	4.80	10.09	0.0
MNIT	2.10	7.69	0.0

TOP LOSERS

Symbol	Close (Baht)	+/- (% Chg)	5-day ADT (BTm)
JCKH	0.03	(25.00)	0.6
CMO	1.69	(18.75)	28.0
URBNPF	1.54	(14.44)	0.0
PPPM	0.06	(14.29)	0.2
DIMET	0.21	(12.50)	2.0

*ADT: Average daily turnover

KEY STATISTICS

Commodity	Current Price	%Chg		
		1m	3M	YTD
Brent crude*	89.8	(3.5)	15.5	10.0
Dubai crude*	91.7	(4.5)	12.1	16.6
Baltic Dry Index	1,945.0	40.8	81.3	28.4
Gold Spot***	1,915.9	(0.4)	(2.0)	5.0

*(US\$/bbl), *** (US\$/toz)

FOREIGN PORTFOLIO INVESTMENT IN EQUITIES (THAILAND)

Day (Mil US\$)	MTD Net (Mil US\$)	YTD Net (Mil US\$)	YTD Net YoY%
(80.0)	(242.0)	(4,768.6)	(7,716.7)

Source: Bloomberg

Foreign Exchange Rate - THB/US\$ (onshore) = 36.30

Interest Rate (%) - TH 1-day RP = 1.50

Thai Lending Rate (%)* - MLR = 7.10

ASIAN GEMS CORPORATE HIGHLIGHTS

WHA Corporation (WHA TB)

3Q23 Results Preview: Positive Momentum To Persist Throughout The Year

We attended a conference with WHA and learned that the strong land sales and land transfer momentum will likely continue till the end of the year and into 2024. WHA is expected to post core profit of Bt705m (+170% yoy, -20% qoq) for 3Q23, riding on the strong land transfers. Looking forward, we expect WHA's 4Q23 earnings to be this year's peak, driven by robust land transfers brought about by seasonality. Upgrade from HOLD to BUY with a higher target price of Bt6.30.

WHAT'S NEW

- **Positive sentiment of land sales to continue into 2024 and beyond.** WHA Corporation (WHA) is actively working to sustain its land sales at levels similar to those achieved in 2023, with a target of selling 2,000-2,700 rai in 2024. Due to the ongoing surge in the number of electric vehicles (EV) and many businesses from various industries relocating from China, we believe WHA is highly likely to sell 2,000-2,700 rai of land or more than 2,700 rai in 2024. Also, it is worth noting that the company adjusted its land sales projections twice in 2022 and 2023 due to skyrocketing demand. In the longer term with an assumed normal demand for land sales, WHA expects land sales of 1,000-1,500 rai per year in Thailand and 1,000-1,200 rai per year in Vietnam in the next three years. We believe WHA should be able to sell 2,000 rai of land per year in the long term.
- **Sufficient land inventory to serve robust demand in the long run.** WHA disclosed that 5,700 rai of land is currently under development in Thailand, and expects this to be sufficient to serve demand for the next 2-3 years. The company expects to develop about 5,000 rai of land in 2024 and another 10,000 rai afterwards in Thailand. In Vietnam, WHA has 1,400 rai of land under development in the Nghe An province under phase 2. WHA also plans to develop more about 3,000 rai in Than Hoa province in 3Q-4Q24 and expects this industrial estate to be ready for sale within 2025.
- **Expect strong margins and elevated selling prices in the next 2-3 years.** WHA typically revises its ASPs upwards by 2-3% annually. However, in 2023, there was a notable surge of more than 10% in ASPs, and this trend is expected to be sustained with the new pipeline of land sales. Due to strong sentiment for the industrial estate industry, selling prices are likely to continue increasing in the next 1-2 years. However, in the next three years, prices and gross margins are expected to return to normal.

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	10,417	13,729	15,467	18,102	17,597
EBITDA	3,770	4,765	5,272	6,292	6,282
Operating profit	3,150	4,155	4,764	5,756	5,719
Net profit (rep./act.)	2,590	4,046	4,490	5,467	5,704
Net profit (adj.)	2,590	4,046	4,490	5,467	5,704
EPS (Bt)	0.2	0.3	0.3	0.4	0.4
PE (x)	31.4	20.1	18.1	14.9	14.3
P/B (x)	2.7	2.5	2.4	2.2	2.0
EV/EBITDA (x)	31.8	25.2	22.7	19.1	19.1
Dividend yield (%)	1.7	2.6	2.9	3.5	3.6
Net margin (%)	24.9	29.5	29.0	30.2	32.4
Net debt/(cash) to equity (%)	115.1	104.3	100.1	92.8	81.1
Interest cover (x)	3.3	4.2	4.6	5.4	5.3
Consensus net profit	-	-	4,336	4,751	5,127
UOBKH/Consensus (x)	-	-	1.04	1.15	1.11

Source: WHA Corporation, Bloomberg, UOB Kay Hian

BUY

(Upgraded)

Share Price	Bt5.45
Target Price	Bt6.30
Upside	+15.6%
(Previous TP)	Bt5.20)

COMPANY DESCRIPTION

WHA is the leader of one-stop logistics services covering four business hubs – logistics, industrial development, utilities & power, and Digital platform.

STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	WHA TB
Shares issued (m):	14,946.8
Market cap (Btm):	81,460.2
Market cap (US\$m):	2,237.0
3-mth avg daily t'over (US\$m):	8.9

Price Performance (%)

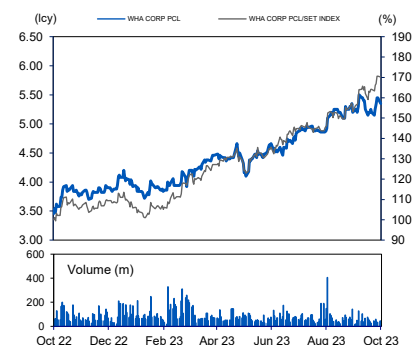
52-week high/low			Bt5.50/Bt3.46	
1mth	3mth	6mth	1yr	YTD
2.8	15.5	22.2	56.6	33.6

Major Shareholders

	%
Miss Jareeporn Jarukornsakul	23.3
Miss Chatchamol Anantaprayoon	9.0
Mr. Chaiwat Phupisut	4.6

FY23 NAV/Share (Bt)	2.30
FY23 Net Debt/Share (Bt)	2.30

PRICE CHART



Source: Bloomberg

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ASSISTANT ANALYST(S)

Thachasorn Jutaganon

- **EV industry to continue to thrive in 2024.** Several EV companies have entered WHA's industrial estate in the last 1-2 years, such as Great Wall Motor (GWM), MG, BYD, and most recently, Changan. In 2024, the company expects more EV companies and suppliers of those companies to come. Two EV customers could potentially purchase 600 rai of land each in 2024. One of these two customers expects to purchase the land for development within 2024, while the other has to wait for land development. Both are global EV brands, of which one is from China. If WHA is able to attract both customers, its land sales will be robust in 2024 and beyond.

3Q23 RESULTS PREVIEW

Year to 31 Dec (Btm)	3Q23F	3Q22	2Q23	yoy chg (%)	qoq chg (%)
Net turnover	2,367	1,976	2,671	19.8	(11.4)
Gross profit	1,179	870	1,281	35.4	(8.0)
EBIT	736	475	844	55.0	(12.8)
EBITDA	856	575	1,016	48.9	(15.8)
Net profit	705	259	866	172.8	(18.6)
EPS	0.66	0.24	0.81	172.8	(18.6)
Core profit	705	259	866	172.8	(18.6)
				yoy chg (%)	qoq chg (%)
Gross margin	49.8	44.0	47.9	5.8	1.9
SG&A% of sales	18.7	20.0	16.3	(1.3)	2.4
Net profit margin	29.8	13.1	32.4	16.7	(2.6)

Source: WHA Corporation, UOB Kay Hian

- **Consistently solid earnings.** WHA is poised to deliver outstanding financial results in 3Q23, with a projected core profit of Bt705m, surging 170% yoy, but dropping 20% qoq, riding on the strong land sales and an improvement in its utilities and power businesses. The company expects a substantial 350 rai of land transfers in 3Q23, improving 20% yoy, but dropping 20% qoq, and accounting for about 50% of our total land transfers target in 2023. Note that land transfers in 3Q22 and 2Q23 were 290 rai and 437 rai respectively. In addition, share of profit from associates should slightly improve qoq due to lower inventory loss from Gheco-one. In terms of land sales, WHA should report land sales of 1,500 rai in 3Q23, the highest in the company's history and achieving the previous full-year target of 2,500 rai. Due to the robust land sales registered in 3Q23, the company has revised up its full-year target by approximately 20% to 2,750 rai for 2023.

STOCK IMPACT

- **Anticipating strong yoy and qoq earnings growth in 4Q23.** We foresee a robust performance in 4Q23, with earnings expected to rise both yoy and qoq. This favourable outlook is underpinned by strong revenue from land sales, bolstered by a seasonal increase in land transfers. Additionally, WHA's performance is set to benefit from the sale of investment properties totalling approximately Bt3.3b in 4Q23.

EARNINGS REVISION/RISK

- **Raise earnings projections for 2023-24.** We have revised up our earnings projection for 2023-24 by 3% and 12% respectively, primarily due to the rising number of land transfers from a higher number of land sales.

EARNINGS REVISION

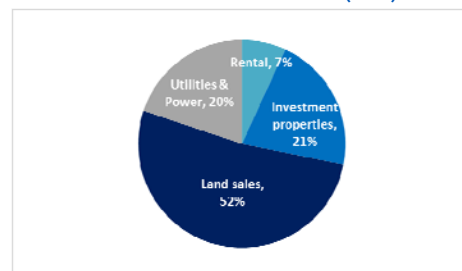
	2023F			2024F		
(Bt m)	New	Previous	Change	New	Previous	Change
Total revenue	15,467	14,065	10.0%	18,102	15,773	14.8%
Land sales (rai)	2,750	2,500	10.0%	2,900	2,310	25.5%
Land transfers (rai)	2,260	2,100	7.6%	2,400	2,150	11.6%
Net profit	4,490	4,345	3.3%	5,467	4,396	24.4%
GPM (%)	48.8	47.5	1.3	50.1	47.8	2.3

Source: WHA Corporation, UOB Kay Hian

VALUATION/RECOMMENDATION

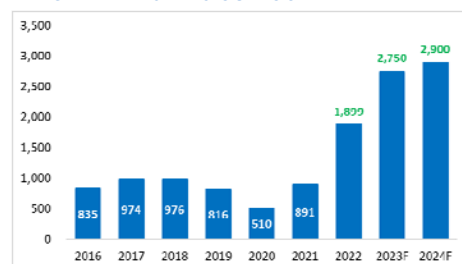
- **Upgrade to BUY with a higher target price of Bt6.30 (previously: Bt5.20).** Our target price is based on the SOTP methodology, where we value its investment in associate companies at Bt1.4/share pegged to 2024F PE of 18x (average PE of power industry in Thailand) and its core business at Bt4.9/share based on 2024F PE of 17x (average PE of industrial estate business in Thailand). Due to better-than-expected sentiment of land sales and strong demand of EV industry, we upgrade WHA to BUY. Also, we expect WHA's earnings to continuously improve in 2024.

EXPECTED REVENUE BREAKDOWN (2023)



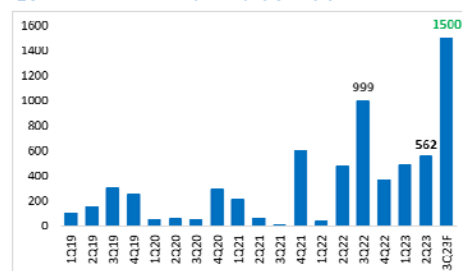
Source: WHA, UOB Kay Hian

TARGET LAND SALES OUTLOOK



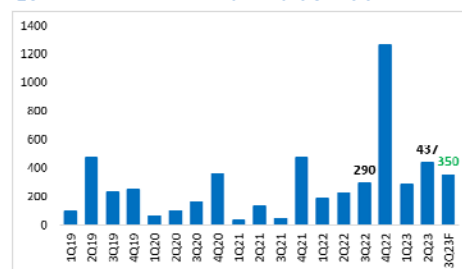
Source: WHA, UOB Kay Hian

QUARTERLY LAND SALES OUTLOOK



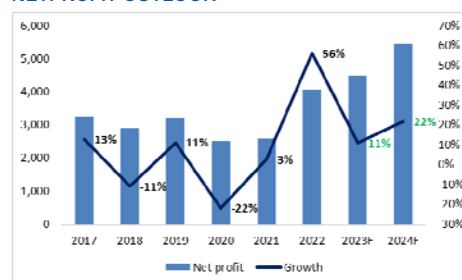
Source: WHA, UOB Kay Hian

QUARTERLY LAND TRANSFERS OUTLOOK



Source: WHA, UOB Kay Hian

NETPROFIT OUTLOOK



Source: WHA, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	13,729	15,467	18,102	17,597
EBITDA	4,765	5,272	6,292	6,282
Deprec. & amort.	611	508	535	563
EBIT	4,155	4,764	5,756	5,719
Total other non-operating income	1,253	1,100	1,300	1,300
Associate contributions	585	900	1,125	1,463
Net interest income/(expense)	(1,126)	(1,148)	(1,162)	(1,176)
Pre-tax profit	4,867	5,616	7,019	7,305
Tax	(546)	(566)	(1,002)	(1,052)
Minorities	(276)	(560)	(550)	(550)
Net profit	4,046	4,490	5,467	5,704
Net profit (adj.)	4,046	4,490	5,467	5,704

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	41,528	41,012	41,477	41,914
Other LT assets	25,644	26,484	27,049	27,886
Cash/ST investment	7,148	6,674	6,989	9,597
Other current assets	11,982	20,558	24,016	23,169
Total assets	86,302	94,728	99,531	102,567
ST debt	13,144	13,121	13,121	13,121
Other current liabilities	3,254	4,967	5,208	4,962
LT debt	27,436	27,878	28,378	28,878
Other LT liabilities	6,856	10,340	10,974	10,406
Shareholders' equity	32,050	34,299	37,177	39,977
Minority interest	3,562	4,122	4,672	5,222
Total liabilities & equity	86,302	94,728	99,531	102,567

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	7,298	(1,305)	3,335	7,417
Pre-tax profit	4,867	5,616	7,019	7,305
Tax	(546)	(566)	(1,002)	(1,052)
Deprec. & amort.	611	508	535	563
Working capital changes	1,982	(6,594)	(3,068)	449
Non-cash items	385	(269)	(150)	152
Other operating cashflows	0	0	0	0
Investing	(2,780)	2,651	(931)	(2,405)
Capex (growth)	(2,285)	8	(1,000)	(1,000)
Investments	223	(450)	(563)	(731)
Others	(718)	3,093	632	(674)
Financing	(943)	(1,821)	(2,089)	(2,404)
Dividend payments	(2,424)	(2,216)	(2,589)	(2,904)
Issue of shares	0	(24)	0	0
Proceeds from borrowings	1,797	420	500	500
Others/interest paid	(316)	0	0	0
Net cash inflow (outflow)	3,575	(474)	315	2,608
Beginning cash & cash equivalent	3,573	7,148	6,674	6,989
Ending cash & cash equivalent	7,148	6,674	6,989	9,597

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	34.7	34.1	34.8	35.7
Pre-tax margin	35.5	36.3	38.8	41.5
Net margin	29.5	29.0	30.2	32.4
Growth				
Turnover	31.8	12.7	17.0	(2.8)
EBITDA	26.4	10.6	19.3	(0.2)
Pre-tax profit	37.0	15.4	25.0	4.1
Net profit	56.2	11.0	21.8	4.3
Net profit (adj.)	56.2	11.0	21.8	4.3
EPS	56.2	11.0	21.8	4.3
Leverage				
Debt to total capital	53.3	51.6	49.8	48.2
Debt to equity	126.6	119.5	111.6	105.1
Net debt/(cash) to equity	104.3	100.1	92.8	81.1
Interest cover (x)	4.2	4.6	5.4	5.3

ASIAN GEMS CORPORATE HIGHLIGHTS

The Erawan Group (ERW TB)

Outlook Remains Positive; Expect RevPar Growth To Continue In 2024

ERW's management anticipates a continued RevPar growth of 6% in 2024, driven by sustained pent-up travel demand, and expects the impact from the Siam Paragon shooting incident and the Israel-Hamas conflict to be short term in nature. 3Q23 net profit is likely to improve yoy but drop slightly qoq, with robust RevPar (+37% yoy, +5% qoq, 17% above pre-COVID-19 levels). Maintain BUY. Target price: Bt6.50.

WHAT'S NEW

- 2023 performance: Strategic location is its key competitive strength.** Despite international arrivals in Thailand not having fully recovered to pre-COVID-19 levels, The Erawan Group's (ERW) RevPar has exceeded the normalised levels since 2Q23 (13% above pre-COVID-19 levels), driven by both occupancy rate and average room rate (ADR). Chinese guests accounted for 16% of ERW's total guests in 2Q23, vs 12% in 2019. ERW's key competitive advantages lie in: a) the strategic locations of its hotels, especially those in Bangkok (contributing 60-65% of revenue) which have seen a strong rebound in performance, and b) its focus on Chinese travel partners.
- 2024 outlook: expect continued RevPar growth.** ERW targets RevPar growth of at least 6% in 2024, underpinned by ongoing pent-up travel demand and inflation. The company's strategy to increase RevPar and widen margins involves increasing contribution from retail guests, which have better margins, from 30-35% in 2019 to 40-45%. Retail guests are primarily driven by marketing efforts and strong brand awareness. Regarding its hotel expansion plan, the company aims to establish 10 budget hotels in Thailand and seven budget hotels outside Thailand. Of these, three will be developed in Philippines, while the remaining four hotels will be located in Japan and are expected to open in 1Q24.
- Long-term target: To become leading budget hotel chain in Southeast Asia.** ERW expects RevPar growth to grow at an organic rate of 3-4% per year from 2025 onward, following the end of the travel revenge trend. Its long-term strategy involves more aggressive expansion in the budget hotel segment, which should lead to an increase in revenue contribution from the budget segment to 40% within the next five years (budget revenue contribution in 1H23: 20%). Additionally, the company is actively seeking golden investment opportunities in the Asia Pacific region, including Japan, South Korea, Indonesia, Vietnam, and Singapore, with the aim of increasing revenue contribution from overseas to 20-25% in the next five years (vs outside Thailand revenue contribution in 1H23: 7%).

KEY FINANCIALS

Year to 31 Dec (Btm)	2021	2022	2023F	2024F	2025F
Net turnover	1,562.6	4,714.6	7,334.3	8,124.3	8,623.2
EBITDA	(636.3)	1,055.0	2,181.7	2,498.3	2,744.3
Operating profit	(1,571.9)	183.1	1,210.3	1,454.9	1,601.0
Net profit (rep./act.)	(2,050.2)	(224.2)	705.0	841.5	923.5
Net profit (adj.)	(2,050.2)	(224.2)	705.0	841.5	923.5
EPS (Bt)	(0.8)	0.0	0.1	0.2	0.2
PE (x)	n.m.	n.m.	36.1	30.2	27.5
P/B (x)	2.2	4.1	3.6	3.3	3.1
EV/EBITDA (x)	n.m.	33.5	16.2	14.1	12.9
Dividend yield (%)	0.0	0.0	1.2	1.5	1.6
Net margin (%)	(131.2)	(4.8)	9.6	10.4	10.7
Net debt/(cash) to equity (%)	226.4	221.7	164.8	172.9	160.6
Interest cover (x)	(1.2)	2.3	4.3	4.4	4.9
ROE (%)	n.a.	n.a.	11.0	11.4	11.7
Consensus net profit	-	-	719	829	948
UOBKH/Consensus (x)	-	-	0.98	1.02	0.97

Source: The Erawan Group, Bloomberg, UOB Kay Hian
n.m. : not meaningful; negative P/E, EV/EBITDA reflected as "n.m."

BUY

(Maintained)

Share Price	Bt5.20
Target Price	Bt6.50
Upside	+25.0%

COMPANY DESCRIPTION

The Erawan Group is a leading hotel investment company in Thailand. Its hotel portfolio ranges from luxury to mid-scale and economy across Thailand's major tourist destinations.

STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	ERW TB
Shares issued (m):	4,531.6
Market cap (Btm):	23,564.1
Market cap (US\$m):	647.2
3-mth avg daily t'over (US\$m):	2.6

Price Performance (%)

52-week high/low Bt5.80/Bt4.14

1mth	3mth	6mth	1yr	YTD
(8.0)	15.0	4.8	25.6	16.1

Major Shareholders

	%
Wattanavekin family	28.2
Vongkusolkiet family	28.4
-	-
FY23 NAV/Share (Bt)	1.45
FY23 Net Debt/Share (Bt)	2.40

PRICE CHART



Source: Bloomberg

ANALYST(S)

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- Impact of Siam Paragon shooting incident and Israel-Hamas conflict.** Following the shooting incident at Siam Paragon, the company has not experienced any booking cancellations as yet. Although there was a recent slowdown in booking growth from Chinese guests in the past week, ERW expects this to be a short-term impact, as booking rates have started to pick up again. On the other hand, with respect to the Israel-Hamas conflict, the company has observed some booking cancellations from Israeli guests in Phuket hotels. However, this impact is expected to be insignificant since other nationalities are anticipated to fully offset the decrease during the high travel season. Furthermore, the Israel-Hamas conflict has had no impact on guests from other Middle Eastern countries.

STOCK IMPACT

- 3Q23 earnings to exceed normalised levels.** We expect 3Q23 net profit to exceed pre-COVID-19 levels, reaching Bt132m (+1,250% yoy, -7% qoq). Excluding extraordinary items, core profit is expected to reach Bt127m (+954% yoy, +5% qoq), driven by the continued influx of international tourists and RevPar growth. However, we expect a Bt20m expense associated with hotel investments in Japan in 3Q23.
- Rise in revenue aligns with ongoing RevPar growth.** ERW's revenue is expected to reach Bt1.7b (+34% yoy, +6% qoq). The key driver is the continuous increase in international arrivals (+96% yoy, +10% qoq, 27% below pre-COVID-19 levels), resulting in continued growth in RevPar (+37% yoy, +5% qoq, 17% above pre-COVID-19 levels). All figures, including the occupancy rate and ADR, for both budget and non-budget hotel segments, are likely to show strong yoy and qoq growths, with the exception of budget hotels in Thailand, which remained flat qoq in 3Q23.

3Q23 EARNINGS PREVIEW

(Btm)	3Q22	2Q23	3Q23	yoy (%)	qoq (%)
Total revenue	1,283	1,623	1,713	33.5	5.5
Gross profit	456	675	719	57.7	6.5
SG&A	362	441	465	28.6	5.4
Operating EBIT	100	250	269	169.3	7.6
Operating EBITDA	261	472	495	89.6	5.0
Core profit	(15)	121	127	954.4	5.3
Net profit	(12)	142	132	1,249.4	(6.7)
(%)	3Q22	2Q23	3Q23	yoy (ppts)	qoq (ppts)
Gross margin	35.5	41.6	42.0	6.4	0.4
SG&A to sales	28.2	27.2	27.2	(1.0)	(0.0)
EBIT margin	12.1	26.3	27.1	15.0	0.7
EBITDA margin	20.3	29.0	28.9	8.6	(0.1)
Net profit margin	(0.9)	8.7	7.7	8.6	(1.0)

Source: ERW, UOB Kay Hian

KEY STATISTICS

Occupancy (%)	3Q19	3Q22	4Q22	1Q23	2Q23	3Q23	yoy chg	qoq chg	To pre-COVID
Avg exc. budget hotel	74%	67%	82%	84%	81%	82%	15.4 ppt	1.4 ppt	111.3%
Avg inc. budget hotel	74%	69%	79%	81%	80%	81%	12.6 ppt	1.7 ppt	110.4%
ARR (Bt/night)									
Avg exc. budget hotel	2,470	2,552	3,023	3,079	2,936	3,033	18.8%	3.3%	122.8%
Avg inc. budget hotel	1,661	1,521	1,760	1,794	1,709	1,762	15.9%	3.1%	106.1%
RevPar (Bt/night)									
Avg exc. budget hotel	1,824	1,710	2,470	2,591	2,361	2,499	46.1%	5.8%	137.0%
Avg inc. budget hotel	1,223	1,045	1,391	1,459	1,361	1,433	37.1%	5.3%	117.1%

Source: ERW, UOB Kay Hian

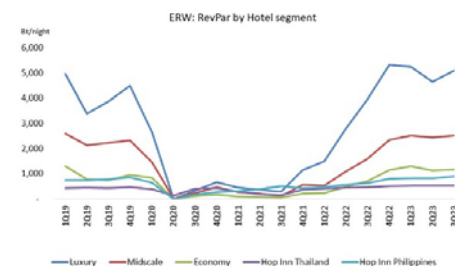
EARNINGS REVISION/RISK

- None.

VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt6.50.** Our valuation is based on EV/EBITDA multiple to 18x, 1SD above its historical trading levels. Our projection has potential upside from a better-than-expected RevPar growth vs management's guidance of 6%, which is higher than our assumption at 2%.

REVPAR HOTEL PERFORMANCE



Source: ERW, UOB Kay Hian

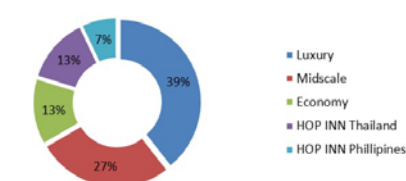
EARNINGS PERFORMANCE



Source: ERW, UOB Kay Hian

REVENUE CONTRIBUTION IN 2Q23

Revenue Contribution by Hotel Segment as of 2Q23



Source: ERW, UOB Kay Hian

INTERNATIONAL ARRIVALS



Source: MOTIS, UOB Kay Hian

Source: MOTIS, ERW, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Net turnover	4,715	7,334	8,124	8,623
EBITDA	1,055	2,182	2,498	2,744
Deprec. & amort.	872	971	1,043	1,143
EBIT	183	1,210	1,455	1,601
Total other non-operating income	5	0	0	0
Associate contributions	29	21	30	30
Net interest income/(expense)	(455)	(511)	(564)	(565)
Pre-tax profit	(239)	720	921	1,066
Tax	26	14	(45)	(104)
Minorities	(11)	(29)	(35)	(38)
Net profit	(224)	705	842	923
Net profit (adj.)	(224)	705	842	923

BALANCE SHEET

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Fixed assets	19,320	19,359	21,316	22,373
Other LT assets	366	471	486	582
Cash/ST investment	1,532	2,982	3,494	3,611
Other current assets	494	553	629	745
Total assets	21,712	23,366	25,925	27,310
ST debt	783	795	795	795
Other current liabilities	979	983	1,089	1,375
LT debt	13,382	13,910	15,910	15,965
Other LT liabilities	846	510	403	865
Shareholders' equity	5,698	7,116	7,640	8,185
Minority interest	23	51	86	125
Total liabilities & equity	21,712	23,366	25,925	27,310

CASH FLOW

Year to 31 Dec (Btm)	2022	2023F	2024F	2025F
Operating	2,051	1,463	1,950	2,275
Pre-tax profit	(239)	720	921	1,066
Tax	26	14	(45)	(104)
Deprec. & amort.	872	971	1,043	1,143
Working capital changes	28	(39)	(17)	32
Non-cash items	1,177	(16)	47	138
Other operating cashflows	188	(188)	0	0
Investing	(796)	(1,453)	(3,121)	(1,834)
Capex (growth)	(745)	(1,011)	(3,000)	(2,200)
Investments	(15)	(8)	(12)	(12)
Others	(36)	(434)	(109)	378
Financing	(966)	1,440	1,683	(324)
Dividend payments	0	0	(317)	(379)
Issue of shares	0	899	0	0
Proceeds from borrowings	(690)	541	2,000	55
Others/interest paid	(276)	0	0	0
Net cash inflow (outflow)	290	1,450	512	117
Beginning cash & cash equivalent	1,242	1,532	2,982	3,494
Ending cash & cash equivalent	1,532	2,982	3,494	3,611

KEY METRICS

Year to 31 Dec (%)	2022	2023F	2024F	2025F
Profitability				
EBITDA margin	22.4	29.7	30.8	31.8
Pre-tax margin	(5.1)	9.8	11.3	12.4
Net margin	(4.8)	9.6	10.4	10.7
ROA	n.a.	3.1	3.4	3.5
ROE	n.a.	11.0	11.4	11.7
Growth				
Turnover	201.7	55.6	10.8	6.1
EBITDA	n.a.	106.8	14.5	9.8
Pre-tax profit	n.a.	n.a.	27.9	15.7
Net profit	n.a.	n.a.	19.4	9.7
Net profit (adj.)	n.a.	n.a.	19.4	9.7
EPS	n.a.	n.a.	19.4	9.7
Leverage				
Debt to total capital	71.2	67.2	68.4	66.9
Debt to equity	248.6	206.7	218.6	204.8
Net debt/(cash) to equity	221.7	164.8	172.9	160.6
Interest cover (x)	2.3	4.3	4.4	4.9

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