



# The Erawan Group

(ERW.BK/ERW.TB)

## Neutral · Maintained

Price as of 25 Oct 2023	5.05
12M target price (Bt/shr)	5.65
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	11.9

### Key messages

เราคาดว่า ERW จะรายงานกำไรสุทธิ 3Q66F ที่ 150 ล้านบาท (จากขาดทุนสุทธิ 12 ล้านบาท 3Q65 และ +6% QoQ) โดยที่กำไรสุทธิต่อหุ้น (RevPar) เพิ่มขึ้น 46% YoY และ 6% QoQ ส่วนอัตราเข้าพัก (occupancy rate) สูงขึ้นอยู่ที่ 81% ขณะที่ อัตราค่าห้องพักเฉลี่ย (ARR) ดีขึ้น 14% YoY และ 3% QoQ เมื่อพิจารณาในแต่ละประเภทโรงแรม (segment) กลุ่มโรงแรมชั้นประหยัดและกลุ่มโรงแรมหรู (luxury) มี RevPar เดิมโตกว่ากระโดดมากที่สุด YoY ขณะที่ โรงแรมใหม่ที่ลิปปีนส์มี RevPar เพิ่มขึ้น QoQ แข็งแกร่งที่สุด ทั้งนี้ เราคาดว่ากำไรสุทธิใน 4Q66F ของ ERW อาจไม่ได้รับประโยชน์เต็มที่จากช่วงฤดูกาลท่องเที่ยวสูงตามปกติจากจำนวนนักท่องเที่ยวต่างชาติต่ำกว่าคาดและมีรายจ่ายช่วงก่อนเปิดโรงแรม (pre-opening) 4 แห่งในประเทศญี่ปุ่น

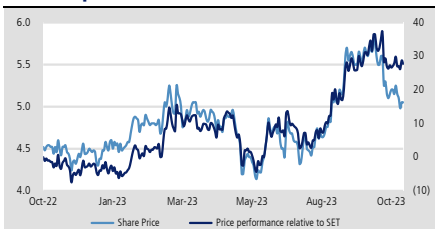
### Trading data

Mkt cap (Btmn/US\$m)	22,884/572
Outstanding shares (mn)	4,532
Foreign ownership (mn)	314
3M avg. daily trading (mn)	19
52-week trading range (Bt)	4.10 – 5.80
Performance (%)	3M 6M 12M
Absolute	7.9 3.1 13.7
Relative	18.8 12.4 29.5

### Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	(0.20)	(0.23)	(0.14)	0.00
2022	(0.07)	(0.03)	(0.00)	0.05
2023	0.05	0.03	NA	NA

### Share price chart



Source: SET

Tidarat Palodom  
66.2658.8888 Ext. 8348  
tidaratp@kgi.co.th

## ประมาณการกำไร 3Q66F : เพิ่มขึ้นทั้ง YoY และ QoQ

### Event

ประมาณการกำไร 3Q66F

### Impact

#### โมเมนตัมบวกต่อเนื่องใน 3Q66F

เราคาดว่า ERW จะรายงานกำไรสุทธิใน 3Q66F ที่ 150 ล้านบาท (จากขาดทุนสุทธิ 12 ล้านบาท 3Q65 และ +6% QoQ) โดยกำไรสุทธิเพิ่มขึ้น 35% YoY และ 7% QoQ อยู่ที่ 1.73 พันล้านบาทจากผลการดำเนินงานแข็งแกร่งต่อเนื่องในกลุ่มโรงแรมชั้นประหยัดและกลุ่มโรงแรมหรูจากการกลับมาของนักท่องเที่ยวต่างชาติ ขณะที่ ศูนย์การค้าเอราวัณ แบงค็อกกลับมาเปิดดำเนินการได้ตามปกติหลังจากปิดปรับปรุงตกแต่งมาตั้งแต่ 2Q65 ท่ามกลาง occupancy rate อยู่ราว 30-40% ในด้านอัตรากำไรขั้นต้น (GPM) คาดเพิ่มขึ้นทั้ง YoY และ QoQ อยู่ที่ 42.4% ผลจากการประหยัดต่อขนาด ขณะที่ สัดส่วนค่าใช้จ่ายในการขายและบริหารต่อยอดขาย (SG&A ต่อยอดขาย) คาดเพิ่มขึ้นเล็กน้อย QoQ อยู่ที่ 27.5% จากการที่มีรายจ่ายช่วงก่อนเปิดโรงแรมในประเทศญี่ปุ่น (ราว 20 ล้านบาท) นอกจากนี้ เราคาดว่ารายจ่ายค่าดอกเบี้ยเพิ่มขึ้น 33% YoY และ 5% QoQ เป็น 151 ล้านบาทตามการสูงขึ้นของอัตราดอกเบี้ย

#### คาด RevPar เพิ่มขึ้น 35% YoY และ 6% QoQ

ด้วยผลบวกจากการขยายตัวของทั้ง occupancy rate และ ARR ทำให้คาด RevPar โดยรวมเพิ่มขึ้น 46% YoY และ 6% QoQ อยู่ที่ 1,436 บาท โดย occupancy rate เพิ่มขึ้น 13ppts YoY และ 2ppts QoQ อยู่ที่ 81% ขณะที่ ARR สูงขึ้น 14% YoY และ 3% QoQ เมื่อพิจารณาในแต่ละประเภทโรงแรม (segment) กลุ่มโรงแรมชั้นประหยัด และกลุ่มโรงแรมหรู (luxury) มี RevPar เดิมโตกว่ากระโดด YoY มากที่สุดอยู่ที่ 46% จาก occupancy rate เพิ่มขึ้น 15ppts อยู่ที่ 82% (เทียบกับ 74% ใน 3Q62) ขณะที่ โรงแรมใหม่ที่ลิปปีนส์มี RevPar เพิ่มขึ้น QoQ แข็งแกร่งที่สุดอยู่ที่ 10% ตาม occupancy rate เพิ่มขึ้น 5ppts อยู่ที่ 79% และ ARR เพิ่มขึ้น 5% ด้วย

#### รายจ่ายที่สูงขึ้นจะลดกำไรสุทธิใน 4Q66F ลง

เราคาดว่ากำไรสุทธิใน 4Q66F ของ ERW อาจไม่ได้รับประโยชน์เต็มที่จากช่วงฤดูกาลท่องเที่ยวสูงตามปกติเนื่องจากผลลบจากจำนวนนักท่องเที่ยวต่างชาติต่ำกว่าคาด นอกจากนี้ ตามแผนงานของ ERW อาจมีรายจ่ายช่วงก่อนเปิดโรงแรมในประเทศญี่ปุ่นอยู่ที่ 40-50 ล้านบาท โดยรายจ่ายดังกล่าวอาจเกิดขึ้นต่อเนื่องถึง 1Q67F เมื่อโรงแรม 4 แห่งในญี่ปุ่นจะเริ่มเปิดดำเนินการตามแผน

### Valuation & Action

เราคิดคำแนะนำถือหุ้น ERW ราคาเป้าหมายปี 2567 ที่ 5.65 บาทอิงจาก EV/EBITDA ที่ 16.1x หรือเท่ากับ +1.0.S.D.

### Risks

โรคระบาด ความไม่สงบทางการเมืองและ เศรษฐกิจโลกชะลอตัว

### Key financials and valuations

	Dec - 19A	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	6,379	2,306	1,485	4,629	6,925	7,911
Gross Profit (Btmn)	2,650	-171	-734	1,475	2,978	3,442
SG&A (Btmn)	1,651	1,005	915	1,377	1,911	2,160
Net Profit (Btmn)	446	-1,715	-2,050	-224	678	887
Normalized Profit (Btmn)	445	-1,604	-2,050	-265	618	827
EPS (Bt)	0.18	(0.68)	(0.56)	(0.05)	0.15	0.18
DPS (Bt)	0.07	0.00	0.00	0.00	0.00	0.00
EPS Growth (%)	(17.5)	(485.8)	NM	NM	NM	21.1
P/E (X)	21.6	NM	NM	NM	33.7	27.9
P/B (X)	1.7	1.5	1.8	3.6	3.6	2.9
EV/EBITDA (X)	10.1	NM	NM	30.9	17.1	14.9
Net Debt to Equity (%)	184	399	252	253	233	157
Dividend Yield (%)	1.8	0.0	0.0	0.0	0.0	0.0
Return on Average Equity (%)	7.9	-35.8	-41.7	-3.8	11.2	11.9

Source: Company data, KGI Securities Research

**Figure 1: ERW's 3Q23F earnings preview**

Bt mn	3Q23F	3Q22	YoY %	2Q23	QoQ %	9M23F	9M22	YoY %
<b>Revenue</b>	<b>1,733</b>	<b>1,283</b>	<b>35.0</b>	<b>1,623</b>	<b>6.7</b>	<b>5,109</b>	<b>3,654</b>	<b>39.8</b>
Cost of Services	(998)	(827)	20.7	(948)	5.3	(2,940)	(2,444)	20.3
SG&A	(476)	(362)	31.7	(441)	7.9	(1,352)	(1,093)	23.6
Operating Profit	275	100	175.2	250	10.0	871	147	492.5
Operating EBITDA	508	320	58.7	472	7.7	1,544	813	89.8
Interest Expense	(151)	(114)	32.8	(143)	5.2	(429)	(376)	14.1
Tax (Expense) Income	2	5	NM	5	NM	14	15	NM
<b>Net Profit</b>	<b>150</b>	<b>(12)</b>	<b>NM</b>	<b>142</b>	<b>5.9</b>	<b>531</b>	<b>(174)</b>	<b>NM</b>
<b>Normalized Profit</b>	<b>150</b>	<b>(15)</b>	<b>NM</b>	<b>121</b>	<b>24.2</b>	<b>507</b>	<b>(181)</b>	<b>NM</b>
EPS (Bt)	0.03	(0.00)	NM	0.03	5.9	0.12	(0.04)	NM
Percent	3Q23F	3Q22	YoY %	2Q23	QoQ %	9M23F	9M22	YoY %
<b>Gross margin</b>	<b>42.4</b>	<b>35.5</b>	<b>6.8</b>	<b>41.6</b>	<b>0.8</b>	<b>42.5</b>	<b>33.1</b>	<b>9.3</b>
SG&A/sales	27.5	28.2	(0.7)	27.2	0.3	26.5	29.9	(3.5)
Net profit margin	8.7	(0.9)	9.6	8.7	(0.1)	10.4	(4.8)	15.2

Source: KGI Securities Research

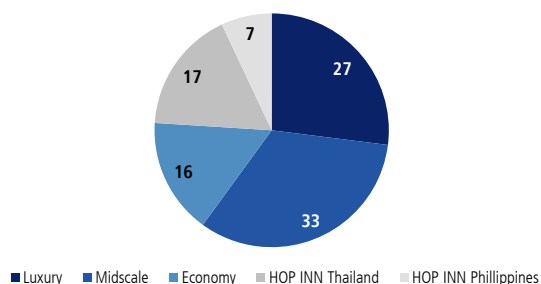
**Figure 2: Key assumptions**

Our assumption	2019	2020	2021	2022	2023F	2024F	3Q22	4Q22	1Q23	2Q23	3Q23F	3Q23F % change		
												YoY	QoQ	
<b>Occupancy (%)</b>														
Thailand ex HOP INN (economy to luxury)	78	24	17	58	82	85	67	82	84	80	82		15	2
Thailand's HOP INN (Budget hotel)	73	57	41	73	81	83	74	78	81	81	81		7	0
Philippines	82	30	49	61	74	75	59	74	74	74	79		20	5
<b>Total Portfolio</b>	<b>77</b>	<b>37</b>	<b>30</b>	<b>65</b>	<b>81</b>	<b>82</b>	<b>69</b>	<b>79</b>	<b>81</b>	<b>80</b>	<b>81</b>		<b>13</b>	<b>2</b>
<b>ARR (Bt/night)</b>														
Thailand ex HOP INN (economy to luxury)	2,570	2,004	1,429	2,496	3,123	3,289	2,552	3,017	3,079	2,936	3,037		19	3
Thailand's HOP INN (Budget hotel)	609	607	615	622	666	686	622	637	656	659	664		7	1
Philippines	956	938	845	1,020	1,102	1,135	1,044	1,080	1,088	1,099	1,130		8	3
<b>Total Portfolio</b>	<b>1,735</b>	<b>1,397</b>	<b>1,060</b>	<b>1,487</b>	<b>1,807</b>	<b>1,879</b>	<b>1,550</b>	<b>1,727</b>	<b>1,794</b>	<b>1,709</b>	<b>1,766</b>		<b>14</b>	<b>3</b>
<b>RevPar (Bt/night)</b>														
Thailand ex HOP INN (economy to luxury)	2,009	485	250	1,444	2,574	2,796	1,710	2,467	2,591	2,361	2,502		46	6
Thailand's HOP INN (Budget hotel)	444	344	254	457	539	569	462	499	531	533	538		16	1
Philippines	781	278	411	627	815	851	620	794	810	811	893		44	10
<b>Total Portfolio</b>	<b>1,328</b>	<b>513</b>	<b>315</b>	<b>964</b>	<b>1,456</b>	<b>1,533</b>	<b>1,064</b>	<b>1,365</b>	<b>1,459</b>	<b>1,361</b>	<b>1,436</b>		<b>35</b>	<b>6</b>

Source: KGI Securities Research

**Figure 3: EBITDA breakdown by segment in 2Q23**

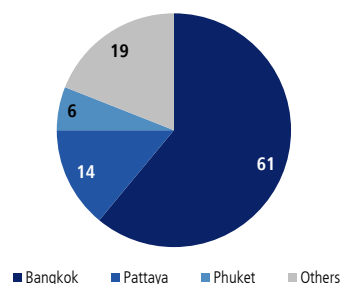
Percent



Source: Company data, KGI Securities Research

**Figure 4: EBITDA breakdown by geography in 2Q23**

Percent



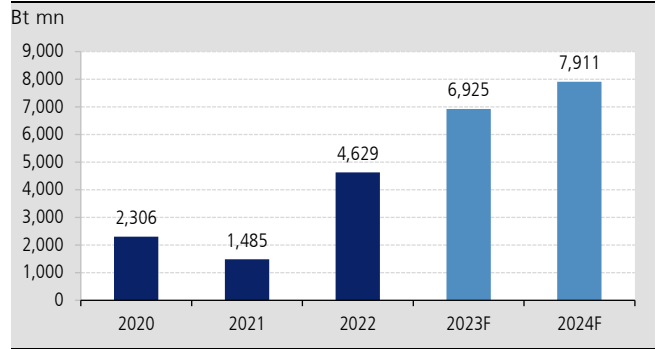
Source: Company data, KGI Securities Research

**Figure 5: Company profile**

The Erawan Group (ERW) is a market leader in the non-luxury hotel segment with around 45% of its total revenue coming from the segment. Apart from being a non-luxury hotel leader, around 65% of its revenues comes from hotels in Bangkok and the rest from upcountry.

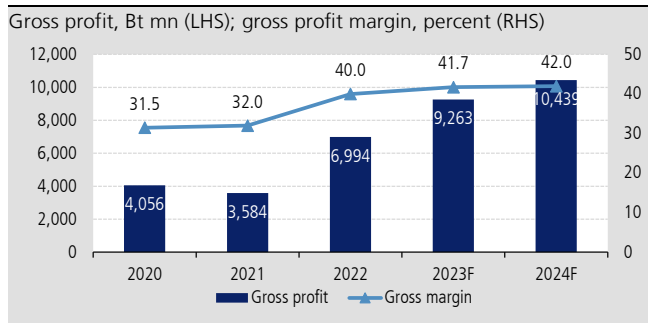
Source: Company data

**Figure 6: Revenue forecast**



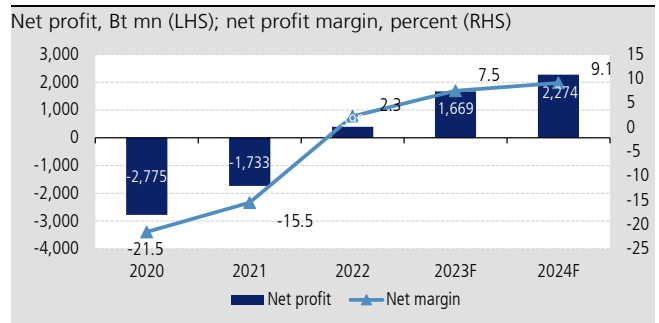
Source: Company data, KGI Securities Research

**Figure 7: Gross profit**



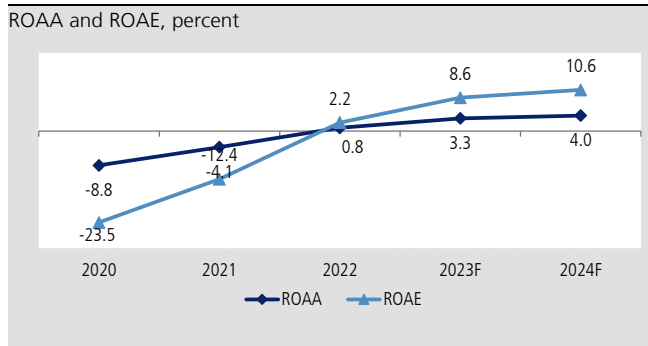
Source: Company data, KGI Securities Research

**Figure 8: Net profit**



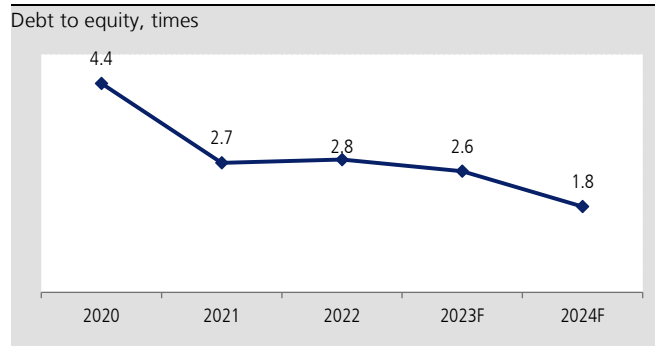
Source: Company data, KGI Securities Research

**Figure 9: Company ROAA and ROAE**



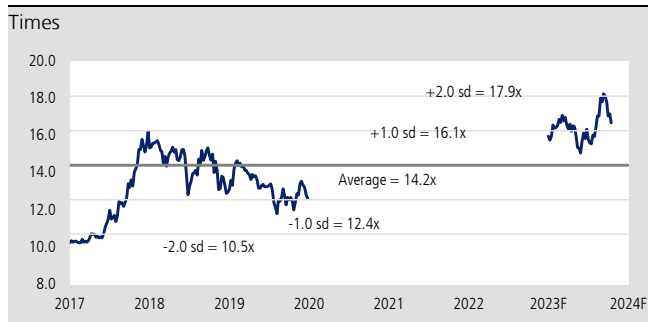
Source: Company data, KGI Securities Research

**Figure 10: D/E**



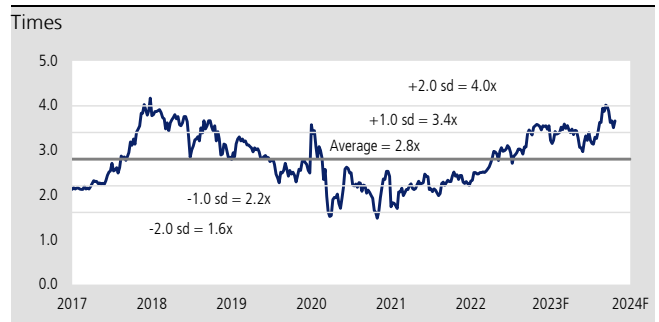
Source: Company data, KGI Securities Research

**Figure 11: EV/EBITDA**



Source: Company data, KGI Securities Research

**Figure 12: PBV**



Source: Company data, KGI Securities Research

**Quarterly Income Statement**

Bt mn	MAR-21A	JUN-21A	SEP-21A	DEC-21A	MAR-22A	JUN-22A	SEP-22A	DEC-22A	MAR-23A	JUN-23A
Income Statement (Bt mn)										
<b>Revenue</b>	<b>378</b>	<b>262</b>	<b>226</b>	<b>619</b>	<b>638</b>	<b>974</b>	<b>1,283</b>	<b>1,733</b>	<b>1,753</b>	<b>1,623</b>
Cost of Services	(558)	(529)	(515)	(617)	(618)	(735)	(827)	(973)	(993)	(948)
<b>Gross Profit</b>	<b>(180)</b>	<b>(267)</b>	<b>(289)</b>	<b>2</b>	<b>20</b>	<b>239</b>	<b>456</b>	<b>759</b>	<b>760</b>	<b>675</b>
Operating Expenses	(208)	(213)	(211)	(283)	(255)	(311)	(362)	(450)	(434)	(441)
Other incomes	11	6	27	33	7	31	6	42	20	16
<b>Operating Profit</b>	<b>(377)</b>	<b>(474)</b>	<b>(473)</b>	<b>(248)</b>	<b>(228)</b>	<b>(40)</b>	<b>100</b>	<b>351</b>	<b>347</b>	<b>250</b>
Depreciation of Fixed assets	243	244	229	220	213	215	220	223	218	222
<b>Operating EBITDA</b>	<b>(134)</b>	<b>(230)</b>	<b>(244)</b>	<b>(28)</b>	<b>(14)</b>	<b>175</b>	<b>320</b>	<b>574</b>	<b>564</b>	<b>472</b>
<b>Non-Operating Income</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>(0)</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>16</b>	<b>11</b>
Interest Income	1	1	1	1	1	1	0	1	1	2
Other Non-op Income	0	0	0	(1)	2	(0)	(0)	11	15	9
<b>Non-Operating Expenses</b>	<b>(138)</b>	<b>(136)</b>	<b>(126)</b>	<b>(121)</b>	<b>(112)</b>	<b>(111)</b>	<b>(114)</b>	<b>(122)</b>	<b>(135)</b>	<b>(143)</b>
Interest Expenses	(138)	(136)	(126)	(121)	(112)	(111)	(114)	(122)	(135)	(143)
Other Non-Op Expenses	-	-	-	-	-	-	-	-	-	-
Net investment income/(loss)	3	(3)	3	5	3	9	3	13	3	21
<b>Pre-tax Profit</b>	<b>(511)</b>	<b>(611)</b>	<b>(595)</b>	<b>(364)</b>	<b>(333)</b>	<b>(142)</b>	<b>(10)</b>	<b>254</b>	<b>231</b>	<b>138</b>
Current Taxation	(2)	25	(73)	4	8	7	5	6	6	5
Minorities	21	27	45	12	12	4	(6)	(21)	1	(2)
Extraordinary items	-	(131)	-	102	-	(8)	-	-	-	-
<b>Net Profit</b>	<b>(492)</b>	<b>(690)</b>	<b>(623)</b>	<b>(246)</b>	<b>(313)</b>	<b>(139)</b>	<b>(12)</b>	<b>240</b>	<b>239</b>	<b>142</b>
EPS (Bt)	(0.20)	(0.23)	(0.14)	0.00	(0.07)	(0.03)	(0.00)	0.05	0.05	0.03
<b>Margins (%)</b>										
Gross Profit Margin	(47.8)	(101.7)	(127.6)	0.3	3.1	24.6	35.5	43.8	43.4	41.6
Operating Profit Margin	(99.9)	(180.6)	(208.8)	(40.1)	(35.7)	(4.1)	7.8	20.3	19.8	15.4
Operating EBITDA Margin	(35.5)	(87.5)	(107.8)	(4.6)	(2.2)	18.0	24.9	33.2	32.2	29.0
Net Profit Margin	(130.3)	(262.8)	(275.0)	(39.7)	(49.1)	(14.3)	(0.9)	13.8	13.6	8.7
<b>Growth (% YoY)</b>										
Revenue Growth	(68.8)	230.5	(47.0)	5.2	69.0	271.3	466.8	179.9	174.7	66.6
Operating Profit Growth	(1,622.2)	NM	NM	NM	NM	NM	NM	NM	NM	NM
Operating EBITDA Growth	(146.5)	NM	NM	(520.1)	NM	NM	NM	NM	NM	169.5
Net Profit Growth	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

Source: KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Total Asset</b>	<b>21,215</b>	<b>22,450</b>	<b>21,712</b>	<b>23,054</b>	<b>23,855</b>
<b>Current Asset</b>	<b>1,962</b>	<b>2,655</b>	<b>2,026</b>	<b>1,994</b>	<b>2,545</b>
Cash and ST Investment	1,623	1,242	1,532	1,463	1,965
Inventories	46	39	43	68	77
Account Receivable	77	100	160	170	193
Others	217	1,274	291	293	309
<b>Non-Current Assets</b>	<b>19,253</b>	<b>19,795</b>	<b>19,685</b>	<b>21,061</b>	<b>21,311</b>
LT investment	49	48	63	75	76
Net Fixed Assets	18,765	19,447	19,320	20,632	20,856
Others	439	300	303	353	380
<b>Total Liabilities</b>	<b>17,286</b>	<b>16,427</b>	<b>15,990</b>	<b>16,563</b>	<b>15,352</b>
<b>Current Liabilities</b>	<b>2,812</b>	<b>1,489</b>	<b>1,762</b>	<b>2,042</b>	<b>1,898</b>
Account Payable	145	143	235	341	387
ST Borrowings	2,209	868	853	884	584
Others	458	478	675	817	928
<b>LT Liabilities</b>	<b>14,474</b>	<b>14,938</b>	<b>14,229</b>	<b>14,521</b>	<b>13,454</b>
Long-term Debts	14,256	14,059	13,382	13,600	12,500
Others	218	880	846	921	954
<b>Sharholder's Equity</b>	<b>3,929</b>	<b>6,023</b>	<b>5,722</b>	<b>6,491</b>	<b>8,503</b>
Common Stock	2,518	4,532	4,532	4,532	4,891
Capital Surplus	910	910	910	910	1,629
Retained Earnings	519	(1,488)	(1,525)	(847)	40
Other components	(18)	2,069	1,805	1,896	1,943

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Forecast Drivers</b>					
<b>Growth (% YoY)</b>					
Sales	(63.9)	(35.6)	211.6	49.6	14.2
OP	(209.9)	37.5	(111.7)	534.4	18.6
EBITDA	(107.0)	384.2	(265.8)	94.3	14.9
NP	(485.0)	19.5	(89.1)	(402.6)	30.7
EPS	(485.8)	(17.4)	(91.2)	(402.6)	21.1
<b>Profitability (%)</b>					
Gross Profit Margin	(7.4)	(49.4)	31.9	43.0	43.5
Operating Margin	(49.6)	(105.8)	4.0	16.8	17.4
Operating EBITDA Margin	(5.7)	(42.8)	22.8	29.6	29.8
Net Profit Margin	(74.4)	(138.0)	(4.8)	9.8	11.2
ROAA	(8.8)	(9.4)	(1.0)	3.0	3.8
ROAE	(35.8)	(41.7)	(3.8)	11.2	11.9
<b>Stability</b>					
Gross Debt/Equity (%)	440.0	272.8	279.5	255.2	180.5
Net Debt/Equity (%)	398.7	252.1	252.7	232.6	157.4
Interest coverage (x)	(0.2)	(1.2)	2.3	3.5	4.2
Interest & ST Debt Coverage (x)	(0.4)	(1.1)	0.1	0.8	1.2
Cash Flow Interest Coverage (x)	(1.0)	(1.2)	2.8	3.1	3.6
Cash Flow/Interest & ST Debt (x)	(0.2)	(0.5)	1.0	1.2	1.8
Current Ratio (x)	0.7	1.8	1.2	1.0	1.3
Quick Ratio (x)	0.6	0.9	1.0	0.8	1.1
Net Debt (Bt mn)	15,663.6	15,185.4	14,458.3	15,100.7	13,387.0
<b>Per Share Data (bt)</b>					
EPS	(0.7)	(0.6)	(0.0)	0.1	0.2
CFPS	(0.2)	(0.1)	0.3	0.4	0.4
BVPS	1.6	1.3	1.3	1.4	1.7
SPS	0.9	0.3	1.0	1.5	1.6
EBITDA/Share	(0.1)	(0.1)	0.2	0.5	0.5
DPS	0.00	0.00	0.00	0.00	0.00
<b>Activity</b>					
Asset Turnover (x)	0.1	0.1	0.2	0.3	0.3
Day Receivables	20.7	21.7	10.2	8.7	8.4
Day Inventories	7.3	7.0	4.8	5.2	5.9
Day Payable	28.0	23.7	21.8	26.4	29.6
Cash Cycle	(0.1)	5.0	(6.8)	(12.6)	(15.3)

Source: KGI Securities Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Revenue</b>	<b>2,306</b>	<b>1,485</b>	<b>4,629</b>	<b>6,925</b>	<b>7,911</b>
Cost of Service	(2,477)	(2,220)	(3,154)	(3,947)	(4,468)
<b>Gross Profit</b>	<b>(171)</b>	<b>(734)</b>	<b>1,475</b>	<b>2,978</b>	<b>3,442</b>
Operating Expenses	(1,005)	(915)	(1,377)	(1,911)	(2,160)
Other Income	32	77	86	95	95
<b>Operating Profit</b>	<b>(1,143)</b>	<b>(1,572)</b>	<b>183</b>	<b>1,162</b>	<b>1,378</b>
Depreciation of Fixed Asset	1,012	936	872	887	977
<b>Operating EBITDA</b>	<b>(131)</b>	<b>(636)</b>	<b>1,055</b>	<b>2,049</b>	<b>2,355</b>
<b>Non-Operating Income</b>	<b>(27)</b>	<b>3</b>	<b>15</b>	<b>49</b>	<b>52</b>
Interest Income	10	3	3	7	7
Other Non-op Income	(38)	(0)	12	42	45
<b>Non-Operating Expenses</b>	<b>(536)</b>	<b>(521)</b>	<b>(458)</b>	<b>(585)</b>	<b>(566)</b>
Interest Expenses	(536)	(521)	(458)	(585)	(566)
Other Non-Op Expenses	0	0	0	0	0
Net investment income/(loss)	(18)	9	29	60	60
<b>Pre-tax Profit</b>	<b>(1,725)</b>	<b>(2,081)</b>	<b>(231)</b>	<b>685</b>	<b>924</b>
Current Taxation	39	(46)	26	20	10
Minorities	63	105	(11)	(27)	(47)
Extraordinary items	(93)	(29)	(8)	0	0
<b>Net Profit</b>	<b>(1,715)</b>	<b>(2,050)</b>	<b>(224)</b>	<b>678</b>	<b>887</b>
EPS (Bt)	(0.68)	(0.56)	(0.05)	0.15	0.18
Depre.	738	776	830	1,012	936

Source: KGI Securities Research

**Cash Flow**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Operating Cash Flow</b>	<b>(536)</b>	<b>(634)</b>	<b>1,287</b>	<b>1,829</b>	<b>2,024</b>
Profit (loss) for the year	(1,779)	(2,155)	(213)	705	934
Depreciation and Amortizatic	1,012	936	872	887	977
Change in Working Capital	(351)	45	257	236	114
Others	581.7	541.3	370.8	0.0	0.0
<b>Investment Cash Flow</b>	<b>(602)</b>	<b>346</b>	<b>231</b>	<b>(2,212)</b>	<b>(1,201)</b>
Net CAPEX	(626)	(198)	215	(2,200)	(1,200)
Change in LT Investment	13	541	14	(12)	(1)
Change in Other Assets	11	3	3	0	0
<b>Free Cash Flow</b>	<b>(1,161.8)</b>	<b>(831.2)</b>	<b>1,501.3</b>	<b>(370.6)</b>	<b>824.0</b>
<b>Financial Cash Flow</b>	<b>1,785</b>	<b>(122)</b>	<b>(1,215)</b>	<b>313</b>	<b>(321)</b>
Change in Share Capital	0	2,014	0	0	1,079
Net Change in Debt	2,305	(1,817)	(962)	249	(1,400)
Change in other LT Liab.	(519.6)	(318.7)	(252.5)	63.8	0.0
<b>Net Cash Flow</b>	<b>654</b>	<b>(380)</b>	<b>290</b>	<b>(69)</b>	<b>502</b>

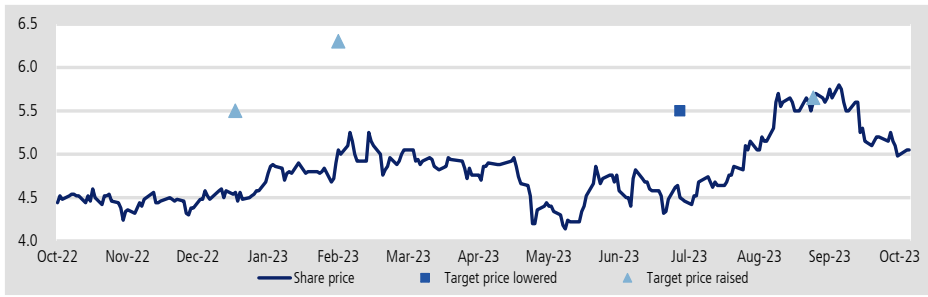
Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- $\frac{\text{Cost of Goods Sold}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Op. Expenses}}{\text{Revenue}}$	= <b>Operating Margin</b>		
2020	75.4%	32.0%	43.6%	-51.0%		
2021	97.2%	52.2%	61.6%	-111.0%		
2022	50.2%	17.9%	29.8%	2.1%		
2023F	42.4%	14.6%	27.6%	15.4%		
2024F	44.7%	11.8%	27.3%	16.2%		
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= <b>Capital Turnover</b>		
2020	-0.4	8.1	0.2	0.1		
2021	0.8	13.1	0.2	0.1		
2022	0.1	4.2	0.1	0.2		
2023F	0.0	3.0	0.1	0.3		
2024F	0.1	2.6	0.1	0.4		
Year	<b>Operating Margin</b>	X	<b>Capital Turnover</b>	X	<b>Cash Tax Rate</b>	= <b>Afer-tax Return on Inv. Capital</b>
2020	-51.0%		0.1		2.2%	-0.1%
2021	-111.0%		0.1		-2.2%	0.2%
2022	2.1%		0.2		9.6%	0.0%
2023F	15.4%		0.3		10.0%	0.5%
2024F	16.2%		0.4		15.0%	0.9%

Source: KGI Securities Research

The Erawan Group – Recommendation & target price history



Date	Rating	Target	Price
14-Sep-23	Neutral	5.65	5.60
19-Jul-23	Outperform	5.50	4.50
23-Feb-23	Outperform	6.30	5.05
10-Jan-23	Outperform	5.50	4.56

Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFCO	SEAFCO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B. GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEEP
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMANAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.



**KGI Locations**

<b>China</b>	Shanghai	Room 2703B-2704, Tower A , Shanghai Dawning Centre,500 Hongbaoshi Road Shanghai, PRC 201103
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
<b>Taiwan</b>	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
<b>Hong Kong</b>		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
<b>Thailand</b>	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
<b>Singapore</b>		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

**Disclaimer**

KGI Securities (Thailand) Plc. ( "The Company" ) disclaims all warranties with regards to all information contained herein. In no event shall the Company be liable for any direct, indirect or any damages whatsoever resulting from loss of income or profits, arising by utilization and reliance on the information herein. All information hereunder does not constitute a solicitation to buy or sell any securities but constitutes our sole judgment as of this date and are subject to change without notice.