



SET ESG Rating of A

Outperform • Maintained

Price as of 16 Dec 2024	3.92
12M target price (Bt/shr)	5.20
Unchanged/Revised up(down)(%)	8.0
Upside/downside (%)	32.7

Key messages

เมื่อมองไปที่ 4Q67 เราคาดว่าผลการดำเนินงานโดยรวมจะปรับตัวดีขึ้นแข็งแกร่งจากเป็นช่วงฤดูท่องเที่ยวที่แข็งแกร่งของปี ขณะที่โรงแรมแกรนด์ไฮแอท เอราวัณยังอยู่ระหว่างการก่อสร้างระยะยาวกับภาครัฐ เราจึงปรับประมาณการกำไรใหม่ในปี 2567-2568F โดยประเมินกำไรสุทธิอยู่ที่ 1,160 ล้านบาทในปี 2567F และ 845 ล้านบาทในปี 2568F ทั้งนี้ เรายังคงแนะนำซื้อหุ้น ERW ประเมินราคาเป้าหมายใหม่เป็นสิ้นปี 2568 ที่ 5.20 บาท (อิงจาก EV/EBITDA ที่ 13.4x หรือเท่ากับ -0.75 S.D.) จากเดิม 5.65 บาท (อิงจากสิ้นปี 2567)

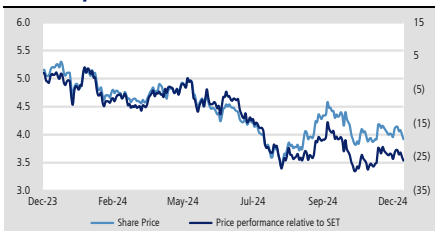
Trading data

Mkt cap (Btbn/US\$bn)	19.2/563.4
Outstanding shares (mn)	4,887
Foreign ownership (mn)	265
3M avg. daily trading (mn)	19
52-week trading range (Bt)	3.40 – 5.30
Performance (%)	3M 6M 12M
Absolute	(0.5) (7.5) (23.9)
Relative	(1.0) (15.6) (26.7)

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	0.03	0.05
2024	0.16	0.09	0.08	

Share price chart



Source: SET

Parin Kitchatornritak
66.2658.8888 Ext. 8858
parink@kgi.co.th

COMPANY UPDATE

Thailand

The Erawan Group

(ERW.BK/ERW TB)*



คาดการณ์ฟื้นตัวแข็งแกร่งใน 4Q67F และปี 2568F

Event

ปรับประมาณกำไรและราคาเป้าหมายใหม่เป็นสิ้นปี 2568

Impact

คาดว่าจะเห็นกำไรฟื้นตัวแข็งแกร่งจาก 4Q67F เป็นต้นไป

หากมองไปที่ 4Q67 เราพบว่า อัตราการเข้าพัก (OCR) ของโรงแรมแกรนด์ไฮแอท เอราวัณฟื้นตัวได้โดยกลับสู่ระดับปกติที่ 85-87% ในเดือนพฤศจิกายน (เทียบกับ 60% ใน 3Q67 และเดือนตุลาคม) ซึ่งเป็นนัยว่า OCR ของโรงแรมในกลุ่ม 5 ดาวปรับตัวดีขึ้น นอกจากนี้ ค่าห้องพักเฉลี่ยรายวัน (Average Daily Rate: ADR) ของโรงแรมกลุ่มนี้ก็ดีขึ้น 7% YoY ในเดือนพฤศจิกายนด้วย ทั้งนี้ เรามองว่าผลการดำเนินงานโดยรวมของกลุ่มโรงแรมน่าจะดีขึ้นจากอุปสงค์ในเดือนพฤศจิกายนแข็งแกร่งขึ้น ท่ามกลางอุปสงค์ในกลุ่ม MICE และบริษัทคู่แข่งเช่นกัน โดยที่ปัจจัยดังกล่าวนี้ น่าจะหนุนให้มีการจัดกิจกรรมต่างๆ มากยิ่งขึ้น ส่วนอัตราการเข้าพักของโรงแรมที่ไม่ใช่ Hop Inn น่าจะเร่งตัวขึ้นจาก 79% ใน 3Q67 สู่ระดับปกติราว 80-85% ในเดือนพฤศจิกายน นอกจากนี้ โรงแรมสอิลเคย์ อินน์ พัทยาได้ปรับปรุงสู่จรีบริบรอยไป แล้วเมื่อเดือนกันยายน ส่งผลให้อัตราการเข้าพักสูงขึ้นที่ 80% ในเดือนพฤศจิกายนพร้อมด้วย ADR สูงขึ้นอยู่ที่ 4,000 บาท (+10% จากระดับก่อนหน้า)

แผนการปรับปรุงโรงแรมแกรนด์ไฮแอท เอราวัณและห้องแกรนด์บอลรูม

สำหรับโรงแรมแกรนด์ไฮแอท เอราวัณ บริษัทวางแผนที่จะปรับปรุงห้องแกรนด์บอลรูมด้วยการทยอยปรับปรุงห้องพักไปที่ละชั้นในช่วง 3Q68-4Q69 กรณีนี้อาจส่งผลต่ออัตราการเข้าพักราว 5% ขณะที่โรงแรมแกรนด์ไฮแอท เอราวัณยังอยู่ระหว่างการก่อสร้างระยะยาวกับภาครัฐ ซึ่งผลสรุปในขั้นสุดท้ายจะใช้เวลาพอสมควร เนื่องจากที่ดินนี้อยู่ภายใต้การกำกับดูแลของกระทรวงการคลัง

ปรับประมาณการกำไรปี 2567F และ 2568F ใหม่

เมื่อพิจารณาจากผลการดำเนินงานใน 9M67 รายได้ต่อห้องต่อคืน (RevPar) ของ ERW อยู่ที่ 1,487 บาทต่อคืน (OCR อยู่ที่ 79% และ ADR อยู่ที่ 1,876 บาทต่อคืน) ซึ่งสูงกว่าใน 9M66 (ที่ 1,417 บาทต่อคืน) ราว 5% ขณะที่เราปรับประมาณการกำไรใหม่ในปี 2567-2568F เนื่องจากต้นทุนทางการเงินและค่าใช่จ่ายภาษีสูงกว่าคาด ส่งผลให้เราคาดว่ากำไรสุทธิใหม่ของบริษัทปี 2567F จะเพิ่มจากเดิมเป็น 1,160 ล้านบาท ส่วนปี 2568F ลดลงจากเดิมอยู่ที่ 845 ล้านบาท แต่หากไม่รวมรายการพิเศษต่าง ๆ แล้ว เราคาดว่ากำไรปกติอยู่ที่ 793 ล้านบาทในปี 2567F และ 845 ล้านบาทในปี 2568F ทั้งนี้ การเพิ่มขึ้น 1% ของ ADR จะส่งผลบวกต่อกำไรเพิ่มขึ้นราว 3% ขณะที่ค่าเช่าที่ดินเพิ่มขึ้น 1 ล้านบาท จะกระทบกำไรราว 0.1%

Valuation & Action

เรายังคงแนะนำซื้อ ERW โดยประเมินราคาเป้าหมายใหม่เป็นสิ้นปี 2568 ที่ 5.20 บาท (อิงจาก EV/EBITDA ที่ 13.4x หรือเท่ากับ -0.75 S.D.) จากเดิม 5.65 บาท (อิงจากสิ้นปี 2567) โดยการสะท้อนถึงความเสี่ยงต่าง ๆ จากการแข่งขันที่เพิ่มขึ้นจากห้องพักโรงแรมและการปรับปรุงโรงแรมแกรนด์ไฮแอท เอราวัณตามแผนที่วางไว้

Risks

โรคระบาด ความไม่สงบทางการเมืองและเศรษฐกิจโลกชะลอตัว

Key financials and valuations

	Dec - 21A	Dec - 22A	Dec - 23A	Dec - 24F	Dec - 25F
Revenue (Btmn)	1,485	4,629	6,986	7,911	8,490
Gross Profit (Btmn)	-734	1,475	3,051	3,429	3,789
SG&A (Btmn)	915	1,377	1,838	2,160	2,250
Net Profit (Btmn)	-2,050	-224	743	1,160	845
Normalized Profit (Btmn)	-2,050	-265	737	793	845
EPS (Bt)	-0.56	-0.05	0.16	0.24	0.17
DPS (Bt)	0.00	0.00	0.07	0.08	0.07
EPS Growth (%)	NM	NM	NM	44.7	(27.1)
P/E (X)	NM	NM	32.0	16.5	22.7
P/B (X)	1.8	3.6	3.8	2.3	2.0
EV/EBITDA (X)	NM	30.9	17.1	13.1	11.1
Net Debt to Equity (%)	252	253	253	158	137
Dividend Yield (%)	0.0	0.0	1.3	2.0	1.8
Return on Average Equity (%)	-41.7	-3.8	12.3	11.9	9.3

Source: Company data, KGI Securities Research

Figure 1: ERW's 3Q24 earnings performance

Bt mn	3Q24	3Q23	YoY %	2Q24	QoQ %	9M24	9M23	YoY %
Revenue	1,849	1,736	6.5	1,834	0.8	5,657	5,112	10.7
Cost of Services	(1,067)	(990)	7.8	(1,052)	1.5	(3,148)	(2,931)	7.4
SG&A	(490)	(454)	8.0	(488)	0.4	(1,471)	(1,329)	10.7
Operating Profit	297	298	(0.3)	301	(1.3)	1,066	894	19.2
Operating EBITDA	552	531	4.0	543	1.7	1,799	1,567	14.8
Interest Expense	(179)	(150)	19.2	(182)	(1.6)	(532)	(428)	24.2
Tax (Expense) Income	5	3	83.6	9	NM	14	14	(4.2)
Net Profit	125	148	(16.0)	361	(65.5)	903	529	70.7
Normalized Profit	125	153	(18.6)	127	(1.8)	536	509	5.3
EPS (Bt)	0.03	0.03	(16.0)	0.08	(65.5)	0.20	0.12	70.7
Percent	3Q24	3Q23	YoY %	2Q24	QoQ %	9M24	9M23	YoY %
Gross margin	42.3	43.0	(0.7)	42.7	(0.4)	44.4	42.7	1.7
SG&A/sales	26.5	26.2	0.4	26.6	(0.1)	26.0	26.0	0.0
Net profit margin	6.7	8.5	(1.8)	19.7	(13.0)	16.0	10.3	5.6

Source: KGI Securities Research

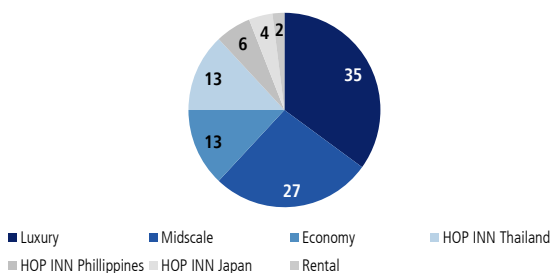
Figure 2: Earnings revisions

	Revised	2024F Previous	Change Percent	Revised	2025F Previous	Change Percent
Financials (Btmn)						
Revenue	7,911	7,911	0.0	8,490	8,260	2.8
Cost of service	(4,481)	(4,468)	0.3	(4,701)	(4,601)	2.2
SG&A	(2,160)	(2,160)	0.0	(2,250)	(2,230)	0.9
Operating profit	1,305	1,378	(5.3)	1,634	1,523	7.3
EBITDA	2,347	2,407	(2.5)	2,707	2,597	4.3
Interest (expense)	(695)	(566)	22.7	(650)	(539)	20.5
Tax income (expense)	(24)	10	N.A.	(155)	0	N.A.
Net profit	1,160	887	30.8	845	1,041	(18.8)
Normalized profit	793	827	(4.1)	845	981	(13.8)
EPS (Bt/shr)	0.24	0.18	30.8	0.17	0.21	(18.8)
Key financial ratio (%)			ppts			ppts
GPM	43.3	43.5	(0.2)	44.6	44.3	0.3
SG&A/Sale	27.3	27.3	0.0	26.5	27.0	(0.5)
Net profit margin	14.7	11.2	3.5	10.0	12.6	(2.6)
Assumption						
Occupancy (%)	82	82	0.7	83	83	0.7
ARR (Bt)	1,875	1,879	(0.2)	1,895	1,879	0.9
RevPar (Bt)	1,543	1,533	0.7	1,580	1,554	1.7

Source: Company data, KGI Securities Research

Figure 3: Revenue breakdown by business unit in 3Q24

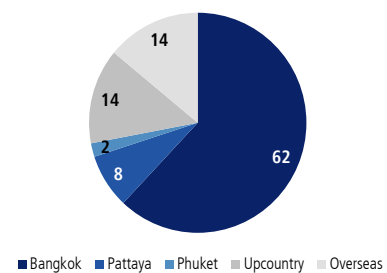
Percent



Source: Company data, KGI Securities Research

Figure 4: Revenue breakdown by destination in 3Q24

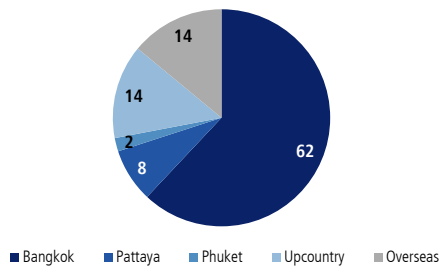
Percent



Source: Company data, KGI Securities Research

Figure 5: EBITDA breakdown by destination in 3Q24

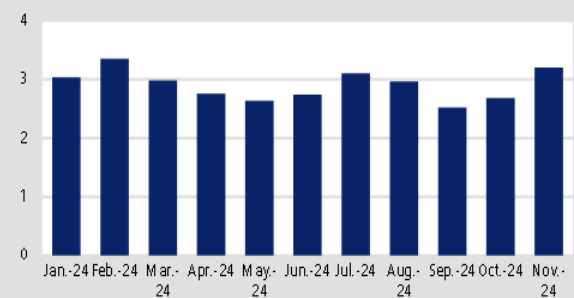
Percent



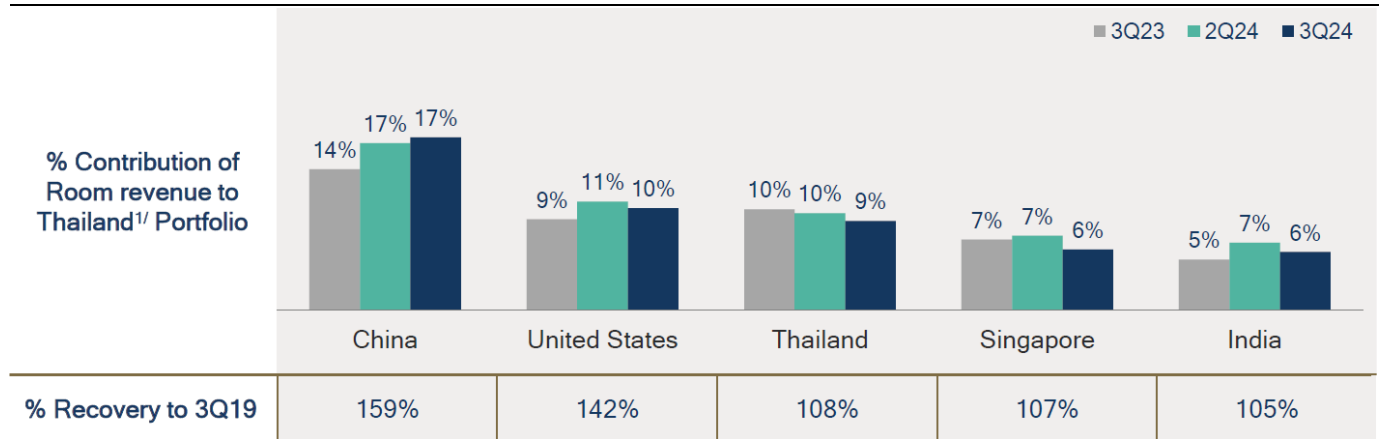
Source: Company data, KGI Securities Research

Figure 6: 11M24 tourist arrivals to Thailand

Mn persons



Source: Ministry of Tourism and Sports, KGI Securities Research

Figure 7: ERW's Top 5 source markets in 3Q24


Source: Company data

Figure 8: 2024 hotel opening pipeline

13 new hotels opening in 3 countries: Thailand, Philippines, and Japan



Location	Country	No. of rooms
Ayutthaya	TH	79
Suphanburi	TH	75
Iidabashi	JP	50
Asakusa	JP	115
Uneo	JP	72
Total - 1Q24		391
Sriracha	TH	79
North EDSA	PH	187
Ratchaburi	TH	79
Iloilo	PH	150
Total - 2Q24		495
Nakon phanom	TH	79
Davao	PH	152
Total - 3Q24		231
Prachuapkirikan	TH	61
Prayao	TH	79
Total - 4Q24		140
Grand Total		1,257

Source: Company data

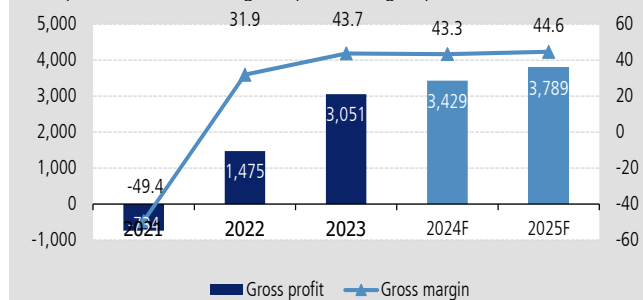
Figure 9: Company profile

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.

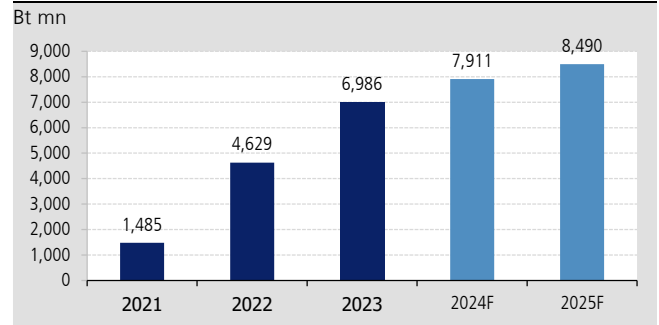
Source: Company data

Figure 11: Gross profit

Gross profit, Bt mn (LHS); gross profit margin, percent (RHS)



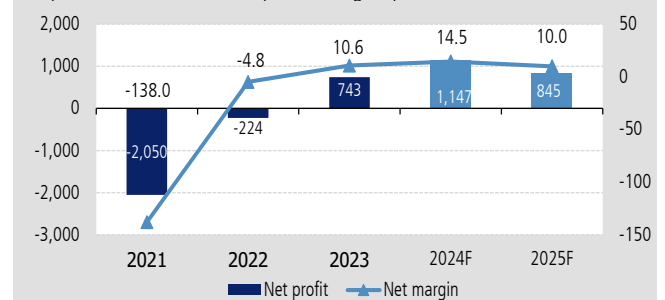
Source: Company data, KGI Securities Research

Figure 10: Revenues


Source: Company data, KGI Securities Research

Figure 12: Net profit

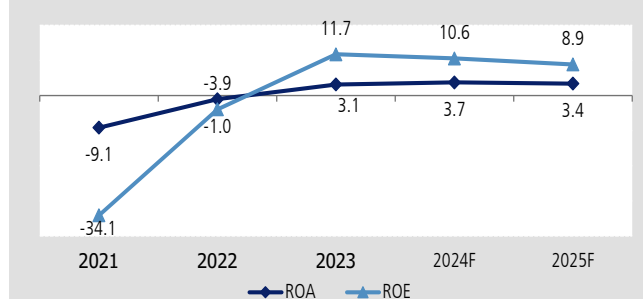
Net profit, Bt mn (LHS); net profit margin, percent (RHS)



Source: Company data, KGI Securities Research

Figure 13: Company ROAA and ROAE

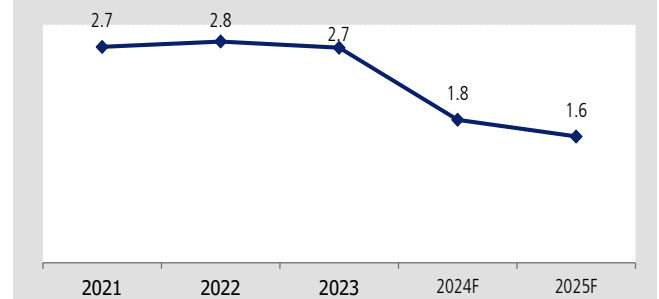
Percent



Source: Company data, KGI Securities Research

Figure 14: D/E

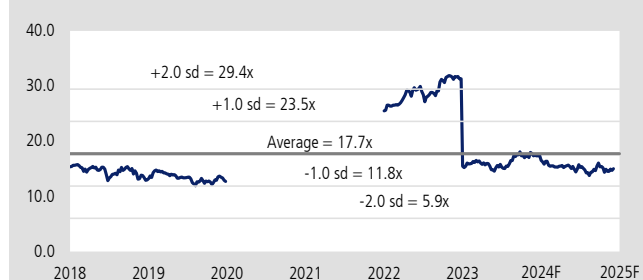
Times



Source: Company data, KGI Securities Research

Figure 15: EV/EBITDA

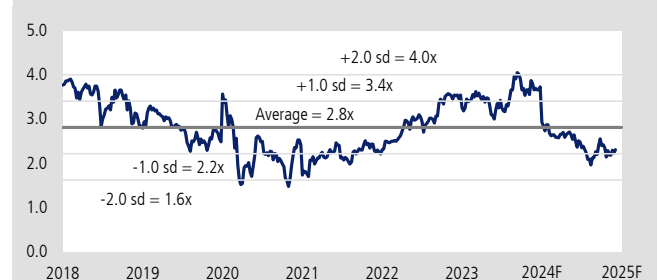
Times



Source: Company data, KGI Securities Research

Figure 16: PBV

Times



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	SEP-23A	DEC-23A	MAR-24A	JUN-24A	SEP-24A
Income Statement (Bt mn)															
Revenue	378	262	226	619	638	974	1,283	1,733	1,753	1,623	1,736	1,874	1,974	1,834	1,849
Cost of Services	(558)	(529)	(515)	(617)	(618)	(735)	(827)	(973)	(993)	(948)	(990)	(1,004)	(1,029)	(1,052)	(1,067)
Gross Profit	(180)	(267)	(289)	2	20	239	456	759	760	675	746	870	945	782	782
Operating Expenses	(208)	(213)	(211)	(283)	(255)	(311)	(362)	(450)	(434)	(441)	(454)	(509)	(492)	(488)	(490)
Other incomes	11	6	27	33	7	31	6	42	20	16	6	11	15	7	6
Operating Profit	(377)	(474)	(473)	(248)	(228)	(40)	100	351	347	250	298	371	468	301	297
Depretiation of Fixed assets	243	244	229	220	213	215	220	223	218	222	233	229	236	242	255
Operating EBITDA	(134)	(230)	(244)	(28)	(14)	175	320	574	564	472	531	600	703	543	552
Non-Operating Income	1	1	1	(0)	3	0	0	12	16	11	1	2	(1)	3	1
Interest Income	1	1	1	1	1	1	0	1	1	2	1	2	1	2	1
Other Non-op Income	0	0	0	(1)	2	(0)	(0)	11	15	9	0	(0)	(1)	1	0
Non-Operating Expenses	(138)	(136)	(126)	(121)	(112)	(111)	(114)	(122)	(135)	(143)	(150)	(161)	(171)	(182)	(179)
Interest Expenses	(138)	(136)	(126)	(121)	(112)	(111)	(114)	(122)	(135)	(143)	(150)	(161)	(171)	(182)	(179)
Other Non-Op Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net investment income/(loss)	3	(3)	3	5	3	9	3	13	3	21	3	9	3	235	-
Pre-tax Profit	(511)	(611)	(595)	(364)	(333)	(142)	(10)	254	231	138	152	221	299	357	119
Current Taxation	(2)	25	(73)	4	8	7	5	6	6	5	3	2	(0)	9	5
Minorities	21	27	45	12	12	4	(6)	(21)	1	(2)	(7)	(10)	(11)	(4)	0
Extraordinary items	-	(131)	-	102	-	(8)	-	-	-	-	-	-	129	-	-
Net Profit	(492)	(690)	(623)	(246)	(313)	(139)	(12)	240	239	142	148	214	417	361	125
EPS (Bt)	(0.20)	(0.23)	(0.14)	0.00	(0.07)	(0.03)	(0.00)	0.05	0.05	0.03	0.03	0.05	0.09	0.08	0.03
Margins (%)															
Gross Profit Margin	(47.8)	(101.7)	(127.6)	0.3	3.1	24.6	35.5	43.8	43.4	41.6	43.0	46.4	47.9	42.7	42.3
Operating Profit Margin	(99.9)	(180.6)	(208.8)	(40.1)	(35.7)	(4.1)	7.8	20.3	19.8	15.4	17.2	19.8	23.7	16.4	16.1
Operating EBITDA Margin	(35.5)	(87.5)	(107.8)	(4.6)	(2.2)	18.0	24.9	33.2	32.2	29.0	30.6	32.0	35.6	29.6	29.9
Net Profit Margin	(130.3)	(262.8)	(275.0)	(39.7)	(49.1)	(14.3)	(0.9)	13.8	13.6	8.7	8.5	11.4	21.1	19.7	6.7
Growth (% YoY)															
Revenue Growth	(68.8)	230.5	(47.0)	5.2	69.0	271.3	466.8	179.9	174.7	66.6	35.2	8.2	12.6	13.0	6.5
Operating Profit Growth	(1,622.2)	NM	NM	NM	NM	NM	NM	NM	NM	NM	198.3	5.7	34.9	20.5	(0.3)
Operating EBITDA Growth	(146.5)	NM	NM	(520.1)	NM	NM	NM	NM	NM	169.5	65.9	4.5	24.7	15.2	4.0
Net Profit Growth	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	(10.7)	74.8	154.6	(16.0)
EPS	NM	NM	NM	NM	NM	NM	NM	1,622.8	NM	NM	NM	(10.7)	74.8	154.6	(16.0)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Total Asset	22,450	21,712	23,675	24,113	25,010
Current Asset	2,655	2,026	1,885	2,048	2,748
Cash and ST Investment	1,242	1,532	1,217	1,468	2,139
Inventories	39	43	49	77	83
Account Recievable	100	160	170	193	207
Others	1,274	291	450	309	319
Non-Current Assets	19,795	19,685	21,789	22,065	22,262
LT investment	48	63	84	76	76
Net Fixed Assets	19,447	19,320	21,423	21,610	21,788
Others	300	303	283	380	399
Total Liabilities	16,427	15,990	17,305	15,352	15,369
Current Liabilities	1,489	1,762	3,058	1,898	1,993
Account Payable	143	235	227	387	414
ST Borrowings	868	853	1,996	584	584
Others	478	675	835	928	995
LT Liabilities	14,938	14,229	14,247	13,454	13,375
Long-term Debts	14,059	13,382	13,352	12,500	12,400
Others	880	846	895	954	975
Shareholder's Equity	6,023	5,722	6,370	8,761	9,641
Common Stock	4,532	4,532	4,532	4,891	4,891
Capital Surplus	910	910	910	1,629	1,629
Retained Earnings	(1,488)	(1,525)	(830)	330	1,175
Other components	2,069	1,805	1,758	1,910	1,945

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Forecast Drivers					
Growth (% YoY)					
Sales	(35.6)	211.6	50.9	13.2	7.3
OP	37.5	(111.7)	591.1	3.1	25.2
EBITDA	384.2	(265.8)	105.4	5.9	15.7
NP	19.5	(89.1)	(431.3)	54.4	(26.3)
EPS	(17.4)	(91.2)	(431.3)	44.7	(27.1)
Profitability (%)					
Gross Profit Margin	(49.4)	31.9	43.7	43.3	44.6
Operating Margin	(105.8)	4.0	18.1	16.5	19.2
Operating EBITDA Margin	(42.8)	22.8	31.0	29.0	31.3
Net Profit Margin	(138.0)	(4.8)	10.6	14.5	10.0
ROAA	(9.4)	(1.0)	3.3	3.8	3.4
ROAE	(41.7)	(3.8)	12.3	11.9	9.3
Stability					
Gross Debt/Equity (%)	272.8	279.5	271.7	175.2	159.4
Net Debt/Equity (%)	252.1	252.7	252.6	158.5	137.2
Interest coverage (x)	(1.2)	2.3	3.7	3.3	4.1
Interest & ST Debt Coverage (x)	(1.1)	0.1	0.5	1.0	1.3
Cash Flow Interest Coverage (x)	(1.2)	2.8	3.9	3.6	3.0
Cash Flow/Interest & ST Debt (x)	(0.5)	1.0	0.9	2.0	1.6
Current Ratio (x)	1.8	1.2	0.6	1.1	1.4
Quick Ratio (x)	0.9	1.0	0.5	0.9	1.2
Net Debt (Bt mn)	15,185.4	14,458.3	16,088.3	13,883.5	13,230.2
Per Share Data (bt)					
EPS	(0.6)	(0.0)	0.2	0.2	0.2
CFPS	(0.1)	0.3	0.5	0.5	0.4
BVPS	1.3	1.3	1.4	1.8	2.0
SPS	0.3	1.0	1.5	1.6	1.7
EBITDA/Share	(0.1)	0.2	0.5	0.5	0.5
DPS	0.00	0.00	0.07	0.08	0.07
Activity					
Asset Turnover (x)	0.1	0.2	0.3	0.3	0.3
Day Recievables	21.7	10.2	8.6	8.4	8.6
Day Inventories	7.0	4.8	4.3	5.1	6.2
Day Payable	23.7	21.8	21.4	24.8	31.1
Cash Cycle	5.0	(6.8)	(8.5)	(11.3)	(16.2)

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Revenue	1,485	4,629	6,986	7,911	8,490
Cost of Service	-2,220	-3,154	-3,936	-4,481	-4,701
Gross Profit	-734	1,475	3,051	3,429	3,789
Operating Expenses	-915	-1,377	-1,838	-2,160	-2,250
Other Income	77	86	53	35	95
Operating Profit	-1,572	183	1,266	1,305	1,634
Depreciation of Fixed Asset	936	872	901	990	1,022
Operating EBITDA	-636	1,055	2,167	2,295	2,655
Non-Operating Income	3	15	30	52	52
Interest Income	3	3	7	7	7
Other Non-op Income	-0	12	23	45	45
Non-Operating Expenses	-521	-458	-589	-695	-650
Interest Expenses	-521	-458	-589	-695	-650
Other Non-Op Expenses	0	0	0	0	0
Net investment income/(loss)	9	29	36	533	0
Pre-tax Profit	-2,081	-231	743	1,195	1,036
Current Taxation	-46	26	17	-24	-155
Minorities	105	-11	-17	-24	-35
Extraordinary items	-29	-8	0	0	0
Net Profit	-2,050	-224	743	1,147	845
EPS (Bt)	(0.56)	(0.05)	0.16	0.24	0.17

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Operating Cash Flow	-634	1,287	2,289	2,500	1,970
Profit (loss) for the year	-2,155	-213	760	1,184	880
Depreciation and Amortization	936	872	901	1,013	1,022
Change in Working Capital	45	257	114	304	68
Others	541.3	370.8	513.9	0.0	0.0
Investment Cash Flow	346	231	-2,256	-1,192	-1,200
Net CAPEX	-198	215	-2,278	-1,200	-1,200
Change in LT Investment	541	14	12	8	0
Change in Other Assets	3	3	10	-0	0
Free Cash Flow	(831.2)	1,501.3	10.9	1,300.3	770.1
Financial Cash Flow	-122	-1,215	-344	-1,057	-100
Change in Share Capital	2,014	0	0	1,079	0
Net Change in Debt	-1,817	-962	13	-2,264	-100
Change in other LT Liab.	(318.7)	(252.5)	(357.6)	128.5	0.1
Net Cash Flow	-380	290	-315	252	670

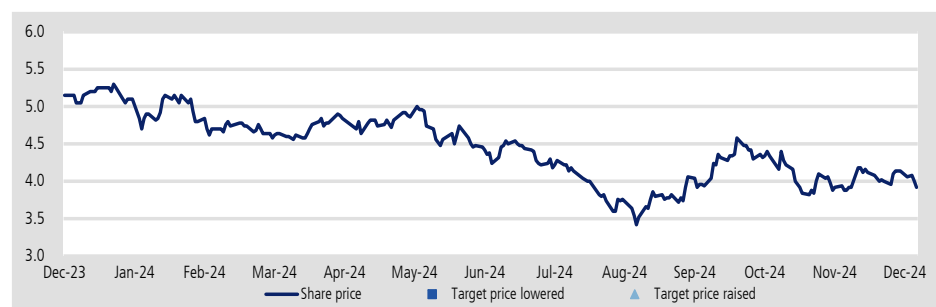
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- Cost of Goods Sold Revenue	+ Depreciation Revenue	+ Op. Expenses Revenue	= Operating Margin
2021	97.2%	52.2%	61.6%	-111.0%
2022	50.2%	17.9%	29.8%	2.1%
2023	41.8%	14.5%	26.3%	17.4%
2024F	44.8%	11.8%	27.3%	16.0%
2025F	45.1%	10.3%	26.5%	18.1%
Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2021	0.8	13.1	0.2	0.1
2022	0.1	4.2	0.1	0.2
2023	-0.2	3.1	0.1	0.3
2024F	0.0	2.7	0.1	0.4
2025F	0.1	2.6	0.1	0.4
Year	Operating Margin	X Capital Turnover	X Cash Tax Rate	= Afer-tax Return on Inv. Capital
2021	-111.0%	0.1	-2.2%	0.2%
2022	2.1%	0.2	9.6%	0.0%
2023	17.4%	0.3	-2.3%	-0.1%
2024F	16.0%	0.4	-2.0%	-0.1%
2025F	18.1%	0.4	-15.0%	-1.0%

Source: KGI Securities Research

The Erawan Group – Recommendation & target price history



Source: KGI Securities Research

Company's ESG details

Environment

- The company targets to reduce food waste by 50% and reduce landfill waste by 50% by 2027. ERW and its hotels say no to single use plastic to reduce non-recyclable plastic waste which is now replaced by renewable products taking into consideration customer satisfaction in an attempt to reduce waste at its origin.
- The company targets of increasing the ratio of renewable energy to more than 50% by 2027. All hotels (100%) managed by ERW will offer services that help reducing energy consumption and compensate carbon by 2027.
- An MOU was signed with SCG Clean Energy Co., Ltd. to implement smart energy systems within ERW's hotels and resorts to increase the consumption of renewable energy in the tourism and hotel business. Both parties will study and plan to introduce solar energy through Smart Grid, to be managed by SCG Cleanergy Platform, within ERW's hotels and resorts to increase the ratio of renewable energy consumption.
- In 2023, ERW planted 500 trees at a park close to Klongtoey Station of the MRT's Blue Line on the World Environment Day (June 5, 2023). The company also planted 15,000 mangrove trees on 20-rai of land at the community mangrove in Thong Kam Bay, Ban Laem Village, Tha Sala District, Nakhon Si Thammarat Province.

Social

- ERW respects human rights defined under the Universal Declaration of Human Rights, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights and Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO).
- In 2023, the Corporate Hybrid Learning Center both onsite and online were conducted to maximize learning efficiency from internal and external lecturers. The average training was 70 hours/person/year in 2023.
- ERW committed to participate in community and social development. In 2023, ERW continued to develop the following projects for community and society;
 - i) HOP INN capacity-building for hotel personnel project with vocational and university students to produce hotel personnel with qualifications the market is eyeing.
 - ii) Ban Laem Happy Home, Happy Stay to upgrade and improve local home stay accommodation. So far, 27 community homestay projects have been part of this project.

Governance

- The company received annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).

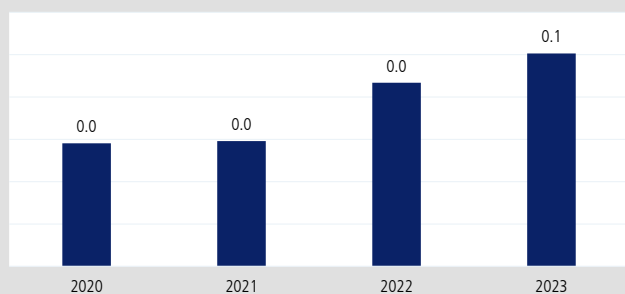
Climate Management (Subset of Environment)

- Set a target to support Thailand's goal to achieve carbon neutrality by 2050.
- Set business strategies to nurture environmentally friendly lifestyles; reducing GHG emissions; enhancing efficiency from the use of resources both from the perspective of a project and the entire operation.
- Awareness-raising activities on how we consume energy and its impacts were conducted via the "Stay for Santa" project where four hotels under ERW collaborated to compensate for carbon generated by tourists. The activity managed to compensate 332 tons carbon equivalent (TonCO₂e).
- ERW reported Scope 1 and 2 GHS emissions of 41,923.74 tons Co₂e in 2022, increasing from 28,779.93 in 2021.

Source: Company data, KGI Securities Research

Total GHG emissions

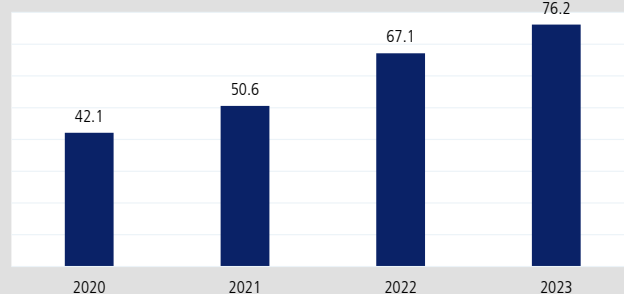
GHG emissions, mn tons of CO₂e



Source: Company data, SETSMART, KGI Securities Research

Total electricity consumption

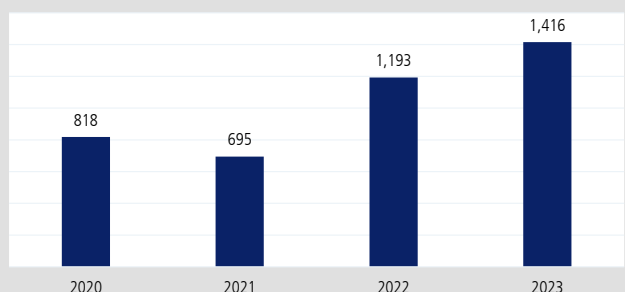
Electricity consumption, GWh



Source: Company data, SETSMART, KGI Securities Research

Total water withdrawal

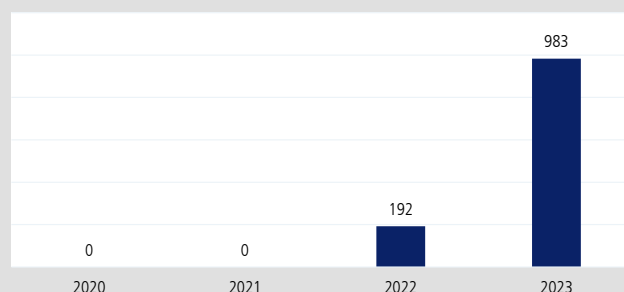
Water withdrawal, m³



Source: Company data, SETSMART, KGI Securities Research

Total waste

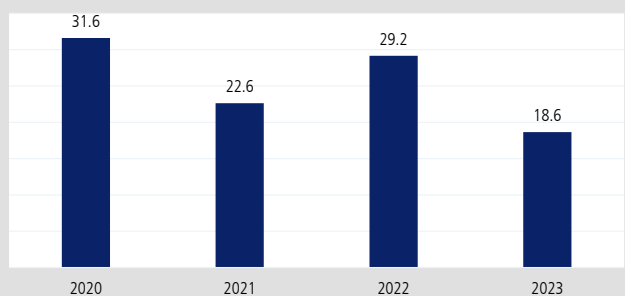
Waste generated, mn tons



Source: Company data, SETSMART, KGI Securities Research

Employee turnover

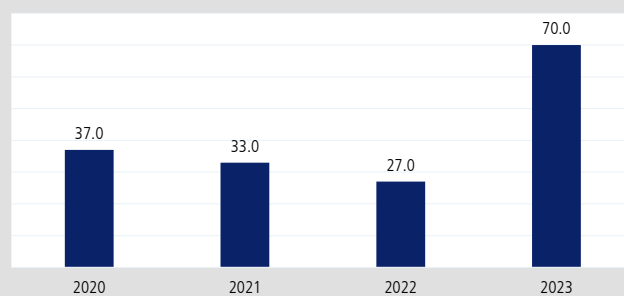
Employee turnover, percent



Source: Company data, SETSMART, KGI Securities Research

Average employee training hours

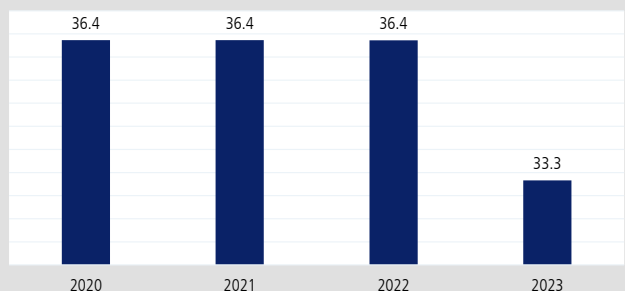
Average employee training hours, hours per person per year



Source: Company data, SETSMART, KGI Securities Research

Proportion of independent directors

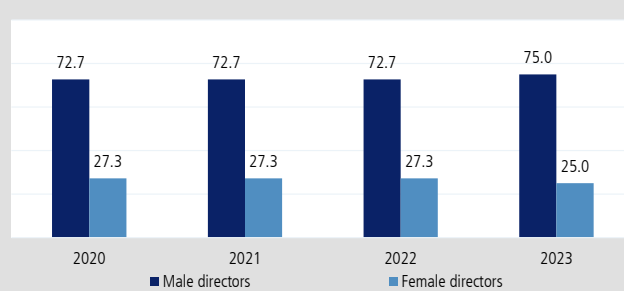
Independent directors, percent



Source: Company data, SETSMART, KGI Securities Research

Gender diversification of directors

Gender diversification, percent



Source: Company data, SETSMART, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	IVL	INDORAMA VENTURES	AA
AMATA	AMATA CORPORATION	AAA	KBANK	KASIKORNBANK	AAA
AOT	AIRPORTS OF THAILAND	A	KKP	KIATNAKIN PHATRA BANK	BBB
AP	AP (THAILAND)	AA	KTB	KRUNG THAI BANK	AAA
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	KTC	KRUNGTHAI CARD	AAA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	AA	LH	LAND AND HOUSES	A
BANPU	BANPU	AAA	MAJOR	MAJOR CINEPLEX GROUP	AA
BBGI	BBGI	AA	MINT	MINOR INTERNATIONAL	AA
BBL	BANGKOK BANK	AA	MTC	MUANGTHAI CAPITAL	A
BCH	BANGKOK CHAIN HOSPITAL	AA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BCPG	BCPG	AA	ORI	ORIGIN PROPERTY	AA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	OSP	OSOTSPA	AA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PLANB	PLAN B MEDIA	AA
BGRIM	B. GRIMM POWER	AAA	PSH	PRUKSA HOLDING	BBB
BPP	BANPU POWER	AAA	PTT	PTT	AAA
BTS	BTS GROUP HOLDINGS	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
CBG	CARABAO GROUP	A	PTTGC	PTT GLOBAL CHEMICAL	AAA
CENTEL	CENTRAL PLAZA HOTEL	A	RATCH	RATCH GROUP	AA
CK	CH. KARNCHANG	A	RBF	R&B FOOD SUPPLY	BBB
CKP	CK POWER	AAA	SAK	SAKSAM LEASING	A
COM7	COM7	A	SAPPE	SAPPE	BBB
CPALL	CP ALL	AAA	SAWAD	SRISAWAD CORPORATION	BBB
CPAXT	CP AXTRA	AAA	SCB	SCB X	AA
CPF	CHAROEN POKPHAND FOODS	AAA	SCGP	SCG PACKAGING	AAA
CPN	CENTRAL PATTANA	AA	SHR	S HOTELS AND RESORTS	A
CRC	CENTRAL RETAIL CORPORATION	AAA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
EGCO	ELECTRICITY GENERATING	AA	SPALI	SUPALAI	AA
ERW	THE ERWAN GROUP	A	STECON	STECON GROUP	A
GFPT	GFPT	BBB	SYNEX	SYNNEX (THAILAND)	A
GLOBAL	SIAM GLOBAL HOUSE	AA	TCAP	THANACHART CAPITAL	A
GPSC	GLOBAL POWER SYNERGY	AA	TFG	THAIFOODS GROUP	A
GULF	GULF ENERGY DEVELOPMENT	AA	TISCO	TISCO FINANCIAL GROUP	AAA
HANA	HANA MICROELECTRONICS	AA	TOP	THAI OIL	AAA
HMPRO	HOME PRODUCT CENTER	AA	TTB	TMBTHANACHART BANK	AA
IRPC	IRPC	AA	WHA	WHA CORPORATION	AAA

Source: www.setsustainability.com

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.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA
ADVANC	ADVANCED INFO SERVICE	CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING
AEONTS	AEON THANA SINSAP (THAILAND)	CRC	CENTRAL RETAIL CORPORATION	PTT	PTT
AMA	AMA MARINE	DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION
AMATA	AMATA CORPORATION	DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL
AOT	AIRPORTS OF THAILAND	EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES
AP	AP (THAILAND)	ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	GFPT	GFPT	RBF	R&B FOOD SUPPLY
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GLOBAL	SIAM GLOBAL HOUSE	SAK	SAKSAM LEASING
BANPU	BANPU	GPSC	GLOBAL POWER SYNERGY	SAPPE	SAPPE
BBGI	BBGI	GULF	GULF ENERGY DEVELOPMENT	SCB	SCB X
BBL	BANGKOK BANK	HANA	HANA MICROELECTRONICS	SCGP	SCG PACKAGING
BCH	BANGKOK CHAIN HOSPITAL	HMPRO	HOME PRODUCT CENTER	SHR	S HOTELS AND RESORTS
BCP	BANGCHAK CORPORATION	IRPC	IRPC	SMPC	SAHAMITR PRESSURE CONTAINER
BCPG	BCPG	ITC	I-TAIL CORPORATION	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	IVL	INDORAMA VENTURES	SPRC	STAR PETROLEUM REFINING
BEC	BEC WORLD	KBANK	KASIKORN BANK	SUN	SUNSWEEP
BEM	BANGKOK EXPRESSWAY AND METRO	KCE	KCE ELECTRONICS	SVI	SVI
BGRIM	B. GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SYNEX	SYNNEX (THAILAND)
BH	BUMRUNGRAD HOSPITAL	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
BPP	BANPU POWER	KTC	KRUNGTHAI CARD	TFG	THAIFOODS GROUP
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TIDLOR	NGERN TID LOR
CBG	CARABAO GROUP	LPN	L.P.N. DEVELOPMENT	TISCO	TISCO FINANCIAL GROUP
CENTEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR CINEPLEX GROUP	TKN	TAOKAENOI FOOD & MARKETING
CK	CH. KARNCHANG	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CKP	CK POWER	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
COM7	COM7	OR	PTT OIL AND RETAIL BUSINESS	TTB	TMBTHANACHART BANK
CPALL	CP ALL	ORI	ORIGIN PROPERTY	WHA	WHA CORPORATION
CPAXT	CP AXTRA	OSP	OSOTSPA		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	EKH	EKACHAI MEDICAL CARE	JMART	JAYMART GROUP HOLDINGS
BTG	BETAGRO	HUMAN	HUMANICA	TNP	THANAPIRIYA



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
JMT	JMT NETWORK SERVICES	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PTG	PTG ENERGY	TU	THAI UNION GROUP
CHG	CHULARAT HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		
PLT	PILATUS MARINE	SISB	SISB		

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

Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	DOHOME	DOHOME	PTG	PTG ENERGY
AMA	AMA MARINE	EGCO	ELECTRICITY GENERATING	PTT	PTT
AMATA	AMATA CORPORATION	ERW	THE ERWAN GROUP	PTTEP	PTT EXPLORATION AND PRODUCTION
AP	AP (THAILAND)	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCH GROUP
BANPU	BANPU	GULF	GULF ENERGY DEVELOPMENT	RBF	R&B FOOD SUPPLY
BBGI	BBGI	HANA	HANA MICROELECTRONICS	SAK	SAKSAM LEASING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	SAPPE	SAPPE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCB	SCB X
BCP	BANGCHAK CORPORATION	IVL	INDORAMA VENTURES	SCGP	SCG PACKAGING
BCPG	BCPG	KBANK	KASIKORNBANK	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KCE	KCE ELECTRONICS	SPALI	SUPALAI
BGRIM	B.GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BPP	BANPU POWER	KTB	KRUNG THAI BANK	SVI	SVI
BTG	BETAGRO	KTC	KRUNGTHAI CARD	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	LPN	L.P.N. DEVELOPMENT	TIDLOR	NGERN TID LOR
CENDEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR CINEPLEX GROUP	TISCO	TISCO FINANCIAL GROUP
COM7	COM7	MINT	MINOR INTERNATIONAL	TKN	TAOKAENOI FOOD & MARKETING
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TNP	THANAPIRIYA
CPAXT	CP AXTRA	OR	PTT OIL AND RETAIL BUSINESS	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	ORI	ORIGIN PROPERTY	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CRC	CENTRAL RETAIL CORPORATION	PLANB	PLAN B MEDIA	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PSH	PRUKSA HOLDING	WHA	WHA CORPORATION

Declared

Stock	Company name	Stock	Company name	Stock	Company name
CHG	CHULARAT HOSPITAL	ITC	I-TAIL CORPORATION	SAWAD	SRIWAD CORPORATION
HUMAN	HUMANICA	JMART	JAYMART GROUP HOLDINGS	SHR	S HOTELS AND RESORTS

Non-participation

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	BSRC	BANGCHAK SRIRACHA	SISB	SISB
AEONTS	AEON THANA SINSAP (THAILAND)	CK	CH. KARNCHANG	SPA	SIAM WELLNESS GROUP
AOT	AIRPORTS OF THAILAND	CKP	CK POWER	STECON	STECON GROUP
AU	AFTER YOU	EKH	EKACHAI MEDICAL CARE	SUN	SUNSWEET
BDMS	BANGKOK DUSIT MEDICAL SERVICES	JMT	JMT NETWORK SERVICES	SYNEX	SYNNEX (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	PLT	PILATUS MARINE		
BH	BUMRUNGRAD HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		

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

China	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
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 • Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	195 One Bangkok Tower 4 18th - 19th floors Witthayu Road Lumpini, Pathumwan, Bangkok 10330, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

KGI's Ratings

Rating	Definition
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.