December 14, 2022

Services

Thailand

Thailand Tourism

NEGATIVE *[Downgrade]*

Year Ahead 2023: D/G to NEGATIVE due to valuation

Analyst

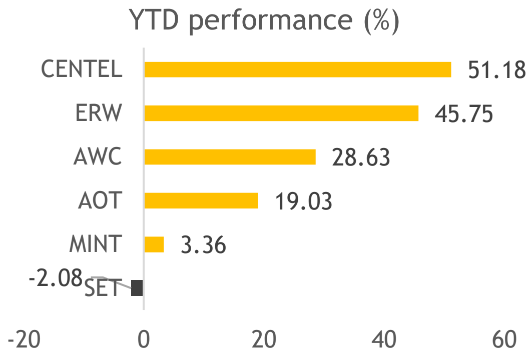
Yuwanee Prommaporn

(66) 2658 5000 ext 1393

Yuwanee.P@maybank.com

Pent-up demand likely happens in 1H23; top pick is MINT

We downgrade the sector to NEGATIVE after share prices surged in anticipation of 4Q22 high season lifting occupancy and room rates. Looking ahead, we see challenges in FY23E, including: 1) pent-up demand that could fade in 1H23, according to the Tourism Authority of Thailand, and 2) continued high costs which already depressed EBITDA margins in 3Q22. MINT is our only BUY and Top Pick thanks to the good performance of its Europe hotels (60% of hotel revenues) that helped it earn an impressive THB2b profit in 3Q22. Unlike Thai hoteliers that rely mostly on foreign tourists (80-90%), MINT's customers in Europe are mostly domestic (50-60%) and, in our view, more resilient.



Pent-up demand likely to fade in 1H23

The Tourism Authority of Thailand's (TAT) governor expects pent-up demand to fade by 1H23. This is in line with medical tourism hospital operator BH's guidance (see report). In 2Q22 and 3Q22, most hoteliers saw their room rates above pre-Covid levels, indicating pent-up demand in the sector which, in our view, could fade by the end of 1H23, possibly along with declining occupancy. We think this would be a negative catalyst for the sector, especially in light of high share prices, and only small profits expected in FY23E.

Restaurant business could be more resilient

For both CENTEL and MINT's restaurants, we expect same-store-sales growth (SSSG) to normalise in FY23E, post Covid. Because MINT's restaurants in China (6% restaurant sales contribution) have been affected by the lockdowns in FY22, MINT's SSSG is tracking at 8% in FY22E, versus CENTEL's 20%. Following its low base in FY22, we expect MINT's SSSG in FY23E to be higher at 3%, compared to CENTEL's 2%.

Maybank Securities (Thailand) Plc (MST) and Central Plaza Hotel Plc (CENTEL) have a common director, Ms Sopawadee Lertmanaschai. However, the securities analytical comment is based on the individual assumptions of Maybank Securities' research department.

DCF-based. Key upside risk is China re-opening

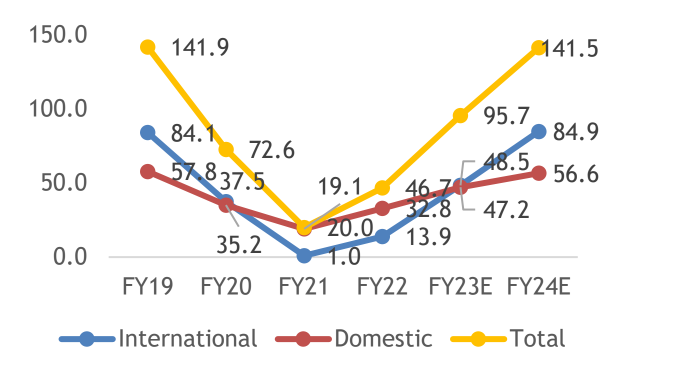
We use DCF to value stocks under coverage. We see the tourism sector as generally overpriced in anticipation of an excellent recovery despite being only half-way towards its pre-Covid FY19 level. The key upside risk is China re-opening which could add to tourist arrivals in FY23E and help buoy the sector temporarily.

Stock	Bloomberg code	Mkt cap (USD'm)	Rating	Price (LC)	TP (LC)	Upside (%)	P/E (x) 22E	P/E (x) 23E	P/B (x) 22E	P/B (x) 23E	Div yld (%) 22E	Div yld (%) 23E
AOT	AOT TB	30,474	Hold	74.25	80.00	8	nm	92.4	10.0	9.2	0.0	0.5
Asset World Corp	AWC TB	5,746	Sell	6.25	4.00	(36)	nm	nm	2.6	2.5	0.0	0.0
Minor Int'l	MINT TB	4,615	Buy	31.00	35.00	13	99.5	33.9	2.3	2.2	0.3	1.0
Central Plaza	CENTEL TB	1,862	Sell	48.00	40.00	(17)	183.1	53.1	3.5	3.3	0.0	0.8
Erawan Group	ERW TB	586	Hold	4.50	4.00	(11)	nm	117.5	3.8	3.7	0.0	0.3

1. Greater visibility on 2023 recovery

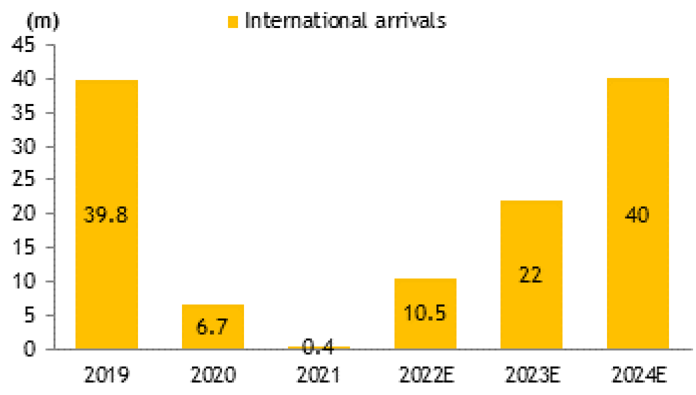
We expect international tourist arrivals to total 22m in 2023 and increase to 40m in 2024, the same level as pre-Covid 2019. We use the Airport Authority of Thailand's (AOT) forecasts to determine the recovery outlook for both 2023 and 2024. Despite strong recovery in international tourist arrivals since Covid curbs were lifted mid-year, we see the sector as fully valued. MINT is our only BUY (CP THB30.75, TP THB35), as we contend that is has the best earnings visibility and the most reasonable valuation 19.2x FY24E P/E while other names are trading at 31-130x FY24E despite a relative lack of earnings visibility.

Fig 1: AOT's passenger forecasts



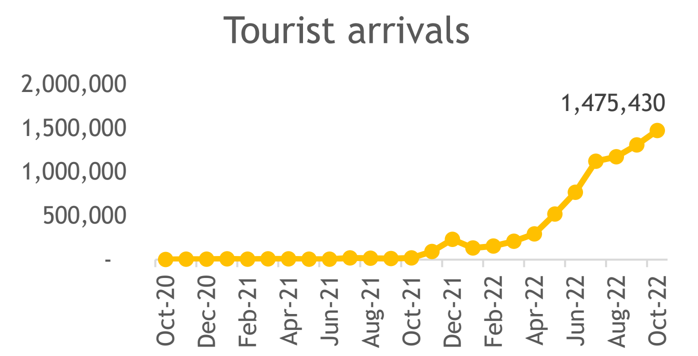
Source: AOT

Fig 2: We align our international arrivals forecast with AOT. We expect a succinct recovery in international arrivals in 2023E



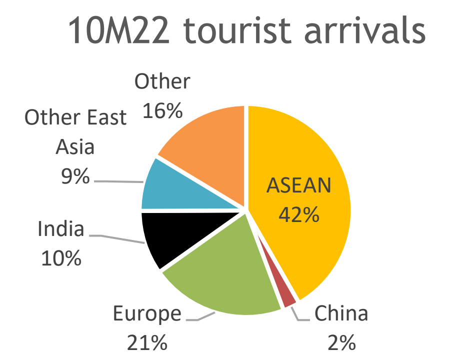
Source: AOT, MST

Fig 3: Tourist arrivals reached 1.5m in October



Source: Ministry of Tourism and Sports

Fig 4: ASEAN was the biggest source of tourist arrivals. China accounted for only 2% in 10M22, compared to 28% in 2019



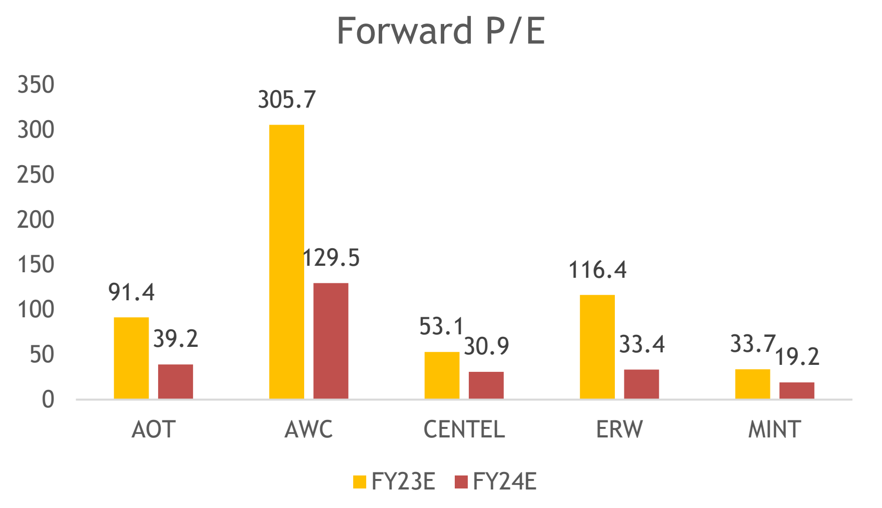
Source: Ministry of Tourism and Sports

We have not factored China's re-opening into our forecasts as there is much uncertainty about this and if there is a reopening in 2023, there could be upside to our FY23E forecasts but not in FY24E as we have already projected a full recovery in FY24E.

Our 22m tourist arrival projection for FY23 is about 55% of the pre-Covid 2019 level and we note that in 4Q22, arrivals likely reach 45% of the pre-Covid level (about THB1.5m/mth in 4Q22) and hence, the 55% level in FY23E should be achievable, despite the absence of Chinese tourist arrivals.

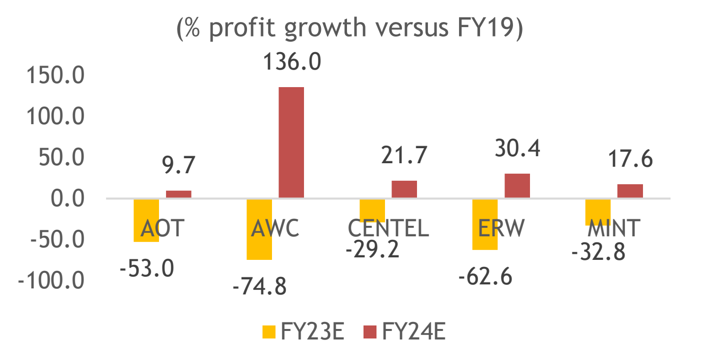
In line with the TAT governor's projections reported in the Bangkok Post, we believe that the pent-up demand could likely fade by the end of 1H23. We, thus, remain cautiously optimistic about the recovery. Given the uncertain recovery and high valuations, we are NEGATIVE on the sector.

Fig 5: We expect full recovery in FY24E. MINT's valuation is least demanding at 19.2x FY24E P/E



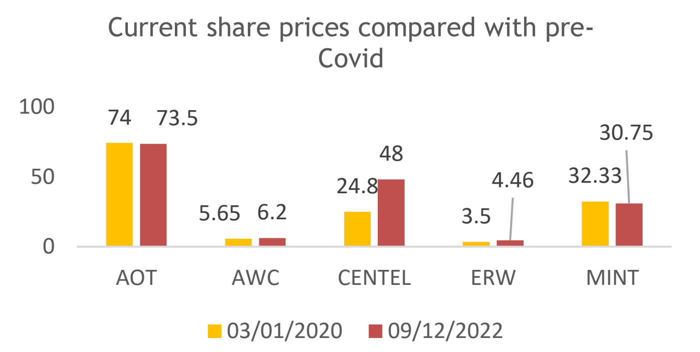
Source: MST

Fig 6: Thai tourism names unlikely to see return to FY19 profitability until FY24E...



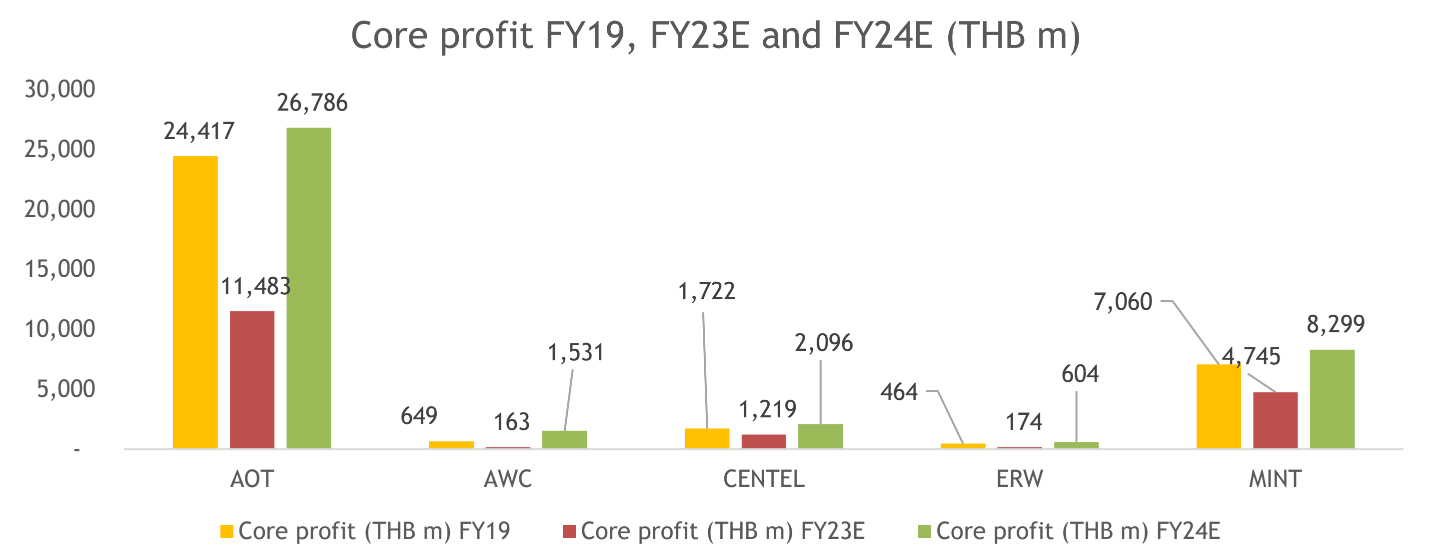
Source: MST

Fig 7:.. but share prices have exceeded pre-Covid levels, except for AOT and MINT



Source: SET

Fig 8: We expect all Thai tourism names' profits to recover to pre-Covid levels in FY24E



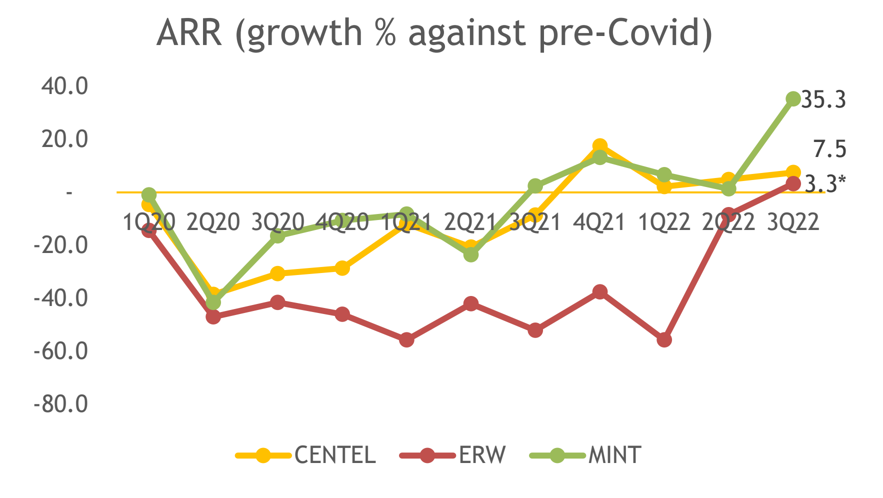
Source: Company data, MST

2. Pent-up demand may fade by end of 1H23

We feel there has been substantial pent-up demand since 2H22 (following the easing of entry rules in July 2022) but the evidence for this has not been substantial. We believe that it could likely fade by 1H23, due to: 1) the TAT governor's comment that the FY22 recovery in tourist arrivals has been fueled by pent-up demand that may fade by 1H23, 2) Bumrungrad (BH, CP THB205, SELL, TP THB187) Corporate Chief Strategy Officer, Mr. Neil Sorrentino said at the most recent analyst meeting that the recovery in medical tourism may fade by end-1H23, and 3) high air ticket prices (of around 15% higher than pre-Covid levels) and higher average room rates (ARR) could be indicators of pent-up demand.

As for the ARRs, we particularly witness the price increases in the high-end segment as they tend to cater to international arrivals that have increased substantially recently.

Fig 9: CENTEL, ERW and MINT's average room rates (ARR) above pre-Covid in 3Q22, indicating high pent-up demand



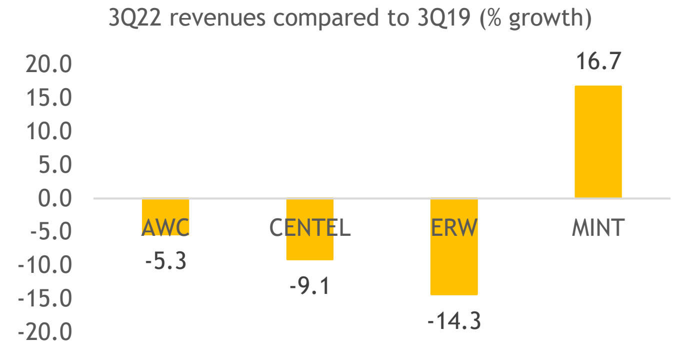
** For ERW, excluding Hop Inn*
Source: Company data

Exceptionally high room rates in 2Q22 and 3Q22 may be indicators of pent-up demand. In 3Q22, compared to pre-Covid 3Q19, MINT's ARR was the strongest at 35% higher than pre-Covid - followed by CENTEL at 7.5% higher and then ERW 3.3%.

Because of the exceptionally good ARR, AWC, CENTEL and ERW recorded solid revenue growth both QoQ and YoY in 3Q22 at only 5.3-14.3% below Covid levels. For MINT, revenues in 3Q22 exceeded pre-Covid 3Q19 by 16.7%. Despite the good revenue growth, AWC and ERW were loss-making in 3Q22. CENTEL was profitable but only due to the restaurant business (THB177m profit), whereas the hotel business made a loss of THB150m. Only MINT made a good profit of THB2b in 3Q22.

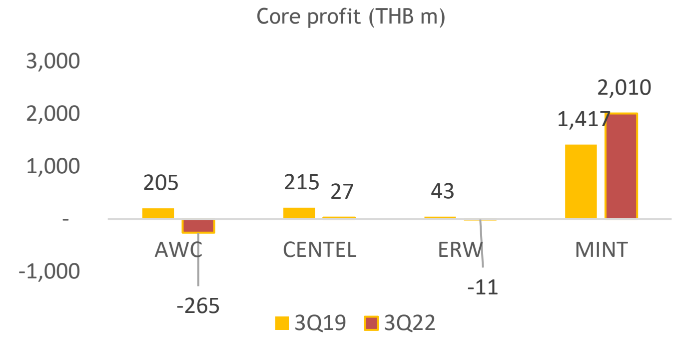
Poor profitability in 3Q22, despite good revenue growth, was a result of higher costs that led to stagnant EBITDA margins, especially in the hotel business. We anticipate that inflation in Thailand may ease in FY23E, and forecast all Thai tourism names to turn profitable in FY23E. But rising costs is a risk that could see them underperform in FY23E.

Fig 10: While 3Q22 revenues were similar to 3Q19...



Source: Companies

Fig 11: .. profitability underwhelmed due to cost pressure. Only MINT saw a better profit than in 3Q19.



Source: Companies

3. Expect moderate RevPar growth in FY23E, driven by occupancy

We estimate that hoteliers' FY23 RevPar could increase by 39% on average (Fig 14). Unlike FY22E when average room rates (ARR) surged by 34% (Fig 13), we believe that ARR will recover by a more modest 12% in FY23E, due to the high base discussed earlier. In sum, we believe that RevPar growth in FY23E will be driven by improvement in occupancy (Fig 12) and not so much by higher ARRs as happened in FY22E.

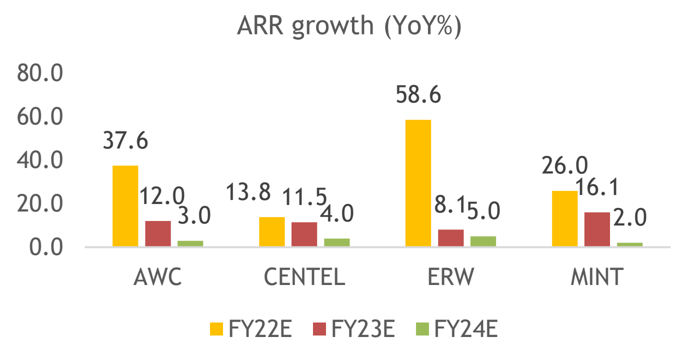
In terms of occupancy, we expect all hoteliers to see full recovery in FY24E. In FY23E, we expect CENTEL to have the best occupancy, due to healthy occupancy in Maldives (8% of total revenues) that with occupancies of around 80-90% has always outperformed Thai hotels at 70-80%. We also expect ERW to have decent occupancy of 72% in FY23E, followed by AWC at 63%, due to the recovery in its Thai hotels. For MINT, we expect occupancy of 64%, the lowest among Thai hoteliers under our coverage. This is because, its hotels in Europe have lower occupancies than Thai hotels. In pre-Covid FY19, MINT registered occupancy of 69%.

Fig 12: Occupancy surged in FY22E, following reopening in November 21

Occupany (%)	FY19	FY20	FY21	FY22E	FY23E	FY24E
AWC	76	23	19	50	63	76
CENTEL	77	28	25	53	75	78
ERW	77	34	23	55	72	76
MINT	69	28	36	62	64	69

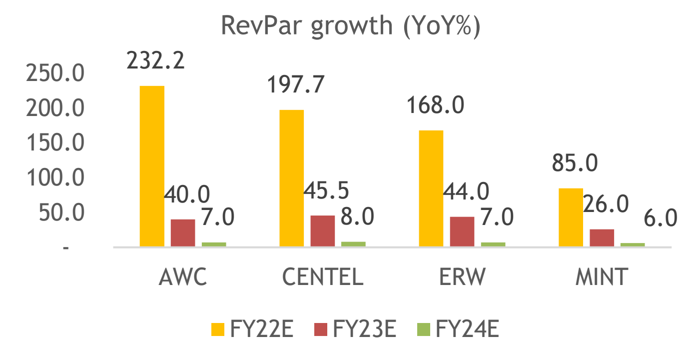
Source: Companies, MST

Fig 13: Average Room Rate (ARR) growth seen highest in FY22E, after reopening before normalising in FY23E and FY24E



Source: MST

Fig 14: RevPar growth in FY23E and FY24E should be driven by occupancy, rather than ARR such as in FY22E



Source: MST

4. Domestic travel growth likely to trail international in FY23E

We expect domestic demand to recover in FY23E but not as much as in FY22E, as domestic travels resumed faster than international travel. Additionally, the government may spend less to stimulate domestic travel in FY23E. We think this makes sense as Covid eases. We expect the government to spend only THB7.2b on its 'We Travel Together' scheme in FY23, far less than about THB17.7b in FY22 (Fig 15).

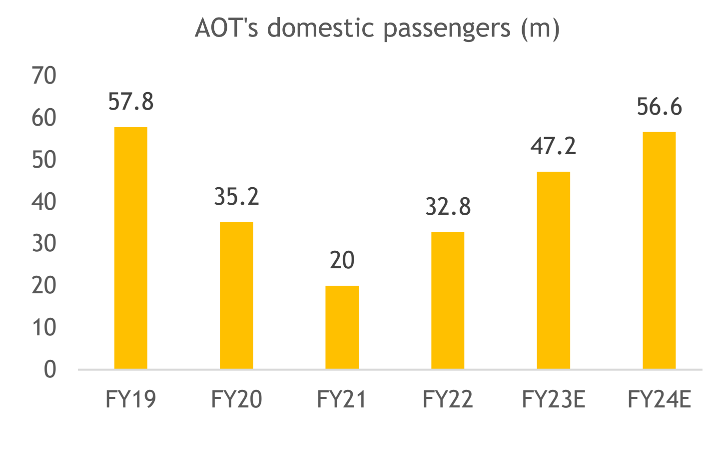
Under this scheme, we believe ERW will be the biggest beneficiary given its focus on hotels in Thailand with about 90% of revenue contribution from different segments. Additionally, ERW has a budget segment, Hop Inn, which caters to domestic travelers that could continue to benefit from the scheme.

Fig 15: Thai government's 'We Travel Together' campaign helped subsidise and increase domestic travel

	Period	Government's subsidies (THB m)	Number of users	Details
Phase 1	1 July 2020- 31 August 2020	11,200	1.2m	40% subsidies for hotel rooms, up to THB3,000 a night 40% subsidies for food, up to THB600 a day 40% subsidies for air tickets up to THB1,000
Phase 2	1 September 2020- 30 April 2021	5,000	1m	40% subsidies for hotel rooms, up to THB3,000 a night 40% subsidies for food, up to THB900 a day 40% subsidies for air tickets up to THB2,000
Phase 3	15 Oct 2021 - 31 Jan 2022	9,025	1.1m	40% subsidies for hotel rooms, up to THB3,000 a night 40% subsidies for food, up to THB600 a day 40% subsidies for air tickets up to THB3,000
Phase 4	8 July - 31 Oct 2022	13,200	1.5 m	40% subsidies for hotel rooms, up to THB3,000 a night 40% subsidies for food, up to THB600 a day 40% subsidies for air tickets up to THB3,000
Phase 5	1H23	7,200	2m	40% subsidies for hotel rooms, up to THB3,000 a night 40% subsidies for food, up to THB600 a day

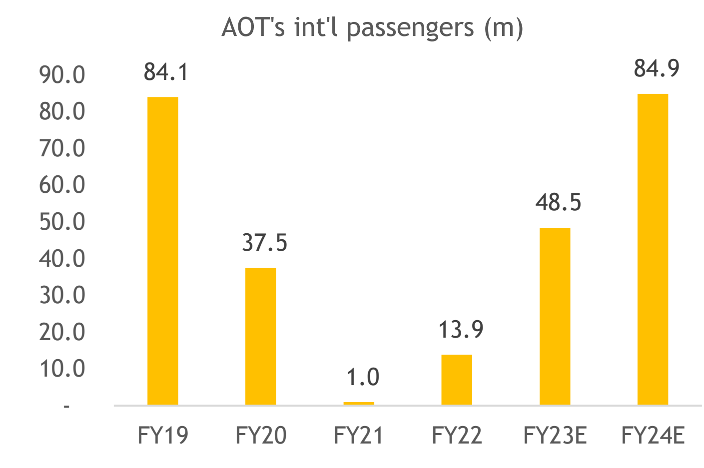
Source: MST

Fig 16: Domestic travel has recovered ahead of international travel and hence, the growth should be less stark in FY23E



Source: AOT

Fig 17: International passenger recovery lags that of domestic and should be the growth driver of tourism in FY23E



Source: AOT

5. AOT ends discounts to suppliers in FY23E

In line with AOT's guidance, we expect AOT's international passengers to grow 249% YoY to 48.5m in FY23E whereas domestic passengers should only rebound 44% to 47.2m due to the high base in FY22. We note that domestic travels has recovered before international travel and hence, there is less room for growth in FY23E. According to AOT's projections, both should recover to pre-Covid levels in FY24E.

The good recovery in international passengers should be particularly beneficial to AOT for two reasons. First, AOT earns THB700 per international passenger in terms of passenger service charge (PSC) compared to THB100 per domestic traveler. Second, AOT earns duty free from international passengers but not domestic travellers. From April 2023 onwards, AOT will receive THB233.40 per international passenger from King Power at Suvarnabhumi airport.

Fig 18: King Power's duty-free concession will be based on the 'sharing per head' revenue model, with the highest revenue per passenger at BKK airport

	Sharing per head (THB)
Duty free (BKK)	233.4
Duty free (HKT, CNX, HDY)	127.3
Commercial activities (BKK)	71.99

Source: AOT

Additionally, AOT will end the 50% discount to suppliers at its airports such as the 50% discounts to airlines for landing and parking fees as well as 50% discounts to tenants at its airport.

For these reasons, we believe that AOT can turn profitable in FY23E at THB11.5b, from a loss of THB11.2b in FY22E.

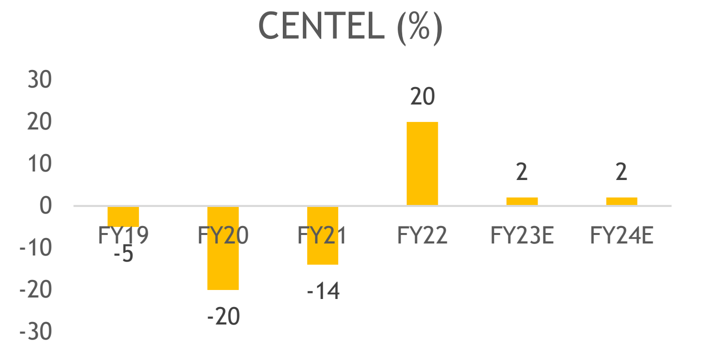
6. Restaurant SSSG could normalize in FY23E

Both CENTEL's and MINT's restaurants sales have surged in FY22, due to easing Covid in Thailand as well as in Australia where MINT also has restaurant outlets.

In FY22E, MINT's same-store-sales growth (SSSG) could be 8% less than CENTEL's 20% owing to its operations in China (6% of restaurant sales contribution) which have been affected by the lockdowns.

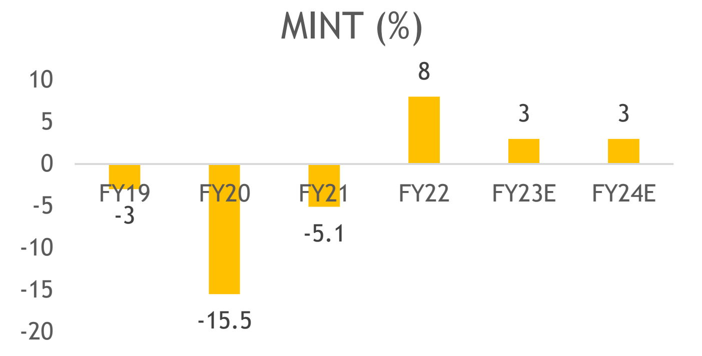
In FY23E, we expect MINT to register 3% SSSG higher than CENTEL's 2% due to the lower base in FY22E. We also expect MINT's restaurants in China to be relatively less impacted by lockdowns in FY23E.

Fig 19: CENTEL's SSSG outperformed MINT's in FY22E due to its sole focus on Thailand…



Source: CENTEL, MST

Fig 20:.. whereas about 6% of MINT's restaurants are in China and affected by the lockdowns in FY22E.



Source: MINT, MST

7. Financial analysis

After three years of deep losses, we expect Thai tourism names to turn profitable in FY23E as occupancy and room rates recover.

Despite this, we believe Thai tourism operators will not see their profits reach pre-Covid FY19 levels until FY24E. In our view, CENTEL could have the best earnings visibility (71% of pre-Covid FY19), followed by MINT (67%), AOT (47%), ERW (38%) and AWC (25%).

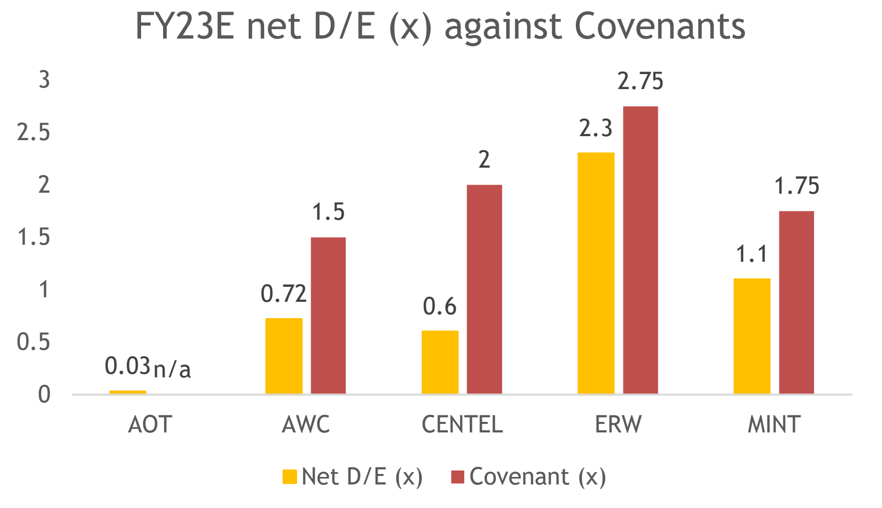
Given the recovery to profitability for all, we believe high leverage, especially in the case of ERW and MINT could be less of a concern. We expect all of the operators meet their debt covenants in FY23E.

Fig 21: All tourism names should post a profit in FY23E due to the further recovery in global tourism

	FY23E core profit (THB m)	FY22E core profit (THB m)	Details
AOT	11,483	(11,169)	A turnaround in profit driven by international passengers as well as the end of 50% discount to suppliers at end of March 23.
AWC	163	(819)	Driven by recovery in international arrivals.
CENTEL	1,219	354	Driven by recovery in international arrivals. Restaurant business could see moderate growth given the high base in FY22E
ERW	174	(710)	Driven by recovery in international arrivals.
MINT	1,619	(9,552)	Driven by the continuous hotel recovery in Europe. Restaurant business could see moderate growth given the high base in FY22E.

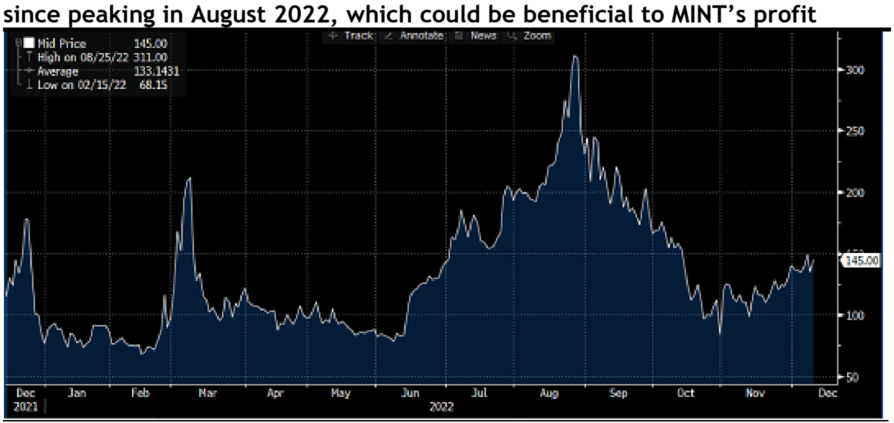
Source: MST

Fig 22: We expect all Thai tourism companies to meet net D/E covenants in FY23E



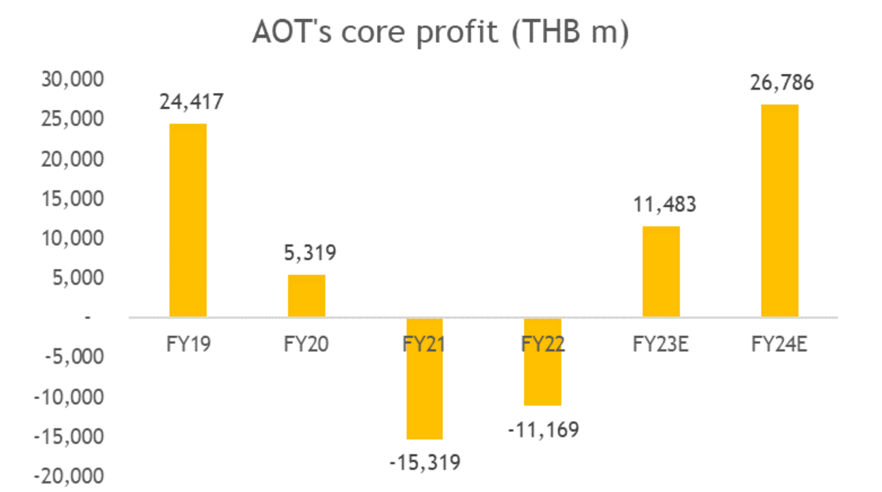
Source: Companies, MST

Fig 23: Europe's gas prices (as reflected through TTF) have declined sharply since peaking in August 2022, which could be beneficial to MINT's profit



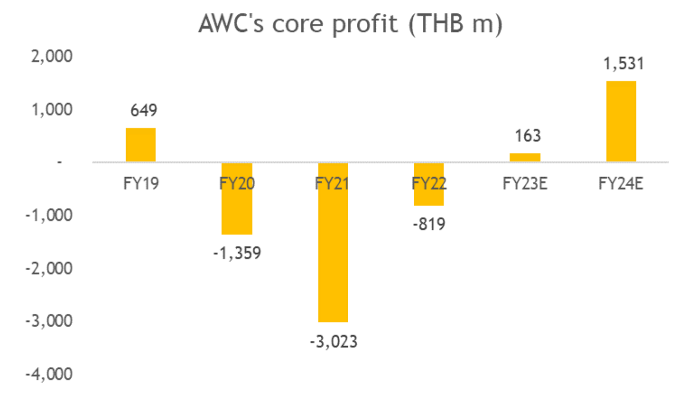
Source: Bloomberg

Fig 24: AOT's core profit trend



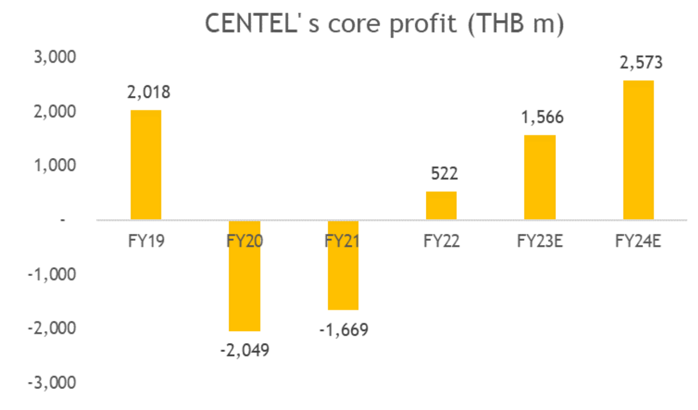
Source: AOT, MST

Fig 25: AWC's core profit trend



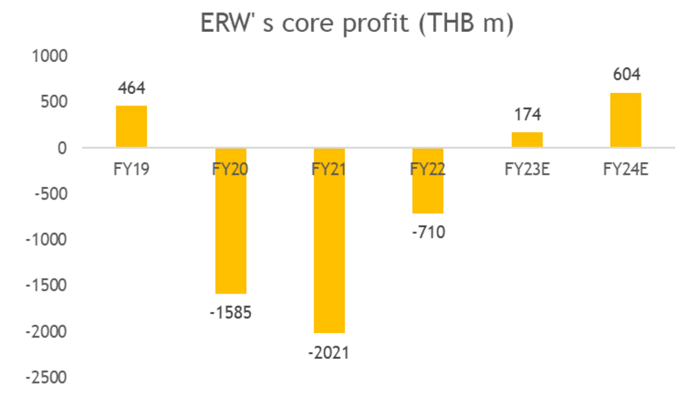
Source: AWC, MST

Fig 26:CENTEL's core profit trend



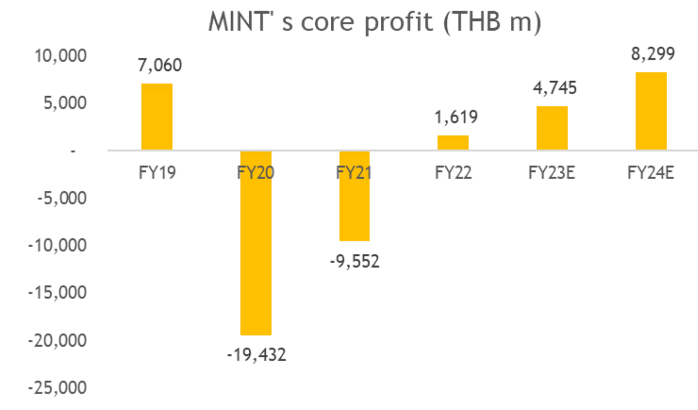
Source: CENTEL, MST

Fig 27: ERW's core profit trend



Source: ERW, MST

Fig 28:MINT's core profit trend



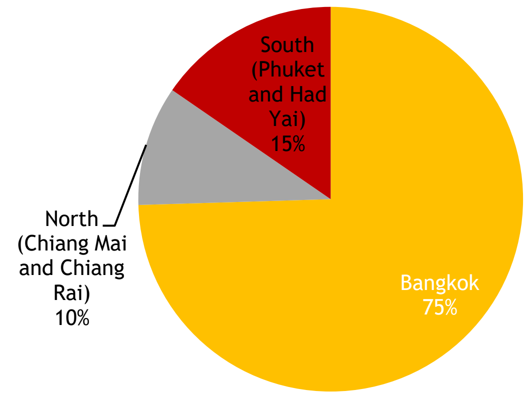
Source: MINT, MST

In terms of revenue structure, AOT and ERW earn nearly all of the revenues from Thailand and hence, should be the most to benefit if Thailand's recovery is better-than-expected in FY23E, for example, if China reopens in early FY23E.

MINT has 49% of revenues from the hotels in Europe and could be exposed to the recession risk in Europe. However, we still believe that they have the best earnings visibility with the high profitability shown in 3Q22. Additionally, 50-60% of MINT's visitors in Europe are domestic travelers that could be more resilient than Thailand hotels who cater mostly (80-90%) to international travelers.

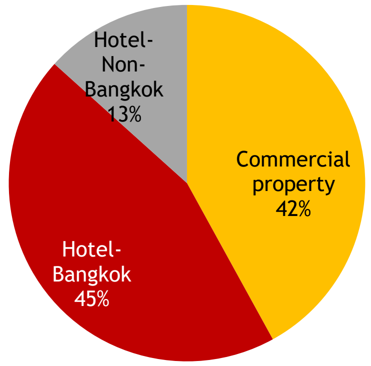
CENTEL has about 60% from the restaurant business that could be more resilient than the hotel business. As for AWC, the commercial property accounts for 42% of the revenues and could see steady recovery in FY23E.

Fig 29: All of AOT's revenues are in Thailand



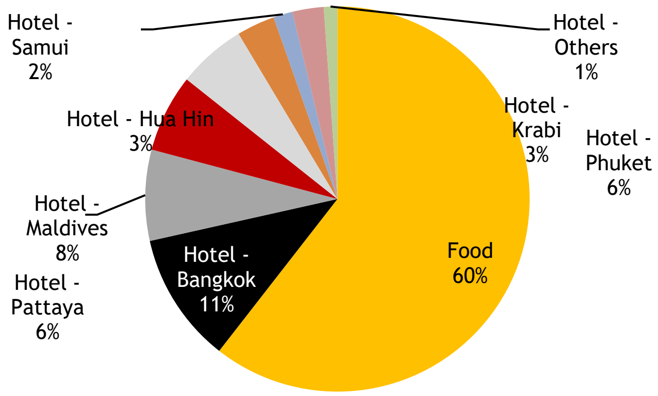
Source: AOT, Maybank IBG Research's estimates (by number of passengers)

Fig 30: For AWC, about 58% of normalised revenues are from the hotel segment and it could be hurt by fewer international arrivals



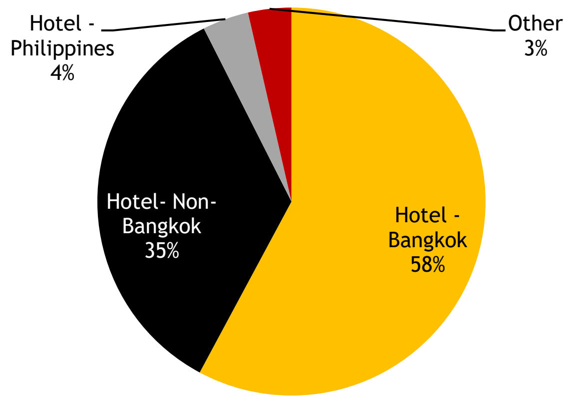
Source: AWC

Fig 31: CENTEL's revenues could be the most resilient as 60% of normalised income is from the food business



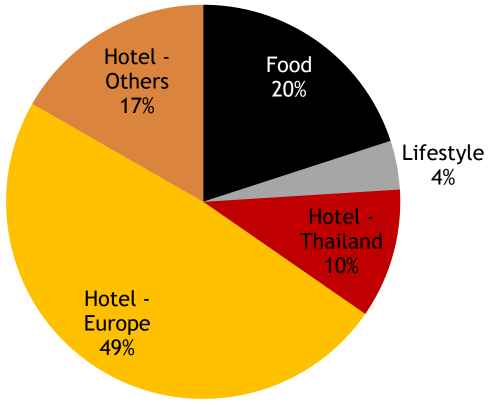
Source:CENTEL

Fig 32: Nearly all of ERW's revenues are in the hotel business, most of which are in Thailand



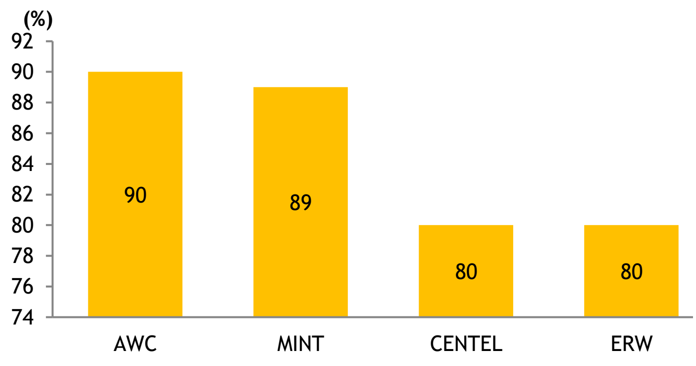
Source: ERW

Fig 33: MINT's hotel business accounts for nearly half of total normalised revenues and could be the most impacted



Source: MINT

Fig 34: Hotels in Thailand rely significantly on international travelers, accounting for 80-90% of revenues



Source: Company data (For MINT, this is Thailand)

8. Valuation and key risks

We use DCF (FY23E base year) to value all the Thai tourism names. We expect all Thai tourism names to return to profitability, but still be below their pre-Covid FY19 levels. We project all companies to return to pre-Covid FY19 profitability in FY24E. Yet, based on FY24E valuations, we feel ERW, AWC and CENTEL are overpriced, trading at 30.9-129.5x FY24E, when there is so much uncertainty about the recovery. AOT is trading at 39.2x FY24E P/E on par with its long-term average and thus, our HOLD recommendation. Only MINT has an undemanding valuation of 19.2x FY24E P/E, the cheapest among Thai tourism names under coverage. Coupled with the highest earnings visibility (reflected through the high core profit of THB2b in 3Q22, the best among Thai tourism names), it is our Top Pick in the Thai tourism sector. We also feel high gas prices (Fig 23) which are a key risk to its hotel operations in Europe, may be on a declining trend and this could be a positive catalyst to its share price.

The key risks are: 1) potential global recession which could hurt the Thai tourism recovery, and 2) especially for MINT, the high fuel costs in Europe which could be hurt its profitability.

Fig 35: Peer summary – 9 December 2022

		Market Cap	Price	PE (x)		P/BV (x)		EPS Gr (%)		Div Yield (%)		ROE (%)		Share Price Performance			
BB Ticker	Name	USDm	LC	22E	23E	22E	23E	22E	23E	22E	23E	22E	23E	1M	3M	6M	YTD
AOT TB	AIRPORTS OF THAILAND PCL	30,233	73.50	95.5	37.8	9.33	8.08	200.5	152.9	0.6	1.7	10.5	23.3	(3.0)	1.0	6.9	20.5
CENTEL	CENTRAL PLAZA HOTEL PCL	1,866	48.00	210.5	43.9	3.49	3.36	nm	379.8	0.1	0.7	1.5	8.2	(4.5)	1.6	12.3	53.6
M TB	MK RESTAURANTS GROUP PCL	1,525	57.50	32.9	22.7	3.89	3.79	1,198.1	44.7	2.8	4.0	12.1	16.8	0.4	(3.0)	12.7	10.6
MINT TB	MINOR INTERNATIONAL PCL	4,671	30.75	126.5	35.2	2.42	2.33	nm	259.7	0.0	0.8	2.3	7.0	(1.6)	0.8	(12.8)	7.0
ERW TB	ERAWAN GROUP PCL/THE	582	4.46	n.m.	63.7	3.54	3.39	79.3	nm	0.0	0.3	(8.0)	5.7	(0.9)	13.2	18.0	48.7
AWC TB	ASSET WORLD CORP PCL	5,713	6.20	344.4	137.8	2.46	2.46	125.2	(150.0)	0.4	0.3	0.6	1.8	1.6	5.1	25.5	33.6
SHR TB	S HOTELS & RESORTS PCL	410	3.96	n.m.	44.5	0.91	0.90	87.8	nm	0.0	0.8	(0.6)	2.0	2.6	3.1	(12.8)	32.0
DUSIT TB	DUSIT THANI PUBLIC CO LTD	274	11.20	n.m.	n.m.	3.61	3.76	59.9	87.5	0.0	0.4	(22.4)	(4.6)	4.7	(8.9)	14.3	10.9
VRANDA TB	VERANDA RESORT PCL	65	7.05	705.0	28.2	1.17	1.14	nm	2,400.0	0.1	1.4	0.2	4.0	(9.0)	(2.8)	(3.4)	13.7
69 HK	SHANGRI-LA ASIA LTD	2,847	6.19	n.m.	36.1	6.92	6.73	28.5	nm	0.0	0.0	(3.1)	1.8	30.4	0.0	(0.8)	(5.2)
	Average (simple)			**252.5**	**50.0**	**3.8**	**3.6**	**254.2**	**453.5**	**0.4**	**1.0**	**(0.7)**	**6.6**				

Source: Bloomberg

Appendix

9. 3Q22 recap and 4Q22 outlook

In 3Q22, all Thai tourism names were loss-making except MINT which registered a decent core profit of THB2b, owing to the recovery in its hotels in Europe. Thai hoteliers saw a good recovery QoQ, in terms of revenues, driven by the easing of entry rules since July 2022. However, EBITDA margins disappointed as costs soared especially for hotel operations. This was the main reason why they were loss-making, despite decent revenue recovery.

Fig 36: 3Q22 review

	Core profit (THB m)	% QoQ	% YoY	Details
AOT	-1,057	-40	-74	Narrower loss but still a loss as the 50% discount to suppliers still applied in this quarter.
AWC	-265	-31	-75	Narrower loss due to better RevPar but EBITDA margin missed
CENTEL	27	-16	-104	Narrower loss because of the recovery in the food business. Hotel EBITDA margin disappointed.
ERW	-11	-92	-98	Narrower loss due to better RevPar but EBITDA margin missed
MINT	2,010	67	-184	Better profit from the recovery in hotel operations in Europe.

Source: MST

In 4Q22, we expect all Thai tourism names to return to profitability as we expect revenues to recover substantially QoQ and YoY due to high seasonality.

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

LEE Ju Ye
Singapore | Thailand | Indonesia
(65) 6231 5844
leejuye@maybank.com

Dr Zamros DZULKAFLI
(603) 2082 6818
zamros.d@maybank-ib.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Brian LEE Shun Rong
(65) 6231 5846
brian.lee1@maybank.com

Luong Thu Huong
(65) 6231 8467
hana.thuhuong @maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionalim@maybank.com

Alan Lau
(65) 6320 1378
alanlau@maybank.com

Shaun Lim
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

CHAN Han Chin
(603) 2297 8888
hanchin.chan@maybank-ib.com

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas Services- Regional
• Automotive

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming – Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Petrochemicals • Technology

Shafiq KADIR, CFA
(603) 2297 8691
msshafiqk.abkadir@maybank-ib.com
• Healthcare • Software

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Shipping

Eugene HOO Yee Hui
(603) 2082 6819
eugene.hoo@maybank.com

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858 szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769 amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840 thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

Eric ONG
(65) 6231 5924 ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837 kelvintan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845 jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848 jarick.seet@maybank.com
• Technology

PHILIPPINES

Jacqui de JESUS *Head of Research*
(63) 2 8849 8840
jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Miguel SEVIDAL
(63) 2 8849 8844
miguel.sevidal@maybank.com
• REITs • Property • Gaming

Fiorenzo de JESUS
(63) 2 8849 8846
fiorenzo.dejesus@maybank.com
• Utilities

THAILAND

Malcolm LUI, CFA *Head of Research*
(66) 2658 6300 ext 1399
malcolm.lui@maybank.com
• Strategy

Jesada TECHAHUSDIN, CFA
(66) 2658 6300 ext 1395
jesada.t@maybank.com
• Banking & Finance

Yuwanee PROMMAPORN
(66) 2658 6300 ext 1393
Yuwanee.P@maybank.com
• Services • Healthcare

Wasu MATTANAPOTCHANART
(66) 2658 6300 ext 1392
wasu.m@maybank.com
• Telcos

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
Surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Jaroonpan WATTANAWONG
(66) 2658 5000 ext 1404
jaroonpan.w@maybank.com
• Transportation • Small cap

INDONESIA

Jeffrosenberg CHENLIM *Head of Research*
(62) 21 8066 8680
Jeffrosenberg.lim@maybank.com
• Strategy • Banking & Finance

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Richard SUHERMAN
(62) 21 8066 8691
richard.suherman@maybank.com
• Metals & Mining

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos

Satriawan, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8088
loi.nguyen@maybank.com
• Industrials

Nguyen Thi Ngan Tuyen
Head of Retail Research
(84 28) 44 555 888 ext 8081
tuyen.nguyen@maybank.com
• Retail Research

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Chartist

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

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 evaluation 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 may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute 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 Thaipat Institute that is 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, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA – Broker ID 27861. **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 14 December 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 14 December 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 14 December 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Definition of Ratings

Maybank IBG Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
HOLD	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
SELL	Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

Malaysia

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

Singapore

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

London

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

Hong Kong

MIB Securities (Hong Kong) Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

Indonesia

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

India

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

Philippines

Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888
Fax: (63) 2 8848 5738

Thailand

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

Vietnam

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

Sales Trading

Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank.com
Tel: (65) 6636-3620
US Toll Free: 1-866-406-7447

Indonesia
Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

London
Greg Smith
gsmith@maybank.co.uk
Tel: (44) 207-332-0221

Philippines
Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

India
Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

www.maybank.com/investment-banking
www.maybank-keresearch.com