Dusit Thani (DUSIT TB)

Faster-Than-Expected Residence Transfer To Boost Earnings

Highlights

- We attended DUSIT's analyst meeting to review its 3Q26 results and the tone was positive.
- Progress of the Dusit Residences transfers is faster than our expectation, and should be a key earnings driver for 4Q26 and 2027.
- 4Q26 outlook remains robust, supported by strong hotel bookings and further transfers of Dusit Residences. Maintain BUY with a higher target price of Bt14.50. (previously Bt13.50)

Analysis

- **Positive tone during analyst meeting.** We attended Dusit Thani's (DUSIT) analyst meeting to review its 3Q26 results and the tone was positive.
- **4Q26 outlook remains strong.** We note that hotel business is performing strongly, with an Oct 26 occupancy rate of 75% and high single-digit yoy growth in average daily rate (ADR). The strongest performer remains Dusit Thani Bangkok, with a 70-80% occupancy rate and an ADR uplift of at least teens yoy. Hotel bookings in Nov-Dec 26 remain positive yoy, and management has not seen any impact or cancellations from Chinese guests despite news of security concern. The Dusit Residences and Dusit Parkside unit transfers remain as another strong supportive factor for 4Q26.
- **Faster-than-expected unit transfer of Dusit Residences.** With 98% of Dusit Residence units sold as of end-3Q26, DUSIT targets 100% sales by year-end, while transfers have reached 39% of the Bt17.6b project value. The speed of the transfers accelerated massively in 3Q26, nearly matching our expectation and assumption of 40% for end-26. We revise our expected transfer progress up to 57% by end-26 and full completion by end-27. Our transfer progress target remains slightly below the revised guidance of the management at 60-65% by end-26. The progressive recognition of residential sales should provide a significant earnings uplift, underpinning our earnings upgrades for 2026-27. Meanwhile, the project's high-margin nature should support profitability and operating leverage. Net margin expected at 15-20%.
- **Better-than-expected ramp-up at Dusit Thani Bangkok.** Dusit Thani Bangkok is ramping up ahead of expectations, with occupancy already reached 80% in Jul-Aug 26 vs the 75% target. Hence, management has increased the 2026 target to 77%. Bookings in 4Q26 remain strong and should drive the occupancy rate above the new target.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	10,983	8,932	18,613	17,314	10,583
EBITDA	1,478	1,551	3,650	3,557	2,377
Operating profit	514	473	2,597	2,507	1,328
Net profit (rep./act.)	(237)	(453)	1,369	1,455	871
Net profit (adj.)	(237)	(453)	1,369	1,455	871
EPS (Bt)	(0.3)	(0.5)	1.6	1.7	1.0
PE (x)	n.a.	n.a.	6.3	5.9	9.9
P/B (x)	1.3	1.4	1.1	0.9	0.9
EV/EBITDA (x)	14.2	13.5	4.6	4.7	7.0
Dividend yield (%)	0.0	0.0	0.0	8.5	5.1
Net margin (%)	(2.2)	(5.1)	7.4	8.4	8.2
Net debt/(cash) to equity (%)	207.2	251.5	75.4	31.1	69.4
Interest cover (x)	2.7	2.3	6.1	6.9	5.4
ROE (%)	(4.5)	(6.5)	18.5	16.5	9.0
Consensus net profit (Btm)	-	-	-	-	-
UOBKH/Consensus (x)	-	-	-	-	-

Source: DUSIT, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt10.10
Target Price	Bt14.50
Upside	43.6%
Previous TP	Bt13.50

Stock Data

Sector	Discretionary
Bloomberg ticker	DUSIT TB
Shares issued (m)	850.0
Market cap ({{Curr}}m)	8,585.0
Market cap (US$m)	252.9
3-mth avg daily t'over (US$m)	0.0

Price Performance (%)

52-week high/low				Bt12.70/Bt9.80
1mth	3mth	6mth	1yr	YTD
(2.9)	(9.8)	(1.9)	(8.2)	(7.3)

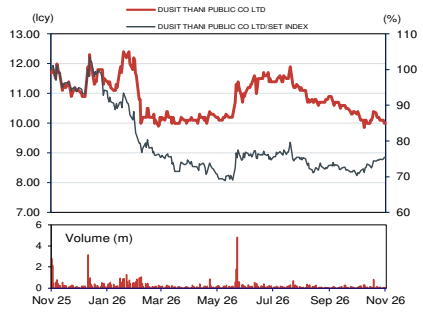
Major Shareholders (%)

Chanat Family Account	49.8
Central Pattana	17.1

Balance Sheet Metrics

FY26 NAV/Share (Bt)	9.52
FY26 Net Debt/Share (Bt)	7.18

Price Chart



Source: Bloomberg

Company Description

Dusit Thani owns and operates the Dusit and the Royal Princess chains of hotels and resorts. Its hotels are located in Bangkok and provinces famous for tourist attractions. The company also operates hotels in Indonesia, the Philippines, and Dubai. Additionally, it develops condominiums for sales and rental.

- **Sharp deleveraging from faster project finance repayment.** Given the faster-than-expected transfers of Dusit Residences, DUSIT will be able to use the sales proceeds to repay the project finance sooner, with 50% of residence proceeds allocated to debt repayment. Following the strong transfer progress in 3Q26, approximately Bt2.8b of project funding remains. IBD/E has already fallen from 1.27x in 2Q26 to 0.90x in 3Q26, and we expect this to reach 0.70x by end-26; meanwhile, the lower cost of debt at 4.6% vs 4.8% in 2025 should support earnings. Deleveraging and lower funding costs should drive earnings and balance sheet recovery. Meanwhile, on the asset-light expansion, DUSIT is keen to open around seven hotels in this year.
- **Growth opportunity in bilingual school catering.** Epicure, DUSIT's catering business, has recently secured new contracts with international schools across Thailand, Vietnam, and Hong Kong. This will support continued yoy growth in daily meals served in 3Q26, with three net new catering contracts. DUSIT is actively exploring new markets to sustain Epicure's growth, with bilingual schools representing a largely untapped opportunity. Thailand has 257 international schools with approximately 93,000 students, compared with more than 630 bilingual schools that remain largely unpenetrated. Entering this segment would expand DUSIT's customer base beyond traditional international schools and create additional recurring revenue streams. We view bilingual schools as a promising growth avenue that could sustain catering revenue growth and enhance Epicure's business scalability.

Earnings Revision

- **We revise our 2026-28 earnings.** We have revised our 2026-27 earnings up by 67% and 27% respectively, but down by 3% for 2028 to reflect the change in residence transfer timeline and the stronger-than-expected hotel margins.

Earnings Revision

	2026F			2027F			2028F		
(Btm)	New	Old	% chg	New	Old	% chg	New	Old	% chg
Total revenue	18,247	15,282	19.4%	16,940	16,383	3.4%	10,202	13,724	-25.7%
Gross profit	5,598	4,431	26.3%	5,274	4,912	7.4%	3,054	4,063	-24.8%
SG&A	3,157	2,827	11.7%	2,931	3,031	-3.3%	1,898	2,690	-29.5%
Net profit	1,369	820	67.0%	1,455	1,147	26.8%	871	894	-2.6%
Margin	New	Old	ppt chg	New	Old	ppt chg	New	Old	ppt chg
Gross margin	30.7%	29.0%	1.68	31.1%	30.0%	0.30	29.9%	29.6%	0.33
SG&A to sales	17.3%	18.5%	-1.20	17.3%	18.5%	0.19	18.6%	19.6%	-1.00
Net profit margin	7.5%	5.4%	2.14	8.6%	7.0%	0.07	8.5%	6.5%	2.02

Source: DUSIT, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt14.50 (previously Bt13.50).** Our valuation is based on 2027 target of 1.1x P/B, around 1SD below the five-year historical mean. The faster-than-expected Dusit Residences transfer progress is beneficial in both driving revenue and allowing DUSIT to deleverage more aggressively. Hotel bookings remain strong during the high travel season, especially for the Dusit Thani Bangkok.

Environment, Social, Governance (ESG) Updates

Environmental

- **Focuses on energy efficiency and renewable energy**, with carbon-footprint measurement incorporated into the Tree of Life framework.
- **Waste & resources.** Initiatives include reducing food waste and single-use plastics, waste segregation, water savings/recycling

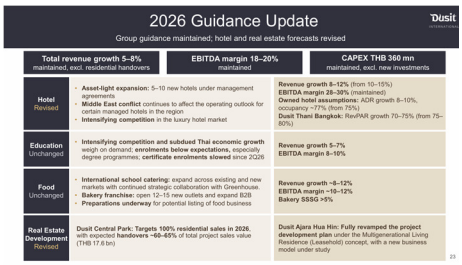
Social

- **Emphasises employee wellbeing**, safety, diversity and inclusion, alongside human-rights due diligence across its businesses.

Governance

- **Risk & compliance.** Sustainability is supported by governance structures, policies and risk-management, with compliance and risk mitigation.

Update 2026 Guidance



Source: DUSIT

Asset-light Expansion



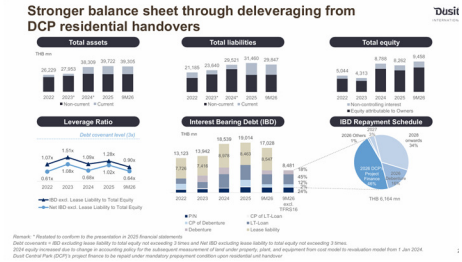
Source: DUSIT

Catering Business



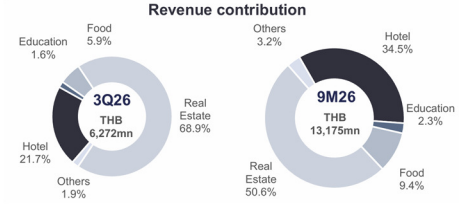
Source: DUSIT

Debt Profile



Source: DUSIT

Revenue Contribution By Business



Source: DUSIT

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**8,932**	**18,613**	**17,314**	**10,583**
EBITDA	1,551	3,650	3,557	2,377
Deprec. & amort.	1,078	1,052	1,050	1,049
EBIT	473	2,597	2,507	1,328
Total other non-operating income	(153)	0	0	0
Associate contributions	14	200	210	170
Net interest income/(expense)	(677)	(599)	(516)	(440)
Pre-tax profit	**(343)**	**2,199**	**2,201**	**1,058**
Tax	(127)	(400)	(398)	(178)
Minorities	18	(430)	(348)	(10)
Net profit	(453)	1,369	1,455	871
Net profit (adj.)	**(453)**	**1,369**	**1,455**	**871**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	24,361	23,679	23,021	22,387
Other LT assets	3,008	3,606	3,586	3,115
Cash/ST investment	2,100	6,826	8,847	4,515
Other current assets	10,254	7,337	3,740	2,306
Total assets	**39,722**	**41,448**	**39,194**	**32,323**
ST debt	5,311	3,188	3,188	3,188
Other current liabilities	7,517	7,968	5,769	3,202
LT debt	13,703	9,739	8,633	8,050
Other LT liabilities	4,930	10,492	9,741	5,866
Shareholders' equity	6,726	8,095	9,550	9,693
Minority interest	1,536	1,966	2,314	2,324
Total liabilities & equity	**39,722**	**41,448**	**39,194**	**32,323**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**2,137**	**6,220**	**4,250**	**796**
Pre-tax profit	(343)	2,199	2,201	1,058
Tax	(127)	(400)	(398)	(178)
Deprec. & amort.	1,078	1,052	1,050	1,049
Associates	(14)	(200)	(210)	(170)
Working capital changes	(3,200)	5,639	3,229	(461)
Non-cash items	4,877	(2,271)	(1,831)	(672)
Other operating cashflows	(133)	201	210	170
Investing	**(4,205)**	**4,593**	**(1,123)**	**(3,818)**
Capex (growth)	(975)	(371)	(392)	(414)
Investment	2,067	2,147	2,231	2,299
Others	(5,297)	2,817	(2,961)	(5,702)
Financing	**565**	**(6,087)**	**(1,106)**	**(1,310)**
Dividend payments	0	0	0	(727)
Proceeds from borrowings	474	(6,087)	(1,106)	(582)
Loan repayment	0	0	0	0
Others/interest paid	91	0	0	0
Net cash inflow (outflow)	(1,502)	4,727	2,021	(4,331)
Beginning cash & cash equivalent	3,601	2,099	6,826	8,847
Ending cash & cash equivalent	**2,099**	**6,826**	**8,847**	**4,515**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.4	19.6	20.5	22.5
Pre-tax margin	(3.8)	11.8	12.7	10.0
Net margin	(5.1)	7.4	8.4	8.2
ROA	(1.2)	3.4	3.6	2.4
ROE	(6.5)	18.5	16.5	9.0
Growth				
Turnover	(18.7)	108.4	(7.0)	(38.9)
EBITDA	5.0	135.3	(2.5)	(33.2)
Pre-tax profit	n.a.	n.a.	0.1	(51.9)
Net profit	n.a.	n.a.	6.3	(40.2)
Net profit (adj.)	n.a.	n.a.	6.3	(40.2)
EPS	n.a.	n.a.	6.3	(40.2)
Leverage				
Debt to total capital	69.7	56.2	49.9	48.3
Debt to equity	282.7	159.7	123.8	115.9
Net debt/(cash) to equity	251.5	75.4	31.1	69.4
Interest cover (x)	2.3	6.1	6.9	5.4

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