

16 JUNE 2021

THAILAND / TOURISM & LEISURE

MINOR INTERNATIONAL MINT TB

BUY

UNCHANGED

TARGET PRICE	THB38.00
CLOSE	THB33.00
UP/DOWNSIDE	+15.2%
PRIOR TP	THB38.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+13.5%

ธุรกิจโรงแรมในยุโรปฟื้นตัว

สัญญาณการฟื้นตัวใน 3Q21 นำโดยธุรกิจโรงแรมในยุโรป

เมื่อเร็ว ๆ นี้เราได้จัดประชุมกับ MINT ซึ่งทำให้เรามีความมั่นใจเกี่ยวกับแนวโน้มการฟื้นตัวของบริษัท ในช่วง 2H21 ธุรกิจโรงแรมในยุโรปควรฟื้นตัวตั้งแต่เดือน ก.ค. เป็นต้นไป ในขณะที่ธุรกิจในประเทศไทยทั้งโรงแรมและร้านอาหารควรฟื้นตัวใน 3Q21 นอกจากนี้กิจการร้านอาหารจีนและธุรกิจจอสัหงาย ที่รายงานผลประกอบการดีใน 1Q21 ก็จะเป็นตัวหนุนขาดทุนของ MINT ให้ลดลงได้

คาด EBITDA ของ NHH จะพลิกเป็นบวกใน 3Q21

เราคาดว่า NHH จะเป็นพอร์ตโรงแรมแห่งแรกที่พลิกฟื้นหลังมาตรการปิดเมืองและจำกัดการเดินทางค่อย ๆ ผ่อนคลายลงมาตั้งแต่เดือน พ.ค. โดยอัตราการเข้าพัก (OCC rate) ปรับตัวขึ้นเป็น 30% ณ สิ้นเดือน พ.ค. (เทียบกับ 14% ใน 1Q21) นอกจากนี้ MINT ยังคาดด้วยว่าแนวโน้มดังกล่าวจะอยู่ต่อเนื่องตลอดฤดูร้อน (ก.ค. - ต.ค.) ซึ่งเป็นฤดูท่องเที่ยวในยุโรป เราคาดว่า EBITDA ของ NHH จะพลิกเป็นบวกใน 3Q21 พร้อม OCC rate ที่ 55% (เทียบกับจุดคุ้มทุนที่ 33-40%) เราคาดว่าผลขาดทุนจากการดำเนินงานของ NHH ควรลดลงจากประมาณ 3.5-4.4 พัน ลบ. ใน 4Q20-1Q21 มาอยู่ที่ประมาณ 0.9-1.3 พัน ลบ. ในช่วง 3Q21-4Q21 ในขณะที่เดียวกันเราคาดว่าธุรกิจโรงแรมในประเทศไทยจะฟื้นตัวภายใน 4Q21

ความกังวลเกี่ยวกับฐานะทางการเงินควรบรรเทา

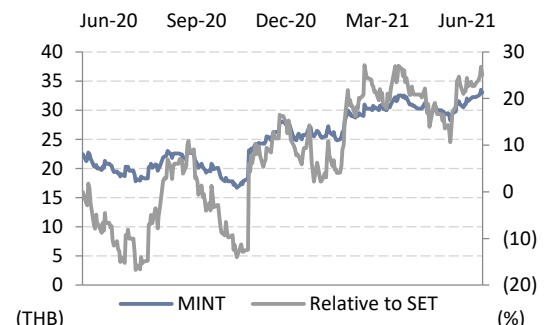
เรามีมุมมองที่เป็นบวกเกี่ยวกับฐานะทางการเงินของบริษัท MINT วางแผนออกหุ้นกู้มูลค่า 10 พัน ลบ. ภายในเดือนหน้า และจะขายสินทรัพย์โดยซ้ำกลับ (Asset Rotation) 2 รายการจะสำเร็จใน 2Q-3Q21 ซึ่งอาจทำให้บริษัท ได้เงินมากถึง 10-15 พัน ลบ. เมื่อรวมกับเงินสดในมือ 21 พัน ลบ. และสินเชื่อพร้อมใช้อีก 21 พัน ลบ. ณ สิ้นไตรมาส 1Q21 MINT จะมีกระแสเงินสดมากพอเทียบกับเงินสดที่ไหลออกราวเดือนละ 1 พัน ลบ. และหนี้อีกประมาณ 10 พัน ลบ. ที่จะครบกำหนดต้นปีนี้ 2021 นอกจากนี้ MINT ยังมีทางเลือกในการจัดการกับ Perpetual Bonds มูลค่า USD300 ล้าน ซึ่งมี Call Option สำหรับไถ่ถอนได้ภายในสิ้นปีนี้ประกอบด้วยการออกหุ้นกู้หรือ Perpetual Bonds ใหม่มาทดแทน มิฉะนั้น MINT สามารถทิ้ง Perpetual Bonds ดังกล่าวไว้โดยไม่ใช้สิทธิ Call Option และจ่ายอัตราดอกเบี้ยเพิ่มขึ้นเล็กน้อย ในภาพรวมเรามั่นใจกับการบริหารหนี้ของบริษัท

หนึ่งในหุ้นจับกระแสการท่องเที่ยวโลก

MINT มีการซื้อขายที่ระดับการประเมินมูลค่าที่น่าสนใจ โดยอยู่ที่ 11x ของค่า 2023E EV/EBITDA ต่ำกว่าค่าเฉลี่ยย้อนหลัง 5 ปีที่ 20x ราคาหุ้นสูงกว่ามูลค่าสินทรัพย์สุทธิที่ 31 บาทต่อหุ้นอยู่เพียงเล็กน้อย (6%) นอกจากนี้ราคาหุ้นยังปรับตัวน้อยกว่าหุ้นโรงแรมในยุโรปและสหรัฐ อยู่ที่ 7% และ 31% ตามลำดับ ช่องว่างดังกล่าวน่าจะลดลงหลังการฟื้นตัวของธุรกิจยุโรปและไทยของบริษัท ที่เราคาดว่าจะเกิดขึ้นในช่วง 2H21

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	55,858	63,175	96,837	122,650
Net profit	(21,407)	(12,828)	2,055	6,435
EPS (THB)	(4.13)	(2.48)	0.40	1.15
vs Consensus (%)	-	nm	(20.8)	3.0
EBITDA	492	7,592	25,558	33,567
Core net profit	(19,388)	(12,828)	2,055	6,435
Core EPS (THB)	(3.74)	(2.48)	0.40	1.15
Chg. In EPS est. (%)	nm	nm	-	-
EPS growth (%)	nm	nm	nm	190.4
Core P/E (x)	(8.8)	(13.3)	83.2	28.7
Dividend yield (%)	-	-	0.4	1.2
EV/EBITDA (x)	783.5	50.8	14.7	11.4
Price/book (x)	2.6	3.2	3.0	3.7
Net debt/Equity (%)	268.3	329.0	302.6	322.7
ROE (%)	(27.2)	(21.2)	3.7	12.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	11.9	7.3	46.3
Relative to country (%)	9.3	3.9	27.7
Mkt cap (USD m)	6,096		
3m avg. daily turnover (USD m)	20.2		
Free float (%)	86		
Major shareholder	Minor Holdings (Thai) (16%)		
12m high/low (THB)	33.75/16.40		
Issued shares (m)	5,182.33		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 16 มิถุนายน 2021

Investment thesis

We believe MINT’s earnings have already passed the bottom and its operation is now in recovery mode. Its food business’ EBITDA and net profit have turned positive since 3Q20, while we expect its hotel business’ EBITDA to turn positive by 3Q21.

MINT already solved its liquidity issue after raising capital of THB9.9b and issuing perpetual bonds worth USD300m. This should be sufficient to pass this crisis. In addition, MINT recently received approval for the extension of its financial covenant testing waiver from its creditors for another two years until the end of 2022.

We expect MINT’s core profit to return to pre-Covid levels by 2023, with a potential upside from a better EBITDA margin arising from cost saving measures which should permanently reduce some expenses.

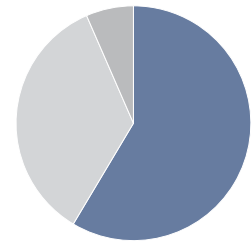
Company profile

MINT is one of the largest hospitality and leisure companies in the Asia Pacific region.

www.minor.com

Principal activities (revenue, 2020)

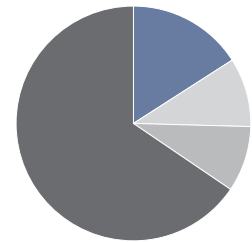
- Hotel & Mixed-use - 58.6 %
- F&B revenue - 34.9 %
- Retail revenue - 6.5 %



Source: Minor International

Major shareholders

- Minor Holdings (Thai) - 15.9 %
- Niti Osathanugrah - 9.5 %
- Thai NVDR - 9.1 %
- Others - 65.5 %



Source: Minor International

Catalysts

Key growth drivers include 1) a faster occupancy ramp-up rate following a global tourism recovery; 2) improving consumption and economic growth resulting in strong SSSG; and 3) the rollout of Covid-19 vaccines.

Risks to our call

Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Event calendar

Date	Event
Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Owned & leased hotels			
- Number of rooms (no.)	56,479	57,502	57,502
- Occupancy rate (OCC)	35	60	69
- RevPAR growth	38	93	36
Food business			
- Number of outlets (no.)	2,465	2,563	2,666
- Same-store sales growth (SSSG)	2	4	2
- Total system sales growth (TSSG)	6	8	6

Source: FSSIA estimates

Earnings sensitivity

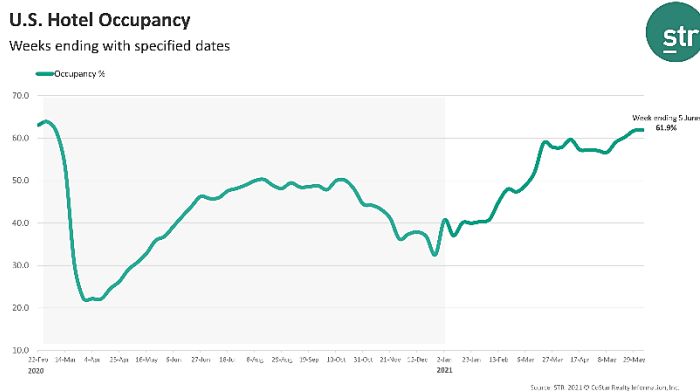
- For every 5% increase in OCC, we project a 2021 loss reduction of 42%, and vice versa, all else being equal.
- For every 5% increase in SSSG, we project a 2021 loss reduction of 8%, and vice versa, all else being equal.

Source: FSSIA estimates

European hotels recovery trend could follow US hotels

We believe that after the lockdown easing, hotels in Europe would have a similar magnitude of recovery as hotels in the US. According to STR, the occupancy (OCC) rate of US hotels has recovered to 62% over the week of 30 May to 5 June. This is the highest OCC rate since the beginning of the Covid-19 pandemic, while the average daily rate (ADR) was slightly lower than the pre-Covid level by 7% thanks to leisure demand. In terms of profitability, about 92% from the sample size of hotels were profitable on a GOP basis, and reached 60% compared to the 2019 level.

Exhibit 1: US hotel occupancy rate

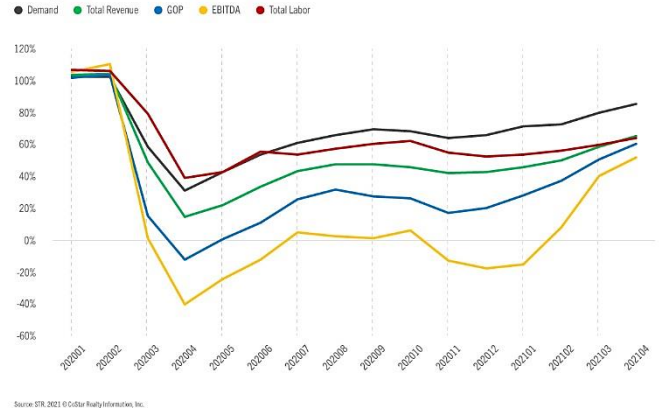


Source: [STR](#)

Exhibit 2: Gross operating profit of US hotels has reached 60% of pre-Covid level in April

Total revenue, profitability and labor compared with 2019

Monthly, indexed to 2019



Source: [STR](#)

In addition, according to Knowland, the leader in meeting and events data, the meeting volume increased by 28% m-m in May and the average number of attendees has recovered to 65 in May-21, compared to 64 in May-19. This is due to pent-up demand.

Overall, we believe that we will see the same recovery pattern as US hotels for European hotels, given that most of European countries have recently eased lockdown rules and travel restrictions.

Exhibit 3: Travel restrictions in European countries

Country	Travel restrictions
Spain	- Spain has reopened to tourists, providing they can prove they have been vaccinated against Covid-19. - On 1 May the border between Spain and Portugal was reopened, as part of the Portuguese easing of Covid restrictions.
Italy	- From 16 May until 30 July there is no longer a requirement to quarantine on arrival in Italy, unless travellers arrive without proof of a negative test. - Travel between white and yellow regions is permitted. Though there are currently no orange or red regions, movement there is only allowed for people holding a green certificate. This confirms that they have been fully vaccinated against, or recovered from, Covid-19.
Germany	- Germany has started operating a travel pass for fully vaccinated travellers or those who can prove they have had - and recovered from - Covid-19. - Arrivals from other "areas of variant of concern" are expected to head straight home to quarantine domestically for ten days. A negative PCR test cuts this to five.
Netherlands	- Foreign tourists traveling from safe countries with a low Covid-19 risk are welcome in the Netherlands. - No negative test or quarantine period is required for visitors arriving from "safe" countries across the EU, Asia, and Oceania.
Portugal	- As of 17 May, travellers from most European countries are welcome in Portugal, including for non-essential travel. All arrivals over age 2 must show a negative PCR test and will be subject to health screening when they land. There is no requirement to quarantine.

Source: [Euronews](#)

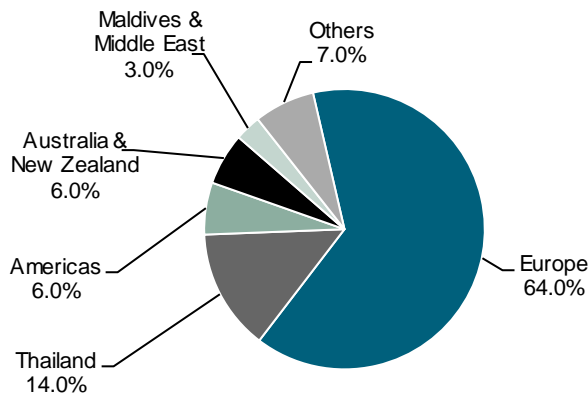
NHH portfolio to breakeven at the EBITDA level by 3Q21

MINT provided an update that it has seen more activity for European hotels after reopening, especially from Southern Europe. The segments that should recover first would be domestic travellers and the B2C segment, which is NH Hotel Group (NHH)'s main target group given that most NHH hotels are located in cities. MINT indicated that the OCC rate has improved from 14% in 1Q21 to c30-35% after reopening in mid-May, and expects momentum to continue in the peak tourism season with at least an OCC rate of 60%. In addition, EUFA EURO 2020 which is being hosted by 11 European countries during June-July should help to boost activity, even if the supporters are limited to c30% of stadium capacity.

We expect NHH's OCC rate to improve to c30% in 2Q21 (vs 14% in 1Q21). The momentum should continue in 3Q21 with an OCC rate of around 50-60%, sufficient to breakeven at the EBITDA level based on the 33-40% threshold guidance for EBITDA breakeven.

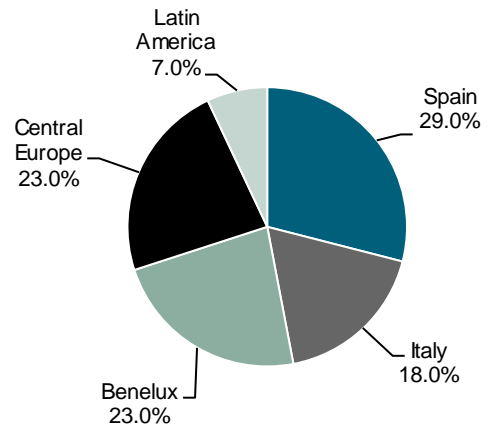
Note that NHH contributed a core loss of cTHB3.5b-4.4b to MINT over 4Q20-1Q21. We estimate the core loss to subside to THB0.9b-1.3b over 3Q21-4Q21.

Exhibit 4: Hotel revenue breakdown by geography as of 2019



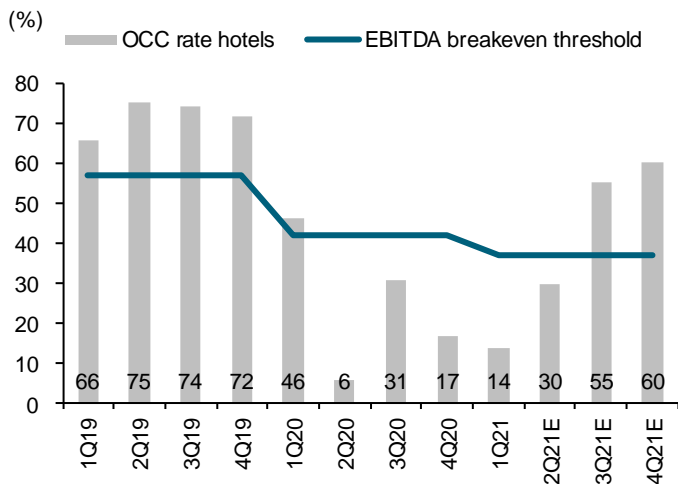
Source: MINT

Exhibit 5: NHH's revenue breakdown by geography as of 2019



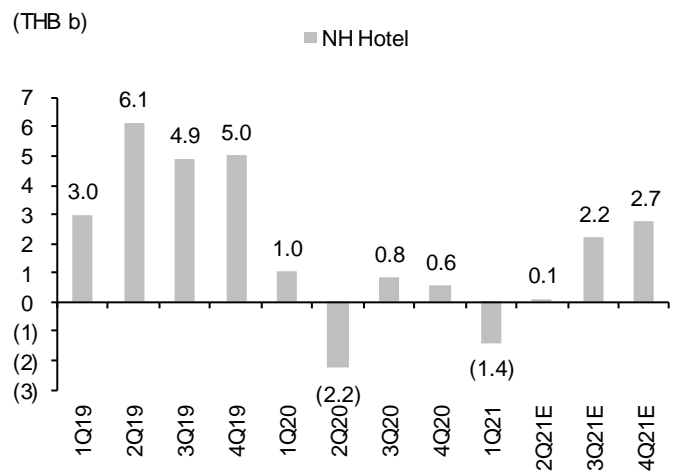
Source: MINT

Exhibit 6: NHH OCC rate forecast



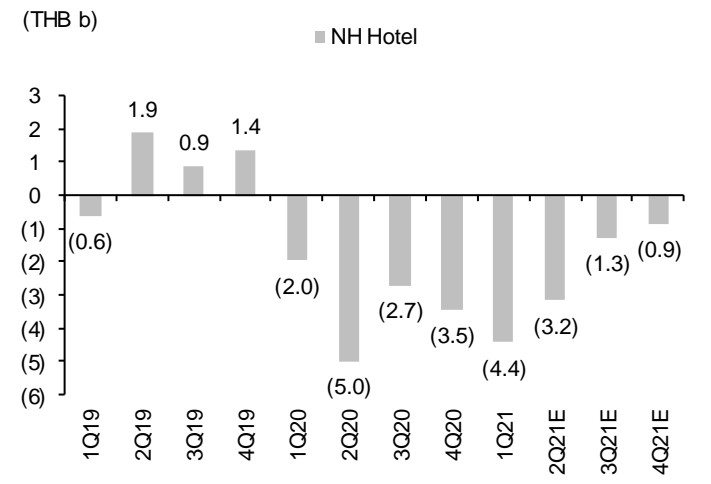
Note: EBITDA breakeven based on pre-TFRS16
Sources: NHH; FSSIA estimates

Exhibit 7: NHH EBITDA forecast



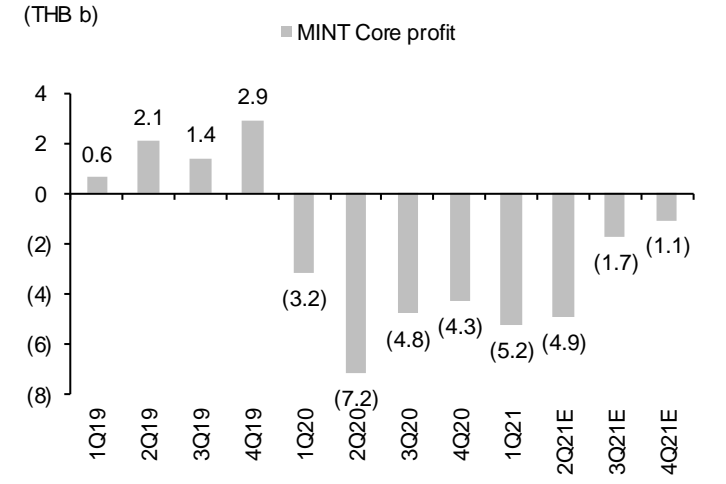
Note: EBITDA based on post-TFRS16
Sources: NHH; FSSIA estimates

Exhibit 8: NHH core profit forecast



Sources: NHH; FSSIA estimates

Exhibit 9: MINT core profit forecast



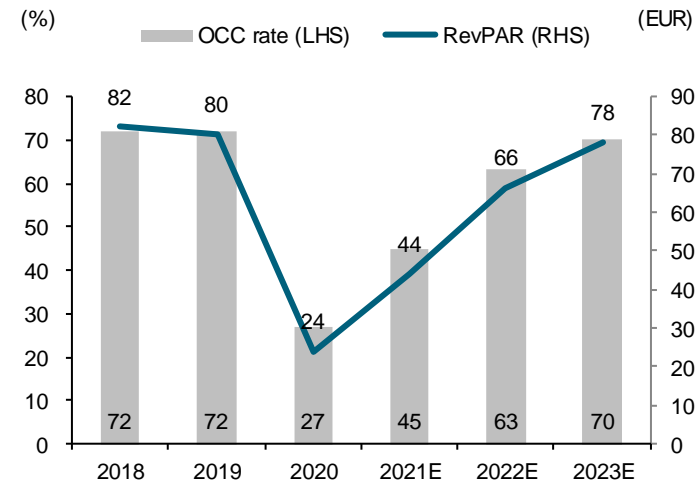
Sources: MINT; FSSIA estimates

RevPAR of NHH to recover to pre-Covid level by 2023

According to HVS, a hospitality industry consulting firm, the RevPAR of European hotels is estimated to reach 45% below the pre-Covid level in 2021 before gradually recovering and reaching the pre-Covid level by 2023-24. Our NHH assumption is slightly more conservative than HVS' forecast, given that our RevPAR forecast over 2021-23 for NHH hotels has a larger gap of 7-63% compared to the pre-Covid level over 2021-23 (vs HVS' forecast of 3-45%).

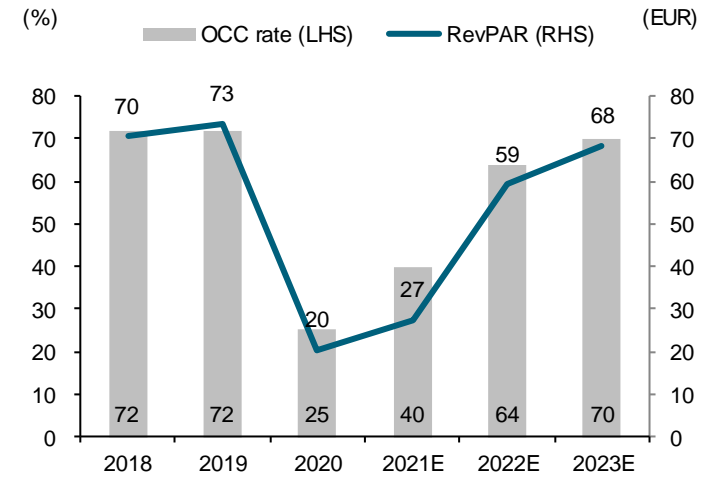
This would imply an upside to our forecast in the case that the recovery is in line with HVS' forecast. Pent-up demand would be the key driver for our forecast. Our current assumptions suggest that NHH would turn profitable in 2022.

Exhibit 10: European hotel recovery forecast by HVS



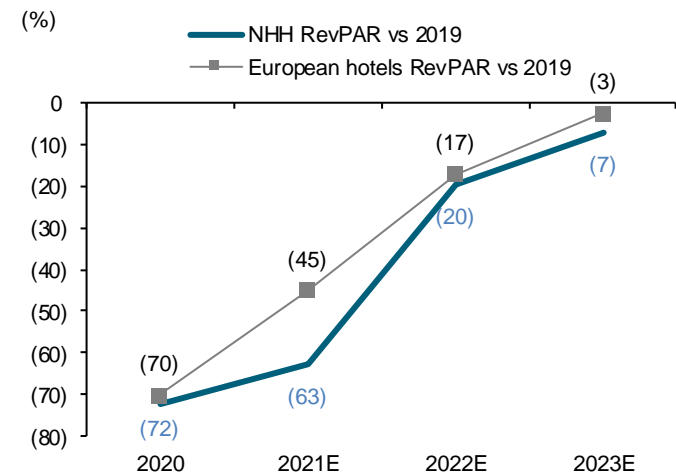
Source: HVS

Exhibit 11: NHH recovery forecast



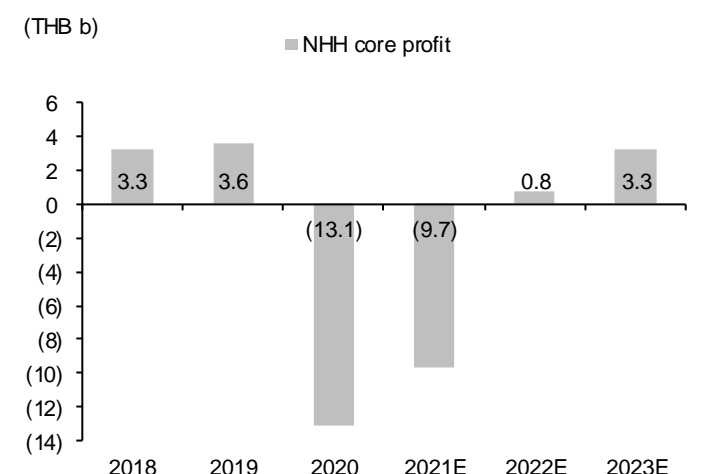
Source: FSSIA estimates

Exhibit 12: Our RevPAR forecast on NHH and HVS' RevPAR forecast on European hotels compared to 2019



Sources: HVS; FSSIA estimates

Exhibit 13: NHH core profit forecast

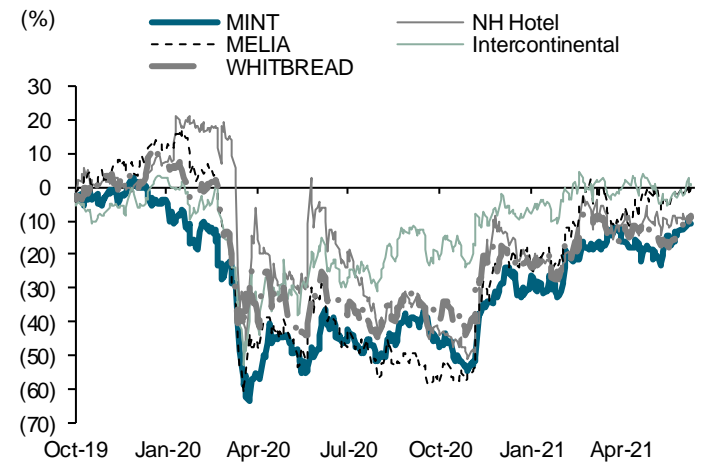


Source: FSSIA estimates

Share price is underperforming global peers

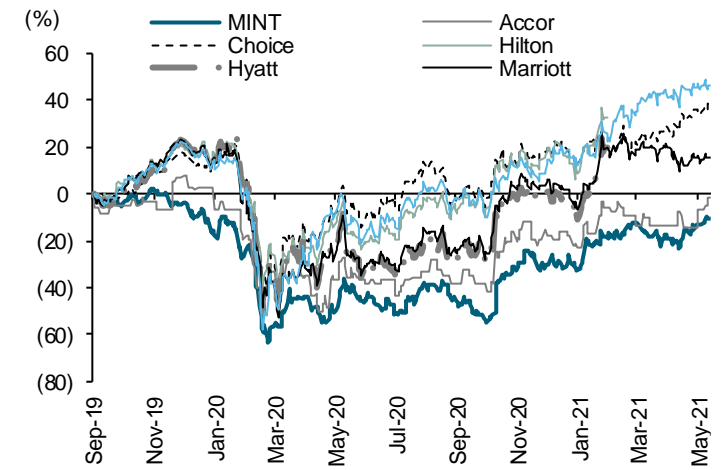
We have compared MINT's share price with hotel operators in Europe since the beginning of 4Q19. MINT's share price has fallen by 11%, underperforming its peers whose prices have had an average decrease of 4%. In addition, MINT has also underperformed its global hotel peers by 31%, whose average share prices have increased by 20% since 4Q19. This may come from global hotels' exposure to the US, which has already recovered. Given that European and Thai hotels are likely to start recovering in 3Q-4Q21, MINT could be a solid catch-up play for global tourism stocks.

Exhibit 14: Share price compared to listed European hotels



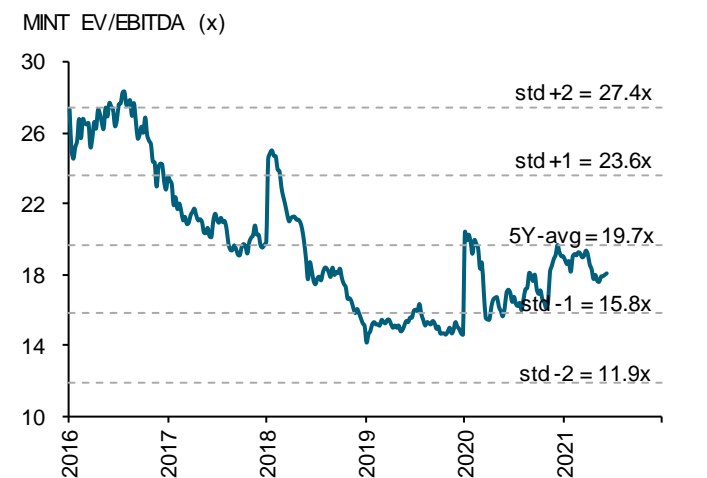
Source: Bloomberg

Exhibit 15: Share price compared to listed global hotels



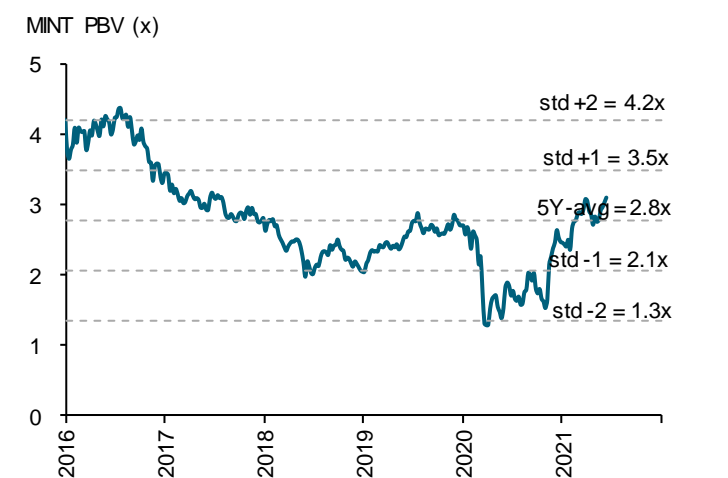
Source: Bloomberg

Exhibit 16: Rolling one-year forward EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 18: Net asset value calculation

Net asset value	(THB b)	Comment
Total replacement cost	353	
Add : Land	46	As of 2020
Add : Cash and cash equivalents	26	As of 2020
Less: Estimated depreciation	(88)	
Less: Debt	(136)	As of 2020
Less: Perpetual bonds	(32)	As of 2020
Less: Minorities	(9)	As of 2020
Net Value	159	
No. of shares (m)	5,182	
FV per share (THB)	31	

Source: FSSIA estimates

Exhibit 19: Replacement cost calculation for MINT

No.	Asset	Room (no.)	Capex/room (THB m)	Replacement cost (THB b)
Owned & Leased				
1	Anantara Siam Bangkok	354	12	4.2
2	Anantara Riverside Bangkok	408	12	4.9
3	Anantara Hua Hin	187	12	2.2
4	Anantara Golden Triangle Elephant Camp & Resort	61	15	0.9
5	Anantara Bophut Koh Samui	106	12	1.3
6	Anantara Mai Khao Phuket Villas	83	15	1.2
7	Anantara Layan Phuket	77	12	0.9
8	Anantara Phuket Suites & Villas	83	12	1.0
9	Anantara Angkor	39	12	0.5
10	Anantara Kihavah Maldives Villas	79	15	1.2
11	Anantara Kalutara	141	12	1.7
12	Anantara Hoi An	94	12	1.1
13	The Royal Livingstone Victoria Falls Zambia by Anantara	173	12	2.1
14	Anantara Quy Nhon Villas	25	12	0.3
15	Anantara Desaru Coast	103	12	1.2
16	AVANI Riverside Bangkok	248	10	2.5
17	AVANI Pattaya Resort & Spa	298	10	3.0
18	AVANI Gaborone	196	10	2.0
19	AVANI Windhoek	173	10	1.7
20	AVANI Kalutara	105	10	1.1
21	AVANI Quy Nhon	63	10	0.6
22	AVANI Victoria Falls	212	10	2.1
23	AVANI Sunset Coast Samui	58	10	0.6
24	Oaks Grand Gladstone	144	8	1.2
25	Oaks Elan Darwin	301	8	2.4
26	Tivoli Mofarrej - São Paulo	217	8	1.7
27	Tivoli Ecoresort Praia Do Forte Bahia	287	8	2.3
28	The St. Regis Bangkok	224	12	2.7
29	Four Seasons Chiang Mai	76	12	0.9
30	Four Seasons Tented Camp Golden Triangle	15	12	0.2
31	Four Seasons Koh Samui	60	12	0.7
32	JW Marriott Phuket	265	12	3.2
JV				
33	Anantara Bazaruto Island	44	12	0.5
34	Anantara Medjumbe Island	12	12	0.1
35	Anantara Peace Haven Tangalle	152	12	1.8
36	AVANI Pemba Beach	185	8	1.5
37	AVANI Lesotho	158	8	1.3
38	AVANI Maseru	105	8	0.8
39-41	Serendib Hotel group (3 hotels) in Sri Lanka including AVANI Bentota	308	8	2.5
42	AVANI Hai Phong Harbour View	122	8	1.0
43	Niyama, Maldives	134	8	1.1
44	Radisson Blu, Maputo	154	8	1.2
45-51	Elewana Africa Hotel group (7 hotels)	130	8	1.0
52-55	Cheli and Peacock Hotel group (4 hotels)	51	8	0.4
56	AVANI Hua Hin Resort & Villas	196	8	1.6
57	Oaks Bodhgaya	78	6	0.5
58-369	NH Hotel Group			
	NH Hotels	32,801	5	164.0
	NH Collection	11,710	6	70.3
	Nhow	1,478	6	8.9
	NH - others	129	5	0.6
	Anantara	1,022	14	14.3
	Avani	119	12	1.4
	Tivoli	1,894	8	15.2
	Mixed-use			1.3
	Total Hotel and Mixed-use	55,937		344.9
	Asset	Outlet	Capex/outlet	Replacement cost
		(no.)	(THB m)	(THB b)
	Food business (owned equity)			
	The Pizza Company	240	8	1.9
	Burger King	118	8	0.9
	Swensen's	112	8	0.9
	Dairy Queen	240	3	0.7
	Sizzler	63	12	0.8
	The Coffee Club	103	7	0.7
	Thai Express	59	8	0.5
	Riverside	112	8	0.9

	Bonchon	89	8	0.7
	Others	55	8	0.4
	Total Food business	1,191		8.5
	Grand total			353.4

Sources: MINT; FSSIA estimates

Financial Statements

Minor International

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	118,613	55,858	63,175	96,837	122,650
Cost of goods sold	(55,521)	(28,652)	(30,313)	(33,512)	(41,495)
Gross profit	63,091	27,206	32,862	63,325	81,155
Other operating income	-	-	-	-	-
Operating costs	(45,002)	(26,715)	(25,270)	(37,766)	(47,588)
Operating EBITDA	18,090	492	7,592	25,558	33,567
Depreciation	(9,181)	(18,602)	(18,876)	(19,405)	(21,274)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	8,908	(18,111)	(11,284)	6,153	12,293
Net financing costs	(3,360)	(6,876)	(6,758)	(6,879)	(6,957)
Associates	828	(464)	248	662	745
Recurring non-operating income	4,051	1,701	2,414	3,403	3,568
Non-recurring items	3,638	(2,019)	0	0	0
Profit before tax	13,238	(25,305)	(15,628)	2,678	8,904
Tax	(2,244)	2,601	2,000	(504)	(2,203)
Profit after tax	10,994	(22,703)	(13,628)	2,174	6,701
Minority interests	(296)	1,296	800	(118)	(267)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	10,698	(21,407)	(12,828)	2,055	6,435
Non-recurring items & goodwill (net)	(3,638)	2,019	0	0	0
Recurring net profit	7,060	(19,388)	(12,828)	2,055	6,435
Per share (THB)					
Recurring EPS *	1.53	(3.74)	(2.48)	0.40	1.15
Reported EPS	2.32	(4.13)	(2.48)	0.40	1.15
DPS	0.00	0.00	0.00	0.13	0.39
Diluted shares (used to calculate per share data)	4,619	5,182	5,182	5,182	5,588
Growth					
Revenue (%)	58.3	(52.9)	13.1	53.3	26.7
Operating EBITDA (%)	45.6	(97.3)	1,444.6	236.7	31.3
Operating EBIT (%)	35.7	nm	nm	nm	99.8
Recurring EPS (%)	23.3	nm	nm	nm	190.4
Reported EPS (%)	137.3	nm	nm	nm	190.4
Operating performance					
Gross margin inc. depreciation (%)	45.5	15.4	22.1	45.4	48.8
Gross margin of key business (%)	45.5	15.4	22.1	45.4	48.8
Operating EBITDA margin (%)	15.3	0.9	12.0	26.4	27.4
Operating EBIT margin (%)	7.5	(32.4)	(17.9)	6.4	10.0
Net margin (%)	6.0	(34.7)	(20.3)	2.1	5.2
Effective tax rate (%)	25.6	11.4	27.0	25.0	27.0
Dividend payout on recurring profit (%)	-	-	-	34.0	34.0
Interest cover (X)	3.9	(2.4)	(1.3)	1.4	2.3
Inventory days	25.8	49.8	45.6	44.7	42.4
Debtor days	46.9	91.0	71.0	46.3	36.6
Creditor days	130.9	225.1	189.7	185.7	176.3
Operating ROIC (%)	3.5	(6.9)	(3.0)	1.7	3.5
ROIC (%)	4.3	(5.5)	(2.1)	2.4	4.0
ROE (%)	9.6	(27.2)	(21.2)	3.7	12.1
ROA (%)	3.8	(4.7)	(2.5)	2.2	3.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel & Mixed-use	91,030	32,714	38,342	69,733	93,876
F&B revenue	22,666	19,491	20,643	22,294	23,632
Retail revenue	4,917	3,653	4,191	4,810	5,142

Sources: Minor International; FSSIA estimates

Financial Statements

Minor International

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	7,060	(19,388)	(12,828)	2,055	6,435
Depreciation	9,181	18,602	18,876	19,405	21,274
Associates & minorities	-	-	-	-	-
Other non-cash items	(735)	(2,368)	(800)	118	267
Change in working capital	(452)	(4,216)	255	(633)	1,759
Cash flow from operations	15,054	(7,369)	5,502	20,946	29,734
Capex - maintenance	(17,353)	(114,585)	(7,000)	(11,000)	(10,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	23,217	(1,234)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	5,864	(115,818)	(7,000)	(11,000)	(10,000)
Dividends paid	(1,848)	0	0	0	(699)
Equity finance	14	18,022	0	0	(12,170)
Debt finance	(14,521)	118,568	(11,000)	(13,000)	(13,000)
Other financing cash flows	(3,992)	(545)	0	0	0
Cash flow from financing	(20,347)	136,045	(11,000)	(13,000)	(25,869)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	571	12,857	(12,498)	(3,054)	(6,134)
Free cash flow to firm (FCFF)	24,999.40	(115,735.09)	6,392.88	17,416.14	27,150.45
Free cash flow to equity (FCFE)	2,404.91	(5,164.81)	(12,497.55)	(3,054.29)	6,734.14

Per share (THB)

FCFF per share	4.82	(22.33)	1.23	3.36	5.24
FCFE per share	0.46	(1.00)	(2.41)	(0.59)	1.30
Recurring cash flow per share	3.36	(0.61)	1.01	4.16	5.01

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	267,195	369,508	376,508	387,508	397,508
Less: Accumulated depreciation	(83,107)	(89,194)	(108,070)	(127,475)	(148,749)
Tangible fixed assets (net)	184,088	280,314	268,438	260,033	248,759
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	14,818	16,052	16,052	16,052	16,052
Cash & equivalents	13,331	26,188	13,691	10,636	4,502
A/C receivable	15,554	12,286	12,286	12,286	12,286
Inventories	4,139	3,683	3,896	4,307	5,333
Other current assets	5,575	9,908	11,206	17,176	21,755
Current assets	38,599	52,064	41,078	44,406	43,876
Other assets	16,679	13,896	13,896	13,896	13,896
Total assets	254,184	362,327	339,465	334,387	322,583
Common equity	75,461	66,981	54,153	56,208	49,775
Minorities etc.	10,407	9,343	8,543	8,661	8,928
Total shareholders' equity	85,868	76,324	62,696	64,870	58,703
Long term debt	112,073	230,800	219,800	206,800	193,800
Other long-term liabilities	30,322	33,048	33,048	33,048	33,048
Long-term liabilities	142,395	263,849	252,849	239,849	226,849
A/C payable	20,036	15,310	16,198	17,908	22,173
Short term debt	300	140	140	140	140
Other current liabilities	5,584	6,703	7,581	11,620	14,718
Current liabilities	25,920	22,154	23,920	29,668	37,032
Total liabilities and shareholders' equity	254,184	362,327	339,465	334,387	322,583
Net working capital	(352)	3,863	3,609	4,242	2,483
Invested capital	215,233	314,125	301,995	294,223	281,190

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	16.34	12.92	10.45	10.85	8.91
Tangible book value per share	16.34	12.92	10.45	10.85	8.91

Financial strength

Net debt/equity (%)	115.3	268.3	329.0	302.6	322.7
Net debt/total assets (%)	39.0	56.5	60.8	58.7	58.7
Current ratio (x)	1.5	2.4	1.7	1.5	1.2
CF interest cover (x)	1.7	0.2	(0.8)	0.6	2.0

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	21.6	(8.8)	(13.3)	83.2	28.7
Recurring P/E @ target price (x) *	24.9	(10.2)	(15.4)	95.8	33.0
Reported P/E (x)	14.2	(8.0)	(13.3)	83.2	28.7
Dividend yield (%)	-	-	-	0.4	1.2
Price/book (x)	2.0	2.6	3.2	3.0	3.7
Price/tangible book (x)	2.0	2.6	3.2	3.0	3.7
EV/EBITDA (x) **	14.5	783.5	50.8	14.7	11.4
EV/EBITDA @ target price (x) **	15.8	836.2	54.2	15.7	12.2
EV/invested capital (x)	1.2	1.2	1.3	1.3	1.4

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Minor International; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SE-ED	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description	Score Range
Excellent	90-100
Very Good	80-89
Good	70-79

Disclaimer:

The disclosure of the survey results 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

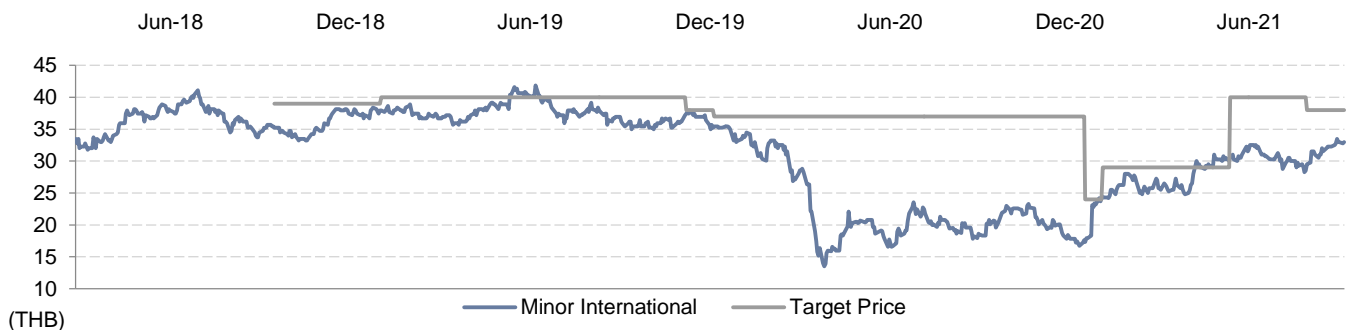
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History of change in investment rating and/or target price

Minor International (MINT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Dec-2018	HOLD	39.00	20-Dec-2019	HOLD	37.00	18-Nov-2020	BUY	29.00
08-Mar-2019	HOLD	40.00	02-Apr-2020	HOLD	37.00	08-Mar-2021	BUY	40.00
26-Nov-2019	HOLD	38.00	03-Nov-2020	BUY	24.00	13-May-2021	BUY	38.00

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Minor International	MINT TB	THB 33.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 15-Jun-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.