

# MINOR INTERNATIONAL

# MINT TB

THAILAND / TOURISM &amp; LEISURE

# BUY

UNCHANGED

## Solid recovery signs in Europe

- Expect a core loss of THB1.7b in 1Q22, mainly dragged down by the low season for European hotels.
- Expect European hotels' OCC rate to improve from c40% to 60-75% during 2Q22, leading earnings to turn profitable in 2Q22.
- Maintain BUY with a higher TP of THB45/shr.

TARGET PRICE	THB45.00
CLOSE	THB35.50
UP/DOWNSIDE	+26.8%
PRIOR TP	THB42.00
CHANGE IN TP	+7.1%
TP vs CONSENSUS	+16.9%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	68,251	106,551	125,972	132,167
Net profit	(13,167)	2,883	6,828	7,848
EPS (THB)	(2.53)	0.55	1.22	1.36
vs Consensus (%)	-	68.2	12.1	(8.7)
EBITDA	9,588	29,071	34,956	36,890
Core net profit	(9,315)	2,883	6,828	7,848
Core EPS (THB)	(1.79)	0.50	1.19	1.36
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	136.8	14.9
Core P/E (x)	(19.9)	70.8	29.9	26.0
Dividend yield (%)	-	0.5	1.2	1.3
EV/EBITDA (x)	41.4	13.2	11.4	10.6
Price/book (x)	2.7	2.6	3.0	3.1
Net debt/Equity (%)	251.5	226.9	242.6	224.0
ROE (%)	(13.8)	4.2	10.0	12.0

### Expect NHH to book a core loss in 1Q22 due to low season

We expect NH Hotels (NHH) to report a core loss of THB1.5b in 1Q22, improving from the THB4.4b core loss in 1Q21. However, NHH looks to turn loss-making again vs the THB1.7b core profit in 4Q21, due to 1) the low tourism season in Europe in 1Q; and 2) the absence of cTHB1.5b in government subsidies booked in 4Q21. We estimate the OCC rate to slow to 40% in 1Q22 (vs 50% in 4Q21). On a positive note, we expect an ADR of EUR92, relatively in line with the pre-Covid ADR in 1Q19.

### Thai hotels and restaurant operations to improve in 1Q22

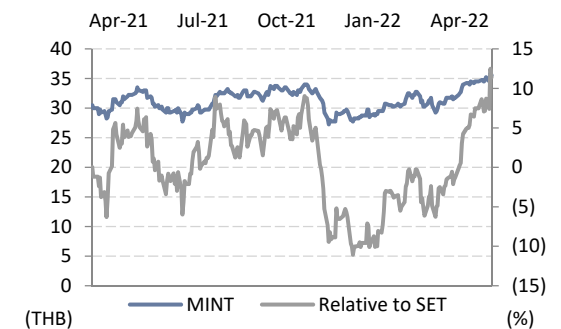
We expect MINT's Thai hotel performance to slightly improve q-q. The OCC rate should increase from 30% in 4Q21 to 32% in 1Q22, while ADR should also increase by c10% q-q thanks to the pent-up demand for domestic travel and the recovery of international tourists. Meanwhile, we expect the food business' SSS to drop by 4% y-y, mainly dragged down by the Chinese hub (c-15% y-y) and Australian hub (c-8% y-y). On a positive note, the Thai hub's SSSG should turn positive for the first time since Covid began. Overall, we expect MINT to book a smaller core loss y-y of THB1.7b in 1Q22 (vs THB5.2b core loss in 1Q21), but weaker than the THB1.7b core profit in 4Q21 due to the weak performance of NHH.

### To turn profitable again in 2Q22, led by European tourism season

We expect to see a European hotel recovery underway in 2Q22. The OCC rate of European hotels has ramped up from c20% in January to c60% in April, and has the potential to reach the pre-Covid level of 75% by around June to July. In addition, we expect ADR to reach the pre-Covid level of cEUR110 in 2Q22, with an upside potential to exceed that level thanks to pent-up tourism demand. Meanwhile, the recovery of international tourists, from an average of c7,000 tourists/day in 1Q22 to c14,000 in April, should support the Thai hotel business, despite the 2Q low season. Overall, we expect earnings to turn profitable again in 2Q22.

### Still trading at a discount to historical average

We maintain our forecasts and roll forward our DCF-based valuation to 2023, thus deriving a higher TP of THB45/shr. MINT is trading at 30x 2023E P/E, lower than its 5-yr average of 32x. A short-term catalyst would be the recovery of the European hotel portfolio over 2Q-3Q22.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	11.8	17.4	18.3
Relative to country (%)	13.3	15.8	12.3
Mkt cap (USD m)			5,399
3m avg. daily turnover (USD m)			18.6
Free float (%)			86
Major shareholder		Minor Holdings (Thai) (16%)	
12m high/low (THB)			36.00/27.00
Issued shares (m)			5,754.62

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

We believe MINT’s earnings have already passed the bottom and its operation is now in a recovery mode. We expect core profit to turn around in 2022, led by the European hotel portfolio and its food business.

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 received approval for the extension of its financial covenant testing waiver from its creditors until the end of 2022.

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

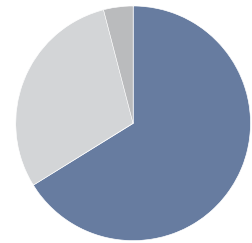
### Company profile

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

[www.minor.com](http://www.minor.com)

### Principal activities (revenue, 2021)

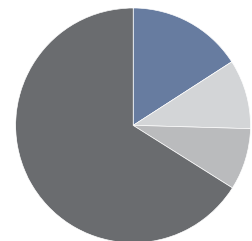
- Hotel & Mixed-use - 66.2 %
- F&B revenue - 29.8 %
- Retail revenue - 4.1 %



Source: Minor International

### Major shareholders

- Minor Holdings (Thai) - 15.9 %
- Niti Osathanugrah - 9.6 %
- Thai NVDR - 8.5 %
- Others - 66.1 %



Source: Minor International

### Catalysts

Key potential 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 easing of travel restriction between countries.

### 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
May-22	1Q22 results announcement

### Key assumptions

	2022E (%)	2023E (%)	2024E (%)
<b>Owned &amp; leased hotels</b>			
- Number of rooms (no.)	56,921	56,921	56,921
- Occupancy rate (OCC)	55	69	71
- RevPAR growth	100	30	7
<b>Food business</b>			
- Number of outlets (no.)	2,461	2,559	2,661
- Same-Store Sales Growth (SSSG)	5	2	2
- Total System Sales Growth (TSSG)	8	6	6

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in OCC, we project a 2023 profit increase of 5%, and vice versa, all else being equal.
- For every 1% increase in SSSG, we project a 2023 profit increase of 1%, and vice versa, all else being equal.

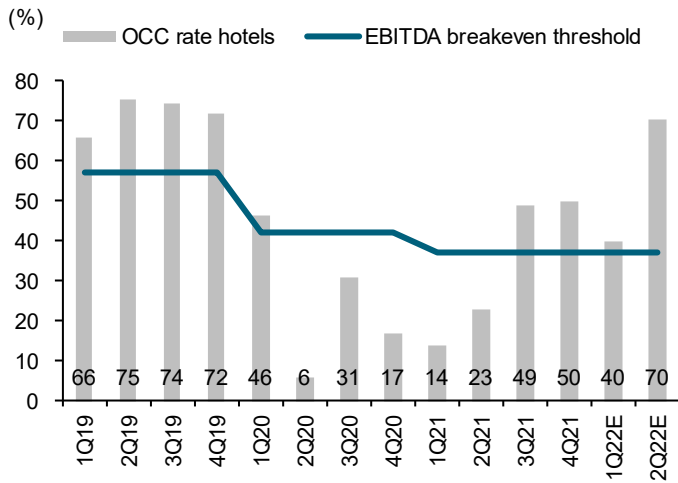
Source: FSSIA estimates

## Exhibit 1: 1Q22E results forecast

	1Q21	2Q21	3Q21	4Q21	1Q22E	Change		2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Sales</b>	<b>12,166</b>	<b>13,539</b>	<b>18,556</b>	<b>23,990</b>	<b>19,436</b>	<b>(19)</b>	<b>60</b>	<b>68,251</b>	<b>106,551</b>	<b>56</b>
-Hotel & Mixed-use	6,480	8,023	13,241	17,416	13,143	(25)	103	45,160	80,918	79
-Restaurant	4,943	4,964	4,775	5,639	5,339	(5)	8	20,321	22,150	9
-Retail	742	552	540	935	954	2	29	2,770	3,483	26
<b>COGS (incl. depreciation)</b>	<b>(10,056)</b>	<b>(10,584)</b>	<b>(12,816)</b>	<b>(13,962)</b>	<b>(12,555)</b>	<b>(10)</b>	<b>25</b>	<b>(47,417)</b>	<b>(57,852)</b>	<b>22</b>
<b>Gross Profit</b>	<b>2,110</b>	<b>2,955</b>	<b>5,740</b>	<b>10,028</b>	<b>6,880</b>	<b>(31)</b>	<b>226</b>	<b>20,834</b>	<b>48,699</b>	<b>134</b>
SG&A	(6,939)	(7,759)	(7,757)	(8,733)	(8,000)	(8)	15	(31,188)	(40,489)	30
<b>Operating Profit</b>	<b>(4,829)</b>	<b>(4,803)</b>	<b>(2,017)</b>	<b>1,295</b>	<b>(1,120)</b>	<b>(186)</b>	<b>77</b>	<b>(10,354)</b>	<b>8,209</b>	<b>179</b>
Net other income	469	1,997	1,214	2,416	478	(80)	2	6,096	2,902	(52)
Dividend income	0	0	0	1	0			0	0	nm
Interest income	138	170	130	197	197	0	43	634	607	(4)
Interest expense	(1,995)	(2,265)	(2,163)	(1,695)	(1,800)	6	(10)	(8,118)	(8,524)	5
<b>Pretax profit</b>	<b>(6,217)</b>	<b>(4,901)</b>	<b>(2,837)</b>	<b>2,213</b>	<b>(2,245)</b>	<b>(201)</b>	<b>64</b>	<b>(11,742)</b>	<b>3,195</b>	<b>127</b>
Income Tax	493	1,362	438	(666)	450	(168)	(9)	1,627	(607)	(137)
Associates	(36)	(119)	(84)	30	(6)	(120)	(83)	(209)	414	(298)
Minority interest	549	264	116	79	100	26	(82)	1,009	(118)	(112)
<b>Core profit</b>	<b>(5,211)</b>	<b>(3,394)</b>	<b>(2,367)</b>	<b>1,657</b>	<b>(1,701)</b>	<b>(203)</b>	<b>67</b>	<b>(9,315)</b>	<b>2,883</b>	<b>131</b>
Extraordinaries, GW & FX	(2,039)	(530)	1,931	(3,214)		(100)	(100)	(3,852)	0	
<b>Reported net profit</b>	<b>(7,250)</b>	<b>(3,924)</b>	<b>(436)</b>	<b>(1,557)</b>	<b>(1,701)</b>	<b>(9)</b>	<b>77</b>	<b>(13,167)</b>	<b>2,883</b>	<b>122</b>
Shares out (end Q, m)	5,192	5,193	5,199	5,214	5,214	0	0	5,214	5,755	10
<b>Core EPS</b>	<b>(1.0)</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>0.3</b>	<b>(0.3)</b>	<b>203</b>	<b>67</b>	<b>(1.8)</b>	<b>0.5</b>	<b>128</b>
<b>EPS</b>	<b>(1.4)</b>	<b>(0.8)</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(9)</b>	<b>77</b>	<b>(2.5)</b>	<b>0.5</b>	<b>120</b>
COGS (excl. depreciation)	(5,255)	(5,521)	(7,747)	(8,952)	(7,505)	(16)	43	(27,475)	(36,990)	35
Depreciation	(4,801)	(5,063)	(5,069)	(5,009)	(5,050)	1	5	(19,942)	(20,862)	5
EBITDA	543	2,307	4,312	8,948	4,599	(49)	747	16,109	32,994	105
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	17	22	31	42	35	(6)	18	31	46	15
SG&A/Revenue	57	57	42	36	41	5	(16)	46	38	(8)
Total EBITDA margin	4	20	22	33	23	(10)	19	18	19	1
Net profit margin	(57)	(25)	(2)	(6)	(8)	(3)	48	(18)	3	20
<b>Operating stat</b>										
<b>Owned &amp; leased RevPAR (y-y %)</b>										
Total	(76)	413	513	nm						
Thailand	(81)	609	(24)	50						
Maldives	(11)	nm	nm	0						
Europe & The Americas (NHH)	(77)	375	475	nm						
<b>SSSG (y-y %)</b>										
Total	(15)	6	(7)	(2)						
Thailand	(28)	(14)	(8)	0						
China	75	28	(6)	(11)						
<b>TSSG (y-y %)</b>										
Total	(12)	36	(8)	6						
Thailand	(27)	6	(14)	9						
China	183	76	15	7						

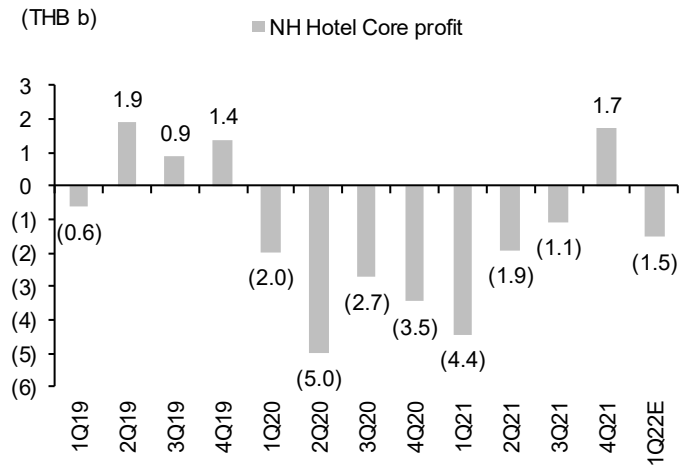
Sources: MINT; FSSIA estimates

**Exhibit 2: NHH OCC rate**



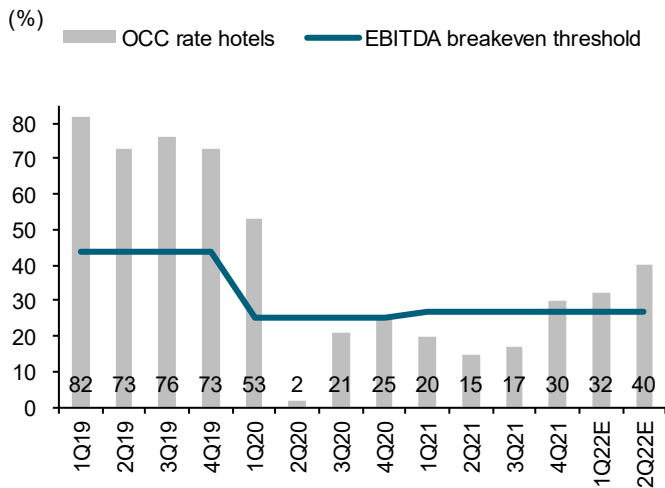
Source: MINT; FSSIA estimate

**Exhibit 3: NHH core profit**



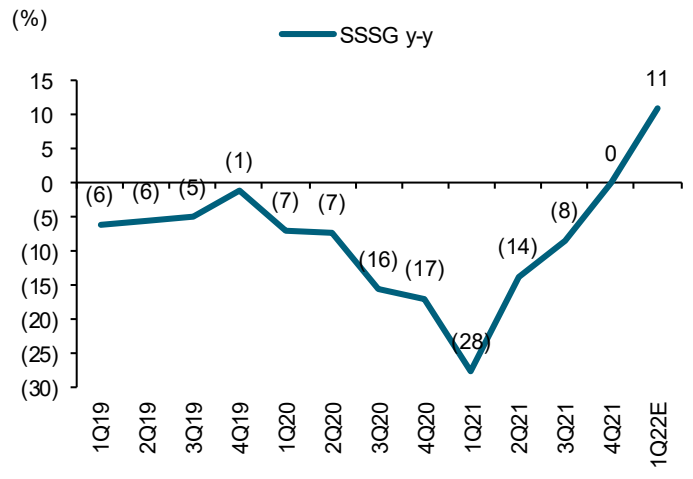
Source: MINT; FSSIA estimate

**Exhibit 4: Thai hotels OCC rate**



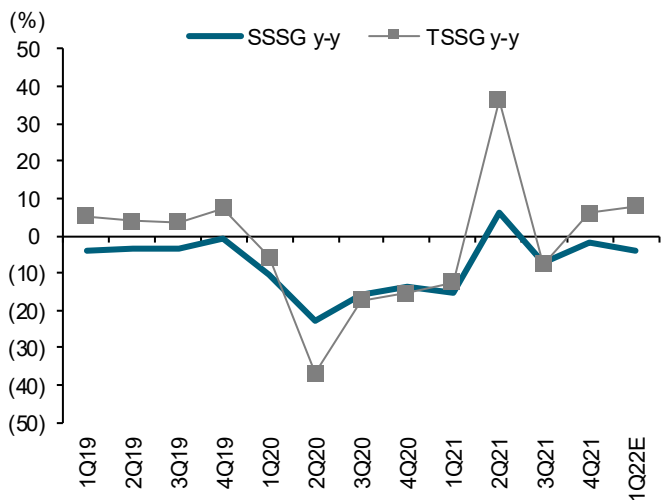
Source: MINT; FSSIA estimate

**Exhibit 5: SSSG of Thai food business**



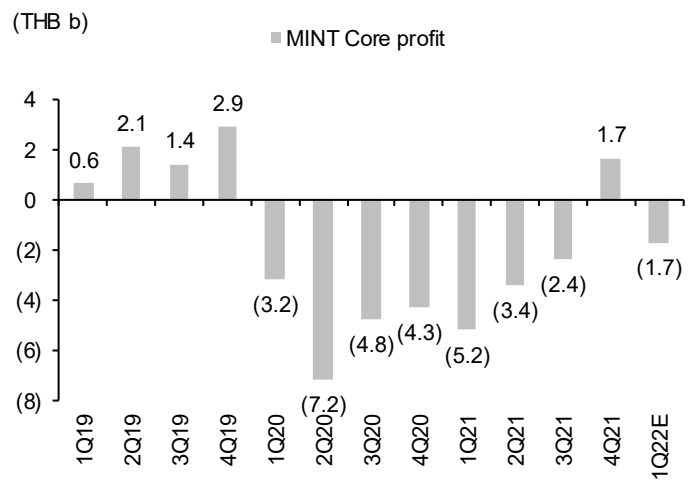
Source: MINT; FSSIA estimate

**Exhibit 6: System-wide SSSG and TSSG of food business**



Source: MINT; FSSIA estimate

**Exhibit 7: Core profit**



Source: MINT; FSSIA estimate

**Exhibit 8: DCF valuation**

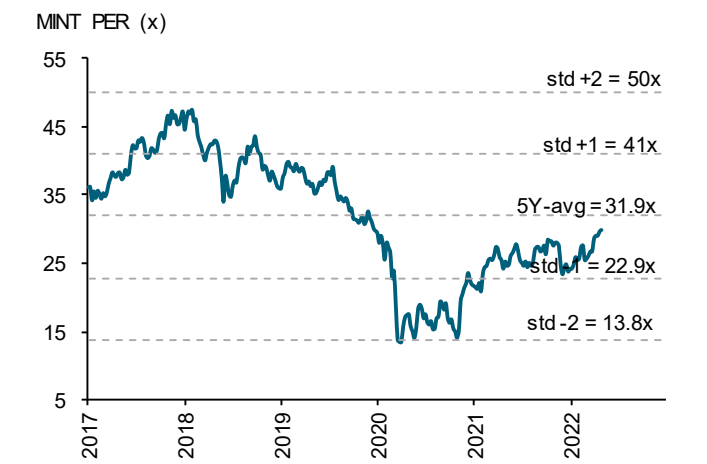
Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		4.0
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.3			
Cost of equity, Ke		13.3	Net cost of debt, Kd		3.2
Weight applied		50.0	Weight applied		50.0
WACC		8.3			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	177.0	30.8	WACC 8.3%, risk-free rate 3%, risk premium 8%
Terminal value	274.5	47.7	Terminal growth 2.5%
Cash & liquid assets	17.1	3.0	At end-2023E
Investments	16.2	2.8	At end-2023E
Debt	(214.1)	(37.2)	At end-2023E
Minorities	(11.9)	(2.1)	At end-2023E
<b>Residual ordinary equity</b>	<b>259.0</b>	<b>45.0</b>	

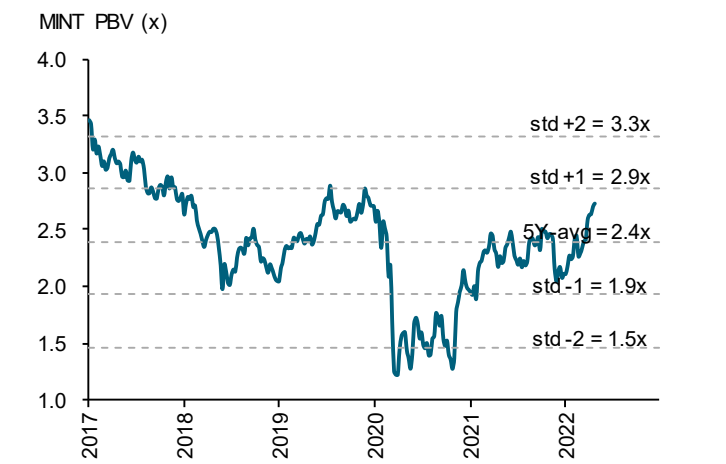
Source: FSSIA estimates

**Exhibit 9: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 10: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 11: Peer comparisons as of 27 Apr-22**

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV / EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
<b>Thailand</b>														
Asset World Corp	AWC TB	BUY	4.88	6.00	23	4,551	534.8	74.9	0.4	2.6	1.9	1.9	68.0	34.9
Minor International	MINT TB	BUY	35.50	45.00	27	5,399	70.8	29.9	4.2	10.0	2.6	3.0	13.2	11.4
Central Plaza Hotel	CENDEL TB	BUY	43.00	49.00	14	1,692	98.1	28.1	3.2	10.5	3.1	2.8	18.2	12.2
Erawan Group	ERW TB	BUY	3.76	4.00	6	497	(170.1)	41.8	(1.7)	6.7	2.9	2.7	25.4	14.7
S Hotels & Resorts	SHR TB	BUY	4.38	5.20	19	459	135.1	30.8	0.7	3.2	1.0	1.0	14.4	10.4
<b>Thailand average</b>						<b>12,597</b>	<b>133.8</b>	<b>41.1</b>	<b>1.4</b>	<b>6.6</b>	<b>2.3</b>	<b>2.3</b>	<b>27.8</b>	<b>16.7</b>
<b>Regional</b>														
Shanghai Jin Jiang Capital	2006 HK	n/a	3.09	n/a	n/a	2,192	28.7	35.9	1.1	4.2	1.5	1.5	n/a	n/a
Btg Hotels Group	600258 CH	n/a	22.88	n/a	n/a	3,921	47.8	23.0	4.4	9.0	2.3	2.1	21.5	14.1
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.98	n/a	n/a	7,905	19.2	7.3	4.5	9.6	0.8	0.7	30.8	17.7
Huangshan Tourism Develop	900942 CH	n/a	0.72	n/a	n/a	932	18.8	10.5	1.9	6.8	0.8	0.7	17.0	8.4
Genting Bhd	GENT MK	n/a	4.50	n/a	n/a	4,010	14.1	10.2	3.0	4.8	0.5	0.5	7.7	6.6
Greentree Hospitality	GHG US	n/a	4.02	n/a	n/a	414	9.6	7.1	11.7	15.3	1.1	1.0	4.4	3.7
Huazhu Group	HTHT US	n/a	30.49	n/a	n/a	9,963	130.6	29.8	4.4	18.0	5.8	4.8	29.9	13.5
Indian Hotels	IH IN	n/a	235.75	n/a	n/a	4,375	n/a	58.9	(4.5)	9.4	5.7	5.3	73.7	28.8
Lemon Tree Hotels	LEMONTRE IN	n/a	65.70	n/a	n/a	680	n/a	109.1	(6.6)	4.3	6.1	5.5	49.4	23.0
Lippo Karawaci	LPKR IJ	n/a	120.00	n/a	n/a	613	29.7	12.3	1.5	2.9	0.4	0.4	7.9	7.1
<b>Regional average</b>						<b>35,005</b>	<b>37.3</b>	<b>30.4</b>	<b>2.1</b>	<b>8.4</b>	<b>2.5</b>	<b>2.3</b>	<b>26.9</b>	<b>13.7</b>
<b>Overall average</b>						<b>47,602</b>	<b>74.4</b>	<b>34.0</b>	<b>1.9</b>	<b>7.8</b>	<b>2.4</b>	<b>2.3</b>	<b>27.2</b>	<b>14.8</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Minor International

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	55,858	68,251	106,551	125,972	132,167
Cost of goods sold	(28,652)	(27,475)	(36,990)	(43,399)	(45,582)
<b>Gross profit</b>	<b>27,206</b>	<b>40,776</b>	<b>69,560</b>	<b>82,573</b>	<b>86,585</b>
Other operating income	-	-	-	-	-
Operating costs	(26,715)	(31,188)	(40,489)	(47,618)	(49,695)
<b>Operating EBITDA</b>	<b>492</b>	<b>9,588</b>	<b>29,071</b>	<b>34,956</b>	<b>36,890</b>
Depreciation	(18,602)	(19,942)	(20,862)	(21,562)	(22,382)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(18,111)</b>	<b>(10,354)</b>	<b>8,209</b>	<b>13,394</b>	<b>14,509</b>
Net financing costs	(6,876)	(7,484)	(7,916)	(7,798)	(7,661)
Associates	(464)	(209)	414	828	895
Recurring non-operating income	1,701	5,888	3,316	3,817	3,974
Non-recurring items	(2,019)	(3,852)	0	0	0
<b>Profit before tax</b>	<b>(25,305)</b>	<b>(15,802)</b>	<b>3,609</b>	<b>9,413</b>	<b>10,821</b>
Tax	2,601	1,627	(607)	(2,318)	(2,680)
<b>Profit after tax</b>	<b>(22,703)</b>	<b>(14,175)</b>	<b>3,002</b>	<b>7,095</b>	<b>8,141</b>
Minority interests	1,296	1,009	(118)	(267)	(293)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(21,407)</b>	<b>(13,167)</b>	<b>2,883</b>	<b>6,828</b>	<b>7,848</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>2,019</b>	<b>3,852</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(19,388)</b>	<b>(9,315)</b>	<b>2,883</b>	<b>6,828</b>	<b>7,848</b>
<b>Per share (THB)</b>					
Recurring EPS *	(3.74)	(1.79)	0.50	1.19	1.36
Reported EPS	(4.13)	(2.53)	0.55	1.22	1.36
DPS	0.00	0.00	0.19	0.41	0.46
Diluted shares (used to calculate per share data)	5,182	5,214	5,755	5,755	5,755
<b>Growth</b>					
Revenue (%)	(52.9)	22.2	56.1	18.2	4.9
Operating EBITDA (%)	(97.3)	1,850.7	203.2	20.2	5.5
Operating EBIT (%)	nm	nm	nm	63.2	8.3
Recurring EPS (%)	nm	nm	nm	136.8	14.9
Reported EPS (%)	nm	nm	nm	120.7	11.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	15.4	30.5	45.7	48.4	48.6
Gross margin of key business (%)	15.4	30.5	45.7	48.4	48.6
Operating EBITDA margin (%)	0.9	14.0	27.3	27.7	27.9
Operating EBIT margin (%)	(32.4)	(15.2)	7.7	10.6	11.0
Net margin (%)	(34.7)	(13.6)	2.7	5.4	5.9
Effective tax rate (%)	11.4	13.9	19.0	27.0	27.0
Dividend payout on recurring profit (%)	-	-	37.5	35.0	34.0
Interest cover (X)	(2.4)	(0.6)	1.5	2.2	2.4
Inventory days	49.8	47.6	34.7	28.5	26.6
Debtor days	91.0	72.0	50.1	42.4	40.4
Creditor days	225.1	223.9	188.3	149.0	128.6
Operating ROIC (%)	(6.9)	(3.1)	2.4	3.6	4.0
ROIC (%)	(5.5)	(1.2)	3.0	4.1	4.5
ROE (%)	(27.2)	(13.8)	4.2	10.0	12.0
ROA (%)	(4.7)	(1.1)	2.6	3.6	4.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel & Mixed-use	32,714	45,160	80,918	98,246	102,905
F&B revenue	19,491	20,321	22,150	23,479	24,888
Retail revenue	3,653	2,770	3,483	4,248	4,375

Sources: Minor International; FSSIA estimates

## Financial Statements

Minor International

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(19,388)	(9,315)	2,883	6,828	7,848
Depreciation	18,602	19,942	20,862	21,562	22,382
Associates & minorities	-	-	-	-	-
Other non-cash items	(2,368)	(5,186)	118	267	293
Change in working capital	(4,216)	6,605	888	(5,832)	626
<b>Cash flow from operations</b>	<b>(7,369)</b>	<b>12,046</b>	<b>24,752</b>	<b>22,825</b>	<b>31,148</b>
Capex - maintenance	(114,585)	(27,042)	(12,000)	(10,000)	(11,252)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,234)	(197)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(115,818)</b>	<b>(27,238)</b>	<b>(12,000)</b>	<b>(10,000)</b>	<b>(11,252)</b>
Dividends paid	0	0	0	(980)	(2,322)
Equity finance	18,022	(453)	0	(11,551)	(5,033)
Debt finance	118,568	(5,883)	(13,000)	(8,000)	(8,000)
Other financing cash flows	(545)	20,436	0	0	0
<b>Cash flow from financing</b>	<b>136,045</b>	<b>14,101</b>	<b>(13,000)</b>	<b>(20,531)</b>	<b>(15,354)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>12,857</b>	<b>(1,092)</b>	<b>(248)</b>	<b>(7,707)</b>	<b>4,542</b>
Free cash flow to firm (FCFF)	(115,735.09)	(7,074.20)	21,275.82	21,223.84	27,973.02
Free cash flow to equity (FCFE)	(5,164.81)	(638.87)	(247.94)	4,824.54	11,896.69
<b>Per share (THB)</b>					
FCFF per share	(20.11)	(1.23)	3.70	3.69	4.86
FCFE per share	(0.90)	(0.11)	(0.04)	0.84	2.07
Recurring cash flow per share	(0.61)	1.04	4.58	5.12	5.30
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	369,508	392,452	404,452	414,452	425,703
Less: Accumulated depreciation	(89,194)	(104,820)	(125,682)	(147,244)	(169,626)
<b>Tangible fixed assets (net)</b>	<b>280,314</b>	<b>287,632</b>	<b>278,770</b>	<b>267,208</b>	<b>256,078</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	16,052	16,249	16,249	16,249	16,249
Cash & equivalents	26,188	25,097	24,849	17,142	21,684
A/C receivable	12,286	14,638	14,638	14,638	14,638
Inventories	3,683	3,490	3,547	3,235	3,398
Other current assets	9,908	5,602	6,147	5,921	6,212
<b>Current assets</b>	<b>52,064</b>	<b>48,827</b>	<b>49,181</b>	<b>40,936</b>	<b>45,932</b>
Other assets	13,896	16,926	16,926	16,926	16,926
<b>Total assets</b>	<b>362,327</b>	<b>369,633</b>	<b>361,125</b>	<b>341,318</b>	<b>335,184</b>
Common equity	66,981	68,023	70,906	65,203	65,696
Minorities etc.	9,343	11,470	11,588	11,855	12,148
<b>Total shareholders' equity</b>	<b>76,324</b>	<b>79,492</b>	<b>82,494</b>	<b>77,058</b>	<b>77,844</b>
Long term debt	230,800	224,576	211,576	203,576	195,576
Other long-term liabilities	33,048	38,610	38,610	38,610	38,610
<b>Long-term liabilities</b>	<b>263,849</b>	<b>263,187</b>	<b>250,187</b>	<b>242,187</b>	<b>234,187</b>
A/C payable	15,310	18,394	19,766	15,661	16,449
Short term debt	140	482	482	482	482
Other current liabilities	6,703	8,079	8,196	5,931	6,222
<b>Current liabilities</b>	<b>22,154</b>	<b>26,954</b>	<b>28,444</b>	<b>22,074</b>	<b>23,153</b>
<b>Total liabilities and shareholders' equity</b>	<b>362,327</b>	<b>369,633</b>	<b>361,125</b>	<b>341,318</b>	<b>335,184</b>
Net working capital	3,863	(2,742)	(3,630)	2,202	1,576
Invested capital	314,125	318,064	308,314	302,584	290,829
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	12.92	13.05	13.60	11.66	11.42
Tangible book value per share	12.92	13.05	13.60	11.66	11.42
<b>Financial strength</b>					
Net debt/equity (%)	268.3	251.5	226.9	242.6	224.0
Net debt/total assets (%)	56.5	54.1	51.8	54.8	52.0
Current ratio (x)	2.4	1.8	1.7	1.9	2.0
CF interest cover (x)	0.2	0.9	1.0	1.6	2.6
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>(9.5)</b>	<b>(19.9)</b>	<b>70.8</b>	<b>29.9</b>	<b>26.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(12.0)</b>	<b>(25.2)</b>	<b>89.8</b>	<b>37.9</b>	<b>33.0</b>
Reported P/E (x)	(8.6)	(14.1)	64.2	29.1	26.0
Dividend yield (%)	-	-	0.5	1.2	1.3
Price/book (x)	2.7	2.7	2.6	3.0	3.1
Price/tangible book (x)	2.7	2.7	2.6	3.0	3.1
EV/EBITDA (x) **	809.9	41.4	13.2	11.4	10.6
EV/EBITDA @ target price (x) **	910.0	46.5	14.9	12.9	12.1
EV/invested capital (x)	1.3	1.2	1.2	1.3	1.3
* 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	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
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	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	TTB	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)

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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

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**ANALYST(S) CERTIFICATION**

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

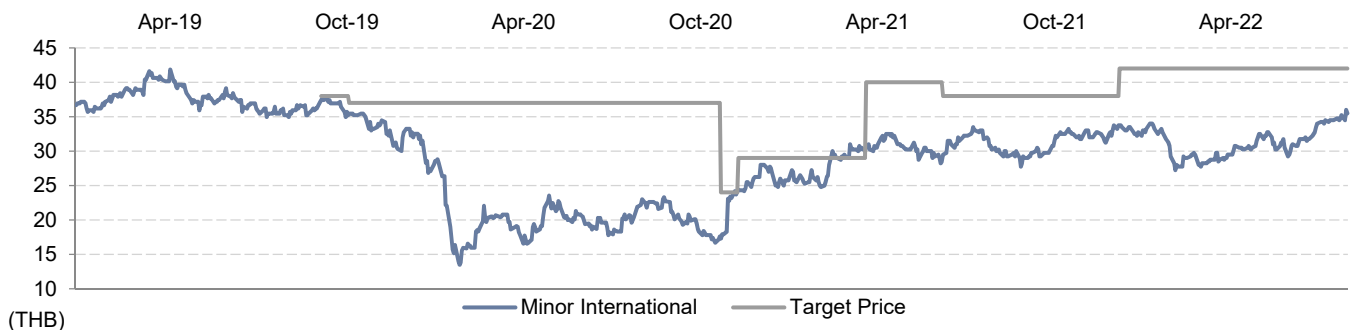
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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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
26-Nov-2019	HOLD	38.00	18-Nov-2020	BUY	29.00	12-Oct-2021	BUY	42.00
20-Dec-2019	HOLD	37.00	08-Mar-2021	BUY	40.00			
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

**Asset World Corp (AWC TB)**



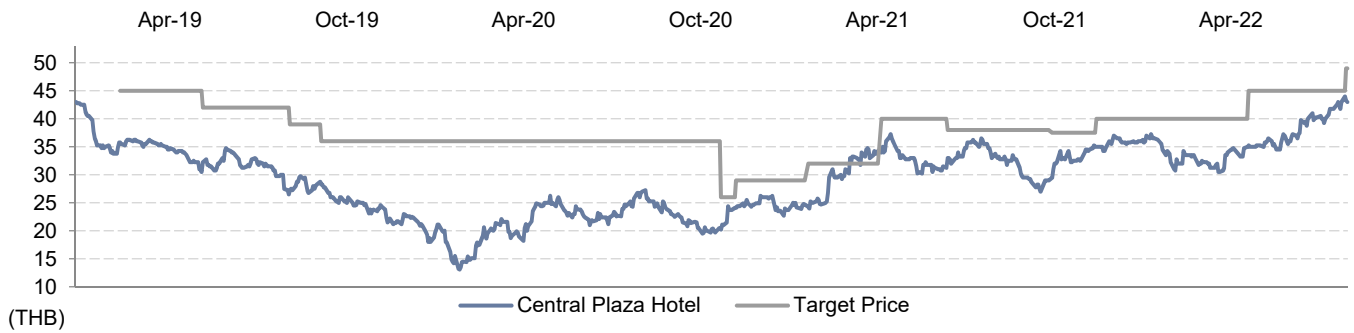
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Oct-2019	BUY	7.50	17-Feb-2021	HOLD	5.00	22-Feb-2022	BUY	6.00
03-Nov-2020	HOLD	3.50	19-Mar-2021	BUY	6.40			
11-Nov-2020	HOLD	4.20	11-Aug-2021	BUY	5.60			

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

Price and TP are in local currency

Source: FSSIA estimates

**Central Plaza Hotel (CENTEL TB)**



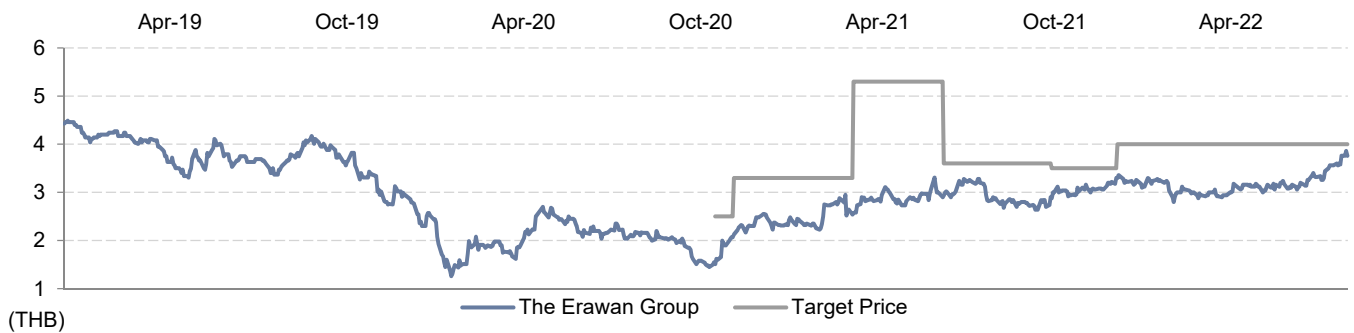
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Jun-2019	BUY	45.00	16-Nov-2020	BUY	29.00	22-Sep-2021	BUY	40.00
16-Aug-2019	BUY	42.00	15-Jan-2021	BUY	32.00	31-Jan-2022	BUY	45.00
30-Oct-2019	BUY	39.00	19-Mar-2021	BUY	40.00	25-Apr-2022	BUY	49.00
26-Nov-2019	BUY	36.00	17-May-2021	BUY	38.00			
03-Nov-2020	BUY	26.00	13-Aug-2021	BUY	37.50			

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

Price and TP are in local currency

Source: FSSIA estimates

**The Erawan Group (ERW TB)**



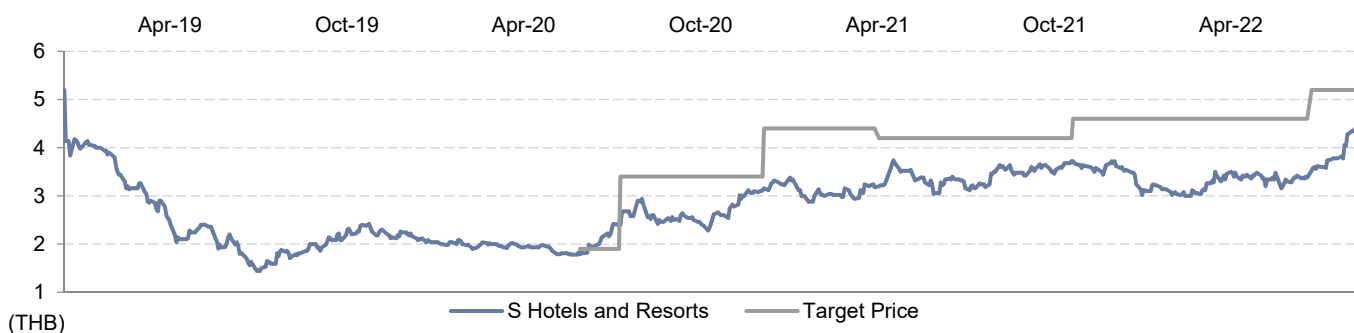
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	2.50	01-Mar-2021	BUY	5.30	17-Aug-2021	BUY	3.50
19-Nov-2020	HOLD	3.30	17-May-2021	BUY	3.60	12-Oct-2021	BUY	4.00

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

Price and TP are in local currency

Source: FSSIA estimates

**S Hotels and Resorts (SHR TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	HOLD	1.90	11-Mar-2021	BUY	4.40	12-Oct-2021	BUY	4.60
01-Dec-2020	BUY	3.40	28-May-2021	BUY	4.20	25-Mar-2022	BUY	5.20

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 35.50	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.
Asset World Corp	AWC TB	THB 4.88	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CEN TEL TB	THB 43.00	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.
The Erawan Group	ERW TB	THB 3.76	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, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
S Hotels and Resorts	SHR TB	THB 4.38	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, 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 27-Apr-2022 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.