

MINOR INTERNATIONAL

THAILAND / FOOD & BEVERAGE

MINT TB

BUY

UNCHANGED

Getting back to growth mode

- Despite the low season in Europe, we estimate MINT's 4Q22 core profit at THB2.1b, up 6% q-q, driven by its hotels in Thailand.
- Expect core profit to recover to 5.5b in 2023 (78% of pre-Covid), with a potential upside from better hotel business margins.
- Maintain BUY with a DCF-derived TP of THB40/shr.

TARGET PRICE	THB40.00
CLOSE	THB34.00
UP/DOWNSIDE	+17.6%
PRIOR TP	THB40.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.5%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	68,251	119,802	140,959	147,106
Net profit	(13,167)	4,511	5,494	7,047
EPS (THB)	(2.53)	0.87	0.98	1.22
vs Consensus (%)	-	145.1	7.9	(7.5)
EBITDA	9,588	28,629	33,946	36,812
Core net profit	(9,315)	1,774	5,494	7,047
Core EPS (THB)	(1.79)	0.31	0.95	1.22
Chg. In EPS est. (%)	nm	66.8	0.0	0.0
EPS growth (%)	nm	nm	209.7	28.3
Core P/E (x)	(19.0)	110.3	35.6	27.8
Dividend yield (%)	-	0.3	1.0	1.2
EV/EBITDA (x)	40.5	13.0	11.5	10.5
Price/book (x)	2.6	2.4	2.9	3.0
Net debt/Equity (%)	251.5	217.2	240.6	227.1
ROE (%)	(13.8)	2.5	7.9	10.7

RevPar soft q-q in Europe but strong in Thailand and the Maldives

Key drivers in 4Q22 include the RevPAR of MINT's hotels in Thailand, which should reach the pre-Covid level (vs 75% in 3Q22), and the Maldives, where RevPAR should stay 30% higher than pre-Covid. RevPAR at European hotels should drop by 8% q-q due to the low season, but still exceed pre-Covid by 11%. We conservatively estimate that the EBITDA margin of the hotel business should slightly decline to 31% (vs 32% in 3Q22). For the food business, we estimate performance to be relatively flat q-q in terms of both revenue and EBITDA margin. Overall, we forecast MINT's core profit to hit THB2.1b (+6% q-q, +29% y-y) with an additional potential upside from higher-than-expected hotel business EBITDA led by the strong ADR of Thai hotels.

Upside from declining electricity and gas prices in Europe

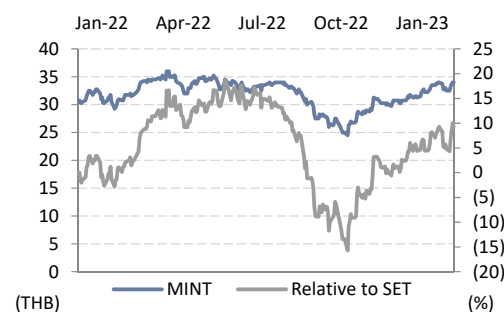
MINT has locked in prices and hedged up to 60% of the electricity and gas consumption of its European hotels in 2023. Dutch TTF prices have fallen to EUR55/MWh currently, down from the peak of EUR300 during Aug-22 and the 2022 average of EUR133. There could be hedging losses in some contracts due to the sharp price drop, but most contracts are still in positive territory. MINT previously estimated that its utilities costs would account for c6% of revenue in 2023. If 2023 ADR continues at a high level – 20% better than pre-Covid – utilities costs should fall to 5.0%-5.5% of revenue and translate into an additional profit of cTHB0.3b-THB0.6b in 2023. This upside has not been factored into our forecast.

All major portfolios to grow in 2023

We expect MINT's earnings to more than double to THB5.5b in 2023 (78% of pre-Covid), with revenue up 18% to THB141b, exceeding pre-Covid by 19%. Key drivers would be 30% higher RevPAR y-y for Thai hotels and 15%-20% higher RevPAR y-y for European hotels, plus 7%-8% higher SSSG for its food business. We see a potential upside from the hotel EBITDA margin which we forecast to be flat at 28%.

Revise up 2022E earnings; attractive valuation

We revise up our 2022E core profit by 67% to reflect our 4Q22 estimates and maintain our 2023-24 forecasts for a DCF-derived TP of THB40/shr. MINT is trading at 36x/28x 2023E/2024E P/E (vs 35x five-year average).



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	5.4	18.3	12.4
Relative to country (%)	4.6	13.0	9.6
Mkt cap (USD m)	5,462		
3m avg. daily turnover (USD m)	24.4		
Free float (%)	61		
Major shareholder	Minor Holdings (Thai) (16%)		
12m high/low (THB)	36.25/24.10		
Issued shares (m)	5,754.62		

Sources: Bloomberg consensus; FSSIA estimates


Teerapol Udomvej, CFA

 teerapol.udo@fssia.com
 +66 2611 3535

Investment thesis

MINT's earnings are now in a recovery mode. We expect core profit to continue to grow in 2023, led by Thai and European hotels and the food business.

NH Hotels should continue to deliver strong performance. We expect a recovery in business travel and pent-up demand from long-haul travellers to be the key growth drivers in 2023, which should offset rising utilities costs and potential interest rate hikes.

We expect MINT's core profit to return to the pre-Covid level by 2024, with a potential upside from a better EBITDA margin arising from cost-saving measures which should permanently reduce some expenses.

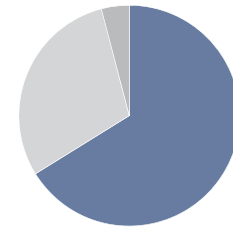
Company profile

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

www.minor.com

Principal activities (revenue, 2021)

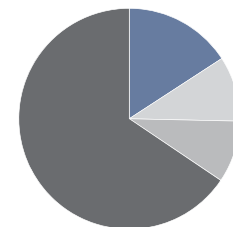
- Hotel & Mixed-use - 66.2 %
- F&B revenue - 29.8 %
- Retail revenue - 4.1 %



Source: Minor International

Major shareholders

- Minor Holdings (Thai) - 15.8 %
- Niti Osathanugrah - 9.5 %
- Thai NVDR - 9.1 %
- Others - 65.6 %



Source: Minor International

Catalysts

Key potential growth drivers include 1) a faster occupancy rate ramp-up following the global tourism recovery; 2) improving consumption and economic growth resulting in strong SSSG; and 3) the return of Chinese tourists which should drive demand for Thai and Maldives hotels.

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
Feb-23	4Q22 results announcement

Key assumptions

	2022E (%)	2023E (%)	2024E (%)
Owned & leased hotels			
- Number of rooms (no.)	56,921	56,921	56,921
- Occupancy rate (OCC)	59	69	71
- RevPAR growth	119	26	4
Food business			
- Number of outlets (no.)	2,508	2,584	2,687
- Same-Store Sales Growth (SSSG)	10	7	2
- Total System Sales Growth (TSSG)	27	10	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

4Q22 results preview

We expect NH Hotel (NHH SM)'s revenue to drop by 6% q-q to EUR557m, but still exceed the pre-Covid level by 6%. RevPAR should drop by 8% q-q, but still be 11% above pre-Covid with an estimated OCC rate of 65% (vs 70% in 3Q22) and an ADR of EUR128 (vs EUR130 in 3Q22). NHH's EBITDA margin should slightly decline to 30% (vs 32% in 3Q22). Thus, we forecast NHH's 4Q22 core profit at EUR31m (vs EUR47m in 3Q22), implying a cTHB1.1b profit contribution to MINT in 4Q22 (vs THB1.6b in 3Q22 and THB1.3b in 4Q19).

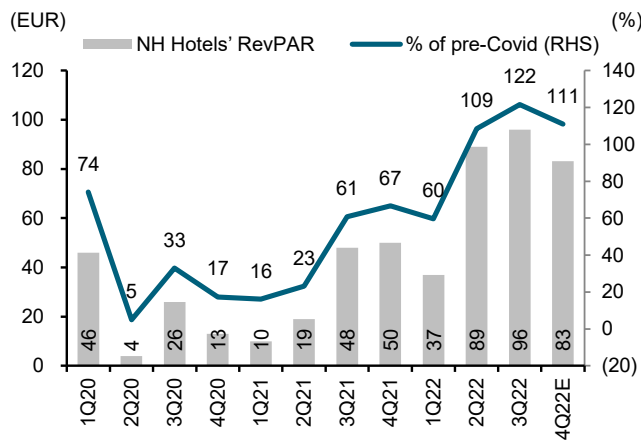
Non-NHH operations should post a strong recovery led by Thai hotels. The RevPAR of Thai hotels should jump by 66% and reach the pre-Covid level in 4Q22 (vs 75% of pre-Covid in 3Q22), with an estimated OCC rate of 64% (vs 52% in 3Q22) and an ADR of THB7,600 (vs THB5,643 in 3Q22 and THB6,613 in 4Q19). Maldives hotel RevPAR should remain strong at 30% above pre-Covid in 4Q22.

Overall hotel business revenue should grow by 6% q-q and the EBITDA margin should slightly decline to 31% from 32% in 3Q22 due to the low season for European hotels.

In addition, we project food business revenue to be relatively flat q-q. Thai restaurants should record strong SSSG of 15% y-y (vs 11% y-y in 3Q22), while SSSG at its restaurants in China should drop by 20% y-y due to lockdowns in some cities. The EBITDA margin should be flat q-q at 21%.

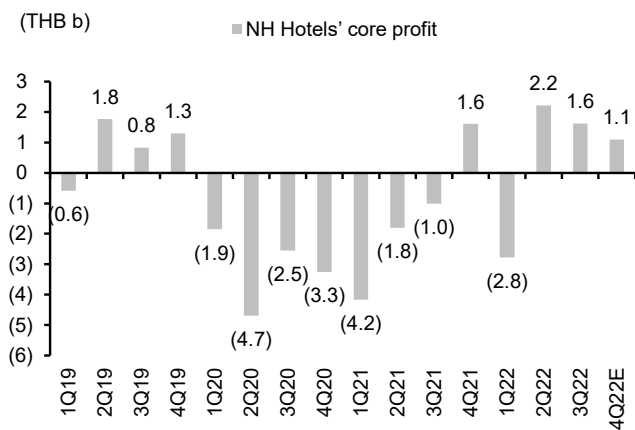
As a result, we estimate non-NHH core profit to improve from THB0.4b in 3Q22 to THB1.0b in 4Q22. Overall, we forecast MINT's core profit at THB2.1b in 4Q22, a slight improvement from THB2.0b in 3Q22.

Exhibit 1: NHH's RevPAR



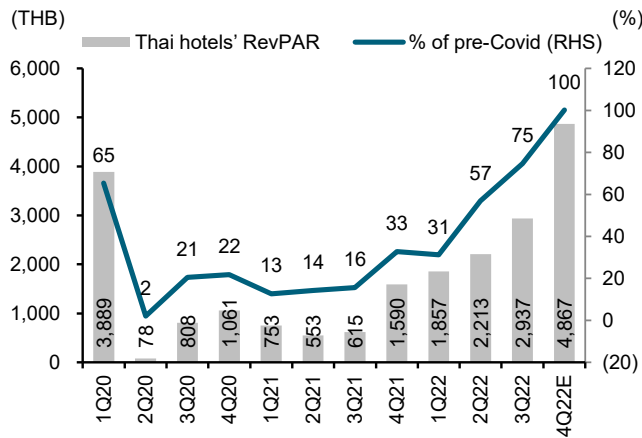
Source: NHH; MINT; FSSIA estimates

Exhibit 2: NHH's core profit contribution to MINT



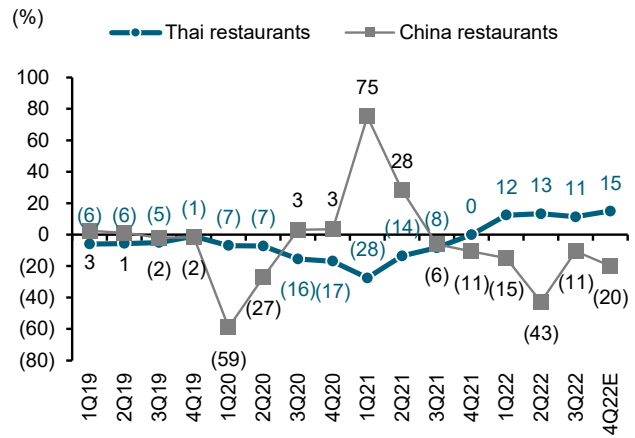
Note: Based on the 94% stake that MINT holds in NHH
Source: NHH; MINT; FSSIA estimates

Exhibit 3: RevPAR at Thai hotels



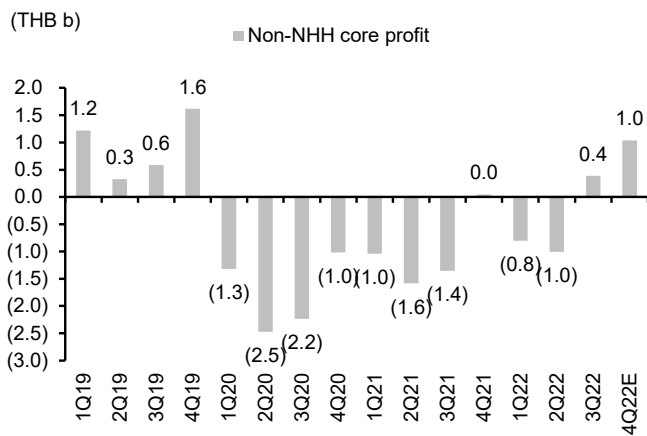
Source: MINT; FSSIA estimates

Exhibit 4: Food business SSSG in Thailand and China



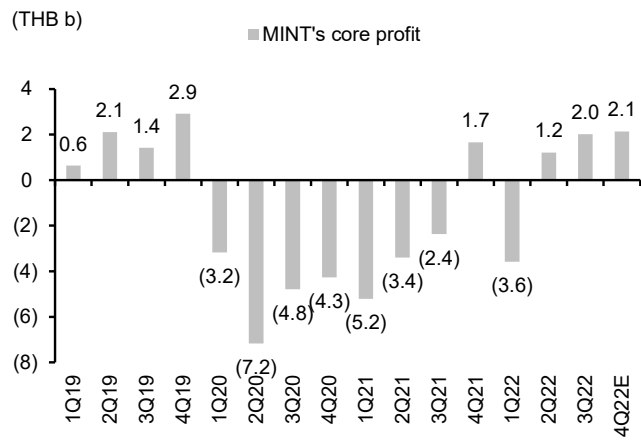
Source: MINT; FSSIA estimates

Exhibit 5: Non-NHH core profit



Source: MINT; FSSIA estimates

Exhibit 6: MINT's core profit



Source: MINT; FSSIA estimates

Exhibit 7: 4Q22 results preview

	4Q21	1Q22	2Q22	3Q22	4Q22E	----- Change -----		2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	23,990	19,630	31,423	33,567	35,121	5	46	119,802	76
-Hotel & Mixed-use	17,416	12,967	24,770	25,893	27,447	6	58	91,206	102
-Restaurant	5,639	6,123	6,066	7,035	6,971	(1)	24	26,047	28
-Retail	935	541	587	639	704	10	(25)	2,550	(8)
COGS (incl. depreciation)	(13,962)	(13,591)	(17,064)	(18,240)	(19,483)	7	40	(65,499)	38
Gross Profit	10,028	6,040	14,359	15,327	15,639	2	56	54,303	161
SG&A	(8,733)	(9,023)	(10,797)	(11,293)	(11,857)	5	36	(45,525)	46
Operating Profit	1,295	(2,983)	3,562	4,035	3,781	(6)	192	8,779	185
Net other income	2,416	833	720	986	1,005	2	(58)	2,902	(52)
Interest income	197	151	174	238	238	0	21	607	(4)
Interest expense	(1,695)	(2,056)	(2,157)	(2,289)	(2,335)	2	38	(8,852)	9
Pretax profit	2,213	(4,056)	2,300	2,969	2,690	(9)	22	3,437	129
Income Tax	(666)	145	(812)	(963)	(853)	(11)	28	(2,165)	(233)
Associates	30	55	(137)	171	468	173	1,437	579	(378)
Minority interest	79	274	(140)	(168)	(170)	1	(315)	(77)	(108)
Core profit	1,657	(3,582)	1,210	2,010	2,135	6	29	1,774	119
Extraordinaries, GW & FX	(3,214)	(212)	351	2,598		(100)	(100)	2,737	
Reported net profit	(1,557)	(3,794)	1,561	4,608	2,135	(54)	(237)	4,511	134
Shares out (end Q, m)	5,214	5,218	5,257	5,258	5,258	0	1	5,755	10
Core EPS	0.3	(0.7)	0.2	0.4	0.4	6	28	0.3	117
EPS	(0.3)	(0.7)	0.3	0.9	0.4	(54)	(236)	0.8	131
COGS (excl. depreciation)	(8,952)	(8,901)	(12,176)	(13,358)	(14,503)	9	62	(45,648)	66
Depreciation	(5,009)	(4,690)	(4,888)	(4,882)	(4,980)	2	(1)	(19,850)	(0)
EBITDA	8,948	2,745	9,208	10,312	10,473	2	17	32,718	103
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	42	31	46	46	45	(1)	3	45	15
SG&A/Revenue	36	46	34	34	34	0	(3)	38	(8)
Hotel EBITDA margin	36	11	31	32	31	(2)	(6)		
Food EBITDA margin	23	18	17	21	21	(0)	(2)		
Retail EBITDA margin	13	21	20	22	22	0	9		
Total EBITDA margin	33	13	28	30	29	(1)	(4)	24	10
Net profit margin	(6)	(18)	5	13	6	(7)	12	4	21
Operating stat									
Owned & leased RevPAR (y-y %)									
Total	278	252	334	n/a	0				
Thailand	50	147	300	n/a	0				
Maldives	nm	nm	nm	n/a	nm				
Europe & The Americas (NHH)	285	270	368	n/a	0				
SSSG (y-y %)									
Total	(2)	4	8	17	14				
Thailand	0	12	13	11	15				
China	(11)	(15)	(43)	(11)	(20)				
TSSG (y-y %)									
Total	6	12	13	41	18				
Thailand	9	20	26	51	20				
China	7	(2)	(52)	0	(20)				

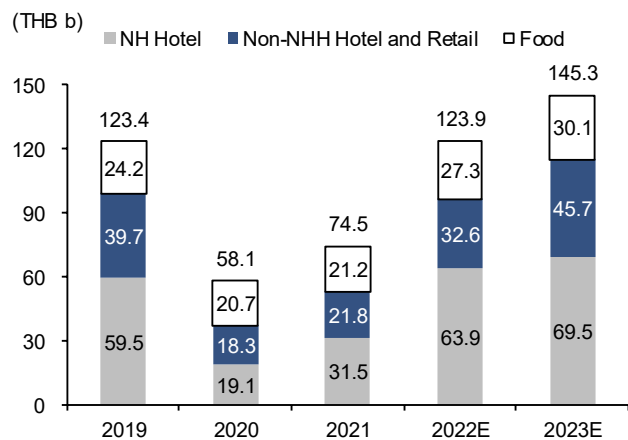
Sources: MINT; FSSIA estimates

Exhibit 8: Changes in key assumptions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Hotel - OCC (%)	59	69	71	59	68	71	-	1.0	-
Hotel - RevPAR (THB)	2,816	3,415	3,570	2,816	3,342	3,530	-	2.2	1.1
Food - SSSG (%)	10	7	2	9	2	2	1.0	5.0	-
Food - TSSG (%)	27	10	6	21	6	6	6.0	4.0	0.0
Revenue (THB b)	119.8	141.0	147.1	118.6	136.1	143.4	1.0	3.6	2.6
EBITDA margin (%)	23.9	24.1	25.0	22.5	23.8	24.5	1.4	0.3	0.5
Core earnings (THB b)	1.8	5.5	7.0	1.1	5.5	7.0	66.8	0.0	0.0

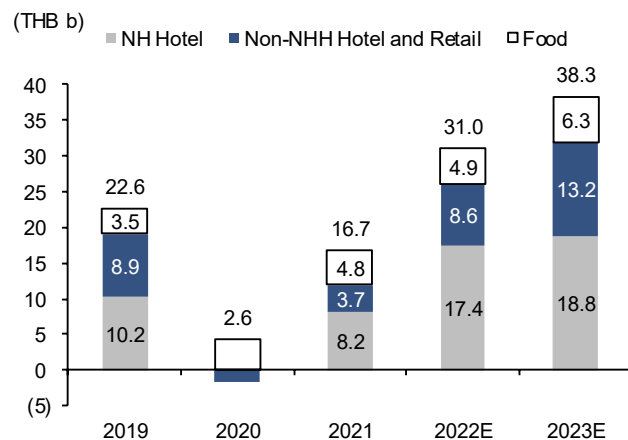
Note: Change of items in percentage terms is represented in ppt change
 Source: FSSIA estimates

Exhibit 9: Revenue forecast breakdown



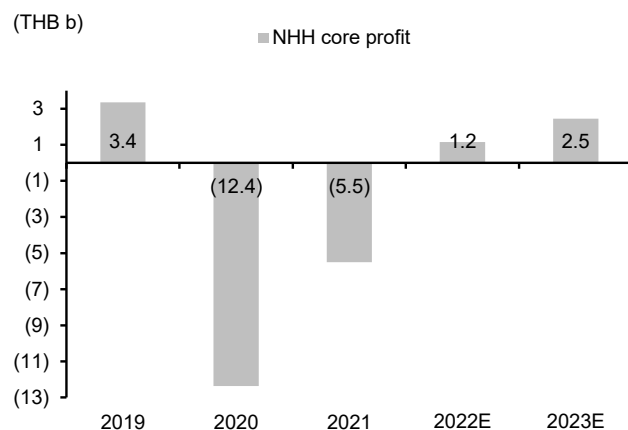
Sources: NHH; MINT; FSSIA estimates

Exhibit 10: EBITDA forecast breakdown



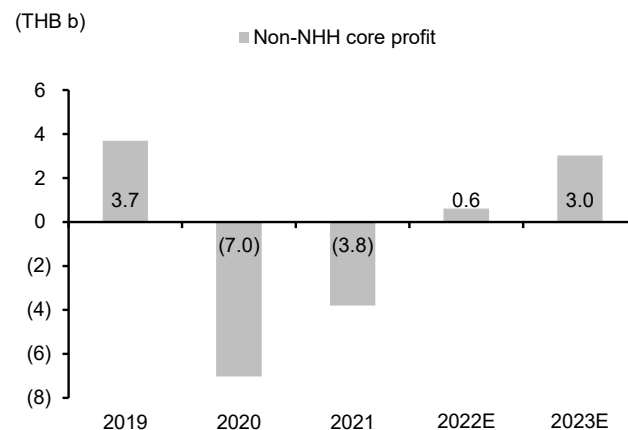
Note: EBITDA in 2019 excludes TFRS-16 accounting standard
 Sources: NHH; MINT; FSSIA estimates

Exhibit 11: NHH's annual core profit contribution to MINT



Note: Based on the 94% stake that MINT holds in NHH
 Source: NHH; MINT; FSSIA estimates

Exhibit 12: Annual non-NHH core profit



Sources: MINT; FSSIA estimates

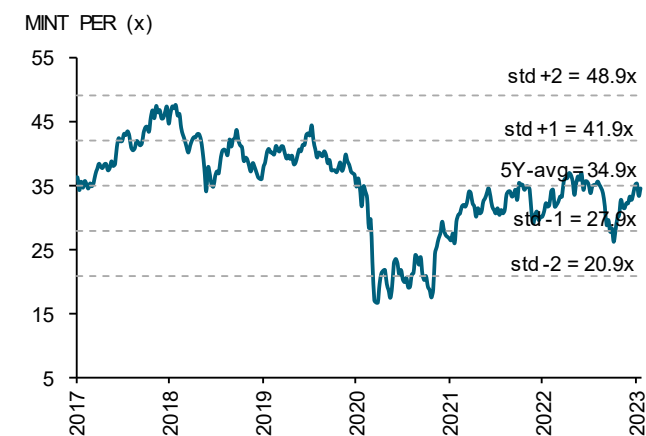
Exhibit 13: DCF valuation

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	172.0	29.9	WACC 8.3%, risk-free rate 3%, risk premium 8%
Terminal value	250.6	43.6	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	(11.8)	(2.1)	At end-2023E
Residual ordinary equity	230.1	40.0	

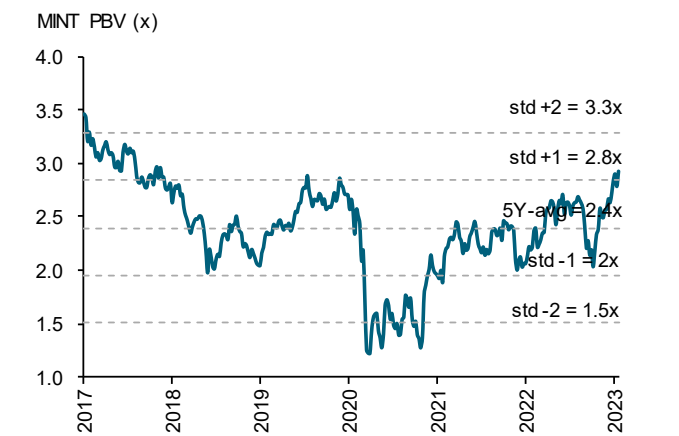
Source: FSSIA estimates

Exhibit 14: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Peer comparisons as of 27 Jan-23

Company	BBG	Rec	Share price			Market Cap (USD m)	PE			ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	24E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand															
Asset World Corp	AWC TB	BUY	6.10	6.80	11	5,945	(886.7)	92.6	53.0	(0.3)	2.5	2.4	2.2	99.3	45.5
Minor International	MINT TB	BUY	34.00	40.00	18	5,462	110.3	35.6	27.8	2.5	7.9	2.4	2.9	13.0	11.5
Central Plaza Hotel	CENTEL TB	BUY	52.00	58.00	12	2,138	311.9	32.8	26.8	1.2	11.1	3.8	3.4	23.9	14.5
Erawan Group	ERW TB	BUY	4.86	5.00	3	671	(64.1)	46.7	41.3	(5.9)	8.0	3.9	3.6	39.3	17.0
S Hotels & Resorts	SHR TB	BUY	4.38	5.30	21	479	(1,035.3)	34.3	23.3	(0.1)	2.8	1.0	1.0	15.6	10.3
Dusit Thani	DUSIT TB	BUY	13.10	18.00	37	339	(16.6)	102.5	30.5	(22.3)	3.9	4.0	3.9	170.8	33.5
Thailand average						15,034	(263.4)	57.4	33.8	(4.1)	6.0	2.9	2.8	60.3	22.0
Regional															
Btg Hotels Group	600258 CH	n/a	24.30	n/a	n/a	3,913	n/a	32.7	22.3	(2.8)	7.1	2.4	2.3	24.0	12.0
Sh Jinjiang Intl Hotels	900934 CH	n/a	2.09	n/a	n/a	8,309	97.5	9.1	6.4	1.0	8.7	0.9	0.9	45.8	17.8
Huangshan Tourism Dev.	900942 CH	n/a	0.84	n/a	n/a	1,109	n/a	17.5	12.9	(1.1)	5.8	1.0	0.9	46.3	11.5
Genting Bhd	GENT MK	n/a	5.10	n/a	n/a	4,511	43.6	14.8	11.9	1.7	4.4	0.6	0.6	8.4	6.9
Greentree Hospitality	GHG US	n/a	4.47	n/a	n/a	461	n/a	12.7	8.1	7.3	15.3	2.0	1.6	n/a	6.5
Huazhu Group	HTHT US	n/a	50.23	n/a	n/a	15,992	n/a	54.0	40.0	(11.3)	19.9	13.3	11.0	129.9	24.5
Indian Hotels	IH IN	n/a	286.45	n/a	n/a	5,085	n/a	51.7	37.8	(4.5)	10.7	7.0	5.4	81.5	26.9
Lemon Tree Hotels	LEMONTRE IN	n/a	72.85	n/a	n/a	718	n/a	59.7	38.3	(6.2)	10.8	6.8	6.5	53.4	21.0
Lippo Karawaci	LPKR IJ	n/a	82.00	n/a	n/a	383	n/a	n/a	27.5	(3.0)	(0.8)	0.3	0.3	9.3	8.2
Regional average						40,482	70.6	31.5	22.8	(1.8)	8.6	3.8	3.3	49.8	15.0
Overall average						55,517	(179.9)	42.6	27.2	(2.7)	7.6	3.5	3.1	54.3	17.8

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	119,802	140,959	147,106
Cost of goods sold	(28,652)	(27,475)	(45,648)	(54,154)	(55,423)
Gross profit	27,206	40,776	74,153	86,806	91,682
Other operating income	-	-	-	-	-
Operating costs	(26,715)	(31,188)	(45,525)	(52,860)	(54,870)
Operating EBITDA	492	9,588	28,629	33,946	36,812
Depreciation	(18,602)	(19,942)	(19,850)	(20,830)	(21,597)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(18,111)	(10,354)	8,779	13,116	15,215
Net financing costs	(6,876)	(7,484)	(8,244)	(9,273)	(9,188)
Associates	(464)	(209)	579	662	710
Recurring non-operating income	1,701	5,888	3,481	3,651	3,789
Non-recurring items	(2,019)	(3,852)	2,737	0	0
Profit before tax	(25,305)	(15,802)	6,753	7,494	9,815
Tax	2,601	1,627	(2,165)	(1,718)	(2,459)
Profit after tax	(22,703)	(14,175)	4,588	5,776	7,357
Minority interests	1,296	1,009	(77)	(281)	(310)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(21,407)	(13,167)	4,511	5,494	7,047
Non-recurring items & goodwill (net)	2,019	3,852	(2,737)	0	0
Recurring net profit	(19,388)	(9,315)	1,774	5,494	7,047
Per share (THB)					
Recurring EPS *	(3.74)	(1.79)	0.31	0.95	1.22
Reported EPS	(4.13)	(2.53)	0.87	0.98	1.22
DPS	0.00	0.00	0.12	0.33	0.42
Diluted shares (used to calculate per share data)	5,182	5,214	5,755	5,755	5,755
Growth					
Revenue (%)	(52.9)	22.2	75.5	17.7	4.4
Operating EBITDA (%)	(97.3)	1,850.7	198.6	18.6	8.4
Operating EBIT (%)	nm	nm	nm	49.4	16.0
Recurring EPS (%)	nm	nm	nm	209.7	28.3
Reported EPS (%)	nm	nm	nm	13.5	24.7
Operating performance					
Gross margin inc. depreciation (%)	15.4	30.5	45.3	46.8	47.6
Gross margin of key business (%)	15.4	30.5	45.3	46.8	47.6
Operating EBITDA margin (%)	0.9	14.0	23.9	24.1	25.0
Operating EBIT margin (%)	(32.4)	(15.2)	7.3	9.3	10.3
Net margin (%)	(34.7)	(13.6)	1.5	3.9	4.8
Effective tax rate (%)	11.4	13.9	63.0	25.2	27.0
Dividend payout on recurring profit (%)	-	-	37.5	35.0	34.0
Interest cover (X)	(2.4)	(0.6)	1.5	1.8	2.1
Inventory days	49.8	47.6	31.5	28.4	26.9
Debtor days	91.0	72.0	44.6	37.9	36.3
Creditor days	225.1	223.9	171.1	148.1	130.2
Operating ROIC (%)	(6.9)	(3.1)	1.2	3.6	4.2
ROIC (%)	(5.5)	(1.2)	1.5	4.1	4.6
ROE (%)	(27.2)	(13.8)	2.5	7.9	10.7
ROA (%)	(4.7)	(1.1)	1.3	3.6	4.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel & Mixed-use	32,714	45,160	91,206	109,250	113,587
F&B revenue	19,491	20,321	26,047	28,651	30,370
Retail revenue	3,653	2,770	2,550	3,057	3,149

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)	1,774	5,494	7,047
Depreciation	18,602	19,942	19,850	20,830	21,597
Associates & minorities	-	-	-	-	-
Other non-cash items	(2,368)	(5,186)	2,814	281	310
Change in working capital	(4,216)	6,605	4,940	(6,803)	364
Cash flow from operations	(7,369)	12,046	29,378	19,803	29,318
Capex - maintenance	(114,585)	(27,042)	(12,000)	(12,000)	(13,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,234)	(197)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(115,818)	(27,238)	(12,000)	(12,000)	(13,000)
Dividends paid	0	0	0	(603)	(1,868)
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
Cash flow from financing	136,045	14,101	(13,000)	(20,154)	(14,901)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	12,857	(1,092)	4,378	(12,351)	1,417
Free cash flow to firm (FCFF)	(115,735.09)	(7,074.20)	26,229.24	17,789.34	25,920.46
Free cash flow to equity (FCFE)	(5,164.81)	(638.87)	4,377.64	(197.44)	8,317.68

Per share (THB)

FCFF per share	(20.11)	(1.23)	4.56	3.09	4.50
FCFE per share	(0.90)	(0.11)	0.76	(0.03)	1.45
Recurring cash flow per share	(0.61)	1.04	4.69	4.76	5.03

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	369,508	392,452	404,452	416,452	429,452
Less: Accumulated depreciation	(89,194)	(104,820)	(124,670)	(145,500)	(167,097)
Tangible fixed assets (net)	280,314	287,632	279,781	270,952	262,355
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	16,052	16,249	16,249	16,249	16,249
Cash & equivalents	26,188	25,097	29,474	17,123	18,540
A/C receivable	12,286	14,638	14,638	14,638	14,638
Inventories	3,683	3,490	4,377	4,037	4,132
Other current assets	9,908	5,602	6,912	6,625	6,914
Current assets	52,064	48,827	55,401	42,423	44,223
Other assets	13,896	16,926	16,926	16,926	16,926
Total assets	362,327	369,633	368,357	346,549	339,753
Common equity	66,981	68,023	72,533	65,874	66,020
Minorities etc.	9,343	11,470	11,547	11,828	12,138
Total shareholders' equity	76,324	79,492	84,080	77,702	78,158
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
Long-term liabilities	263,848	263,187	250,187	242,187	234,187
A/C payable	15,310	18,394	24,393	19,543	20,001
Short term debt	140	482	482	482	482
Other current liabilities	6,703	8,079	9,216	6,636	6,926
Current liabilities	22,154	26,954	34,090	26,661	27,408
Total liabilities and shareholders' equity	362,327	369,633	368,357	346,549	339,753
Net working capital	3,863	(2,742)	(7,682)	(879)	(1,243)
Invested capital	314,125	318,064	305,274	303,247	294,287

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

Per share (THB)

Book value per share	12.92	13.05	13.91	11.77	11.47
Tangible book value per share	12.92	13.05	13.91	11.77	11.47

Financial strength



Net debt/equity (%)	268.3	251.5	217.2	240.6	227.1
Net debt/total assets (%)	56.5	54.1	49.6	53.9	52.2
Current ratio (x)	2.4	1.8	1.6	1.6	1.6
CF interest cover (x)	0.2	0.9	1.5	1.0	1.9

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(9.1)	(19.0)	110.3	35.6	27.8
Recurring P/E @ target price (x) *	(10.7)	(22.4)	129.8	41.9	32.7
Reported P/E (x)	(8.2)	(13.5)	39.3	34.6	27.8
Dividend yield (%)	-	-	0.3	1.0	1.2
Price/book (x)	2.6	2.6	2.4	2.9	3.0
Price/tangible book (x)	2.6	2.6	2.4	2.9	3.0
EV/EBITDA (x) **	794.1	40.5	13.0	11.5	10.5
EV/EBITDA @ target price (x) **	857.3	43.8	14.1	12.4	11.4
EV/invested capital (x)	1.2	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 2021

 EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENDEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
 VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
 GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIIK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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

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Company	Ticker	Price	Rating	Valuation & Risks
Minor International	MINT TB	THB 34.00	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.
Asset World Corp	AWC TB	THB 6.10	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 52.00	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 4.86	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.
Dusit Thani	DUSIT TB	THB 13.10	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

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All share prices are as at market close on 27-Jan-2023 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.