

MINOR INTERNATIONAL

MINT TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

Key takeaways from analyst meeting

TARGET PRICE	THB43.00
CLOSE	THB32.50
UP/DOWNSIDE	+32.3%
TP vs CONSENSUS	+5.9%

Highlights

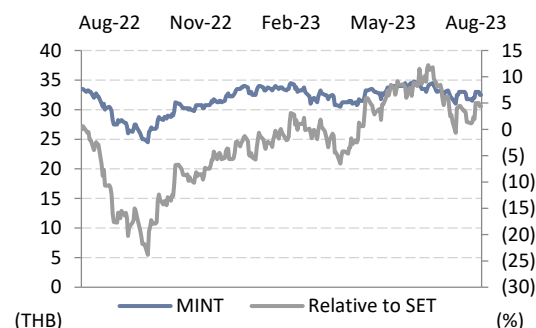
- We have slightly positive feedback from the 2Q23 analyst meeting.
- Management expects strong growth y-y, with momentum to continue in 3Q23. However, the performance of European hotels may slightly decline q-q due to seasonality.
- The OCC rate of European hotels remained strong at 70% in July (vs 72% in 2Q23) with RevPAR exceeding pre-Covid by more than 20% (vs +35% in 2Q23 vs 2Q19), even with the high base.
- The OCC rate of Thai hotels should improve from 60% in 2Q23 to 66% in July and 70-73% in Aug, with RevPAR exceeding the pre-Covid level by 5% (vs flat in 2Q23 vs 2Q19).
- Thai restaurants remained strong with positive SSSG y-y in July, even with the high base (+11% in 3Q22 and +8% y-y in 2Q23).
- Interest expenses increased from THB2.4b in 1Q23 to THB2.8b in 2Q23 due to the interest rate hike from 3.1% in 2022 to 4.4% in 1Q23 and 4.8% in 2Q23. On a positive note, MINT has reduced its high interest rate loans including an ICO loan of EUR50m in 1Q23 and a floating-interest unsecured bilateral loan of USD50m in July (and aims to further repay EUR21m in 2H23). MINT's interest-bearing debt was THB115b as of 2Q23, with IBD/E of only 1.09 (vs 1.75x covenant and 1.3x internal policy).

Recommendation

- We expect the strong European hotel performance to continue in 3Q23. European hotels are still in the high tourism season. However, there may be a slight drop q-q due to lower MICE activities. On a positive note, we expect Thai hotels to improve q-q, given that normally 2Q is their lowest tourism season.
- MINT is trading at attractive valuations of 29x/25x 2023E/2024E P/E (vs its five-year average of 30x).

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	119,364	142,783	150,610	157,665
Net profit	4,286	6,479	7,357	8,186
EPS (THB)	0.82	1.16	1.28	1.42
vs Consensus (%)	-	14.7	(5.7)	(12.1)
EBITDA	28,886	35,710	37,789	40,226
Recurring net profit	2,017	6,479	7,357	8,186
Core EPS (THB)	0.35	1.13	1.28	1.42
EPS growth (%)	nm	221.2	13.6	11.3
Core P/E (x)	92.7	28.9	25.4	22.8
Dividend yield (%)	-	1.2	1.3	1.5
EV/EBITDA (x)	12.7	10.3	10.3	9.4
Price/book (x)	2.4	2.1	2.7	2.5
Net debt/Equity (%)	222.9	175.0	235.2	202.9
ROE (%)	2.9	8.2	9.5	11.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.5)	(0.8)	(3.7)
Relative to country (%)	(0.9)	(0.6)	3.9
Mkt cap (USD m)	5,141		
3m avg. daily turnover (USD m)	16.2		
Free float (%)	63		
Major shareholder	Minor Holdings (Thai) (16%)		
12m high/low (THB)	35.00/24.10		
Issued shares (m)	5,754.62		

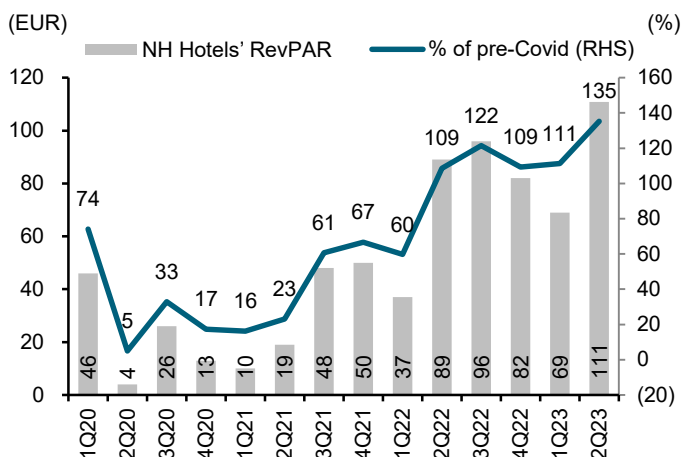
Sources: Bloomberg consensus; FSSIA estimates


Teerapol Udomvej, CFA

Analyst register no. 080523

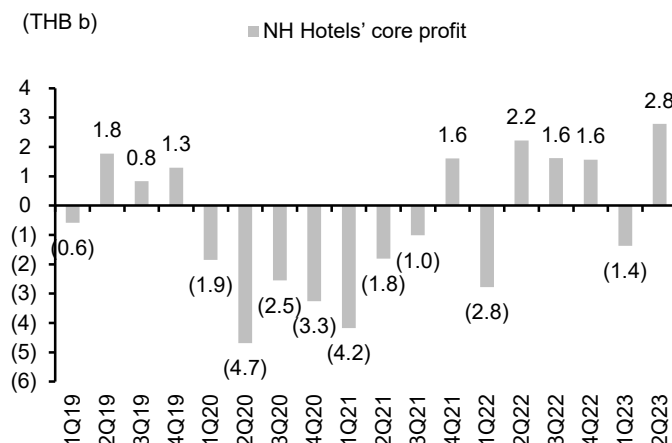
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Exhibit 1: NHH's RevPAR



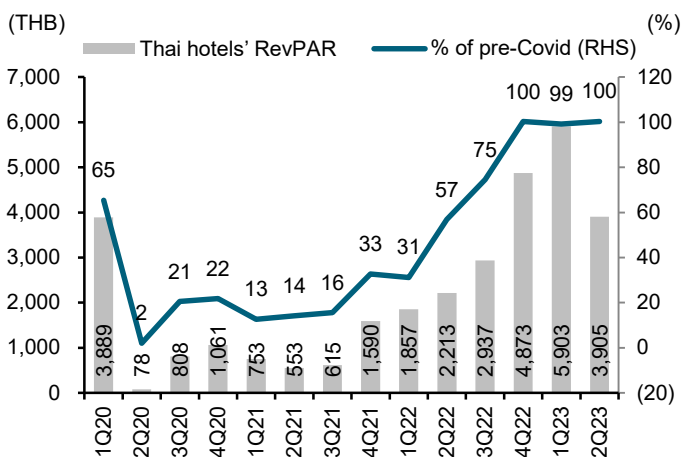
Source: NHH; MINT; FSSIA estimates

Exhibit 2: NHH's core profit contribution to MINT



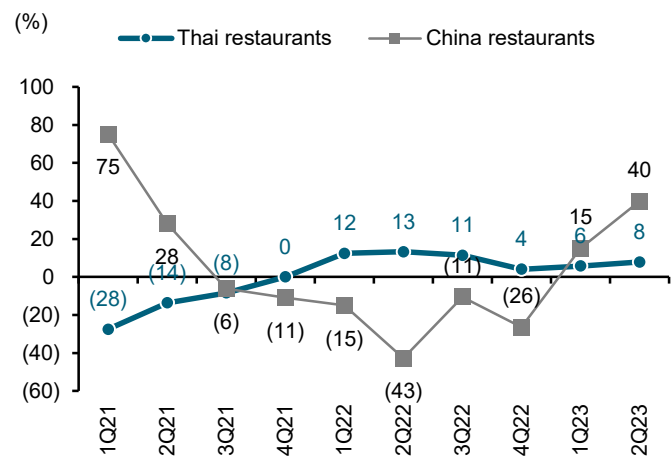
Note: Based on the 94% stake that MINT holds in NHH
Source: NHH; MINT; FSSIA estimates

Exhibit 3: RevPAR at Thai hotels



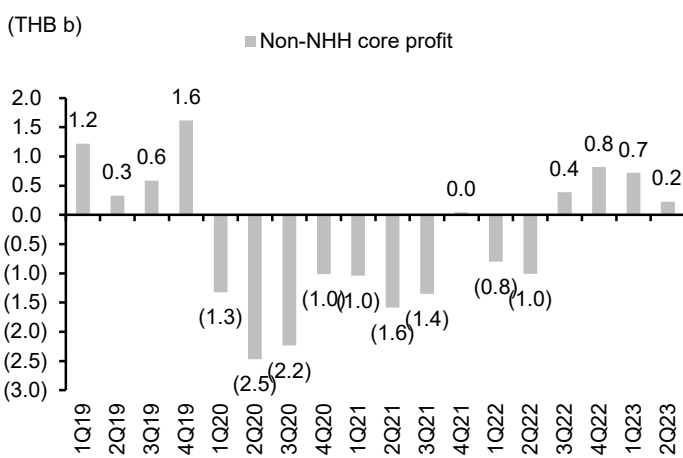
Source: MINT; FSSIA estimates

Exhibit 4: Food business SSSG in Thailand and China



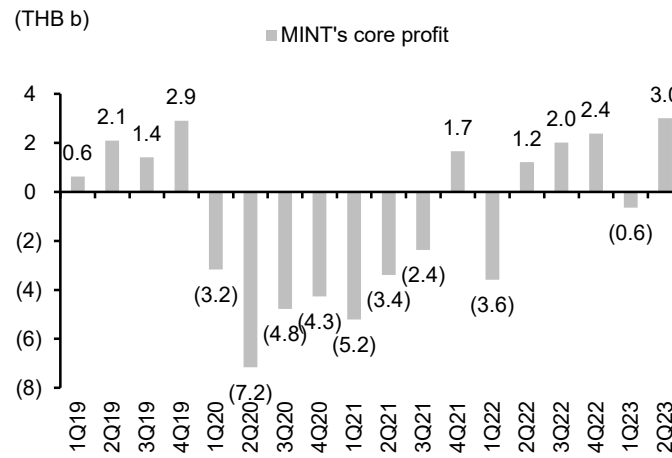
Source: MINT; FSSIA estimates

Exhibit 5: Non-NHH core profit



Source: MINT; FSSIA estimates

Exhibit 6: MINT's core profit



Source: MINT; FSSIA estimates

Financial Statements

Minor International

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	68,251	119,364	142,783	150,610	157,665
Cost of goods sold	(47,417)	(67,753)	(77,809)	(82,166)	(85,816)
Gross profit	20,834	51,610	64,974	68,444	71,849
Other operating income	-	-	-	-	-
Operating costs	(31,188)	(41,999)	(49,525)	(51,938)	(54,056)
Operating EBITDA	9,588	28,886	35,710	37,789	40,226
Depreciation	(19,942)	(19,275)	(20,260)	(21,283)	(22,432)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	(10,354)	9,612	15,449	16,506	17,793
Net financing costs	(7,484)	(8,138)	(9,567)	(9,455)	(9,535)
Associates	(209)	136	579	666	700
Recurring non-operating income	5,888	3,133	3,669	3,849	3,978
Non-recurring items	(3,852)	2,269	0	0	0
Profit before tax	(15,802)	6,877	9,551	10,900	12,237
Tax	1,627	(2,354)	(2,422)	(2,763)	(3,115)
Profit after tax	(14,175)	4,523	7,129	8,137	9,122
Minority interests	1,009	(236)	(650)	(780)	(936)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(13,167)	4,286	6,479	7,357	8,186
Non-recurring items & goodwill (net)	3,852	(2,269)	0	0	0
Recurring net profit	(9,315)	2,017	6,479	7,357	8,186
Per share (THB)					
Recurring EPS *	(1.79)	0.35	1.13	1.28	1.42
Reported EPS	(2.53)	0.82	1.16	1.28	1.42
DPS	0.00	0.00	0.39	0.43	0.48
Diluted shares (used to calculate per share data)	5,214	5,755	5,755	5,755	5,755
Growth					
Revenue (%)	22.2	74.9	19.6	5.5	4.7
Operating EBITDA (%)	1,850.7	201.3	23.6	5.8	6.4
Operating EBIT (%)	nm	nm	60.7	6.8	7.8
Recurring EPS (%)	nm	nm	221.2	13.6	11.3
Reported EPS (%)	nm	nm	41.8	10.4	11.3
Operating performance					
Gross margin inc. depreciation (%)	30.5	43.2	45.5	45.4	45.6
Gross margin exc. depreciation (%)	59.7	59.4	59.7	59.6	59.8
Operating EBITDA margin (%)	14.0	24.2	25.0	25.1	25.5
Operating EBIT margin (%)	(15.2)	8.1	10.8	11.0	11.3
Net margin (%)	(13.6)	1.7	4.5	4.9	5.2
Effective tax rate (%)	13.9	52.6	27.0	27.0	27.0
Dividend payout on recurring profit (%)	-	-	35.0	34.0	34.0
Interest cover (X)	(0.6)	1.6	2.0	2.2	2.3
Inventory days	47.6	27.9	26.0	26.5	26.7
Debtor days	72.0	48.5	47.2	50.1	49.6
Creditor days	223.9	151.3	135.0	128.1	129.1
Operating ROIC (%)	(3.1)	1.6	4.1	4.4	4.8
ROIC (%)	(1.2)	1.9	4.6	4.8	5.2
ROE (%)	(13.8)	2.9	8.2	9.5	11.5
ROA (%)	(1.1)	1.7	3.9	4.2	4.7
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Hotel & Mixed-use	45,160	90,644	110,549	116,821	122,247
F&B revenue	20,321	26,213	29,336	30,802	32,343
Retail revenue	2,770	2,507	2,899	2,986	3,076

Sources: Minor International; FSSIA estimates

Financial Statements

Minor International

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(9,315)	2,017	6,479	7,357	8,186
Depreciation	19,942	19,275	20,260	21,283	22,432
Associates & minorities	-	-	-	-	-
Other non-cash items	(5,186)	(1,997)	650	780	936
Change in working capital	6,605	2,644	(8,805)	(551)	717
Cash flow from operations	12,046	21,939	18,584	28,869	32,271
Capex - maintenance	(27,042)	(5,900)	(17,000)	(20,000)	(17,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(197)	(1)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(27,238)	(5,902)	(17,000)	(20,000)	(17,000)
Dividends paid	0	0	0	(2,203)	(2,501)
Equity finance	(453)	(514)	9,276	(23,932)	0
Debt finance	(5,883)	(17,932)	(5,000)	(3,000)	(10,000)
Other financing cash flows	20,436	278	0	0	0
Cash flow from financing	14,101	(18,168)	4,276	(29,135)	(12,501)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(1,092)	(2,130)	5,860	(20,266)	2,769
Free cash flow to firm (FCFF)	(7,074.20)	25,040.43	11,610.44	18,900.53	24,976.94
Free cash flow to equity (FCFE)	(638.87)	(1,616.77)	(3,416.23)	5,869.24	5,270.65

Per share (THB)

FCFF per share	(1.23)	4.35	2.02	3.28	4.34
FCFE per share	(0.11)	(0.28)	(0.59)	1.02	0.92
Recurring cash flow per share	1.04	3.68	4.90	5.11	5.48

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	392,452	381,640	398,640	418,640	435,640
Less: Accumulated depreciation	(104,820)	(107,248)	(127,508)	(148,791)	(171,224)
Tangible fixed assets (net)	287,632	274,392	271,132	269,848	264,416
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	16,249	16,250	16,250	16,250	16,250
Cash & equivalents	25,097	22,966	28,826	8,560	11,330
A/C receivable	14,638	17,052	19,908	21,414	21,414
Inventories	3,490	3,909	4,290	4,539	4,725
Other current assets	5,602	6,369	6,711	7,079	7,410
Current assets	48,827	50,296	59,735	41,592	44,879
Other assets	16,926	17,272	17,272	17,272	17,272
Total assets	369,633	358,210	364,388	344,962	342,817
Common equity	68,023	71,059	86,814	68,036	73,720
Minorities etc.	11,470	11,550	12,200	12,980	13,916
Total shareholders' equity	79,492	82,609	99,014	81,016	87,636
Long term debt	224,576	207,126	202,126	199,126	189,126
Other long-term liabilities	38,610	35,759	35,759	35,759	35,759
Long-term liabilities	263,187	242,885	237,885	234,885	224,885
A/C payable	18,394	21,807	20,768	21,971	22,873
Short term debt	482	0	0	0	0
Other current liabilities	8,079	10,910	6,722	7,091	7,423
Current liabilities	26,954	32,716	27,490	29,061	30,296
Total liabilities and shareholders' equity	369,633	358,210	364,388	344,962	342,817
Net working capital	(2,742)	(5,386)	3,419	3,970	3,253
Invested capital	318,064	302,527	308,073	307,340	301,191

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

Per share (THB)

Book value per share	13.05	13.54	15.52	11.82	12.81
Tangible book value per share	13.05	13.54	15.52	11.82	12.81

Financial strength

Net debt/equity (%)	251.5	222.9	175.0	235.2	202.9
Net debt/total assets (%)	54.1	51.4	47.6	55.2	51.9
Current ratio (x)	1.8	1.5	2.2	1.4	1.5
CF interest cover (x)	0.9	0.8	0.6	1.6	1.6

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(18.2)	92.7	28.9	25.4	22.8
Recurring P/E @ target price (x) *	(24.1)	122.7	38.2	33.6	30.2
Reported P/E (x)	(12.9)	39.8	28.1	25.4	22.8
Dividend yield (%)	-	-	1.2	1.3	1.5
Price/book (x)	2.5	2.4	2.1	2.7	2.5
Price/tangible book (x)	2.5	2.4	2.1	2.7	2.5
EV/EBITDA (x) **	39.7	12.7	10.3	10.3	9.4
EV/EBITDA @ target price (x) **	45.4	14.6	11.9	11.9	10.9
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

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

Corporate Governance Report Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). 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 data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

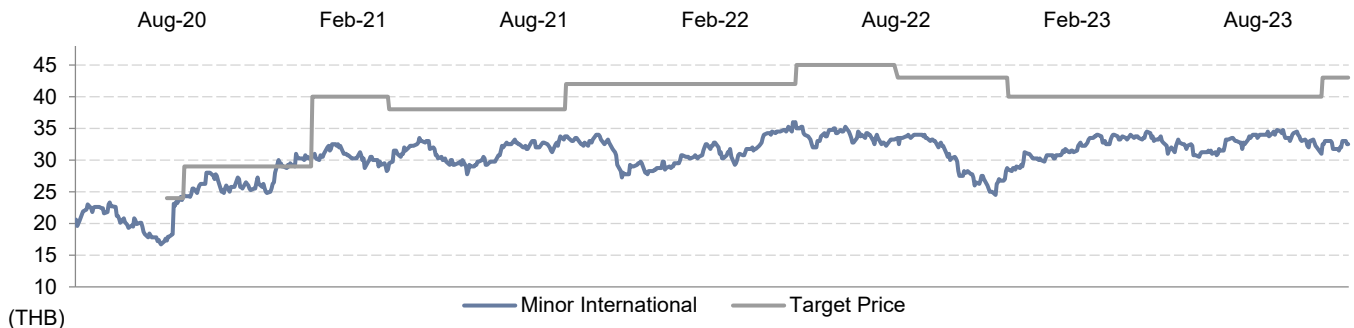
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History of change in investment rating and/or target price

Minor International (MINT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Nov-2020	BUY	24.00	13-May-2021	BUY	38.00	22-Jul-2022	BUY	43.00
18-Nov-2020	BUY	29.00	12-Oct-2021	BUY	42.00	27-Oct-2022	BUY	40.00
08-Mar-2021	BUY	40.00	28-Apr-2022	BUY	45.00	24-Jul-2023	BUY	43.00

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 32.50	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.

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 16-Aug-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.