

# MINOR INTERNATIONAL

## THAILAND / FOOD & BEVERAGE

# MINT TB

# BUY

**UNCHANGED**

TARGET PRICE	THB44.00
CLOSE	THB29.50
UP/DOWNSIDE	+49.2%
PRIOR TP	THB43.00
CHANGE IN TP	+2.3%
TP vs CONSENSUS	+13.1%

## Solid operations from Europe to Thailand

- Expect strong 4Q23 core profit of THB2.4b (+3% y-y, +7% q-q), driven by Thai hotels, leading 2023 core profit to exceed pre-Covid.
- Strong OCC rate of Thai hotels in 1Q24; European hotels to benefit from UEFA Euro 2024 and 2024 Olympics in Germany and Paris.
- Maintain BUY with a higher DCF-TP of THB44/shr.

### Expect RevPAR of Thai and European hotels to grow 14-17% y-y

We expect strong earnings of THB2.4b (+3% y-y, +7% q-q) in 4Q23 (see preview on pg. 5), despite the low season for European hotels. The key driver is strong RevPAR growth for Thai and European hotels, which we estimate to grow by 14% y-y and 17% y-y, respectively. Food business revenue should also grow by 5% y-y in 4Q, driven by positive SSSG for China restaurants and the strong outlet expansion of Thai restaurants. With the strong 4Q23 projected, the year's core profit should end at THB7.1b, exceeding the pre-Covid level.

### Promising forward bookings of Thai hotels in Jan-Feb 2024

According to Bloomberg's interview with MINT's chairman, Bill Heinecke, Thai hotels had an OCC rate of 75% in Dec-23, and forward bookings jumped 20-30% in Jan-Feb 2024. Thus, we believe Thai hotels' OCC rate should improve to 75-80% (vs 69% in 4Q23E and 71% in 1Q23). This should provide a cushion in the low season for European hotels, with the potential for MINT to post a profit in 1Q24 (vs THB0.6b loss in 1Q23).

### Expect core profit to grow by 13% to THB8.0b in 2024

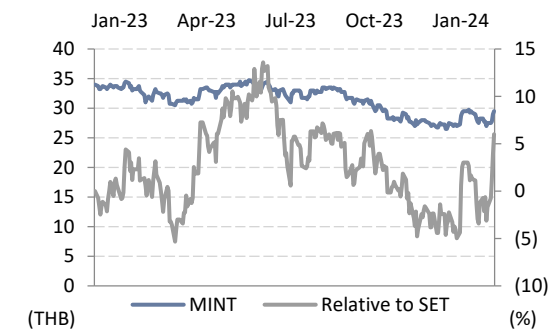
We expect overall RevPAR to grow by 6% in 2024, led by Thai hotels (+10%), while we conservatively estimate the RevPAR of European hotels to grow by only 4%. In our view, the upside for European hotels comes from the recovery of long-haul travelers, the UEFA Euro 2024 hosted by Germany in June-July 2024, and the 2024 Olympics hosted by Paris in July-Aug 2024. Note that hotel rooms in Germany and France account for 26% and 2% of NHH's total owned hotel rooms. Overall, we expect core profit to grow by 13% to THB8.0b with the scope of an upside on lower interest expenses, as MINT plans to prepay its debt over 2024.

### Revising up profit; laggard compared to global hotel peers

We raise our 2023-25E core profit by 9% to reflect the strong 4Q23E and outlook, and derive a new 2024 DCF-TP of THB44/shr. MINT's share price is 17% below the pre-Covid level and is underperforming global hotel operators whose share prices have exceeded the pre-Covid level by 26%. MINT is now our top pick in the hotel sector as it trades at a cheap valuation of 21x 2024E P/E, compared to its five-year average of 26x, Thai hotel peers' 46x and global hotel peers' 22x.

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	119,364	149,150	157,954	164,538
Net profit	4,286	7,074	8,018	8,922
EPS (THB)	0.82	1.26	1.39	1.55
vs Consensus (%)	-	19.3	9.7	2.1
EBITDA	28,886	37,635	40,755	42,900
Recurring net profit	2,017	7,074	8,018	8,922
Core EPS (THB)	0.35	1.23	1.39	1.55
Chg. In EPS est. (%)	-	9.2	9.0	9.0
EPS growth (%)	nm	250.7	13.3	11.3
Core P/E (x)	84.1	24.0	21.2	19.0
Dividend yield (%)	-	1.5	1.6	1.8
EV/EBITDA (x)	12.1	9.3	9.2	8.4
Price/book (x)	2.2	1.9	2.5	2.3
Net debt/Equity (%)	222.9	173.8	231.9	198.7
ROE (%)	2.9	8.9	10.2	12.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.3	3.5	(12.6)
Relative to country (%)	10.8	5.4	6.8
Mkt cap (USD m)	4,623		
3m avg. daily turnover (USD m)	11.3		
Free float (%)	63		
Major shareholder	Minor Holdings (Thai) (16%)		
12m high/low (THB)	35.00/25.75		
Issued shares (m)	5,754.62		

Sources: Bloomberg consensus; FSSIA estimates


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### Investment thesis

MINT’s earnings are now in a recovery mode. We expect the core profit to continue to grow in 2024, led by Thai and European hotels and the food business.

NH Hotels should continue to deliver a strong performance. We expect a recovery in business travel and pent-up demand from long-haul travellers to be key growth drivers in 2024. They should offset rising personnel costs and the potential for further interest rate hikes.

We expect MINT’s core profit to exceed the pre-Covid level in 2024, driven by an improving EBITDA margin and lower interest expenses.

There is a potential upside from a wider EBITDA margin following cost-saving measures, which should permanently reduce some expenses.

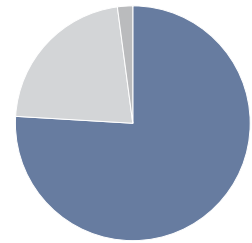
### Company profile

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, 2022)

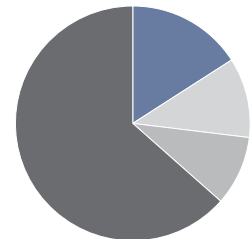
- Hotel & Mixed-use - 75.9 %
- F&B revenue - 22.0 %
- Retail revenue - 2.1 %



Source: Minor International

### Major shareholders

- Minor Holdings (Thai) - 15.9 %
- Thai NVDR - 11.0 %
- Niti Osathanugrah - 9.6 %
- Others - 63.5 %



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 2024	4Q23 results announcement

### Key assumptions

	2023E (%)	2024E (%)	2025E (%)
<b>Owned &amp; leased hotels</b>			
- Number of rooms (no.)	54,493	54,980	54,980
- Occupancy rate (OCC)	67	69	70
- RevPAR growth	29	6	4
<b>Food business</b>			
- Number of outlets (no.)	2,658	2,764	2,847
- Same-Store Sales Growth (SSSG)	7	2	2
- Total System Sales Growth (TSSG)	12	6	5

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in OCC, we project a 2024 profit increase of 5%, and vice versa, all else being equal.
- For every 1% increase in SSSG, we project a 2024 profit increase of 1%, and vice versa, all else being equal.

Source: FSSIA estimates

### 4Q23 results preview

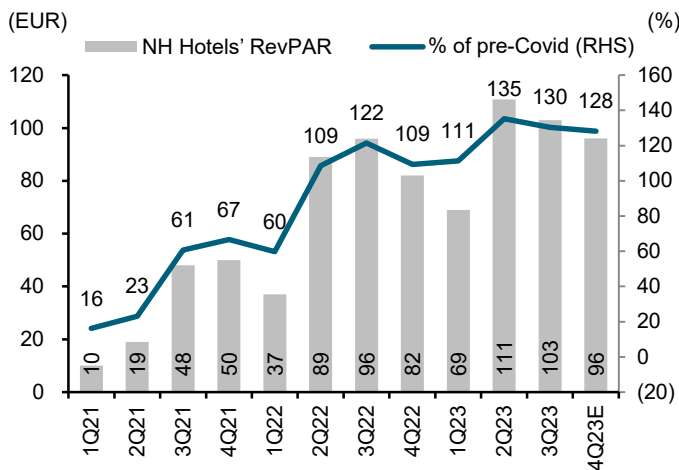
We expect NHH's 4Q23 RevPAR to grow by 17% y-y and exceed pre-Covid by 28%, with an estimated OCC rate of 69% (vs 64% in 4Q22 and 71% in 4Q19) and an ADR of EUR139 (vs EUR129 in 4Q22 and EUR104 in 4Q19). The EBITDA margin should edge down to 29% (vs 33% in 4Q22 and 4Q19), pressured by higher personnel costs and lease payments. This should lead to a 4Q23 core profit of EUR47m (+5% y-y) and would imply a cTHB1.7b profit contribution to MINT.

Thai hotels' RevPAR should grow by 14% y-y in the quarter and exceed pre-Covid by 14%. On a negative note, Maldives hotels' RevPAR should drop 24% y-y, 7% below pre-Covid, due to lower demand for the resort segment. The EBITDA margin of non-NHH hotels should be relatively flat y-y at 30%.

For the food business, we expect the SSSG of its Thai and CLMV restaurants to drop by 2% y-y, while China restaurants should grow 2% y-y. The EBITDA margin of its food business should improve from 22.4% in 4Q22 to 22.8% in 4Q23 due to lower raw material costs.

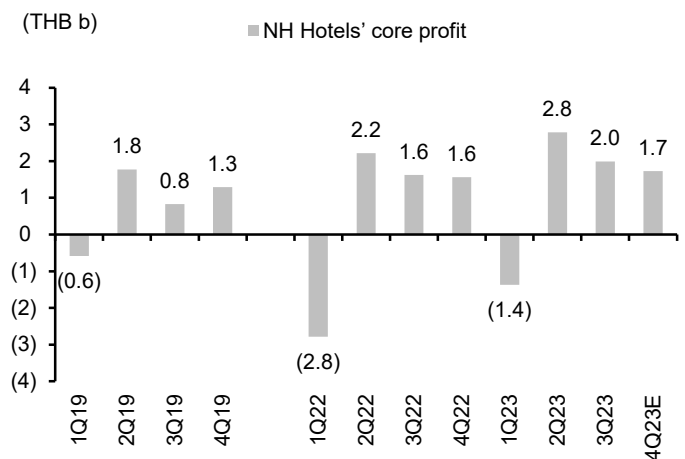
Interest expenses should increase by 20% y-y due to rising interest rates. As a result, we forecast MINT's 4Q23 core profit to grow by 3% y-y and 7% q-q.

**Exhibit 1: NHH's RevPAR**



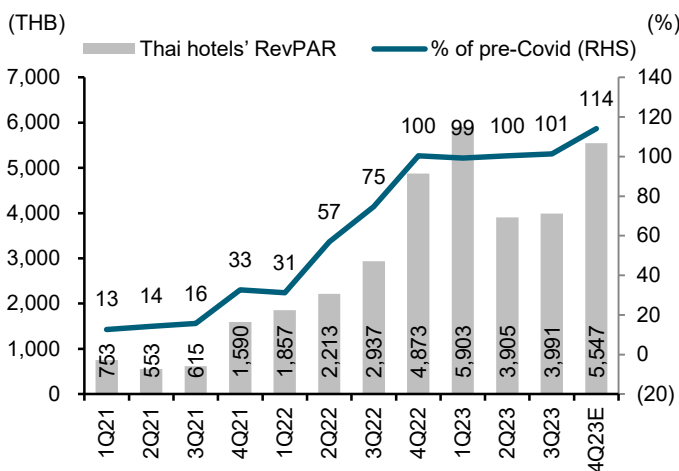
Source: NHH; MINT; FSSIA estimates

**Exhibit 2: NHH's core profit contribution to MINT**



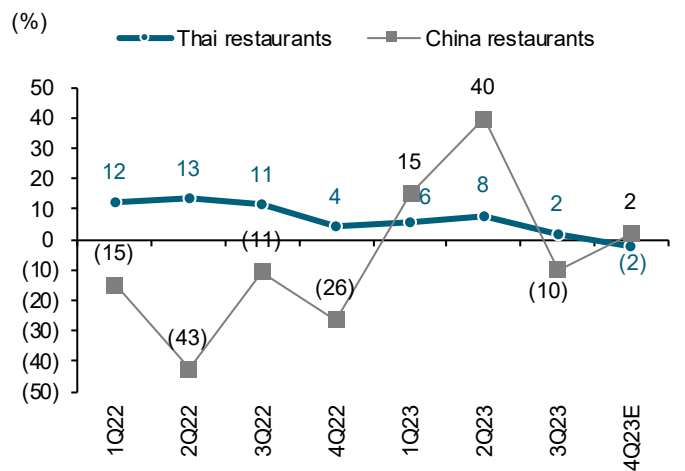
Note: Based on the 94% stake that MINT holds in NHH and 96% stake from 3Q23 onwards  
Source: NHH; MINT; FSSIA estimates

**Exhibit 3: RevPAR at Thai hotels**



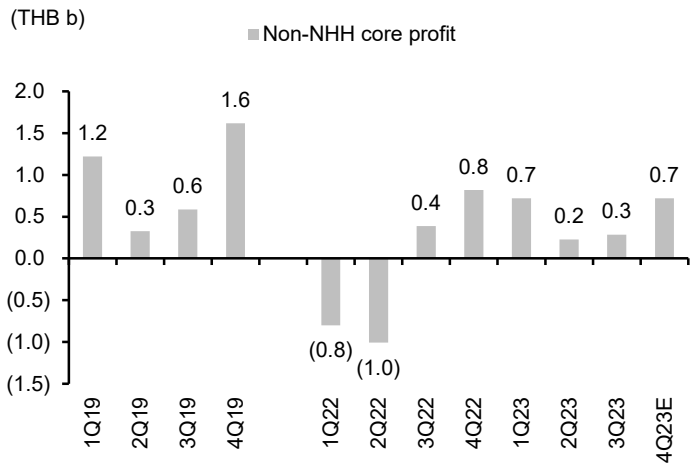
Source: MINT; FSSIA estimates

**Exhibit 4: Food business SSSG in Thailand and China**



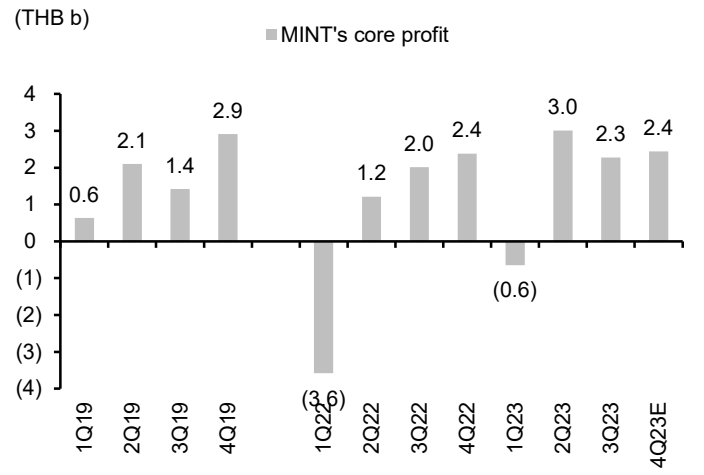
Source: MINT; FSSIA estimates

**Exhibit 5: Non-NHH core profit**



Source: MINT; FSSIA estimates

**Exhibit 6: MINT's core profit**



Source: MINT; FSSIA estimates

## Exhibit 7: 4Q23 results preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	Change		2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
<b>Sales</b>	<b>34,234</b>	<b>31,246</b>	<b>39,634</b>	<b>38,904</b>	<b>38,891</b>	<b>(0)</b>	<b>14</b>	<b>149,150</b>
-Hotel & Mixed-use	26,504	23,357	31,806	31,094	30,934	(1)	17	117,570
-Restaurant	6,989	7,312	7,345	7,275	7,328	1	5	29,336
-Retail	741	577	483	536	630	17	(15)	2,244
<b>COGS (incl. depreciation)</b>	<b>(18,349)</b>	<b>(18,483)</b>	<b>(20,828)</b>	<b>(20,688)</b>	<b>(20,146)</b>	<b>(3)</b>	<b>10</b>	<b>(79,077)</b>
<b>Gross profit</b>	<b>15,884</b>	<b>12,763</b>	<b>18,806</b>	<b>18,216</b>	<b>18,746</b>	<b>3</b>	<b>18</b>	<b>70,072</b>
SG&A	(10,886)	(11,941)	(12,321)	(12,798)	(13,105)	2	20	(51,733)
<b>Operating profit</b>	<b>4,999</b>	<b>822</b>	<b>6,486</b>	<b>5,419</b>	<b>5,641</b>	<b>4</b>	<b>13</b>	<b>18,339</b>
Net other income	457	695	487	545	562	3	23	2,251
Dividend income	2	0	1	18	2			0
Interest income	302	277	363	373	373	0	24	1,401
Interest expense	(2,501)	(2,434)	(2,761)	(2,932)	(2,991)	2	20	(11,050)
<b>Pretax profit</b>	<b>3,259</b>	<b>(640)</b>	<b>4,575</b>	<b>3,423</b>	<b>3,586</b>	<b>5</b>	<b>10</b>	<b>10,941</b>
Income Tax	(724)	(232)	(1,353)	(1,017)	(986)	(3)	36	(3,610)
Associates	46	261	19	47	65	37	40	414
Minority interest	(203)	(35)	(235)	(180)	(223)	24	10	(670)
<b>Core profit</b>	<b>2,379</b>	<b>(647)</b>	<b>3,006</b>	<b>2,273</b>	<b>2,442</b>	<b>7</b>	<b>3</b>	<b>7,074</b>
Extraordinaries, GW & FX	(468)	(329)	249	(129)				0
<b>Reported net profit</b>	<b>1,911</b>	<b>(976)</b>	<b>3,255</b>	<b>2,144</b>	<b>2,442</b>	<b>14</b>	<b>28</b>	<b>7,074</b>
Shares out (end Q, m)	5,259	5,259	5,259	5,259	5,259	0	0	5,259
<b>Core EPS</b>	<b>0.5</b>	<b>(0.1)</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>	<b>7</b>	<b>3</b>	<b>1.23</b>
<b>EPS</b>	<b>0.4</b>	<b>(0.2)</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>	<b>14</b>	<b>28</b>	<b>1.26</b>
COGS (excl. depreciation)	(13,535)	(13,665)	(15,909)	(15,994)	(15,357)	(4)	13	(59,782)
Depreciation	(4,814)	(4,818)	(4,919)	(4,695)	(4,788)	2	(1)	(19,295)
EBITDA	10,620	6,872	12,273	11,097	11,431	3	8	37,635
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>
Gross margin	46	41	47	47	48	1	2	47
SG&A/Revenue	32	38	31	33	34	1	2	35
Hotel EBITDA margin	32	21	33	29	30	0	(2)	30
Food EBITDA margin	22	22	21	23	23	0	0	22
Retail EBITDA margin	15	13	10	11	11	0	(4)	11
Total EBITDA margin	30	21	30	28	29	1	(1)	25
Net profit margin	5	(3)	8	5	6	1	1	5
<b>Operating stat</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23E</b>			
<b>Owned &amp; leased RevPAR (y-y %)</b>								
<b>Total</b>	<b>66</b>	<b>87</b>	<b>28</b>	<b>13</b>	<b>18</b>			
Thailand	206	218	76	36	14			
Maldives	(11)	(15)	(23)	(25)	(24)			
Europe & The Americas (NHH)	64	86	25	7	17			
<b>SSSG (y-y %)</b>								
<b>Total</b>	<b>4</b>	<b>11</b>	<b>8</b>	<b>(2)</b>	<b>(2)</b>			
Thailand	4	6	8	2	(2)			
China	(26)	15	40	(10)	2			
<b>TSSG (y-y %)</b>								
<b>Total</b>	<b>17</b>	<b>20</b>	<b>18</b>	<b>5</b>	<b>2</b>			
Thailand	20	20	17	8	5			
China	(20)	20	99	(9)	0			

Sources: MINT; FSSIA estimates

## Forecast and TP revisions

We revise up our 2024 core profit estimate by 9% to reflect the strong outlook for both Thai and European hotels.

We expect NHH's OCC rate to improve to 71% in 2024 (vs 69% in 2023E and 72% in 2019), and conservatively expect ADR to grow by only 1%. Thus, we expect NHH's RevPAR and revenue to grow by 4% and the EBITDA margin to be flat at 28%. Overall, we estimate a core profit of EUR154m for NHH in 2024 (vs EUR140m in 2023E and EUR103m in 2019). This implies a cTHB5.6b profit contribution to MINT in 2024.

We estimate non-NHH core profit to grow to THB2.5b in 2024 from THB2.1b in 2023E, driven by 10% RevPAR growth for Thai hotels and 2% SSSG for the food business. However, it would still be below the 2019 profit of THB3.7b, pressured by higher interest expenses.

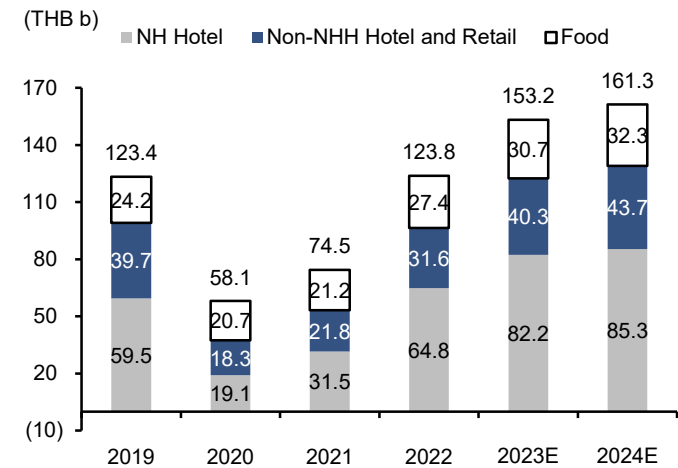
We derive a new 2024 DCF-TP of THB44/shr. Our new TP implies 32x 2024E P/E compared to its five-year average of 26x.

### Exhibit 8: Changes in key assumptions

	Current			Previous			Change (%)		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Hotel - OCC (%)	67	69	70	66	69	70	1.0	-	(0.5)
Hotel - RevPAR (THB)	3,831	4,087	4,252	3,700	3,912	4,094	3.5	4.5	3.9
Food - SSSG (%)	7	2	2	7	2	2	-	-	-
Food - TSSG (%)	12	6	5	12	5	5	-	1.0	-
Revenue (THB b)	149.1	158.0	164.5	142.8	150.6	157.7	4.5	4.9	4.4
EBITDA margin (%)	25.2	25.8	26.1	25.0	25.1	25.5	0.2	0.7	0.6
Core earnings (THB b)	7.1	8.0	8.9	6.5	7.4	8.2	9.2	9.0	9.0

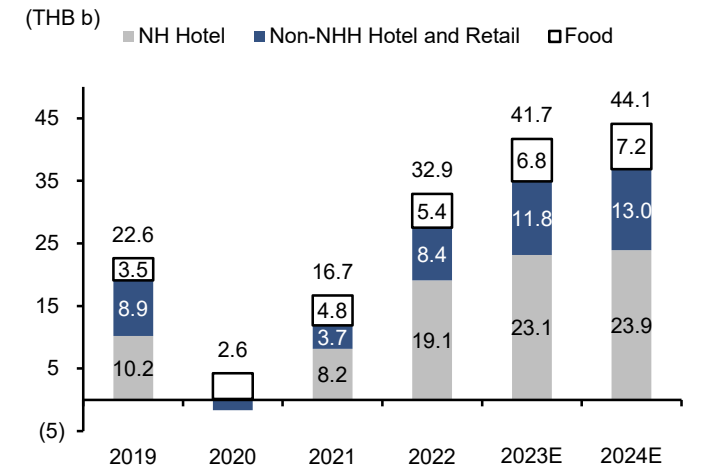
Note: Change of items in percentage terms is represented in ppt change  
Source: FSSIA estimates

### Exhibit 9: Revenue forecast breakdown



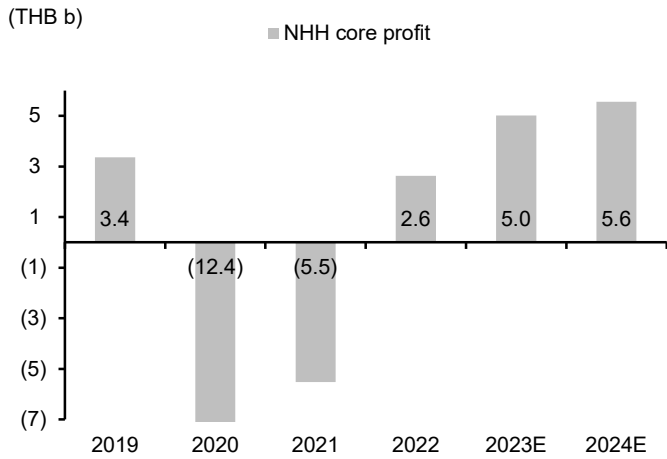
Note: Revenue includes share income and other income  
Sources: NHH; MINT; FSSIA estimates

### Exhibit 10: EBITDA forecast breakdown



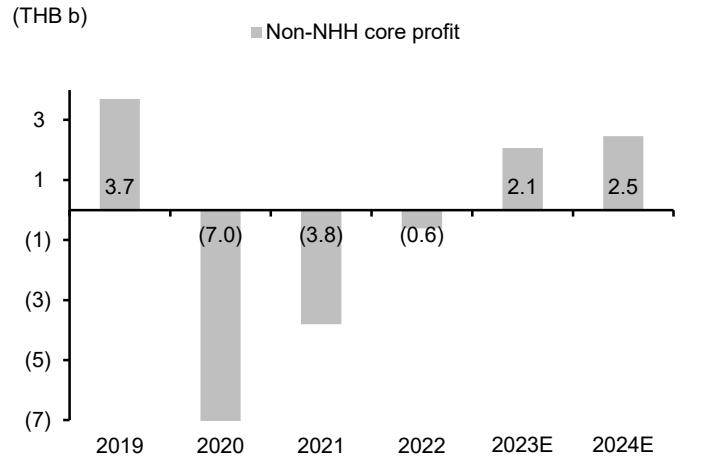
Note: 1) Revenue includes share income and other income; 2) EBITDA in 2019 excludes TFRS-16 accounting standard  
Sources: NHH; MINT; FSSIA estimates

**Exhibit 11: NHH’s annual core profit contribution to MINT**



Note: Based on the 94% stake that MINT holds in NHH in 2019-23E and 96% in 2024E  
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	Net cost of debt, Kd	3.2
Cost of equity, Ke	13.3	Weight applied	50.0
Weight applied	50.0		
WACC	8.3		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	164.2	28.5	WACC 8.3%, risk-free rate 3%, risk premium 8%
Terminal value	276.4	48.0	Terminal growth 2.5%
Cash & liquid assets	8.6	1.5	At end-2024E
Investments	16.2	2.8	At end-2024E
Debt	(199.1)	(34.6)	At end-2024E
Minorities	(13.1)	(2.3)	At end-2024E
<b>Residual ordinary equity</b>	<b>253.2</b>	<b>44.0</b>	

Source: FSSIA estimates

**Exhibit 14: Share price compared to listed European hotel companies**

Ticker	Price performance					
	2020	2021	2022	2023	2024 YTD	Since 2020
MINT TB	(27.4)	11.7	12.2	(8.5)	0.0	(16.8)
NHH SM	(25.6)	(9.8)	(2.3)	41.1	(1.6)	(9.0)
MEL SM	(26.5)	3.1	(23.7)	30.2	6.5	(19.8)
IHG LN	(8.8)	0.2	(0.5)	49.5	5.6	43.6
WTB LN	(24.6)	(4.7)	(14.7)	42.3	(1.5)	(14.1)
<b>Average</b>	<b>(22.6)</b>	<b>0.1</b>	<b>(5.8)</b>	<b>30.9</b>	<b>1.8</b>	<b>(3.2)</b>

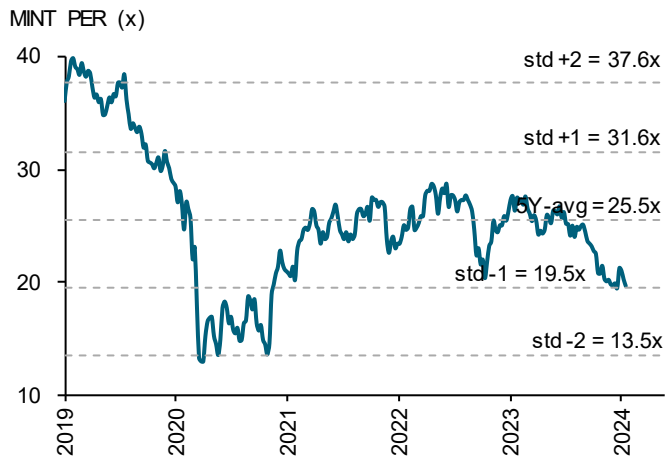
As of 25 Jan 2024  
Source: Bloomberg

**Exhibit 15: Share price compared to listed global hotel companies**

Ticker	Price performance					
	2020	2021	2022	2023	2024 YTD	Since 2020
MINT TB	(27.4)	11.7	12.2	(8.5)	0.0	(16.8)
ACRFF US	(23.4)	(11.7)	(21.4)	50.3	(0.7)	(20.5)
CHH US	1.1	46.9	(27.1)	0.6	6.8	16.3
HLT US	(1.1)	40.7	(18.5)	44.1	5.2	72.0
H US	(18.3)	29.0	(4.8)	44.2	1.1	46.4
MAR US	(14.1)	26.4	(9.7)	51.5	7.7	59.9
<b>Average</b>	<b>(13.9)</b>	<b>23.8</b>	<b>(11.5)</b>	<b>30.4</b>	<b>3.4</b>	<b>26.2</b>

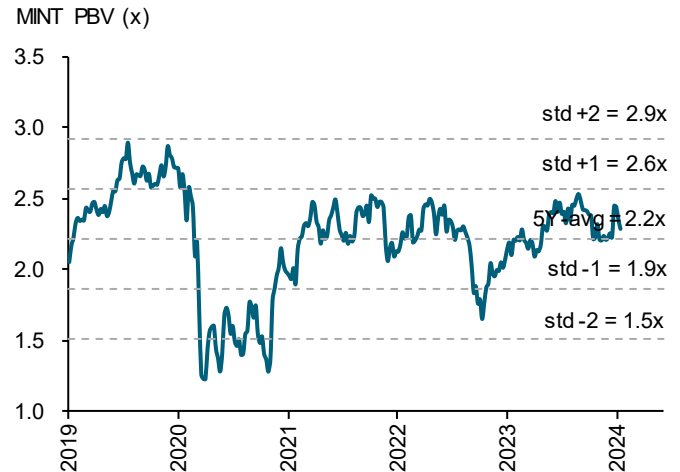
As of 25 Jan 2024  
Source: Bloomberg

Exhibit 16: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 18: Peer comparisons as of 25 Jan 2024

Company	BBG	Rec	Share price			Market cap (USD m)	PE			ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	25E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
<b>Thailand</b>															
Asset World Corp	AWC TB	BUY	3.88	5.50	42	3,477	114.3	44.8	42.2	1.3	3.1	1.4	1.4	39.9	27.7
Minor International	MINT TB	BUY	29.50	44.00	49	4,623	24.0	21.2	19.0	8.9	10.2	1.9	2.5	9.3	9.2
Central Plaza Hotel	CENDEL TB	BUY	42.50	50.00	18	1,607	48.2	37.4	29.9	6.2	7.6	2.9	2.8	18.3	16.8
Erawan Group	ERW TB	BUY	5.10	6.30	24	647	33.6	33.4	29.0	11.4	10.4	3.6	3.1	16.8	16.0
S Hotels & Resorts	SHR TB	BUY	2.36	4.00	69	238	326.5	27.6	16.2	0.2	1.9	0.5	0.5	8.6	7.0
Dusit Thani	DUSIT TB	BUY	8.35	15.00	80	199	(13.4)	132.8	6.5	(13.6)	1.5	1.9	1.9	(357.4)	43.9
Bound and Beyond	BEYOND TB	BUY	12.40	22.00	77	101	(25.9)	25.5	16.0	(2.4)	2.3	0.6	0.6	15.4	9.6
<b>Thailand average</b>						<b>10,892</b>	<b>72.5</b>	<b>46.1</b>	<b>22.7</b>	<b>1.7</b>	<b>5.3</b>	<b>1.8</b>	<b>1.8</b>	<b>(35.6)</b>	<b>18.6</b>
<b>Regional</b>															
Btg Hotels Group	600258 CH	n/a	15.27	n/a	n/a	2,377	21.6	17.0	14.3	7.2	8.5	1.5	1.4	9.1	8.2
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.50	n/a	n/a	4,020	9.6	6.7	5.4	7.0	9.1	0.6	0.6	13.0	10.9
Huangshan Tourism Dev.	900942 CH	n/a	0.74	n/a	n/a	1,013	10.5	8.9	8.2	8.1	9.3	0.9	0.8	10.4	8.6
Genting Bhd	GENT MK	n/a	4.70	n/a	n/a	3,826	14.9	10.5	9.3	3.7	4.9	0.6	0.5	6.6	5.9
Huazhu Group	HTHT US	n/a	33.30	n/a	n/a	10,821	19.6	18.0	15.6	33.6	27.4	5.8	4.7	11.8	10.7
Indian Hotels	IH IN	n/a	473.60	n/a	n/a	8,111	73.1	54.3	43.6	12.6	14.4	8.5	7.4	38.9	32.5
Lemon Tree Hotels	LEMONTRE IN	n/a	138.50	n/a	n/a	1,320	95.3	67.6	40.7	12.3	16.2	12.0	11.0	32.2	26.0
Lippo Karawaci	LPKR IJ	n/a	84.00	n/a	n/a	376	14.7	13.3	11.9	2.6	2.8	0.4	0.4	8.9	8.5
<b>Regional average</b>						<b>31,864</b>	<b>32.4</b>	<b>24.5</b>	<b>18.6</b>	<b>10.9</b>	<b>11.6</b>	<b>3.8</b>	<b>3.4</b>	<b>16.4</b>	<b>13.9</b>
<b>Global</b>															
Nh Hotel Group	NHH SM	n/a	4.13	n/a	n/a	1,948	15.1	14.2	12.0	15.3	13.1	1.8	1.6	6.9	6.8
Melia Hotels International	MEL SM	n/a	6.35	n/a	n/a	1,517	13.9	12.6	10.2	21.3	17.9	2.7	2.3	8.6	8.4
Intercontinental Hotels G.	IHG LN	n/a	7,488	n/a	n/a	15,703	26.1	23.4	21.2	(34.5)	(34.5)	n/a	n/a	16.7	15.7
Whitbread	WTB LN	n/a	3,601	n/a	n/a	8,499	25.4	16.6	15.6	6.8	10.3	1.7	1.8	12.6	10.2
Accor	ACRFF US	n/a	37.75	n/a	n/a	9,523	18.4	16.7	15.2	11.1	10.2	1.7	1.7	11.0	10.1
Choice Hotels	CHH US	n/a	118.35	n/a	n/a	6,026	20.1	17.9	17.3	242.5	677.7	65.0	26.5	13.8	13.1
Hilton Worldwide Holdings	HLT US	n/a	187.57	n/a	n/a	49,131	31.4	27.5	23.8	(95.3)	(83.7)	n/a	n/a	18.8	17.4
Hyatt Hotels Corp	H US	n/a	130.76	n/a	n/a	13,604	59.9	40.9	32.5	6.1	10.4	3.9	3.9	15.6	14.1
Marriott International	MAR US	n/a	237.87	n/a	n/a	71,329	28.3	25.2	22.5	(999.8)	(138.8)	n/a	n/a	17.9	16.7
<b>Global average</b>						<b>177,279</b>	<b>26.5</b>	<b>21.7</b>	<b>18.9</b>	<b>(91.9)</b>	<b>53.6</b>	<b>12.8</b>	<b>6.3</b>	<b>13.5</b>	<b>12.5</b>
<b>Overall average</b>						<b>220,035</b>	<b>41.9</b>	<b>29.8</b>	<b>19.9</b>	<b>(30.3)</b>	<b>25.5</b>	<b>5.7</b>	<b>3.7</b>	<b>0.1</b>	<b>14.8</b>

Sources: Bloomberg; FSSIA estimates



## Financial Statements

Minor International

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	68,251	119,364	149,150	157,954	164,538
Cost of goods sold	(47,417)	(67,753)	(79,077)	(83,496)	(87,114)
<b>Gross profit</b>	<b>20,834</b>	<b>51,610</b>	<b>70,072</b>	<b>74,458</b>	<b>77,424</b>
Other operating income	-	-	-	-	-
Operating costs	(31,188)	(41,999)	(51,733)	(54,471)	(56,413)
<b>Operating EBITDA</b>	<b>9,588</b>	<b>28,886</b>	<b>37,635</b>	<b>40,755</b>	<b>42,900</b>
Depreciation	(19,942)	(19,275)	(19,295)	(20,767)	(21,889)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>(10,354)</b>	<b>9,612</b>	<b>18,339</b>	<b>19,987</b>	<b>21,012</b>
Net financing costs	(7,484)	(8,138)	(9,649)	(10,254)	(10,223)
Associates	(209)	136	414	453	480
Recurring non-operating income	5,888	3,133	2,664	2,772	2,868
Non-recurring items	(3,852)	2,269	0	0	0
<b>Profit before tax</b>	<b>(15,802)</b>	<b>6,877</b>	<b>11,355</b>	<b>12,505</b>	<b>13,656</b>
Tax	1,627	(2,354)	(3,610)	(3,615)	(3,689)
<b>Profit after tax</b>	<b>(14,175)</b>	<b>4,523</b>	<b>7,744</b>	<b>8,889</b>	<b>9,967</b>
Minority interests	1,009	(236)	(670)	(871)	(1,045)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(13,167)</b>	<b>4,286</b>	<b>7,074</b>	<b>8,018</b>	<b>8,922</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>3,852</b>	<b>(2,269)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(9,315)</b>	<b>2,017</b>	<b>7,074</b>	<b>8,018</b>	<b>8,922</b>
<b>Per share (THB)</b>					
Recurring EPS *	(1.79)	0.35	1.23	1.39	1.55
Reported EPS	(2.53)	0.82	1.26	1.39	1.55
DPS	0.00	0.00	0.43	0.47	0.53
Diluted shares (used to calculate per share data)	5,214	5,755	5,755	5,755	5,755
<b>Growth</b>					
Revenue (%)	22.2	74.9	25.0	5.9	4.2
Operating EBITDA (%)	1,850.7	201.3	30.3	8.3	5.3
Operating EBIT (%)	nm	nm	90.8	9.0	5.1
Recurring EPS (%)	nm	nm	250.7	13.3	11.3
Reported EPS (%)	nm	nm	54.8	10.2	11.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	30.5	43.2	47.0	47.1	47.1
Gross margin exc. depreciation (%)	59.7	59.4	59.9	60.3	60.4
Operating EBITDA margin (%)	14.0	24.2	25.2	25.8	26.1
Operating EBIT margin (%)	(15.2)	8.1	12.3	12.7	12.8
Net margin (%)	(13.6)	1.7	4.7	5.1	5.4
Effective tax rate (%)	13.9	52.6	33.0	30.0	28.0
Dividend payout on recurring profit (%)	-	-	35.0	34.0	34.0
Interest cover (X)	(0.6)	1.6	2.2	2.2	2.3
Inventory days	47.6	27.9	25.5	26.6	26.7
Debtor days	72.0	48.5	45.4	48.1	47.9
Creditor days	223.9	151.3	132.4	128.6	129.2
Operating ROIC (%)	(3.1)	1.6	4.5	5.1	5.6
ROIC (%)	(1.2)	1.9	4.6	5.2	5.6
ROE (%)	(13.8)	2.9	8.9	10.2	12.4
ROA (%)	(1.1)	1.7	3.9	4.5	5.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Hotel & Mixed-use	45,160	90,644	117,570	124,548	129,508
F&B revenue	20,321	26,213	29,336	31,096	32,651
Retail revenue	2,770	2,507	2,244	2,311	2,380

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	7,074	8,018	8,922
Depreciation	19,942	19,275	19,295	20,767	21,889
Associates & minorities	-	-	-	-	-
Other non-cash items	(5,186)	(1,997)	670	871	1,045
Change in working capital	6,605	2,644	(8,293)	(735)	715
<b>Cash flow from operations</b>	<b>12,046</b>	<b>21,939</b>	<b>18,747</b>	<b>28,922</b>	<b>32,571</b>
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)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(27,238)</b>	<b>(5,902)</b>	<b>(17,000)</b>	<b>(20,000)</b>	<b>(17,000)</b>
Dividends paid	0	0	0	(2,405)	(2,726)
Equity finance	(453)	(514)	9,276	(23,932)	0
Debt finance	(5,883)	(17,932)	(5,000)	(3,000)	(6,000)
Other financing cash flows	20,436	278	0	0	0
<b>Cash flow from financing</b>	<b>14,101</b>	<b>(18,168)</b>	<b>4,276</b>	<b>(29,337)</b>	<b>(8,726)</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>(1,092)</b>	<b>(2,130)</b>	<b>6,023</b>	<b>(20,416)</b>	<b>6,845</b>
Free cash flow to firm (FCFF)	(7,074.20)	25,040.43	12,796.62	19,755.34	25,965.58
Free cash flow to equity (FCFE)	(638.87)	(1,616.77)	(3,253.18)	5,921.55	9,570.91

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	(1.23)	4.35	2.22	3.43	4.51
FCFE per share	(0.11)	(0.28)	(0.57)	1.03	1.66
Recurring cash flow per share	1.04	3.68	4.83	5.15	5.54

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)	(126,543)	(147,311)	(169,199)
<b>Tangible fixed assets (net)</b>	<b>287,632</b>	<b>274,392</b>	<b>272,097</b>	<b>271,329</b>	<b>266,441</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	16,249	16,250	16,250	16,250	16,250
Cash & equivalents	25,097	22,966	28,989	8,573	15,418
A/C receivable	14,638	17,052	20,035	21,615	21,615
Inventories	3,490	3,909	4,457	4,676	4,863
Other current assets	5,602	6,369	7,010	7,424	7,733
<b>Current assets</b>	<b>48,827</b>	<b>50,296</b>	<b>60,491</b>	<b>42,288</b>	<b>49,629</b>
Other assets	16,926	17,272	17,272	17,272	17,272
<b>Total assets</b>	<b>369,633</b>	<b>358,210</b>	<b>366,109</b>	<b>347,139</b>	<b>349,591</b>
Common equity	68,023	71,059	87,409	69,090	75,286
Minorities etc.	11,470	11,550	12,220	13,091	14,136
<b>Total shareholders' equity</b>	<b>79,492</b>	<b>82,609</b>	<b>99,629</b>	<b>82,181</b>	<b>89,422</b>
Long term debt	224,576	207,126	202,126	199,126	193,126
Other long-term liabilities	38,610	35,759	35,759	35,759	35,759
<b>Long-term liabilities</b>	<b>263,187</b>	<b>242,885</b>	<b>237,885</b>	<b>234,885</b>	<b>228,885</b>
A/C payable	18,394	21,807	21,574	22,637	23,538
Short term debt	482	0	0	0	0
Other current liabilities	8,079	10,910	7,022	7,436	7,746
<b>Current liabilities</b>	<b>26,954</b>	<b>32,716</b>	<b>28,596</b>	<b>30,073</b>	<b>31,284</b>
<b>Total liabilities and shareholders' equity</b>	<b>369,633</b>	<b>358,210</b>	<b>366,109</b>	<b>347,139</b>	<b>349,591</b>
Net working capital	(2,742)	(5,386)	2,906	3,642	2,926
Invested capital	318,064	302,527	308,525	308,493	302,889

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

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	13.05	13.54	15.62	12.01	13.08
Tangible book value per share	13.05	13.54	15.62	12.01	13.08

Financial strength	2021	2022	2023E	2024E	2025E
Net debt/equity (%)	251.5	222.9	173.8	231.9	198.7
Net debt/total assets (%)	54.1	51.4	47.3	54.9	50.8
Current ratio (x)	1.8	1.5	2.1	1.4	1.6
CF interest cover (x)	0.9	0.8	0.7	1.6	1.9

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>(16.5)</b>	<b>84.1</b>	<b>24.0</b>	<b>21.2</b>	<b>19.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(24.6)</b>	<b>125.5</b>	<b>35.8</b>	<b>31.6</b>	<b>28.4</b>
Reported P/E (x)	(11.7)	36.1	23.3	21.2	19.0
Dividend yield (%)	-	-	1.5	1.6	1.8
Price/book (x)	2.3	2.2	1.9	2.5	2.3
Price/tangible book (x)	2.3	2.2	1.9	2.5	2.3
EV/EBITDA (x) **	38.1	12.1	9.3	9.2	8.4
EV/EBITDA @ target price (x) **	46.0	14.8	11.5	11.2	10.4
EV/invested capital (x)	1.1	1.2	1.1	1.2	1.2

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

Sources: Minor International; FSSIA estimates

# Minor International PCL (MINT TB)

**FSSIA ESG rating**

★ ★ ★ ★ ★

## Exhibit 19: FSSIA ESG score implication

**84.43 /100**

Rating	Score	Implication
★ ★ ★ ★ ★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★ ★ ★ ★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★ ★ ★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★ ★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 20: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BEYOND	24.98	--	--	--	5.00	5.00	Certified	--	39.83	--	--	--	--	--	--
CENTEL	62.78	--	Y	Y	5.00	5.00	Certified	Medium	57.54	--	--	71.56	48.00	2.93	54.19
DUSIT	24.81	--	--	--	5.00	4.00	Certified	--	46.50	--	--	--	--	--	--
ERW	39.65	--	--	--	4.00	4.00	Certified	--	54.22	--	--	51.15	21.00	3.90	--
MINT	84.43	Y	Y	Y	5.00	4.00	Certified	Medium	57.57	AA	37.00	91.18	69.00	5.00	--
SHR	25.00	--	Y	Y	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

## Exhibit 21: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>5.47</b>	<b>5.72</b>	<b>5.75</b>	<b>5.65</b>	<b>5.68</b>	<b>4.89</b>	<b>5.01</b>	<b>5.00</b>
BESG environmental pillar score	6.63	6.70	6.73	6.81	7.12	6.89	7.03	—
BESG social pillar score	6.36	6.38	6.38	6.38	6.14	3.70	3.78	—
BESG governance pillar score	3.35	3.95	4.01	3.62	3.61	3.73	3.87	—
<b>ESG disclosure score</b>	<b>52.30</b>	<b>52.19</b>	<b>55.26</b>	<b>58.45</b>	<b>60.14</b>	<b>60.79</b>	<b>65.48</b>	<b>—</b>
Environmental disclosure score	49.56	52.40	54.12	59.56	59.56	68.11	68.11	—
Social disclosure score	26.12	22.94	30.44	34.61	37.18	30.56	38.36	—
Governance disclosure score	81.10	81.10	81.10	81.10	83.59	83.59	89.86	—
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	—	47	70	86	74	108	145	244
GHG scope 2 location-based	—	161	159	228	260	199	205	257
GHG Scope 3	—	—	—	27	29	26	490	811
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	450	460	480	661	666	937	1,142	1,446
Renewable energy use	—	—	—	—	—	107	135	—
Electricity used	257	274	303	479	543	366	456	585
Fuel used - natural gas	—	—	—	—	—	587,813	722,758	861,737

Sources: Bloomberg; FSSIA's compilation

## Exhibit 22: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0	0	0	0	0
Total waste	1	1	4	2	1	1	5	6
Waste recycled	0	0	0	0	0	0	1	3
Waste sent to landfills	0	0	0	0	0	0	3	—
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	1,218	2,423	7,122
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes	Yes	Yes	Yes	No
Quality assurance and recall policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	50	48	50	49	52	51	52	51
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	1	—
Total recordable incident rate - employees	—	—	—	—	—	—	1	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	56,301	64,115	66,016	67,691	79,700	66,451	64,389	75,297
Employee turnover pct	—	—	—	—	46	58	51	—
Total hours spent by firm - employee training	4,053,670	6,796,190	6,931,680	6,972,170	9,165,500	1,727,730	1,738,500	2,560,100
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>
<b>No. of independent directors (ID)</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	1	2	2	2	2	2	2	2
No. of non-executive directors on board	4	5	6	7	7	8	8	7
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	8	8	10	8	9	5	6
Board meeting attendance pct	87	87	91	96	98	98	95	93
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	44	45	46	45	46	47	48	48
Age of the oldest director	70	71	72	73	74	74	75	73
<b>No. of executives / company managers</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>9</b>
No. of female executives	1	1	2	2	2	2	3	4
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	2	3	4	3	3	3	3	3
Audit committee meetings	4	4	4	4	4	4	4	4
Audit meeting attendance %	83	92	93	92	100	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>
No. of ID on compensation committee	1	2	3	3	3	3	3	3
No. of compensation committee meetings	2	2	2	2	2	3	2	2
Compensation meeting attendance %	63	100	89	100	100	87	90	90
<b>Size of nomination committee</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>
No. of nomination committee meetings	3	3	3	4	3	2	2	3
Nomination meeting attendance %	78	100	91	100	100	88	88	83
<b>Sustainability governance</b>								
Verification type	No	No	No	No	No	No	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > 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.																											
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 10px;"><b>AAA</b></td> <td>8.571-10.000</td> <td style="padding-right: 10px;"><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																												
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

**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"**; 2) **"AGM Level"**; 3) **"Thai CAC"**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### 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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Company	Ticker	Price	Rating	Valuation & Risks
Minor International	MINT TB	THB 29.50	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 3.88	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	CENTEL TB	THB 42.50	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.
The Erawan Group	ERW TB	THB 5.10	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.
S Hotels and Resorts	SHR TB	THB 2.36	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 8.35	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.
Bound and Beyond	BEYOND TB	THB 12.40	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.

All share prices are as at market close on 25-Jan-2024 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.