

MINOR INTERNATIONAL  
THAILAND / FOOD & BEVERAGE

MINT TB

FSSIA ESG rating



BUY

UNCHANGED

## กลับสู่รอบการเติบโตปกติ

- ที่ประชุมนักวิเคราะห์ให้ข้อมูลเชิงบวกโดยคาดว่า RevPAR จะโตในอัตราสองหลักพร้อม EBITDA margin ที่สูงขึ้นในปี 2024
- เราคาดว่ากำไรปกติจะโต 16% เป็น 8.3 พัน ลบ. ในปี 2024 โดยได้ปัจจัยหนุนจากธุรกิจโรงแรมในไทยที่อยู่ในเกณฑ์ดีและค่าใช้จ่ายดอกเบี้ยที่ลดลง
- คงคำแนะนำซื้อที่ราคาเป้าหมาย 44 บาท (DCF)

TARGET PRICE	THB44.00
CLOSE	THB30.50
UP/DOWNSIDE	+44.3%
PRIOR TP	THB44.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+12.2%

## คาดผลประกอบการ 1Q24 จะพลิกเป็นกำไรแม้ว่าจะเป็น Low season ในยุโรป

MINT รายงานกำไรปกติ 4Q23 ที่น่าประทับใจโดยอยู่ที่ 2.5 พัน ลบ. (+10% q-q, +5% y-y) สูงกว่าที่ตลาดคาด 6% ส่วนมากจากธุรกิจโรงแรมในไทย ซึ่งทำให้กำไรปกติปี 2023 แตะระดับก่อนโควิดที่ 7.1 พัน ลบ. นอกจากนี้เรายังได้รับข้อมูลเชิงบวกจากที่ประชุมนักวิเคราะห์เมื่อวันที่ 9 ก.พ. โดยรายได้จากการขายห้องพักโตดีในเดือน ม.ค. และตัวเลขการจองห้องพักล่วงหน้าที่อยู่ในเกณฑ์ดีในเดือน ก.พ. และมี.ค. โดยเพิ่มขึ้น 39% y-y สำหรับโรงแรมในไทย และ 20% y-y สำหรับโรงแรมในยุโรป เพราะฉะนั้นเราจึงคาดว่าผลประกอบการ 1Q24 จะมีโอกาสพลิกเป็นกำไร (เทียบกับผลขาดทุนปกติ 0.6 ล้านบาทใน 1Q23)

## คาด EBITDA margin ของธุรกิจโรงแรมจะปรับตัวดีขึ้นจากโรงแรมในไทย

MINT ตั้งเป้าให้ RevPAR ปี 2024 โตในอัตราสองหลักจากอัตราค่าห้องพักรายวันเฉลี่ย (ADR) ซึ่งน่าจะช่วยให้กำไรเพิ่มขึ้นเนื่องจากบริษัท คาดว่าต้นทุนโดยเฉพาะอย่างยิ่งในยุโรปจะทรงตัว อย่างไรก็ตามเราคาดว่า RevPAR จะโตเพียง 6% (+4% สำหรับ NHH และ +10% สำหรับโรงแรมในไทย) ในปี 2024 เราตั้งสมมติฐานแบบ conservative ว่า EBITDA margin ของ NHH จะลดลงเพียงเล็กน้อยเป็น 27.1% (เทียบกับ 27.5% ในปี 2023) เพื่อสะท้อนค่าใช้จ่ายในด้านแรงงานและค่าเช่าที่สูงขึ้น ในขณะที่ EBITDA margin ของโรงแรมที่ไม่ใช่ NHH น่าจะกระโดดเพิ่มเป็น 44% จาก 35% ในปี 2023 จากแนวโน้มที่ดีของโรงแรมในไทยและการปรับการจัดสรรต้นทุนสำหรับ Oaks ตาม IFRS16 (ถ้าไม่รวม IFRS16 EBITDA margin น่าจะปรับตัวขึ้น 0.5-1%)

## MINT ตั้งเป้าให้กำไรปกติโต 15-20% CAGR ในช่วงปี 2023-26

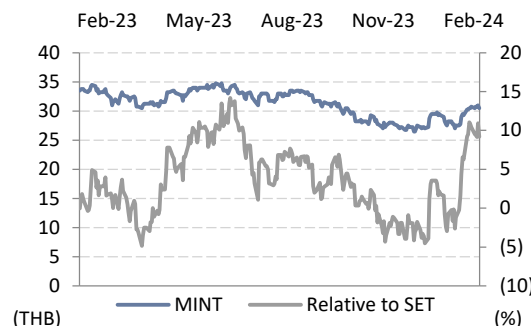
อีกปัจจัยหนุนการเติบโตที่สำคัญอยู่ที่ค่าใช้จ่ายดอกเบี้ยที่ลดลงเนื่องจาก MINT ตั้งเป้าลดหนี้มีดอกเบี้ยจาก 103 พัน ลบ. ในปี 2023 เป็น 90 พัน ลบ. ในปี 2024 (เทียบกับประมาณการของเราที่ 94 พัน ลบ.) และสัดส่วนหนี้มีดอกเบี้ยต่อส่วนผู้ถือหุ้นสุทธิจาก 1.01x ในปี 2023 เป็น 0.8x ในปี 2024 เพราะฉะนั้นเราจึงคาดว่ากำไรปกติจะโต 16% เป็น 8.3 พัน ลบ. ในปี 2024 จากสถานะทางการเงินที่ดี MINT ได้เปิดเผยแผน 3 ปีเพื่อขยายพอร์ตโรงแรมเป็น 780 ห้องจาก 532 ห้องและคาดการณ์เป็น 3,700 ร้านจาก 2,645 ร้านภายในปี 2026 นอกจากนี้บริษัทยังคาดว่ากำไรปกติจะโต 15-20% CAGR ในช่วงปี 2023-26 (เทียบกับประมาณการของเราที่ 13% CAGR)

## ปรับเพิ่มประมาณการกำไร หุ่นมีการซื้อขายในระดับการประเมินมูลค่าที่ต่ำ

เราปรับเพิ่มประมาณการกำไรปกติปี 2024-25 ขึ้น 3-4% เพื่อสะท้อนแนวโน้มที่ดีและคงราคาเป้าหมายปี 2024 ที่ 44 บาท (DCF) MINT มีการซื้อขายโดยมีระดับการประเมินมูลค่าที่น่าสนใจที่ 20x ของค่า 2024E P/E เทียบกับค่าเฉลี่ย 5 ปีย้อนหลังที่ 24x, ผู้ประกอบกิจการโรงแรมในไทยที่ 46x, และผู้ประกอบกิจการโรงแรมระดับโลกที่ 22x

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	149,196	157,405	164,734	169,990
Net profit	5,407	8,294	9,262	10,293
EPS (THB)	1.03	1.53	1.71	1.90
vs Consensus (%)	-	39.9	31.1	22.7
EBITDA	38,595	45,312	47,574	48,954
Recurring net profit	7,132	8,294	9,262	10,293
Core EPS (THB)	1.32	1.53	1.71	1.90
Chg. In EPS est. (%)	nm	10.0	10.4	nm
EPS growth (%)	253.2	16.3	11.7	11.1
Core P/E (x)	23.1	19.9	17.8	16.0
Dividend yield (%)	0.8	1.7	1.9	2.1
EV/EBITDA (x)	9.1	8.0	7.2	7.1
Price/book (x)	2.1	2.4	2.2	2.7
Net debt/Equity (%)	208.6	233.8	191.5	225.9
ROE (%)	9.7	11.5	13.0	15.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.0	9.9	(9.6)
Relative to country (%)	10.0	11.2	8.6
Mkt cap (USD m)			4,754
3m avg. daily turnover (USD m)			12.3
Free float (%)			63
Major shareholder		Minor Holdings (Thai) (16%)	
12m high/low (THB)			35.00/25.75
Issued shares (m)			5,409.23

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 12 กุมภาพันธ์ 2024

## 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 (NHH) should continue to deliver a strong performance. We expect a recovery in business travel and pent-up demand from long-haul travelers 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.

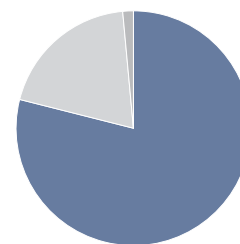
## Company profile

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, 2023)

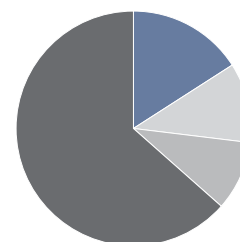
- Hotel & Mixed-use - 78.9 %
- F&B revenue - 19.6 %
- Retail revenue - 1.5 %



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
May 2024	1Q24 results announcement

## Key assumptions

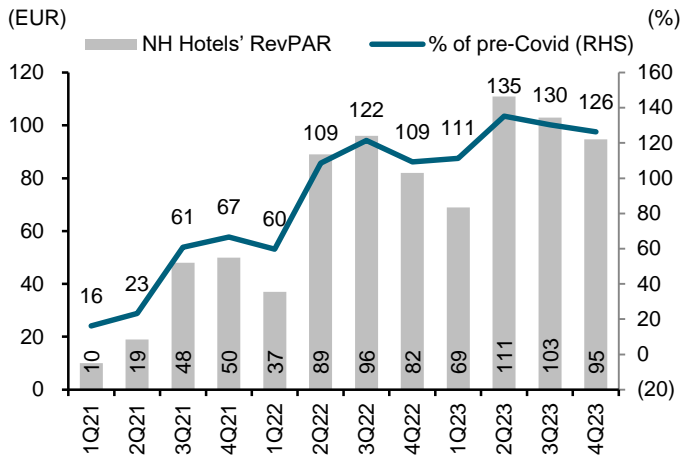
	2024E (%)	2025E (%)	2026E (%)
<b>Owned &amp; leased hotels</b>			
- Number of rooms (no.)	55,345	55,883	55,883
- Occupancy rate (OCC)	69	70	70
- RevPAR growth	6	3	3
<b>Food business</b>			
- Number of outlets (no.)	2,724	2,806	2,890
- Same-Store Sales Growth (SSSG)	2	2	2
- Total System Sales Growth (TSSG)	5	5	5

Source: FSSIA estimates

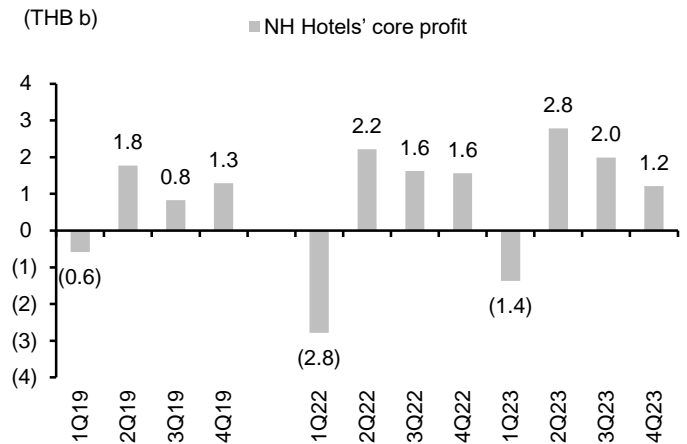
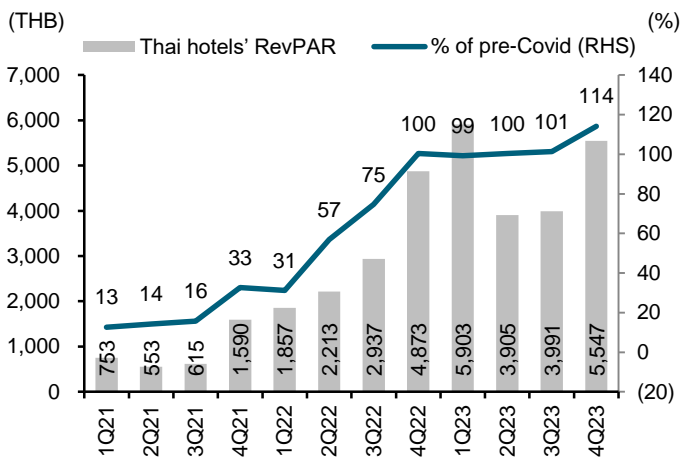
## Earnings sensitivity

- 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.

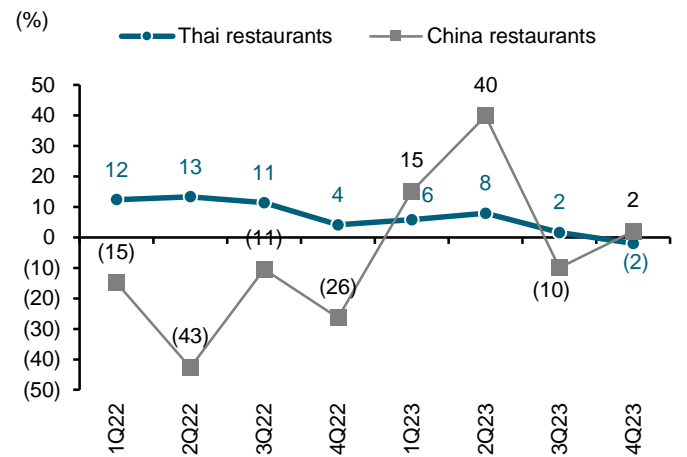
Source: FSSIA estimates

**Exhibit 1: NHH's RevPAR**

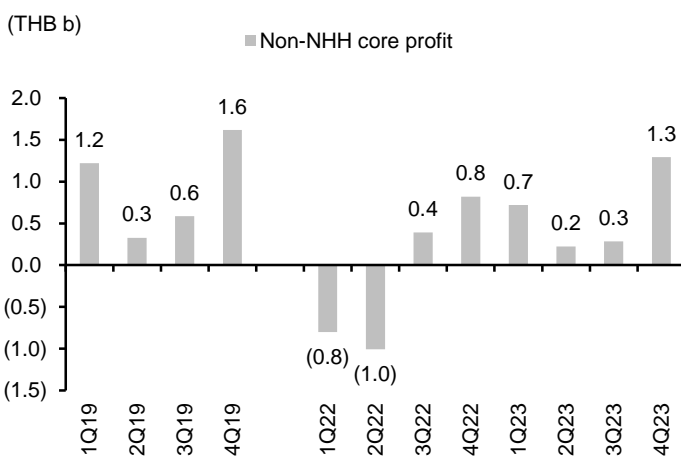
Source: NHH; MINT; FSSIA estimates

**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**

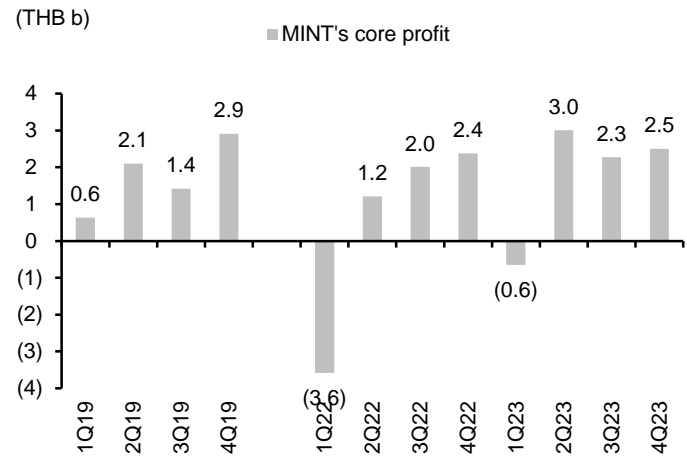
Source: MINT; FSSIA estimates

**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

## 4Q23 results review

MINT reported a strong 4Q23 core profit of THB2.5b (+10% q-q, +5% y-y), beating Bloomberg's consensus estimate by 6% and in line with our estimate. Including non-recurring items totaling -THB1.5b<sup>1</sup>, net profit was THB1.0b.

NHH contributed a core profit to MINT of cTHB1.2b in 4Q23 (vs a THB1.3b profit in 4Q19), while non-NHH contributed a THB1.3b profit (vs THB1.6b in 4Q19) in the quarter.

Hotel & mixed-use business: Revenue grew by 19% y-y and exceeded the pre-Covid level by 29% in 4Q23. RevPAR of owned and leased hotels grew 19% y-y and exceeded the pre-Covid level by 43%. RevPAR of European hotels grew 15% y-y and surpassed the pre-Covid level by 27%, while RevPAR of Thai hotels grew 15% y-y and exceeded pre-Covid by 23%. Revenue from the mixed-use business fell by 6% y-y in the quarter due to a decrease in plaza & entertainment as well as residential projects.

The EBITDA margin of the hotel & mixed-use business improved to 34% (vs 32% in 4Q22) due to the strong operation of Thai hotels and positive adjustments in cost allocation for Oaks according to IFRS16.

NHH: 4Q23 RevPAR grew by 15% y-y and exceeded the pre-Covid level by 27% with an OCC rate of 68% and ADR of EUR138 (vs 72% and EUR106 in 4Q19). The EBITDA margin dropped to 27% (vs 33% in 4Q22 and 4Q19), mainly due to higher labor and lease expenses. Overall, 4Q23 core profit fell 26% y-y to EUR33m (vs EUR45m in 4Q22 and EUR41m in 4Q19).

Food business: Revenue grew by 5% y-y in 4Q23. SSS dropped by 2% y-y, dragged by the Thailand and CLMV hub (-2% y-y) and the Australia hub (-2% y-y). On a positive note, the China hub recorded +2% y-y SSSG. The EBITDA margin of the F&B business declined to 21.5% (vs 22.4% in 4Q22) due to negative SSSG.

Overall: Interest expenses jumped by 22% y-y and 4% q-q to THB3.0b in 4Q23 due to the interest rate hike. 2023 core profit grew by 254% y-y to THB7.1b, exceeding the pre-Covid level by 1%.

Note: 1) major non-recurring items in 4Q23: -THB772m unrealized loss from derivatives, -THB701 FX loss on unmatched USD cross-currency swap and -THB159m non-recurring items for NHH.

## Exhibit 7: 4Q23 results review

	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	34,234	31,246	39,634	38,904	39,411	1	15	149,196	157,405	6
-Hotel & Mixed-use	26,504	23,357	31,806	31,094	31,522	1	19	117,778	124,459	6
-Restaurant	6,989	7,312	7,345	7,275	7,304	0	5	29,236	30,698	5
-Retail	741	577	483	536	585	9	(21)	2,182	2,249	3
COGS (incl. depreciation)	(18,349)	(18,483)	(20,828)	(20,688)	(22,729)	10	24	(82,728)	(85,798)	4
Gross profit	15,884	12,763	18,806	18,216	16,683	(8)	5	66,468	71,607	8
SG&A	(10,885)	(11,941)	(12,322)	(12,798)	(11,212)	(12)	3	(48,272)	(50,614)	5
Operating profit	5,000	822	6,485	5,419	5,470	1	9	18,195	20,993	15
Net other income	457	695	487	545	590	8	29	2,317	2,416	4
Dividend income	2	0	1	18	9			28	0	(100)
Interest income	302	277	363	373	352	(6)	17	1,365	285	(79)
Interest expense	(2,501)	(2,434)	(2,761)	(2,932)	(3,041)	4	22	(11,168)	(11,301)	1
Pretax profit	3,260	(640)	4,574	3,423	3,381	(1)	4	10,738	12,393	15
Income Tax	(724)	(232)	(1,353)	(1,017)	(903)	(11)	25	(3,505)	(3,842)	10
Associates	46	261	19	47	254	440	450	581	628	8
Minority interest	(203)	(35)	(235)	(180)	(231)	28	14	(681)	(885)	30
Core profit	2,380	(647)	3,005	2,273	2,501	10	5	7,132	8,294	16
Extraordinaries, GW & FX	(469)	(329)	250	(129)	(1,517)			(1,725)		
Reported net profit	1,911	(976)	3,255	2,144	984	(54)	(48)	5,407	8,294	53
								0	0	
Shares out (end Q, m)	5,259	5,259	5,259	5,259	5,259	0	0	5,259	5,259	0
Core EPS	0.5	(0.1)	0.6	0.4	0.5	10	5	1.4	1.5	16
EPS	0.4	(0.2)	0.6	0.4	0.2	(54)	(48)	1.0	1.5	53
COGS (excl. depreciation)	(13,535)	(13,665)	(15,909)	(15,994)	(16,760)	5	24	(62,328)	(61,479)	(1)
Depreciation	(4,814)	(4,818)	(4,919)	(4,695)	(5,969)	27	24	(20,400)	(24,319)	19
EBITDA	10,621	6,872	12,272	11,097	12,645	14	19	42,886	45,312	6
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	46	41	47	47	42	(4)	(4)	45	45	13
SG&A/Revenue	32	38	31	33	28	(4)	(3)	32	32	(11)
Hotel EBITDA margin	32	21	33	29	34	5	2	35	44	0
Food EBITDA margin	22	22	21	23	22	(1)	(1)	22	22	0
Retail EBITDA margin	15	13	10	11	14	3	(1)	12	12	0
Total EBITDA margin	30	21	30	28	31	3	2	26	29	10
Net profit margin	5	(3)	8	5	2	(3)	(3)	4	5	21
Operating stats	4Q22	1Q23	2Q23	3Q23	4Q23					
Owned & leased RevPAR (y-y %)										
Total	66	87	28	13	18					
Thailand	206	218	76	36	14					
Maldives	(11)	(15)	(23)	(25)	(24)					
Europe & The Americas (NHH)	64	86	25	7	16					
SSSG (y-y %)										
Total	4	11	8	(2)	(2)					
Thailand	4	6	8	2	(2)					
China	(26)	15	40	(10)	2					
TSSG (y-y %)										
Total	17	20	18	5	3					
Thailand	20	20	17	8	5					
China	(20)	20	99	(9)	0					

Sources: MINT; FSSIA estimates

## Exhibit 8: Changes in key assumptions

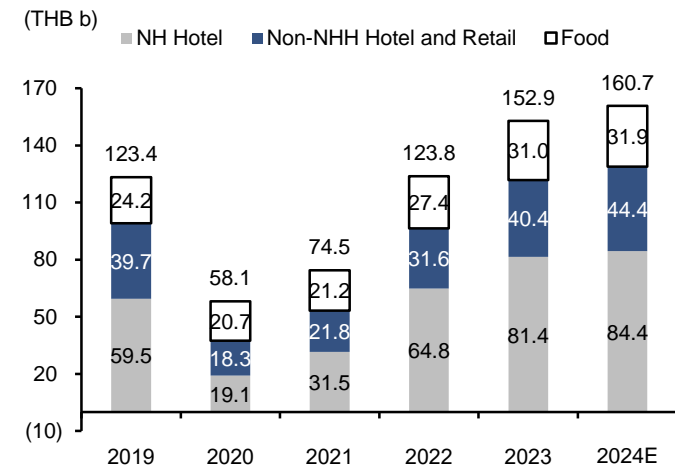
	Current	Previous	Change (%)
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	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Hotel - OCC (%)	69	70	70	69	70	N/A	-	-	N/A
Hotel - RevPAR (THB)	3,872	3,978	4,087	3,872	4,017	N/A	-	(1.0)	N/A
Food - SSSG (%)	2	2	2	2	2	N/A	-	-	N/A
Food - TSSG (%)	5	5	5	6	5	N/A	(1.0)	(0.0)	N/A
Revenue (THB b)	157.4	164.7	170.0	158.0	164.5	N/A	(0.3)	0.1	N/A
EBITDA margin (%)	28.8	28.9	28.8	25.8	26.1	N/A	3.0	2.8	N/A
Core earnings (THB b)	8.3	9.3	10.3	8.0	8.9	N/A	3.4	3.8	N/A

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

Source: FSSIA estimates

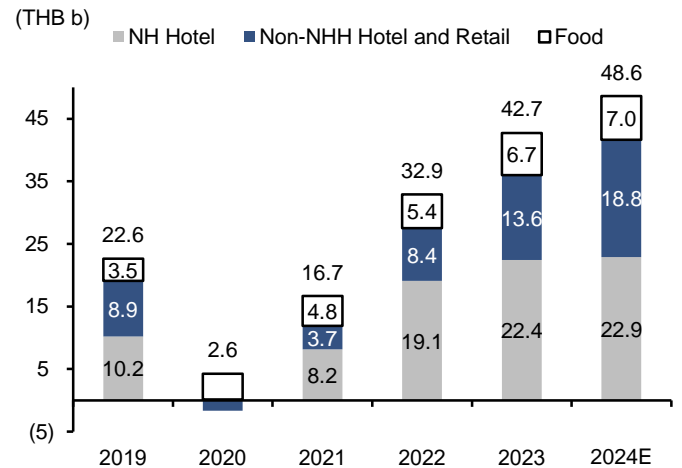
### Exhibit 9: Revenue forecast breakdown



Note: Revenue includes share income and other income

Sources: NHH; MINT; FSSIA estimates

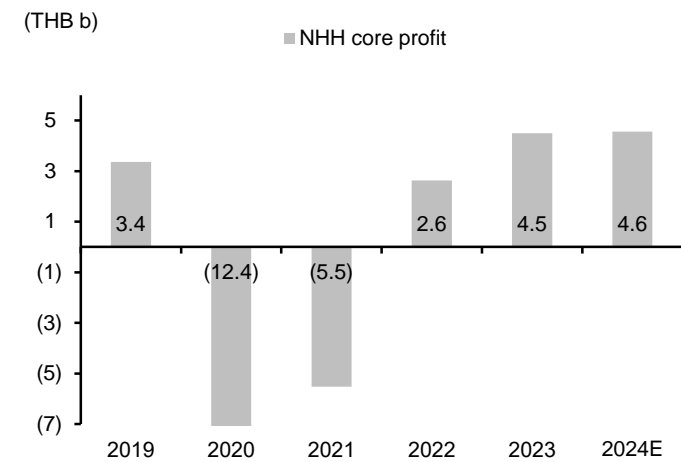
### Exhibit 10: EBITDA forecast breakdown



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

Sources: NHH; MINT; FSSIA estimates

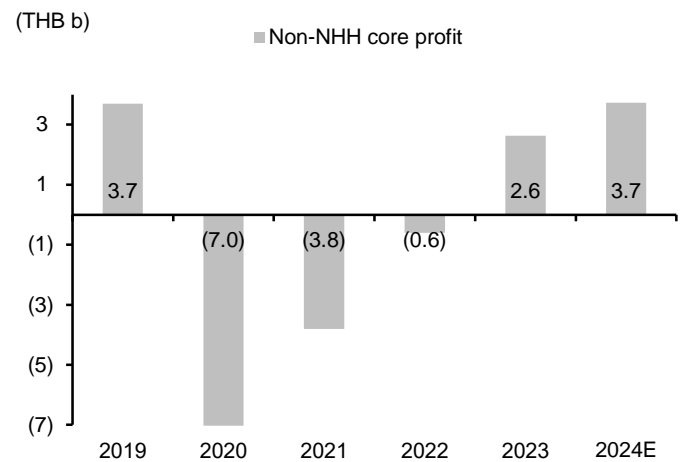
### Exhibit 11: NHH's annual core profit contribution to MINT



Note: Based on the 94% stake that MINT held in NHH in 2019-23 and 96% in 2024E

Source: NHH; MINT; FSSIA estimates

### Exhibit 12: Annual non-NHH core profit



Sources: MINT; FSSIA estimates

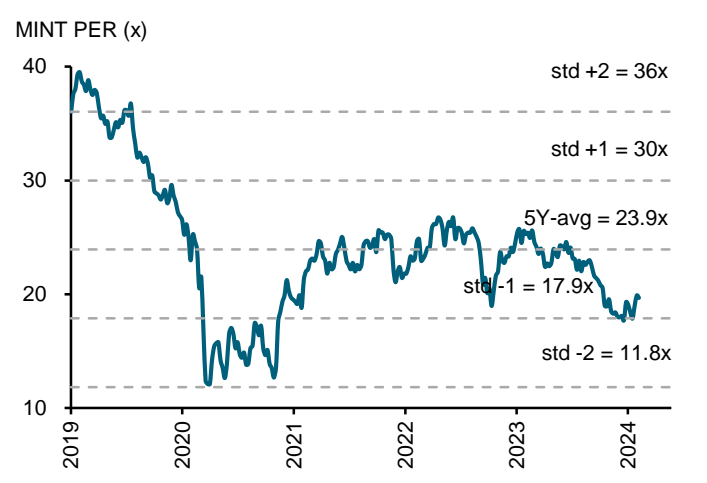
Exhibit 13: DCF valuation

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			
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	180.3	33.3	WACC 8.3%, risk-free rate 3%, risk premium 8%
Terminal value	258.5	47.8	Terminal growth 2.5%
Cash & liquid assets	7.1	1.3	At end-2024E
Investments	16.8	3.1	At end-2024E
Debt	(213.3)	(39.4)	At end-2024E
Minorities	(11.5)	(2.1)	At end-2024E
Residual ordinary equity	237.9	44.0	

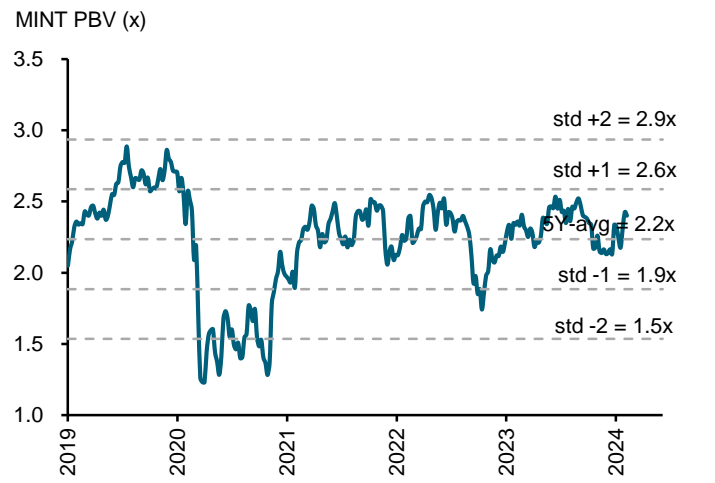
Sources: FSSIA estimates

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 9 Feb 2024

Company	BBG	Rec	Share price			Market cap	PE			ROE		PBV		EV/ EBITDA	
			Current	Target	Upside		23E	24E	25E	23E	24E	23E	24E	23E	24E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>															
Asset World Corp	AWC TB	BUY	4.04	5.50	36	3,601	119.0	46.7	43.9	1.3	3.1	1.5	1.4	41.0	28.5
Minor International	MINT TB	BUY	30.50	44.00	44	4,754	23.1	19.9	17.8	9.7	11.5	2.1	2.4	9.1	8.0
Central Plaza Hotel	CENTEL TB	BUY	42.50	50.00	18	1,598	48.2	37.4	29.9	6.2	7.6	2.9	2.8	18.3	16.8
Erawan Group	ERW TB	BUY	4.80	6.30	31	606	31.6	31.5	27.3	11.4	10.4	3.4	2.9	16.1	15.4
S Hotels & Resorts	SHR TB	BUY	2.34	4.00	71	234	323.8	27.4	16.0	0.2	1.9	0.5	0.5	8.5	6.9
Dusit Thani	DUSIT TB	BUY	8.40	15.00	79	199	(13.5)	133.6	6.5	(13.6)	1.5	2.0	1.9	(358.1)	43.9
Bound and Beyond	BEYOND TB	BUY	13.20	22.00	67	107	(27.5)	27.2	17.1	(2.4)	2.3	0.6	0.6	15.8	9.9
<b>Thailand average</b>						<b>11,098</b>	<b>72.1</b>	<b>46.2</b>	<b>22.7</b>	<b>1.8</b>	<b>5.5</b>	<b>1.9</b>	<b>1.8</b>	<b>(35.6)</b>	<b>18.5</b>
<b>Regional</b>															
Btg Hotels Group	600258 CH	n/a	15.45	n/a	n/a	2,398	21.9	17.8	15.2	7.2	8.2	1.5	1.4	9.6	8.7
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.52	n/a	n/a	3,576	10.2	7.0	5.6	6.7	8.9	0.7	0.6	12.0	10.1
Huangshan Tourism Dev.	900942 CH	n/a	0.74	n/a	n/a	928	10.6	9.0	8.2	8.1	9.3	0.9	0.8	9.4	7.8
Genting Bhd	GENT MK	n/a	4.90	n/a	n/a	3,959	15.5	11.0	9.7	3.7	4.9	0.6	0.6	6.5	6.0
Huazhu Group	HTHT US	n/a	31.89	n/a	n/a	10,166	18.4	17.0	14.7	34.2	27.6	5.5	4.4	10.9	10.1
Indian Hotels	IH IN	n/a	532.95	n/a	n/a	9,144	82.2	59.0	46.1	12.6	14.7	9.6	8.3	43.6	35.5
Lemon Tree Hotels	LEMONTRE IN	n/a	136.30	n/a	n/a	1,302	93.7	71.4	39.2	12.3	14.9	11.8	11.1	31.8	26.2
Lippo Karawaci	LPKR IJ	n/a	82.00	n/a	n/a	372	14.3	13.0	11.6	2.6	2.8	0.4	0.4	8.9	8.4
<b>Regional average</b>						<b>31,845</b>	<b>33.4</b>	<b>25.6</b>	<b>18.8</b>	<b>10.9</b>	<b>11.4</b>	<b>3.9</b>	<b>3.4</b>	<b>16.6</b>	<b>14.1</b>
<b>Global</b>															
Nh Hotel Group	NHH SM	n/a	4.21	n/a	n/a	1,979	17.2	13.2	10.7	12.9	14.8	1.9	1.7	7.2	6.8
Melia Hotels International	MEL SM	n/a	6.31	n/a	n/a	1,499	13.7	12.6	10.2	21.3	17.9	2.7	2.3	8.6	8.4
Intercontinental Hotels G.	IHG LN	n/a	7,674	n/a	n/a	16,016	26.3	23.6	21.5	(34.8)	(35.6)	n/a	n/a	16.9	15.8
Whitbread	WTB LN	n/a	3,482	n/a	n/a	8,160	24.6	16.1	15.1	6.8	10.3	1.7	1.7	12.3	10.0
Accor	ACRFF US	n/a	40.14	n/a	n/a	10,126	19.3	17.7	15.9	11.3	10.4	1.8	1.8	11.6	10.7
Choice Hotels	CHH US	n/a	120.82	n/a	n/a	6,017	20.0	17.9	17.1	242.2	502.8	64.4	26.1	13.7	13.0
Hilton Worldwide Holdings	HLT US	n/a	192.16	n/a	n/a	48,455	31.5	27.5	23.7	(95.3)	(83.8)	n/a	n/a	18.7	17.1
Hyatt Hotels Corp	H US	n/a	130.48	n/a	n/a	13,458	59.0	40.5	32.0	6.1	10.5	3.8	3.9	15.5	14.2
Marriott International	MAR US	n/a	247.02	n/a	n/a	72,548	28.8	25.5	22.9	(914.9)	(180.0)	n/a	n/a	18.1	16.9
<b>Global average</b>						<b>178,257</b>	<b>26.7</b>	<b>21.6</b>	<b>18.8</b>	<b>(82.7)</b>	<b>29.7</b>	<b>12.7</b>	<b>6.2</b>	<b>13.6</b>	<b>12.5</b>
<b>Overall average</b>						<b>221,200</b>	<b>42.2</b>	<b>30.1</b>	<b>19.9</b>	<b>(26.9)</b>	<b>16.5</b>	<b>5.7</b>	<b>3.7</b>	<b>0.3</b>	<b>14.8</b>

Sources: Bloomberg; FSSIA estimates



## Financial Statements

### Minor International

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	119,364	149,196	157,405	164,734	169,990
Cost of goods sold	(67,753)	(82,728)	(85,798)	(90,088)	(93,739)
<b>Gross profit</b>	<b>51,610</b>	<b>66,468</b>	<b>71,607</b>	<b>74,645</b>	<b>76,251</b>
Other operating income	-	-	-	-	-
Operating costs	(41,997)	(48,272)	(50,614)	(52,641)	(53,980)
<b>Operating EBITDA</b>	<b>28,888</b>	<b>38,595</b>	<b>45,312</b>	<b>47,574</b>	<b>48,954</b>
Depreciation	(19,275)	(20,400)	(24,319)	(25,569)	(26,683)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>9,614</b>	<b>18,195</b>	<b>20,993</b>	<b>22,004</b>	<b>22,271</b>
Net financing costs	(8,138)	(9,803)	(11,016)	(10,707)	(10,099)
Associates	136	581	628	675	704
Recurring non-operating income	3,133	2,925	3,043	3,163	3,268
Non-recurring items	2,267	(1,725)	0	0	0
<b>Profit before tax</b>	<b>6,877</b>	<b>9,593</b>	<b>13,021</b>	<b>14,460</b>	<b>15,440</b>
Tax	(2,354)	(3,505)	(3,842)	(4,136)	(3,979)
<b>Profit after tax</b>	<b>4,523</b>	<b>6,088</b>	<b>9,179</b>	<b>10,325</b>	<b>11,462</b>
Minority interests	(236)	(681)	(885)	(1,062)	(1,168)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,286</b>	<b>5,407</b>	<b>8,294</b>	<b>9,262</b>	<b>10,293</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(2,267)</b>	<b>1,725</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,019</b>	<b>7,132</b>	<b>8,294</b>	<b>9,262</b>	<b>10,293</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.37	1.32	1.53	1.71	1.90
Reported EPS	0.82	1.03	1.53	1.71	1.90
DPS	0.00	0.25	0.52	0.58	0.65
Diluted shares (used to calculate per share data)	5,409	5,409	5,409	5,409	5,409
<b>Growth</b>					
Revenue (%)	74.9	25.0	5.5	4.7	3.2
Operating EBITDA (%)	201.3	33.6	17.4	5.0	2.9
Operating EBIT (%)	nm	89.3	15.4	4.8	1.2
Recurring EPS (%)	nm	253.2	16.3	11.7	11.1
Reported EPS (%)	nm	26.1	48.8	11.7	11.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	43.2	44.6	45.5	45.3	44.9
Gross margin exc. depreciation (%)	59.4	58.2	60.9	60.8	60.6
Operating EBITDA margin (%)	24.2	25.9	28.8	28.9	28.8
Operating EBIT margin (%)	8.1	12.2	13.3	13.4	13.1
Net margin (%)	1.7	4.8	5.3	5.6	6.1
Effective tax rate (%)	52.6	32.6	31.0	30.0	27.0
Dividend payout on recurring profit (%)	-	19.0	34.0	34.0	34.0
Interest cover (X)	1.6	2.2	2.2	2.4	2.5
Inventory days	27.9	22.6	22.5	21.8	21.9
Debtor days	48.5	43.5	43.8	42.7	45.0
Creditor days	151.3	136.9	147.1	142.7	143.4
Operating ROIC (%)	1.6	4.5	5.2	5.7	6.3
ROIC (%)	1.9	4.6	5.4	5.9	6.4
ROE (%)	2.9	9.7	11.5	13.0	15.1
ROA (%)	1.7	4.0	4.7	5.1	5.5

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Hotel & Mixed-use	90,644	117,778	124,459	130,184	133,758
F&B revenue	26,213	29,236	30,698	32,233	33,845
Retail revenue	2,507	2,182	2,249	2,317	2,388

Sources: Minor International; FSSIA estimates

## Financial Statements

### Minor International

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,019	7,132	8,294	9,262	10,293
Depreciation	19,275	20,400	24,319	25,569	26,683
Associates & minorities	-	-	-	-	-
Other non-cash items	(1,999)	(444)	885	1,062	1,168
Change in working capital	2,644	1,870	(821)	1,257	(2,377)
<b>Cash flow from operations</b>	<b>21,939</b>	<b>28,957</b>	<b>32,677</b>	<b>37,151</b>	<b>35,768</b>
Capex - maintenance	(5,900)	(31,270)	(20,000)	(15,000)	(16,200)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1)	(597)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(5,902)</b>	<b>(31,867)</b>	<b>(20,000)</b>	<b>(15,000)</b>	<b>(16,200)</b>
Dividends paid	0	0	0	(2,820)	(3,149)
Equity finance	(514)	10,042	(16,831)	0	(20,000)
Debt finance	(17,932)	(10,784)	(3,000)	(6,000)	(6,000)
Other financing cash flows	278	(5,054)	0	0	0
<b>Cash flow from financing</b>	<b>(18,168)</b>	<b>(5,797)</b>	<b>(19,831)</b>	<b>(8,820)</b>	<b>(29,149)</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>(2,130)</b>	<b>(8,706)</b>	<b>(7,154)</b>	<b>13,331</b>	<b>(9,582)</b>
Free cash flow to firm (FCFF)	25,040.43	8,258.13	23,977.78	33,000.45	30,075.10
Free cash flow to equity (FCFE)	(1,616.77)	(18,748.03)	9,676.96	16,150.98	13,567.62
<b>Per share (THB)</b>					
FCFF per share	4.63	1.53	4.43	6.10	5.56
FCFE per share	(0.30)	(3.47)	1.79	2.99	2.51
Recurring cash flow per share	3.68	5.16	6.19	6.64	7.05
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	381,640	398,108	418,108	433,108	449,308
Less: Accumulated depreciation	(107,248)	(112,757)	(137,077)	(162,646)	(189,329)
<b>Tangible fixed assets (net)</b>	<b>274,392</b>	<b>285,351</b>	<b>281,032</b>	<b>270,462</b>	<b>259,979</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	16,250	16,846	16,846	16,846	16,846
Cash & equivalents	22,966	14,260	7,106	20,437	10,855
A/C receivable	17,052	18,487	19,274	19,274	22,674
Inventories	3,909	3,820	3,768	3,955	4,110
Other current assets	6,369	6,008	6,339	6,634	6,846
<b>Current assets</b>	<b>50,296</b>	<b>42,576</b>	<b>36,487</b>	<b>50,300</b>	<b>44,485</b>
Other assets	17,272	14,423	14,423	14,423	14,423
<b>Total assets</b>	<b>358,210</b>	<b>359,196</b>	<b>348,789</b>	<b>352,032</b>	<b>335,734</b>
Common equity	71,059	76,637	68,100	74,543	61,687
Minorities etc.	11,550	10,657	11,543	12,605	13,773
<b>Total shareholders' equity</b>	<b>82,609</b>	<b>87,295</b>	<b>79,643</b>	<b>87,147</b>	<b>75,460</b>
Long term debt	207,126	194,242	191,242	185,242	179,242
Other long-term liabilities	35,759	39,988	39,988	39,988	39,988
<b>Long-term liabilities</b>	<b>242,885</b>	<b>234,230</b>	<b>231,230</b>	<b>225,230</b>	<b>219,230</b>
A/C payable	21,807	24,953	24,613	25,831	26,846
Short term debt	0	2,100	2,100	2,100	2,100
Other current liabilities	10,910	10,618	11,203	11,724	12,098
<b>Current liabilities</b>	<b>32,716</b>	<b>37,672</b>	<b>37,916</b>	<b>39,655</b>	<b>41,044</b>
<b>Total liabilities and shareholders' equity</b>	<b>358,210</b>	<b>359,196</b>	<b>348,789</b>	<b>352,032</b>	<b>335,734</b>
Net working capital	(5,386)	(7,256)	(6,435)	(7,692)	(5,314)
Invested capital	302,527	309,364	305,866	294,040	285,934
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	13.54	14.60	12.59	13.78	11.40
Tangible book value per share	13.54	14.60	12.59	13.78	11.40
<b>Financial strength</b>					
Net debt/equity (%)	222.9	208.6	233.8	191.5	225.9
Net debt/total assets (%)	51.4	50.7	53.4	47.4	50.8
Current ratio (x)	1.5	1.1	1.0	1.3	1.1
CF interest cover (x)	0.8	(0.9)	1.9	2.5	2.3
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>81.7</b>	<b>23.1</b>	<b>19.9</b>	<b>17.8</b>	<b>16.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>117.9</b>	<b>33.4</b>	<b>28.7</b>	<b>25.7</b>	<b>23.1</b>
Reported P/E (x)	37.3	29.6	19.9	17.8	16.0
Dividend yield (%)	-	0.8	1.7	1.9	2.1
Price/book (x)	2.3	2.1	2.4	2.2	2.7
Price/tangible book (x)	2.3	2.1	2.4	2.2	2.7
EV/EBITDA (x) **	12.3	9.1	8.0	7.2	7.1
EV/EBITDA @ target price (x) **	14.8	11.0	9.6	8.8	8.6
EV/invested capital (x)	1.2	1.1	1.2	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


**84.43 /100**

### Exhibit 17: FSSIA ESG score implication

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 18: 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](https://www.settrade.com); FSSIA's compilation

### Exhibit 19: 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 20: 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.																				
CG Score 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%).																				
AGM level 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.																				
Thai CAC 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.																				
Morningstar Sustainability	The Sustainability's 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	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.																				
MSCI	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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="2">Average:</td><td rowspan="2">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
AA	7.143-8.570																					
A	5.714-7.142																					
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																			
BB	2.857-4.285																					
B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
CCC	0.000-1.428																					
Moody's ESG solutions	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.																					
Refinitiv ESG rating	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>																					
S&P Global	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.																					
Bloomberg	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 30.50	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Asset World Corp	AWC TB	THB 4.04	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 4.80	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 2.34	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 8.40	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.
Bound and Beyond	BEYOND TB	THB 13.20	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 09-Feb-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.