

# MINOR INTERNATIONAL

THAILAND / FOOD & BEVERAGE

# MINT TB

**BUY**  
UNCHANGED

## Key takeaways from analyst meeting

TARGET PRICE THB45.00  
CLOSE THB27.00  
UP/DOWNSIDE +66.7%  
TP vs CONSENSUS +17.0%

### Highlights

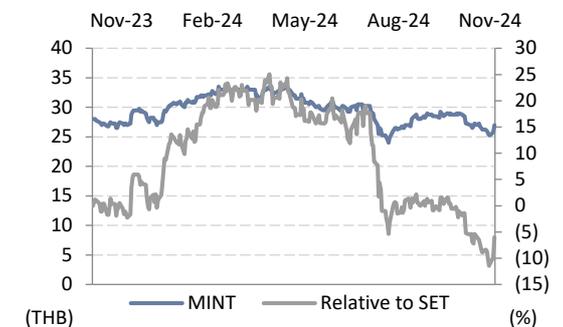
- We obtained positive feedback from the 3Q24 analyst meeting.
- MINT plans to set up one of Asia's largest REITs, boasting around USD1.5b in asset size within the next 12-18 months (MINT has a total freehold asset value of around USD5.0b). MINT aims to hold 50% of the REIT and get a proceed of USD0.7b (cTHB24-25b), most of which it will use to repay debts. Also, this will minimize exposure to non-core FX gains/ losses from marked-to-market derivatives. MINT expects the REIT to produce a 6% yield and targets to list it on the Thai or Singapore Stock Exchange.
- Strong operation likely continues in 4Q24, with RevPAR of European hotels growing by 4-5% y-y in Oct and likely recording a high single-digit growth y-y in Nov to Dec. Meanwhile, RevPAR of Thai hotels surged by 9-10% y-y in Oct and should report double-digit growth y-y in Nov to Dec.
- The SSSG of restaurants in Thailand remained negative, but their TSS grew by 4% y-y in Oct (vs 6% y-y in 3Q24). Also, the SSSG of Chinese restaurants improved to single-digit negative growth (vs -20% y-y in 3Q24) while Australia stepped up to flat (vs -2% y-y in 3Q24).
- MINT expects the RevPAR of European hotels to normalize and post low-to-mid single-digit growth in 2025.
- MINT plans to repay more debts by asset rotation in 4Q24 and aims to reduce its IBD/E to 0.8x (vs 0.98x as of 3Q24).
- MINT should book non-core FX gains of THB0.6b in Oct. In addition, based on current FX movements, MINT may book FX gains in 4Q24 that fully offset non-core FX losses in 9M24 (total non-core losses were THB1.4b in 9M34).

### Recommendation

- In our view, the plan to set up REITs is positive, given that it would unlock asset value, reduce leverage ratio, and minimize the volatility of non-core FX gains/losses.
- MINT trades at a cheap valuation of only 17x 2025E P/E, lower than the 24x peer average.

### 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)	0.97	1.44	1.61	1.79
vs Consensus (%)	-	8.9	6.0	4.6
EBITDA	38,595	45,312	47,430	48,810
Recurring net profit	7,132	8,294	9,262	10,293
Core EPS (THB)	1.24	1.44	1.61	1.79
EPS growth (%)	253.2	16.3	11.7	11.1
Core P/E (x)	21.8	18.7	16.8	15.1
Dividend yield (%)	0.9	1.8	2.0	2.3
EV/EBITDA (x)	8.9	7.6	6.8	6.7
Price/book (x)	2.0	2.0	1.8	2.1
Net debt/Equity (%)	208.6	194.4	159.7	185.5
ROE (%)	9.7	10.7	11.3	13.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.9)	3.8	(1.8)
Relative to country (%)	(5.0)	(7.3)	(4.8)
Mkt cap (USD m)	4,431		
3m avg. daily turnover (USD m)	12.1		
Free float (%)	60		
Major shareholder	Minor Holdings (Thai) (16%)		
12m high/low (THB)	34.00/23.80		
Issued shares (m)	5,753.63		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: MINT - 3Q24 results summary

	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		2023	2024E	Change
	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)				
<b>Sales</b>	<b>38,904</b>	<b>39,411</b>	<b>36,121</b>	<b>43,891</b>	<b>40,654</b>	<b>(7)</b>	<b>4</b>	<b>149,196</b>	<b>157,405</b>	<b>6</b>
- Hotel & Mixed-use	31,094	31,522	28,594	36,187	33,179	(8)	7	117,778	124,459	6
- Restaurant	7,275	7,304	7,527	7,705	7,475	(3)	3	29,236	30,698	5
<b>COGS (incl. depreciation)</b>	<b>(20,688)</b>	<b>(22,729)</b>	<b>(21,452)</b>	<b>(23,850)</b>	<b>(22,568)</b>	<b>(5)</b>	<b>9</b>	<b>(82,728)</b>	<b>(85,798)</b>	<b>4</b>
<b>Gross profit</b>	<b>18,216</b>	<b>16,683</b>	<b>14,669</b>	<b>20,042</b>	<b>18,087</b>	<b>(10)</b>	<b>(1)</b>	<b>66,468</b>	<b>71,607</b>	<b>8</b>
SG&A	(12,798)	(11,212)	(12,478)	(13,009)	(12,772)	(2)	(0)	(48,272)	(50,614)	5
<b>Operating profit</b>	<b>5,419</b>	<b>5,470</b>	<b>2,191</b>	<b>7,033</b>	<b>5,315</b>	<b>(24)</b>	<b>(2)</b>	<b>18,195</b>	<b>20,993</b>	<b>15</b>
Net other income	545	590	342	248	675	172	24	2,317	2,416	4
Dividend income	18	9	0	10	19	89	4	28	0	
Interest income	373	352	345	331	294	(11)	(21)	1,365	285	
Interest expense	(2,932)	(3,041)	(2,847)	(3,069)	(3,203)	4	9	(11,168)	(11,301)	1
<b>Pretax profit</b>	<b>3,423</b>	<b>3,381</b>	<b>31</b>	<b>4,553</b>	<b>3,099</b>	<b>(32)</b>	<b>(9)</b>	<b>10,738</b>	<b>12,393</b>	<b>15</b>
Income Tax	(1,017)	(903)	(473)	(1,235)	(638)	(48)	(37)	(3,505)	(3,842)	10
Associates	47	254	232	119	388	225	725	581	628	8
Minority interest	(180)	(231)	(142)	(208)	(212)	2	18	(681)	(885)	30
<b>Core profit</b>	<b>2,273</b>	<b>2,501</b>	<b>(352)</b>	<b>3,230</b>	<b>2,636</b>	<b>(18)</b>	<b>16</b>	<b>7,132</b>	<b>8,294</b>	<b>16</b>
Extraordinaries, GW & FX	(129)	(1,517)	1,499	(406)	(2,487)			(1,725)		
<b>Reported net profit</b>	<b>2,144</b>	<b>984</b>	<b>1,146</b>	<b>2,823</b>	<b>149</b>	<b>(95)</b>	<b>(93)</b>	<b>5,407</b>	<b>8,294</b>	<b>53</b>
								0	0	
Shares out (end Q, m)	5,596	5,596	5,596	5,670	5,670	0	1	5,596	5,670	1
<b>Core EPS</b>	<b>0.4</b>	<b>0.4</b>	<b>(0.1)</b>	<b>0.6</b>	<b>0.5</b>	<b>(18)</b>	<b>14</b>	<b>1.3</b>	<b>1.5</b>	<b>15</b>
<b>EPS</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>	<b>0.0</b>	<b>(95)</b>	<b>(93)</b>	<b>1.0</b>	<b>1.5</b>	<b>51</b>
COGS (excl. depreciation)	(15,994)	(16,760)	(16,114)	(18,301)	(17,225)	(6)	8	(62,328)	(61,479)	(1)
Depreciation	(4,695)	(5,969)	(5,338)	(5,549)	(5,343)	(4)	14	(20,400)	(24,319)	19
EBITDA	11,097	12,645	8,448	13,290	12,032	(9)	8	42,886	45,312	6
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	47	42	41	46	44	(1)	(2)	45	45	1
SG&A/Revenue	33	28	35	30	31	2	(1)	32	32	(0)
Hotel EBITDA margin	29	34	22	31	30	(1)	1	35	44	9
Food EBITDA margin	23	22	23	23	23	(0)	(0)	22	22	0
Retail EBITDA margin	11	14	0	0	0	0	(11)	12	12	0
Total EBITDA margin	28	31	23	30	29	(1)	1	26	29	3
Net profit margin	5	2	3	6	0	(6)	(5)	4	5	2
<b>Operating stats</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>					
<b>Owned &amp; leased RevPAR (y-y %)</b>										
Total	13	18	21	14	9					
Thailand	36	14	23	14	12					
Maldives	(25)	(24)	(10)	(4)	(6)					
Europe & The Americas (NHH)	7	16	13	8	9					
<b>SSSG (y-y %)</b>										
Total	(2)	(2)	(3)	(3)	(3)					
Thailand	2	(2)	0	1	(1)					
China	(10)	2	(27)	(20)	(20)					
<b>TSSG (y-y %)</b>										
Total	5	3	3	3	0					
Thailand	8	5	8	9	6					
China	(9)	0	(23)	(23)	(21)					

Sources: MINT; 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)	(90,232)	(93,883)
<b>Gross profit</b>	<b>51,610</b>	<b>66,468</b>	<b>71,607</b>	<b>74,501</b>	<b>76,107</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>47,430</b>	<b>48,810</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>21,861</b>	<b>22,126</b>
Net financing costs	(8,138)	(9,803)	(11,016)	(10,494)	(9,884)
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>14,530</b>	<b>15,511</b>
Tax	(2,354)	(3,505)	(3,842)	(4,206)	(4,049)
<b>Profit after tax</b>	<b>4,523</b>	<b>6,088</b>	<b>9,179</b>	<b>10,324</b>	<b>11,461</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 *	0.35	1.24	1.44	1.61	1.79
Reported EPS	0.82	0.97	1.44	1.61	1.79
DPS	0.00	0.25	0.49	0.55	0.61
Diluted shares (used to calculate per share data)	5,754	5,754	5,754	5,754	5,754
<b>Growth</b>					
Revenue (%)	74.9	25.0	5.5	4.7	3.2
Operating EBITDA (%)	201.3	33.6	17.4	4.7	2.9
Operating EBIT (%)	nm	89.3	15.4	4.1	1.2
Recurring EPS (%)	nm	253.2	16.3	11.7	11.1
Reported EPS (%)	nm	18.3	49.2	11.7	11.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	43.2	44.6	45.5	45.2	44.8
Gross margin exc. depreciation (%)	59.4	58.2	60.9	60.7	60.5
Operating EBITDA margin (%)	24.2	25.9	28.8	28.8	28.7
Operating EBIT margin (%)	8.1	12.2	13.3	13.3	13.0
Net margin (%)	1.7	4.8	5.3	5.6	6.1
Effective tax rate (%)	52.6	32.6	31.0	30.4	27.4
Dividend payout on recurring profit (%)	-	20.2	34.0	34.0	34.0
Interest cover (X)	1.6	2.2	2.2	2.4	2.6
Inventory days	27.9	22.6	22.5	21.8	22.0
Debtor days	48.5	43.5	43.8	42.7	45.0
Creditor days	151.3	136.9	147.1	142.5	143.4
Operating ROIC (%)	1.6	4.5	5.2	5.7	6.2
ROIC (%)	1.9	4.6	5.4	5.8	6.4
ROE (%)	2.9	9.7	10.7	11.3	13.1
ROA (%)	1.7	4.0	4.7	4.9	5.3
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
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)	1,306	(2,377)
<b>Cash flow from operations</b>	<b>21,939</b>	<b>28,957</b>	<b>32,677</b>	<b>37,199</b>	<b>35,767</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	(6,154)	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>(9,154)</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>3,523</b>	<b>13,379</b>	<b>(9,582)</b>
Free cash flow to firm (FCFF)	25,040.43	8,258.13	23,977.78	33,048.86	30,074.74
Free cash flow to equity (FCFE)	(1,616.77)	(18,748.03)	9,676.96	16,199.39	13,567.27

#### Per share (THB)

FCFF per share	4.35	1.44	4.17	5.74	5.23
FCFE per share	(0.28)	(3.26)	1.68	2.82	2.36
Recurring cash flow per share	3.68	4.84	5.82	6.24	6.63

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
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	17,782	31,162	21,580
A/C receivable	17,052	18,487	19,274	19,274	22,674
Inventories	3,909	3,820	3,768	3,964	4,119
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>47,164</b>	<b>61,034</b>	<b>55,219</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>359,465</b>	<b>362,766</b>	<b>346,467</b>
Common equity	71,059	76,637	78,777	85,219	72,362
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>90,319</b>	<b>97,824</b>	<b>86,136</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	25,888	26,904
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>39,712</b>	<b>41,102</b>
<b>Total liabilities and shareholders' equity</b>	<b>358,210</b>	<b>359,196</b>	<b>359,465</b>	<b>362,766</b>	<b>346,467</b>
Net working capital	(5,386)	(7,256)	(6,435)	(7,741)	(5,363)
Invested capital	302,527	309,364	305,866	293,991	285,885

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

#### Per share (THB)

Book value per share	13.54	13.70	13.69	14.81	12.58
Tangible book value per share	13.54	13.70	13.69	14.81	12.58

#### Financial strength

Net debt/equity (%)	222.9	208.6	194.4	159.7	185.5
Net debt/total assets (%)	51.4	50.7	48.8	43.1	46.1
Current ratio (x)	1.5	1.1	1.2	1.5	1.3
CF interest cover (x)	0.8	(0.9)	1.9	2.5	2.4

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>76.9</b>	<b>21.8</b>	<b>18.7</b>	<b>16.8</b>	<b>15.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>128.2</b>	<b>36.3</b>	<b>31.2</b>	<b>28.0</b>	<b>25.2</b>
Reported P/E (x)	33.1	27.9	18.7	16.8	15.1
Dividend yield (%)	-	0.9	1.8	2.0	2.3
Price/book (x)	2.0	2.0	2.0	1.8	2.1
Price/tangible book (x)	2.0	2.0	2.0	1.8	2.1
EV/EBITDA (x) **	11.7	8.9	7.6	6.8	6.7
EV/EBITDA @ target price (x) **	15.0	11.5	9.8	9.0	8.9
EV/invested capital (x)	1.1	1.1	1.1	1.1	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 2: 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 3: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	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 4: 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						
Climate change policy	Yes	Yes						
Climate change opportunities discussed	No	No						
Risks of climate change discussed	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						
Energy efficiency policy	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 5: 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							
Waste reduction policy	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							
Water policy	Yes							
Water consumption	—	—	—	—	—	1,218	2,423	7,122
<b>Social</b>								
Human rights policy	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							
Equal opportunity policy	Yes							
Gender pay gap breakout	No							
Pct women in workforce	50	48	50	49	52	51	52	51
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes							
Anti-bribery ethics policy	Yes							
Health and safety policy	Yes							
Lost time incident rate - employees	—	—	—	—	—	—	1	—
Total recordable incident rate - employees	—	—	—	—	—	—	1	—
Training policy	Yes							
Fair remuneration policy	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							
<b>Governance</b>								
Board size	8	9	10	11	11	11	11	10
No. of independent directors (ID)	2	3	4	4	4	4	4	4
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							
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							
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
No. of executives / company managers	8	8	7	7	8	8	10	9
No. of female executives	1	1	2	2	2	2	3	4
Executive share ownership guidelines	No							
Size of audit committee	2	3	4	3	3	3	3	3
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
Size of compensation committee	3	4	5	5	5	5	5	4
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
Size of nomination committee	2	3	4	4	4	4	4	3
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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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>SETESG 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>SETESG Index</b> is extended from the SET ESG Ratings 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 Sustainalytics	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+									
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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">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> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">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> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</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> </tbody> </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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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

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### History of change in investment rating and/or target price

#### Minor International (MINT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Jan-2022	BUY	42.00	27-Oct-2022	BUY	40.00	25-Oct-2024	BUY	45.00
28-Apr-2022	BUY	45.00	24-Jul-2023	BUY	43.00			
22-Jul-2022	BUY	43.00	26-Jan-2024	BUY	44.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Minor International	MINT TB	THB 27.00	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply and higher competition in the F&B business, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

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 19-Nov-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.