

MINOR INTERNATIONAL
THAILAND / FOOD & BEVERAGE

MINT TB

FSSIA ESG rating



BUY

UNCHANGED

TARGET PRICE	THB43.00
CLOSE	THB28.50
UP/DOWNSIDE	+50.9%
PRIOR TP	THB43.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.1%

โรงแรมในยุโรปอยู่ในเกณฑ์ดี

- คาด NHH และ MINT จะรายงานกำไรปกติ 3Q ทำสถิติสูงสุดใหม่ใน 3Q23 โดยได้ปัจจัยหนุนจาก RevPAR ของโรงแรมในยุโรปที่อยู่ในเกณฑ์ดี
- กำไรน่าจะกลับสู่ระดับก่อนโควิดในปี 2023 และสูงกว่านั้นในปี 2024 จากการเติบโตจากภายในที่อยู่ในเกณฑ์ดีและค่าใช้จ่ายดอกเบี้ยที่ลดลง
- คงแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 43 บาท

คาดว่ากำไรปกติ 3Q23 ของ NH Hotel จะโต 17% y-y

เราคาดว่า NH Hotel Group (NHH SM) จะรายงาน RevPAR โต 8% y-y และสูงกว่าระดับก่อนโควิดถึง 31% จากปัจจัยด้านฤดูกาลพร้อมคิวดการเข้าพัก (OCC rate) อยู่ที่ 72% (เทียบกับ 70% ใน 3Q22 และ 74% ใน 3Q19) และค่าห้องรายวันเฉลี่ย (ADR) ที่ EUR145 (เทียบกับ EUR138 ใน 3Q22 และ EUR107 ใน 3Q19) ในภาพรวมเราคาดว่ารายได้ของ NHH จะโต 13% y-y อย่างไรก็ดี EBITDA margin น่าจะลดลงเล็กน้อยเหลือ 31% (เทียบกับ 32% ใน 3Q19) โดยมีปัจจัยกดดันจากต้นทุนบุคลากรและค่าเช่าที่สูงขึ้น ทั้งหมดน่าจะช่วยให้ได้กำไรปกติออกมาที่ EUR55 ล้านนับเป็นกำไรปกติ 3Q สูงสุดใหม่ (เทียบกับ EUR47 ล้านใน 3Q22 และ EUR26 ล้านใน 3Q19) และคิดเป็นส่วนแบ่งกำไรของ MINT อยู่ที่ประมาณ 2.0 พัน ลบ.

คาดว่ากำไรปกติ 3Q23 ของ MINT จะโต 11% y-y เป็น 2.2 พัน ลบ.

RevPAR ของโรงแรมในไทยน่าจะกระโดดเพิ่ม 25% y-y และแตะระดับก่อนโควิดใน 3Q23 ในด้านลบ RevPAR ของโรงแรมในมัลดีฟส์น่าจะลดลง 24% y-y และต่ำกว่าระดับก่อนโควิด 10% จากอุปทานโรงแรมที่เพิ่มขึ้น ในธุรกิจอาหารเราคาดว่ากำไรปกติของยอดขายจากสาขาเดิม (SSSG) ของกิจการในไทยจะทรงตัว y-y ในขณะที่ตัวเลขของกิจการในจีนจะลดลง 10% y-y จากการชะลอตัวทางเศรษฐกิจ EBITDA margin ของโรงแรมที่ไม่ใช่ NHH น่าจะลดลงเล็กน้อย q-q จากยอดขายอาหารที่ลดลง ในขณะที่ EBITDA margin ของธุรกิจอาหารน่าจะปรับตัวดีขึ้น q-q จากต้นทุนวัตถุดิบที่ลดลง ในภาพรวมเราคาดว่ากำไรสุทธิ 3Q23 ของ MINT จะโตเป็น 2.2 พัน ลบ. นับเป็นกำไรปกติ 3Q สูงสุดใหม่ (เทียบกับ 2.0 พัน ลบ. ใน 3Q22 และ 1.4 พัน ลบ. ใน 3Q19)

กระแสเงินสดที่ดีน่าจะช่วยให้ค่าใช้จ่ายดอกเบี้ยลดลง

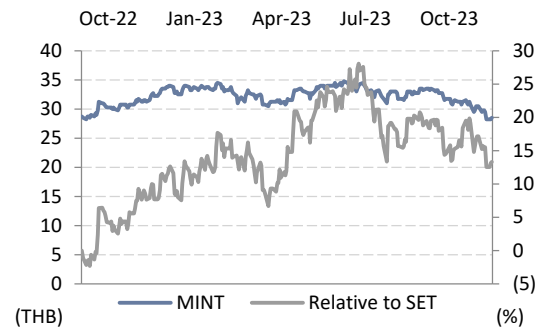
เราคาดว่ากำไรปกติจะโตจาก 2.0 พัน ลบ. ใน 2022 เป็น 6.5 พัน ลบ. ใน 2023 ตัวเลขน่าจะสูงกว่าระดับก่อนโควิดที่ 7.1 พัน ลบ. ในปี 2024 โดยได้ปัจจัยหนุนจากการเติบโตของ RevPAR โดยเฉพาะอย่างยิ่งจากโรงแรมในไทยและค่าใช้จ่ายดอกเบี้ยที่ลดลงในขณะที่ MINT ททยอยชำระหนี้จำนวน 115 พัน ลบ. (ณ. สิ้น 2Q23) จาก EBITDA ที่อยู่ในเกณฑ์ดีถึง 10.0 พัน ลบ./ไตรมาส

หุ้นมีการซื้อขายโดยมีระดับการประเมินมูลค่าต่ำเมื่อเทียบกับในอดีตและคู่แข่ง

เราคงราคาเป้าหมายปี 2024 ของเราไว้ที่ 43 บาท (DCF) MINT มีการซื้อขายโดยมีระดับการประเมินมูลค่าที่ต่ำเพียง 25x/22x ของ 2023E/2024E P/E (เทียบกับค่าเฉลี่ย 5 ปีในอดีตที่ 30x และค่าเฉลี่ยของกลุ่มฯ ที่ 26x ของ 2024E P/E) ราคาหุ้นที่อ่อนแอในช่วงที่ตลาดผันผวนเป็นโอกาสในการซื้อหุ้นเพื่อจับแนวโน้มที่ดีในปี 2024

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	119,364	142,783	150,610	157,665
Net profit	4,286	6,479	7,357	8,186
EPS (THB)	0.82	1.16	1.28	1.42
vs Consensus (%)	-	15.4	(2.9)	(12.5)
EBITDA	28,886	35,710	37,789	40,226
Recurring net profit	2,017	6,479	7,357	8,186
Core EPS (THB)	0.35	1.13	1.28	1.42
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	nm	221.2	13.6	11.3
Core P/E (x)	81.3	25.3	22.3	20.0
Dividend yield (%)	-	1.4	1.5	1.7
EV/EBITDA (x)	12.0	9.7	9.7	8.8
Price/book (x)	2.1	1.8	2.4	2.2
Net debt/Equity (%)	222.9	175.0	235.2	202.9
ROE (%)	2.9	8.2	9.5	11.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.8)	(12.3)	5.6
Relative to country (%)	(2.8)	(4.6)	20.2
Mkt cap (USD m)	4,412		
3m avg. daily turnover (USD m)	13.1		
Free float (%)	63		
Major shareholder	Minor Holdings (Thai) (16%)		
12m high/low (THB)	35.00/26.50		
Issued shares (m)	5,754.62		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 26 ตุลาคม 2023

Investment thesis

MINT’s earnings are now in a recovery mode. We expect the core profit to continue to grow in 2023, 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 2023. They should offset rising personnel costs and the potential for further interest rate hikes.

We expect MINT’s core profit to return to its pre-Covid level by 2024, with a potential upside from an improved EBITDA margin following cost-saving measures which should permanently reduce some expenses.

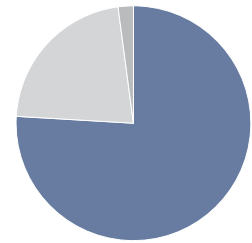
Company profile

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

www.minor.com

Principal activities (revenue, 2022)

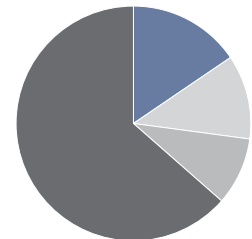
- Hotel & Mixed-use - 75.9 %
- F&B revenue - 22.0 %
- Retail revenue - 2.1 %



Source: Minor International

Major shareholders

- Minor Holdings (Thai) - 15.5 %
- Thai NVDR - 11.6 %
- Niti Osathanugrah - 9.4 %
- 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) an increased 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
Nov 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
	(%)	(%)	(%)
Owned & leased hotels			
- Number of rooms (no.)	55,364	55,364	55,630
- Occupancy rate (OCC)	66	69	70
- RevPAR growth	22	6	4
Food business			
- Number of outlets (no.)	2,658	2,737	2,819
- Same-Store Sales Growth (SSSG)	7	2	2
- Total System Sales Growth (TSSG)	12	5	5

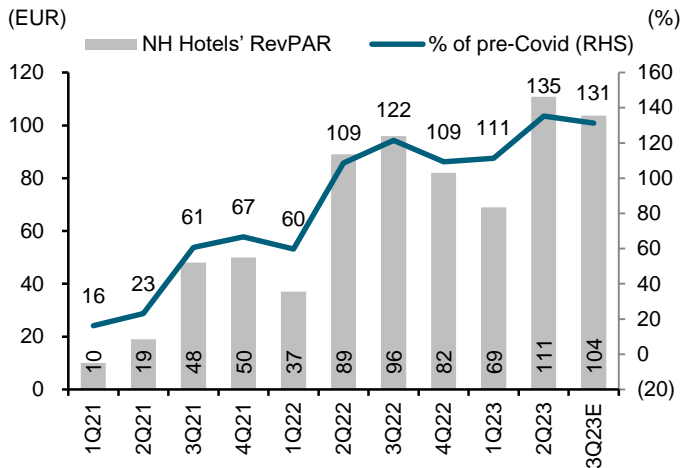
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in OCC, we project a 2023 profit increase of 5%, and vice versa, all else being equal.
- For every 1% increase in SSSG, we project a 2023 profit increase of 1%, and vice versa, all else being equal.

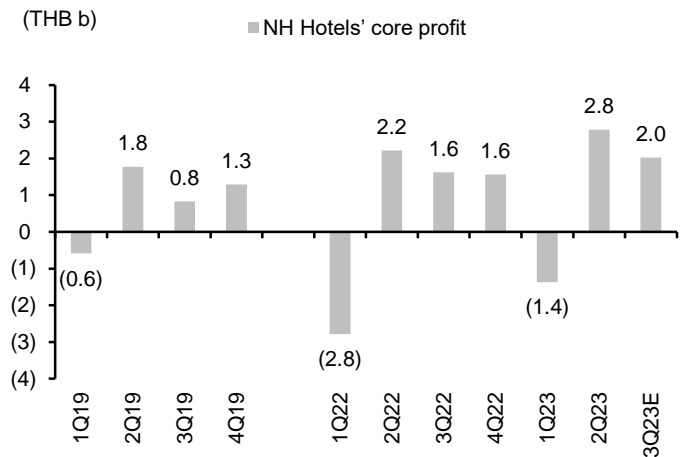
Source: FSSIA estimates

Exhibit 1: NHH's RevPAR



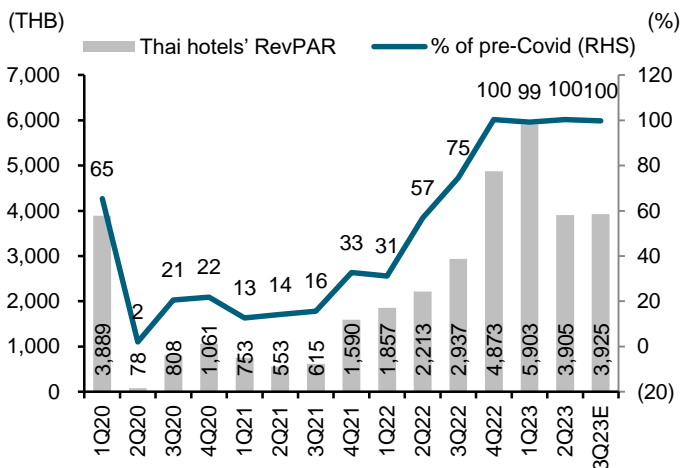
Source: NHH; MINT; FSSIA estimates

Exhibit 2: NHH's core profit contribution to MINT



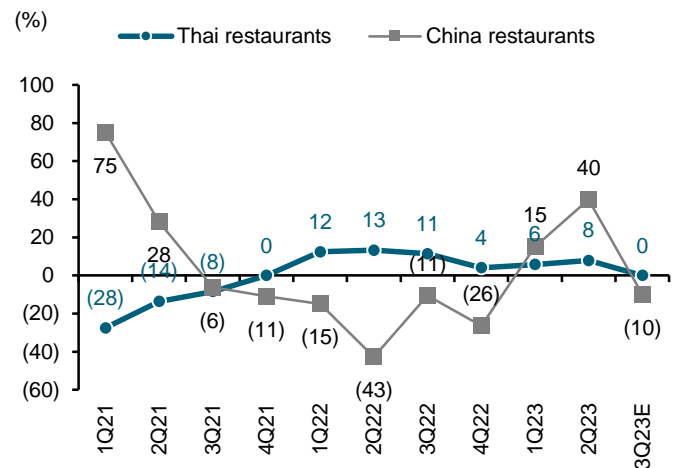
Note: Based on the 94% stake that MINT holds in NHH and 96% stake from 3Q23 onwards
Source: NHH; MINT; FSSIA estimates

Exhibit 3: RevPAR at Thai hotels



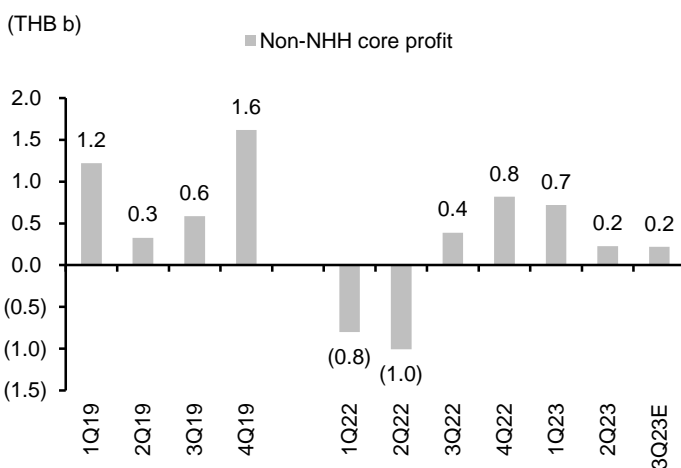
Source: MINT; FSSIA estimates

Exhibit 4: Food business SSSG in Thailand and China



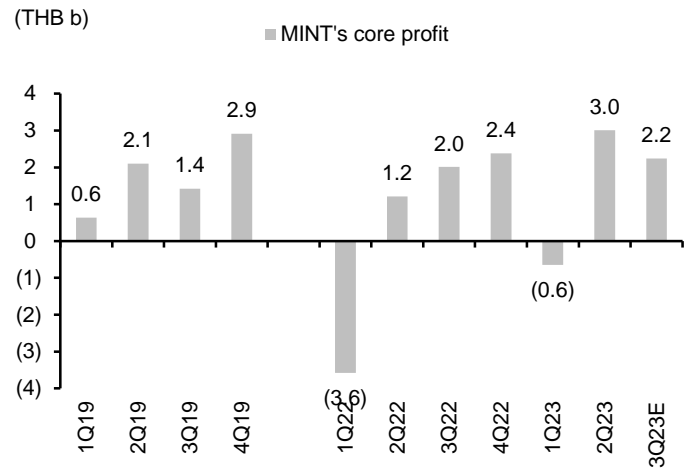
Source: MINT; FSSIA estimates

Exhibit 5: Non-NHH core profit



Source: MINT; FSSIA estimates

Exhibit 6: MINT's core profit



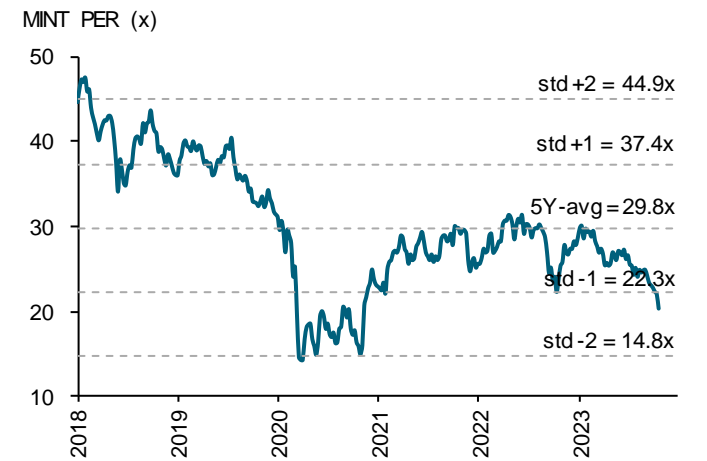
Source: MINT; FSSIA estimates

Exhibit 7: 3Q23 results preview

	3Q22	4Q22	1Q23	2Q23	3Q23E	Change		2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	33,567	34,234	31,246	39,634	37,370	(6)	11	142,783
-Hotel & Mixed-use	25,893	26,504	23,357	31,806	29,472	(7)	14	110,549
-Restaurant	7,035	6,989	7,312	7,345	7,387	1	5	29,336
-Retail	639	741	577	483	511	6	(20)	2,899
COGS (incl. depreciation)	(18,240)	(18,349)	(18,483)	(20,828)	(20,049)	(4)	10	(77,809)
Gross profit	15,327	15,884	12,763	18,806	17,321	(8)	13	64,974
SG&A	(11,293)	(10,886)	(11,941)	(12,321)	(12,321)	0	9	(49,525)
Operating profit	4,035	4,999	822	6,486	5,000	(23)	24	15,449
Net other income	986	457	695	487	584	20	(41)	3,090
Dividend income	0	2	0	1	2			0
Interest income	238	302	277	363	363	0	52	459
Interest expense	(2,289)	(2,501)	(2,434)	(2,761)	(2,844)	3	24	(10,027)
Pretax profit	2,969	3,259	(640)	4,575	3,105	(32)	5	8,972
Income Tax	(963)	(724)	(232)	(1,353)	(900)	(33)	(7)	(2,422)
Associates	171	46	261	19	223	1,075	30	579
Minority interest	(168)	(203)	(35)	(235)	(193)	(18)	15	(650)
Core profit	2,010	2,379	(647)	3,006	2,236	(26)	11	6,479
Extraordinaries, GW & FX	2,598	(468)	(329)	249		(100)	(100)	
Reported net profit	4,608	1,911	(976)	3,255	2,236	(31)	(51)	6,479
								0
Shares out (end Q, m)	5,258	5,259	5,259	5,259	5,259	0	0	5,259
Core EPS	0.4	0.5	(0.1)	0.6	0.4	(26)	11	1.2
EPS	0.9	0.4	(0.2)	0.6	0.4	(31)	(51)	1.2
COGS (excl. depreciation)	(13,358)	(13,535)	(13,665)	(15,909)	(15,081)	(5)	13	(57,549)
Depreciation	(4,882)	(4,814)	(4,818)	(4,919)	(4,968)	1	2	(20,260)
EBITDA	10,312	10,620	6,872	12,273	11,139	(9)	8	35,710
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	46	46	41	47	46	(1)	1	46
SG&A/Revenue	34	32	38	31	33	2	(1)	35
Hotel EBITDA margin	32	32	21	33	31	(2)	(2)	28
Food EBITDA margin	21	22	22	21	21	0	0	22
Retail EBITDA margin	22	15	13	10	10	0	(12)	13
Total EBITDA margin	30	30	21	30	29	(1)	(1)	25
Net profit margin	13	5	(3)	8	6	(2)	(7)	4
Operating stat	3Q22	4Q22	1Q23	2Q23				
Owned & leased RevPAR (y-y %)								
Total	96	66	87	28				
Thailand	378	206	218	76				
Maldives	8	(11)	(15)	(23)				
Europe & The Americas (NHH)	100	64	86	25				
SSSG (y-y %)								
Total	17	4	11	8				
Thailand	11	4	6	8				
China	(11)	(26)	15	40				
TSSG (y-y %)								
Total	41	17	20	18				
Thailand	51	20	20	17				
China	0	(20)	20	99				

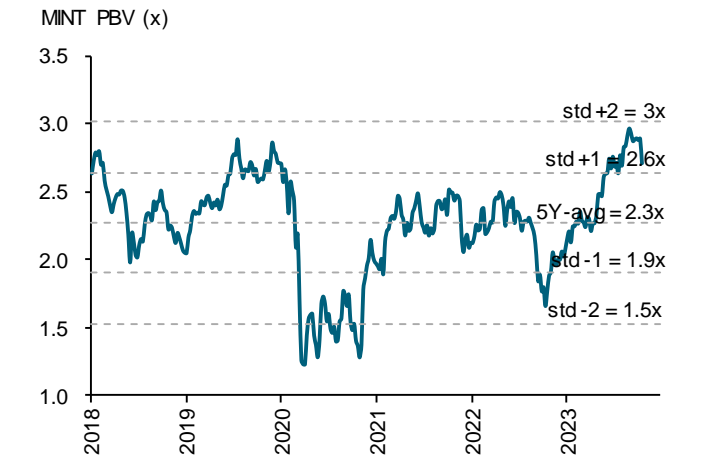
Sources: MINT; FSSIA estimates

Exhibit 8: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Peer comparisons as of 25 Oct 2023

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)
Thailand															
Asset World Corp	AWC TB	BUY	3.52	6.80	93	3,116	53.5	30.6	27.5	2.5	4.1	1.3	1.2	31.5	22.9
Minor International	MINT TB	BUY	28.50	43.00	51	4,412	25.3	22.3	20.0	8.2	9.5	1.8	2.4	9.7	9.7
Central Plaza Hotel	CENDEL TB	BUY	44.50	53.00	19	1,662	43.7	30.4	26.8	7.2	9.6	3.0	2.8	17.5	15.7
Erawan Group	ERW TB	BUY	5.05	6.30	25	633	35.5	33.8	28.7	10.7	10.2	3.6	3.1	16.8	15.4
S Hotels & Resorts	SHR TB	BUY	2.46	4.40	79	245	181.8	21.9	16.3	0.3	2.5	0.6	0.5	8.8	7.1
Dusit Thani	DUSIT TB	BUY	7.65	18.00	135	180	127.2	26.6	2.6	1.2	5.7	1.6	1.5	36.7	28.8
Bound and Beyond	BEYOND TB	BUY	12.00	24.00	100	96	(30.9)	18.2	12.9	(1.9)	3.1	0.6	0.6	14.9	9.1
Thailand average						10,343	62.3	26.3	19.3	4.0	6.4	1.8	1.7	19.4	15.5
Regional															
Btg Hotels Group	600258 CH	n/a	15.75	n/a	n/a	2,403	24.0	17.2	14.2	6.8	8.7	1.6	1.5	10.7	9.7
Sh Jinjiang Intl Hotels	900934 CH	n/a	1.40	n/a	n/a	4,150	8.2	5.8	4.6	7.8	9.9	0.6	0.6	12.2	9.7
Huangshan Tourism Dev.	900942 CH	n/a	0.70	n/a	n/a	950	9.8	8.2	7.3	8.7	9.4	0.8	0.8	7.7	7.1
Genting Bhd	GENT MK	n/a	4.06	n/a	n/a	3,266	15.4	10.3	8.8	3.3	4.6	0.5	0.5	6.5	5.9
Huazhu Group	HTHT US	n/a	36.54	n/a	n/a	11,648	23.9	21.6	17.7	31.2	25.7	7.8	6.0	13.7	12.1
Indian Hotels	IH IN	n/a	389.55	n/a	n/a	6,396	57.8	42.6	35.6	12.6	14.4	6.8	5.9	30.9	25.6
Lemon Tree Hotels	LEMONTRE IN	n/a	107.50	n/a	n/a	1,005	72.6	52.3	31.2	12.3	15.9	9.2	7.8	25.7	20.7
Lippo Karawaci	LPKR IJ	n/a	89.00	n/a	n/a	397	18.3	5.2	4.5	2.3	6.6	0.4	0.3	8.5	8.1
Regional average						30,214	28.8	20.4	15.5	10.6	11.9	3.5	2.9	14.5	12.4
Overall average						40,558	44.4	23.1	17.3	7.5	9.3	2.7	2.4	16.8	13.9

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

Sources: Minor International; FSSIA estimates

Financial Statements

Minor International

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

Per share (THB)

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

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

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

Per share (THB)

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

Financial strength

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

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(16.0)	81.3	25.3	22.3	20.0
Recurring P/E @ target price (x) *	(24.1)	122.7	38.2	33.6	30.2
Reported P/E (x)	(11.3)	34.9	24.6	22.3	20.0
Dividend yield (%)	-	-	1.4	1.5	1.7
Price/book (x)	2.2	2.1	1.8	2.4	2.2
Price/tangible book (x)	2.2	2.1	1.8	2.4	2.2
EV/EBITDA (x) **	37.6	12.0	9.7	9.7	8.8
EV/EBITDA @ target price (x) **	45.4	14.6	11.9	11.9	10.9
EV/invested capital (x)	1.1	1.1	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

★ ★ ★ ★ ★

84.43 /100

Exhibit 11: 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 12: 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 13: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	5.47	5.72	5.75	5.65	5.68	4.89	5.01	5.00
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	—
ESG disclosure score	52.30	52.19	55.26	58.45	60.14	60.79	65.48	—
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	—
Environmental								
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 14: 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
Social								
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
Governance								
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	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
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	No	No	No	No	No	No	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
Sustainability governance								
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 THSI inclusion , 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. SETTHSI Index 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%). (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&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)	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. (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.)	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. 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 & peer reviews.	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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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>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</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>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </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			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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B	1.429-2.856																													
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																											
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. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																													
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.																												

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
Minor International	MINT TB	THB 28.50	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 3.52	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
Central Plaza Hotel	CEN TEL TB	THB 44.50	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 5.05	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 2.46	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 7.65	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 12.00	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, 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-Oct-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.