

BUY (Unchanged)

Company Update

TP: Bt 44.00 (Unchanged)

Upside : 55.8%

20 FEBRUARY 2025

Minor International Pcl (MINT TB)

So far, so good

We reaffirm our BUY on MINT. While its businesses are doing well on most fronts, its valuation has come down to 20.9x PE, which we see as inexpensive for an operationally strong, asset-based company with 16% p.a. sustainable EPS growth in 2025-27F.



SIRIPORN ARUNOTHAI

662-779-9119

siriporn.aru@thanachartsec.co.th

Strong operations and outlook; BUY

We reaffirm our BUY call on MINT, a country top pick. **First**, having fallen along with the SET, MINT's valuation looks attractive to us at 20.9x 2025F PE against its strong business operations. Regional listed hotels trade at 19-34x PE. **Second**, we foresee sustainable EPS growth at a 16% EPS CAGR in 2025-27F. Its businesses are currently doing well across the board. **Third**, MINT benefits from falling interest rates and the deleveraging of its current Bt93bn in debt. In this report, we fine-tune our 2025-27F earnings by 0.0/-0.3/-1.6%. Our DCF-based 12-month TP (2025F base year) remains unchanged at Bt44.0.

Hotel business doing well

Hotels made up 81% of MINT's total revenue in 2024. Hotels in Thailand and Europe contributed 13% and 64%, respectively, of total hotel revenue in 2024. Thailand hotels' RevPar grew 12% y-y in 2024. A recovery in Chinese tourists supported this, while flows of other nationalities remained strong with continued growth. MINOR HOTELS Europe and Americas' (NHH) RevPar in 2024 grew 8% y-y, with strong momentum continuing into 1Q25 from both leisure and business travelers. Room booking revenue for hotels in Thailand and Europe have grown y-y by 9% and 5%, respectively, so far in 1Q25. We project RevPar growth for MINT (excluding NHH) at 5/3/3% and 5/4/3% in 2025-27F for NHH.

Improving momentum of food business

Food accounted for 19% of MINT's total revenue in 2024. Thailand contributed 60% of food revenue, China 11%, Australia 11%, and other markets 18%. Same-store-sales growth (SSSG) contracted by 2.2% y-y in 2024 (+0.8% for Thailand, -2.4% for Australia, and -19.6% for China). However, MINT's SSSG improved across all regions in 4Q24, despite Australia and China's SSSG still being in negative territory in 4Q24. MINT anticipates a further improvement in SSSG in 2025, driven by new menus and marketing campaigns in Thailand, a new store format in Australia, and new menu offerings and brand launches in China. We project SSSG of 2/3/3% in 2025-27F.

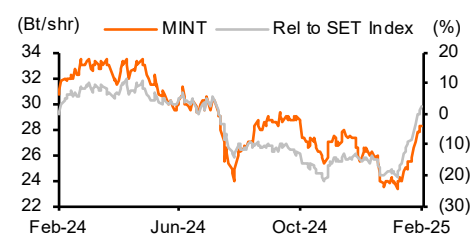
Falling interest expenses

MINT had total interest-bearing debt of Bt93bn in 2024 (67% in Euros, 25% in Thai baht, 3% in Australian dollars, 2% in US dollars and 3% in others). MINT's exposure to fixed vs. floating interest rates was 59:41 in 2024. The falling interest rate trend and debt repayments are reducing MINT's interest expenses. We already factor in MINT's average funding costs falling by 10bps in 2025F. Its interest expenses reached a peak of Bt11.8bn in 2024 and should decline to Bt10.5/9.9/9.2bn in 2025-27F.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	160,976	167,150	175,508	183,548
Net profit	7,750	9,387	10,846	12,243
Consensus NP	—	9,218	10,639	12,781
Diff frm cons (%)	—	1.8	1.9	(4.2)
Norm profit	8,390	9,387	10,846	12,243
Prev. Norm profit	—	9,386	10,877	12,446
Chg frm prev (%)	—	0.0	(0.3)	(1.6)
Norm EPS (Bt)	1.2	1.4	1.6	1.9
Norm EPS grw (%)	15.3	15.0	19.0	15.3
Norm PE (x)	24.0	20.9	17.5	15.2
EV/EBITDA (x)	6.0	6.1	5.8	5.5
P/BV (x)	1.8	1.8	1.7	1.6
Div yield (%)	2.1	2.6	3.1	3.6
ROE (%)	10.2	10.5	11.7	12.7
Net D/E (%)	78.4	77.9	70.2	61.6

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 20-Feb-25 (Bt)	28.25
Market Cap (US\$ m)	4,759.0
Listed Shares (m shares)	5,670.0
Free Float (%)	60.1
Avg Daily Turnover (US\$ m)	13.4
12M Price H/L (Bt)	33.50/23.30
Sector	Tourism
Major Shareholder	Group of Mr. William Heinecke 33%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P10



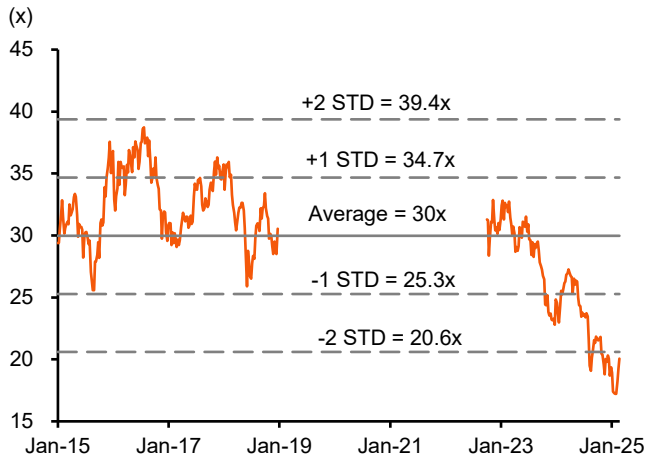
16% three-year EPS CAGR; BUY

We reiterate our BUY call on MINT

We reiterate our BUY rating on Minor International (MINT) for the following reasons:

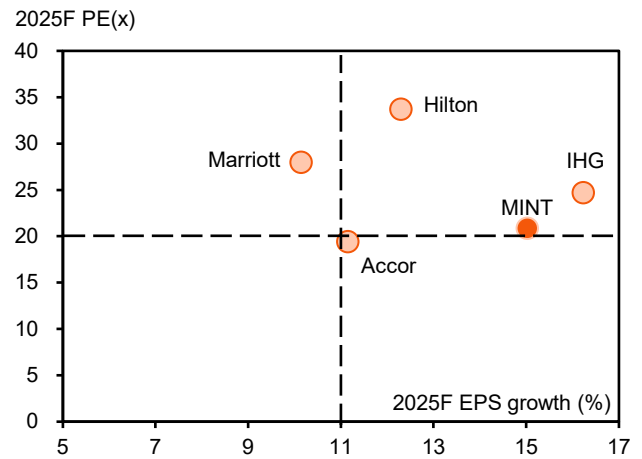
First, having fallen along with the SET, MINT’s valuation looks attractive to us, trading at 20.9x 2025F PE against its strong business operations. Regional listed hotels trade at 19-34x PE.

Ex 1: MINT’s PE Band Chart



Sources: Bloomberg, Thanachart estimates

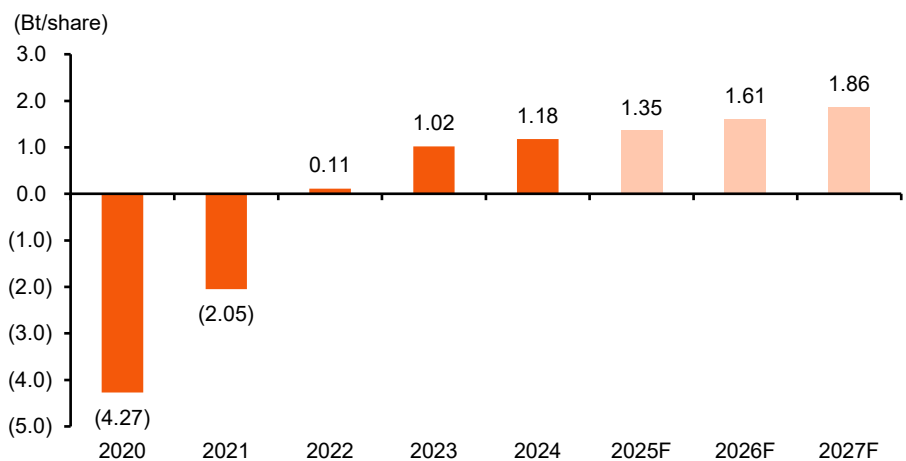
Ex 2: Valuation Comparison



Sources: Bloomberg, Thanachart estimates

Second, we foresee a sustainable EPS growth outlook at a 16% EPS CAGR in 2025-27F. Its businesses are currently doing well across the board.

Ex 3: Normalized EPS



Sources: Company data, Thanachart estimates

Third, MINT is a falling interest-rate beneficiary. We estimate MINT’s interest-bearing debt will likely continue to decline from Bt93bn in 2024 to Bt81bn in 2027F due to rising cash inflow from operations. Given the falling interest rate trend in Thailand, Europe, and the US, we believe MINT stands to benefit.

Note that in this report, we fine-tune our earnings estimates by 0.0/-0.3/-1.6% in 2025-27F. Our DCF-based 12-month TP (2025F base year) remains unchanged at Bt44.0.

Ex 4: 12-month DCF-based TP Calculation Using A Base Year of 2025F

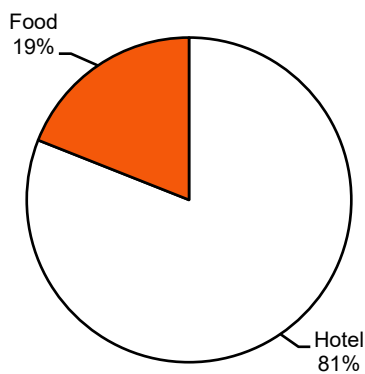
(Bt m)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depre from right of use	28,612	30,411	31,919	33,305	34,381	35,743	37,134	38,598	40,142	41,772	43,488	45,334	—
Free cash flow	10,121	14,994	16,321	22,471	23,301	24,448	25,568	26,735	27,958	29,242	30,592	30,047	445,558
PV of free cash flow	10,093	12,808	12,885	16,390	15,706	14,879	14,325	13,786	13,271	12,778	11,999	10,822	160,469
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	1.2												
WACC (%)	8.2												
Terminal growth (%)	2.0												
Enterprise value - add investments	338,233												
Net debt (2024)	79,612												
Minority interest	11,303												
Equity value	247,318												
# of shares*	5,670												
Target price/share (Bt)	44.00												

Sources: Company data, Thanachart estimates

Hotel business continues to grow

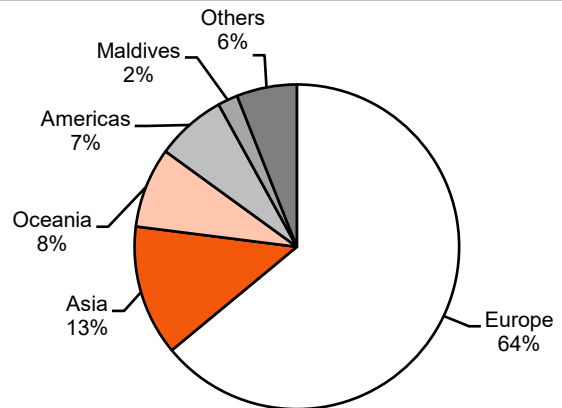
Hotels made up 81% of MINT’s total revenue last year. Hotels in Thailand and Europe contributed 13% and 64% of total hotel revenue in 2024.

Ex 5: Revenue Breakdown By Business In 2024



Source: Company data

Ex 6: Hotel Revenue Breakdown By Geography In 2024



Source: Company data

Strong hotel business in Thailand

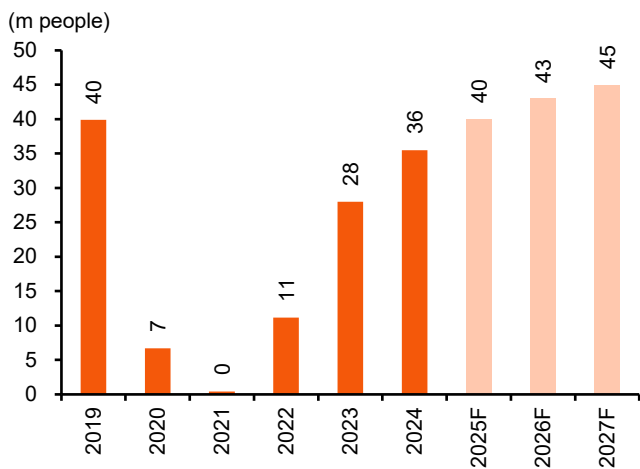
Thailand hotels’ RevPar grew 12% y-y in 2024. A recovery in Chinese tourists supported this, while flows of other nationalities remained strong with continued growth. Note that RevPAR for MINT’s hotels in Thailand in 2024 was above 2019’s level by 22%, despite international tourist numbers not having returned to pre-COVID levels.

The number of international tourists visiting Thailand grew by 26% y-y in 2024 to 35.5m people. International tourists in 2024 stood at 89% of 2019’s level. Although Chinese tourists have not yet returned to their pre-COVID level, they numbered 61% of their pre-COVID peak vs. only 32% in 2023. Tourist arrivals from other countries mainly exceeded 2019 levels. The number of tourists from Malaysia, South Korea, Russia, and India in 2024 comprised 117/99/118/107% of the pre-COVID levels. We estimate the number of international visitors to reach 40/43/45m people in 2025-27F.

Strong hotel business in Europe

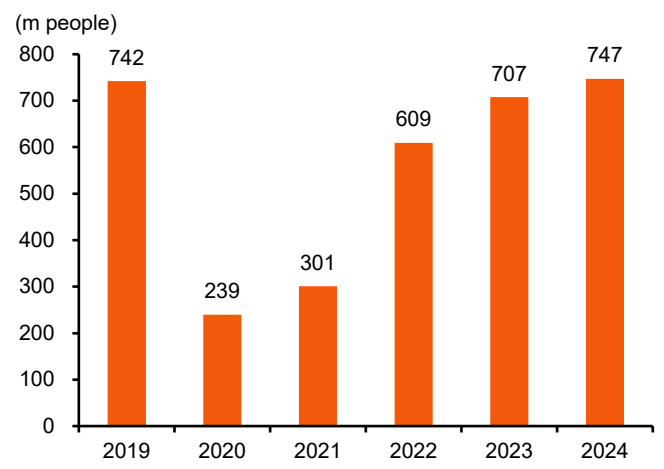
MINOR HOTELS Europe and Americas (NHH)’s RevPar in 2024 grew 8% y-y, with strong momentum continuing into 1Q25 from both leisure and business travelers. International tourist arrivals in Europe stood at 747m people in 2024, accounting for 101% of 2019’s level. Meanwhile, NH’s RevPar in 2024 was 36% above 2019’s level.

Ex 7: Number Of International Tourists Visiting Thailand



Sources: MOTS, Thanachart estimates

Ex 8: Number Of International Tourists Visiting Europe



Source: Statista Research

Weak hotel operations in Australia were due to the high base in 2023

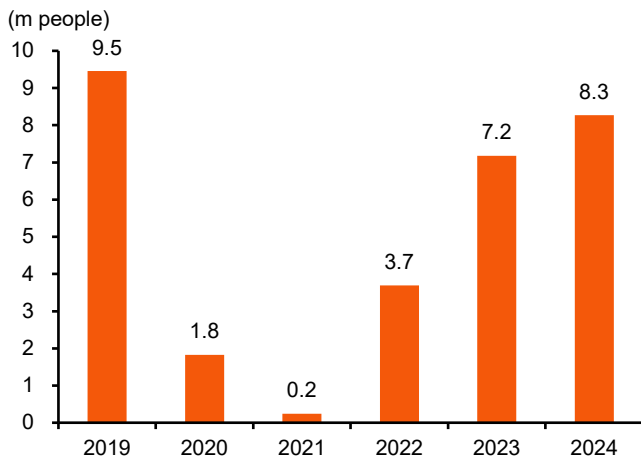
For MINT’s hotel operations in Australia, RevPar declined by 2% y-y in 2024 due to the high base effect in 2023 and the decreasing demand for domestic travel. Thus, MINT has shifted its focus toward international tourists visiting Australia and has also tried to increase corporate demand, particularly in MICE and conferences. Note that RevPAR for MINT’s hotels in Australia in 2024 was above 2019’s level by 43%, despite international tourist numbers not yet returning to pre-COVID levels. The number of international tourists visiting Australia in 2024 stood at 8.3m people, which accounted for 87% of the figure for 2019.

MINT’s hotel operations in the Maldives improved in 4Q24

MINT’s hotel operations in the Maldives improved in 4Q24, despite the oversupply situation there. Its RevPar in 4Q24 grew by 15% y-y and 7% above its RevPar in 4Q19. We expect the oversupply situation to improve from this year onwards. The capacity expansion project at Velena International Airport in the Maldives, with the full reopening set for mid-2025, should pave the way for more tourists to visit. International tourist arrivals to the Maldives grew by 4.0% p.a. from 2020-24. Meanwhile, the number of beds in operation in the Maldives grew by 6.1% p.a. over the same period.

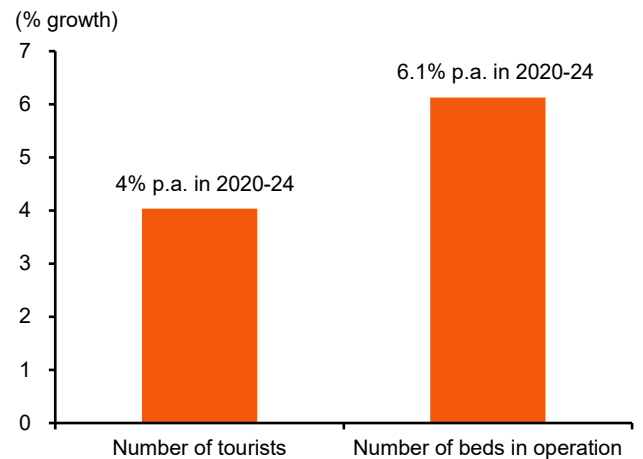
Note that the Velena International Airport expansion project includes the development of a new passenger terminal building, a runway, a cargo terminal complex, a fuel farm, and a seaplane terminal along with a maintenance, repair, and overhaul facility and a new, very important person (VIP) / commercially important person (CIP) terminal. The new 78,000 sqm international passenger terminal building is set to accommodate up to 7.5m passengers per year compared to 2.0m international tourists visiting the Maldives in 2024.

Ex 9: Number Of International Tourists Visiting Australia



Source: Tourism Australia

Ex 10: Tourism Demand Vs. Supply In The Maldives

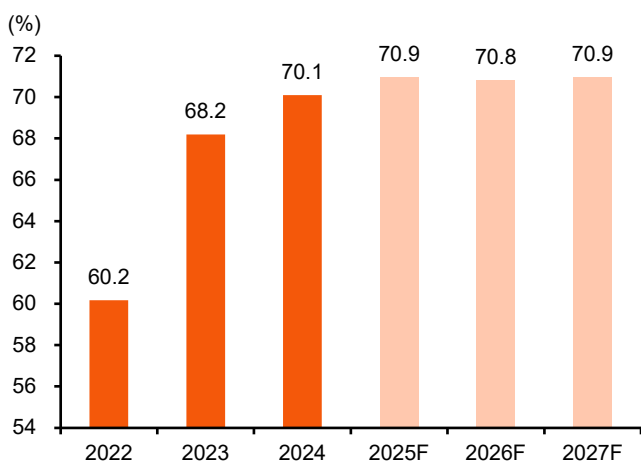


Source: Ministry of Tourism Republic of Maldives

For MINT’s internal business, the company aims to rebrand its hotels by upgrading them to higher-tier brands in 2025. Additionally, it plans to implement a cross-selling strategy to attract a broader customer base and enhance brand websites and booking platforms. Note that Brand.com bookings surged from 11% in 2019 to over 17% in 2024, and MINT expects to achieve a figure of 20% by 2025. These initiatives are designed to increase the group’s ARR and margin and boost customer engagement, ultimately elevating the overall guest experience and driving revenue growth.

Room booking revenue for hotels in Thailand and Europe continued to grow by 9% y-y and 5% y-y, respectively, in 1Q25. We project RevPar growth for MINT (excluding NHH) at 5/3/3% and 5/4/3% in 2025-27F for NHH. This is driven by the rising OR of existing hotels and organic growth for ARR.

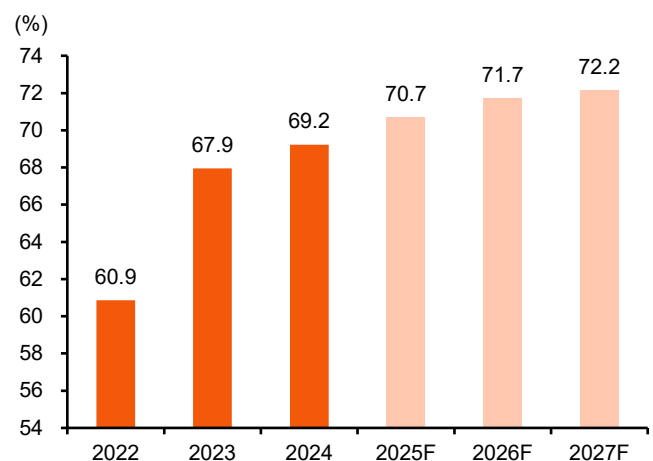
Ex 11: MINT’s OR – Excluding NHH



Sources: Company data, Thanachart estimates

Note: * Flat OR in 2025-27F is due to new hotels’ lower OR

Ex 12: NHH’s OR



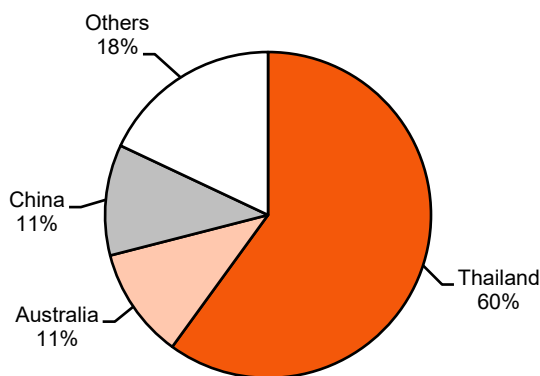
Sources: Company data, Thanachart estimates

Improving momentum for food business

We estimate MINT's SSSG at 2/3/3% in 2025-27F

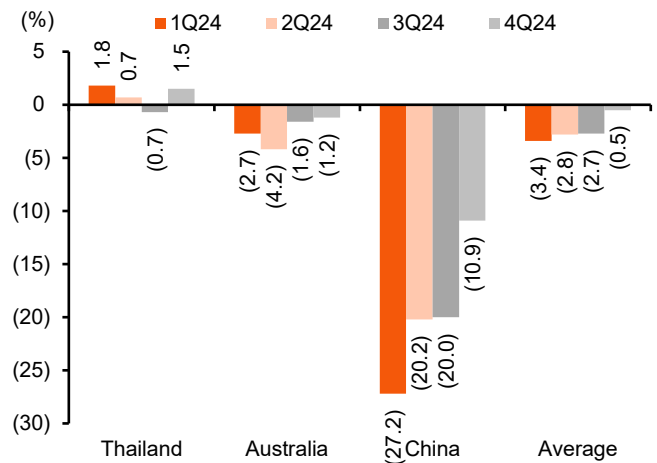
MINT's food revenue accounted for 19% of MINT's total revenue in 2024. Thailand contributed 60% of this food revenue, followed by China and Australia at 11% each, and other regions at 18%. Same-store-sales growth (SSSG) contracted by 2.2% y-y in 2024 (Thailand's SSSG was +0.8%, Australia's -2.4%, and China's -19.6%). However, MINT's SSSG improved across all regions in 4Q24, despite Australia's and China's SSSG still being in negative territory in 4Q24. MINT anticipates a further improvement in SSSG in 2025, driven by new menus and marketing campaigns in Thailand, a new store format in Australia, and new menu offerings and brand launches, including Xiaotaibao (Thai cuisine) and Jian Jiang Hao (Sichuan cuisine) in China. We project SSSG of 2/3/3% in 2025-27F.

Ex 13: Food Revenue Breakdown By Geography In 2024



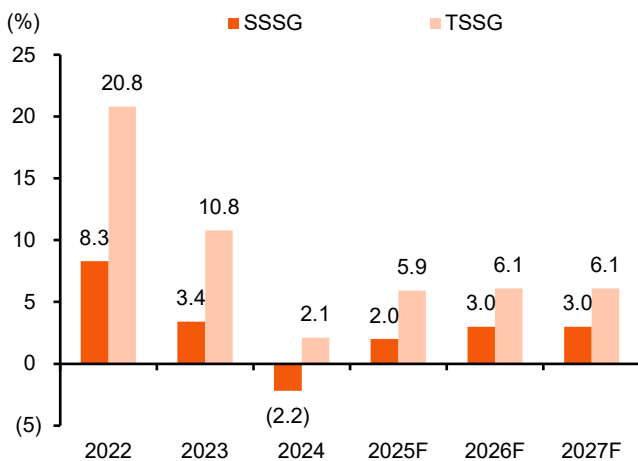
Source: Company data

Ex 14: Quarterly SSSG



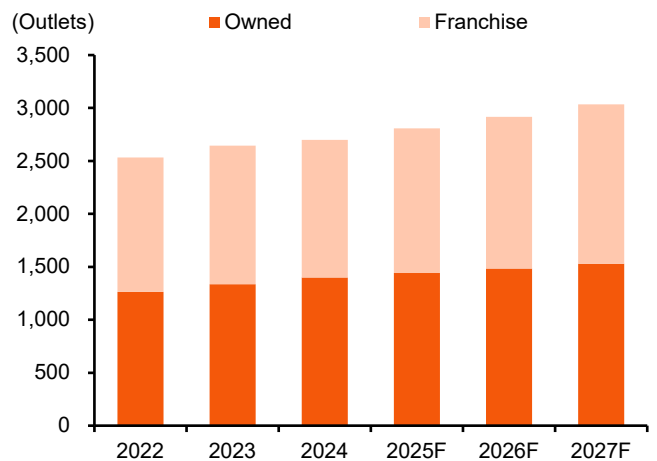
Source: Company data

Ex 15: SSSG And TSSG



Sources: Company data, Thanachart estimates

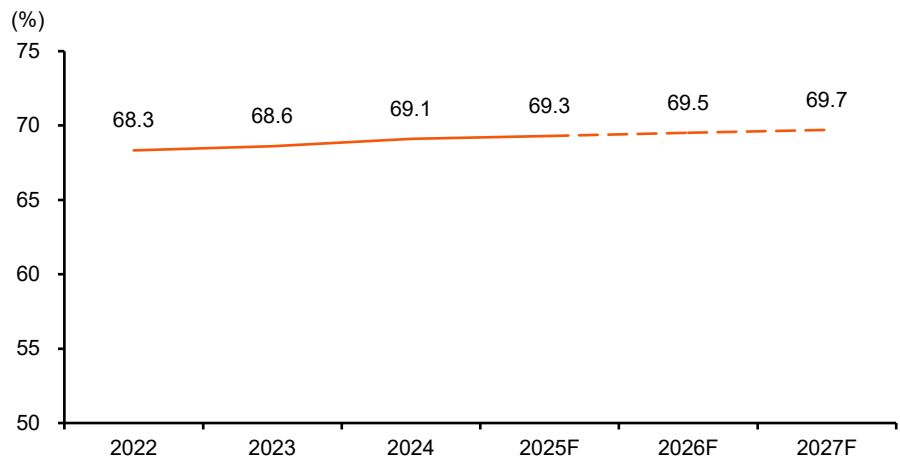
Ex 16: Net New Store Openings



Sources: Company data, Thanachart estimates

On the cost side, we believe things still look manageable. MINT has tried to control its food costs, reduce its rental rates, and close stores that do not generate profits. We estimate its food business' gross margin at 69.3/69.5/69.7% in 2025-27F, up from 69.1% in 2024.

Ex 17: Food's Gross Margin



Sources: Company data, Thanachart estimates

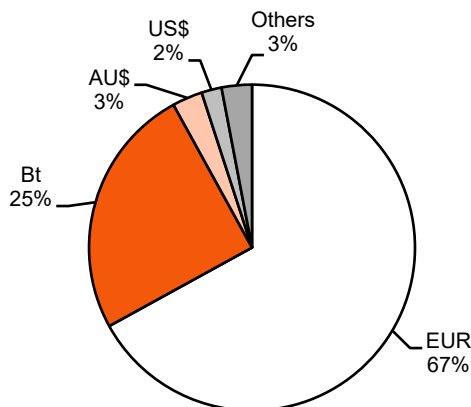
Enjoying the falling interest rate trend

MINT's fixed to floating loan ratio was 59:41 at the end of 2024

MINT had Bt93bn in interest-bearing debt at the end of 2024, consisting of fixed and floating-rate loans in a ratio of 59:41. Its debt comprised euros, baht, US dollars, Australian dollars, and others in a ratio of 67:25:2:3:3. A potential reversal of the interest rate trend in 2025 and debt repayment would reduce MINT's interest rate burden. Our model already factors in a reduction in MINT's funding costs of 10bps in 2025F.

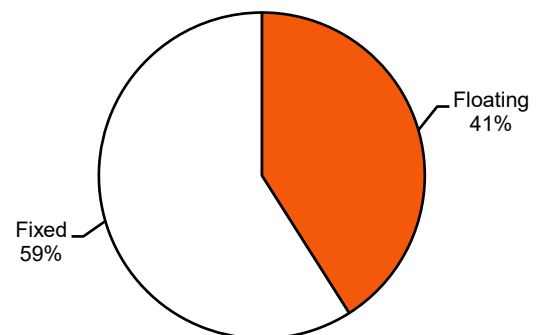
Note that the market expects the Fed Funds Rate to be reduced by 55bps in 2025. Meanwhile, the ECB interest rate is widely expected to be cut by 100bps in 2025, and the BOT's policy rate will likely be lowered by 25bps.

Ex 18: 2024 MINT's Debt Profile By Currency



Source: Company data

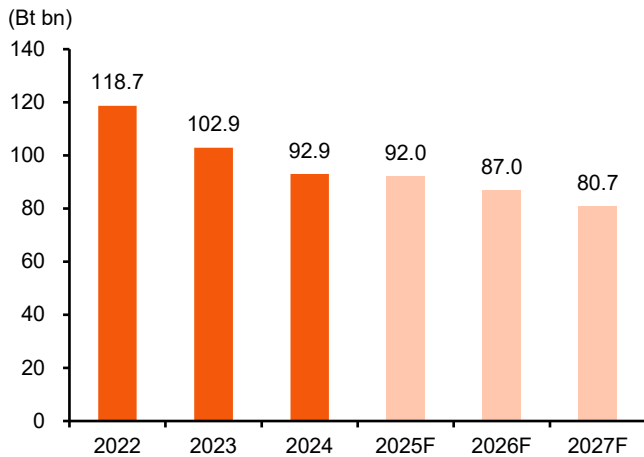
Ex 19: 2024 MINT's Debt Profile By Type



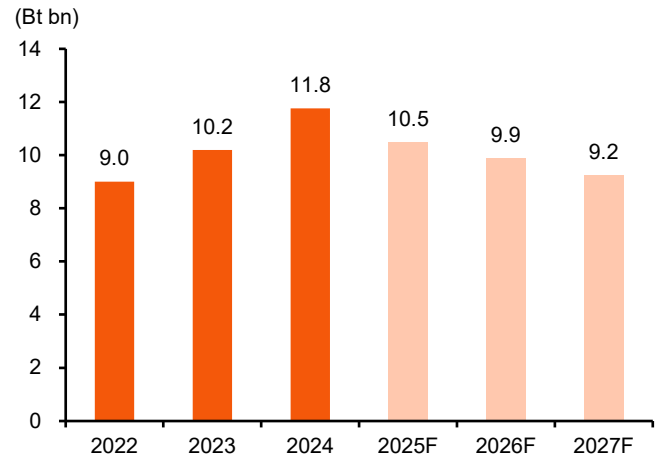
Source: Company data

Lower interest expenses

Besides interest rate cuts, we also estimate that MINT's interest-bearing debt will decline from Bt93bn in 2024 to Bt92/87/81bn in 2025-27F due to debt repayments driven by rising cash flow from operations. In addition, MINT has plans for asset rotation and to set up a REIT, which we have not yet factored into our projections. With the falling interest rate trend and debt repayments, we believe that MINT's interest expenses already peaked at Bt11.8bn in 2024 and will then decline to Bt10.5/9.9/9.2bn in 2025-27F, respectively.

Ex 20: Falling Interest-Bearing Debt

Sources: Company data, Thanachart estimates

Ex 21: Falling Interest Expense

Sources: Company data, Thanachart estimates

We also estimate MINT's net interest-bearing debt to equity to decline from 0.8x at the end of 2024 to 0.8/0.7/0.6x in 2025-27F, respectively, vs. its debt covenant of 1.75x.

Valuation Comparison**Ex 22: Valuation Comparison With Regional Peers**

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)
Accor SA	AC FP	France	11.1	14.5	19.4	17.0	2.5	2.4	12.3	11.3	2.8	3.3
Indian Hotels	IH IN	India	33.3	27.8	64.5	50.5	9.7	8.3	38.3	31.0	0.3	0.4
Resorttrust	4681 JP	Japan	13.7	9.6	17.8	16.2	2.3	2.1	9.1	8.5	2.0	2.3
Hotel Shilla	008770 KS	S. Korea	na	73.5	31.4	18.1	2.5	2.2	14.8	12.0	0.6	0.6
NH Hotel Group	NHH SM	Spain	(16.3)	0.0	15.4	15.4	2.1	1.9	7.5	7.5	1.5	1.3
Shanghai Jin Jiang Capital	2006 HK	Hong Kong	na	na	na	na	na	na	na	na	na	na
Hongkong & Shanghai	45 HK	Hong Kong	na	na	na	na	na	na	na	na	na	na
Shangri-La Asia	69 HK	Hong Kong	(16.8)	20.9	106.7	88.3	5.3	23.0	13.3	13.2	0.5	0.5
InterContinental Hotels	IHG US	US	16.2	12.6	24.7	22.0	na	na	17.7	16.3	1.6	1.8
Marriott International	MAR US	US	10.1	12.6	28.0	24.9	na	na	17.4	16.3	0.9	1.0
Hilton Worldwide Holdings	HLT US	US	12.3	16.1	33.7	29.0	na	na	20.1	18.4	0.3	0.3
Asset World Corp	AWC TB	Thailand	10.8	18.4	30.5	25.7	1.1	1.0	23.6	19.5	1.2	1.5
Central Plaza Hotel	CENDEL TB*	Thailand	14.7	14.8	23.8	20.7	1.9	1.8	10.3	10.1	1.9	2.2
Erawan Group	ERW TB*	Thailand	12.8	10.4	17.6	15.9	1.9	1.8	10.0	9.1	2.3	2.5
Minor International	MINT TB*	Thailand	15.0	19.0	20.9	17.5	1.8	1.7	6.1	5.8	2.6	3.1
Average			9.7	19.3	33.4	27.8	3.1	4.6	15.4	13.8	1.4	1.6

Sources: Company data, Thanachart estimates

Note: * Thanachart estimates, using normalized EPS

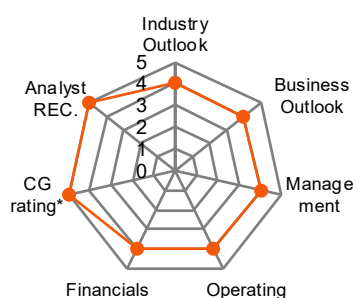
Based on 20 February 2025 closing prices

COMPANY DESCRIPTION

Minor International Pcl (MINT) owns and operates hotels and restaurants in Thailand and abroad. The company is engaged in the international hospitality business, including hotels and resorts, spas, restaurant franchises, residences, mixed-use projects, lifestyle brand distributors, and contract manufacturers.

Source: Thanachart

COMPANY RATING



Rating Scale

Very Strong	5
Strong	4
Good	3
Fair	2
Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Well-received owned hotel brands, i.e., Anantara, Oaks, Avani, Tivoli, NH Hotels, etc.
- MINT's restaurant brands are the leaders in each category.
- Geographical diversification of its hotel footprint.

O — Opportunity

- Strategic investments and acquisitions around the world.
- Robust growth in global consumption.
- Development of residential projects to maximize profitability.

W — Weakness

- Thailand's upscale hotel oversupply.
- High gearing after its major acquisition in 2018.

T — Threat

- Fierce competition among hotel operators leading to obstacles in unlocking its profitability.
- Competition among restaurant operators both at home and abroad.
- COVID-19 pandemic

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	38.00	44.00	16%
Net profit 25F (Bt m)	9,218	9,387	2%
Net profit 26F (Bt m)	10,639	10,846	2%
Consensus REC	BUY: 25	HOLD: 2	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings in 2025-26F and TP are above the Bloomberg consensus numbers, which we attribute to our having a more bullish view of MINT's long-term growth path.

Sources: Bloomberg consensus, Thanachart estimates

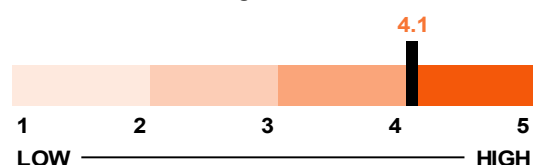
RISKS TO OUR INVESTMENT CASE

- The NH acquisition represents a significant part of MINT's performance. A decline in NH and MINT's operations would be the key downside risk to our call.
- Events that would impact Thailand's and the global political situation, along with natural disasters and pandemics, represent a secondary downside risk to our call.
- Slower domestic and global economic, tourism, and consumption growth would also present downside risks.
- Fiercer competition in the hotel and food businesses would lead to downside risks to our earnings and our call.
- A slow recovery in MINT's food business represents a downside risk.

Source: Thanachart

MINT runs hotel, food, and lifestyle businesses in various countries worldwide. It assigns high importance to ESG issues, and its ESG report clearly explains its targets and plans. Our ESG score for MINT is relatively high at 4.1, and we expect MINT to be able to improve its score in the future when more of its targets are achieved.

Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
MINT	YES	-	-	AA	66.75	91.21	69.00	41.0	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

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Factors	Our Comments
<p>ENVIRONMENT</p> <ul style="list-style-type: none"> Environmental Policies & Guidelines Energy Management Carbon Management Water Management Waste Management 	<ul style="list-style-type: none"> MINT runs hotel and food businesses in over 63 countries, with 78% of its 2023 revenue coming from its hotel, 20% from food, and 2% from its lifestyle businesses. By geography, 79% of 2023's revenue was from overseas, mainly Europe, and 21% from Thailand. As an international firm, MINT has clear ESG plans. MINT has six environmental goals to translate its dedication to its net-zero commitment by 2050: 1) a 15% reduction in the energy intensity of its hotels by 2025 from 2019's level, 2) a 15% reduction in CO2 emissions by 2025 from 2019's level, 3) a 10% reduction in the water intensity of its hotels by 2025 from 2022's level, 4) a 75% reduction in the usage of single-use plastic by 2024 from 2018, 5) 100% of nature-based hotels having at least one long-term conservation initiative by 2023, and 6) a 50% reduction in organic waste being sent to landfills by 2030 from 2021. In 2024, MINT aims to conduct an analysis of scope 3 emissions to pinpoint improvement opportunities and expand supplier engagement to address indirect emissions.
<p>SOCIAL</p> <ul style="list-style-type: none"> Human Rights Staff Management Health & Safety Product Safety & Quality Social Responsibility 	<ul style="list-style-type: none"> MINT encourages its stakeholders in the value chain to uphold and adopt Human Rights Policy principles, which cover discrimination, sexual harassment, bullying, harassment, and victimization, and it aims to prevent and minimize behavior that has the potential to affect harmony in the workplace adversely. MINT has online and onsite approaches for learning and developing its talent and leaders, such as a digital academy and finance academy. MINT established the "More You" program to ensure a safe and healthy working environment under the company's Occupational Health & Safety (OHS) and Well-being Framework and relevant legal regulations. MINT supports the development of children and underprivileged community members through community investment, commercial initiatives, and charitable donations.
<p>GOVERNANCE & SUSTAINABILITY</p> <ul style="list-style-type: none"> Board Ethics & Transparency Business Sustainability Risk Management Innovation 	<ul style="list-style-type: none"> MINT's board of directors (BOD) consists of 10 members (two females and eight males) with diverse qualifications, including skills, experience, and abilities. MINT has a governance structure, rules, guidelines, and practices in place to ensure transparency within its organization. MINT is committed to complying with the General Data Protection Regulation (GDPR) requirements, Personal Data Protection Act (PDPA), and other data privacy regulations. It also has its Data Protection Executive Committee (DPEC) to achieve and maintain this compliance. Minor Food Innovation Team (M-FIT) developed 385 new prototype products across all brands, of which 136 were approved in 2023.

Sources: Company data, Thanachart

INCOME STATEMENT

*Hotel and food
businesses drive revenue
growth in 2025-27F*

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	149,196	160,976	167,150	175,508	183,548
Cost of sales	82,728	90,703	93,633	97,679	101,425
Gross profit	66,468	70,273	73,517	77,830	82,123
% gross margin	44.6%	43.7%	44.0%	44.3%	44.7%
Selling & administration expenses	48,326	51,546	53,405	56,326	59,518
Operating profit	18,142	18,728	20,112	21,504	22,605
% operating margin	12.2%	11.6%	12.0%	12.3%	12.3%
Depreciation & amortization	20,400	21,448	19,316	19,514	19,668
EBITDA	38,542	40,176	39,427	41,018	42,273
% EBITDA margin	25.8%	25.0%	23.6%	23.4%	23.0%
Non-operating income	3,296	4,010	2,977	3,019	3,204
Non-operating expenses	(556)	(651)	500	500	500
Interest expense	(10,193)	(11,755)	(10,497)	(9,864)	(9,224)
Pre-tax profit	10,689	10,332	13,092	15,160	17,085
Income tax	3,456	2,136	3,927	4,548	5,126
After-tax profit	7,233	8,196	9,164	10,612	11,960
% net margin	4.8%	5.1%	5.5%	6.0%	6.5%
Shares in affiliates' Earnings	581	1,047	1,078	1,132	1,212
Minority interests	(681)	(853)	(855)	(898)	(928)
Extraordinary items	(1,725)	(640)	0	0	0
NET PROFIT	5,407	7,750	9,387	10,846	12,243
Normalized profit	7,132	8,390	9,387	10,846	12,243
EPS (Bt)	0.7	1.1	1.4	1.6	1.9
Normalized EPS (Bt)	1.0	1.2	1.4	1.6	1.9

BALANCE SHEET

*More new hotels in its
portfolio in 2025-27*

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	42,576	41,288	38,422	39,816	41,150
Cash & cash equivalent	14,260	13,319	10,000	10,000	10,000
Account receivables	18,487	13,970	18,318	19,234	20,115
Inventories	3,820	3,918	4,104	4,282	4,446
Others	6,008	10,081	6,000	6,300	6,589
Investments & loans	16,846	20,129	20,129	20,129	20,129
Net fixed assets	125,996	126,626	129,125	131,218	132,904
Other assets	173,778	158,803	149,389	140,195	131,266
Total assets	359,196	346,845	337,065	331,357	325,448
LIABILITIES:					
Current liabilities:	66,395	61,762	60,381	59,799	59,209
Account payables	24,953	24,415	25,653	26,761	27,788
Bank overdraft & ST loans	2,100	107	0	0	0
Current LT debt	14,936	13,869	13,799	13,050	12,111
Others current liabilities	24,406	23,372	20,928	19,988	19,310
Total LT debt	85,879	78,955	78,197	73,951	68,628
Others LT liabilities	119,627	106,991	95,586	90,235	85,127
Total liabilities	271,901	247,708	234,164	223,985	212,964
Minority interest	10,657	11,303	12,158	13,057	13,985
Preferred shares	0	0	0	0	0
Paid-up capital	5,596	5,670	5,670	5,670	5,670
Share premium	33,880	36,105	36,105	36,105	36,105
Warrants	0	0	0	0	0
Surplus	35,158	41,318	41,318	41,318	41,318
Retained earnings	2,003	4,740	7,649	11,222	15,407
Shareholders' equity	76,637	87,834	90,742	94,315	98,500
Liabilities & equity	359,196	346,845	337,065	331,357	325,448

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT*Sustainable cash flow from operations*

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	10,689	10,332	13,092	15,160	17,085
Tax paid	(2,887)	(2,534)	(3,584)	(4,604)	(4,964)
Depreciation & amortization	20,400	21,448	19,316	19,514	19,668
Chg In working capital	1,800	3,881	(3,296)	15	(19)
Chg In other CA & CL / minorities	(472)	(3,864)	2,372	(52)	84
Cash flow from operations	29,530	29,263	27,899	30,033	31,854
Capex	(12,040)	(9,270)	(11,000)	(11,000)	(11,000)
Right of use	(16,234)	(3,195)	(3,000)	(3,000)	(3,000)
ST loans & investments	0	0	0	0	0
LT loans & investments	(597)	(3,283)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	6,216	(7,918)	(9,805)	(3,764)	(3,534)
Cash flow from investments	(22,655)	(23,666)	(23,805)	(17,764)	(17,534)
Debt financing	(15,752)	(9,985)	(934)	(4,995)	(6,263)
Capital increase	7,894	2,300	0	0	0
Dividends paid	(4,281)	(4,957)	(6,479)	(7,273)	(8,058)
Warrants & other surplus	(3,441)	6,104	0	0	0
Cash flow from financing	(15,582)	(6,539)	(7,413)	(12,268)	(14,321)
Free cash flow	17,490	19,993	16,899	19,033	20,854

VALUATION*Inexpensive valuation, in our view*

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	27.7	24.0	20.9	17.5	15.2
Normalized PE - at target price (x)	43.1	37.4	32.5	27.3	23.7
PE (x)	40.05	26.5	20.9	17.5	15.2
PE - at target price (x)	62.38	41.3	32.5	27.3	23.7
EV/EBITDA (x)	6.3	6.0	6.1	5.8	5.5
EV/EBITDA - at target price (x)	8.5	8.2	8.4	8.0	7.6
P/BV (x)	2.1	1.8	1.8	1.7	1.6
P/BV - at target price (x)	3.2	2.8	2.7	2.6	2.5
P/CFO (x)	5.2	5.5	5.7	5.3	5.0
Price/sales (x)	1.1	1.0	1.0	0.9	0.9
Dividend yield (%)	2.0	2.1	2.6	3.1	3.6
FCF Yield (%)	11.3	12.5	10.6	11.9	13.0
(Bt)					
Normalized EPS	1.0	1.2	1.4	1.6	1.9
EPS	0.7	1.1	1.4	1.6	1.9
DPS	0.6	0.6	0.7	0.9	1.0
BV/share	13.7	15.5	16.0	16.6	17.4
CFO/share	5.4	5.2	4.9	5.3	5.6
FCF/share	3.2	3.5	3.0	3.4	3.7

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

*Sustainable EPS growth
in 2025-27F*

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	22.8	7.9	3.8	5.0	4.6
Net profit (%)	26.2	43.3	21.1	15.5	12.9
EPS (%)	30.2	50.9	27.2	19.0	15.3
Normalized profit (%)	253.2	17.6	11.9	15.5	12.9
Normalized EPS (%)	790.9	15.3	15.0	19.0	15.3
Dividend payout ratio (%)	82.7	56.5	55.0	55.0	55.0
Operating performance					
Gross margin (%)	44.6	43.7	44.0	44.3	44.7
Operating margin (%)	12.2	11.6	12.0	12.3	12.3
EBITDA margin (%)	25.8	25.0	23.6	23.4	23.0
Net margin (%)	4.8	5.1	5.5	6.0	6.5
D/E (incl. minor) (x)	1.2	0.9	0.9	0.8	0.7
Net D/E (incl. minor) (x)	1.0	0.8	0.8	0.7	0.6
Interest coverage - EBIT (x)	1.78	1.59	1.9	2.2	2.5
Interest coverage - EBITDA (x)	3.8	3.4	3.8	4.2	4.6
ROA - using norm profit (%)	2.0	2.4	2.7	3.2	3.7
ROE - using norm profit (%)	9.7	10.2	10.5	11.7	12.7
DuPont					
ROE - using after tax profit (%)	9.8	10.0	10.3	11.5	12.4
- asset turnover (x)	0.4	0.5	0.5	0.5	0.6
- operating margin (%)	14.0	13.7	14.1	14.3	14.3
- leverage (x)	4.9	4.3	3.8	3.6	3.4
- interest burden (%)	51.2	46.8	55.5	60.6	64.9
- tax burden (%)	67.7	79.3	70.0	70.0	70.0
WACC (%)	8.2	8.2	8.2	8.2	8.2
ROIC (%)	7.4	9.0	8.4	8.7	9.2
NOPAT (Bt m)	12,276	14,856	14,078	15,053	15,824
invested capital (Bt m)	165,293	167,445	172,739	171,316	169,239

Sources: Company data, Thanachart estimates

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AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

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90-100	▲▲▲▲▲	Excellent
80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

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Thanachart Securities Pcl.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak

Construction, Transportation
saksid.pha@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut

Property, Retail
phannarai.von@thanachartsec.co.th

Sarachada Sornsong

Bank, Finance
sarachada.sor@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremsitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th