

July 13, 2018

OUTPERFORM

# Minor International

(MINT TB)

Share Price: Bt34.25

Target Price: Bt43.0 (+25.5%)

## Room to weather a volatile market

- Expect 2Q18F profit to grow 5% yoy to Bt773m led by hotel business; margin should be pressured by negative SSSG
- Interest expense for NHH acquisition should be offset by share of income from NHH; to receive dividend in 2Q18
- OUTPERFORM, with lower DCF-based TP of Bt43/sh (from Bt47/sh) implying 34x FY18F P/E

### Expect revenue to grow 9% yoy in 2Q18F

We expect earnings to recover in 2Q18 after falling 11% yoy in 1Q18, and growth should be stronger than peers (CENTEL and ERW). Owned-hotels RevPar should grow 5% yoy led by double-digit growth in Portugal hotels, while that for Thai hotels should also grow 5% yoy driven by strong operations at Bangkok hotels. RevPar from Maldives hotels should grow 10% yoy in USD but only 2-3% when translated to THB due to a stronger baht. Revenue from real estate business should deliver yoy growth (after tumbling 37% yoy in 1Q18) led by AVC business. For F&B, SSSG should remain negative for Thai and China hubs but TSSG should be positive for both. Overall, MINT's revenue should grow 9% yoy driven by hotel & mixed-use business. EBITDA margin should be relatively flat yoy at 17% due to pressure from forex translation effect and operating loss from *Corbin & King*. We estimate core profit to grow 5% yoy to Bt773m in 2Q18F.

### Raising stake in NHH to 38% and will tender offer after EGM

MINT currently owns 29.8% stake (117m shares) in NH Hotel Group (NHH) which they started to recognize in financial statements in June. At this stage, MINT has not confirmed the accounting method - dividend or equity income - it will adopt. In this report, we assumed equity method and expect share of income from NHH to offset interest expense incurred for this deal in 2Q18. If MINT adopts dividend income accounting, they would book EUR11.7m dividend in 2Q18 (actual payment in July). MINT's earnings would lift to Bt1.1bn in 2Q18F. MINT will hold an EGM on 9 August for shareholders' approval to buy additional 8.4% stake in NHH to take the total stake to 38.2%. They will then tender offer the remaining shares. We expect NHH to lift MINT's FY19F earnings by at least 6% (see our report dated 7 June).

### Revised down earnings to reflect soft F&B operation

We revised down FY18-20F profit by 2-6% to reflect soft SSSG and margins in the F&B business and derived a new TP of Bt43/sh (from Bt47/sh). MINT is now trading at attractive 27x FY18F P/E vs regional peers' average of 29x. Operations were weak in 1H18 but we expect earnings to improve in 2H18 led by recovering margins. The forex translation effect would be smaller as the THB has started to weaken. MINT also offers a well-diversified portfolio to weather a volatile market.

### Financial Summary (Btm)

Year to Dec	2016	2017	2018F	2019F	2020F
Sales (Btm)	51,152	55,001	58,608	64,826	70,526
Growth (%)	21	8	7	11	9
EBITDA (Btm)	10,236	10,725	11,463	13,091	14,688
Growth (%)	29	5	7	14	12
Recurring profit (Btm)	4,576	5,415	5,858	7,236	8,568
Growth (%)	(3)	18	8	24	18
Net profit (Btm)	6,590	5,415	5,858	7,236	8,568
FDEPS (Bt) (Core)	1.49	1.17	1.27	1.57	1.85
Growth (%)	(3)	18	8	24	18
PE (x)	33.0	29.2	27.0	21.9	18.5
DPS (Bt)	0.35	0.40	0.38	0.47	0.56
Yield (%)	1.0	1.2	1.1	1.4	1.6
BVPS (Bt)	8.48	10.25	11.12	12.30	13.69
P/BV (x)	4.0	3.3	3.1	2.8	2.5



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### Key Data

12-mth high/low (Bt)	45.25 / 31.25
Market capital (Btm/US\$m)	158,198 / 4,754
3m avg. turnover (Btm/US\$m)	556.6 / 16.7
Free float (%)	82.8
Issued shares (m shares)	4,619
Major shareholders:	
-MINOR HOLDING THAI C	15.8
-UBS AG/SINGAPORE	12.9
-OSATHANUGRAH NITI	8.2

### Share Price Performance



Absolute (%)	(21.7)	(2.8)	(13.3)	(16.0)
Relative to index (%)	(15.4)	1.7	(6.6)	(20.7)

### Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	23	4	0
	<b>Krungsri</b>	<b>Market</b>	<b>% +/-</b>
Target Price (Bt)	43.0	45.3	(5.0)
'18 Net Profit (Btm)	5,858	6,140	(4.6)
'19 Net Profit (Btm)	7,236	7,082	2.2

### Krungsri's earnings revision

	2018F	2019F
Earnings revision (%)	(1.8)	(4.8)

Source: Bloomberg, Krungsri Securities

**MINT: 2Q18F earnings preview**

P&L (Btm)	2Q17	3Q17	4Q17	1Q18	2Q18F	% chg	% chg
						QoQ	YoY
<b>Sales</b>	<b>12,528</b>	<b>13,721</b>	<b>14,108</b>	<b>15,337</b>	<b>13,670</b>	-11%	9%
-Hotel & Mixed-use	6,239	7,341	7,635	8,536	7,075	-17%	13%
-Restaurant	5,381	5,347	5,311	5,681	5,542	-2%	3%
-Retail	908	1,034	1,162	1,120	1,053	-6%	16%
<b>COGS (incl. depreciation)</b>	<b>(5,050)</b>	<b>(5,601)</b>	<b>(6,052)</b>	<b>(6,493)</b>	<b>(5,567)</b>	-14%	10%
<b>Gross Profit</b>	<b>7,478</b>	<b>8,121</b>	<b>8,056</b>	<b>8,845</b>	<b>8,103</b>	-8%	8%
SG&A	(7,066)	(6,804)	(7,221)	(7,320)	(7,624)	4%	8%
<b>Operating Profit</b>	<b>412</b>	<b>1,317</b>	<b>835</b>	<b>1,525</b>	<b>479</b>	-69%	16%
Net other income	547	321	743	465	618	33%	13%
Dividend income	0	39	0	0	0		
Interest income	145	114	147	118	118	0%	-19%
Interest expense	(463)	(430)	(461)	(422)	(500)	19%	8%
<b>Pretax profit</b>	<b>641</b>	<b>1,361</b>	<b>1,265</b>	<b>1,686</b>	<b>715</b>	-58%	11%
Income Tax	3	(278)	(215)	(145)	(122)	-16%	N/A
Associates	135	104	610	225	223	-1%	65%
Minority interest	(43)	(45)	(48)	(46)	(44)	-6%	2%
<b>Profit after tax (pre-ex)</b>	<b>737</b>	<b>1,143</b>	<b>1,611</b>	<b>1,719</b>	<b>773</b>	-55%	5%
Extraordinaries, GW & FX	0	0	0	0	0		
<b>Reported net profit</b>	<b>737</b>	<b>1,143</b>	<b>1,611</b>	<b>1,719</b>	<b>773</b>	-55%	5%
Shares out (end Q, m)	4,411	4,416	4,619	4,619	4,619	0%	5%
Adjusted shares (m)	4,411	4,416	4,619	4,619	4,619	0%	5%
<b>Pre-ex EPS</b>	<b>0.17</b>	<b>0.26</b>	<b>0.35</b>	<b>0.37</b>	<b>0.17</b>	-55%	0%
<b>EPS</b>	<b>0.17</b>	<b>0.26</b>	<b>0.35</b>	<b>0.37</b>	<b>0.17</b>	-55%	0%
COGS (Exc depre)	(4,085)	(4,561)	(4,962)	(5,382)	(4,453)	-17%	9%
Depreciation	(964)	(1,040)	(1,090)	(1,110)	(1,114)	0%	16%
EBITDA	2,204	2,936	3,426	3,443	2,552	-26%	16%
<b>Key Ratios</b>							
Gross margin (%)	60%	59%	57%	58%	59%	2%	0%
SG&A/Revenue (%)	56%	50%	51%	48%	56%	8%	-1%
Total EBITDA margin (%)	17%	21%	22%	21%	17%	-4%	1%
Net profit margin (%)	6%	8%	10%	11%	5%	-5%	0%

Source: Krungsri Securities

**MINT: Revised assumptions**

	FY18F		% chg	FY19F		% chg	FY20F		% chg
	old	new		old	new		old	new	
Revenue (Bt bn)	58.6	58.6	0%	64.8	64.8	0%	70.5	70.5	0%
EBITDA margin (%)	19.8%	19.6%	-0.2%	20.9%	20.2%	-0.7%	21.7%	20.8%	-0.9%
Core earnings (Bt bn)	5.96	5.86	-2%	7.60	7.24	-5%	9.08	8.57	-6%

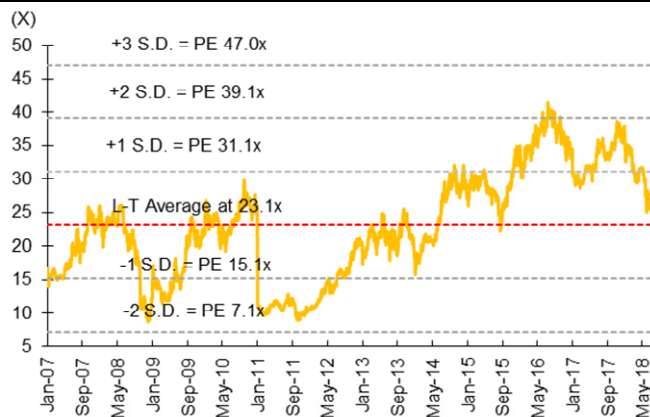
Source: Krungsri Securities estimate

**MINT: Key assumptions**

	2017A	2018F	2019F	2020F
<b>Hotel</b>				
<b>No. of room</b>				
- Owned	7,039	7,122	7,225	7,225
- JV	2,060	2,060	2,142	2,342
- Managed	4,692	5,959	9,973	12,696
- Oaks	6,418	6,637	6,637	6,637
<b>Total</b>	<b>20,209</b>	<b>21,778</b>	<b>25,977</b>	<b>28,900</b>
<b>Occupancy</b>				
- Owned	62%	63%	64%	66%
- JV	49%	51%	50%	52%
- Managed	64%	60%	61%	62%
- Oaks	78%	78%	79%	79%
<b>RevPar Growth</b>				
- Owned	6%	7%	7%	8%
- JV	-8%	7%	3%	9%
- Managed	-8%	-4%	7%	6%
- Oaks	3%	3%	5%	5%
<b>Food</b>				
No. of outlets	2,064	2,167	2,341	2,528
SSSG	-1%	0%	3%	3%
TSSG	5%	5%	11%	11%
<b>Retail</b>				
TSSG	19%	4%	4%	4%
<b>Margin</b>				
Hotel EBITDA margin	25%	25%	25%	26%
Food EBITDA margin	18%	18%	19%	20%
Retail EBITDA margin	7%	8%	8%	9%
<b>Capex (Bt bn)</b>	<b>10.0</b>	<b>39.9</b>	<b>8.0</b>	<b>7.0</b>

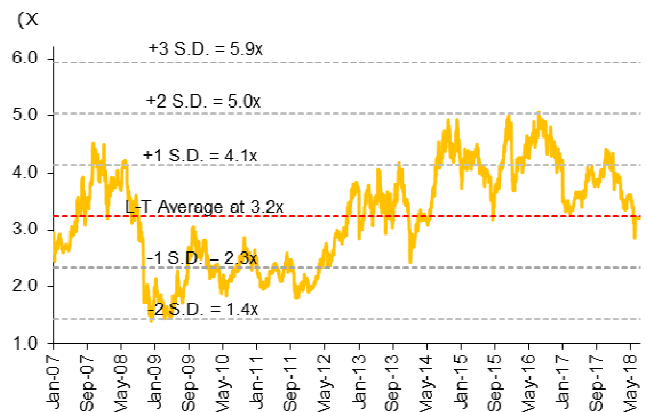
Source: Krungsri Securities

**P/E Band**



Source: Bloomberg, Krungsri Securities

**P/BV**



Source: Bloomberg, Krungsri Securities

**Peer table**

BB Ticker	Name	Market Cap US\$	PE (x)		P/BV (x)		EPS G%		Div Yield (%)		ROE (%)		Share Price Performance			
			18F	19F	18F	19F	18F	19F	18F	18F	18F	18F	1M	3M	6M	YTD
<b>Hotel</b>																
MINT TB	MINOR INTERNATIONAL PCL	4,756	27.0	21.9	3.1	2.8	8.2	23.5	1.1	11.9	(2.8)	(13.3)	(19.9)	(21.7)		
CEN TEL	CENTRAL PLAZA HOTEL PCL	1,796	27.5	23.6	4.9	4.3	15.7	16.7	1.5	19.3	(4.3)	(12.8)	(16.1)	(24.0)		
ERW TB	ERAWAN GROUP PCL/THE	493	27.1	23.7	2.9	2.7	19.7	14.0	1.5	10.9	(19.6)	(20.6)	(22.0)	(24.7)		
2707 TT	FORMOSA INTERNATIONAL HOTELS	613	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1.0)	(3.9)	(3.9)	(3.9)		
2704 TT	AMBASSADOR HOTEL/THE	269	20.4	N/A	N/A	N/A	(9.1)	N/A	N/A	N/A	(0.7)	(3.0)	(3.9)	(3.4)		
45 HK	HONGKONG & SHANGHAI HOTELS	2,245	23.1	22.4	N/A	N/A	(34.9)	3.2	2.0	N/A	(18.7)	(10.2)	(10.6)	(5.5)		
69 HK	SHANGRI-LA ASIA LTD	6,387	27.4	21.5	7.4	7.3	46.7	27.7	1.6	3.8	(16.7)	(9.3)	(21.0)	(21.2)		
MAND SP	MANDARIN ORIENTAL INTL LTD	2,963	42.7	34.1	N/A	N/A	25.9	25.5	1.3	N/A	(4.5)	(4.1)	9.8	16.3		
OUE SP	OUE LTD	1,006	20.3	18.3	0.3	0.3	(31.8)	10.7	2.6	1.7	(5.0)	(15.1)	(23.6)	(18.7)		
	<b>Average (simple)</b>		<b>26.9</b>	<b>23.6</b>	<b>3.7</b>	<b>3.5</b>	<b>5.0</b>	<b>17.3</b>	<b>1.6</b>	<b>9.5</b>						
<b>Food</b>																
AU TB	AFTER YOU PCL	224	41.6	33.9	N/A	N/A	37.5	22.7	1.1	18.0	N/A	(20.4)	N/A	(25.0)		
M TB	MK RESTAURANTS GROUP PCL	2,083	25.0	22.4	4.8	4.7	13.7	11.2	3.5	19.7	(2.9)	(4.4)	(12.0)	(12.2)		
341 HK	CAFE DE CORAL HOLDINGS LTD	1,441	21.5	20.2	3.3	3.3	13.7	6.6	4.2	15.6	(5.3)	(0.7)	(7.1)	(9.9)		
9861 JP	YOSHINOYA HOLDINGS CO LTD	1,027	176.6	82.5	2.0	2.0	(56.5)	114.2	1.1	1.2	(20.0)	(11.9)	(6.0)	(7.2)		
JFC PM	JOLLIBEE FOODS CORP	5,072	35.1	30.2	5.9	5.3	8.2	16.0	1.0	18.0	(12.4)	(16.7)	(2.0)	(1.3)		
	<b>Average (simple)</b>		<b>30.8</b>	<b>26.7</b>	<b>4.7</b>	<b>4.4</b>	<b>18.3</b>	<b>14.1</b>	<b>2.5</b>	<b>17.8</b>						
	<b>Average Hotel and Food</b>		<b>28.9</b>	<b>25.2</b>	<b>4.2</b>	<b>3.9</b>	<b>11.7</b>	<b>15.7</b>	<b>2.1</b>	<b>13.7</b>						

Source: Bloomberg, Krungsri Securities

<b>INCOME STATEMENT (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Turnover	51,152	55,001	58,608	64,826	70,526
Cost of sales (COGS)	(17,886)	(18,509)	(19,674)	(21,837)	(23,749)
Depreciation & amortization	(3,875)	(4,138)	(4,449)	(4,867)	(5,221)
Gross profit	29,390	32,355	34,485	38,122	41,556
S&A expense	(25,765)	(27,833)	(29,600)	(32,092)	(34,350)
<b>Operating profit</b>	<b>3,626</b>	<b>4,521</b>	<b>4,884</b>	<b>6,030</b>	<b>7,206</b>
Other operating income	2,735	2,067	2,130	2,194	2,261
<b>EBIT</b>	<b>6,361</b>	<b>6,588</b>	<b>7,014</b>	<b>8,224</b>	<b>9,467</b>
Interest expense	(1,606)	(1,757)	(1,945)	(2,183)	(2,082)
Interest income	480	502	422	461	537
Other income	0	0	0	0	0
Goodwill amortization	0	0	0	0	0
<b>Pre-tax profit</b>	<b>5,235</b>	<b>5,333</b>	<b>5,491</b>	<b>6,502</b>	<b>7,922</b>
Income tax on company & subsidiaries	(1,032)	(787)	(988)	(1,300)	(1,584)
<b>Profit after tax</b>	<b>4,203</b>	<b>4,546</b>	<b>4,503</b>	<b>5,202</b>	<b>6,338</b>
Minority interests	(219)	(205)	(219)	(247)	(279)
Share of associate net income	592	1,074	1,575	2,281	2,510
Preferred dividends	0	0	0	0	0
<b>Recurring attributable net profit</b>	<b>4,576</b>	<b>5,415</b>	<b>5,858</b>	<b>7,236</b>	<b>8,568</b>
Extraordinary items	2,014	0	0	0	0
<b>Reported net profit</b>	<b>6,590</b>	<b>5,415</b>	<b>5,858</b>	<b>7,236</b>	<b>8,568</b>
Shares in issue (Y/E, m)	4,410	4,619	4,619	4,619	4,619
Shares in issue (weighted avg. m)	4,410	4,619	4,619	4,619	4,619
EPS (before extraordinary items, Bt)	1.04	1.17	1.27	1.57	1.85
DPS (Bt)	0.35	0.40	0.38	0.47	0.56
DPS/EPS (%)	23	34	30	30	30

<b>CASH FLOW (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Operating profit	3,626	4,521	4,884	6,030	7,206
Other operating income	2,735	2,067	2,130	2,194	2,261
EBIT	6,361	6,588	7,014	8,224	9,467
Depreciation & amortization	3,875	4,138	4,449	4,867	5,221
<b>EBITDA</b>	<b>10,236</b>	<b>10,725</b>	<b>11,463</b>	<b>13,091</b>	<b>14,688</b>
Notional cash taxes on ungeared operations	(1,442)	(1,239)	(1,509)	(1,886)	(2,129)
Net change in working capital	4,931	(1,786)	(270)	(56)	521
CAPEX	(18,322)	(8,167)	(7,388)	(7,888)	(6,888)
<b>Operating free cashflow (OpFCF)</b>	<b>(4,597)</b>	<b>(466)</b>	<b>2,296</b>	<b>3,261</b>	<b>6,192</b>
Net interest income adjusted for tax impact	(838)	(900)	(1,114)	(1,248)	(1,112)
<b>Net free cashflow (NetFCF)</b>	<b>(5,435)</b>	<b>(1,366)</b>	<b>1,181</b>	<b>2,013</b>	<b>5,080</b>
Non-operating income (net of tax)	0	0	0	0	0
Equity income from associates	592	1,074	1,575	2,281	2,510
Investments	(1,023)	(1,579)	(32,444)	(0)	0
Net change in other assets/liabilities	2,632	569	(158)	(161)	(164)
Other items	2,014	0	0	0	0
<b>Residual cashflow (RCF)</b>	<b>(1,220)</b>	<b>(1,303)</b>	<b>(29,845)</b>	<b>4,133</b>	<b>7,425</b>
Dividends	(1,540)	(1,544)	(1,848)	(1,758)	(2,171)
Equity capital raised	293	7,584	0	0	0
Other items	(1,476)	(2,436)	0	0	(0)
<b>Cashflow from financing</b>	<b>(2,724)</b>	<b>3,604</b>	<b>(1,848)</b>	<b>(1,758)</b>	<b>(2,171)</b>
<b>Net change in cash</b>	<b>(3,943)</b>	<b>2,302</b>	<b>(31,693)</b>	<b>2,376</b>	<b>5,255</b>
Net cash/(debt) at YS	(41,489)	(45,433)	(43,131)	(74,824)	(72,448)
<b>Ending net cash/(debt)</b>	<b>(45,433)</b>	<b>(43,131)</b>	<b>(74,824)</b>	<b>(72,448)</b>	<b>(67,194)</b>
Increase/(decrease) in cash & equivalents	396	2,633	651	1,276	(845)
(Increase)/decrease in debt	(4,339)	(331)	(32,344)	1,100	6,100
NOPLAT (net op profit less adjusted tax)	4,919	5,349	5,505	6,338	7,339
Normalized OpFCF (Est maint CAPEX)	7,775	874	9,684	11,149	13,080
FCFE (free cashflow to equity)	3,119	(972)	2,499	3,033	1,325

<b>BALANCE SHEET (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Cash & equivalents	4,399	7,031	7,682	8,958	8,113
A/C receivable	5,059	8,262	8,848	9,496	9,496
Inventory	2,763	3,117	3,313	3,677	3,999
Others	3,796	3,120	3,325	3,678	4,001
<b>Total Current Assets</b>	<b>16,016</b>	<b>21,530</b>	<b>23,168</b>	<b>25,809</b>	<b>25,609</b>
Property and equipment	68,105	72,231	75,281	78,415	80,194
Investments & associates	15,225	16,804	49,248	49,248	49,248
Other assets	9,107	7,879	8,036	8,197	8,361
Goodwill	0	0	0	0	0
<b>Total Assets</b>	<b>108,453</b>	<b>118,444</b>	<b>155,734</b>	<b>161,669</b>	<b>163,412</b>
Short-term debt	7,821	5,320	5,220	5,120	5,020
A/C payable	7,575	8,953	9,516	10,562	11,487
Other current liabilities	2,613	2,330	2,483	2,746	2,988
<b>Total Current Liabilities</b>	<b>18,009</b>	<b>16,603</b>	<b>17,219</b>	<b>18,429</b>	<b>19,495</b>
Long-term debt	42,010	44,843	77,287	76,287	70,287
Other liabilities	7,637	6,977	6,977	6,977	6,977
<b>Total Liabilities</b>	<b>67,656</b>	<b>68,423</b>	<b>101,483</b>	<b>101,693</b>	<b>96,759</b>
Share capital	4,410	4,619	4,619	4,619	4,619
Share premium	7,640	15,015	15,015	15,015	15,015
Revaluation surplus	105	105	105	105	105
Translation adjustment	(2,408)	(3,936)	(3,936)	(3,936)	(3,936)
Retained earnings	27,655	31,527	35,537	41,016	47,413
<b>Total ordinary equity</b>	<b>37,402</b>	<b>47,329</b>	<b>51,339</b>	<b>56,817</b>	<b>63,215</b>
Preferred equity	0	0	0	0	0
Minorities	3,395	2,692	2,911	3,159	3,438
<b>Total equity &amp; minorities</b>	<b>40,797</b>	<b>50,021</b>	<b>54,251</b>	<b>59,976</b>	<b>66,653</b>
Accumulated depreciation	30,644	33,757	38,207	43,074	48,294
BV per ordinary share (Y/E, Bt)	8.48	10.25	11.12	12.30	13.69
Adjusted book value ps (Y/E, Bt)	8.48	10.25	11.12	12.30	13.69

<b>RATIOS (%)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
<b>Growth</b>					
Turnover	20.5	7.5	6.6	10.6	8.8
EBITDA	28.9	4.8	6.9	14.2	12.2
EBIT	32.1	3.6	6.5	17.3	15.1
Net profit	(6.4)	(17.8)	8.2	23.5	18.4
EPS pre extraordinary items	(2.9)	13.0	8.2	23.5	18.4
EPS (diluted)	(2.9)	13.0	8.2	23.5	18.4
DPS	0.0	14.3	(4.9)	23.5	18.4
<b>Accounting ratios</b>					
Cash profit margin	65.0	66.3	66.4	66.3	66.3
Gross profit margin	57.5	58.8	58.8	58.8	58.9
Operating profit margin	7.1	8.2	8.3	9.3	10.2
Net profit margin	12.9	9.8	10.0	11.2	12.1
Turnover/avg total assets (x)	0.5	0.5	0.4	0.4	0.4
ROA	4.4	4.8	4.3	4.6	5.3
ROE	13.0	12.8	11.9	13.4	14.3
S&A/turnover	50.4	50.6	50.5	49.5	48.7
Effective tax rate	19.7	14.8	18.0	20.0	20.0
<b>Operating performance</b>					
EBITDA margin	20.0	19.5	19.6	20.2	20.8
EBIT margin	12.4	12.0	12.0	12.7	13.4
NOPLAT margin (NOPLAT/Turnover)	9.6	9.7	9.4	9.8	10.4
Asset turnover (Turnover/avg Op assets)	0.8	0.7	0.7	0.8	0.8
<b>ROCE (NOPLAT/avg Op assets)</b>	<b>7.3</b>	<b>7.2</b>	<b>7.0</b>	<b>7.7</b>	<b>8.7</b>
ROCE inc capitalised goodwill	7.3	7.2	7.0	7.7	8.7

<b>EQUITY VALUATIONS (Bt)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
EPS	1.04	1.17	1.27	1.57	1.85
FDEPS	1.04	1.17	1.27	1.57	1.85
FDEPS growth (%)	(2.92)	13.00	8.18	23.51	18.41
DPS	0.35	0.40	0.38	0.47	0.56
BVPS	8.48	10.25	11.12	12.30	13.69
Adjusted BVPS	8.48	10.25	11.12	12.30	13.69
Free cashflow to equity (FCFE) per share	0.71	(0.21)	0.54	0.66	0.29
<b>Share price (Bt) – 34.25</b>					
PE (x)	33.0	29.2	27.0	21.9	18.5
PE (fully diluted, x)	33.0	29.2	27.0	21.9	18.5
PE/FDEPS growth (x)	(11.3)	2.2	3.3	0.9	1.0
Yield (%)	1.0	1.2	1.1	1.4	1.6
P/BV (x)	4.0	3.3	3.1	2.8	2.5
P/ABV (x)	4.0	3.3	3.1	2.8	2.5
P/FCFE (x)	48.4	(162.8)	63.3	52.2	119.4
<b>ENTERPRISE VALUATIONS (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Ordinary shares (m)	4,410	4,619	4,619	4,619	4,619
Share price (Bt)	36	44	34	34	34
Ordinary equity MV	157,671	202,078	158,198	158,198	158,198
MI & deferred taxes	3,395	2,692	2,911	3,159	3,438
<b>Equity MV (adjusted ord)</b>	<b>161,066</b>	<b>204,770</b>	<b>161,109</b>	<b>161,356</b>	<b>161,636</b>
Preferred equity	0	0	0	0	0
Debt	49,832	50,163	82,507	81,407	75,307
<b>Enterprise Value</b>	<b>210,897</b>	<b>254,932</b>	<b>243,616</b>	<b>242,763</b>	<b>236,942</b>
Net noncore assets	19,623	23,285	56,344	57,558	56,656
<b>Core Enterprise Value (EV)</b>	<b>191,274</b>	<b>231,647</b>	<b>187,271</b>	<b>185,205</b>	<b>180,287</b>
Turnover	51,152	55,001	58,608	64,826	70,526
EBITDA	10,236	10,725	11,463	13,091	14,688
EBIT	6,361	6,588	7,014	8,224	9,467
NOPLAT	4,919	5,349	5,505	6,338	7,339
OpFCF	(4,597)	(466)	2,296	3,261	6,192
OpFCF (normalized)	7,775	874	9,684	11,149	13,080
Op (core) capital employed (CE)	71,005	76,898	80,413	83,825	85,304
Avg. core capital employed	67,502	73,951	78,655	82,119	84,564
<b>Core EV Multiples</b>					
EV/Turnover (x)	3.7	4.2	3.2	2.9	2.6
EV/EBITDA (x)	18.7	21.6	16.3	14.1	12.3
EV/EBIT (x)	30.1	35.2	26.7	22.5	19.0
EV/NOPLAT (x)	38.9	43.3	34.0	29.2	24.6
EV/OpFCF (x)	(41.6)	(496.6)	81.6	56.8	29.1
EV/OpFCFnormalised (x)	24.6	265.1	19.3	16.6	13.8
EV/capital employed (YE, x)	2.7	3.0	2.3	2.2	2.1
EV/avg capital employed (x)	2.8	3.1	2.4	2.3	2.1
<b>RISK MEASURES</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Equity multiplier (avg. total assets/avg. equity)	2.9	2.7	2.8	2.9	2.7
Net debt/equity & MI	1.1	0.9	1.4	1.2	1.0
<b>Interest cover (x)</b>					
Interest cover (EBIT & int.incl/int. expense)	4.3	4.0	3.8	4.0	4.8
NOPLAT/interest paid	2.8	2.9	2.7	2.8	3.3
Debt service (OpFCF/net interest paid)	(3.7)	(0.3)	1.4	1.8	3.7
<b>Short-Term Ratios (x)</b>					
Current assets/current liabilities	0.9	1.3	1.3	1.4	1.3
Current assets less inventory/current liabilities	0.7	1.1	1.2	1.2	1.1
A/C receivable, days turnover	36.1	54.8	55.1	53.5	49.1
Inventory, days COGS	56.4	61.5	61.5	61.5	61.5
A/C payable, days COGS	154.6	176.6	176.6	176.6	176.6

## CG Rating 2017 Companies with CG Rating



ADVANC	AKP	ANAN	AOT	AP	BAFS	BANPU	BAY	BCP	BTS	BWG	CFRESH	CHO	CK
CNT	CPF	CPN	CSL	DELTA	DEMCO	DRT	DTAC	DTC	EASTW	EGCO	GC	GCAP	GFPT
GOLD	GPSC	GRAMMY	GUNKUL	HANA	HMPRO	ICC	ICHI	INTUCH	IRPC	IVL	JSP	KBANK	KCE
KKP	KTB	KTC	LHFG	LPN	MBK	MCOT	MINT	MONO	NCH	NKI	NYT	OTO	PDJ
PHOL	PLANB	PPS	PRG	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SDC	SE-ED	SIS	SITHAI	SNC
SPALI	SPRC	SSSC	STEC	SVI	SYNTEC	TCAP	THANA	THCOM	THREL	TISCO	TKT	TMB	TNDT
TOP	TRC	TRUE	TSC	TTCL	TU	TVD	UV	VGI	WACOAL	WAVE			



2S	AAV	ACAP	AGE	AH	AHC	AIRA	AIT	ALT	AMANAH	AMATA	AMATAV	APCO	ARIP
ASIA	ASIMAR	ASK	ASP	AUCT	AYUD	BBL	BCPG	BDMS	BEC	BEM	BFIT	BJC	BJCHI
BLA	BOL	BROOK	BRR	BTW	CEN	CENTEL	CGH	CHARAN	CHEWA	CHG	CHOW	CI	CIG
CIMBT	CKP	CM	CNS	COL	COM7	CPI	CSC	CSP	CSS	DCC	EA	EASON	ECF
ECL	EE	EPG	ERW	FN	FNS	FORTH	FPI	FSMART	FVC	GBX	GEL	GLOBAL	GLOW
HARN	HYDRO	ILINK	INET	IRC	IT	ITD	JCKH	JWD	K	KGI	KKC	KOOL	KSL
KTIS	L&E	LALIN	LANNA	LH	LHK	LIT	LOXLEY	LRH	LST	M	MACO	MAJOR	MAKRO
MALEE	MBKET	MC	MEGA	MFC	MFEC	MOONG	MSC	MTC	MTI	NOBLE	NOK	NSI	NTV
NWR	OCC	OGC	OISHI	ORI	PAP	PATO	PB	PCSGH	PDI	PE	PG	PJW	PLANET
PLAT	PM	PPP	PREB	PRINC	PT	RICHY	RML	RS	RWI	S	S & J	SABINA	SALEE
SAMCO	SAWAD	SCG	SCI	SCN	SEAFCO	SEAOIL	SENA	SFP	SIAM	SINGER	SIRI	SMK	SMPC
SMT	SNP	SORKON	SPC	SPI	SPPT	SR	SSF	SST	STA	STPI	SUC	SUSCO	SUTHA
SWC	SYMC	SYNEX	TAE	TAKUNI	TASCO	TBSP	TCC	TEAM	TFG	TGCI	THAI	THANI	THIP
THRE	TICON	TIPCO	TIW	TK	TKN	TKS	TMC	TMI	TMILL	TMT	TNITY	TNL	TOG
TPAC	TPCORP	TRT	TRU	TSE	TSR	TSTE	TSTH	TTA	TTW	TVI	TVO	TWP	TWPC
U	UAC	UMI	UP	UPF	UPOIC	UWC	VIH	VNT	WICE	WINNER	XO	YUASA	ZMICO



7UP	AEC	AEONTS	AF	AJ	AKR	ALLA	ALUCON	AMA	AMARIN	AMC	APURE	AQUA	ARROW
AS	ASEFA	ASIAN	ASN	ATP30	AU	B	BA	BCH	BEAUTY	BH	BIG	BIZ	BLAND
BPP	BR	BROCK	BTNC	CBG	CCET	CCP	CGD	CITY	CMR	COLOR	COMAN	CPL	CSR
CTW	CWT	DCON	DIGI	DNA	EFORL	EKH	EPCO	ESSO	ETE	FE	FOCUS	FSS	GENCO
GIFT	GJS	GLAND	GSTEL	GTB	GYT	HPT	HTC	HTECH	IFS	IHL	INSURE	IRCP	J
JCK	JMART	JMT	JUBILE	KASET	KBS	KCAR	KIAT	KWC	KYE	LDC	LEE	LPH	MATCH
MATI	M-CHAI	MDX	META	METCO	MGT	MILL	MJD	MK	MODERN	MPG	NC	NCL	NDR
NEP	NETBAY	NPK	NPP	NUSA	OCEAN	PDG	PF	PICO	PIMO	PK	PL	PLE	PMTA
PRECHA	PRIN	PSTC	QLT	RCI	RCL	RJH	ROJNA	RPC	S11	SANKO	SAPPE	SCP	SE
SGP	SKR	SKY	SLP	SMIT	SOLAR	SPA	SPCG	SPG	SPVI	SQ	SRICHA	SSC	STANLY
SUPER	SVOA	T	TACC	TCCC	TCMC	TIC	TLUXE	TM	TMD	TNP	TNR	TOPP	TPA
TPBI	TPCH	TPIPL	TPOLY	TPP	TRITN	TTI	TVT	TYCN	UOBKH	UPA	UREKA	UT	VIBHA
VPO	WIJK	WIN											

## Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of such survey result.



# Anti-corruption Progress Indicator 2018

## Companies that have declared their intention to join CAC

A	ABICO	AIE	AJ	AMATA	AMATAV	ANAN	AOT	APCO	APCS	ARROW	ASIAN	B	BGRIM
BJC	BJCHI	BLAND	BLISS	BM	BPP	BR	BSBM	BUI	CEN	CGH	CHEWA	CHG	CHO
CI	COL	COM7	CPR	DDD	EFORL	EKH	ESTAR	FLOYD	FN	FPI	FTE	GJS	GPI
GSTEL	GYT	HARN	ICHI	ILINK	ITEL	JAS	JTS	KWC	KWG	LDC	LEE	LIT	LRH
MATCH	MATI	MBAX	MFEC	MILL	MTC	NCL	NEP	NNCL	NWR	PAP	PK	PL	PLANB
POST	PRM	PRO	PYLON	QTC	ROJNA	RWI	SAPPE	SCI	SELIC	SHANG	SST	STA	STANLY
SUPER	SWC	SYMC	SYNEX	THE	THIP	TKN	TMC	TNP	TNR	TOPP	TRITN	TTI	TVO
TWPC	UEC	UKEM	UPA	UWC	VIH	XO	YUASA						

## Companies certified by CAC

ADVANC	AKP	AMANAH	AP	ASK	ASP	AYUD	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BKI	BLA	BROOK	BRR	BTS	BWG	CENTEL	CFRESH	CIG	CIMBT	CM	CNS	CPALL	CPF
CPI	CPN	CSC	CSL	DCC	DEMCO	DIMET	DRT	DTAC	DTC	EASTW	ECL	EGCO	EPCO
FE	FNS	FSS	GBX	GC	GCAP	GEL	GFPT	GGC	GLOW	GOLD	GPSC	GUNKUL	HANA
HMPRO	HTC	ICC	IFEC	IFS	INET	INTUCH	IRPC	IVL	K	KASET	KBANK	KBS	KCE
KGI	KKP	KSL	KTB	KTC	L&E	LANNA	LHFG	LHK	LPN	M	MAKRO	MALEE	MBK
MBKET	MC	MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG	NSI
OCC	OCEAN	OGC	PATO	PB	PCSGH	PDG	PDI	PDJ	PE	PG	PHOL	PLANET	PLAT
PM	PPP	PPS	PREB	PRG	PRINC	PSH	PSL	PSTC	PT	PTG	PTT	PTTEP	PTTGC
Q-CON	QH	QLT	RATCH	RML	ROBINS	S & J	SABINA	SAT	SC	SCB	SCC	SCCC	SCG
SCN	SE-ED	SENA	SGP	SINGER	SIRI	SIS	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON
SPACK	SPC	SPI	SPRC	SRICHA	SSF	SSI	SSSC	SUSCO	SVI	SYNTEC	TAE	TASCO	TCAP
TCMC	TFG	TFI	TFMAMA	TGCI	THANI	THCOM	THRE	THREL	TICON	TIP	TIPCO	TISCO	TKT
TLUXE	TMB	TMD	TMILL	TMT	TNITY	TNL	TOG	TOP	TPA	TPCORP	TRU	TRUE	TSC
TSTH	TTCL	TU	TVD	TVI	U	UBIS	UOBKH	VGI	VNT	WACOAL	WHA	WICE	

## N/A

2S	7UP	AAV	ABM	ACAP	ACC	ADAM	ADB	AEC	AEONTS	AF	AFC	AGE	AH
AHC	AI	AIRA	AIT	AJA	AKR	ALLA	ALT	ALUCON	AMA	AMARIN	AMC	APEX	APURE
AQ	AQUA	ARIP	AS	ASAP	ASEFA	ASIA	ASIMAR	ASN	ATP30	AU	AUCT	BA	BAT-3K
BDMS	BEAUTY	BEC	BEM	BFIT	BGT	BH	BIG	BIZ	BKD	BOL	BROCK	BSM	BTNC
BTW	CBG	CCET	CCP	CGD	CHARAN	CHAYO	CHOTI	CHOW	CHUO	CITY	CK	CKP	CMAN
CMO	CMR	CNT	COLOR	COMAN	CPH	CPL	CPT	CRANE	CRD	CSP	CSR	CSS	CTW
CWT	D	DCON	DCORP	DELTA	DIGI	DNA	DOD	DTCI	EA	EARTH	EASON	ECF	EE
EIC	EMC	EPG	ERW	ESSO	ETE	EVER	F&D	FANCY	FC	FMT	FOCUS	FORTH	FSMART
FVC	GENCO	GIFT	GL	GLAND	GLOBAL	GRAMMY	GRAND	GREEN	GTB	GULF	HFT	HPT	HTECH
HUMAN	HYDRO	ICN	IEC	IHL	III	INGRS	INOX	INSURE	IRC	IRCP	IT	ITD	J
JCK	JCKH	JCT	JKN	JMART	JMT	JSP	JUBILE	JUTHA	JWD	KAMART	KC	KCAR	KCM
KDH	KIAT	KKC	KOOL	KTECH	KTIS	KYE	LALIN	LH	LOXLEY	LPH	LST	LTX	LVT
MACO	MAJOR	MANRIN	MAX	M-CHAI	MCS	MDX	MEGA	META	METCO	MGT	MIDA	MJD	MK
ML	MM	MODERN	MPG	MPIC	NC	NCH	NDR	NETBAY	NEW	NEWS	NFC	NOBLE	NOK
NPK	NPP	NTV	NUSA	NVD	NYT	OHTL	OISHI	ORI	OTO	PACE	PAE	PAF	PERM
PF	PICO	PIMO	PJW	PLE	PMTA	POLAR	POMPUI	PORT	PPM	PRAKIT	PRECHA	PRIN	PTL
RAM	RCI	RCL	RICH	RICHY	RJH	ROCK	ROH	RP	RPC	RPH	RS	RSP	S
S11	SAFARI	SALEE	SAM	SAMART	SAMCO	SAMTEL	SANKO	SAUCE	SAWAD	SAWANG	SCP	SDC	SE
SEAFCO	SEAOIL	SF	SFP	SGF	SIAM	SIMAT	SKE	SKN	SKR	SKY	SLP	SMART	SMM
SMT	SOLAR	SPA	SPALI	SPCG	SPG	SPORT	SPPT	SPVI	SQ	SR	SSC	SSP	STAR
STEC	STHAI	STPI	SUC	SUN	SUTHA	SVH	SVOA	T	TACC	TAKUNI	TAPAC	TBSP	TC
TCB	TCC	TCCC	TCJ	TCOAT	TEAM	TGPRO	TH	THAI	THANA	THG	THL	THMUI	TIC
TITLE	TIW	TK	TKS	TM	TMI	TMW	TNDT	TNH	TNPC	TOA	TPAC	TPBI	TPCH
TPIPL	TPIPP	TPOLY	TPP	TR	TRC	TRT	TRUBB	TSE	TSF	TSI	TSR	TSTE	TTA
TTL	TTTM	TTW	TUCC	TVT	TWP	TWZ	TYCN	UAC	UMI	UMS	UNIQ	UP	UPF
UPOIC	UREKA	UT	UTP	UV	UVAN	VARO	VCOM	VI	VIBHA	VNG	VPO	WAVE	WG
WHAUP	WIJK	WIN	WINNER	WORK	WORLD	WP	WPH	WR	YCI	YNP	ZIGA	ZMICO	

## Disclaimer

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment result."

## Reference

Disclosure: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of July 31, 2017) are categorised into:

- Companies that have declared their intention to join CAC
- Companies certified by CAC.



A member of MUFG  
a global financial group

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## Definition of Ratings

- OUTPERFORM** - Stocks with an expected capital gain above 10% in the next 12 months for small-caps, above 5% for big-caps
- NEUTRAL** - Stocks with an expected capital gain between -10% and +10% in the next 12 months for small-caps, -5% to +5% for big-caps
- UNDERPERFORM** - Stocks with an expected capital gain below 10% in the next 12 months for small-caps, below 5% for big-caps