

# MINOR INTERNATIONAL PLC

No. 55/2023

12 May 2023

## CORPORATES

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
Senior unsecured	A
Hybrid	BBB+
<b>Outlook:</b>	Stable

**Last Review Date:** 24/01/23

### Company Rating History:

Date	Rating	Outlook/Alert
07/06/22	A	Stable
10/07/20	A	Negative
27/03/20	A	Alert Negative
24/07/18	A	Stable
11/06/18	A+	Alert Negative
28/04/14	A+	Stable
21/02/07	A	Stable
19/08/04	A-	Stable
23/12/03	A-	-
05/06/03	A-	Alert Developing
30/07/02	A-	-

### Contacts:

Chanaporn Pinphithak

chanaporn@trisrating.com

Tulyawat Chatkam

tulyawatc@trisrating.com

Wajee Pitakpaibulkij

wajee@trisrating.com

Thiti Karoonyanont, Ph.D., CFA

thiti@trisrating.com



WWW.TRISRATING.COM

## RATIONALE

TRIS Rating affirms the company rating on Minor International PLC (MINT) and the ratings on MINT's existing senior unsecured debentures at "A" and the ratings on MINT's subordinated capital debentures (hybrid debentures, MINT22PA and MINT23PA) at "BBB+". The rating outlook is "stable". At the same time, we assign the rating of "A" to MINT's proposed issue of up to THB3 billion and an additional greenshoe portion of up to THB1 billion senior unsecured debentures. MINT intends to use the proceeds from the new debentures to refinance its debt coming due and to fund general business operations and expansion.

The ratings continue to reflect MINT's strong business profile, underpinned by its strong brand portfolio and wide geographic coverage in the hospitality and restaurant businesses. The ratings also factor in MINT's improving financial profile, supported by steadily improving operating conditions post-pandemic. Persistently high inflation and global economic slowdown remain key concerns for the ratings.

MINT's first quarter performance in 2023 was in line with our expectation. The hotel business continued to perform well with revenue per available room (RevPAR) surpassing pre-pandemic levels in most of its operating presences. MINT's restaurant business also continuously improved, especially in China, following the lifting of all COVID-19-related restrictions. The company's ability to raise its hotel room rates and cost initiatives applied since the time of pandemic helped mitigate the impact of persistently high inflation and pressure on operating costs. For the first three months of 2023, MINT reported THB31.9 billion in revenue, compared with THB20.1 billion in the same period last year. Earnings before interest, taxes, depreciation, and amortization (EBITDA) improved by a greater extent to THB6.8 billion, compared with THB2.9 billion in the same period last year. Adjusted debt to EBITDA ratio improved to 5.6 times (annualized based on trailing 12 months) for the first three months of 2023 from 6.4 times at the end of 2022.

## RATING OUTLOOK

The "stable" outlook reflects our expectation that MINT's improving operating and financial performances will continue. We expect the company to manage its financial profile prudently, with adequate financial flexibility to serve as a cushion against the cyclical and volatile nature of the hotel industry and any adverse change of operating conditions.

## RATING SENSITIVITIES

A rating upgrade could occur as MINT's business and financial profiles continue to improve such that its adjusted debt to EBITDA ratio remains well below 5 times on a sustained basis. Conversely, a rating downgrade could materialize if MINT's financial metrics are materially weaker than forecast either from adverse operating conditions or sizable debt-funded investments.

**CreditUpdate**, reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company's current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been "upgraded," "downgraded," "affirmed" or "cancelled." The update includes information to supplement the previously published ratings.

Credit Updates are part of TRIS Rating's monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

## RELATED CRITERIA

- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022
- Hybrid Securities Rating Criteria, 28 June 2021
- Issue Rating Criteria, 15 June 2021

## Minor International PLC (MINT)

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
MINT237A: THB3,059.00 million senior unsecured debentures due 2023	A
MINT243A: THB4,635.00 million senior unsecured debentures due 2024	A
MINT243B: THB2,165.00 million senior unsecured debentures due 2024	A
MINT247A: THB3,501.00 million senior unsecured debentures due 2024	A
MINT249A: THB1,000.00 million senior unsecured debentures due 2024	A
MINT255A: THB4,000.00 million senior unsecured debentures due 2025	A
MINT255B: THB2,769.03 million senior unsecured debentures due 2025	A
MINT257A: THB3,440.00 million senior unsecured debentures due 2025	A
MINT267A: THB2,000.00 million senior unsecured debentures due 2026	A
MINT277B: THB2,230.97 million senior unsecured debentures due 2027	A
MINT283A: THB1,000.00 million senior unsecured debentures due 2028	A
MINT293A: THB1,815.40 million senior unsecured debentures due 2029	A
MINT293B: THB5,684.60 million senior unsecured debentures due 2029	A
MINT313A: THB1,200.00 million senior unsecured debentures due 2031	A
MINT313B: THB1,570.00 million senior unsecured debentures due 2031	A
MINT313C: THB2,430.00 million senior unsecured debentures due 2031	A
MINT329A: THB1,000.00 million senior unsecured debentures due 2032	A
MINT343A: THB3,070.00 million senior unsecured debentures due 2034	A
MINT343B: THB2,430.00 million senior unsecured debentures due 2034	A
MINT22PA: THB13,000.00 million subordinated capital debentures	BBB+
MINT23PA: THB10,500.00 million subordinated capital debentures	BBB+
Up to THB3,000.00 million senior unsecured debentures and additional greenshoe portion of up to THB1,000 million due within 12 years	A
<b>Rating Outlook:</b>	Stable

### TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: +66 2 098 3000

© Copyright 2023, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution, or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at [www.trisrating.com/rating-information/rating-criteria](http://www.trisrating.com/rating-information/rating-criteria)