TRIS RATING
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CreditNews ข่าวเครดิต

MINOR INTERNATIONAL PLC

No. 57/2025
24 April 2025

CORPORATES

Company Rating:	A+
Issue Ratings:	
Senior unsecured	A+
Hybrid	A-
Outlook:	Stable

Last Review Date: 12/03/25

Company Rating History:

Date	Rating	Outlook/Alert
11/06/24	A	Positive
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-	-

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RATIONALE

TRIS Rating upgrades the company rating on Minor International PLC (MINT) and the ratings on MINT's existing senior unsecured debentures to "A+", from "A". We also upgrade the ratings on MINT's subordinated capital debentures (hybrid debentures, MINT22PA and MINT23PA) to "A-", from "BBB+". The rating outlook is revised to "stable" from "positive".

The rating actions reflect MINT's improved credit metrics, supported by strong post-pandemic recovery in operating performance and lower debt levels. Despite economic headwinds from global trade tensions and cost pressures that could potentially impact earnings, we expect MINT's financial leverage to remain consistent with the assigned ratings given the company's strategic direction toward asset-light growth and management's commitment to further reducing debt. The ratings continue to be supported by MINT's well-established brand portfolio in the hospitality and restaurant sectors, as well as its significant global presence.

KEY RATING CONSIDERATIONS

Sustained improvement in financial leverage

MINT's debt level has been declining post-pandemic, supported by strong business recovery, prudent capital expenditures, and strategic asset rotation. Adjusted debt continued to decline to THB190 billion in 2024, down from THB207 billion in 2023, driven primarily by proceeds from the sale of Anantara Vacation Club's accounts receivable and the weakening of the Euro towards year-end. The adjusted debt to EBITDA ratio improved notably, reaching 4.4 times in 2024, down from 4.9 times in 2023 and a pre-pandemic level of 6.0 times in 2019.

Looking ahead, we believe the management's commitment to deleveraging and focus on an asset-light growth model will support the company's improved financial risk profile. Under our base-case assumptions, we forecast MINT's capital expenditures and investments to be around THB10-THB12 billion annually during 2025-2027. We forecast the adjusted debt to EBITDA ratio to increase slightly to 4.5 times in 2025, accounting for any potential impact of exchange rate translation, before declining to around 4.0 times by 2027.

The calculation of adjusted debt includes guarantee commitments, lease obligations, and debt treatment of perpetual securities. Based on our rating criteria, we assign a 50% equity content to a total of THB23.5 billion domestically distributed perpetual securities, and 0% equity content to the entire amount of USD300 million offshore perpetual debt issues.

Normalizing growth expected in hospitality business

We anticipate growth rates to normalize in 2025 after three consecutive years of robust revenue per available room (RevPAR) expansion driven by strong leisure demand and average daily rate (ADR) uplift. Our base-case forecast assumes that MINT's owned and leased hotel portfolio will generate annual RevPAR growth of 3%-5% over 2025-2027.

Across Europe, intra-regional travel for both business and leisure purposes is expected to continue providing a steady demand base. However, mounting economic pressures are likely to limit pricing power to some degree. Meanwhile, Thailand is projected to experience strong RevPAR growth, benefiting from heightened brand visibility and increased destination appeal.

This is attributed to the international media exposure of its hotels as featured locations in the recent prominent series. In Australia, however, challenges from subdued consumer spending power and cautious business sentiment may constrain the performance of hotels operating under the management letting rights (MLRs) model.

Overall, we expect demand for leisure travel to remain relatively resilient, with business travel continuing to recover gradually. However, macroeconomic headwinds, especially from heightened geopolitical tensions and trade disruptions, will likely moderate the pace of RevPAR growth across the hotel sector. MINT's ongoing strategic hotel repositioning and asset enhancement initiatives are expected to partially mitigate these headwinds by enabling selected properties to command premium rates and support overall RevPAR performance.

Modest restaurant business revenue growth

Our base-case forecast projects low- to mid-single-digit annual revenue growth for MINT's restaurant business over 2025-2027. This reflects the subdued consumer confidence across its key operating markets. Growth will be further moderated by the company's focus on franchised outlet expansion, which, while capital efficient, limits direct revenue contribution.

For the Thailand hub, which accounts for around 60% of MINT's total restaurant revenue, we expect same-store sales growth to remain modest. Active marketing strategies and promotional efforts will continue to be crucial in sustaining customer traffic. In Singapore, the company's portfolio of diverse restaurant concepts will likely support steady system sales growth. Meanwhile, rationalization efforts in China and Australia, including the closure of underperforming outlets, are expected to stabilize operations. However, overall growth in these markets will likely remain constrained by soft consumer sentiment and ongoing macroeconomic uncertainty. Expansion into underpenetrated markets such as Indonesia and India presents additional medium-term growth potential and may enhance revenue diversification.

MINT's strong market positioning and broad operational scale are key supportive factors in its restaurant business. Its scale advantage enables procurement and supply chain efficiencies, which we view as vital in mitigating input cost volatility. Also, MINT's continued focus on diverse offerings, product innovation, and digital transformation enhances its responsiveness to evolving consumer preferences and supports its competitiveness in a challenging and dynamic industry landscape.

Cost inflation pressures profit margins

We expect rising costs to continue pressuring profit margins, with a more pronounced impact on MINT's European hotel operations. In 2024, the increase in costs outpaced that in revenue, leading to the EBITDA margin dropping to 26.6% from 28.2% in 2023. We project the EBITDA margin to decline further to 25% over the forecast period. With MINT's total revenue projected to be THB170-THB184 billion per annum during 2025-2027, this translates to an annual EBITDA in the THB43 - THB46 billion range.

Over the medium term, MINT's growth strategy in asset-light operations should provide greater flexibility in cost management and offer downside protection against potential demand fluctuations or broader macroeconomic headwinds. This approach should support the company's ability to preserve competitive advantage across its core markets while improving operational resilience.

Adequate liquidity

We assess MINT's liquidity to be adequate over the next 12 months. The primary sources of funds comprise cash on hand of around THB13.3 billion as of December 2024, funds from operations (FFO) estimated at THB29 billion, unused credit facilities of around THB32 billion, and proceeds from new debenture issuances of up to THB8 billion. Primary uses of funds are debt repayments of THB13.7 billion, lease obligations of around THB13.5 billion, announced dividend payment of THB2 billion, and capital expenditures and investment of around THB12 billion.

Debt structure

As of December 2024, MINT's total interest-bearing debt, including the full amount of hybrid debentures but excluding lease liabilities, was THB124 billion. MINT's priority debt was THB23 billion, translating into a priority debt ratio of 19%.

The main financial covenants on MINT's debt obligations require the net interest-bearing debt to equity ratio to remain below 1.75 times. As of December 2024, the ratio was 0.8 times. We believe the company should have no problem complying with the financial covenants over the forecast period.

BASE-CASE ASSUMPTIONS

TRIS Rating's base-case assumptions for MINT's operations in 2025-2027 are as follows:

- RevPAR of owned and leased hotels to grow by 3%-5% per year.
- Revenue from restaurant business to grow at a low- to mid-single digit per annum.

- Total revenue to be THB170-THB184 billion per annum.
- EBITDA to be THB43-THB46 billion per annum.
- Capital expenditures and investments to be THB10-THB12 billion per annum.

RATING OUTLOOK

The “stable” outlook reflects our expectation that MINT will continue to deliver strong operating performance. Also, we anticipate that moderate capital expenditures together with a financial policy aimed at deleveraging will maintain its financial metrics at levels consistent with the assigned ratings.

RATING SENSITIVITIES

A rating upgrade could occur if MINT further improves its leverage profile and maintains an adjusted debt to EBITDA ratio below 3 times. Conversely, downward pressure on the ratings could arise if MINT's financial metrics deviate significantly from expectations, potentially due to deteriorating operating performance or substantial debt-financed investments, resulting in an adjusted debt to EBITDA ratio exceeding 5 times on a sustained basis.

COMPANY OVERVIEW

MINT was founded in 1978 by Mr. William Ellwood Heinecke. As of March 2025, Group of Mr. Heinecke was the major shareholder, holding a 34% stake. The company operates in two primary sectors: hotels and mixed-use properties, and restaurants. In 2024, the hotel and mixed-use segment accounted for 81% of MINT’s total revenue, while the restaurant segment contributed 19%.

At the end of December 2024, MINT’s hotel portfolio comprised 562 properties, with 81,344 keys, across Europe, the Asia Pacific region, Africa, the Middle East, and Latin America. The hotels are managed and operated under MINT's own brands, including Anantara, AVANI, Oaks, Tivoli, NH Collection, NH Hotels, nhow, and Elewana Collection, as well as well-recognized international brands, such as Four Seasons, JW Marriott, St. Regis, and Radisson.

MINT also develops residential property and timeshare businesses under the mixed-use concept, located close to its hotel properties. MINT has five premium residential development projects in Bangkok, Samui, Phuket, and Chiang Mai in Thailand, Maputo in Mozambique, Desaru in Malaysia, and two projects under construction in Bali, Indonesia and Phuket, Thailand. In the timeshare segment, Anantara Vacation Club had 347 units in inventory in Bali, Bangkok, Phuket, Samui, Chiang Mai, Khao Lak, Hua Hin, Queenstown (New Zealand), and Sanya (China) as of December 2024.

MINT has a retail trading business operated under Minor Lifestyle. At the end of December 2024, MINT had over 280 retail points of sale, focusing primarily on fashion and lifestyle products. Its brands include Anello, Bossini, Charles & Keith, Crash, BergHOFF, Joseph Joseph, Pop Mart, Zwilling J.A. Henckels, and Minor Smart Kids.

The Minor Food Group PLC (MFG) is MINT’s wholly-owned subsidiary operating in the restaurant business. MFG, established in 1980, is the largest restaurant operator in Thailand. MFG holds franchises for six international restaurant brands: Swensen’s, Sizzler, Dairy Queen, Burger King, Benihana, and Bonchon. MFG has its own brands, including The Pizza Company, The Coffee Club, Thai Express, Riverside, and Coffee Journey. MFG is able to leverage its own brands and some of the franchised brands to franchise businesses in Thailand and in international markets. At the end of December 2024, MINT had a total of 2,699 restaurant outlets located in over 20 countries, of which 52% were equity-owned and 48% franchised and sub-franchised outlets. MINT also invested in S&P Syndicate PLC and BreadTalk Group Ltd. in Singapore.

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS

Unit: Mil. THB

	--------------------Year Ended 31 December				-------------------
	2024	**2023**	**2022**	**2021**	**2020**
Total operating revenues	163,813	151,562	124,821	74,440	58,119
Earnings before interest and taxes (EBIT)	22,929	22,501	13,631	(4,041)	(17,689)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	43,633	42,678	33,169	16,308	1,176
Funds from operations (FFO)	26,822	28,147	21,571	6,118	(9,262)
Adjusted interest expense	12,789	12,105	10,131	10,007	8,479
Capital expenditures	10,304	8,786	5,030	5,085	6,745
Total assets	346,845	359,196	358,210	369,633	362,327
Adjusted debt	189,924	207,318	212,055	229,109	234,147
Adjusted equity	79,762	67,920	60,167	56,056	51,707
Adjusted Ratios					
EBITDA margin (%)	26.6	28.2	26.6	21.9	2.0
Pretax return on permanent capital (%)	8.0	7.7	4.5	(1.3)	(6.0)
EBITDA interest coverage (times)	3.4	3.5	3.3	1.6	0.1
Debt to EBITDA (times)	4.4	4.9	6.4	14.0	199.2
FFO to debt (%)	14.1	13.6	10.2	2.7	(4.0)
Debt to capitalization (%)	70.4	75.3	77.9	80.3	81.9

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Hybrid Securities: Equity Content and Credit Rating Criteria , 20 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

Minor International PLC (MINT)

Company Rating:	A+
Issue Ratings:	
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+
MINT266A: THB1,500.00 million senior unsecured debentures due 2026	A+
MINT267A: THB2,000.00 million senior unsecured debentures due 2026	A+
MINT277B: THB2,230.97 million senior unsecured debentures due 2027	A+
MINT281A: THB5,000.00 million senior unsecured debentures due 2028	A+
MINT283A: THB1,000.00 million senior unsecured debentures due 2028	A+
MINT286A: THB500.00 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+
MINT336A: THB1,000.00 million senior unsecured debentures due 2033	A+
MINT343A: THB3,070.00 million senior unsecured debentures due 2034	A+
MINT343B: THB2,430.00 million senior unsecured debentures due 2034	A+
MINT347A: THB3,000.00 million senior unsecured debentures due 2034	A+
MINT356A: THB1,000.00 million senior unsecured debentures due 2035	A+
MINT22PA: THB13,000.00 million subordinated capital debentures	A-
MINT23PA: THB10,500.00 million subordinated capital debentures	A-
Up to THB8,000.00 million senior unsecured debentures due within 10 years	A+
Rating Outlook:	Stable

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