

COMPANY UPDATE

Minor International (MINT TB)

Expect MINT's Hotel Performance To Remain Strong Amid Uncertainties.

We attended MINT's 1Q25 analyst meeting, and the tone was neutral. 1Q25 earnings were strong, attributable to the robust performance of its hotels in Europe, Thailand and the Maldives. Despite the poor Thai tourism outlook, MINT is maintaining its guidance as it is confident in its room pricing strategy. We are optimistic on MINT as the outlook in 2Q25 is improving, and MINT could also benefit from the indirect impact of the tariffs. Maintain BUY. Target price: Bt38.00.

WHAT'S NEW

- **Neutral tone at the meeting.** We attended Minor International's (MINT) 1Q25 analyst meeting to review its results, and the tone was neutral.
- **Maintains guidance.** Management is maintaining its three-year guidance of high single-digit revenue growth p.a. and a profit growth of 15-20% p.a.. Despite the poor tourism outlook for Thailand, management remains confident that growth can be driven via increasing hotel room rate (ADR), as the company has plans to partially renovate several Anantara hotels during the low travel season – this could raise ADR by at least double-digit percent. MINT is still confident that their hotels will be able to show growth and has no concern as on-the-book reservations remain strong in 2H25.
- **Outstanding performance in the Maldives.** MINT's two newly-opened hotels in the Maldives, under the NH and NH Collection brands, have been performing exceptionally well. MINT has been outperforming its peers in attracting new customers as it works closely with big agencies. MINT's new platform has simplified the hotel booking processes for its guests, capturing its guests through its four brands: NH Collection, NH, Anantara, and Avani+ with each having a different price point.
- **Indirect impact from the tariffs is too early to be determined.** As Trump's tariffs remain unresolved and unfinalised, it is too early to estimate the impact. MINT has not seen any slowdown in bookings in any of its operating locations, but the company will be ready to change their strategy in case there is a slowdown. Management remains fully committed to their usual strategy of not sacrificing margins to increase guest volume. Should the consumption power of Europeans and other countries decrease due to the tariffs, MINT will benefit as Europeans would be keener on intra-Europe travels. Currently, 70% of Minor Hotels Europe and America's (MHEA) revenue is from intra-Europe travels which could increase even further. In addition, if travellers want to seek more affordable options, MINT's hotels in Asia will be suitable for them.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	152,522.1	164,224.4	174,097.9	182,267.8	190,197.2
EBITDA	41,690.5	42,683.7	43,238.9	45,289.4	47,050.1
Operating profit	21,290.6	21,235.9	21,815.1	23,013.1	24,129.4
Net profit (rep./act.)	5,407.1	7,750.2	9,378.3	10,918.7	12,047.9
Net profit (adj.)	7,134.1	8,391.0	9,378.3	10,918.7	12,047.9
EPS (Bt)	1.3	1.5	1.7	1.8	2.0
PE (x)	18.5	16.3	14.6	13.2	12.0
P/B (x)	1.8	1.6	1.3	1.3	1.2
EV/EBITDA (x)	6.8	6.7	6.6	6.3	6.1
Dividend yield (%)	2.1	2.4	3.1	3.6	4.0
Net margin (%)	3.5	4.7	5.4	6.0	6.3
Net debt/(cash) to equity (%)	237.6	187.6	131.2	114.4	99.4
Interest cover (x)	4.2	4.1	5.1	6.1	6.7
ROE (%)	7.3	9.4	9.9	10.3	10.7
Consensus net profit	-	-	9,025	9,992	11,333
UOBKH/Consensus (x)	-	-	1.04	1.09	1.06

Source: Minor International, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt24.50
Target Price	Bt38.00
Upside	+55.1%

COMPANY DESCRIPTION

MINT is one of the largest hospitality companies in the Asia-Pacific region. It also operates restaurants in Thailand and overseas and is involved in residential property development and retail trading.

STOCK DATA

GICS sector	Consumer Discretionary
Bloomberg ticker:	MINT TB
Shares issued (m):	5,670.0
Market cap (Btm):	138,914.4
Market cap (US\$m):	4,163.2
3-mth avg daily t'over (US\$m):	13.0

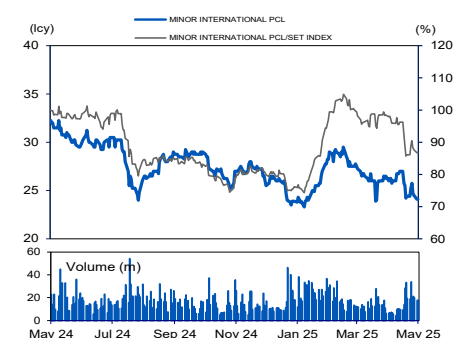
Price Performance (%)

52-week high/low			Bt33.00/Bt22.90	
1mth	3mth	6mth	1yr	YTD
(6.7)	(9.3)	(3.0)	(25.8)	(5.8)

Major Shareholders

	%
Minor Group & Heinecke Family	34.0
Foreign Fund	27.0
Local Fund	12.0
FY25 NAV/Share (Bt)	18.08
FY25 Net Debt/Share (Bt)	23.72

PRICE CHART



Source: Bloomberg

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STOCK IMPACT

• **MINT cuts down capex to accelerate debt reduction.** MINT's net interest-bearing debt to equity ratio (net IBD/E) rose slightly qoq to 0.83x in 1Q25 due to forex movement. However, MINT is planning to ramp up its deleveraging efforts throughout 2025. In 1Q25, MINT had already rotated some of its assets to support debt repayments. During the analyst meeting, management announced that 2025 capex would be reduced by 40% from Bt11b to Bt7b, and that it would hold that cash to give priority to deleveraging. The company retains its aggressive target of reducing its net IBD/E to 0.75x by the year end. Meanwhile, the anticipated launch of a REIT within 2025 is still uncertain as management prefers to wait for an optimal timing in order to ensure the REIT unit sales are successful. MINT remains strongly committed to an asset-light growth strategy across both its hotel and food segments, utilising its robust brand portfolio to drive expansion through hotel management agreements and franchise models, while maintaining minimal capital expenditure.

• **2Q25 outlook.** Our channel checks suggest that RevPar in both Europe and Thailand saw low single-digit growth yoy in Apr 25, picking up to mid-single digits in May 25. This is a solid result considering the subdued tourism sentiment and the impact of the earthquake in Thailand in Mar 25. Looking ahead, we anticipate an increase in intra-European travel during 2Q25 and 3Q25, as European travellers may opt for domestic destinations during the peak season amid cautious consumer spending.

EARNINGS REVISION/RISK

• **Cut 2026 and 2027 earnings.** We revise 2026 and 2027 earnings down by 13% and 12% respectively to reflect our less bullish view on MINT's cost of debt.

EARNINGS REVISION

(Btm)	2026F			2027F		
	New	Previous	Change	New	Previous	Change
Total revenue	179,015	179,015	0.0%	186,766	186,766	0.0%
Operating EBITDA	45,289	46,073	-1.7%	47,050	47,050	0.0%
Net profit	10,919	12,607	-13.4%	12,048	13,673	-11.9%
	New	Previous	Change	New	Previous	Change
EBITDA margin	25.3%	25.7%	-0.4%	25.2%	25.2%	0.0%
Core profit margin	6.1%	7.0%	-0.9%	6.5%	7.3%	-0.8%
Net profit margin	6.4%	7.4%	-0.9%	6.8%	7.7%	-0.9%

Source: UOB Kay Hian

VALUATION/RECOMMENDATION

• **Maintain BUY with a target price of Bt38.00.** Our valuation is based on 2025 EV/EBITDA multiple at 9.0x. We believe MINT's valuation is undemanding as it is trading at an EV/EBITDA of 8.0x (vs the hotel sector's 9-11x). We are optimistic on MINT for: a) its ability to outperform peers in the Maldives, b) its improving debt levels, and c) its possible advantage from the impact of tariffs.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5

SET ESG Rating: AA

Environmental

- **Pledge Net Zero by 2050.**
- **Strategy to conserve resources.** To reduce emissions and waste and protect biodiversity across the operations and supply chains.

Social

- **Strict occupational health and safety guidelines.** Ensures supplier compliance with the safety guidelines of chemical handling, management and personnel, and workplace environment.

Governance

- **CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, regulatory environment, and applicable laws.

MINT'S HOTEL STRATEGY BY MARKET

Strong Momentum Across Minor Hotels' Markets

	MHEA	Thailand	Maldives	Middle East & Africa	Australia
% Contribution of TSS (THB qoq)	30%	13%	6%	15%	7%
OTB y-y Growth (in high season)	Mid-single digit	Low to mid single digit	Double-digit	Double-digit	Low-to-mid digit
2025 Outlook	• Repositioning drives ADR growth • Solid corporate demand in Rome, Vienna and Frankfurt, and leisure demand in Munich, Madrid and Barcelona	• New brands and unique experiences attract demand and increase spending	• Product enhancement aligns with evolving feeder market preferences	• Strong demand from UAE, UK, Germany, Russia and Saudi Arabia with support from growing air links	• Brand revitalization is underway • Securing demand: corporate base, events & holiday seasons

Source: MINT, UOB Kay Hian

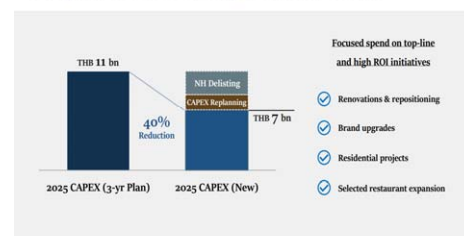
KEY HOTEL PERFORMANCE



Source: MINT, UOB Kay Hian

MINT'S REVISED CAPEX PLAN

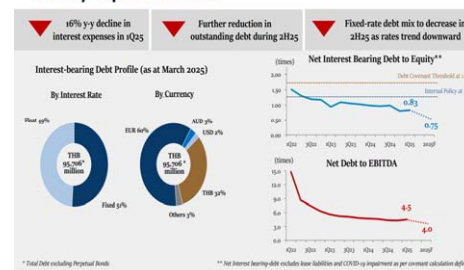
Disciplined CAPEX to Strengthen Balance Sheet



Source: MINT, UOB Kay Hian

MINT'S DEBT PROFILE

Healthy Capital Structure



Source: MINT, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	164,224	174,098	182,268	190,197
EBITDA	42,684	43,239	45,289	47,050
Deprec. & amort.	21,448	21,424	22,276	22,921
EBIT	21,236	21,815	23,013	24,129
Total other non-operating income	(581)	3	3	3
Associate contributions	1,047	847	932	1,025
Net interest income/(expense)	(10,510)	(8,546)	(7,484)	(6,990)
Pre-tax profit	11,192	14,119	16,464	18,168
Tax	(2,591)	(4,247)	(4,970)	(5,486)
Minorities	(852)	(494)	(575)	(634)
Net profit	7,750	9,378	10,919	12,048
Net profit (adj.)	8,391	9,378	10,919	12,048

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	26,906	35,290	34,154	35,948
Pre-tax profit	11,192	14,119	16,464	18,168
Tax	(2,591)	(4,247)	(4,970)	(5,486)
Deprec. & amort.	21,448	21,424	22,276	22,921
Working capital changes	(1,047)	(847)	(932)	(1,025)
Non-cash items	3,614	(3,146)	66	59
Other operating cashflows	(4,276)	4,139	318	286
Investing	(1,435)	3,847	932	1,025
Capex (growth)	(15,352)	(10,758)	(20,321)	(21,794)
Investments	(8,158)	(11,433)	(14,003)	(13,332)
Others	20,770	21,109	21,481	21,891
Financing	(27,964)	(20,434)	(27,799)	(30,353)
Dividend payments	(12,494)	(8,396)	(15,751)	(9,345)
Issue of shares	(2,738)	(3,227)	(4,220)	(4,914)
Proceeds from borrowings	(18,217)	(14,169)	(11,531)	(4,431)
Others/interest paid	8,460	9,000	0	0
Net cash inflow (outflow)	(941)	16,135	(1,918)	4,810
Beginning cash & cash equivalent	14,260	13,319	29,454	27,536
Ending cash & cash equivalent	13,319	29,454	27,536	32,346

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	272,061	258,070	256,797	256,208
Other LT assets	33,496	37,243	38,432	39,576
Cash/ST investment	13,319	29,454	27,536	32,346
Other current assets	27,969	33,335	35,022	36,538
Total assets	346,845	358,103	357,787	364,668
ST debt	27,200	28,231	32,931	44,431
Other current liabilities	34,562	40,923	42,993	44,855
LT debt	150,925	135,725	119,494	103,563
Other LT liabilities	35,021	36,983	38,854	40,537
Shareholders' equity	87,834	102,509	109,207	116,342
Minority interest	11,303	13,732	14,307	14,941
Total liabilities & equity	346,845	358,103	357,787	364,668

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	26.0	24.8	24.8	24.7
Pre-tax margin	6.8	8.1	9.0	9.6
Net margin	4.7	5.4	6.0	6.3
ROA	2.2	2.7	3.1	3.3
ROE	9.4	9.9	10.3	10.7
Growth				
Turnover	7.7	6.0	4.7	4.4
EBITDA	2.4	1.3	4.7	3.9
Pre-tax profit	16.7	26.1	16.6	10.4
Net profit	43.3	21.0	16.4	10.3
Net profit (adj.)	17.6	11.8	16.4	10.3
EPS	13.7	11.8	10.1	10.3
Leverage				
Debt to total capital	64.2	58.5	55.2	53.0
Debt to equity	202.8	159.9	139.6	127.2
Net debt/(cash) to equity	187.6	131.2	114.4	99.4
Interest cover (x)	4.1	5.1	6.1	6.7

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