

Minor International Public Co Ltd (MINT TB) – BUY

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Analyst Meeting**Positive view from analyst meeting**

- **Strong hotel business**
- **Improving food business**
- **Plan to issue REIT to lower leverage**
- **Maintain BUY on MINT**

After attending MINT's analyst meeting, we still have positive view on MINT. Its hotel business in Europe and Asia continues to grow in 4Q24, and its food business in Thailand, Australia, and China is also showing an improving trend. Looking into 2025, MINT expects at least 5% growth in RevPAR across its entire hotel portfolio. On the balance sheet side, MINT plans to sell its accounts receivable to third parties by the end of this year and issue REITs worth US\$1.5bn over the next 12-18 months in order to repay debt and minimize exposure to non-core FX gains (losses) from marked-to-market derivatives. We maintain our BUY rating on MINT.

Hotel business

- As of the end of 3Q24, MINT operated 561 hotels with a total of 81,430 rooms, 31% of which follow an asset-light model. MINT aims to reach 120,264 rooms by 2026, with a focus on expanding its asset light (over 50%).
- In October 2024, hotel's RevPar in Thailand grew by 9-10% (on the book in 4Q24 at double digit rate), hotel's RevPar in Europe grew by 4-5% (on the book in 4Q24 at high single digit rate).
- MINT still targets to rebrand its hotels by upgrading to higher-tier brands in 2024-25, attract a wider customer base and implementing cross-selling strategies and enhance brand websites and booking platforms in order to increase the group's ARR and customers.

Food business

- Food business has some improvement due to new menus and rising marketing campaign in Thailand, new store design in Australia, new brand launch in China to capture lower-tier segment.
- Total system sales growth (TSSG) in October 2024 was +4% in Thailand, flat in Australia, and negative at a single-digit rate in China (compared to -21% y-y in 3Q24).
- MINT targets expanding its total food outlets from 2,661 outlets in 3Q24 (with a 48% franchise-to-52% owned ratio) to 3,700 outlets by 2026 (with a 49% franchise-to-51% owned ratio).

Capex and funding

- MINT targets to spend Bt8-11bn p.a. for its investment in 2024-26.
- MINT's net debt-to-equity (D/E) ratio was 0.98x at the end of 3Q24. The ratio is targeted to decrease to c. 0.8x by the end of this year. MINT plans to sell its accounts receivable to third parties by year-end in order to repay debt and reduce its net gearing.

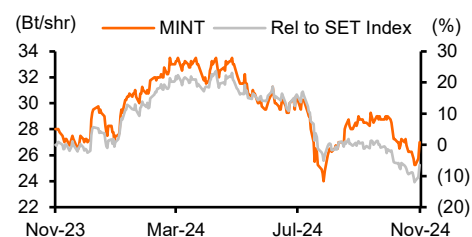
Key Valuations

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Revenue	149,196	161,565	164,246	172,992
Net profit	5,407	7,764	9,386	10,877
Norm net profit	7,132	8,272	9,386	10,877
Norm EPS (Bt)	1.0	1.2	1.4	1.6
Norm EPS gr (%)	790.9	14.0	16.7	19.4
Norm PE (x)	26.4	23.2	19.9	16.7
EV/EBITDA (x)	6.1	6.1	5.7	5.4
P/BV (x)	2.0	1.9	1.8	1.7
Div. yield (%)	2.1	1.6	2.0	2.4
ROE (%)	9.7	10.4	11.2	12.3
Net D/E (%)	101.6	98.4	84.1	70.4

Source: Thanachart estimates

Stock Data

Closing price (Bt)	27.0
Target price (Bt)	44.0
Market cap (US\$ m)	4,429.3
Avg daily turnover (US\$ m)	13.7
12M H/L price (Bt)	33.50/24.00

Price Performance

Source: Bloomberg

- MINT also plans to issue REITs worth US\$1.5bn over the next 12-18 months in order to repay debt and minimize exposure to non-core foreign exchange gains (or losses) from marked-to-market derivatives. MINT will hold 50% of the REITs, while the remaining portion will be held by institutional and retail investors. The REITs may be listed on the Thai equity market or the Singapore market. The assets sold to the REITs may include hotels in the Maldives and Thailand. The net proceeds of US\$700m will be used to repay debt, with the remainder reinvested in other assets, divided roughly equally. After the asset sales, MINT will manage the assets in the REITs. MINT's management has stated that this deal will be accretive. We have not yet factored in the REITs in our projection.

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