

Minor International (MINT TB)

Soft Core Growth Expected In 3Q26 Due To Margin Weakness

Highlights

- MINT is expected to report a weak core profit of Bt2.85b in 3Q26 (+2.9% yoy, -18.9% qoq), mainly pressured by several costs.
- We will closely monitor the progress of its asset rotation plan which is a backup plan to the postponed REIT launch.
- We remain cautious on MINT as the interest expense remains high and the forward bookings are still not very promising in 4Q26. Maintain HOLD with a target price of Bt19.50 (previously Bt24.00).

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)	9M25	9M26F	yoy (%)
Total revenue	40,362	43,335	42,405	5.1	(2.1)	118,013	123,086	4.3
Operating EBITDA	11,628	12,538	11,195	(3.7)	(10.7)	33,150	31,105	(6.2)
Core profit	2,768	3,513	2,848	2.9	(18.9)	6,229	6,506	4.4
Net profit	2,553	3,308	2,848	11.5	(13.9)	6,056	6,805	12.4
EPS (Bt)	0.45	0.58	0.50	11.5	(13.9)	1.07	1.20	12.4
(%)	3Q25	2Q26	3Q26F	yoy (ppt)	qoq (ppt)	9M25	9M26F	yoy (ppt)
Gross margin	43.3	45.3	41.9	(1.4)	(3.4)	28.3	30.4	2.1
SG&A to sales	30.0	30.6	30.0	0.0	(0.6)	22.1	21.1	(1.0)
EBITDA margin	28.8	28.9	26.4	(2.4)	(2.5)	28.1	25.3	(2.8)
Core profit margin	6.9	8.1	6.7	(0.1)	(1.4)	5.3	5.3	0.0
Net profit margin	6.3	7.6	6.7	0.4	(0.9)	18.1	18.2	0.1

Source: MINT, UOB Kay Hian

Analysis

- We expect a soft yoy core profit growth in 3Q26.** Minor International (MINT) is forecast to report a core profit of Bt2.85b in 3Q26 (+2.9% yoy, -18.9% qoq). There are no notable extra items, thus its net profit should be at the same level at Bt2.85b (+11.5% yoy, -13.9% qoq). Top-line should come in at Bt42.4b (+5.1% yoy, -2.1% qoq). The overall RevPar from MINT's hotels is expected to show a strong yoy growth of 8%. RevPar in Europe grew 7% yoy in euros and RevPar in Thailand rose 16% yoy, driven by the increased room rate after the renovation. Interest expense in 3Q26 should increase yoy and also slightly qoq from the new syndicated loan. We project that gross margins will significantly decline yoy as MINT will be facing cost pressure from hotel business due to indirect impact of surging energy costs. Costs such as labour, leases, packaging and plastics are the key pressures.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	164,224	165,936	173,871	182,220	190,979
EBITDA	42,684	44,396	41,481	43,842	45,907
Operating profit	21,236	22,844	22,255	24,232	25,909
Net profit (rep./act.)	7,750	9,009	9,633	10,315	11,202
Net profit (adj.)	8,391	9,699	9,633	10,315	11,202
EPS (Bt)	1.5	1.7	1.6	1.7	1.9
PE (x)	13.9	12.0	12.8	11.9	11.0
P/B (x)	1.3	1.3	1.2	1.1	1.0
EV/EBITDA (x)	6.6	6.3	6.8	6.4	6.1
Dividend yield (%)	2.8	3.2	3.5	3.7	4.0
Net margin (%)	4.7	5.4	5.5	5.7	5.9
Net debt/(cash) to equity (%)	187.6	195.3	159.8	142.2	123.4
Interest cover (x)	4.1	5.0	5.0	4.7	4.8
ROE (%)	9.4	10.2	10.3	10.2	10.4
Consensus net profit (Btm)	-	-	9,754	10,763	11,704
UOBKH/Consensus (x)	-	-	0.99	0.96	0.96

Source: Minor International, Bloomberg, UOB Kay Hian

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HOLD (Maintained)

Share Price	Bt20.50
Target Price	Bt19.50
Upside	-4.9%
Previous TP	Bt24.00

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MINT TB
Shares issued (m)	5,624.6
Market cap (Btm)	115,303.8
Market cap (US\$m)	3,418.1
3-mth avg daily t'over (US\$m)	17.2

Price Performance (%)

52-week high/low				Bt27.00/Bt19.60
1mth	3mth	6mth	1yr	YTD
(5.1)	(10.9)	(5.1)	(8.9)	(15.6)

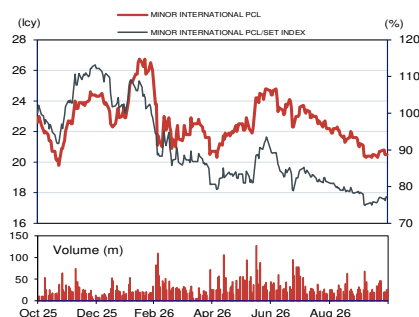
Major Shareholders (%)

Minor Group & Heinecke Family	34.0
Foreign Fund	27.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	17.29
FY26 Net Debt/ Share (Bt)	27.62

Price Chart



Source: Bloomberg

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.

- Backup plan for the REIT still in progress.** MINT has postponed its REIT launch, initially planned for 2H26, due to weak demand and unfavourable market conditions. We view the delay as a significant negative to MINT's earnings outlook, as it limits the company's ability to deleverage meaningfully in the near term. Net IBD/E rose from 0.88x at end-1Q26 to 1.10x in 2Q26, following the conversion of slightly over Bt10b in perpetual bonds into long-term debt. This will add approximately Bt300m in annual interest expenses, weighing on earnings growth. Currently, MINT is actively negotiating the sale of three of its hotels in Europe and aims to sign back management contracts for them. Once the transaction is completed, the proceeds are expected to be prioritised for repaying the loans. The deal is planned to be concluded between 4Q26 and 1Q27.
- On-the-book bookings in 4Q26 remain fairly weak.** Despite large events such as the IMF World Bank Meeting and Tomorrowland Pattaya that will attract tourists to Thailand, on-the-book bookings of Thailand in 4Q26 remain weak at low-to-mid single-digit yoy growth in RevPar. We expected the RevPar growth to be stronger than this given that its hotels in Thailand have just completed renovations and operate on an elevated room rate level. Meanwhile, the bookings in Europe and Maldives are showing low-to-mid single-digit yoy growth and a slight yoy decline in RevPar respectively. In our view, the current bookings still indicate weak demand and do not reflect a strong outlook for 4Q26.
- Interest rates are unlikely to decline further.** Management expects the interest rate, which stood at 4.1% in 2Q26, to remain stable for the rest of 2026, with a slight increase possible in 2027, mainly reflecting interest rate trends in Europe. We view this outlook as negative for MINT, as its debt level is likely to remain elevated following the postponement of its REIT launch. MINT's earnings growth is already constrained by its high interest burden, and unlike other hotel operators, it is unlikely to benefit from further reductions in financing costs.

Valuation/Recommendation

- Maintain HOLD with a target price of Bt19.50 (previously Bt24.00).** Our valuation is rolled over to 2027 EV/EBITDA multiple at 6.0x, 2SD below the five-year mean. We remain cautious on MINT, as stable interest rates and the postponement of its REIT launch are likely to weigh on earnings growth. Meanwhile, the progress of asset rotation remains to be observed.

Environment, Social, Governance (ESG) Updates

Environmental

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

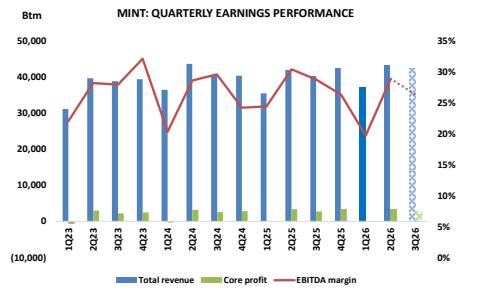
Social

- Strict occupational health and safety guidelines.** Ensures supplier compliance with the safety guidelines.

Governance

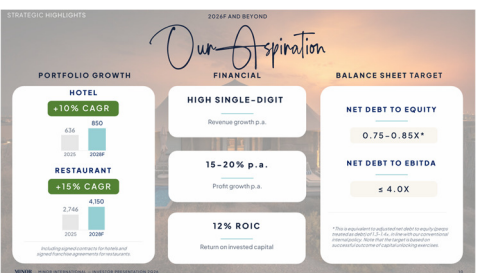
- CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, and applicable laws.

Quarterly Performance



Source: MINT, UOB Kay Hian

Growth Target



Source: MINT

Debt Profile



Source: MINT

Margins Target



Source: MINT

Key 3Q26 Operational Statistics

Hotel Stats	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)
Occupancy rate (%)	72%	73%	73%	1.0 ppt	0.0 ppt
ADR (Bt/night)	5,947	6,489	6,304	6.0%	-2.9%
RevPar (Bt/night)	4,259	4,743	4,600	8.0%	-3.0%
Food Stats	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)
SSSG - Portfolio	-0.8%	-0.3%	1.6%	+ 2.4 ppts	+ 1.9 ppts
SSSG - Thailand	-0.1%	1.6%	4.3%	+ 4.4 ppts	+ 2.7 ppts
SSSG - China	0.2%	7.7%	2.1%	+ 1.9 ppts	-5.6 ppts
SSSG - Australia	1.5%	-3.7%	-2.1%	-3.6 ppts	+ 1.6 ppts

Source: MINT, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	165,936	173,871	182,220	190,979
EBITDA	44,396	41,481	43,842	45,907
Deprec. & amort.	21,553	19,226	19,610	19,998
EBIT	22,844	22,255	24,232	25,909
Total other non-op. income	(2,242)	3	3	3
Associate contributions	1,436	932	1,025	1,127
Net interest income/(expense)	(8,817)	(8,231)	(9,255)	(9,664)
Pre-tax profit	13,221	14,959	16,005	17,375
Tax	(3,381)	(4,489)	(4,794)	(5,199)
Minorities	(830)	(838)	(897)	(974)
Net profit	9,009	9,633	10,315	11,202
Net profit (adj.)	9,699	9,633	10,315	11,202

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	34,563	30,304	31,318	32,702
Pre-tax profit	13,221	14,959	16,005	17,375
Tax	(3,381)	(4,489)	(4,794)	(5,199)
Deprec. & amort.	21,553	19,226	19,610	19,998
Associates	(1,436)	(932)	(1,025)	(1,127)
Working capital changes	(1,485)	184	150	160
Non-cash items	4,656	424	346	368
Other operating cashflows	1,436	932	1,025	1,127
Investing	(36,141)	(8,826)	(18,981)	(17,294)
Capex (growth)	(36,620)	(6,201)	(19,818)	(18,168)
Investment	22,501	22,449	22,859	23,310
Others	(22,022)	(25,075)	(22,023)	(22,436)
Financing	(2,145)	4,887	4,523	(332)
Dividend payments	(3,227)	(3,685)	(4,046)	(4,332)
Proceeds from borrowings	5,846	8,572	8,569	4,000
Others/interest paid	(4,764)	-	-	-
Net cash inflow (outflow)	(3,722)	26,365	16,860	15,076
Beginning cash & cash equiv.	13,319	9,596	35,961	52,822
Ending cash & cash equiv.	9,596	35,961	52,822	67,898

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	283,129	277,104	277,311	275,481
Other LT assets	36,208	37,009	38,116	39,309
Cash/ST investment	9,596	35,961	52,822	67,898
Other current assets	28,397	30,165	31,609	33,144
Total assets	357,330	380,239	399,858	415,832
ST debt	24,346	37,149	53,649	63,649
Other current liabilities	38,162	40,537	42,478	44,542
LT debt	159,625	155,394	147,463	141,463
Other LT liabilities	38,211	40,590	42,534	44,600
Shareholders' equity	89,270	98,014	104,283	111,153
Minority interest	7,716	8,553	9,450	10,424
Total liabilities & equity	357,330	380,238	399,858	415,831

Key Metric

Year to 31 Dec (\$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.8	23.9	24.1	24.0
Pre-tax margin	8.0	8.6	8.8	9.1
Net margin	5.4	5.5	5.7	5.9
ROA	2.6	2.6	2.6	2.7
ROE	10.2	10.3	10.2	10.4
Growth (% yoy)				
Turnover	1.0	4.8	4.8	4.8
EBITDA	4.0	(6.6)	5.7	4.7
Pre-tax profit	18.1	13.1	7.0	8.6
Net profit	16.2	6.9	7.1	8.6
Net profit (adj.)	15.6	(0.7)	7.1	8.6
EPS	15.6	(6.1)	7.1	8.6
Leverage				
Debt to total capital	65.5	64.4	63.9	62.8
Debt to equity	206.1	196.4	192.9	184.5
Net debt/(cash) to equity	195.3	159.8	142.2	123.4
Interest cover (x)	5.0	5.0	4.7	4.8

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