

MINOR INTERNATIONAL PLC

No. 5/2022
13 January 2022

CORPORATES

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|------------------------|----------|
| Company Rating: | A |
| Issue Ratings: | |
| Senior unsecured | A |
| Hybrid | BBB+ |
| Outlook: | Negative |

Last Review Date: 11/06/21

Company Rating History:

| Date | Rating | Outlook/Alert |
|----------|--------|------------------|
| 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 affirms the company rating on Minor International PLC (MINT) and the ratings on its existing senior unsecured debentures at “A”, and the rating on its subordinated capital debentures (hybrid debentures, MINT18PA) at “BBB+”. At the same time, we assign the rating of “A” to MINT’s proposed issue of up to THB8 billion and an additional greenshoe portion of up to THB2 billion in senior unsecured debentures. The proceeds from the new debentures will be used to refinance its maturing debt.

The ratings continue to reflect MINT's strong business fundamentals, supported by its strong portfolio of brands and wide geographic coverage in the hospitality and restaurant businesses. The ratings also take into consideration MINT’s prudent liquidity management. This should enable the company to weather operating headwinds and uncertainties ahead as business recovery continues.

For the first nine months of 2021, MINT’s financial performance remained in line with our base-case forecast, reporting revenue of THB47.9 billion and earnings before interest, taxes, depreciation, and amortization (EBITDA) of THB7.8 billion. With effective cost control and an improved operating environment towards the end of 2021, we expect the company to achieve our full-year EBITDA forecast at THB11-THB12 billion.

MINT’s credit metrics remain under pressure from the Coronavirus Disease 2019 (COVID-19) fallout. However, we expect its operating performance to continue its recovery trend into 2022 despite threat of potential hiccups along the way. With its active balance sheet management and asset rotation plan, we maintain our view that MINT’s leverage will gradually improve with the ratio of adjusted debt to EBITDA falling below 7 times by 2023.

RATING OUTLOOK

The “negative” outlook reflects the uncertainty surrounding the evolving COVID-19 situation and threat of potential setbacks in MINT’s recovery path.

RATING SENSITIVITIES

A rating downgrade could occur if the COVID-19 crisis gets worse, hurting MINT’s recovery prospects, or if MINT’s liquidity position materially deteriorates. The outlook could be revised to “stable” if the COVID-19 situation continues to improve leading toward social and economic normality, and MINT demonstrates clear signs of operating recovery and a sustainable path to restore its credit metrics.

RELATED CRITERIA

- Key Financial Ratio and Adjustments for Corporate Issuers, 11 January 2022
- Hybrid Securities Rating Criteria, 28 June 2021
- Issue Rating Criteria, 15 June 2021
- Rating Methodology – Corporate, 26 July 2019

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.

Minor International PLC (MINT)

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|-------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Company Rating: | A |
| Issue Ratings: | |
| MINT223A: THB4,079.70 million senior unsecured debentures due 2022 | A |
| MINT223B: THB3,620.30 million senior unsecured debentures due 2022 | A |
| MINT228A: THB2,700.00 million senior unsecured debentures due 2022 | A |
| 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 |
| MINT257A: THB3,440.00 million senior unsecured debentures due 2025 | 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 |
| MINT18PA: THB15,000.00 million subordinated capital debentures | BBB+ |
| Up to THB8,000.00 million senior unsecured debentures and additional greenshoe portion of up to THB2,000.00 million due within 5 years | A |
| Rating Outlook: | Negative |

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