

MINOR INTERNATIONAL PLC

No. 2/2018
11 June 2018

CORPORATES

Company Rating:	A+
Issue Ratings:	
Senior unsecured	A+
CreditAlert:	Negative

Company Rating History:

Date	Rating	Outlook/Alert
28/04/14	A+	Stable
21/02/07	A	Stable
12/07/04	A-	Stable
05/06/03	A-	Alert Negative
30/07/02	A-	Stable

Contacts:

Chanaporn Pinphithak

chanaporn@trising.com

Pramuansap Phonprasert

pramuansap@trising.com

Wajee Pitakpaibulkij

wajee@trising.com

Thiti Karoonyanont, Ph. D., CFA

thiti@trising.com



WWW.TRISING.COM

RATIONALE

TRIS Rating places the “A+” company rating and issue ratings of Minor International PLC (MINT) on CreditAlert with a “negative” implication. The alert follows the announcement that MINT will purchase a sizeable stake in NH Hotel Group SA (NHH). NHH is the sixth-largest European hotel chain, operating 382 hotels with 59,350 rooms in 30 markets, mainly in Europe. NHH is listed on the Madrid Stock Exchange.

MINT announced on 6 June 2018 that it will purchase 65,850,000 shares of NHH, equivalent to 16.8% of the equity (on a fully diluted basis). The transaction is valued at EUR421 million or approximately Bt15.9 billion. The share purchase will be funded by a bridge loan from banks. Prior to this transaction, MINT had acquired a 9.4% equity stake (on a fully diluted basis) in NHH worth Bt8.1 billion in May 2018. MINT also plans to buy an additional 8.4% stake (on a fully diluted basis) in September 2018, and launch a takeover bid in late 2018 to purchase all of the remaining shares of NHH. The planned September purchase and the takeover bid are subject to shareholder approval and the ability of the company to secure sufficient funding.

Given the size of NHH’s operation, the acquisition will mean a giant step in MINT’s geographical expansion of its hospitality business into the European market, which will have a profound effect on its growth prospects. However, the planned debt financing to fund the acquisition will push up MINT’s financial leverage and weaken its financial risk profile. The “negative” alert reflects TRIS Rating’s view on the prospective weakened financial risk profile of MINT as a result of the acquisition. TRIS Rating will resolve the CreditAlert once further information and details of the transactions are available for thorough assessment.

Minor International PLC (MINT)

Company Rating:	A+
Issue Ratings:	
MINT180A: Bt500 million senior unsecured debentures due 2018	A+
MINT193A: Bt4,500 million senior unsecured debentures due 2019	A+
MINT205A: Bt4,000 million senior unsecured debentures due 2020	A+
MINT213A: Bt2,800 million senior unsecured debentures due 2021	A+
MINT210A: Bt300 million senior unsecured debentures due 2021	A+
MINT228A: Bt2,700 million senior unsecured debentures due 2022	A+
MINT249A: Bt1,000 million senior unsecured debentures due 2024	A+
MINT255A: Bt4,000 million senior unsecured debentures due 2025	A+
MINT283A: Bt1,000 million senior unsecured debentures due 2028	A+
MINT313A: Bt1,200 million senior unsecured debentures due 2031	A+
MINT329A: Bt1,000 million senior unsecured debentures due 2032	A+
CREDITALERT:	Negative

TRIS Rating Co., Ltd.

Silom Complex Building, 24th Floor, 191 Silom Road, Bangkok 10500, Thailand Tel: 0-2098-3000

© Copyright 2018, TRIS Rating Co., Ltd. All rights reserved. Any unauthorized use, disclosure, copying, republication, further transmission, dissemination, redistribution or storing for subsequent use for any purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person, of the credit rating reports or information is prohibited, without the prior written permission of TRIS Rating Co., Ltd. The credit rating is not a statement of fact or a recommendation to buy, sell or hold any debt instruments. It is an expression of opinion regarding credit risks for that instrument or particular company. The opinion expressed in the credit rating does not represent investment or other advice and should therefore not be construed as such. Any rating and information contained in any report written or published by TRIS Rating has been prepared without taking into account any recipient's particular financial needs, circumstances, knowledge and objectives. Therefore, a recipient should assess the appropriateness of such information before making an investment decision based on this information. Information used for the rating has been obtained by TRIS Rating from the company and other sources believed to be reliable. Therefore, TRIS Rating does not guarantee the accuracy, adequacy, or completeness of any such information and will accept no liability for any loss or damage arising from any inaccuracy, inadequacy or incompleteness. Also, TRIS Rating is not responsible for any errors or omissions, the result obtained from, or any actions taken in reliance upon such information. All methodologies used can be found at www.trisrating.com/rating-information/rating-criteria