

# MINOR INTERNATIONAL PLC

No. 5/2020  
27 March 2020

## CORPORATES

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

Last Review Date: 23/08/19

### Company Rating History:

Date	Rating	Outlook/Alert
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 places CreditAlert with a “negative” implication on the company rating on Minor International PLC (MINT) and all issue ratings on its outstanding debt and hybrid issues. The CreditAlert reflects our view of a potential material deterioration in the company’s financial profile, as the company’s businesses are impacted by the fallout from the coronavirus (COVID-19) pandemic.

The impact of the pandemic on MINT’s hotel operation worldwide is immediately felt as authorities in most parts of the world impose travel bans and movement restrictions, in an attempt to contain the spread of the virus. Although there are clear signs of the severity of the impact, it is hard to gauge the depth of the impact at this moment as the situation is still evolving at a fast pace with no signs of when the pandemic could be largely contained.

In 2019, MINT reported Bt123.4 billion in revenue. Hotel and mixed-use business contributed 76% of the total; followed by food business, 20%, and lifestyle business, 4%. The travel restrictions imposed in many countries have resulted in the closure of MINT’s hotels in its key markets, e.g., Spain and Italy. Further containment measures will likely be implemented in several countries which are expected to result in more hotel closures in the coming weeks. For the food business, despite the periodic closures of restaurants in China and some closures in Thailand and Australia, its takeaway and delivery platform is expected to partly alleviate the impact.

We expect a sharp drop in MINT’s revenues in 2020. The company’s proactive cost cutting measures could alleviate the fallout from the severe revenue losses. The degree of deterioration in MINT’s financial profile will depend on the length of business disruption and how soon a recovery may possibly start.

We expect MINT to cautiously manage its liquidity and preserve cash for distress scenarios. MINT reported that it had Bt13 billion cash on hands at the end of December 2019 and credit facilities of Bt38 billion. Additionally, NH Hotel Group has a revolving credit facility of EUR250 million. These liquidity sources should meet its liquidity needs in the coming months. However, a prolonged period of earnings distress will narrow the headroom for the financial covenant of debt to equity ratio of below 1.75 times (the ratio was 1.31 times in 2019).

TRIS Rating could revise the rating/outlook downward if the pandemic situation evolves in a way that leads us to believe the hotel industry is unlikely to begin recovering by the third quarter of 2020. We could also lower the rating if the liquidity of MINT gets depleted faster than we expect.

## RELATED CRITERIA

- Rating Methodology – Corporate, 26 July 2019
- Hybrid Securities Rating Criteria, 12 September 2018
- Key Financial Ratios and Adjustments, 5 September 2018

**Minor International PLC (MINT)**

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
MINT205A: Bt4,000.00 million senior unsecured debentures due 2020	A
MINT213A: Bt2,800.00 million senior unsecured debentures due 2021	A
MINT213B: Bt480.90 million senior unsecured debentures due 2021	A
MINT213C: Bt1,019.10 million senior unsecured debentures due 2021	A
MINT210A: Bt300.00 million senior unsecured debentures due 2021	A
MINT223A: Bt4,079.70 million senior unsecured debentures due 2022	A
MINT223B: Bt3,620.30 million senior unsecured debentures due 2022	A
MINT228A: Bt2,700.00 million senior unsecured debentures due 2022	A
MINT243A: Bt4,635.00 million senior unsecured debentures due 2024	A
MINT243B: Bt2,165.00 million senior unsecured debentures due 2024	A
MINT249A: Bt1,000.00 million senior unsecured debentures due 2024	A
MINT255A: Bt4,000.00 million senior unsecured debentures due 2025	A
MINT283A: Bt1,000.00 million senior unsecured debentures due 2028	A
MINT293A: Bt1,815.40 million senior unsecured debentures due 2029	A
MINT293B: Bt5,684.60 million senior unsecured debentures due 2029	A
MINT313A: Bt1,200.00 million senior unsecured debentures due 2031	A
MINT313B: Bt1,570.00 million senior unsecured debentures due 2031	A
MINT313C: Bt2,430.00 million senior unsecured debentures due 2031	A
MINT329A: Bt1,000.00 million senior unsecured debentures due 2032	A
MINT343A: Bt3,070.00 million senior unsecured debentures due 2034	A
MINT343B: Bt2,430.00 million senior unsecured debentures due 2034	A
MINT18PA: Bt15,000.00 million subordinated capital debentures	BBB+
Up to Bt13,000 million senior unsecured debentures due within 15 years	A
<b>CREDIT ALERT:</b>	Negative

**TRIS Rating Co., Ltd.**

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