Minor International (MINT TB)

REIT Deferred, 2Q26 Core Earnings Growth Should Be Soft

HOLD (Downgraded)

Share Price	Bt22.30
Target Price	Bt24.00
Upside	+7.6%
Previous TP	Bt38.00

Highlights

- We expect MINT report a core profit of Bt3.55b (+4.0% yoy, +2,346.7% qoq), showing a soft yoy growth.
- MINT has decided to postpone its REIT launch, which will be negative to its earnings outlook given the increasing interest burden from the new loan.
- We are less optimistic on MINT as its growth target is likely to be missed due to weak performance in 1H26 and the negative impact of the REIT postponement. Downgrade to HOLD with a target price of Bt24.00.

2Q26 Earnings Preview

(Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)	1H25	1H26F	yoy (%)
Total revenue	42,083	37,346	42,821	1.8	14.7	77,651	80,168	3.2
Operating EBITDA	12,823	7,372	12,495	(2.6)	69.5	21,522	19,867	(7.7)
Core profit	3,411	145	3,548	4.0	2,346.7	3,461	3,693	6.7
Net profit	3,086	649	3,548	15.0	446.8	3,502	4,197	19.8
EPS (Bt)	0.54	0.12	0.63	15.0	443.3	0.62	0.74	19.8
(%)	2Q25	1Q26	2Q26	yoy (ppts)	qoq (ppts)	1H25	1H26F	yoy (ppts)
Gross margin	45.0	40.3	45.0	0.1	4.7	43.0	42.8	(0.2)
SG&A to sales	31.6	35.7	31.4	(0.2)	(4.3)	33.6	33.4	(0.2)
EBITDA margin	30.5	19.7	29.2	(1.3)	9.4	27.7	24.8	(2.9)
Core profit margin	8.1	0.4	8.3	0.2	7.9	4.5	4.6	0.1
Net profit margin	7.3	1.7	8.3	1.0	6.5	10.5	12.2	1.7

Source: MINT, UOB Kay Hian

Analysis

- **Expect a soft yoy core profit growth in 2Q26.** Minor International (MINT) is likely to report a core profit of Bt3.55b in 2Q26 (+4.0% yoy, +2,346.7% qoq). With no notable extra items, its net profit is forecast at Bt3.55b (+15.0% yoy, +446.8% qoq). Top-line should come in at Bt42.8b (+1.8% yoy, +14.7% qoq). The overall RevPar from MINT's hotels is projected to be flattish yoy at +1%, impacted by the war. RevPar in Europe grew 4% yoy in euros and RevPar in Thailand also rose 3% yoy, mainly due to higher room rates. Interest expense in 2Q26 should increase yoy and qoq as the perpetual bond was converted into a syndicated loan in Apr 26. We expect the margins to slightly decline yoy as MINT will be facing cost pressure especially in the food business, as packaging and logistics costs are rising.

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)	14.6	12.6	13.9	13.0	11.9
P/B (x)	1.4	1.2	1.3	1.2	1.1
EV/EBITDA (x)	6.1	5.9	7.0	6.6	6.3
Dividend yield (%)	2.6	3.3	3.2	3.4	3.7
Net margin (%)	4.7	5.4	5.5	5.7	5.9
Net debt/(cash) to equity (%)	187.6	133.5	159.8	142.2	123.4
Interest cover (x)	4.1	5.0	5.0	4.7	4.8
ROE (%)	9.4	9.5	10.3	10.2	10.4
Consensus net profit (Btm)	-	-	9,912	10,958	12,187
UOBKH/Consensus (x)	-	-	0.97	0.94	0.92

Source: Minor International, Bloomberg, UOB Kay Hian

Analyst(s)
Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkh.co.th
Assistant Analyst(s)
Nonpawit Vathanadachakul

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker:	MINT TB
Shares issued (m):	5,624.6
Market cap (Btm):	125,428.0
Market cap (US$m):	3,708.4
3-mth avg daily t'over (US$m):	27.0

Price Performance (%)

52-week high/low Bt27.00/Bt19.60

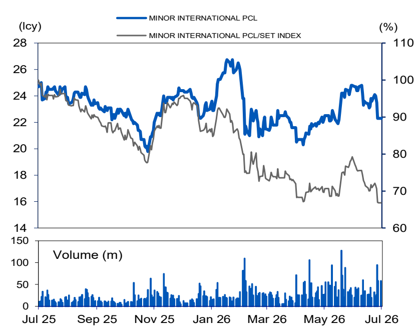
1mth	3mth	6mth	1yr	YTD
(7.5)	3.2	(4.3)	(9.3)	(8.2)

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.

2Q26 Statistics Preview

Hotel Stats	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)
Occupancy rate (%)	72%	64%	71%	-1.0 ppt	7.0 ppt
ADR (Bt/night)	6,374	5,565	6,501	2.0%	16.8%
RevPar (Bt/night)	4,605	3,584	4,651	1.0%	29.8%
Food Stats	**2Q25**	**1Q26**	**2Q26F**	**yoy (%)**	**qoq (%)**
SSSG - Portfolio	-1.7%	-0.8%	-0.3%	+ 1.4 ppts	+ 0.5 ppts
SSSG - Thailand	-2.9%	0.0%	1.6%	+ 4.5 ppts	+ 1.6 ppts
SSSG - China	-7.2%	8.6%	7.7%	+ 14.9 ppts	-0.9 ppts
SSSS - Australia	3.2%	-1.4%	-3.7%	-6.9 ppts	-2.3 ppts

Source: MINT, UOB Kay Hian

- **REIT postponement imposes a greater interest burden on earnings.** MINT has decided to defer its REIT, which was scheduled to be launched in 2H26, due to poor demand and weakened market conditions. We see this as a significant negative factor to MINT's earnings outlook as it will not be able to substantially reduce its leverage ratio. MINT's net IBD/E stood at 0.88x at end-1Q26 and could shoot up significantly in 2Q26, as the perpetual bond was converted into a long-term loan of slightly more than Bt10b. MINT will need to bear the interest burden of this long-term loan, amounting to around Bt300m per year, which will be a significant headwind to its earnings growth. The REIT still remains in MINT's pipeline and will be revisited once market conditions improve. Meanwhile, MINT will focus on the food IPO and asset rotation, but the food IPO remains uncertain and is not factored into our assumptions.

Earnings Revision/Risk

- **We revise down our 2026-28 net profit forecasts.** We revise our 2026-28 net profit forecasts down by 12%, 14%, and 17% respectively to account for the additional interest expense and weakened earnings growth outlook.

Earnings Revision

	2026F			2027F			2028F		
(Bt m)	New	Previous	Change	New	Previous	Change	New	Previous	Change
Total revenue	170,618	179,015	-4.7%	178,788	186,766	-4.3%	187,473	158,224	18.5%
Operating EBITDA	41,481	45,289	-8.4%	43,842	47,050	-6.8%	45,907	46,588	-1.5%
Net profit	9,633	10,919	-11.8%	10,315	12,048	-14.4%	11,202	13,491	-17.0%
	New	Previous	Change	New	Previous	Change	New	Previous	Change
EBITDA margin	24.3%	25.3%	-0.99	24.5%	25.2%	-0.67	24.5%	29.4%	-4.96
Core profit margin	5.6%	6.1%	-0.45	5.8%	6.5%	-0.68	4.0%	8.5%	-4.52
Net profit margin	6.1%	6.4%	-0.28	6.3%	6.8%	-0.52	6.5%	9.0%	-2.48

Source: MINT, UOB Kay Hian

Valuation/Recommendation

- **Downgrade to HOLD with a target price of Bt24.00.** Our valuation is based on 2026 EV/EBITDA multiple at 7.0x, 1SD below the three-year mean. We are less optimistic on MINT as the deferral of its REIT launch and higher interest expense are likely to hamper earnings growth, making its growth target unlikely to be achieved.

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.

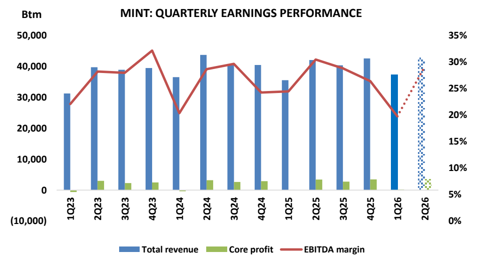
Social

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

Governance

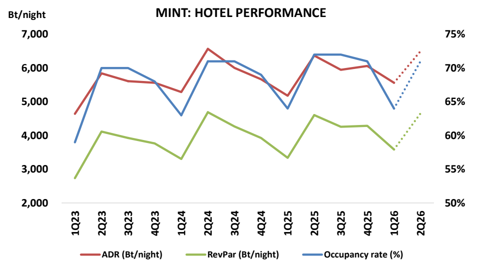
- **CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, and applicable laws.

Quarterly Performance



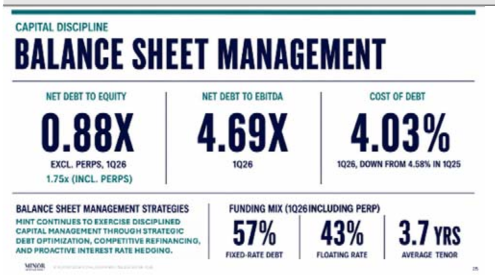
Source: MINT, UOB Kay Hian

Hotel Performance



Source: MINT, UOB Kay Hian

Debt Profile



Source: MINT

Growth Target

Source: MINT

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-operating 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

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

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 equivalent	13,319	9,596	35,961	52,822
Ending cash & cash equivalent	9,596	35,961	52,822	67,898

Key Metrics

Year to 31 Dec (%)	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				
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

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at the following link: https://research-api.uobkayhian.com/assets/disclaimer/df64a6ea-7980-447c-ae9e-fd19b93257dc or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."