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Headline: Minor to invest B20bn to expand

Minor to invest B20bn to expand

Emphasis to be on hotels abroad

Minor International Plc (MINT) is undertaking a 20-billion-baht investment programme to expand its hotel and quick-service restaurant businesses.

The company hopes to nearly double its revenue to 50 billion baht over the next five years.

Chaiyapat Paitoon, MINT's vice-president for strategic planning, said over half the five-year budget will be committed to the hotel business.

The company is looking to strengthen its presence in Africa, the Middle East, Asia, Australia and New Zealand.

It will use its Anantara brand when expanding abroad and will also acquire hotel businesses in other countries.

Last year, MINT bought the four-star Oaks chain for 2.5 billion baht. The chain has properties in Australia and New Zealand.

The company's overseas income accounted for a quarter of its total 28 billion baht in revenue in 2011, up from 16% in 2010. By 2016, the contribution is expected to rise to 40%.

The food and hotel businesses each generate 45% of the group's total sales.

Mr Chaiyapat said operating hotel properties under the company's brand name generates higher margins than managing hotels under contract.

However, MINT will continue using the management-contract strategy and will enter into joint ventures, particularly in unfamiliar markets.

Currently, the company has 15 own-brand hotels, 13 joint-venture hotels, nine hotels under management contracts and another 38 properties under the Oaks brand.

Mr Chaiyapat anticipates a good 2012 for the hotel business, with average occupancy rates reaching 70%, up from 65% in 2011.

Meanwhile, the company is confident that the bombings last weekend in southern Thailand will not have a negative impact on its hotel business.

In terms of the food business, MINT expects 12-14% growth this year and plans to add about 120 branches to its current 1,257 outlets.

The company's fast-food brands include The Pizza Company, Swensen's and Sizzler.

MINT is forecasting outlet growth of around 10% each year over the next five years.

PROPORTION OF OVERSEAS INCOME IS EXPECTED TO INCREASE STEADILY

25% in 2011 ➡ 40% in 2016

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