MINOR INTERNATIONAL

February 25, 2022 **Minor International Public Company Limited**

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

4Q21 and 2021 Performance

Summary: Minor International Public Company Limited ("MINT") reported core revenue of Baht 26,632 million in 4Q21, a jump of 89% compared to the same period last year. This was attributable to a strong rebound of hotel business in all geographies from higher travel activities and the low base effect of last year, together with growing operational business of Minor Food.

Core EBITDA in 4Q21 was Baht 8,670 million, turning positive y-y from core EBITDA loss of Baht 51 million in 4Q20. Hotels in Europe, Thailand and the Maldives, as well as residential and lifestyle businesses posted strong EBITDA improvement in the quarter.

As a result of the above, core net profit turned into the black to Baht 1,657 million in 4Q21, compared to core loss of Baht 4,270 million in 4Q20, the first time since the emergence of COVID-19. Notably, Minor Food continued to be profitable in 4Q21 for sixth consecutive quarter while bottom-line of Minor Hotels and Minor Lifestyle bounced back to positive territory in the quarter.

For 2021, MINT's core revenue grew by 28% y-y to Baht 74,463 million, primarily from a recovery of Minor Hotels and Minor Food business units. Given higher sales flow-through, together with continuous cost minimization program, core EBITDA surged at a much larger magnitude, jumping by more than six times y-y. Consequently, core loss improved to Baht 9,314 million in 2021, compared to core loss of Baht 19,389 million in 2020.

Including the non-core items as detailed in the appendix, MINT posted a 91% y-y increase in revenue to Baht 26,958 million in 4Q21 while EBITDA was positive at Baht 3,345 million, compared to EBITDA loss of Baht 1,413 million in the same period of last year. Reported bottom line was at a loss of Baht 1,557 million in 4Q21, improving immensely from a net loss of Baht 5,591 million in 4Q20. For the full year of 2021, MINT's revenue and EBITDA increased by 31% and 20 folds y-y to Baht 76,003 million and Baht 11,114 million, respectively. 2021 reported net loss of Baht 13,167 million was lower than Baht 21,407 million net loss in 2020.

Financial Performance

Bt million	**4Q21**	**4Q20**	**%Chg**
As Reported			
Total Revenue*	26,958	14,096	91
Total EBITDA	3,345	-1,413	-337
EBITDA Margin (%)	**12.4**	**-10.0**	
Total Net Profit	-1,557	-5,591	-72
Net Profit Margin (%)	**-5.8**	**-39.7**	
Core**			
Total Revenue*	26,632	14,128	89
Total EBITDA	8,670	-51	-17,057
EBITDA Margin (%)	**32.6**	**-0.4**	
Total Net Profit	1,657	-4,270	-139
Net Profit Margin (%)	**6.2**	**-30.2**	

	2021	**2020**	**%Chg**
As Reported			
Total Revenue*	76,003	58,232	31
Total EBITDA	11,114	546	1,934
EBITDA Margin (%)	**14.6**	**0.9**	
Total Net Profit	-13,167	-21,407	-38
Net Profit Margin (%)	**-17.3**	**-36.8**	
Core**			
Total Revenue*	74,463	58,118	28
Total EBITDA	16,629	2,600	540
EBITDA Margin (%)	**22.3**	**4.5**	
Total Net Profit	-9,314	-19,389	-52
Net Profit Margin (%)	**-12.5**	**-33.4**	

* Includes share of profit and other income
** Exclude non-core items as detailed in the appendix

Performance Breakdown by Business*

2021	% Core Revenue Contribution	% Core EBITDA Contribution
Hotel & Mixed-use	68	71
Restaurant Services	28	29
Retail trading & Contract Manufacturing	4	1
Total	**100**	**100**

* Exclude non-core items as detailed in the appendix

Restaurant Outlets by Owned Equity and Franchise

	4Q21	Chg q-q	Chg y-y
Owned Equity	1,205	5	14
- Thailand	937	-3	-17
- Overseas	268	8	31
Franchise	1,184	11	5
- Thailand	664	14	33
- Overseas	520	-3	-28
Total Outlets	**2,389**	**16**	**19**

Major Developments in 4Q21

	Developments
Restaurant	• Added 16 outlets, net q-q, majority of which were a result of store opening of Bonchon and Coffee Journey in Thailand, Riverside in China and Thai Express in Singapore, which offset the outlet closure of other brands during the quarter
Hotel & Mixed-Use	• Completed the sale of 40% interests in five assets in Thailand • Opened a total of two hotels q-q - Anantara: One managed hotel in the Middle East - Avani+: One managed hotel in Thailand • Closed 1 hotel q-q - NH Hotels: One leased hotel in Spain • Rebranded a total of 1 hotel q-q: a leased hotel in Austria from NH hotel to NH Collection

Segment Performance

Restaurant Business

At the end of 4Q21, MINT's total restaurants reached 2,389 outlets, comprising of 1,205 equity-owned outlets (50% of total) and 1,184 franchised outlets (50% of total). 1,601 outlets (67% of total) are in Thailand, while the remaining 788 outlets (33% of total) are in 23 other countries in Asia, Oceania, Middle East, Europe, Mexico and Canada.

Restaurant Outlets by Brand

	4Q21	Chg q-q	Chg y-y
The Pizza Company	562	-1	-10
Swensen's	323	-4	-3
Sizzler	65	1	2
Dairy Queen	490	-2	-6
Burger King	119	1	1
The Coffee Club	415	-2	-25
Thai Express	85	6	3
Riverside	140	7	28
Benihana	17	0	-2
Bonchon	103	11	14
Coffee Journey	29	7	26
Others*	41	-8	-9
Total Outlets	**2,389**	**16**	**19**

* Others include restaurants at the airport under MINT's 51% JV, "Select Service Partner" and restaurants in the UK under "Patara" brand

Hub Performance Analysis

In 4Q21, total-system-sales (including sales from franchised outlets) increased by 6.0% y-y. The positive total-system-sales growth of China and Thailand hubs attributable to store expansion fully mitigated the softer performance in Australia. Overall same-store-sales in the quarter decreased slightly by 1.7% y-y due to challenging operating environments in China and Australia amidst new wave of COVID-19. Nevertheless, the decline of overall same-store-sales improved from previous quarter from a decline of 7.2% y-y in 3Q21, mainly driven by the easing of COVID-19 restrictions in Thailand.

Thailand hub in 4Q21 reported total-system-sales growth of 8.6% y-y, mainly attributable to outlet expansion of Bonchon and Coffee Journey, together with the reopening of some temporary closed stores. Same-store-sales was flat y-y but grew immensely q-q. The sequential improvement from the prior quarter was supported by the increase in dine-in traffic and longer operating hours following the relaxation of restrictions that were imposed on restaurants, as well as the festive season. Specifically, same-store-sales growth bounced back to positive territory in October and December. In the quarter, all brands continued to ensure its operational agility, strengthen brand equity and leverage on data management capabilities with owned loyalty programs to drive all main sales channels including dine-in, delivery and takeaway. As part of Swensen's revitalisation strategy through new identity, revamped menu and redesigned stores, the brand launched 'Craft Bar', a craft premium ice cream concept at a flagship store in Bangkok in October, creating new unique experience for customers. This helped generate positive awareness, drive overall sales and secure the brand's leadership in the ice cream market. To further build on the success of the new concept, Swensen's introduced new additional flavours in December, making the flagship the best performing store. With the country's reopening to international tourist arrivals on 1 November, sales of Burger King, especially at tourist locations picked up while also allowed The Coffee Club stores that were temporary closed to reopen. In addition, Minor Food successfully continued to build more awareness on its 1112Delivery platform with over two million downloads as at year end and improve driver productivity. The delivery base was also expanded to cover new service area in Phuket in December.

Total-system-sales of China hub continued to grow, increasing by 7.4% y-y in 4Q21, a result of successful store expansion of Riverside brand. The profitable expansion strategy totally offset a decline in same-store-sales of 10.8%. Same-store-sales was pressured by the ongoing COVID-19 outbreak in several cities including Beijing, Hangzhou and Nanjing which led to a decline in customer traffic and temporary closure of some stores. Nevertheless, operations improved m-m in the last month of the year as the spread of COVID-19 started to be restrained. China hub is in the process of upgrading Riverside brand to enhance brand equity and build excitement with consumers.

Total-system-sales of Australia hub fell by 6.9% y-y in 4Q21, mainly due to a decrease of 7.6% y-y in same-store-sales which was impacted by lower business activities amidst continued lockdowns in the states of Victoria, New South Wales and Queensland. Nevertheless, sales trend improved in November as many states started to ease operational trading restrictions and end the lockdown. During the quarter, Australia hub rolled out Order At Table technology to 77% of its store network, allowing customers to order menus at their table via digital devices which resulted in improved labor efficiency while new service model (Service with Heart) was carried out in all stores to uplift customer experience. 4Q21 also marked the first two brick and mortar hybrid stores which combine The Coffee Club brand with 'Burgers with Bite', a new brand concept that was launched during the pandemic, previously only available via delivery channel and has been successful as a virtual brand.

Overall, 2021 group-wide total-system-sales increased by 3.1% y-y, supported by business recovery in China and Australia. Group-wide same-store-sales fell by 5.1% y-y, mainly from the strict government's restrictions in Thailand amidst COVID-19 pandemic, especially in the first nine months of the year, which led to lower sales activities.

Restaurant Business Performance

%	4Q21	4Q20	2021	2020
Average Same-Store-Sales Growth	(1.7)	(13.7)	(5.1)	(15.5)
Average Total-System-Sales Growth	6.0	(15.5)	3.1	(18.6)

Note: Calculation based on local currency to exclude the impact of foreign exchange

Financial Performance Analysis

4Q21 total core restaurant revenue increased by 3% y-y. The positive top-line growth from operation in Thailand and China from successful store expansion and Australia hub from lower discount offerings totally offset the loss contribution from joint ventures. Franchise income also grew by 8%, compared to the same period last year, driven by increasing local and international franchise income of all brands.

Core EBITDA in 4Q21 remained in the black but decreased by 7% y-y to Baht 1,396 million. The stronger profitability of Australia hub attributable to leaner operation from store rationalisation strategy, together with lower expenses related to information technology infrastructure and supports to franchisees did not fully mitigate the softer profitability of Thailand and China hubs. Overall operations in Thailand was mainly dragged by share of loss from BreadTalk while China hub was pressured by higher fish purchasing price, labor cost and marketing expenses. As a result, core EBITDA margin decreased slightly to 23.3% in 4Q21, compared to 4Q20 EBITDA margin of 25.7%.

In 2021, total core revenue of Minor Food grew by 2% y-y. Strong demand recovery of China hub and an improvement in sales activities in Australia, especially in 2Q21, together with the low base effect in 2Q20 fully mitigated the challenging operating environment in Thailand. Core EBITDA grew at a faster rate, rising by 16% y-y. The operational improvement, together with disciplined cost management supported healthier profitability. Consequently, overall core EBITDA margin increased from 19.9% in 2020 to 22.6% in 2021.

Financial Performance*

Bt million	4Q21	4Q20	%Chg
Revenue from Operation**	5,612	5,479	2
Franchise Fee	393	365	8
Total Revenue	**6,005**	**5,844**	3
EBITDA	**1,396**	**1,505**	-7
EBITDA Margin (%)	**23.3**	**25.7**	
	2021	**2020**	**%Chg**
Revenue from Operation**	19,853	19,422	2
Franchise Fee	1,321	1,262	5
Total Revenue	**21,173**	**20,684**	2
EBITDA	**4,782**	**4,108**	16
EBITDA Margin (%)	**22.6**	**19.9**	

* Exclude non-core items as detailed in the appendix
** Includes share of profit and other income

Hotel & Mixed-use Business

Hotel Business

At the end of 4Q21, MINT owns 372 hotels and manages 155 hotels and serviced suites in 56 countries. Altogether, these properties have 75,621 hotel rooms and serviced suites, including 56,675 rooms that are equity-owned and leased and 18,946 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH Hotels, nhow and Elewana Collection. Of the total, 4,892 rooms in Thailand accounted for 6%, while the remaining 70,729 rooms or 94% are located in 55 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	4Q21	Chg q-q	Chg y-y
Owned Equity*	56,675	-131	139
- Thailand	3,188	0	0
- Overseas	53,487	-131	139
Management	18,946	206	-156
- Thailand	1,704	83	83
- Overseas	17,242	123	-239
Total Hotel Rooms	**75,621**	**75**	**-17**

* Owned equity includes all hotels which are majority-owned, leased and joint-venture.

Hotel Rooms by Ownership

	4Q21	Chg q-q	Chg y-y
Owned Hotels	19,112	1	47
Leased Hotels	35,734	-132	92
Joint-venture Hotels	1,829	0	0
Managed Hotels	12,495	153	-216
MLRs*	6,451	53	60
Total Hotel Rooms	**75,621**	**75**	**-17**

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis

Owned & Leased Hotels

MINT's owned and leased hotels portfolio (including NH Hotel Group), which accounted for 79% of core hotel & mixed-use revenues in 4Q21, reported y-y system-wide revenue per available room ("RevPar") increase of nearly four folds. Hotels in all key regions showed strong business recovery, supported by higher travel activities and ability to uplift average room rate, as well as the low base effect of previous year which saw closure of some hotels amid lockdowns in many geographies.

4Q21 system-wide RevPar of owned and leased hotel portfolio in Europe and Latin America surged more than four times y-y, supported by stronger demand from both leisure and corporate segments, the reopening of hotels that were temporarily closed last year and successful pricing strategy which resulted in rising average room rate. Robust recovery was seen in October with average occupancy level reaching 60% from 29% in the first nine months of the year. The recovery should have been more potent but was slowed down by seasonality and the emergence of new COVID-19 Omicron variant in November which was followed by the restoration of mobility restrictions particularly in Northern and Central Europe, albeit much less stringent compared to prior year. Nevertheless, the overall occupancy rate in 4Q21 was still on par with the previous quarter at 50% while average room rate in Euro term improved progressively from EUR 70 at the beginning of the year to EUR 100 in 4Q21, only 5% below 2019 pre-COVID level.

In the Maldives, strong operational rebound continued in the quarter, posting system-wide RevPar increase of 87% y-y. System-wide RevPar in USD term has been above the 2019 pre-COVID level for two consecutive quarters, exceeding by 38% in 4Q21. This was attributable to both demand from the island's quarantine-free first-mover advantages and Minor Hotels' focus on exceptional service, as well as higher average room rate from Minor Hotels' sales efforts.

4Q21 system-wide RevPar of owned hotels in Thailand greatly improved both y-y and q-q by 52% and 159%, respectively as the country reopened to international tourists under Test & Go scheme on 1 November 2021 and domestic tourism started to resume in September following the easing of inter-provincial travel restrictions and was further boosted by government's 'We Travel Together' stimulus campaign. Although a Test & Go scheme welcoming foreign visitors without extended quarantine was temporarily suspended on 21 December 2021 due to the Omicron variant, it did not derail the recovery in the quarter.

Management Letting Rights

The management letting rights portfolio (MLRs), contributing 7% of 4Q21 core hotel & mixed-use revenues, recorded an increase in RevPar of 10% y-y in AUD, solely driven by a jump in average room rate. The average room rate in the quarter which exceeded pre-COVID-19 level in 2019 by 5% in AUD term offset a slight decrease of average occupancy rate which was impacted by the lockdowns and travel restrictions in many states of Australia, together with the continuous halt of Trans-Tasman travel bubble between Australia and New Zealand, particularly in October. Nevertheless, the COVID-19 restrictions in certain states were eased in November and December which led to higher travel activities from corporate markets in city locations and sport events from leisure markets. This resulted in m-m increase in average occupancy level, reaching more than 70% in the last month of the year. With the AUD appreciation against Thai Baht, 4Q21 RevPar in Thai Baht term increased at a higher rate of 20% y-y.

Management Contracts

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 3% in 4Q21. System-wide RevPar of management contract portfolio more than doubled y-y, attributable to a recovery in Europe, the Maldives, the Middle East and Thailand.

Overall Hotel Portfolio

In summary, in 4Q21, MINT's system-wide RevPar of the entire portfolio surged by 164% y-y, reflecting operational improvement across the regions from stronger demand in the quarter and low base effect of previous year.

In 2021, system-wide RevPar of MINT's entire portfolio jumped by 44% y-y. The operational recovery in 2Q21, 3Q21 and 4Q21 totally offset the soft performance in 1Q21 which had an adverse impact from COVID-19 pandemic, compared to the first two months of 2020 which were still the pre-COVID-19 base.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	4Q21	**4Q20**	**2021**	**2020**
Owned Hotels*	48	17	33	25
Joint Ventures	40	28	30	26
Managed Hotels*	46	26	37	27
MLRs**	64	70	65	60
Average	**49**	**23**	**36**	**29**
MINT's Portfolio in Thailand	29	23	19	24
Industry Average in Thailand***	26	32	14	30
(System-wide)	ADR (Bt/night)			
	4Q21	**4Q20**	**2021**	**2020**
Owned Hotels*	3,980	2,888	3,668	3,267
Joint Ventures	8,219	5,812	7,261	5,387
Managed Hotels*	5,901	4,825	4,997	4,667
MLRs**	4,701	3,615	4,348	3,337
Average	**4,393**	**3,469**	**4,024**	**3,530**
MINT's Portfolio in Thailand	4,334	3,634	3,529	4,721
Industry Average in Thailand***	867	1,051	914	1,121
(System-wide)	RevPar (Bt/night)			
	4Q21	**4Q20**	**2021**	**2020**
Owned Hotels*	1,910	505	1,218	825
Joint Ventures	3,329	1,609	2,151	1,375
Managed Hotels*	2,712	1,268	1,841	1,283
MLRs**	3,022	2,521	2,814	2,005
Average	**2,148**	**813**	**1,462**	**1,013**
MINT's Portfolio in Thailand	1,250	846	683	1,124
Industry Average in Thailand***	228	339	129	331

* These numbers include NH Hotel Group
** Properties under Management Letting Rights in Australia & New Zealand
*** Source for Industry Average: Bank of Thailand

Hotel Performance Analysis

In 4Q21, core revenue from hotel and related services operation almost tripled, compared to the same period last year. This was due to strong rebound of demand and travel activities in all geographies, subsidies from European governments and the reopening of hotels, together with the low base last year. 4Q21 also reported an increase in management income, doubling y-y due to the same reason as mentioned above despite the exit of some hotel management contracts during the year.

In 2021, core revenue from hotel and related services operations increased 47% y-y. Visible business improvement has been seen since 2Q21, largely with the reopening of the European countries following the accelerated vaccination rate which more than offset the challenging operating conditions of all key markets except Australia in the first quarter of the year amidst extended mobility restrictions and border closures. By the same token, 2021 management income grew by 39% from the same period last year, supported by improving RevPar of managed hotels and the resumption of hotel openings.

Mixed-Use Business & Performance Analysis

One of MINT's mixed-use businesses is plaza and entertainment business. The Company owns and operates three shopping plazas in Bangkok, Phuket and Pattaya. In addition, MINT is the operator of seven entertainment outlets in Pattaya, which include the famous Ripley's Believe It or Not Museum and The Louis Tussaud's Waxworks.

MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. MINT has completed the sales of the first two projects, The Estates Samui and St. Regis Residences in Bangkok. The projects that are currently available for sale include Layan Residences by Anantara in Phuket, Anantara Chiang Mai Serviced Suites, Avadina Hills by Anantara in Phuket, Torres Rani in Maputo and Anantara Desaru in Malaysia. In addition, one new residential development project, Anantara Ubud Bali in Indonesia, is currently under construction and is expected to be launched in 2022, to ensure continuous pipeline of MINT's real estate business in the coming years.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 4Q21, AVC had a total inventory of 265 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. The number of members increased by 8% y-y to 16,511 members at the end of 4Q21.

Revenue from mixed-use business more than doubled y-y in 4Q21. The robust sales of residential units in the quarter fully mitigated the decline in plaza and entertainment and AVC revenues. For 2021, revenue from mixed-use business surged by 74% compared to last year, attributable to strong real estate sales activities and improving performance of AVC from the recovery of travel activities, coupled with Minor Hotels' upgraded AVC point redemption program which makes it effortless for members to redeem points.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 4Q21, hotel & mixed-use business posted total core revenue increase of 172% y-y. A positive growth was reflected in all business units, except for plaza and entertainment, from both operational recovery and the low base effect in the same period last year.

Core EBITDA of hotel & mixed-use business in 4Q21 turned positive to Baht 7,154 million, compared to core loss of Baht 1,467 million in 4Q20. The EBITDA improvement was due to higher flow-through from revenue improvement, especially at NH Hotel Group, and real estate business, together with continuous cost minimization measures. Consequently, core EBITDA margin turned positive to 36.3% in 4Q21.

For 2021, hotel & mixed-use business reported total revenue increase of 49% y-y to Baht 50,530 million. Meanwhile, core EBITDA loss of Baht 1,406 million in 2020 immensely improved to positive core EBITDA of Baht 11,726 million in 2021 from performance recovery and effort on cost cutting throughout the period. As a result, overall core EBITDA margin turned into the black at 23.2% in 2021.

Financial Performance*

Bt million	**4Q21**	**4Q20**	**%Chg**
Hotel & related services **	17,074	6,045	182
Management fee	506	248	104
Mixed-use	2,107	952	121
Total Revenue	**19,688**	**7,245**	172
EBITDA	**7,154**	**-1,467**	-588
EBITDA Margin (%)	**36.3**	**-20.2**	

	2021	2020	%Chg
Hotel & related services **	43,320	29,515	47
Management fee	1,302	937	39
Mixed-use	5,909	3,395	74
Total Revenue	**50,530**	**33,846**	49
EBITDA	**11,726**	**-1,406**	-934
EBITDA Margin (%)	**23.2**	**-4.2**	

* Exclude non-core items as detailed in the appendix
** Include share of profit and other income

Retail Trading & Contract Manufacturing Business

At the end of 4Q21, MINT had 386 retail trading points of sales, a decrease of 73 points of sales from 459 points at the end of 4Q20, from the closing down of OVS, ETAM and Scomadi brands, together with fewer stores of other brands in order to focus on efficiency, netted off with the launch of new kitchenware brand from Belgium 'BergHOFF' in May 2021. Of total 386 retail trading outlets, 78% are operated under fashion brands including Anello, Bossini, Charles & Keith, Esprit and Radley, while 22% are operated under lifestyle brands including Joseph Joseph, Zwilling J.A. Henckels, Bodum and BergHOFF.

Retail Trading's Outlet Breakdown

	4Q21	Chg q-q	Chg y-y
Fashion	302	-21	-57
Home & Kitchenware	84	-40	-16
Total Outlets	**386**	**-61**	**-73**

In 4Q21, total retail trading & contract manufacturing revenue decreased by 10% y-y but improved immensely q-q by 84%. On a y-y basis, the strong sales growth of home and kitchenware business, together with e-commerce, particularly Charles & Keith standalone website could only partially help alleviate the softer performance of fashion and manufacturing units. Robust sales of Zwilling J.A. Henckels which was supported by successful marketing events drove the overall home and kitchenware business while weaker consumer spending and lower demand from major FMCG customers impacted the operations of fashion brands and manufacturing, respectively. Meanwhile, the substantial operational improvement q-q was a result of easing COVID-19 restrictions in Thailand which led to higher operating activities and the reopening of stores as outlets of fashion and home and kitchen brands in dark red zone cities were ordered to be shut down to control the COVID-19 transmission in 3Q21.

4Q21 overall core EBITDA of retail trading & contract manufacturing turned positive to Baht 120 million from a loss of Baht 89 million in the same quarter last year despite a decrease in total revenue. This was supported by an EBITDA turnaround of retail trading business and cost savings in all areas including labor, advertising and promotions and rental expenses, as well as the ramp-down expenses of exited brand that was booked in the same period of last year. Consequently, EBITDA margin was positive at 12.8% in 4Q21.

2021 revenue from retail trading & contract manufacturing decreased by 23% y-y, attributable to all business units amidst the challenging environment with COVID-19 pandemic. Nevertheless, core EBITDA turned into the black at Baht 121 million in 2021, compared to a loss of Baht 102 million in 2020 due to the same reasons as in 4Q21. As a result, EBITDA margin was positive at 4.4% in 2021.

Financial Performance*

Bt million	4Q21	4Q20	%Chg
Retail Trading	696	730	-5
Manufacturing	244	309	-21
Total Revenues**	**940**	**1,039**	**-10**
EBITDA	**120**	**-89**	**-235**
EBITDA Margin	**12.8**	**-8.6**	
Bt million	**2021**	**2020**	**%Chg**
Retail Trading	1,752	2,460	-29
Manufacturing	1,008	1,128	-11
Total Revenues**	**2,760**	**3,588**	**-23**
EBITDA	**121**	**-102**	**-219**
EBITDA Margin	**4.4**	**-2.8**	

* Exclude non-core items as detailed in the appendix
** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2021, MINT reported total assets of Baht 369,633 million, an increase of Baht 7,306 million from Baht 362,327 million at the end of 2020. The increase was primarily attributable to (1) Baht 7,331 million increase in property, plant and equipment mainly from land revaluation surplus and gain on translation adjustment, netted with the sale and lease back of NH Collection hotel in 2Q21, the regular depreciation and amortization schedule and impairment of assets related to COVID-19, (2) Baht 2,345 increase in intangible assets mainly as a result of translation adjustment, (3) Baht 3,378 million increase in deferred tax asset, netted off with (1) Baht 1,092 million decrease in cash due to repayment of some borrowings, (2) Baht 390 million decrease in land and real estate project for sales due to real estate sales activities, (3) Baht 4,036 million decrease in non-current assets classified as held-for-sale from the sale and manage back of Tivoli hotels in 3Q21 and (4) Baht 2,309 decrease in right-of-use assets due to regular amortization schedule.

MINT reported total liabilities of Baht 290,140 million at the end of 2021, an increase of Baht 4,138 million from Baht 286,003 million at the end of 2020. The increase was mainly due to (1) Baht 1,993 million increase in other liabilities, majority from sale of a minority interest in five Thai hotel assets in Thailand, (2) Baht 3,083 million increase in payables and (3) Baht 4,960 million increase in deferred tax liabilities related to land revaluation surplus, netted of with (1) Baht 3,978 million decrease in net financing from the repayment of short-term and long-term borrowings, (2) a decrease in lease liabilities of Baht 1,905 million mainly as a result of lease payment schedule, netted with the sale and lease back transaction of the NH Collection Barcelona Gran Hotel Calderon in 2Q21. and (3) Baht 788 million decrease in derivative liabilities.

Shareholders' equity increased by Baht 3,169 million, from Baht 76,324 million at the end of 2020 to Baht 79,492 million at the end of 2021, owing mainly to (1) Baht 17,301 million increase in other components of equity mainly as a result of asset revaluation surplus and gain on sale of 40% interests in five assets in Thailand, (2) Baht 2,127 million increase in non-controlling interests from the sale of 40% interests in five assets in Thailand, (3) the proceeds from the exercise of warrants amounting to Baht 728 million and (4) the receipts from issuance of new perpetual debentures of Baht 7,703 million, netted with (1) reported 2021 net loss of Baht 13,167 million, (2) the redemption of perpetual debentures of Baht 9,993 million and (3) interest paid on perpetual bonds of Baht 1,451 million

For the full-year 2021, MINT and its subsidiaries reported positive cash flows from operations of Baht 13,026 million, an increase of Baht 15,525 million y-y, partly attributable to improved operations and partly from the working capital management.

Cash flow receipt for investing activities was Baht 9,210 million in 2021, primarily due to (1) Baht 4,870 million proceeds from the sale and lease back transaction of the NH Collection Barcelona Gran Hotel Calderon in 2Q21, (2) Baht 5,303 million proceeds from the sale and manage back of Tivoli Marina Vilamoura and Tivoli Carvoeiro in Portugal in 3Q21 and (3) Baht 3,384 million proceeds from the sale of 40% interests in five assets in Thailand, netted off with regular capital expenditures of hotel, restaurant and other businesses.

The Company reported net cash used for financing activities of Baht 23,711 million in 2021, primarily due to (1) repayment of lease liabilities of Baht 13,969 million, (2) interest paid on perpetual debentures of Baht 1,451 million, (3) net repayment of short term and long term borrowings, debentures and perpetual debentures of Baht 8,968 million, netted off with Baht 728 million proceeds received from the exercise of warrants.

In summary, cash flows from operating, investing and financing activities resulted in a net decrease of MINT's net cash and cash equivalents of Baht 1,475 million in 2021.

Free cash flow, which is defined as operating cash flow, repayment of lease liabilities and net CAPEX, continued to be in a positive territory for the third consecutive quarter at Baht 3.7 billion. The improvement was mainly due to improving operating cash flow sequentially and proceeds from the asset rotation implemented in 2Q21, 3Q21 and 4Q21.

Financial Ratio Analysis

MINT's gross profit margin rose strongly from 15.5% in 2020 to 31.8% in 2021, mainly supported by improving operations of Minor Hotel and Minor Food. Meanwhile, MINT's core loss also improved from higher revenue flow-through and stringent cost cutting measures in all three business units.

Return on equity was negative at 12.0% in 2021, improved from negative return on equity of 23.9% in 2020, as a result of lower core net loss compared to last year. Correspondingly, MINT recorded negative return on assets of 2.5% in 2021.

Collection days decreased from 77 days in 2020 to 56 days in 2021, supported by MINT's efforts to collect payment faster. The provision for impairment as a percentage of gross trade receivables decreased from 20.6% in 2020 to 16.5% in 2021 from hotel and restaurant businesses due to higher quality of sales.

MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant and retail trading & contract manufacturing businesses. Inventory days in 2021 was 44 days, on par with 2020. Account payable days increased from 108 days in 2020 to 115 days in 2021 as MINT, particularly Minor Hotels and Minor Lifestyle were able to extend its payment.

Current ratio decreased to 0.8x in 2021, compared to 1.3x at the end of 2020 due to the increase in short-term loans, current portions of long-term borrowings and current portions of debentures, as well as lower cash level from mostly the repayment of long-term borrowings. For the year end of 2021, current liabilities exceed current assets for the consolidated and separate financial statements. The Group and the Company have sufficient available credit facilities as disclosed in Note 25 and have appropriate financial plans to manage liquidity to support the operations at least over the next year. According to MINT's debt covenant definition which carves out lease liabilities from the calculation, interest bearing debt to equity ratio strengthened, decreasing from 1.79x at the end of 2020 to 1.68x in 2021, attributable to higher equity base and lower borrowings. Net interest bearing debt to equity ratio also fell to 1.36x at the end of 2021 from 1.44x at the end of prior year. Note that the extension of its financial covenant testing waiver until the end of 2022 from bondholders was successfully secured. Interest coverage ratio improved from 0.3x in 2020 to 2.0x in 2021 due to an immense improvement in cash flows from operations.

Financial Ratio Analysis

Profitability Ratio	**31 Dec 21**	**31 Dec 20**
Gross Profit Margin (%)	31.8	15.5
Net Profit Margin (%)	-17.3	-36.8
Core Net Profit Margin* (%)	-12.5	-33.4
Efficiency Ratio	**31 Dec 21**	**31 Dec 20**
Return on Equity* (%)	-12.0	-23.9
Return on Assets* (%)	-2.5	-6.3
Collection Period (days)	56	77
Inventory (days)	44	44
Accounts Payable (days)	115	108
Liquidity Ratio	**31 Dec 21**	**31 Dec 20**
Current Ratio (x)	0.8	1.3
Leverage & Financial Policy	**31 Dec 21**	**31 Dec 20**
Interest Bearing Debt/Equity (x)	1.68	1.79
Net Interest Bearing Debt/Equity (x)	1.36	1.44
	31 Dec 21	**31 Dec 20**
Interest Coverage (x)	2.0	0.3

* Exclude non-core items as detailed in the appendix

Management's Outlook

Looking toward 2022, the outlook is promising. The worst is over and a quick recovery is expected. Although the pandemic continues to present new challenges, recently brought by the new omicron variant, the vaccinations, treatments and the trajectory of the pandemic have made COVID-19 more manageable while the rate of hospitalization has also been decreasing. As a consequence, more countries are reopening to travelers and further relaxing border restrictions despite rising infections, signaling a big shift in pandemic thinking and a return to more normal life. In some regions, particularly Europe, the governments are switching from legal restrictions to advisory measures and reclassify COVID-19 as endemic rather than pandemic in the countries.

Minor Hotels

The global hotel industry is forecasted to make a strong comeback in 2022, given vaccination rollouts across the globe and easing international travel restrictions in many countries. In addition to Minor Hotels' offering good quality of service and seamless customer experience, together with leveraging sales and marketing initiatives, the revamped Discovery Loyalty Program and upgraded direct booking engines will help capture such demand. The new GHA Discovery 2.0 loyalty program was launched in December 2021, with NH Hotel Group expected to join by mid-2022 which will establish GHA Discovery to be one of the 10 largest loyalty programs in the hospitality sector and allow Minor Hotels to harness the collective power of the platform's 21 million members. Meanwhile, Minor Hotels will continue to upgrade its internet booking engine which allows Minor Hotels to save cost from third-party digital travel platforms' commission fees and have full control over communication with customers to get information for loyalty and online marketing strategies.

In Europe, the Omicron variant only had an impact on the hotel operations in the first month of 2022, particularly in

Northern and Central Europe where entry rules were tightened. Nevertheless, the restrictions were much less stringent than the previous years and took place amidst the lowest seasonality for hotels in Europe. On a positive note, several European nations started to ease or end their COVID-19 restrictions in February and March. A continuous pick-up of tourism in Europe and gradual recovery of business travels will be seen in 2022 while the operational performance in some months is expected to recover beyond 2019 pre-COVID level. This will be driven by both demand rebound and further acceleration of average room rate in which NH Hotel Group has already achieved an impressive milestone in holding up its average room rate well despite lower business activities amidst the pandemic with the rate only marginally below pre-COVID time.

Australia has had one of the world's strictest border controls throughout the pandemic, however, the country is showing encouraging signs for the hotel industry this year. Full reopening of international border to vaccinated travelers will finally be commenced on 21 February 2022, after almost two years of being almost entirely closed. The scheme follows the country's first reopening to selected international travelers on 1 November 2021, allowing visitors from only selected countries such as New Zealand, Singapore, South Korea and Japan to enter the country. Accordingly, international travels will also play a part in driving the tourism sector this year, in addition to domestic market.

In Thailand, the country is welcoming back foreign tourists as 'Test & Go' program which allows fully vaccinated international travelers from all countries to enter without lengthy quarantine restrictions was reinstated on 1 February 2022. The program was temporarily suspended from 22 December 2021, in response to the concerns over Omicron variant. Thailand also reopened three more Sandbox destinations from 11 January 2022 including Krabi, Phang-Nga and Surat Thani in addition to Phuket and other several blue-zone destinations. Recently, the government relaxed the Test & Go program by canceling the requirement of second RT-PCR test and further easing is expected in the near future. To boost the domestic tourism, fourth phase of 'We Travel Together' campaign was approved in February in which participants are subsidized for hotel stays, airfares and local spending.

The Maldives has been recovering from the pandemic at a faster pace than the rest of the world. The country's tourism industry is expected to continuously experience a rapid and sustained recovery this year. Throughout 2022, Maldivian authorities will be launching several new marketing activities to celebrate 50 years of tourism in the country. Together with Minor Hotels' sales efforts, RevPar of Maldives hotels will continue to stay well above the 2019 pre-COVID level.

Minor Food

Driving revenue in all sales channels and profitability via improving operational efficiencies and tightening cost will be the key focus for Minor Food in 2022. Despite rising costs of raw material and packaging, Minor Food has foreseen the increasing trend since third quarter of 2021 and carried out mitigation plan since then. Minor Food's first move was engaging in proactive supply chain management. Lower costs of raw material and packaging were built up since last year and therefore Minor Food was able to delay the adverse impact until at least the second quarter of 2022. A number of future contracts were also successfully secured given Minor Food's economy of scale and good relationships with multiple suppliers. In terms of menu price increase, Minor Food will revisit the strategy shortly and it will be in the scheme of price increase in some certain menus and product reengineering which promotes the products that have relatively lower raw material price increase. With implementation of saving initiatives since the last two years and continuing into this year, Minor Food's profitability is expected to be at least on par with the 2019 pre-COVID level.

In Thailand, restaurants are now operating at regular hours and normal dine-in seating capacity in all cities following the lifting of restrictions and curfew. Thailand hub has put efforts in driving back dine-in traffic and accelerating the delivery sales. For example, The Pizza Company recently revamped its brand and restaurant concept and launched 'The Pizza Company Signature' to create a new dining experience at the restaurant with new restaurant design, logo and menus, targeting young generations. This is expected to boost the dine-in sales growth. Throughout 2022, Minor Food targets to transform its 10 existing branches of The Pizza Company in Bangkok into The Pizza Company Signature restaurants. In addition, 'Chick-A-Boom', The Pizza Company's new business pillar with fried chicken concept was also launched at The Pizza Company Signature store to meet the lifestyle of new generation consumers. Minor Food's owned delivery platform continued to be strengthened in which greater awareness, improving service quality and enhancing driver productivity are the key focus, while loyalty program of each brand will continue to be launched, with Sizzler's launching in January 2022 to drive customer retention rate.

China started the year on a positive note with positive same-store-sales in January despite lockdowns in several cities. Although there are uncertainties in the short-term amidst the government's continuous effort to curb the COVID-19, Minor Food remains agile in quickly adapting to fast changing business environment. Additionally, the Riverside brand has proven to be very resilient during volatile time, as shown by sales rebound almost immediately after a lockdown ended while revenues in 2021 were already exceeded the 2019 pre-COVID level. Looking ahead in 2022, China hub plans to utilize technology to help improve many facets of operations including brand upgrading, supply chain management and payment system.

Australia's economy is on the recovery path while the border is reopening in 2022 despite the onset of Omicron variant, led by high vaccination rate which will allow for rising operating activities. Coupled with Australia hub's focus on service quality, partnership with delivery aggregators and innovative new store concepts, business growth will be further driven. The store rationalization strategy in Australia which resulted in 10% lower number of outlets from pre-COVID-19 level, has helped the store portfolio to become more resilient and profitable. Furthermore, profitability will be accelerated through brand, digital and culture transformation.

Minor Lifestyle

The business operating environment has improved and become more favorable following the easing of COVID-19 restrictions in Thailand, albeit with subdued consumer spending. Minor Lifestyle will carry out its strategy in driving revenues of its focused strategic brands through all channels, merchandising, inventory management and cost saving measures to ensure solid profitability.

Cash Flow and Balance Sheet Management

For 2022, cost tightening plan and CAPEX reduction will remain in place where possible. MINT will maintain its discipline in strengthening balance sheet position to lower down its debt-to-equity ratio. Effective in 2022, MINT was successfully approved by all lenders and the majority of bondholders to change its debt covenant definition from gross interest bearing debt to equity ratio to net interest bearing debt to equity ratio, both carving out lease liabilities from the calculation.

As at end of December, MINT's liquidity position continued to be strong with available cash on hand at Baht 25 billion and the unutilized credit facilities of Baht 33 billion. In terms of free cash flow, it has turned positive since June 2021 and is expected to remain in the black during year. The liquidity position is expected to further be strengthened given more promising outlook for this year.

With MINT's efforts in the past two years in strengthening operational platform, as well as balance sheet and liquidity position, the Company now has the foundation to emerge from the pandemic even more resilient, leaner and stronger. MINT is poised to leap past the peers, not just in the coming recovery period, but beyond. MINT will also continue to focus on developing sustainability of the operations.

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Mr. Chaiyapat Paitoon
Chief Strategy Officer

MINOR INTERNATIONAL

Appendix

Non-Recurring Items

Period	Amount (Bt million)	Business Unit	Non-recurring Items
1Q20	113 revenue 49 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	755	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	568 pre-tax 585 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	10	Minor Food	Reversal of provision related to Ribs & Rumps (reversal of SG&A expense)
2Q20	17 revenue -152 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-251	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-218	Minor Hotels	Receivable provision for AVC (SG&A expense)
	-534	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-130	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
3Q20	17 revenue -96 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-110	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-17 revenue -13 net profit	Minor Food	Provision expenses for inventory (SG&A expense)
	-197	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-396	Minor Hotels	Change in fair value of financial instruments (SG&A expense)
4Q20	-32 revenue -245 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-44	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-117	Minor Food	Provision expenses for store closure and write-off of investment in joint venture related to Ya Hua store closure in Singapore (SG&A expense)
	-75	Minor Lifestyle	Provision expenses for inventory and store closure of exited brands (SG&A expense)
	-898	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	58	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
1Q21	119 revenue -100 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-2,349	Minor Hotels	Impairment of asset related to COVID-19 (SG&A expense)
	793	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	-135	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-12	Minor Hotels / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-236	Minor Food	Provision expenses for store closure and lease receivable, and write-off of prepaid rent (SG&A expense)
2Q21	134 revenue 83 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-340 pre-tax -103 post-tax	Minor Hotels	Loss from asset sale in Spain (SG&A expense)
	-737	Minor Hotels	Transaction cost related to NH Hotel Group's debt restructuring (Interest expense)

	-9	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
	-9	Minor Food	Provision expenses for store closure and write-off of prepaid rent (SG&A expense)
	272 pre-tax 209 post-tax	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	45 pre-tax 36 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
3Q21	35 revenue -75 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	937	Minor Hotels	Gain from asset sale in Portugal (Revenue)
	5	Minor Hotels / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-12 revenue -17 net profit	Minor Food	Provision expenses for store closure, write-off of prepaid rent and share loss from JV (Revenue and SG&A expense)
	1,044 pre-tax 1,136 post-tax	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	50 pre-tax 76 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-131	Minor Hotels	Ineffective hedge accounting (Interest expense)
4Q21	116 revenue -26 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-4,460 pre-tax -3,065 post-tax	Minor Hotels	Loss on land revaluation and impairment of building (SG&A expense)
	862	Minor Hotels	Adjustment of deferred tax asset at MINT level in relation to NH's lease liabilities (Tax expense)
	-75	Minor Hotels	Corporate income tax from gain on sales of 40% MINT's interest in the five assets in Thailand (Tax expense)
	-208 pre-tax -223 post-tax	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-284 pre-tax -131 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense and Interest expense)
	-826 pre-tax -757 post-tax	Minor Hotels / Minor Food / Minor Lifestyle	Impairment of goodwill, investment and other assets plus provisions and write off in relation to store closure and obsolete inventory from three business units (SG&A expense)
	-11	Minor Hotels / Minor Lifestyle	Redundancy costs (SG&A expense)
	200	Minor Food	Net purchase price adjustment of Bonchon (Revenue)
	9	Minor Food	Amortization of deferred income of Minor Food related to IFRS15 (Revenue)