

## **Executive Summary**

The emergence and exponential spread of the 'Omicron' COVID-19 variant in late 2021 resulted in a surge of new cases in early 2022. Fortunately, the variant has proved to be less severe than the Delta variant, and the number of new infections started to decline globally at the end of 1Q22. Widespread vaccination programmes - including the successful rollout of booster shots in many destinations - meant more countries have been better positioned to deal with the Omicron variant than previous waves of the virus, including Thailand. With travel restrictions beginning to ease in many destinations worldwide, the number of tourists travelling is gradually on the rise.

Excluding non-recurring items in 1Q22, the Company showed an increase of core business revenue by 6.1% YoY and 26.4% QoQ due mainly to the gradual recovery of hotel and education business. Revenue from hotel business increased by 45.1% YoY to THB 634 million driven mainly by higher revenue from domestic and international hotels as a result of improving occupancy rate and ADR that resulting in a 73.8% YoY boost in overall RevPar. Compared to 4Q21, the hotel business revenue slightly declined (-2.3% QoQ) from lower revenue of hotels in Pattaya and Hua Hin due to the outbreak of the Omicron variant at the beginning of 2022 despite a significant increase of revenue from hotel in Phuket thanks to the Phuket Sandbox project. In addition, hotel management revenue in China declined due to the strict lockdowns in epidemic areas following China's Zero Covid Policy. However, overall RevPar improved 11% QoQ thanks to higher ADR. Education business satisfactorily recovered with an increase of revenue by 21.9% YoY and 48.8% QoQ to THB 128 million of revenue thanks mainly to the reopening of Dusit Thani College and increasing number of the student enrollment from both degree and short course programs.

In 1Q22, the Company reported a total revenue of THB 1,129 million, an increase of 36.8% QoQ due to a gradual recovery of the core business. The Company reported a lower net loss of THB 129 million, compared to a net loss of THB 341 million in 4Q21. 1Q22 EBITDA also improved QoQ to THB 207 million from THB -36 million. On YoY basis, the Company reported a 13.9% decrease in total revenue and a higher net loss compared to a net profit of THB 73 million in 1Q21 due to lower gain on sale of investment in the property business and lower gain on the measurement of other financial assets. Excluding non-recurring items, the Company core loss would have been THB -126 million in 1Q22 compared to THB -62 million in 1Q21 and THB -304 million in 4Q21.

While the emergence of the Omicron variant impacted business recovery in 1Q22, the Company expects the outlook for hotel business to improve throughout the rest of the year. This will be driven by easing global travel restrictions, such as the cancellation of Thailand's Test & Go scheme from 1 May onwards, which is expected to result in more international arrivals in the second half of the year. Given that the pandemic situation continues to improve, and the conflict between Russia and Ukraine does not become a protracted war, the Company assumes that hotel business revenue in 2022 should stand at 75% of total hotel revenue achieved in 2019 (pre-COVID-19 level). For education and food business, the Company expects to see business improvement in 2022 as operations return to normal following the lifting of restrictions on in-school operations and dine-in services at restaurants.

Dusit Thani PLC  
Management Discussion and Analysis  
For 1Q22

| Unit: THB mn                                    | 1Q22         | 1Q21         | Change       |                | 4Q21         | Change      |              |
|---|--------------|--------------|--------------|----------------|--------------|-------------|--------------|
| Hotel business                                  | 634          | 437          | 197          | 45.1%          | 649          | -15         | -2.3%        |
| Education business                              | 128          | 105          | 23           | 21.9%          | 86           | 42          | 48.8%        |
| Food business                                   | 141          | 159          | -18          | -11.3%         | 60           | 81          | 135.0%       |
| Property development business                   | 133          | 256          | -123         | -48.0%         | -1           | 134         | NM+          |
| Others  | 93           | 354          | -261         | -73.7%         | 31           | 62          | 200.0%       |
| <b>Total revenue</b>                            | <b>1,129</b> | <b>1,311</b> | <b>-182</b>  | <b>-13.9%</b>  | <b>825</b>   | <b>304</b>  | <b>36.8%</b> |
| EBITDA  | 207          | 545          | -338         | -62.0%         | -36          | 243         | NM+          |
| EBIT  | -25          | 206          | -231         | -112.1%        | -274         | 249         | 90.9%        |
| <b>Net profit (loss) attributable to parent</b> | <b>-129</b>  | <b>73</b>    | <b>-202</b>  | <b>-276.7%</b> | <b>-341</b>  | <b>212</b>  | <b>62.2%</b> |
| <b>EPS (THB)</b>                                | <b>-0.15</b> | <b>0.09</b>  | <b>-0.23</b> | <b>-262.9%</b> | <b>-0.40</b> | <b>0.25</b> | <b>62.3%</b> |

*Remark: Non-recurring items*

*1Q22 = Gain on measurement of other financial assets (THB 32 million), loss on sale of other financial assets (THB 33 million), and severance pay (THB 2 million)*

*4Q21 = Gain on measurement of other financial assets (THB 42 million), severance pay (THB 4 million), and tax expense (THB 8 million)*

*1Q21 = Gain on measurement of other financial assets (THB 278 million), impairment loss (THB 106 million), severance pay (THB 3 million), and tax income (THB 35 million)*

### 1Q22 Business Segment Performance

| Unit: THB mn                  | Revenue breakdown |              |             |               | EBITDA breakdown |            |             |               |
|-------------------------------|-------------------|--------------|-------------|---------------|------------------|------------|-------------|---------------|
|                               | 1Q22              | 1Q21         | Change      |               | 1Q22             | 1Q21       | Change      |               |
| Hotel business                | 634               | 437          | 197         | 45.1%         | 123              | 9          | 114         | 1266.7%       |
| Education business            | 128               | 105          | 23          | 21.9%         | 36               | 25         | 11          | 44.0%         |
| Food business                 | 141               | 159          | -18         | -11.3%        | -1               | 7          | -8          | -114.3%       |
| Property development business | 133               | 256          | -123        | -48.0%        | 114              | 249        | -135        | -54.2%        |
| Others                        | 93                | 354          | -261        | -73.7%        | -65              | 255        | -320        | -125.5%       |
| <b>Total revenue</b>          | <b>1,129</b>      | <b>1,311</b> | <b>-182</b> | <b>-13.9%</b> | <b>207</b>       | <b>545</b> | <b>-338</b> | <b>-62.0%</b> |

In 1Q22, the Company reported total revenue of THB 1,129 million; decreased by THB 182 million or 13.9% YoY, which 56.2%, 11.3%, 12.5%, 11.8% and 8.2% of total revenue were from Hotel Business, Education Business, Food Business, Property Development Business and Other Business, respectively.

| Unit: THB mn                  | Revenue breakdown |            |            |              | EBITDA breakdown |            |            |            |
|-------------------------------|-------------------|------------|------------|--------------|------------------|------------|------------|------------|
|                               | 1Q22              | 4Q21       | Change     |              | 1Q22             | 4Q21       | Change     |            |
| Hotel business                | 634               | 649        | -15        | -2.3%        | 123              | 104        | 19         | 18.3%      |
| Education business            | 128               | 86         | 42         | 48.8%        | 36               | 5          | 31         | 620.0%     |
| Food business                 | 141               | 60         | 81         | 135.0%       | -1               | -30        | 29         | 96.7%      |
| Property development business | 133               | -1         | 134        | NM+          | 114              | -15        | 129        | NM+        |
| Others                        | 93                | 31         | 62         | 200.0%       | -65              | -100       | 35         | 35.0%      |
| <b>Total</b>                  | <b>1,129</b>      | <b>825</b> | <b>304</b> | <b>36.8%</b> | <b>207</b>       | <b>-36</b> | <b>243</b> | <b>NM+</b> |

### Hotel Business

Hotel Business generated the revenue of THB 634 million in 1Q21, increased by 45.1% YoY. Due to the improving worldwide vaccination rates including Thailand, the negative impact of COVID-19 has been less severe than prior period. Hotel business in Thailand has been progressively recovering especially Owned Hotels thanks to COVID-19 restrictions lifting and government stimulus measures e.g., Test & Go scheme for country entry, Rao Tiew Duay Kan (We Travel Together) campaign and nationwide lockdown lifting. Overseas hotel business has also been continuously recovering mainly from the Middle East, Maldives, and the Philippines. However, Hotel business revenue decreased by 2.3% QoQ due to the new wave of COVID-19 variant, Omicron, which was highly transmissible and infectious.

### Owned Hotels

|                    | 1Q22  | 1Q21  | % Change | 4Q21  | % Change |
|--------------------|-------|-------|----------|-------|----------|
| Occupancy %        | 47.0% | 32.3% | 45.6%    | 50.4% | -6.6%    |
| ADR (THB/night)    | 3,899 | 3,267 | 19.3%    | 3,266 | 19.4%    |
| RevPar (THB/night) | 1,833 | 1,055 | 73.8%    | 1,645 | 11.4%    |

*Remark: For comparison purpose, the statistics does not include Dusit Thani Princess Chiangmai.*

Owned hotels business generated revenue of THB 582 million in 1Q22, increased by 52.8% YoY and 2.8% QoQ from the followings:

- Revenue from Owned Hotels in Thailand in 1Q22 increased by 166.7% YoY and 10.0% QoQ. The increase was mainly driven by the revenue of Dusit Thani Laguna Phuket from a participation in 'Phuket Sandbox' program for travelers who have been vaccinated against COVID-19 with no quarantine requirements since 1 July 2021. The occupancy rate of Dusit Thani Laguna Phuket in 1Q22 was 56.7%. Since international arrivals were welcome only through Sandbox scheme after the temporary suspension of Test & Go scheme in January 2022, the occupancy rate increased by 8.0% QoQ. Although there were some booking cancellations caused by ongoing Russia-Ukraine war from Russian tourists, the cancellation rate was insignificant. Meanwhile, other local owned hotels' revenue also increased since the situation of COVID-19 pandemic in Thailand was better than 1Q21 (the surge of infections with several COVID-19 restrictions).
- Revenue from Overseas Hotels in 1Q22 increased by 19.0% YoY. The increase was mainly driven by both Dusit Thani Maldives and Dusit Thani Manila. Dusit Thani Maldives revenue increased by 11.8% YoY from the progressive tourism. Despite the booking cancellations caused by Russia-Ukraine war around the end of quarter, main customers were from Russia followed by Saudi Arabia, Germany, the UK, South Korean and India. While Dusit Thani Manila revenue increased by 39.2% YoY from the country reopen to fully vaccinated tourists who have a proof of negative COVID-19 PCR test with no quarantine requirements in February 2022. Anyway, the Philippines still implemented various actions to prevent the spread of COVID-19. The revenue from overseas hotels, however, decreased by 1.4% QoQ mainly from the decrease in quarantine customers of Dusit Thani Manila due to the country reopen.

### **Hotel Management**

Revenue from Hotel Management was THB 52 million in 1Q22, decreased by 7.1% YoY. The decrease was driven by managed properties in China due to a lockdown on zero-Covid policy which directly affected tourism industry. However, the revenue of managed properties under Dusit brand increased both from Thailand and overseas due to international and domestic travel restriction lifting and the progressive recovery of international tourism particularly in the Middle East and Singapore. However, the revenue from Hotel Management decreased 37.3% QoQ due to the spread of new COVID-19 variant, Omicron, and the lockdown in China while there was an ease of COVID-19 situation and more holidays and celebrations in 4Q21.

The Company reported EBITDA from Hotel Business of THB 123 million in 1Q22, improved by THB 114 million YoY and THB 19 million QoQ. This increase was driven by country reopen and improving EBITDA margin from the continuous cost containment.

The depreciation and amortization were THB 156 million in 1Q22, decreased by 4.3% YoY because of the sale of Dusit Thani Princess Chiangmai in August 2021.

In 2021, provision for impairment loss was recorded of THB 106 million from Dusit Suites Ratchadamri, Bangkok, Dusit Thani Laguna Phuket, Dusit Thani Hua Hin and Dusit D2 Chiang Mai from business disruption by COVID-19 pandemic in 1Q21.

### **Education Business**

Education Business generated the revenue of THB 128 million in 1Q22, increased by 21.9% YoY and 48.8% QoQ. The increase was mainly driven by the followings: firstly, increasing number of students from degree and short-course programs of Dusit Thani College due to more marketing strategies to attract

students of both Bangkok and Pattaya campuses. College remained conducting online teaching. Secondly, higher profit sharing from Le Cordon Bleu Dusit Culinary School after the temporary closure in January and April-October 2021 according to the government's order during the second wave of COVID-19. Thirdly, lower loss sharing from Dusit Hospitality Education Philippines of decreasing administrative expenses. However, The Food Education Bangkok Co., Ltd. which was in pre-opening phase, generated higher loss sharing due to increasing employee expenses.

EBITDA from Education Business was THB 36 million in 1Q22, increased by THB 11 million YoY and 31 million QoQ mainly due to the increase in revenue mentioned above.

### **Food Business**

Food Business generated the revenue of THB 141 million in 1Q22, decreased by 11.3% YoY mainly from 38.1% lower revenue of The Caterers that providing diversified catering services for international schools throughout Vietnam. Since most schools in Ho Chi Minh City and Hanoi remained conducted online teaching and learning to prevent the spread of COVID-19. While the revenue of Epicure Catering that mainly operated in Thailand increased by 5.3% YoY from providing catering services to 31 out of 33 schools in January 2022 and all schools in the following month. In 1Q21, there was a temporary closure of schools in Thailand (January) and Vietnam (February). However, Food revenue increased by 135.0% QoQ mainly from the operational resumption of Epicure Catering and The Caterers. Epicure Catering resumed its operation after the government's order to reopen schools (29 out of 32 schools) in November 2021 while The Caterers also resumed its operation after the lockdown lifting at the beginning of October 2021 with few schools reopening comparing to most schools still impacted from lock down in 4Q21.

EBITDA from Food Business was THB -1 million, decreased by THB 8 million YoY but increased by THB 29 million mainly from the change in revenue mentioned above and the rise in food ingredient price.

### **Property Development Business**

Property Development Business reported the revenue of THB 133 million, decreased by 48.0% YoY. The Company recorded gain on sale on an investment in Suanlum Property Co., Ltd. of THB 131 and recognized income from deferred arrangement fee income by based on decreased in shareholding proportion of THB 4 million in 1Q22 while recorded THB 251 million and THB 16 million, respectively in 1Q21. Meanwhile, the Company recorded lower loss sharing from The Origin Dusit Co., Ltd., the joint venture, of THB 9 million due to less marketing expenses.

EBITDA from Property Development was THB 114 million in 1Q22, decreased by THB 135 million YoY from changes in revenue and higher marketing expenses related to Dusit Central Park project.

### **Other Businesses**

The Company reported revenue from Other Businesses of THB 93 million in 1Q22, decreased by THB 261 million or 73.7% YoY. Mainly the Company recorded the decrease in gain on measurement of other financial assets (THB 245 million), the decrease in gain on exchange rate (THB 28 million), lower profit sharing from DREIT (THB 2 million) and the increase in other income e.g., rental income, IT fee and interest income (THB 14 million).

EBITDA in 1Q22 was THB -65 million, decreased by THB 320 million from the decrease in revenue as mentioned and the increase in administrative expenses.

**Earnings before Interest, Corporate Income Tax, Depreciation and Amortization (EBITDA)**

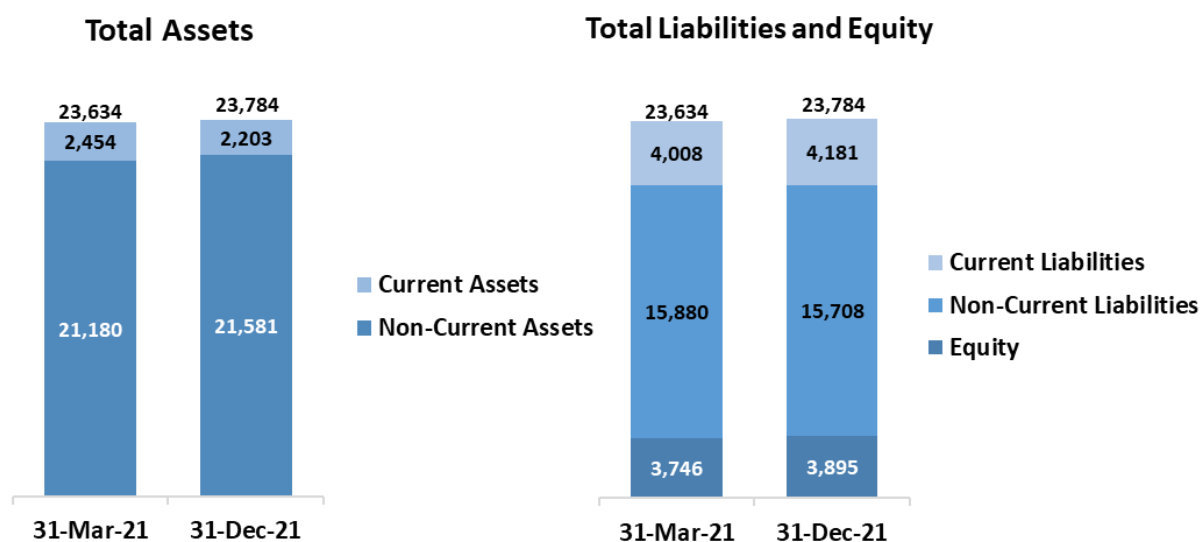
The Company's EBITDA was THB 207 million in 1Q21; decreased by THB 338 million from the change in EBITDA mentioned above.

**Finance Costs**

Finance Costs was THB 123 million in 1Q22, increased by 12.6% YoY mainly from the 2 new debenture issuances, the increase in interest rate of short/long-term loans, and the increase in long-term loans.

**Net Profit**

The Company reported the net loss of THB 129 million in 1Q22; decreased by THB 202 million YoY.



### Assets

As of 31 March 2022, the Company reported the total assets of THB 23,634 million, decreased by THB 150 million or 0.6% from total assets as of 31 December 2021.

- Current assets increased by THB 251 million mainly from a proceed from sale of other current financial assets and investment in associate, and a decrease of net changes in cash and cash equivalents of investing, financing, and operating activities.
- Non-current assets decreased by THB 401 million from a sale of other current financial assets and investment in associate, a decrease of right-of-use assets from depreciation, a decrease of advanced construction payment offset with an increase of property, plant and equipment for Dusit Central Park and an increase of deferred tax asset.

### Liabilities

As of 31 March 2022, total liabilities were THB 19,888 million, decreased by THB 1 million from the total liabilities as of 31 December 2021.

- Current liabilities decreased by THB 173 million mainly from a repayment in short-term loans from financial institutions and current portion of long-term loan offset with an increase in trade accounts and other current payable as well as other current liabilities.
- Non-current liabilities increased by THB 172 million an increase in deferred revenue and customer's deposits offset with a decrease in lease liabilities.

### Shareholders' Equity

As of 31 March 2022, Shareholders' Equity of THB 3,746 million, decreased by THB 149 million or 3.8% from the Shareholders' Equity as of 31 December 2021, consisted of the equity attributed to owners of the parent of THB 3,165 million and the non-controlling interest of THB 581 million due to loss on operating results in this period.

### **Cash Flows**

As of 31 March 2022, the Company reported cash and cash equivalents of THB 1,471 million, increased by THB 253 million (before gain from foreign currencies of THB 8 million) from THB 1,210 million as of 31 December 2021.

### **Use of Funds**

The Company reported net cash outflows of THB 531 million, consisting of the followings:

- Net cash outflow from financing activities of THB 531 million, mainly consisting of the followings:
  - Cash outflow for the repayment of short-term and long-term loans from financial institutions of THB 1,071 million and of THB 49 million, respectively.
  - Cash outflow for interest paid of THB 124 million.
  - Cash out flow for the payment of lease liabilities of THB 114 million.
  - Cash inflow from the proceed of short-term and long-term loans from financial institutions of THB 826 million and of THB 1 million, respectively.

The Company reported net cash inflows of THB 784 million, consisting of the followings:

- Net cash inflow of operating activities of THB 386 million consisted of
  - Cash inflows from deferred revenue of THB 107 million, customer's deposits of THB 149 million offsetting with net cash inflow from sales and services deducting cash outflow for the operating results from COVID-19 pandemic impact and income tax payment from prior-year operating results.
- Net cash inflow of investing activities of THB 398 million consisted of
  - Cash inflow from sale of other financial assets of THB 573 million.
  - Cash inflow from sale of investment in associate of THB 137 million.
  - Cash inflow from dividend income received from investment in associates of THB 46 million and others of THB 1 million.
  - Cash outflow for purchases equipment and construction in process of THB 323 million for "Dusit Central Park" and "ASAI Sathorn" projects.
  - Cash outflow for purchase of other intangible assets of THB 13 million.
  - Cash outflow for long-term loans to related parties THB 16 million, and others of THB 7 million.



Dusit Thani PLC  
Management Discussion and Analysis  
For 1Q22

Statement of Financial Position

| Unit: THB mn                                 | 31-Mar-22     | % to total assets | 31-Dec-21     | % to total assets | Chg          |
|--|---------------|-------------------|---------------|-------------------|--------------|
| Cash and cash equivalents                    | 1,471         | 6.2%              | 1,210         | 5.1%              | 21.6%        |
| Other current financial assets               | 196           | 0.8%              | 197           | 0.8%              | -0.5%        |
| Trade and other receivables                  | 474           | 2.0%              | 438           | 1.8%              | 8.2%         |
| Other current assets                         | 313           | 1.4%              | 358           | 1.6%              | -12.6%       |
| <b>Total current assets</b>                  | <b>2,454</b>  | <b>10.4%</b>      | <b>2,203</b>  | <b>9.3%</b>       | <b>11.4%</b> |
| Other non-current financial assets           | 38            | 0.2%              | 610           | 2.6%              | -93.8%       |
| Investments in associates                    | 1,597         | 6.8%              | 1,631         | 6.9%              | -2.1%        |
| Investment properties                        | 1,152         | 4.9%              | 1,152         | 4.8%              | 0.0%         |
| Property, plant and equipment                | 6,133         | 25.9%             | 5,785         | 24.3%             | 6.0%         |
| Right-of-use assets                          | 8,951         | 37.9%             | 9,071         | 38.1%             | -1.3%        |
| Intangible assets other than goodwill        | 827           | 3.5%              | 853           | 3.6%              | -3.0%        |
| Goodwill                                     | 652           | 2.8%              | 652           | 2.7%              | 0.0%         |
| Advance payment for construction             | 680           | 2.9%              | 745           | 3.1%              | -8.7%        |
| Other non-current assets                     | 1,150         | 4.7%              | 1,082         | 4.6%              | 6.3%         |
| <b>Total non-current assets</b>              | <b>21,180</b> | <b>89.6%</b>      | <b>21,581</b> | <b>90.7%</b>      | <b>-1.9%</b> |
| <b>Total assets</b>                          | <b>23,634</b> | <b>100.0%</b>     | <b>23,784</b> | <b>100.0%</b>     | <b>-0.6%</b> |
| Short-term loans from financial institutions | 1,046         | 4.4%              | 1,291         | 5.4%              | -19.0%       |
| Trade and other current payables             | 1,183         | 5.0%              | 1,121         | 4.7%              | 5.5%         |
| Current portion of long-term loans           | 1,260         | 5.3%              | 1,315         | 5.5%              | -4.2%        |
| Current portion of lease liabilities         | 256           | 1.1%              | 252           | 1.2%              | 1.6%         |
| Other current liabilities                    | 263           | 1.2%              | 202           | 0.8%              | 30.2%        |
| <b>Total current liabilities</b>             | <b>4,008</b>  | <b>16.9%</b>      | <b>4,181</b>  | <b>17.6%</b>      | <b>-4.1%</b> |
| Long-term loans                              | 1,902         | 8.0%              | 1,895         | 8.0%              | 0.4%         |
| Lease liabilities                            | 7,442         | 31.5%             | 7,517         | 31.6%             | -1.0%        |
| Debentures                                   | 1,982         | 8.4%              | 1,979.00      | 0.08              | 100.0%       |
| Deferred rental revenue                      | 451           | 1.9%              | 457           | 1.9%              | -1.3%        |
| Deferred revenue                             | 2,463         | 10.4%             | 2,356         | 9.9%              | 4.5%         |
| Customer's deposit                           | 1,009         | 4.3%              | 860           | 3.6%              | 17.3%        |
| Other non-current liabilities                | 631           | 2.7%              | 644           | 2.7%              | -2.0%        |
| <b>Total non-current liabilities</b>         | <b>15,880</b> | <b>67.2%</b>      | <b>15,708</b> | <b>66.0%</b>      | <b>1.1%</b>  |
| <b>Total liabilities</b>                     | <b>19,888</b> | <b>84.1%</b>      | <b>19,889</b> | <b>83.6%</b>      | <b>0.0%</b>  |
| Equity attributable to owners of the Company | 3,165         | 13.4%             | 3,288         | 13.8%             | -3.7%        |
| Non-controlling interests                    | 581           | 2.5%              | 607           | 2.6%              | -4.3%        |
| <b>Total shareholders' equity</b>            | <b>3,746</b>  | <b>15.9%</b>      | <b>3,895</b>  | <b>16.4%</b>      | <b>-3.8%</b> |

| <b>Key Financial Ratio</b>   |                  |                  |
|--|------------------|------------------|
| <b>Profitability ratio</b>   | <b>31-Mar-22</b> | <b>31-Mar-21</b> |
| Gross profit margin  | 27.9%            | 20.6%            |
| EBITDA margin  | 18.3%            | 41.6%            |
| Net profit margin  | -11.4%           | 5.6%             |
| <b>Efficiency ratio</b>  | <b>31-Mar-22</b> | <b>31-Mar-21</b> |
| Return on equity   | -30.6%           | -17.9%           |
| Return on asset  | -3.3%            | -2.0%            |
| <b>Liquidity ratio</b>   | <b>31-Mar-22</b> | <b>31-Dec-21</b> |
| Current ratio (time)   | 0.61             | 0.53             |
| <b>Leverage ratio</b>  | <b>31-Mar-22</b> | <b>31-Dec-21</b> |
| Interest bearing debt to equity (time)*                            | 4.40             | 4.35             |
| Net interest bearing debt to equity (time)*                        | 3.87             | 3.92             |
| Debt to equity (time)*   | 6.28             | 6.05             |
| Interest bearing debt to total equity (time) (excl: TFRS16 effect) | 1.66             | 1.68             |
|  | <b>31-Mar-22</b> | <b>31-Mar-21</b> |
| Interest coverage ratio (time)**                                   | -0.20            | 1.89             |

\* Calculated from equity attributable to owners of the Company

\*\* =EBIT/Interest expense

As of 31 March 2022, the Company had Interest bearing debt to equity attributable to owners of the Company (IBD/E) ratio at 4.40 times and IBD/E ratio excluding TFRS 16 - Lease at 1.97 times. The increase in liabilities was mainly from increase of deposit for right to lease building and customer's deposit.

In terms of leverage, the Company's interesting bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity was 1.66 times which complied with loan from financial institution's covenant to have IBD/E ratio not exceeding 1.75.

In terms of leverage, the Company's net interesting bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity was 1.22 times which complied with the new debenture's covenant policy in July 2021 and December 2021 to have net IBD/E ratio not exceeding 3 times.

Average collection in 2021 was 31 days which complied with the normal credit term granted by the Group due within 30-60 days. However, the Company extended the payment terms to support the customers affected by COVID-19.

## **Outlook**

For 2022, the Company assumes the total revenue growth of approximately 35%-40% from 2021 driven mainly by the hotel, education, and food business. EBITDA margin is expected to be in the range of 12%-15% of the total revenue. The Company's business outlook remains the same as follows:

### **Hotel business:**

- Compared to last year, the hotel business outlook is expected to show the improvement despite the negative impact from the new COVID-19 'Omicron' variant that started spreading in Thailand since end-2021 due to Thailand's readiness in healthcare compared to the first year of the epidemic. Domestic traveling and international tourist arrivals have increased thanks to rising vaccination rates as well as easing lockdown measures, and Thailand reopening in November 2021. Overseas hotel business such as the Middle East, Republic of Maldives, and the Philippines is expected to continue a good trend following more relaxation of international travel measures in many countries.

The Company expects to see a clearer recovery of the hotel business in 2H22, with 1H22 still reliant on domestic tourism and more international tourist arrivals in 2H22 following the government's cancellation on Test & Go scheme from 1 May onwards. Since China remains close the border, the Company shifted the focus to tourists from Europe and Russia. However, due to the Russia-Ukraine war that started at the end of February, the Company has shifted tourist target to India, ASEAN, and the Middle East region. Based on these assumptions, the Company expects the hotel business revenue this year to increase to around 75% of 2019 hotel business revenue (pre-COVID-19 level) given that the epidemic situation will not become worse and no protracted war between Russia and Ukraine.

### **Education business:**

- The Company expects to see a better outlook of hospitality education business in 2022 since both Dusit Thani College and Le Cordon Bleu Dusit Culinary School (LCBD) have resumed more operational after being affected by government-mandated school closures most of the time in 2021 until year end.
- Dusit Thani College continues to change its teaching method to blend both online and onsite for bachelor's and master's degree programs. Dusit Thani College adjusted the enrollment plan to 800 new students in 2022 while LCBD targets more than 300 enrollments per intake/term. The Food School project, the first center to offer a variety of multi-cuisine training and business incubation all under one roof, is planned to start the food incubator leasing by 2Q22 and commence the cooking class by 4Q22.

### **Food business:**

- The international school catering services in Thailand have begun to gradually resume at most schools in the end of 4Q21 after schools temporarily closed as ordered by the government due to the COVID-19 outbreak. The business in Vietnam has resumed operation at the end of February 2022 which delayed from the original plan (mid-February after the Tet) due to the daily sharp increase of new COVID-19 cases. However, the COVID-19 situation in Vietnam has improved since end of March.
- Healthy food business under the KAUI brand successfully opened a flagship store in the Asoke office complex in mid-2021. In 2022, KAUI plans to generate additional income from

new menus, more distribution channels, as well as plans to open two new stores in high-potential areas.

- Dusit Gourmet is currently a food sourcing hub for all Dusit hotels and resorts in Thailand and overseas as well as the external customers. Dusit Gourmet started supplying frozen bakery and Ready-to-Cook to Dusit hotels in Thailand since 2021. In 1Q22, Dusit Gourmet was in the process to expand client base to HoReCa group with a plan to add new product such as organic rice and milk, new condiments, and frozen foods.

Property development business:

- Dusit Central Park Project, a mixed-use JV project with Central Pattana PCL
  - Currently, the project is in the progress of sub-structure work. The construction for basements of hotel and residences has been commenced. The main contractor for super-structure construction has already been awarded. The construction of the hotel building has been scheduled to begin in 2Q22.
  - The first phase of the project, including the hotel, is expected to open in early 2024. Central Park Department Store and Central Park Offices Building are slated to open in 2024, with Dusit Residences and Dusit Parkside following in mid-2025.
  - Currently, Dusit Residences and Dusit Parkside units have been sold approximately 40% of the saleable areas. The customer target is split to 65% foreigners and 35% Thai. In 2022, the international roadshow has already started in Singapore with plans to market the project to the potential buyers in the Middle East and Southeast Asia while waiting for the Hong Kong and Chinese market open.
- The Hampton Sriracha by Origin and Dusit, a condominium JV project with Origin Property PCL, is currently under construction. The condominium development is expected to be completed in 2022 and begin unit transferring during the end of 2022-2023. Currently, approximately 72% of the units have been sold.

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Please be informed accordingly

Sukit Ngamsangapong

Authorized person to disclose information