

Executive Summary

In 1Q23, the Company had a core profit of THB 11 million. This figure was significantly higher than the THB -126 million had in the same period of last year and the THB -107 million achieved in 4Q22 – thanks mainly to continued hotel business recovery, high season travel, and food business expansion. The Company successfully leveraged the return of tourism to raise ADR, resulting in its highest quarterly RevPar and highest quarterly hotel revenue since the COVID-19 pandemic began three years ago. The Company's food business also grew considerably, driven by its international school catering business and the baking factory and franchise business that the Company invested in as part of its strategy for expansion and diversification in mid-2022. In 1Q23, the Company had a core EBITDA of THB 356 million, an increase of 69.5% YoY and 44.4% QoQ.

Unit: THB mn	1Q23	1Q22	Change		4Q22	Change	
Hotel business	1,192	634	558	88.0%	1,098	94	8.6%
Education business	119	127	-8	-6.3%	145	-26	-17.9%
Food business	307	142	165	116.2%	293	14	4.8%
Property development business	14	133	-119	-89.5%	64	-50	-78.1%
Others	85	93	-8	-8.6%	123	-38	-30.9%
Total revenue	1,717	1,129	588	52.1%	1,723	-6	-0.3%
EBITDA	354	207	147	71.0%	446	-92	-20.6%
EBIT	135	-25	160	NM+	212	-77	-36.3%
Net profit (loss) attributable to parent	9	-129	138	NM+	46	-37	-80.4%
EPS (THB)	-0.02	-0.15	0.14	90.3%	0.05	-0.08	NM-
Non-recurring items	-2	-3	1	33.7%	153	-155	NM-
Net profit (loss) attributable to parent excluding non-recurring items	11	-126	137	NM+	-107	118	NM+

Unit: THB mn	1Q23	1Q22	4Q22
Gain (loss) on measurement of other financial assets	-	32	-
Gain (loss) on sale of other financial assets	-	(33)	-
Gain on revaluation of investment property	-	-	100
Gain on sale of property, plant and equipment (net)	-	-	68
Gain on write off of right-of-use asset (net)	-	-	9
Severance pay	(2)	(2)	(4)
Tax income	-	-	(20)
Total non-recurring items	(2)	(3)	153

Major developments in 1Q23

Hotel Business

In March 2023, the company opened two new hotels under hotel management agreements – Dusit Suites Athens, Greece (36 rooms) and Dusit Princess Hotel Residences Nairobi, Kenya (100 rooms) – and deflagged dusitD2 Society Hill, China (405 rooms), resulting in the total of 49 hotels under management. For luxury villa management, Elite Havens adjusted its portfolio to focus on quality and a higher range of the value chain. As a result, the number of villas under management dropped to 260. As of 1Q23, the company's portfolio includes 309 hotels and villas (approximately 11,830 rooms) across 18 countries.

Food business

In 1Q23, Bonjour Bakery opened two new stores and closed one, bringing its total of stores to 70. Savor Eats opened one additional cloud dispensing network, resulting in two dispensing pods in total.

1Q23 Business Segment Performance

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	1Q23	1Q22	Change		1Q23	1Q22	Change	
Hotel business	1,192	634	558	88.0%	401	123	278	226.0%
Education business	119	127	-8	-6.3%	12	35	-23	-65.7%
Food business	307	142	165	116.2%	44	-	44	-
Property development business	14	133	-119	-89.5%	-6	114	-120	NM-
Others	85	93	-8	-8.6%	-97	-65	-32	-49.2%
Total revenue	1,717	1,129	588	52.1%	354	207	147	71.0%

Note: Revenue included share of profit (loss) of joint ventures and associates accounted for using equity method

In 1Q23, the Company reported total revenue of THB 1,717 million; an increase of THB 588 million or 52.1% YoY, of which 69.4%, 6.9%, 17.9%, 0.8% and 5.0% of total revenue came from Hotel Business, Education Business, Food Business, Property Development Business and Other Business, respectively.

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	1Q23	4Q22	Change		1Q23	4Q22	Change	
Hotel business	1,192	1,098	94	8.6%	401	353	48	13.6%
Education business	119	145	-26	-17.9%	12	44	-32	-72.7%
Food business	307	293	14	4.8%	44	29	15	51.7%
Property development business	14	64	-50	-78.1%	-6	37	-43	NM-
Others	85	123	-38	-30.9%	-97	-17	-80	-470.6%
Total revenue	1,717	1,723	-6	-0.3%	354	446	-92	-20.6%

Hotel Business

Hotel Business generated revenue of THB 1,192 million in 1Q23, an increase of 88.0% YoY mainly due to the increase in tourist travel since late year ended 2022 while, 1Q22, the impact on the situation of the spread of COVID-19 was still on. Comparing to 4Q22, the revenue increased by 8.6% QoQ in the direction of continuous hotel business recovery.

Owned Hotels

	1Q23	1Q22	% Change	4Q22	% Change
Occupancy %	74.5%	47.2%	58.0%	69.0%	8.0%
ADR (THB/night)	4,413	3,887	13.5%	3,989	10.6%
RevPar (THB/night)	3,289	1,833	79.4%	2,753	19.5%

Owned Hotels Business generated revenue of THB 1,011 million in 1Q23, an increase of 73.7% YoY and 8.9% QoQ. This is detailed as follows:

- Revenue from Owned Hotels in Thailand increased by 160.8% YoY and 18.6% QoQ mainly due to increase of revenue from Dusit Thani Laguna Phuket, Dusit Thani Hua Hin and Dusit Thani Pattaya owing to increase on number of travelers and the surge of revenge travel since the end of 2022. It was resulted to increase of OCC and ADR.
- Revenue from Overseas Hotels increased by 16.0% YoY. The increase was mainly driven by Dusit Thani Manila increasing 83.5% YoY owing to the country reopening to fully vaccinated tourists who have proof of a negative COVID-19 PCR test, with no quarantine requirements since February 2022. ADR improved by 88.7% YoY. For Dusit Thani Maldives, revenue decreased by 11.8% YoY due to customers having alternative routes to travel after the COVID-19 pandemic situation around the world has been resolved. Additionally, there has been an increase in price competition and new players. Main customers were from Russia followed by South Korea, United Kingdom, Germany, France and India. Comparing to 4Q22, the revenue down by 2.9% QoQ due to decrease in Dusit Thani Manila's revenue, which was the high season in 4Q22.

Hotel Management

Revenue from Hotel Management was THB 181 million in 1Q23, increase of 248.1% YoY. The increase was driven mainly by overseas managed properties due to resolving of the COVID-19 pandemic situation around the world, particularly in the Middle East and United States of America (Guam). Moreover, the revenue from Hotel Management under Elite Havens also constantly increased following the reopening of Thailand (June 2022) and Japan (October 2022). The revenue also increased by 6.5% QoQ mainly due to increase of revenue from Elite Havens and management services and technical consultancy of hotel and property in Japan.

The Company reported EBITDA from Hotel Business of THB 401 million in 1Q23, up by THB 278 million YoY and THB 48 million QoQ. This increase was driven by the country reopening and improving EBITDA margin from continuous cost containment.

The depreciation and amortization were THB 145 million in 1Q23, decreased by 7.1% both YoY and QoQ mainly due to an increase in fully depreciated assets.

Education Business

Education Business generated the revenue of THB 119 million in 1Q23, decreased by 6.3% YoY. The decrease was mainly due to increase on loss sharing from The Food Education Bangkok Co., Ltd., as in opening phase for certificate program since January 2023, caused the increasing of employee cost and other expenses and lower profit sharing from Le Cordon Bleu Dusit Culinary School reflecting to decrease on number of students. The revenue also decreased by THB 26 million or 17.9% QoQ mainly due to decrease of revenue from Dusit Thani College due to Q1 was in the period of semester break and students were getting back to normal semester despite an increasing numbers of students.

EBITDA from Education Business was THB 12 million in 1Q23, decreased of THB 23 million YoY mainly due to Dusit Thani College were back to more onsite classes, which increased in expenses, salary also increased since in process of pre-opening phase for launching new programmes and higher loss sharing from The Food Education Bangkok Co., Ltd. EBITDA worsened by THB 32 million QoQ mainly due to decrease of revenue from Dusit Thani College as mentioned.

Food Business

Food Business generated revenue of THB 307 million in 1Q23, increased by THB 165 million or 116.2% YoY. This mainly came from investment in Bonjour Bakery Asia, a bakery business and a franchise, which invested at the end of 2Q22. The increase in revenue of Epicure Catering and The Caterers by 40.0% and 76.9% YoY, respectively, from more student numbers after the full operations on-site of schools both in Thailand and Vietnam. Comparing to 4Q22, Food Business revenue increased by 4.8% QoQ due to the catering business in Thailand.

EBITDA from Food Business in 1Q23 was THB 44 million, up by THB 44 million YoY; due to 1Q22 the catering business was impact by school closure and not yet invested in Bonjour Bakery Asia; and up by THB 15 million QoQ, mainly from the change in revenue mentioned above.

Property Development Business

In 1Q23, Property Development Business reported revenue and profit sharing of THB 14 million, decreased by THB 119 million YoY mainly due to gain on sales of investment in associate of THB 131 million and arrangement fee income of THB 4 million in 1Q22. However, Property Development Business increased profit sharing from The Origin Dusit Co., Ltd. from recognizing revenue of Hampton project by THB 16 million. Profit sharing of the Property Development Business decreased by THB 50 million QoQ caused by a decrease in the number of units transferred.

EBITDA from Property Development was THB -6 million in 1Q23, decreased by THB 120 million YoY; and decreased by THB 43 million QoQ as revenue changes as mentioned.

Other Businesses

The Company reported revenue from Other Businesses of THB 85 million in 1Q23, decreased by THB 8 million YoY mainly due to decrease of gain on measurement of other financial assets by THB 33 million. Although, the revenue increased from Baan Dusit Thani and Dusit Hospitality Services that operate business of outside catering, cleaning and project management for high-end condominium in Bangkok. The revenue decreased of THB 38 million or 30.9% QoQ mainly due to decrease of change in fair value of investment property and gain on sales of property plant and equipment. Although it was positively affected by the decline in loss on foreign exchange rate and increase on profit sharing from DREIT.

EBITDA from Other Businesses was THB -97 million in 1Q23, decreased by THB 32 million YoY; and decreased by THB 80 million QoQ as revenue changes as mentioned and the increase in administrative expenses.

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

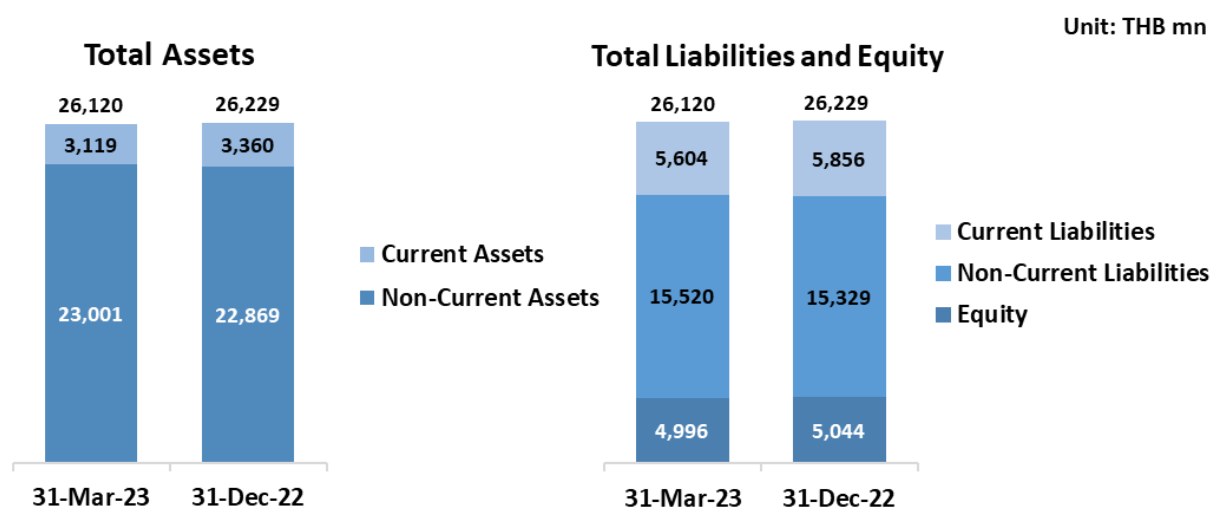
The Company's EBITDA was THB 354 million in 1Q23, up by THB 147 million YoY; and down by THB 92 million QoQ due to the change in EBITDA mentioned above.

Finance Costs

Finance Costs was THB 124 million in 1Q23, increased by 1.2% YoY; and 1.8% QoQ mainly from the increase in interest rate of short/long-term loans and the increase in long-term loans in 2022.

Net Profit

The Company reported the net profit of THB 9 million in 1Q23, up by THB 138 million YoY; and down by THB 37 million QoQ.



Assets

As of 31 March 2023, total assets of the Group were THB 26,120 million, decreasing by THB 110 million or 0.4% compared with 31 December 2022.

- Current assets decreased by THB 241 million, mainly from a net decrease of THB 297 million in cash and cash equivalents because of the net balance between operating, investing, and financing activities which were partially offset by an increase of THB 74 million in trade and other current receivables.
- Non-current assets increased by THB 131 million, mainly due to an increase in property, plant and equipment of THB 389 million mainly from “Dusit Central Park” and “ASAI Sathorn” projects, netted off with a decrease in right-of-use assets of THB 135 million, a decrease of advance payment for construction of Dusit Central Park of THB 79 million and a decrease of investments in associates of THB 66 million from dividend income from DREIT recognized using the equity method.

Liabilities

As of 31 March 2023, total liabilities of the Group were THB 21,124 million, decreasing by THB 61 million or 0.3% compared with 31 December 2022.

- Current liabilities decreased by THB 252 million mainly due to trade accounts and other current payable decreased by THB 333 million offset by an increase in short-term loans from financial institutions of THB 55 million.
- Non-current liabilities increased by THB 191 million mainly because of a THB 285 million increase in deferred revenue and customers’ deposits from Dusit Central Park project. The increase was offset by a THB 76 million decrease in lease liabilities according to lease payment schedule.

Shareholders’ Equity

As of 31 March 2023, Shareholders’ Equity of THB 4,996 million decreased by THB 49 million or 1.0% compared with 31 December 2022. This consisted of the equity attributed to owners of the parent of THB 4,070 million and the non-controlling interest of THB 926 million. The decrease was a result of THB 61 million of interest on perpetual subordinated debentures that was offset by THB 12 million of total comprehensive income for the period.

Cash Flows

As of 31 March 2023, the Group reported cash and cash equivalents of THB 1,846 million, decreasing by THB 313 million (before gain from foreign currencies of THB 16 million) from THB 2,143 million as of 31 December 2022.

- Net cash inflow from operating activities of THB 264 million mainly consisting of:
 - Cash inflows from deferred revenue of THB 38 million, customer’s deposits of THB 247 million offset by net cash inflow from sales and services deducting by operating cash outflow, and tax payment.
- Net cash outflow for investing activities of THB 243 million, mainly consisting of:
 - Cash outflow for purchases of equipment and construction mainly for “Dusit Central Park” and “ASAI Sathorn” projects – THB 314 million.
 - Cash inflow from dividend received from associate– THB 86 million.
- Net cash outflow for financing activities of THB 334 million mainly consisting of:
 - Cash outflow for the payment of lease liabilities – THB 118 million.
 - Cash outflow for interest paid – THB 162 million.
 - Cash outflow for interest paid for perpetual subordinated debentures – THB 61 million.

Dusit Thani PLC
Management Discussion and Analysis
For 1Q23

Statement of Financial Position

Unit: THB mn	31-Mar-23	% to total assets	31-Dec-22	% to total assets	Chg
Cash and cash equivalents	1,846	7.1%	2,143	8.2%	-13.9%
Other current financial assets	161	0.6%	160	0.6%	0.6%
Trade and other receivables	608	2.3%	534	2.0%	13.9%
Other current assets	504	1.9%	523	2.1%	-3.6%
Total current assets	3,119	11.9%	3,360	12.8%	-7.2%
Other non-current financial assets	37	0.1%	37	0.1%	0.0%
Investments in associates	1,408	5.4%	1,474	5.6%	-4.5%
Investment properties	1,252	4.8%	1,252	4.8%	0.0%
Property, plant and equipment	7,670	29.4%	7,281	27.8%	5.3%
Right-of-use assets	8,486	32.5%	8,621	32.9%	-1.6%
Intangible assets other than goodwill	847	3.2%	867	3.3%	-2.3%
Goodwill	971	3.7%	971	3.7%	0.0%
Advance payment for construction	801	3.1%	880	3.4%	-9.0%
Other non-current assets	1,529	5.9%	1,486	5.8%	2.9%
Total non-current assets	23,001	88.1%	22,869	87.2%	0.6%
Total assets	26,120	100.0%	26,229	100.0%	-0.4%
Short-term loans from financial institutions	1,180	4.5%	1,125	4.3%	4.9%
Trade and other current payables	1,591	6.1%	1,924	7.3%	-17.3%
Current portion of long-term loans	284	1.1%	296	1.1%	-4.1%
Current portion of lease liabilities	276	1.1%	275	1.0%	0.4%
Current portion of debentures	1,994	7.6%	1,991	7.6%	0.2%
Other current liabilities	279	1.1%	245	0.9%	13.9%
Total current liabilities	5,604	21.5%	5,856	22.3%	-4.3%
Long-term loans	1,977	7.6%	1,985	7.6%	-0.4%
Lease liabilities	7,375	28.2%	7,451	28.4%	-1.0%
Debentures	0	0.0%	0	0.0%	100.0%
Deferred rental revenue	460	1.8%	466	1.8%	-1.3%
Deferred revenue	3,248	12.4%	3,210	12.2%	1.2%
Customer's deposit	1,853	7.1%	1,606	6.1%	15.4%
Other non-current liabilities	607	2.3%	611	2.3%	-0.7%
Total non-current liabilities	15,520	59.4%	15,329	58.4%	1.2%
Total liabilities	21,124	80.9%	21,185	80.8%	-0.3%
Equity attributable to owners of the Company	4,070	15.6%	4,121	15.7%	-1.2%
Non-controlling interests	926	3.5%	923	3.5%	0.3%
Total shareholders' equity	4,996	19.1%	5,044	19.2%	-1.0%

Key Financial Ratio		
Profitability ratio	31-Mar-23	31-Mar-22
Gross profit margin	39.1%	27.9%
EBITDA margin	20.6%	18.3%
Net profit margin*	0.5%	-11.4%
Efficiency ratio	31-Mar-23	31-Mar-22
Return on equity*	-10.1%	-30.6%
Return on asset	0.4%	-3.3%
Liquidity ratio	31-Mar-23	31-Dec-22
Current ratio (time)	0.56	0.57
Leverage ratio	31-Mar-23	31-Dec-22
Interest bearing debt to equity (time)*	3.21	3.18
Net interest bearing debt to equity (time)*	2.72	2.63
Debt to equity (time)*	5.19	5.14
Interest bearing debt to total equity (time) (excl: TFRS16 effect)	1.09	1.07
Net interest bearing debt to total equity (time) (excl: TFRS16 effect)	0.69	0.61
	31-Mar-23	31-Mar-22
Interest coverage ratio (time)**	1.08	-0.20

* Calculated from equity attributable to owners of the Company

** =EBIT/Interest expense

As of 31 March 2023, the Company had interest bearing debt to equity attributable to owners of the Company (IBD/E) ratio at 3.21 times, and IBD/E ratio excluding TFRS 16 - Lease at 1.34 times.

In terms of leverage, the Company's interest bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity and net interesting bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity were 1.09 times and 0.69 times, respectively. This does not exceed 3 times and complies with both the loan from financial institution's covenant and new debenture's covenant issued in July 2021 and December 2021.

Average collection in 2023 was 22 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 2023, the Company's business outlook remains positive. Business recovery is expected to continue with greater revenue contribution from food business. The Company expects the growth rate of total revenue from existing business to be between 30%-35% YoY, with an EBITDA margin of approximately 15%-18% of total revenue in 2023.

Hotel Business:

- The Company's hotel business outlook remains promising despite industry challenges. The Tourism Authority of Thailand targets 25-30 million tourist arrivals to Thailand in 2023 vs 11.2 million arrivals welcomed in 2022. In 1Q23, there were approximately 6.5 million tourist arrivals to Thailand.
- Despite the increasing number of tourists, hotel industry challenges remain due to expensive airfares, labour shortages, rising inflation, and the geopolitics between Russia and Ukraine. The upside is China's reopening, and the Company expects to see the positive impact of this around mid-2Q23.
- Driven by higher ADR and occupancy rates, hotel business revenue is expected to grow by 30-35% YoY, surpassing the pre-COVID-19 level. However, owned hotel occupancy is expected to be around 70%, slightly lower than the pre-COVID-19 level of 74% due to the refurbishment plan of Dusit Thani Pattaya in 2023.
- In 2023, the Company plans to open 14 new hotels (approximately 1,700 rooms) in Asia and Europe, focusing on asset-light hotel expansion. This includes three hotels opening in Thailand. For owned hotel expansion, the Company plans to open ASAI Bangkok Sathorn (106 rooms) in 2Q23.

Education Business:

- The Company expects a better year for its hospitality education business as both Dusit Thani College and Le Cordon Bleu Dusit Culinary School resumed operations with 100% onsite classes in 4Q22.
- The increasing number of student enrollments at Dusit Thani College and Le Cordon Bleu Dusit Culinary School are also expected to lead to a stronger educational performance in 2023. This is despite the higher expenses from The Food School, whose pre-operating costs are no longer being capitalised since the school's opening in 4Q22. There will also be no further loss sharing from Dusit Hospitality Education Philippines (DHEP) due to the divestment of DHEP in 4Q22.

Food Business

- In 2023, the Company plans to leverage food business synergies with business partners/collaborators to drive sustainable growth in line with the Company's primary strategy for balance, diversification, and expansion. Alongside driving growth, this will help to mitigate the impact of hotel business volatility by delivering diverse sources of recurring income and EBITDA.
- The Company's international school catering service outlook has been back on track since school services resumed in Thailand and Vietnam. Epicure Catering and The Caterers maintain their leading positions in the market amidst rising food costs from high inflation. Epicure

Catering plans to expand into new channels and to explore new international market opportunities in 2023.

- Bakery production and franchise pastry shop plans to open 20 new stores and increase B2B sales among new customers in 2023. At the end of 1Q23, Bonjour Bakery had a total of 70 stores, 1 net addition from 69 at the end of 2022.
- KAUAI healthy restaurant chain A new standalone store was opened in early 2023 on the 4th floor of the Emporium Mall in central Bangkok. In 2023, the focus for KAUAI will be to create more local menu offering as well as readjust brand positioning to fit the preference to Thai local market. The expansion strategy in terms of # of store and location will be adjusted based on the result of localisation exercise.
- Dusit Gastro started supplying frozen baked goods to cafes and bakery chain shops throughout Thailand at the end of 2022. The company plans to expand to other chain shops in 2023. Business synergy initiatives with OR are expected to be implemented in 2Q23 at selected Café Amazon branches.
- Central kitchen and cloud dispensing network business Savor Eats had a pilot launch in Bangkok at the end of 2022 with one dispensing pod. Savor Eats plans to open up to 8 dispensing pods throughout the city by the end of 2023.

Property Development:

Dusit Central Park – a mixed-use project JV with Central Pattana.

- Superstructure work of the hotel building reached Level 18 at the end of 1Q23 and Level 22 in April. The Residences and Office substructure work continued at Tower Footprint, LG Level, and was handed over to the main contractor (Ritta) in April for Tower Crane installation to begin superstructure work in 2Q23. ITD continued working on the Retail substructure with the target of handing over the space to the main contractor by the end of 2023.
- The first phase of the project is set to open in mid-2024, starting with the hotel, followed by the office building, then the retail building, and lastly, the residences by 2025.
- The 2023 residence sales target is 70-75% of saleable areas, mainly to foreign buyers as most countries have fully reopened. Approximately 58% of the saleable areas were sold in 1Q23, and approximately 60% were sold in April. The plan is to gradually transfer the units to the unit buyers starting at the end of 2025.

The Hampton Sriracha by Origin and Dusit – a condominium JV project with Origin Property PCL. Construction was completed in 2022. At the end of 1Q23, approximately 74% of the total units were sold and approximately 45% of the total units were transferred.

Please be informed accordingly
Sukit Ngamsangapong
Authorized person to disclose information