

Executive Summary

Performance Overview

2023 marks the first year that global tourism has fully recovered and is not subject to international travel restrictions and COVID control measures. As a result, S Hotels and Resorts Public Company Limited ("the Company") achieved the goal of driving performance during the first quarter of 2023 with a total average occupancy rate of 69.3%, along with increasing the average daily room rate (ADR) to THB 5,792, equivalent to the Revenue Per Available Room (RevPAR) at THB 4,013, an increase of 58.2% from the same period of pre-COVID-19 levels, raised by 64.0% from the first quarter of 2022.

In the first quarter of 2023, the company had revenue from sales and services of THB 2,544.3 million, increased by 50.6% from the previous year. This was mainly due to the turnover of hotels in Thailand that grew its revenue more than three times, together with an increase in revenue of over 65.4% from the Outrigger hotel due to fully opening the country for the first year with the strong pent-up demand. In addition, the hotel in CROSSROADS project and UK hotel portfolio continued to expand constantly which make the revenue increased from the same period last year by 24.6% and 17.5%, respectively. According to aforementioned factors, the company's gross profit increased to the amount of THB 939.4 million or equivalent to the gross profit margin of 36.9%, an increase from the first quarter of year 2022 at 25.5%

The Company has net profit (loss) for the first quarter of 2023 in an amount of THB 124.9 million, the third consecutive quarterly net profit reported, confirms the recovery to normalcy in the tourism sector. This figure represents a strong recovery from loss of THB 204.1 million in the first quarter of 2022, mainly due to the rally in performance across all hotels under the Company's management and efficient cost management.

Significant Development

In January 2023, 5 hotels of the Company in Thailand and the Republic of Maldives are Santiburi Koh Samui Hotel, SAii Laguna Phuket Hotel, SAii Phi Phi Island Village Hotel, Hard Rock Hotel Maldives and SAii Lagoon Maldives, including the CROSSROADS project in the Republic of Maldives. Acquired a Green Globe™ Certificate demonstrating commitment and responsibility towards the environment and society.

Tourism Industry Trends and Hotel Operations by Location

For 2023, the United Nations World Tourism Organization (UNWTO) forecasts a steady recovery driven by strong spending in 2022 and growing global traveller numbers. The tourism industry is expected to recover to 80 - 95% of the pre COVID-19 levels and tend to recover completely to normal in 2024, depending on the key factors such as (1) the pace of recovery of Asian tourists, especially China, which occupied the world's largest market share in 2019; (2) economic dampening factors and geopolitical conflicts that may influence destination-

selection behavior among travelers who expect value-seeking and domestic travel; or between regions to respond to challenging economic conditions.

Management expects that the Company's operating performance will be able to recover significantly in 2023, especially in the second half of the year owing to the entering in to the peak travel season of the Company's key geographies. The management continues to closely monitor the progress of various factors that may affect the operations as the recovery rate in the tourism sector varies from region to region and country to country. Depending on specific characteristics, including customer groups and economic challenges in each country. The estimated number of international tourist arrivals of the countries where the Company's existing business can be summarized as follows:

(Unit: Million People)	2019	2022	Forecast 2023
Thailand	39.9	11.1	25.0
Republic of Maldives	1.7	1.7	1.8
United Kingdom	40.9	30.0	35.0
Republic of the Fiji	0.9	0.6	0.8
Republic of Mauritius	1.4	1.0	1.4

Thailand

The number of tourist arrivals to Thailand expanded from the end of 2022. The cumulative number of tourists in the first three months of 2023 was almost 6.5 million visitors, most of which were from East Asia 57% and European zone 26%, followed by other countries such as India and the United States. The number of tourists is expected to reach the goal of the Tourism Authority of Thailand (TAT) of at least 25 million people in 2023, which is considered double the value from the previous year and accounted for 62% compared to the number of tourist arrivals to Thailand in 2019, with the main supporting factor being the return of tourists from China. The TAT expects the number of Chinese tourists travelling to Thailand in 2023 at approximately 5 - 8 million visitors depending on the number of flights during the winter schedule. According to the factors mentioned above, the benefit of being located in the Prime Location allows to easily attract tourists' attention in Phuket, Phi Phi Island and Koh Samui, the top destinations for foreign tourists and efficiency in hotel management in Thailand of the Company and the successful implementation of the SAii brand concept to the Company's self-managed hotels. The recovery of the Company's average revenue per available room per night (RevPAR) in Thailand in the first quarter of 2023 was higher than 4% compared to pre-COVID-19 levels. As a result of the acceleration of recovery, the Company expects the performance of hotels in Thailand to continue to be strong throughout 2023, with occupancy rates likely to recover to near pre-COVID-19 levels. Meanwhile, the average daily room rate is expected to increase higher than in 2019, supported by good feedback on the continuous improvement of products and services, and the benefit from an increase in the proportion of revenue from direct booking.

Republic of Maldives

The number of tourists entering the Maldives drastically increased compared to last year. The number of visitors in the first four months of 2023 was almost 6.9 hundred thousand people. Illustrating an increase of 20% from the first four months of 2022 and surpassing the number of arrivals in the same period in 2019. Although, the

leading tourism target group from Asian countries, especially Chinese, has not returned to normal levels. The top 3 tourists, with a market share of about 30%, are from Russia, India and the UK, respectively. The number of foreign tourists entering the Republic of Maldives is expected to reach at least 1.8 million, 6% higher than the COVID-19 levels. The UK, Germany and Italy will make the most of their visits to the Maldives, followed by the tourists from India and Russia. The return of Chinese tourists to travel abroad after the government announced the country's opening is another critical stimulus. Chinese tourists occupied approximately 20% of the tourism market in the Maldives in 2019. For the performance of hotels in the CROSSROADS project, the occupancy rate in the first four months of the year was higher than 80%, which is above the industry average of about 70%. The company's primary customers are tourists from the United Kingdom and Russia, with a market share of approximately 38% and 22%, followed by tourists from the United States, India and Switzerland, respectively. This reflects the hotel's strengths in attracting high-spending tourists. For 2023, the occupancy rate and average daily rate were expected to grow continuously. This was driven by a proactive marketing plan, focusing on the customers' quality to maximize the Market Mixed and managing the efficient ADR along with the product upgrade scheme to uplift the properties to better match the current trend in tourism.

United Kingdom

The demand for tourism continues to grow strongly. This is reflected through the average operating performance in the first four months of 2023, which has grown significantly from 2019 with an occupancy rate of 68% and continuously pushing up room rates. The company expects to expand at an accelerated rate from May onwards as the UK enters the high season and aims to increase the average occupancy rate for 2023 to beat a stable level of no less than 70% with the new record high ADR. Nevertheless, all of the company properties in the UK portfolios were operated in the mid-scale to the upper scale, located in the tourist attractions and major economic cities that heavily depend on domestic tourism demand, accounting for approximately 90% of the total number of hotels guests. Therefore, the company is confident in the prospects for strong growth in tourism demand despite the headwind of economic conditions.

Over the past year, the UK tourism industry has been affected by inflation in energy costs, wages and food costs. However, the energy costs in 2023 have gradually decreased from the ending of the year 2022. Even though food costs tend to remain at high level. The company, thus, focuses on cost management by adjusting the workforce rate to correspond with the occupancy rate and the ability to adjust room and food prices to reflect variable costs. In addition, the company closely monitor and consider to entering into hedging contracts to mitigate its exposure to future cost of electricity and natural gas which are the company's major energy cost, at the right level and time, together with prioritizing management measures and closely controlling operating costs.

Republic of the Fiji

The rapid recovery in tourism reflects strong travel demand from interregional customers from Australia and New Zealand, which account for more than 80% of Fiji's total tourist arrivals. In 2023, nearly 800,000 foreign tourists are expected to visit the Republic of Fiji, accounting for 85% of total arrivals in 2019, supported by continued growth in tourism volumes. Combined with Fiji's unique selling point which better match to the current travel trend and the growing popularity of leisure tourism. In addition, the Company foresee the positive signs for longer stays and rising tourist expenses.

As our 2 hotels in Fiji are a hotel with characters that directly respond to the leisure tourism sector, have a high repetition rate and the strength of our partner distribution channels these factors drive the average daily room rate (ADR) in 2023. However, the average occupancy rate in 2023 may remain the same levels compared to the previous year. This was due to the gradual closure of some inventory for the hotel's renovation according to the uplifting program. The Outrigger Fiji Beach Resort hotel has started its portfolio improvement since late 2022 in response to the popularity of tourism and providing the opportunity to increase the room rate per night. The company plans to renovate rooms into zones and carry out the plan during the low season to have enough rooms to meet the demand during the new tourist season.

Republic of Mauritius

For 2023, the number of foreign tourists travelling to the Republic of Mauritius is expected to be more than 1.4 million, an increase of 1% from 2019. The high demand for leisure travel has supported the performance of the Outrigger Mauritius Beach Resort Hotel. The strength of our partners' distribution channels and their effective marketing adjustments have influenced our forecasts for the average daily room rate (ADR) to be higher than in 2019. Although the average occupancy rate in 2023 as a whole was affected by the temporary closure of the hotel during the second quarter of the year to improve the water management system.

Outrigger Mauritius Beach Resort is SHR's only hotel in the Republic of Mauritius which comprises of 181 rooms. This hotel contributed an operating profit (EBITDA) of 2.5% of the Group's EBITDA in 2022. The Company will mitigate the impact of the closure through effective cost management, and fully expects to offset any revenue impact with strong performances in other markets.

Nature of Business

The Company operates its business by holding shares in other companies (Holding Company) engaged in hotel management and investing in the fast-growing international hotel business. The number of rooms has grown at an average rate of 45.5% per year since its inception. The unique portfolio of assets consists of hotels located in world-class tourist destinations, namely:

(1) Five hotels under a self-managed platform which consists of four hotels in Thailand operate under independent branding, namely, Santiburi Koh Samui, SAii Phi Phi Island Village, SAii Laguna Phuket, SAii Koh Samui Choengmon, and Konotta Maldives Resort in the Republic of Maldives ("**Self-Managed Hotels**");

(2) Three hotels operate under the Outrigger brand and manage under hotel management agreements, which consist of two hotels in the Republic of Fiji, consisting of Outrigger Fiji Beach Resort and Castaway Island Fiji, and one hotel in Mauritius named Outrigger Mauritius Beach Resort ("**Outrigger Hotels**");

(3) Two upper upscale successfully developed hotels, as part of Project CROSSROADS in the Emboodhoo lagoon in the Republic of Maldives, consisting of SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives ("**Hotel in CROSSROADS Project**");

(4) Twenty-four upper midscale hotels operated in the United Kingdom operated under the Mercure brands and managed by Aimbridge Hospitality EMEA (previously named Interstate Hotels & Resorts) which is a leading hotel operator in the United Kingdom, ("**UK Portfolio Hotels**"), and

(5) Four hotels under the Joint Venture Agreement, consisting of three upper midscale hotels operated under the Mercure and Holiday Inn brands in which the Company holds 50% in an equal joint venture with FICO UK. As well as, SO/ Maldives which is under development in the Republic of Maldives as part of Project CROSSROADS in which the Company holds 50% in an equal joint venture with Wai Eco World Developer (“**Joint Ventures Hotels**”). Whereby operating under the joint venture, are not consolidated within the Company’s hospitality business, and are instead accounted for using the equity method, according to which the Company receives a share of profit or loss from the investment in the joint ventures.

The company has 37 commercially operating hotels, comprising hotels under its management, the Outrigger Hotel, hotels in the CROSSROADS project, the company’s hotels in the United Kingdom, and hotels under joint ventures has a total of 4,472 rooms. As of December 31, 2022, 36 hotels out of 37 have resumed their normal operation, equivalent to 98.8% of the total number of rooms (4,419 out of a total of 4,472 rooms).

Revenue from services by management platforms:

<i>Unit: THB Million</i>	Q1/2022	% Revenue Share	Q4/2022	% Revenue Share	Q1/2023	% Revenue Share	% Change YoY	% Change QoQ
Self-Managed Hotels	184.2	10.9%	434.1	16.9%	642.1	25.2%	248.5%	47.9%
Outrigger Hotels	182.4	10.8%	473.8	18.4%	301.8	11.9%	65.4%	(36.3%)
Project CROSSROADS	654.5	38.7%	675.6	26.3%	815.3	32.0%	24.6%	20.7%
UK Portfolio Hotels	668.5	39.6%	986.0	38.4%	785.1	30.9%	17.5%	(20.4%)
Total revenue from services	1,689.6	100.0%	2,569.5	100.0%	2,544.3	100.0%	50.6%	-1.0%

In the first quarter of 2023, the company's revenue from sales and services amounted THB 2,544.3 million, an increase of 50.6% from last year. This was mainly from the revenue growth in all geographies across the portfolio where the company operates business, aligns with the continuously expanding global tourism situation. In particular, revenue from 4 hotels in Thailand has grown more than three times, as well as hotels in the Outrigger group whose income has increased by more than 65.4% compared to the same period of last year where the restrictions are still in place. However, when comparing the results to the fourth quarter of 2022, the revenue level was stable, reflecting the seasonality. The company's self-managed hotels and the CROSSROADS hotel have grew its revenue from last quarter by 47.9% and 20.7%, respectively, which fully offset to a decline in revenue during the low season for UK hotels and Outrigger hotels, coupled with gradually closing of some inventories of the Outrigger Fiji Beach Resort for the major renovation scheme.

Key indicators in respect of the Hotels performance are set out as follows:

Self-Managed Hotels

Indicators	Q1/2022	Q4/2022	Q1/2023	Change YoY	Change QoQ
No. of Hotels	4 ⁽¹⁾	4 ⁽¹⁾	4 ⁽¹⁾	-	-
No. of Keys	604	604	604	-	-
Average Occupancy Rate (%)	41.0%	71.9%	87.5%	46.5%	15.6%
ADR (Baht)	5,708	7,435	9,840	72.4%	32.3%
RevPAR (Baht)	2,341	5,346	8,611	267.8%	61.1%

Note

(1) As Konotta Maldives is still under temporarily closed, the Company excluded the hotel from the calculation of the key indicators

The steadily recovering tourism situation in Thailand has resulted in improved performance for the company's four self-managed hotels, all of which are located in Thailand. In the first quarter of 2023, the occupancy rate increased to 87.5% with an average daily room rate (ADR) of 9,840 baht, reflecting growth from the first quarter of 2022 at 46.5% and 72.4%, respectively. Compared to the fourth quarter of 2022, the occupancy rate and ADR increased from the previous quarter by 15.6% and 32.3%, respectively. This reinforces the continued recovery of the Thai tourism industry and the strength of the company's hotels located in potential locations and is an essential destination for tourists.

Outrigger Hotels

Indicators	Q1/2022	Q4/2022	Q1/2023	Change YoY	Change QoQ
No. of Hotels	3	3	3	-	-
No. of Keys	499	499	499	-	-
Average Occupancy Rate (%)	32.7%	79.6%	55.4%	22.7%	-24.2%
ADR (Baht)	7,001	7,304	6,831	-2.4%	-6.5%
RevPAR (Baht)	2,287	5,811	3,783	65.4%	-34.9%

Note

(2) The exchange rate used for the calculation of the first quarter of 2022 is 15.56 THB/FJD, 0.76 THB/MUR. For the 4th quarter of 2022 is 16.14 THB/FJD, 0.83 THB/MUR, and for the first quarter of 2023 is 15.44 THB/FJD, 0.75 THB/MUR.

For the Outrigger Hotel in the first quarter of 2023, the average occupancy rate was 55.4%, an increase from the same period of 2022 by 22.7% as a result of the country's fully open in 2023, compared to the year 2022 where the COVID-19 control measures were still in place. The average room rate (ADR) was at THB 6,831, slightly dropped from last year mainly due to the impact from renovation schemes in Outrigger Fiji Beach Resort. As for the overall performance, there was a significant decline from the fourth quarter of 2022, with average occupancy and ADR decreased from the previous quarter by 24.2 and 6.5%, respectively. This is a result of the low season in the Republic of Fiji.

Project CROSSROADS Hotels

Indicators	Q1/2022	Q4/2022	Q1/2023	Change YoY	Change QoQ
No. of Hotels	2	2	2	-	-
No. of Keys	376	376	376	-	-
Average Occupancy Rate (%)	74.3%	63.2%	87.5%	13.2%	24.3%
ADR (Baht)	14,843	16,123	13,994	-5.7%	-13.2%
RevPAR (Baht)	11,028	10,185	12,241	11.0%	20.2%

Note

- (3) The exchange rate used for the calculation of the first quarter of 2022 is 33.05 THB/USD. For Q4 2022 it is 36.38 THB/USD and for Q1 2023 it is 33.91 THB/USD.

The hotels in the CROSSROADS project show significant improved in Revenue per available room (RevPAR) from Q1/2022 and Q4/2022, with occupancy to 87.5% in Q1/2023, representing an increase of 13.2% from last year and 24.3% from the previous quarter. It was a result of effective RevPAR management strategies during high seasons. However, average room rates dropped 5.7% YoY and 13.2% QoQ. This is mainly due to rebalancing sales channels in response to the tourism situation with the fully opened countries worldwide, suggesting more options to tourists to various destinations.

UK Portfolio Hotels

Indicators	Q1/2022	Q4/2022	Q1/2023	Change YoY	Change QoQ
No. of Hotels	28	27 ⁽⁵⁾	27 ⁽⁵⁾	-3.6%	-
No. of Keys	2,990	2,940 ⁽⁵⁾	2,940 ⁽⁵⁾	-1.7%	-
Average Occupancy Rate (%)	46.2%	62.7%	65.6%	19.4%	2.9%
ADR (Baht)	3,065	3,421	3,133	2.2%	-8.4%
RevPAR (Baht)	1,415	2,145	2,055	45.2%	-4.2%

Note

- (4) The exchange rate used for the calculation of the first quarter of 2022 is 44.37 THB/GBP. For Q4 2022 it is 42.64 THB/GBP and for Q1 2023 it is 41.22 THB/GBP.
- (5) Number of rooms changed from the sale of Mercure Burton upon Trent Newton Park Hotel (50) rooms

For the first quarter of 2023, the UK Portfolio shown the growth in operating statistics, with the occupancy rate of 19.4% and the average room rate of 2.2% improved from the first quarter of previous year. As a result, the Company's hotels in the United Kingdom recorded a RevPAR of THB 2,055 or a 45.2% increase from the same period of previous year. However, compared to Q4/2022, the RevPAR was slightly lower by 4.2%. This was mainly due to a decrease in average room rates, which typical occur for the low season.

Discussion of results of operations:

Table comparing financial performance of Q1/2022 and Q1/2023.

	Q1/2022		Q1/2023		Change(%)	
	THB Million	%	THB Million	%	THB Million	%
Revenue from services	1,689.6	100.0%	2,544.3	100.0%	854.7	50.6%
Costs of services	1,258.8	74.5%	1,604.9	63.1%	346.1	27.5%
Gross profit	430.8	25.5%	939.4	36.9%	508.6	118.0%
Other income	10.4	0.6%	32.5	1.3%	22.1	211.7%
Selling expenses	80.7	4.8%	114.6	4.5%	33.9	42.0%
Administrative expenses	379.1	22.4%	461.5	18.1%	82.4	21.7%
Gain (Loss) from Exchange rate	(4.6)	(0.3%)	(17.1)	(0.7%)	(12.4)	(267.4%)
Share of profit (loss) from investment in an associate and joint ventures	(9.0)	(0.5%)	(4.3)	(0.2%)	4.7	52.2%
Finance costs (Interest expenses)	175.6	10.4%	248.2	9.8%	72.6	41.3%
Profit (loss) before income taxes	(207.7)	(12.3%)	126.2	5.0%	333.9	160.7%
Income tax expenses (income)	(3.7)	(0.2%)	1.4	0.1%	5.1	138.3%
Profit (loss) of the year	(204.1)	(12.1%)	124.9	4.9%	329.0	161.2%
<u>Adjusted items</u>						
Net unrealized gain (loss) on exchange rate	(5.1)	(0.3%)	(19.8)	(0.8%)	(14.7)	(285.8%)
Non-recurring items ¹	-	-	-	-	-	-
Adjusted EBITDA²	261.2	15.5%	671.7	26.4%	410.5	157.2%

Table comparing financial performance of Q4/2022 and Q1/2023.

	Q4/2022		Q1/2023		Change(%)	
	THB Million	%	THB Million	%	THB Million	%
Revenue from services	2,569.5	100.0%	2,544.3	100.0%	(25.2)	(1.0%)
Costs of services	1,593.3	62.0%	1,604.9	63.1%	11.6	0.7%
Gross profit	976.2	38.0%	939.4	36.9%	(36.8)	(3.8%)
Other income	28.3	1.1%	32.5	1.3%	4.2	15.0%
Selling expenses	95.3	3.7%	114.6	4.5%	19.3	20.2%
Administrative expenses	522.1	20.3%	461.5	18.1%	(60.7)	(11.6%)
Gain (Loss) from Exchange rate	(12.9)	(0.5%)	(17.1)	(0.7%)	(4.1)	(32.1%)
Share of profit (loss) from investment in an associate and joint ventures	(4.4)	(0.2%)	(4.3)	(0.2%)	0.1	3.3%
Finance costs (Interest expenses)	240.8	9.4%	248.2	9.8%	7.4	3.1%
Profit (loss) before income taxes	128.9	5.0%	126.2	5.0%	(2.6)	(2.0%)
Income tax expenses (income)	21.0	0.8%	1.4	0.1%	(19.6)	(93.6%)
Profit (loss) of the year	107.9	4.2%	124.9	4.9%	17.0	15.8%
<u>Adjusted items</u>						
Net unrealized gain (loss) on exchange rate	(17.1)	(0.7%)	(19.8)	(0.8%)	(2.7)	(15.6%)
Non-recurring items ⁽¹⁾	0.2	0.0%	-	-	(0.2)	(100.0%)
Adjusted EBITDA⁽²⁾	656.7	25.6%	671.7	26.4%	15.0	2.3%

- (1) Non-recurring items are defined as Gain (Loss) on the disposal of a share of JV company transaction Gain (Loss) on the disposal of sublease and Gain (Loss) from FV adjustment on investment in the joint ventures
- (2) Adjusted EBITDA is calculated from EBT plus Finance cost, Depreciation and Amortization, Interest income and deduct unrealized loss from exchange rates, and non-recurring items

Revenue from services

The revenue from sales and services for the first quarter of 2023 (Q1/2023) was reported at THB 2,544.3 million, slightly dropped by 1.0% from the previous quarter as the UK portfolio entering into low season. However, the tourism industry in Thailand and Maldives grew strongly which brought up those portfolio performance to mostly offset the seasonality effect of UK portfolio. Comparing to the first quarter last year (Q1/2022), the revenue increased by 50.6% thanks to the fully recover of the tourism in Thailand, Fiji and Maldives.

Costs of services

The costs of services in the first quarter of 2023 was THB 1,604.9 million, increased by 0.7% over the previous quarter. This was mainly from the higher cost in UK Portfolio in tandem with an increase in energy consumption during the winter season. Besides, the major renovation of Outrigger Fiji Beach Resort occurred during the first quarter. The Company sets target to complete the new product for accommodation by the high season this year. Even though the costs of services in Q1/2023 increased by 27.5% from Q1/2022, it is still below the increment proportion of revenue. As a result, cost to sales ratio stood at 63.1% in first quarter of 2023, reducing from 74.5% in Q1/2022.

Gross profit

Gross profit for the first quarter of 2023 was reported at THB 939.4 million, accounted for gross profit margin of 36.9%. Comparing to the same period of year 2022, the gross profit increase from THB 430.8 million which accounted for gross profit margin of 25.5%, This was mainly from the recovery of performance across the portfolio.

Selling and Administrative expenses

In Q1/2023, the selling expenses were at THB 114.6 million, and administrative expenses were at THB 461.5 million, considering as the Selling and Administrative to sales ratio of 22.6%, improved from 24.0% in Q4/2022 and from 27.2% in Q1/2022.

Finance Costs

The finance costs for the first quarter of 2023 stood at THB 248.2 million, slightly increased from the previous quarter by 3.1% as a result of higher interest rates of loans in THB, USD and GBP, in line with the upward trend of interest rate globally. However, the Company has mitigated the risk by hedging the interest rate on both USD and GBP loan. Moreover, the disposal proceeds of UK portfolio hotels has been used for prepayment loan ahead of its schedule.

Other income

Other income was reported at THB 32.5 million for Q1/2023, increased from THB 28.3 million in Q4/2022 and from THB 10.4 million in Q1/2022.

Share of profit (loss) from an associate and joint ventures

The share of profit (loss) from associate and joint ventures was THB (4.3) million for the first quarter of 2023 as a result of the low season in the UK together with the construction period of SO/ Maldives which were realized as a share of loss from the investment in the joint ventures.

Adjusted EBITDA

Adjusted EBITDA for the first quarter of 2023 was reported at THB 671.7 million, increased from THB 656.7 million in previous quarter from the lower administrative expense and the effective cost control. Comparing to Q1/2022, the Adjusted EBITDA increased from THB 261.2 million, or increased by 157.2%.

Profit (loss) for the period

The Company reported Net profit for the Q1/2023 in an amount of THB 124.9 million, improved from the previous quarter at THB 107.9 million thanks to the lower tax expense. In Q4/2022, the Company had realized tax expense at THB 21.0 million from the disposal of hotel in UK together with the recording of defer tax asset and liabilities. Compared to Q1/2022, performance of the Company show the strong recovery performance, reversed from loss of THB 204.1 million. The turnaround YoY has driven by the positive bottom line of Thailand, Fiji and Maldives hotels during the quarter.

Analysis of Financial Position and Investment Structure

As of March 31, 2023, the Company's total assets were reported at THB 36,139.9 million, decreased by THB 309.7 million or 0.8% from 31 December 2022. Total liabilities of the Company are reported at THB 20,166.3, decreased by THB 264.1 million from 31 December 2022. The interest bearing debt of the Company as of March 31, 2023 stood at THB 12,987.6 million, decreased by THB 92.6 million from the end of the year 2022 due mainly to the repayment of term loan facility. The decrease in interest-bearing debt caused the Interest Bearing Debt to Equity ratio (IBD/E ratio) to decreased to 0.81 times, which is still well below the Company's covenant.

	Dec 31, 2022	Mar 31, 2023	Change	
	(THB million)	(THB million)	(THB million)	%
Cash and cash equivalents	2,477.3	2,118.6	(358.7)	(14.5%)
Total current assets	4,533.0	4,373.0	(160.0)	(3.5%)
Property, plant and equipment, net	28,046.0	27,670.3	(375.7)	(1.3%)
Total non-current assets	31,916.6	31,766.9	(149.7)	(0.5%)
Total assets	36,449.6	36,139.9	(309.7)	(0.8%)
Total interest-bearing debt	13,080.2	12,987.6	(92.6)	(0.7%)
Other liabilities	7,350.3	7,178.7	(171.5)	(2.3%)
Total liabilities	20,430.4	20,166.3	(264.1)	(1.3%)
Total equity	16,019.2	15,973.5	(45.7)	(0.3%)
Interest-bearing debt to equity (times)	0.82	0.81	(0.00)	

Yours faithfully,

S Hotels and Resorts Public Company Limited

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