

Executive Summary

Overall, the Company's 1H23 performance recovered YoY due mainly to hotel business recovery and food business growth driven by its strategy for expansion and diversification.

In 2Q23, the Company reported a net loss of THB -186 million, a decrease of 27.9% from THB -258 million in 2Q22. Hotel revenue grew by 31.5% YoY thanks to a 24.9% increase in RevPar, driven by higher occupancy and the successful increase in ADR. Food revenue increased by 65.7% YoY, driven by the recovery of international school catering business, which resumed onsite operations, and the investment in the baking factory and related franchise business, which was made at the end of 2Q22. The Company's performance, however, weakened QoQ from a net profit of THB 9 million in 1Q23, mainly due to lower hotel revenue during the low season. For the first six months of 2023, the Company reported a net loss of THB -177 million, a decrease of 54.1% from THB -386 million in the same period last year.

In 2Q23, the Company reported EBITDA of THB 139 million, an increase of 157.4% YoY, but down 60.6% QoQ. For the first six months of 2023, the Company reported EBITDA of THB 493 million, a significant increase of 88.9% compared to the same period last year.

For the business outlook in 2H23, the Company maintains a positive view on the recovery of hotel business. Although challenges facing the tourism industry in 2H23 remain unchanged (expensive airfares, labour shortages, inflation, and the geopolitics between Russia and Ukraine), the Company expects a higher number of tourist arrivals in 2H23, particularly during the high season in 4Q23. Food business has continued to grow thanks to an increase in new contracts under international school catering and more outlets opening under the franchise bakery business. For property development business, the construction of Dusit Central Park is progressing as planned. For residence sales, approximately 65% of saleable areas were sold in July vs this year's sales target of 70-75%. For education business, however, the outlook has become more challenging in 2H23 due to the continuing decline in the higher education market. While full-degree programs at Dusit Thani College continue to attract students, with an increasing number of new enrollments for the academic year 2023/2024, the number of new enrollments for short courses offered by all businesses under Dusit Hospitality Education is likely to be lower than targeted. As preparations have been made and resources and costs have been allocated, this is expected to affect the profitability of the Company's education business in 2H23. For 2023, the Company maintains the expectation of 30-35% YoY growth of total revenue (existing business) and the EBITDA margin of approximately 15%-18%.

| Unit: THB mn | 2Q23 | 2Q22 | Change | | 1H23 | 1H22 | Change | |
|---|--------------|--------------|------------|--------------|--------------|--------------|------------|--------------|
| Hotel business | 898 | 683 | 215 | 31.5% | 2,092 | 1,317 | 775 | 58.8% |
| Education business | 84 | 87 | -3 | -3.4% | 203 | 214 | -11 | -5.1% |
| Food business | 280 | 169 | 111 | 65.7% | 587 | 311 | 276 | 88.7% |
| Property development business | 20 | - | 20 | 100.0% | 33 | 133 | -100 | -75.2% |
| Others | 99 | 109 | -10 | -9.2% | 167 | 199 | -32 | -16.1% |
| Total revenue | 1,381 | 1,048 | 333 | 31.8% | 3,082 | 2,174 | 908 | 41.8% |
| EBITDA | 139 | 54 | 85 | 157.4% | 493 | 261 | 232 | 88.9% |
| EBIT | -80 | -176 | 96 | 54.5% | 55 | -200 | 255 | NM+ |
| Net profit (loss) attributable to parent | -186 | -258 | 72 | 27.9% | -177 | -386 | 209 | 54.1% |
| EPS (THB) | -0.22 | -0.30 | 0.09 | 31.1% | -0.21 | -0.46 | 0.25 | 54.1% |
| Non-recurring items | - | -4 | 4 | 1.0 | -2 | -6 | 4 | 66.7% |
| Net profit (loss) attributable to parent excluding non-recurring items | -186 | -254 | 68 | 26.8% | -175 | -380 | 205 | 53.9% |

| Unit: THB mn | 1Q23 | 2Q23 | 1H23 | 1Q22 | 2Q22 | 1H22 |
|--|-----------|----------|-----------|-----------|-----------|-----------|
| Gain (loss) on measurement of other financial assets | - | - | - | 32 | -3 | 29 |
| Gain (loss) on sale of other financial assets | - | - | - | -33 | - | -33 |
| Severance pay | -2 | - | -2 | -2 | -2 | -4 |
| Tax income | - | - | - | - | 1 | 1 |
| Total non-recurring items | -2 | - | -2 | -3 | -4 | -7 |

Major developments in 2Q23

Hotel Business

- The Company opened three new hotels under hotel management agreements – dusitD2 Samyan, Bangkok (179 rooms), ASAI Bangkok Sathorn (106 rooms), and ASAI Kyoto Shijo, Japan (114 rooms), resulting in a total of 52 hotels under management. For luxury villa management, Elite Havens continued to adjust its portfolio to focus on quality and a higher range of the value chain. As a result, the number of villas under management declined to 230. As of 2Q23, the Company's portfolio includes 282 hotels and villas (approximately 12,080 rooms) across 18 countries.

Food business

- Dusit Foods Company Limited, a subsidiary, jointly invested with Farm To Plate Processor Company Limited (51: 49) in Savor Eats Company Limited to operate the business of ready-to-eat and ready-to-cook food via Savor Eats' central kitchen and cloud food dispensing network in Thailand. This joint venture is part of DUSIT's food expansion strategy.
- Bonjour Bakery opened four new stores, bringing its total of stores to 74 at the end of 2Q23.

Financial Resilience

- In June 2023, the Company was granted approval from the SEC for the issuance and offering of the 3-year unsubordinated and unsecured debentures with a 5.55% coupon worth not exceeding THB 1,000 million and the Greenshoe Option not exceeding THB 500 million. In early July 2023, the Company successfully issued and offered such debentures worth THB 1,500 million. The proceeds are used to redeem the debentures due in July 2023 (THB 1,000 million), and the remaining proceeds are used to repay short-term loans and as working capital.

Sustainability

- The Company has made further moves towards the United Nations' Global Sustainable Development Goals 2030 by rolling out a new group-wide sustainability program, "Tree of Life." The program has 31 criteria aligned with selected United Nations' Global Sustainable Development Goals, as well as industry-specific targets, set over four levels of achievement. It includes Environment, Social, and Governance (ESG) elements, ensuring that Dusit properties operate as sustainably as possible. Intended to cover the entire DUSIT group, the program is initially being rolled out to all Dusit Hotels and Resorts worldwide. Other business units will join the program soon.

2Q23 and 1H23 Business Segment Performance

| Unit: THB mn | Revenue breakdown | | | | | EBITDA breakdown | | | | |
|-------------------------------|-------------------|--------------|--------------|--------------|---------------|------------------|-----------|---------------|------------|---------------|
| | 2Q23 | 2Q22 | Change | 1Q23 | Change | 2Q23 | 2Q22 | Change | 1Q23 | Change |
| Hotel business | 898 | 683 | 31.5% | 1,192 | -24.7% | 150 | 124 | 21.0% | 401 | -62.6% |
| Education business | 84 | 87 | -3.4% | 119 | -29.4% | -3 | -11 | 72.7% | 12 | NM- |
| Food business | 280 | 169 | 65.7% | 307 | -8.8% | 24 | -3 | NM+ | 44 | -45.5% |
| Property development business | 20 | - | 100.0% | 14 | 42.9% | -2 | -19 | 89.5% | -6 | 66.7% |
| Others | 99 | 109 | -9.2% | 85 | 16.5% | -30 | -37 | 18.9% | -97 | 69.1% |
| Total revenue | 1,381 | 1,048 | 31.8% | 1,717 | -19.6% | 139 | 54 | 157.4% | 354 | -60.7% |

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

In 2Q23, the Company reported total revenue of THB 1,381 million; an increase of THB 333 million or 31.8% YoY, of which 65.0%, 6.1%, 20.3%, 1.4% and 7.2% 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 | | | |
|-------------------------------|-------------------|--------------|------------|--------------|------------------|------------|------------|--------------|
| | 1H23 | 1H22 | Change | | 1H23 | 1H22 | Change | |
| Hotel business | 2,092 | 1,317 | 775 | 58.8% | 551 | 247 | 304 | 123.1% |
| Education business | 203 | 214 | -11 | -5.1% | 9 | 24 | -15 | -62.5% |
| Food business | 587 | 311 | 276 | 88.7% | 67 | -3 | 70 | NM+ |
| Property development business | 33 | 133 | -100 | -75.2% | -7 | 95 | -102 | NM- |
| Others | 167 | 199 | -32 | -16.1% | -127 | -102 | -25 | -24.5% |
| Total | 3,082 | 2,174 | 908 | 41.8% | 493 | 261 | 232 | 88.9% |

In 1H23, the Company reported total revenue of THB 3,082 million; an increase of THB 908 million or 41.8% YoY, of which 67.9%, 6.6%, 19.0%, 1.1% and 5.4% of total revenue came from Hotel Business, Education Business, Food Business, Property Development Business and Other Business, respectively.

Hotel Business

Hotel Business generated revenue of THB 898 million in 2Q23, an increase of 31.5% YoY and THB 2,092 million in 1H23, up by 58.8% YoY mainly due to, 2Q22, the impact on the situation of the spread of COVID-19 was still on. The increase in tourist travel had started since late year ended 2022. Compared to 1Q23, the revenue decreased by 24.7% QoQ which was the low season in the second quarter.

Owned Hotels

| | 2Q23 | 2Q22 | % Change | 1Q23 | % Change | 1H23 | 1H22 | % Change |
|--------------------|-------|-------|----------|-------|----------|-------|-------|----------|
| Occupancy % | 66.1% | 57.6% | 14.7% | 74.5% | -11.4% | 70.3% | 52.3% | 34.3% |
| ADR (THB/night) | 3,311 | 3,041 | 8.9% | 4,413 | -25.0% | 3,892 | 3,424 | 13.7% |
| RevPar (THB/night) | 2,187 | 1,751 | 24.9% | 3,289 | -33.5% | 2,735 | 1,792 | 52.6% |

Remark: For comparison purposes, the statistics do not include ASAI Bangkok Sathorn

Owned Hotels Business generated revenue of THB 722 million in 2Q23, an increase of 21.8% YoY and THB 1,732 million in 1H23, up by 47.4% YoY. However, the revenue decreased by 28.6% QoQ. This is detailed as follows:

- Revenue from Owned Hotels in Thailand has increased by 43.2% YoY and in 1H23 also increased by 94.9% YoY mainly due to increase of revenue from Dusit Thani Laguna Phuket and Dusit Thani Pattaya from increasing on number of travelers since late year 2022. It was

result of both increase in OCC and ADR. However, the revenue has decreased by 30.4% QoQ due to low season in the second quarter.

- Revenue from Overseas Hotels increased by 0.7% YoY. The increase was mainly driven by Dusit Thani Manila increasing 24.6% YoY since February 2022. ADR improved by 58.2% YoY. For Dusit Thani Maldives, revenue decreased by 20.5% YoY due to customers having alternative destinations to travel after the COVID-19 pandemic situation around the world has eased. Additionally, there has been an increase in price competition and new players. Main customers were from Russia followed by South Korea, China, United Kingdom, India, Germany and France. Compared to 1Q23, the revenue decreased by 25.9% QoQ due to decrease in Dusit Thani Manila and Dusit Thani Manila's revenue, which usually second quarter is a lower season for traveling and vacation. 1H23, revenue from Overseas Hotels increased 8.9% YoY from increase of revenue from Dusit Thani Manila due to increase on number of international travels.

Hotel Management

Revenue from Hotel Management was THB 176 million in 2Q23, an increase of 95.6% YoY. The increase was driven mainly by overseas managed properties 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 and Japan. The revenue decreased by 2.8% QoQ due to the low season in the second quarter. 1H23 revenue from Hotel Management was THB 360 million, an increase of 153.5% YoY.

The Company reported EBITDA from Hotel Business of THB 150 million in 2Q23, up by THB 26 million YoY. 1H23, the revenue was THB 551 million, an increase of THB 304 million YoY. This increase was driven by the country reopening and improving on both domestic and overseas revenues. EBITDA margin improved from continuous cost containment. Compared to 1Q23, EBITDA was decreased of THB 251 million due to low season in the second quarter.

The depreciation and amortization were THB 149 million in 2Q23 and THB 294 million in 1H23, decreased by 4.5% and 5.8%, respectively, mainly due to an increase in fully depreciated assets.

Education Business

Education Business generated the revenue of THB 84 million in 2Q23 and THB 203 million in 1H23, decreased by 3.4% and 5.1% YoY. The decrease was mainly due to lower profit sharing from Le Cordon Bleu Dusit Culinary School reflecting to decrease on number of students and 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. The revenue also decreased by THB 35 million or 29.4% QoQ mainly due to decrease of revenue from Dusit Thani College due to Q2 was in the period of semester break and also summer semester.

EBITDA from Education Business was THB -3 million in 2Q23, compared to THB -11 million in 2Q22 mainly due to increase on EBITDA of Dusit Thani College from increase of revenue as increase on number of student and decrease on expense as reduced on employee costs. EBITDA decreased of THB 15 million QoQ mainly due to revenue impact as mentioned above. 1H23, EBITDA was THB 9 million, decreased THB 15 million YoY mainly due to decrease on profit sharing from Le Cordon Bleu Dusit Culinary School and increase on loss sharing from The Food Education Bangkok Co., Ltd. Despite, decrease on loss sharing from Dusit Hospitality Education Philippines Inc.

Food Business

Food Business generated revenue of THB 280 million in 2Q23, increased by THB 111 million or 65.7% YoY.; and THB 587 million in 1H23, increased by THB 276 million or 88.7% YoY. This mainly came from investment in Bonjour Bakery Asia, a bakery business and a franchise, which invested at the end of 2Q22 and also increasing in revenue of Epicure Catering from more student numbers after the full operations onsite of schools. Compared to 1Q23, Food Business revenue decreased by 8.8% QoQ due to decreased in student number and operation days of Epicure Catering. Moreover, there was also an increase in loss sharing from Savor Eats Co., Ltd., which is the joint venture that the Company jointly invested in 2Q23.

EBITDA from Food Business in 2Q23 was THB 24 million, up by THB 27 million YoY; and THB 67 million in 1H23, increased by THB 70 million YoY. Compared to 1Q23, EBITDA decreased by THB 20 million QoQ, mainly from the change in revenue mentioned above.

Property Development Business

In 2Q23, Property Development Business reported revenue and profit sharing of THB 20 million, increased by THB 20 million YoY mainly due to profit sharing from The Origin Dusit Co., Ltd. from recognizing revenue of Hampton project by THB 19 million, and reported revenue and profit sharing of THB 33 million in 1H23, decreased by THB 100 million came from 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 in profit sharing from The Origin Dusit Co., Ltd. from recognizing revenue of Hampton project by THB 35 million. Compared to 1Q23, Property Development Business increased by THB 6 million QoQ caused by increased in profit sharing from The Origin Dusit Co., Ltd. from an increase in the number of units transferred.

EBITDA from Property Development was THB -2 million in 2Q23, increased by THB 17 million YoY; and increased by THB 4 million QoQ, reported as THB -7 million in 1H23, decreased by THB 102 million as revenue changes as mentioned.

Other Businesses

The Company reported revenue from Other Businesses of THB 99 million in 2Q23, decreased by THB 10 million YoY mainly due to decrease on gain on exchange rate, net of THB 11 million and decrease on other income of THB 9 million such as rental income, service income and Information Technology income. Although, the revenue increased of THB 10 million 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 increased of THB 14 million or 16.5% QoQ mainly due to increase on gain on exchange rate, net of THB 27 million and increase on sharing profit from DREIT of THB 11 million while decrease on other income such as rental income and service income.

1H23, revenue was THB 167 million or decreased of THB 32 million or 16.1% YoY from decrease of gain on measurement of other finance assets by THB 33 million and decrease on gain on exchange rate of THB 28 million. Although, the revenue increased from Baan Dusit Thani and Dusit Hospitality Services.

EBITDA from Other Businesses was THB -30million in 2Q23, increased by THB 7 million YoY; from decrease of allowance for expected credit loss offset with decrease of revenue as mentioned above. Compared to 1Q23, EBITDA increased by THB 67 million QoQ from increase of revenue and decrease of allowance for expected credit loss and decrease of loss on exchange rate. 1H23, EBITDA was THB -127 million, decreased by THB 25 million YoY as revenue changes as mentioned.

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

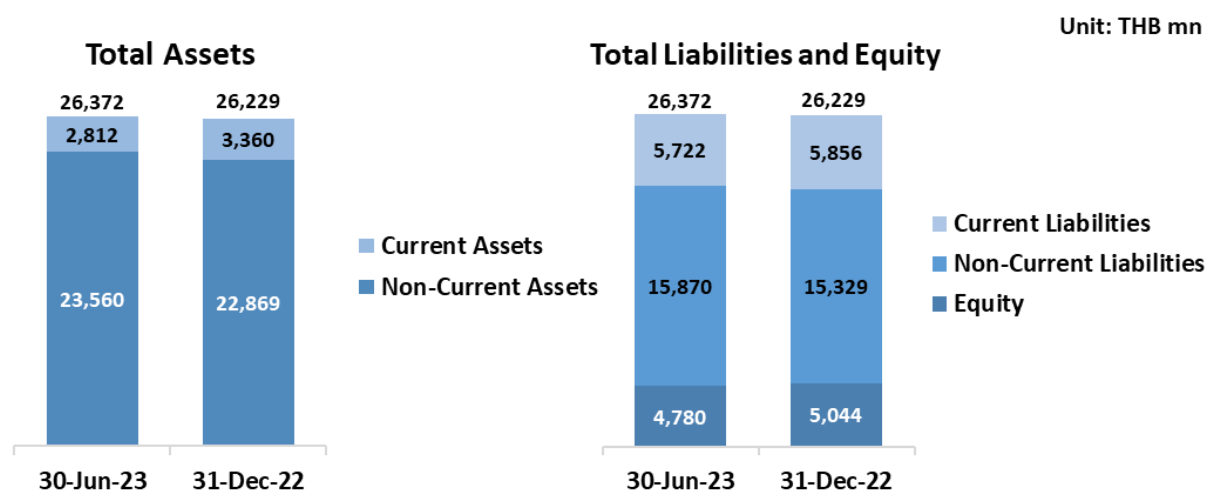
The Company's EBITDA was THB 139 million in 2Q23, up by THB 85 million YoY; and down by THB 215 million QoQ. In 1H23, EBITDA was THB 493 million, up by THB 232 million YoY due to the change in EBITDA in each business as mentioned above.

Finance Costs

Finance Costs was THB 126 million in 2Q23, increased by 2.3% YoY; and 1.2% QoQ. In 1H23, Finance Costs was THB 250 million, an increase of 1.7% YoY 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 loss of THB -186 million in 2Q23, improved by THB 72 million YoY; and THB -177 million in 1H23, also increased by THB 209 million YoY. Compared to 1Q23, the net profit decreased by THB 195 million QoQ.



Assets

As of 30 June 2023, total assets of the Group were THB 26,372 million, increasing by THB 143 million or 0.5% compared with 31 December 2022.

- Current assets decreased by THB 548 million, mainly from a net decrease of THB 601 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 35 million in other current assets as a result of an increase in prepaid consulting fee and VAT refundable.
- Non-current assets increased by THB 691 million, mainly due to an increase in property, plant and equipment of THB 1,025 million mainly from “Dusit Central Park” and “ASAI Sathorn” projects, netted off with a decrease in right-of-use assets of THB 177 million, a decrease of advance payment for construction of Dusit Central Park of THB 198 million. In addition, the determination of the fair values of assets acquired and liabilities assumed, and the purchase price allocation exercises regarding the acquisition of Bonjour group were finalized in the second quarter of 2023 as a result of a decrease in intangible assets other than goodwill and an increase in goodwill.

Liabilities

As of 30 June 2023, total liabilities of the Group were THB 21,592 million, increasing by THB 407 million or 1.9 % compared with 31 December 2022.

- Current liabilities decreased by THB 134 million mainly due to trade accounts and other current payable decreased by THB 340 million offset by an increase in short-term loans from financial institutions of THB 206 million.
- Non-current liabilities increased by THB 541 million mainly due to increase of a THB 615 million from deferred revenue and customers’ deposits from Dusit Central Park project offset with a decrease of THB 56 million in long-term loans from financial institutions.

Shareholders’ Equity

As of 30 June 2023, Shareholders’ Equity of THB 4,780 million decreased by THB 264 million or 5.2% compared with 31 December 2022. This consisted of the equity attributed to owners of the parent of THB 3,875 million and the non-controlling interest of THB 905 million. The decrease was a result of THB 60 million of interest on perpetual subordinated debentures, THB 191 million of total comprehensive loss for the period and THB 13 million of dividend paid to non-controlling interests.

Cash Flows

As of 30 June 2023, the Group reported cash and cash equivalents of THB 1,542 million, decreasing by THB 597 million (before effect of exchange rate changes of THB 4 million) from THB 2,143 million as of 31 December 2022.

- Net cash inflow from operating activities of THB 975 million mainly consisting of:
 - Cash inflows from deferred revenue of THB 101 million, customer’s deposits of THB 514 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 1,101 million, mainly consisting of:
 - Cash outflow for purchases of equipment and construction mainly for “Dusit Central Park” and “ASAI Sathorn” projects – THB 1,105 million.
 - Cash outflow for the payment of deposits for “Dusit Thani Kyoto – THB 44 million.
 - Cash inflow from dividend received from associate– THB 86 million.
- Net cash outflow for financing activities of THB 471 million mainly consisting of:
 - Cash outflow for the payment of lease liabilities – THB 170 million.
 - Cash outflow for interest paid – THB 304 million.
 - Cash outflow for interest paid for perpetual subordinated debentures – THB 60 million.
 - Cash outflow for repayment of long-term loans from financial institutions, net – THB 99 million.
 - Cash inflow from proceeds from short-term loans from financial institutions, net – THB 206 million.

Dusit Thani PLC
Management Discussion and Analysis
For 2Q23 and 1H23

Statement of Financial Position

| Unit: THB mn | 30-Jun-23 | % to total assets | 31-Dec-22 | % to total assets | Chg |
|--|---------------|-------------------|---------------|-------------------|---------------|
| Cash and cash equivalents | 1,543 | 5.9% | 2,143 | 8.2% | -28.0% |
| Other current financial assets | 161 | 0.6% | 160 | 0.6% | 0.6% |
| Trade and other receivables | 551 | 2.1% | 534 | 2.0% | 3.2% |
| Other current assets | 557 | 2.1% | 523 | 2.1% | 6.5% |
| Total current assets | 2,812 | 10.7% | 3,360 | 12.8% | -16.3% |
| Other non-current financial assets | 47 | 0.2% | 37 | 0.1% | 27.0% |
| Investments in associates | 1,460 | 5.5% | 1,474 | 5.6% | -0.9% |
| Investment properties | 1,252 | 4.7% | 1,252 | 4.8% | 0.0% |
| Property, plant and equipment | 8,306 | 31.5% | 7,281 | 27.8% | 14.1% |
| Advance payment for construction | 682 | 2.6% | 880 | 3.4% | -22.5% |
| Right-of-use assets | 8,444 | 32.0% | 8,621 | 32.9% | -2.1% |
| Intangible assets other than goodwill | 799 | 3.0% | 867 | 3.3% | -7.8% |
| Goodwill | 999 | 3.8% | 971 | 3.7% | 2.9% |
| Other non-current assets | 1,571 | 6.0% | 1,486 | 5.8% | 5.7% |
| Total non-current assets | 23,560 | 89.3% | 22,869 | 87.2% | 3.0% |
| Total assets | 26,372 | 100.0% | 26,229 | 100.0% | 0.5% |
| Short-term loans from financial institutions | 1,330 | 5.0% | 1,125 | 4.3% | 18.2% |
| Trade and other current payables | 1,584 | 6.0% | 1,924 | 7.3% | -17.7% |
| Current portion of long-term loans | 253 | 1.0% | 296 | 1.1% | -14.5% |
| Current portion of lease liabilities | 281 | 1.1% | 275 | 1.0% | 2.2% |
| Current portion of debentures | 1,997 | 7.6% | 1,991 | 7.6% | 0.3% |
| Other current liabilities | 277 | 1.1% | 245 | 0.9% | 13.1% |
| Total current liabilities | 5,722 | 21.7% | 5,856 | 22.3% | -2.3% |
| Long-term loans | 1,927 | 7.3% | 1,985 | 7.6% | -2.9% |
| Lease liabilities | 7,460 | 28.3% | 7,451 | 28.4% | 0.1% |
| Deferred rental revenue | 453 | 1.7% | 466 | 1.8% | -2.8% |
| Deferred revenue | 3,311 | 12.6% | 3,210 | 12.2% | 3.1% |
| Customer's deposit | 2,120 | 8.0% | 1,606 | 6.1% | 32.0% |
| Other non-current liabilities | 599 | 2.3% | 611 | 2.3% | -2.0% |
| Total non-current liabilities | 15,870 | 60.2% | 15,329 | 58.4% | 3.5% |
| Total liabilities | 21,592 | 81.9% | 21,185 | 80.8% | 1.9% |
| Equity attributable to owners of the Company | 3,875 | 14.7% | 4,121 | 15.7% | -6.0% |
| Non-controlling interests | 905 | 3.4% | 923 | 3.5% | -2.0% |
| Total shareholders' equity | 4,780 | 18.1% | 5,044 | 19.2% | -5.2% |

| Key Financial Ratio | | |
|--|------------------|------------------|
| | 30-Jun-23 | 30-Jun-22 |
| Profitability ratio | | |
| Gross profit margin | 35.6% | 27.2% |
| EBITDA margin | 16.0% | 12.0% |
| Net profit margin* | -5.8% | -17.8% |
| Efficiency ratio | 30-Jun-23 | 30-Jun-22 |
| Return on equity* | -9.0% | -31.1% |
| Return on asset | 0.7% | -2.7% |
| Liquidity ratio | 30-Jun-23 | 31-Dec-22 |
| Current ratio (time) | 0.49 | 0.57 |
| Leverage ratio | 30-Jun-23 | 31-Dec-22 |
| Interest bearing debt to equity (time)* | 3.42 | 3.18 |
| Net interest bearing debt to equity (time)* | 2.98 | 2.63 |
| Debt to equity (time)* | 5.57 | 5.14 |
| Interest bearing debt to total equity (time) (excl: TFRS16 effect) | 1.15 | 1.07 |
| Net interest bearing debt to total equity (time) (excl: TFRS16 effect) | 0.80 | 0.61 |
| | 30-Jun-23 | 30-Jun-22 |
| Interest coverage ratio (time)** | 0.22 | -0.81 |

* Calculated from equity attributable to owners of the Company

** =EBIT/Interest expense

As of 30 June 2023, the Company had interest bearing debt to equity attributable to owners of the Company (IBD/E) ratio at 3.42 times, and IBD/E ratio excluding TFRS 16 - Lease at 1.42 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 1.15 times and 0.80 times, respectively. This does not exceed 3 times and complies with both the loan from financial institution's covenant and debenture's covenant issued.

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 maintains its expectation that the growth rate of total revenue from existing business should 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 (TAT) targets 25-30 million tourist arrivals to Thailand in 2023 vs 11.2 million arrivals welcomed in 2022. Out of 25-30 million arrivals, the TAT expects Chinese tourist arrivals to be approximately 5-7 million.
- In 1H23, there were approximately 12.9 million tourist arrivals to Thailand, of which 1.4 million were Chinese tourists. The latest numbers, as of 10 August 2023, show approximately 16 million tourist arrivals to Thailand, including 1.9 million Chinese tourists, moving closer to the year-end target.
- Although challenges facing the tourism industry in 2H23 remain the same (expensive airfares, labour shortages, inflation, and the geopolitics between Russia and Ukraine), the Company expects a higher number of tourist arrivals in 2H23, particularly during the high season in 4Q23. An increase in the number of Chinese tourists travelling to Thailand is expected during the Golden Week (in October). On 10 August 2023, the Ministry of Foreign Affairs increased the convenience of obtaining visas for Chinese tourists (including reducing the amount of supporting documents needed when applying for a tourist visa and shortening the visa approval period). This should raise the number of Chinese tourists travelling to Thailand and expedite the achievement of the target.
- 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 this year.
- In 2023, the Company plans to open a total of 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 opened ASAI Bangkok Sathorn (106 rooms) in 2Q23.

Education Business:

- Compared to 1H23, the outlook for education business has become more challenging in 2H23 due to the continuing decline in the higher education market (including bachelor's and master's degree programs). While full-degree programs at Dusit Thani College continue to attract students, with an increasing number of new enrollments for the academic year 2023/2024, the number of new enrollments for short courses offered by all businesses under Dusit Hospitality Education is likely to be lower than targeted. As preparations have been made and resources and costs have been allocated, this is expected to affect the profitability of the Company's education business in 2H23.
- In 2H23, the Company plans to ramp up its online marketing activities and host open-house events to boost new enrollments. Recent events held in Bangkok and major regional cities have been well received. In addition, the Company plans to penetrate more into the corporate learning and development segments.

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 outlook for international school catering 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. Both have gained new contracts from schools in 2H23. Epicure Catering is exploring business opportunities by way of expanding into new channels and new international market opportunities in 2023.
- Bonjour Bakery (bakery franchise business) plans to open new stores and increase B2B sales among new customers. At the end of 2Q23, Bonjour Bakery had a total of 74 stores, an increase from 69 stores at the end of 2022. An additional 14 new stores are targeted in 2H23.
- KAUAI healthy restaurant chain began offering more localized menu items and readjusting its brand positioning to fit the preferences of the local Thai market.
- Dusit Gastro continued to act as a sourcing hub for Dusit Hotels and Resorts as well as non-Dusit businesses. It now supplies frozen baked goods and freshly baked items to cafes, bakery stores, and hotels throughout Thailand. It aims to provide food solutions to B2B customers, especially the HORECA segment, in Thailand and overseas. Business synergies with OR initiated in 2Q23 include selling bakery products in various stores under OR's ecosystem.
- Central kitchen and cloud dispensing network business Savor Eats launched with one pilot dispensing pod in Bangkok at the end of 2022. It plans to open up to eight 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 28 at the end of 2Q23 and Level 32 in July. For the offices, superstructure work reached Level 1 at the end of 2Q23 and Level 6 in July. At the end of 2Q23, the Residences partially started superstructure work under the main contractor (Ritta) at the Tower Footprint and reached G Level in July. 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 63% of the saleable areas were sold in 2Q23, and approximately 65% were sold in July. 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 2Q23, approximately 77% of the total units were sold, and approximately 52% of the total units were transferred.

Please be informed accordingly.
Sukit Ngamsangapong
Authorized person to disclose information.