

Executive Summary

The Company's performance for the first 9 months of 2023 improved compared to the same period of 2022. Total revenue grew by 32.4% to THB 4,512 million due to hotel business recovery and new owned hotel opening in 2Q23 (ASAI Bangkok Sathorn), education business recovery, food business growth driven by the Company's strategy for expansion and diversification, as well as the absence of THB 131 million gain on sale of an investment in associated company in 1Q22. The Company reported EBITDA of THB 588 million, an increase of 40.3%. The Company reported a lower net loss by 22.6% YoY to THB -424 million.

For 3Q23, the Company's performance declined YoY. Total revenue increased by 15.9% to THB 1,429 million due mainly to higher hotel revenue driven by higher occupancy and higher ADR. Revenue from international school catering business in Thailand improved YoY after the full operations onsite of schools. Revenue from franchise bakery business also increased thanks to outlet expansion. However, the Company is in the process of adjusting its business model to be in line with the business plan and increasing costs. Hotel business costs and expenses increased following new hotel openings while food business costs and expenses increased from outlet expansion and IPO preparation process. For education business, revenue was lower than target and The Food School project remained making loss as a nature of early stage of the school business. These factors affected the Company's profitability resulting in a 39.5% YoY decrease in EBITDA to THB 95 million and a 53.4% YoY increase in net loss to THB -247 million.

Compared with 2Q23, the Company's performance declined due to low season of hotel business and costs and expenses as aforementioned. In addition, Dusit College was in the school break in 3Q23 while the profitability of education business declined QoQ as aforementioned. Meanwhile, food business performance continued to grow with higher revenue.

Unit: THB mn	3Q23	3Q22	Change		2Q23	Change		9M23	9M22	Change	
Hotel business	950	805	145	18.0%	898	52	5.8%	3,042	2,122	920	43.4%
Education business	78	11	67	609.1%	84	-6	-7.1%	281	225	56	24.9%
Food business	291	242	49	20.2%	280	11	3.9%	878	553	325	58.8%
Property development business	4	-	4	100.0%	20	-16	-80.0%	38	133	-95	-71.4%
Others	106	175	-69	-39.4%	99	7	7.1%	273	374	-101	-27.0%
Total revenue	1,429	1,233	196	15.9%	1,381	48	3.5%	4,512	3,407	1,105	32.4%
EBITDA	95	157	-62	-39.5%	139	-44	-31.7%	588	419	169	40.3%
EBIT	-136	-82	-54	-65.9%	-80	-56	-70.0%	-82	-282	200	70.9%
Net profit (loss) attributable to parent	-247	-161	-86	-53.4%	-186	-61	-32.8%	-424	-548	124	22.6%
EPS (THB)	-0.33	-0.21	-0.11	-51.0%	-0.26	-0.07	-28.4%	-0.61	-0.67	0.06	8.9%
Non-recurring items	-1	-52	51	98.1%	-	-1	-	-3	-59	56	94.9%
Net profit (loss) attributable to parent excluding non-recurring items	-246	-109	-137	-125.9%	-186	-60	-32.3%	-421	-489	68	13.9%

Unit: THB mn	1Q23	2Q23	3Q23	9M23	1Q22	2Q22	3Q22	9M22
Gain (loss) on measurement of other financial assets	-	-	-	-	32	(3)	-	29
Gain (loss) on sale of other financial assets	-	-	-	-	(33)	-	-	(33)
Loss sharing	-	-	-	-	-	-	(41)	(41)
Severance pay	(2)	-	(1)	(3)	(2)	(2)	(11)	(15)
Tax income	-	-	-	-	-	1	-	1
Total non-recurring items	(2)	-	(1)	(3)	(3)	(4)	(52)	(59)

The Company remains a positive view on hotel business outlook in 4Q23 due to the high season and the expectation of increasing numbers of international tourists following the recent government policies amid geopolitics rising. Food business outlook is also in the good trend with new school contracts and store expansion. However, education business profitability is expected to be under pressure. 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.

The Company has prioritized its financial liquidity and financial costs, especially during the current upward trend of interest rates. As a result, the Company has managed to reserve sufficient liquidity and secure fixed interest rates to mitigate the rising interest rate risk. Among the volatility of Thai bond market, the company successfully issued and offered new debentures in early July and early November worth THB 1,500 million and THB 1,000 million, respectively with plan to redeem the debentures issued in 2021. The remaining proceeds are used to repay short-term debts as well as used as the working capital.

Major developments in 3Q23

Hotel Business

- The Company opened 4 new hotels in 3Q23. In July, the Company made its Nepal debut with the opening of Dusit Thani Himalayan Resort Dhulikhel (64 rooms) and Dusit Princess Kathmandu (108 rooms). Later in September, the Company continued expansion in Japan with new luxury Dusit Thani Kyoto hotel (147 rooms) before closing the quarter with the opening of Dusit Thani Mogan Mountain, Huzhou, the 11th luxury Dusit-branded property in China (22 rooms – first phase). At the end of 3Q23, the Company hotel portfolio comprises of 56 hotels and 236 luxury villas under management (12,481 rooms) across 19 countries.

Food business

- Epicure Catering and The Caterers successfully signed 2 new school contracts in Thailand and 10 new school contracts in Vietnam, respectively.
- Bonjour Bakery opened 7 new stores in 3Q23 or 12 net addition of outlets for 9M23, bringing its total of outlets to 82 at the end of 3Q23 (81 in Thailand and 1 in China).

Financial Resilience

- In early July 2023, the Company successfully issued and offered debentures no. 1/2023 worth THB 1,500 million with a 5.55% coupon per annum. The proceeds were used to redeem the debentures no. 1/2021 due in July 2023 (THB 1,000 million). The remaining proceeds were used to repay short-term loans and reserved as the working capital.
- In October 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 per annum worth THB 500 million and the Greenshoe Option not exceeding THB 500 million, totaling not exceed THB 1,000 million (debenture no. 2/2023). The issuer has the right to redeem the debentures before the maturity date. The proceeds will be mainly used to redeem the debentures no. 2/2021 due in early December 2023. With the favorable market response, the Company successfully issued and offered such debentures worth THB 1,000 million on 9 November 2023.

3Q23 and 9M23 Business Segment Performance

Unit: THB mn	Revenue breakdown					EBITDA breakdown				
	3Q23	3Q22	Change	2Q23	Change	3Q23	3Q22	Change	2Q23	Change
Hotel business	950	805	18.0%	898	5.8%	161	223	-27.8%	150	7.3%
Education business	78	11	609.1%	84	-7.1%	-34	-94	63.8%	-3	-1033.3%
Food business	291	242	20.2%	280	3.9%	29	12	141.7%	24	20.8%
Property development business	4	-	100.0%	20	-80.0%	-16	-21	23.8%	-2	-700.0%
Others	106	175	-39.4%	99	7.1%	-45	37	NM-	-30	-50.0%
Total revenue	1,429	1,233	15.9%	1,381	3.5%	95	157	-39.5%	139	-31.7%

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

In 3Q23, the Company reported total revenue of THB 1,429 million; an increase of THB 196 million or 15.9% YoY, of which 66.5%, 5.4%, 20.4%, 0.3% and 7.4% 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			
	9M23	9M22	Change		9M23	9M22	Change	
Hotel business	3,042	2,122	920	43.4%	712	470	242	51.5%
Education business	281	225	56	24.9%	-25	-69	44	63.8%
Food business	878	553	325	58.8%	97	9	88	977.8%
Property development business	38	133	-95	-71.4%	-24	74	-98	NM-
Others	273	374	-101	-27.0%	-172	-65	-107	-164.6%
Total	4,512	3,407	1,105	32.4%	588	419	169	40.3%

In 9M23, the Company reported total revenue of THB 4,512 million; an increase of THB 1,105 million or 32.4% YoY, of which 67.4%, 6.2%, 19.5%, 0.8% and 6.1% 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 950 million in 3Q23, an increase of 18.0% YoY and THB 3,042 million in 9M23, up by 43.4% YoY mainly due to the impact on the situation of the spread of COVID-19 was still on in last year. The increase in tourist travel had started since late year ended 2022. Compared to 2Q23, the revenue increased by 5.8% QoQ, even was in the full period of low season in this quarter.

Owned Hotels

	3Q23	3Q22	% Change	2Q23	% Change	9M23	9M22	% Change
Occupancy %	67.9%	61.7%	6.3%	66.1%	1.9%	69.5%	55.5%	14.0%
ADR (THB/night)	3,201	3,057	4.7%	3,311	-3.3%	3,664	3,287	11.5%
RevPar (THB/night)	2,174	1,885	15.4%	2,187	-0.6%	2,546	1,823	39.6%

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

Owned Hotels Business generated revenue of THB 767 million in 3Q23, an increase of 15.7% YoY and 6.2% QoQ; and THB 2,499 million in 9M23, up by 36.0% YoY. This is detailed as follows:

- Revenue from Owned Hotels in Thailand has increased in 3Q23 by 23.8% YoY and in 9M23 also increased by 66.0% YoY. Compared to 2Q23, the revenue has increased by 5.0% QoQ, mainly due to increase of revenue from Dusit Thani Pattaya and Dusit Thani Laguna Phuket from increasing on number of travelers since late year 2022. It was result of both increase in

OCC and ADR. Moreover, the revenue also increased with the opening of ASAI Bangkok Sathon on May 15, 2023.

- Revenue from Overseas Hotels in 3Q23 increased by 6.2% YoY. The increase was mainly driven by Dusit Thani Manila increasing 11.0% YoY which ADR improved by 18.0% YoY. Compared to 2Q23, the revenue increased by 8.0% QoQ due to increase in Dusit Thani Manila. Dusit Thani Maldives's revenue also increased from a rising number of Asian travelers. 9M23, revenue from Overseas Hotels increased 8.3% YoY from increase of revenue from Dusit Thani Manila by 34.1% YoY due to increase on number of international travels. For Dusit Thani Maldives, revenue decreased by 11.0% 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 China followed by Russia, South Korea and the Middle East.

Hotel Management

Revenue from Hotel Management was THB 183 million in 3Q23, an increase of 28.9% YoY mainly due to increase of revenue from Hotel Management under Dusit brands in Japan, which opened at the end of the second quarter year 2023. Moreover, the revenue from Hotel Management under Elite Havens also constantly increased following the reopening of Thailand and Japan. The revenue increased by 4.0% QoQ mainly from increase of revenue from Hotel Management both under Dusit brands in Japan and under Elite Havens offset with the decrease in service fee for Dusit Thani Kyoto's pre-opening phase in the second quarter.

9M23, revenue from Hotel Management was THB 543 million, an increase of 90.5% YoY. The increase was driven mainly by the following factors: Firstly, the higher revenue from overseas managed properties, particularly in the Middle East and United States of America (Guam). Secondly, the revenue from Hotel Management under Elite Havens also constantly increased. Thirdly, in 2023, the Company was in the process of pre-opening phase and opened two hotels as planned, including ASAI Kyoto Shijo (June) and Dusit Thani Kyoto (September). These openings contributed to increased revenue.

The Company reported EBITDA from Hotel Business of THB 161 million in 3Q23, down by THB 62 million YoY mainly due to the increase in expenses, including employee costs and the reversal of allowance for expected credit loss from the previous year. 9M23, EBITDA was THB 712 million, an increase of THB 242 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 2Q23, EBITDA also increased by THB 11 million.

The depreciation and amortization were THB 159 million in 3Q23, increased by 1.9% YoY mainly due to the newly opened ASAI Bangkok Sathon in mid 2Q23. 9M23, the depreciation and amortization were THB 454 million, decreased by 3.0% YoY, mainly due to an increase in fully depreciated assets.

Education Business

Education Business generated the revenue of THB 78 million in 3Q23 and THB 281 million in 9M23, increased by 609.1% and 24.9% YoY. The increase was mainly due to lower loss sharing from Dusit Hospitality Education Philippines due to decrease of its investment value. Dusit Thani College also generated more revenue from more on-site classes reflecting to increase on number of students. Despite, lower on profit sharing from Le Cordon Bleu Dusit Culinary School reflecting to decrease on number of students. The revenue decreased by THB 6 million or 7.1% QoQ mainly due to Dusit Thani College's semester break.

EBITDA from Education Business was THB -34 million in 3Q23, compared to THB -94 million in 3Q22; and THB -25 million in 9M23 increased by THB 44 million YoY mainly due to decrease on loss sharing from Dusit Hospitality Education Philippines. However, Dusit Thani College were back to conducting 100% onsite classes, which increased in expenses, salary also increased since in process of launching new programmes, loss from business growth period of Food school and decrease on profit sharing from Le Cordon Bleu Dusit Culinary School. Compared to 2Q23, EBITDA decreased by THB 31 million QoQ mainly due to revenue impact as mentioned and increased in expenses.

Food Business

Food Business generated revenue of THB 291 million in 3Q23, increased by THB 49 million or 20.2% YoY.; and THB 878 million in 9M23, increased by THB 325 million or 58.8% YoY. This mainly came from revenue of 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 2Q23, Food Business revenue increased by 3.9% QoQ due to an increase in student numbers and operation days of Epicure Catering.

EBITDA from Food Business in 3Q23 was THB 29 million, up by THB 17 million YoY; and THB 97 million in 9M23, increased by THB 88 million YoY. Compared to 2Q23, EBITDA decreased by THB 5 million QoQ, mainly from the change in revenue mentioned above.

Property Development Business

In 3Q23, Property Development Business reported revenue and profit sharing of THB 4 million, increased by THB 4 million YoY mainly due to profit sharing from The Origin Dusit Co., Ltd. from recognizing revenue of Hampton project by THB 4 million, and reported revenue and profit sharing of THB 38 million in 9M23, decreased by THB 95 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 40 million. Compared to 2Q23, Property Development Business decreased by THB 16 million QoQ caused by decreased in profit sharing from The Origin Dusit Co., Ltd. from a decrease in the number of units transferred.

EBITDA from Property Development was THB -16 million in 3Q23, increased by THB 5 million YoY; and THB -24 million in 9M23, decreased by THB 98 million YoY. Compared to 2Q23, EBITDA decreased 14 million QoQ, as revenue changes as mentioned.

Other Businesses

The Company reported revenue from Other Businesses of THB 106 million in 3Q23, a decreased by THB 69 million YoY; and THB 273 million in 9M23, decreased of THB 101 million or 27.0% YoY. The decrease was driven mainly by decreases on gain on exchange rate, sharing profit from and other income such as rental income, service income and Information Technology income. Moreover, the Company has a decrease in gain on measurement of other finance assets which was recorded in 9M22. 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 increased of THB 7 million or 7.1% QoQ mainly due to increase on other income such as service income, Information Technology income, gain on exchange rate, while decrease on sharing profit from DREIT.

EBITDA from Other Businesses was THB -45 million in 3Q23, decreased by THB 82 million YoY; and THB -172 million in 9M23, decreased by THB 107 million YoY as revenue changes as mentioned and the increase in administrative expenses. EBITDA worsened by THB 15 million QoQ mainly due to the

reversal of allowance for expected credit loss in 2Q23 offset with increase of revenue as mentioned above.

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

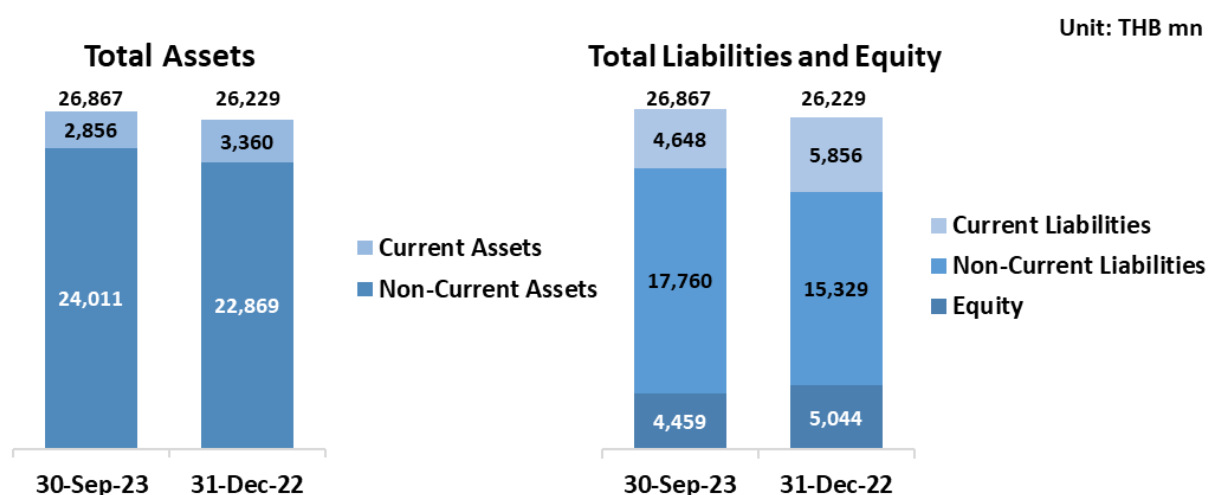
The Company's EBITDA was THB 95 million in 3Q23, down by THB 62 million YoY; and THB 44 million QoQ. In 9M23, EBITDA was THB 588 million, up by THB 169 million YoY due to the change in EBITDA in each business as mentioned above.

Finance Costs

Finance Costs was THB 133 million in 3Q23, increased by 7.2% YoY; and THB 383 million in 9M23, increased by 3.6% YoY mainly from the new debenture issuances and the increase in interest rate of short/long-term loans. Compared to 2Q23, Finance Costs also increased by 5.7% QoQ due to the new debenture issuances, as mentioned.

Net Profit

The Company reported the net loss of THB -247 million in 3Q23, worsened by THB 86 million YoY; and THB -424 million in 9M23, improved by THB 124 million YoY. Compared to 2Q23, the net loss worsened by THB 61 million QoQ.



Assets

As of 30 September 2023, total assets of the Group were THB 26,867 million, increasing by THB 638 million or 2.4% compared with 31 December 2022.

- Current assets decreased by THB 504 million, mainly from a net decrease of THB 579 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 49 million in other current assets as a result of an increase in prepaid consulting fee and VAT refundable.
- Non-current assets increased by THB 1,142 million, mainly due to an increase in property, plant and equipment of THB 1,574 million mainly from “Dusit Central Park” and “ASAI Bangkok Sathorn” projects and an increase in deferred tax assets of THB 73 million, recognized for the tax loss carryforward, right-of-use assets and lease liabilities. The increases were offset by a decrease in right-of-use assets of THB 250 million and a decrease in advance payment for construction of Dusit Central Park of THB 269 million.

Liabilities

As of 30 September 2023, total liabilities of the Group were THB 22,408 million, increasing by THB 1,223 million or 5.8 % compared with 31 December 2022.

- Current liabilities decreased by THB 1,208 million mainly due to current portion of debentures decreased by THB 992 million due to repayment and trade accounts and other current payable decreased by THB 389 million as a result of paying the construction payable for “Dusit Central Park”. The decreases were offset by an increase in other current liabilities of THB 106 million mainly from retention payable.
- Non-current liabilities increased by THB 2,431 million mainly due to the issuance of debenture THB 1,500 million, an increase of THB 985 million from deferred revenue and customers’ deposits from Dusit Central Park project and an increase of THB 79 million from lease liabilities.

Shareholders’ Equity

As of 30 September 2023, Shareholders’ Equity of THB 4,459 million decreased by THB 585 million or 11.6% compared with 31 December 2022. This consisted of the equity attributed to owners of the parent of THB 3,561 million and the non-controlling interest of THB 898 million. The decrease was a

result of THB 120 million of interest on perpetual subordinated debentures, THB 452 million of total comprehensive loss for the period and THB 13 million of dividend paid to non-controlling interests.

Cash Flows

As of 30 September 2023, the Group reported cash and cash equivalents of THB 1,564 million, decreasing by THB 562 million (before effect of exchange rate changes of THB 17 million) from THB 2,143 million as of 31 December 2022.

- Net cash inflow from operating activities of THB 1,528 million mainly consisting of:
 - Cash inflows from deferred revenue of THB 162 million, customer’s deposits of THB 823 million offset by net cash inflow from sales and services deducted by operating cash outflow, and tax payment.
- Net cash outflow for investing activities of THB 1,737 million, mainly consisting of:
 - Cash outflow for purchases of equipment and construction mainly for “Dusit Central Park” and “ASAI Bangkok Sathorn” projects – THB 1,748 million.
 - Cash outflow for the payment of deposits for “Dusit Thani Kyoto – THB 44 million.
 - Cash inflow from dividend received from associate – THB 129 million.
- Net cash outflow for financing activities of THB 353 million mainly consisting of:
 - Cash outflow for the payment of lease liabilities – THB 211 million.
 - Cash outflow for interest paid – THB 449 million.
 - Cash outflow for interest paid for perpetual subordinated debentures – THB 120 million.
 - Cash outflow for repayment of debenture – THB 1,000 million.
 - Cash inflow from proceeds from debenture, net issuing fee – THB 1,482 million.

Dusit Thani PLC
Management Discussion and Analysis
For 3Q23 and 9M23

Statement of Financial Position

Unit: THB mn	30-Sep-23	% to total assets	31-Dec-22	% to total assets	Chg
Cash and cash equivalents	1,565	5.8%	2,143	8.2%	-27.0%
Other current financial assets	160	0.6%	160	0.6%	0.0%
Trade and other receivables	542	2.0%	534	2.0%	1.5%
Other current assets	589	2.2%	523	2.1%	12.6%
Total current assets	2,856	10.6%	3,360	12.8%	-15.0%
Other non-current financial assets	74	0.3%	37	0.1%	100.0%
Investments in associates	1,451	5.4%	1,474	5.6%	-1.6%
Investment properties	1,252	4.7%	1,252	4.8%	0.0%
Property, plant and equipment	8,854	33.0%	7,281	27.8%	21.6%
Advance payment for construction	611	2.3%	880	3.4%	-30.6%
Right-of-use assets	8,371	31.2%	8,621	32.9%	-2.9%
Intangible assets other than goodwill	783	2.9%	867	3.3%	-9.7%
Goodwill	999	3.7%	971	3.7%	2.9%
Other non-current assets	1,616	6.0%	1,486	5.8%	8.7%
Total non-current assets	24,011	89.4%	22,869	87.2%	5.0%
Total assets	26,867	100.0%	26,229	100.0%	2.4%
Short-term loans from financial institutions	1,160	4.3%	1,125	4.3%	3.1%
Trade and other current payables	1,535	5.7%	1,924	7.3%	-20.2%
Current portion of long-term loans	330	1.2%	296	1.1%	11.5%
Current portion of lease liabilities	283	1.1%	275	1.0%	2.9%
Current portion of debentures	999	3.7%	1,991	7.6%	-49.8%
Other current liabilities	341	1.3%	245	0.9%	39.2%
Total current liabilities	4,648	17.3%	5,856	22.3%	-20.6%
Long-term loans	1,902	7.1%	1,985	7.6%	-4.2%
Lease liabilities	7,530	28.0%	7,451	28.4%	1.1%
Deferred rental revenue	446	1.7%	466	1.8%	-4.3%
Deferred revenue	3,371	12.5%	3,210	12.2%	5.0%
Customer's deposit	2,429	9.0%	1,606	6.1%	51.2%
Other non-current liabilities	599	2.2%	611	2.3%	-2.0%
Total non-current liabilities	17,760	66.1%	15,329	58.4%	15.9%
Total liabilities	22,408	83.4%	21,185	80.8%	5.8%
Equity attributable to owners of the Company	3,561	13.3%	4,121	15.7%	-13.6%
Non-controlling interests	898	3.3%	923	3.5%	-2.7%
Total shareholders' equity	4,459	16.6%	5,044	19.2%	-11.6%

Key Financial Ratio		
Profitability ratio	30-Sep-23	30-Sep-22
Gross profit margin	33.4%	27.5%
EBITDA margin	13.0%	12.3%
Net profit margin*	-9.4%	-16.1%
Efficiency ratio	30-Sep-23	30-Sep-22
Return on equity*	-10.0%	-23.2%
Return on asset	0.5%	-2.3%
Liquidity ratio	30-Sep-23	31-Dec-22
Current ratio (time)	0.61	0.57
Leverage ratio	30-Sep-23	31-Dec-22
Interest bearing debt to equity (time)*	3.84	3.18
Net interest bearing debt to equity (time)*	3.36	2.63
Debt to equity (time)*	6.29	5.14
Interest bearing debt to total equity (time) (excl: TFRS16 effect)	1.32	1.07
Net interest bearing debt to total equity (time) (excl: TFRS16 effect)	0.93	0.61
	30-Sep-23	30-Sep-22
Interest coverage ratio (time)**	-0.21	-0.76

* Calculated from equity attributable to owners of the Company

** =EBIT/Interest expense

As of 30 September 2023, the Company had interest bearing debt to equity attributable to owners of the Company (IBD/E) ratio at 3.84 times, and IBD/E ratio excluding TFRS 16 - Lease at 1.65 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 1.32 times and 0.93 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

The Company's business outlook in 4Q23 is as follows:

Hotel Business:

- The Tourism Authority of Thailand (TAT) revised this year target of international tourist arrivals to Thailand to 25-28 million (down from previously 25-30 million) vs 11.2 million arrivals welcomed in 2022. Out of 25-28 million arrivals target, the TAT expects Chinese tourist arrivals to be 4.0-4.4 million (down from previously 5-7 million).
- In 9M23, there were approximately 20 million tourist arrivals to Thailand, of which 2.5 million were Chinese tourists. Although, the visa exemption for visitors from China and Kazakhstan took effect on September 25th, the increasing number of Chinese arrivals has been slow down following the safety concerns on the shooting incident at Bangkok downtown shopping center in early October. According to the Office of the Prime Minister, over the past 10 months Thailand welcomed more than 22 million foreign tourists, moving closer to TAT's year-end target.
- The Company remains positive on hotel business outlook in 4Q23 due to the high season and the expectation of increasing numbers of international tourists following the recent government policies i.e., visa exemption for visitors from China, Kazakhstan, India, and Taiwan as well as the extension of the visa-free stay for Russian tourists. However, the new geopolitics between Israel and Hamas partially affected the hotel business in the Middle East (UAE) and Africa (Egypt) market.
- 2023 hotel business revenue is expected to grow by 30-35% from 2022, surpassing the pre-COVID-19 level thanks to higher RevPar which is driven by higher ADR and occupancy rate. Owned hotel occupancy is expected to achieve 70%, slightly lower than 74% of the pre-COVID-19 level.
- For the first nine month of 2023, the Company opened 9 hotels in Greece, Kenya, Thailand, Japan, Nepal, and China. With another hotel opening plan in the last quarter, the Company expects to open 10 new hotels in total this year.

Education Business:

- The outlook for education business has remained challenging in 4Q23 since the higher education market continues to decline (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, but the number of new enrollments for short courses offered by all businesses under Dusit Hospitality Education was lower than target. As most of the expenses are fixed, it is expected to affect the profitability of education business.
- The Company plans to re-engineer some of the courses to meet the recent demand trend and to ramp up its online marketing activities as well as host open-house events to boost the new short course 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

- 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 by gaining 12 new school contracts in 3Q23 which should generate

income from 4Q23 onwards. Epicure Catering is also exploring business opportunities by way of expanding into new channels and new international market opportunities in 2024.

- Bonjour Bakery (bakery franchise business) continues to open new outlets and increase B2B sales among new customers. Following the opening of 7 stores in 3Q23, Bonjour Bakery plans to add 8 new outlets in 4Q23 (7 stores in Thailand and 1 kiosk in Vietnam).
- 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 e.g. Kamu, Jiffy, Pearly Tea and Café Amazon. In 4Q23, Dusit Gastro plans to launch 2 new products at Café Amazon.
- Central kitchen and cloud dispensing network business Savor Eats launched with one pilot dispensing pod in Bangkok at the end of 2022. It now works with SMEs to develop meal offerings targeting to official launch early 2024.

Property Development:

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

- At the end of 3Q23, Superstructure work of the hotel building reached Level 39 and completed roof top of the building in October 2023. For the offices, superstructure work reached Level 10 at the end of 3Q23 and Level 14 in October 2023. At the end of 3Q23, the residences started superstructure work by the main contractor, Ritta Co., Ltd., at the podium and reached superstructure Level 3 in October 2023. ITD continued working on the Retail substructure with the target of handing over 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 total saleable areas, mainly to foreign buyers as most countries have fully reopened. Approximately 69% of the saleable areas were sold in 3Q23, and approximately 75% were sold in October. The plan is to gradually transfer the residence units to the buyers by 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 3Q23, approximately 77% of the total units were sold, and approximately 53% of the total units were transferred. In October, approximately 60% were transferred.

The Company remains a positive view on hotel business outlook in 4Q23 due to the high season and the expectation of increasing numbers of international tourists following the recent government policies amid geopolitics rising. Food business outlook is also in the good trend with new school contracts and store expansion. However, education business profitability is expected to be under pressure. 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.

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