

November 9, 2023

Minor International Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

3Q23 and 9M23 Performance

Summary: Minor International Public Company Limited (“MINT”) delivered another remarkable financial results in 3Q23, showcasing company’s sustained business resilience.

In 3Q23, the Company reported overall core revenue growth of 12% y-y, reaching Baht 39,887 million, as a result of business improvement in hotel and restaurant portfolios. Hotels in Europe, Latin America and Thailand experienced the benefits of sustained surge in travel demand and room rates. Restaurants, particularly in Thailand saw stronger performance due to a revival of dine-in business.

Core EBITDA for 3Q23 also reflected positive trend, increasing by 6% y-y to Baht 11,090 million, with contributions from both Minor Hotels and Minor Food. The restaurant’s EBITDA growth outpaced its revenue increase, helping to mitigate higher operating costs faced by the hotel business.

MINT reported core profit of Baht 2,273 million in 3Q23, a 13% y-y increase and a 76% advancement over the pre-pandemic level of 3Q19. All three business units generated positive profits, with Minor Food in the lead in terms of bottom-line growth benefitting from lower raw material costs and efficient promotional spending.

In 9M23, MINT posted core revenue growth of 27% y-y to Baht 113,501 million, due to factors similar to those in the third quarter. Core EBITDA growth at 36% y-y outpaced revenue increases, a testament to expense optimization and enhanced productivity throughout MINT’s hotels, restaurants and corporate offices. This resulted in a core profit for 9M23 of Baht 4,630 million, a significant turnaround from the core loss of Baht 360 million in 9M22.

Including the non-core items detailed in the appendix, MINT’s 3Q23 reported revenue rose by 11% y-y to Baht

39,888 million, while EBITDA decreased by 14% y-y to Baht 10,981 million. Reported profit of Baht 2,144 million declined by 53% y-y, mainly due to losses from hedging and derivatives recorded in the quarter, as opposed to foreign exchange gains of the previous year. In 9M23, MINT posted 27% and 20% y-y increases in reported revenue and EBITDA, amounting to Baht 113,617 million and Baht 30,169 million, respectively. Reported bottom line stood strong at Baht 4,423 million, nearly doubling from Baht 2,376 million reported in 9M22.

Financial Performance

<i>Bt million</i>	3Q23	3Q22 (Restated)	%Chg
<u>As Reported</u>			
Total Revenue**	39,888	35,911	11
Total EBITDA	10,981	12,763	-14
EBITDA Margin (%)	27.5	35.5	
Total Net Profit	2,144	4,608	-53
Net Profit Margin (%)	5.4	12.8	
<u>Core*</u>			
Total Revenue**	39,887	35,547	12
Total EBITDA	11,090	10,442	6
EBITDA Margin (%)	27.8	29.4	
Total Net Profit	2,273	2,011	13
Net Profit Margin (%)	5.7	5.7	
	9M23	9M22 (Restated)	%Chg
<u>As Reported</u>			
Total Revenue**	113,617	89,803	27
Total EBITDA	30,169	25,047	20
EBITDA Margin (%)	26.6	27.9	
Total Net Profit	4,423	2,376	86
Net Profit Margin (%)	3.9	2.6	
<u>Core*</u>			
Total Revenue**	113,501	89,383	27
Total EBITDA	30,226	22,238	36
EBITDA Margin (%)	26.6	24.9	
Total Net Profit	4,630	-360	1,386
Net Profit Margin (%)	4.1	-0.4	

* Exclude non-core items as detailed in the appendix

** Includes share of profit and other income

Segment Performance

Restaurant & Contract Manufacturing Businesses

At the end of 3Q23, MINT's total restaurants reached 2,607 outlets, comprising of 1,309 equity-owned outlets (50% of total) and 1,298 franchised outlets (50% of total). 1,974 outlets (76% of total) are under Thailand hub, while the remaining 633 outlets (24% of total) are overseas, with a total of 23 other countries in Asia, Oceania, Middle East, Europe, Mexico and Canada.

Restaurant Outlets by Ownership and Hub

	3Q23	Chg q-q	Chg y-y
Owned Equity	1,309	9	63
Franchise	1,298	17	60
Total Outlets	2,607	26	123
Thailand*	1,974	31	120
China	140	-4	-2
Australia	325	-2	-13
Others	168	1	18
Total Outlets	2,607	26	123

* Thailand hub includes stores in CLMV and Japan

Restaurant Outlets by Brand

	3Q23	Chg q-q	Chg y-y
The Pizza Company	584	9	12
Swensen's	354	4	15
Sizzler	73	10	4
Dairy Queen	508	2	9
Burger King	127	0	3
The Coffee Club	398	0	-7
Thai Express	105	-1	14
Riverside	147	-2	0
Benihana	20	1	3
Bonchon	115	3	6
Coffee Journey	92	-1	27
GAGA	36	4	36
Others*	48	-3	1
Total Outlets	2,607	26	123

* Others include restaurants at the airport under MINT's 51% JV, "Select Service Partner", restaurants in the UK under "Patarra" brand and "Poulet" brand

Hub Performance Analysis

In 3Q23, total-system-sales (including sales from franchised outlets) saw an increase of 4.7%, compared to the same period last year. The growth was primarily driven by

Performance Breakdown by Business*

9M23	% Core Revenue Contribution	% Core EBITDA Contribution	% Core Profit Contribution
Hotel & Mixed-use	78	82	66
Restaurant Services	20	17	32
Retail trading	1	1	2
Total	100	100	100

* Exclude non-core items as detailed in the appendix

Major Developments in 3Q23

Developments

Restaurant	<ul style="list-style-type: none"> Signed Master Franchise Agreement (MFA) with Palms Food International Singapore to bring The Pizza Company brand to Singapore Added 26 outlets, net q-q, majority of which were the openings of The Pizza Company in Thailand and CLMV, Swensen's and GAGA in Thailand, together with the addition of 10 Sizzler outlets in Japan following the acquisition of Sizzler brand franchisor worldwide excluding USA, Puerto Rico and Guatemala in 2Q23
Hotel & Mixed-Use	<ul style="list-style-type: none"> Acquired an exquisite luxury resort in the Maldives with a partner- ADFD Opened a total of three hotels q-q <ul style="list-style-type: none"> Anantara: One managed hotel in Thailand NH Collection: One joint-ventured hotel in the Maldives Oaks: One MLR hotel in Australia Rebranded two hotels q-q <ul style="list-style-type: none"> Avani: from NH in Italy and Mexico
Corporate	<ul style="list-style-type: none"> Declared an interim cash dividend payment of Baht 0.25 per share to shareholders for operating performance during 1H23 Completed Thailand's first syndicated sustainability-linked loan of EUR 500 million

stronger operations and outlet expansion of restaurants in Thailand. Higher store trading activities and price increase in Thailand partially offset softer performances in China and Australia, resulting in overall same-store-sales decrease of 2.0% y-y in 3Q23.

Restaurants in Thailand reported an 8.0% y-y increase in total-system-sales in 3Q23, attributable to 1.6% same-store-sales growth, network expansion and the re-opening of temporary closed stores, particularly at the airport. Dine-in sales continued to rebound with the introduction of new products designed to excite the market, deepen customer engagement and expand customer base. For example, Dairy Queen embarked on a new growth trajectory by highlighting premium category of sundaes and beverages. Its new campaign “Thai Tea Blizzard” also broke all records of the limited time offer products that have been launched. Minor Food’s strategic menu pricing and a focus on premium menu also raised the average spend per customer. Including CLMV region, Thailand hub posted total-system-sales increase of 8.8% y-y and a slight same-store-sales decrease of 1.1%. Nevertheless, most CLMV restaurants operate under franchised agreements.

China saw a decrease in total system sales and same-store sales of 9.3% and 9.9% y-y, respectively in 3Q23. They were attributed to weakened consumer confidence amidst an economic slowdown and the absence of low base effect, given that COVID-19 restrictions began to ease in all key regions in June 2022. Restaurants in tourist cities, such as Hangzhou which accounted for almost 10% of China hub’s total stores, achieved positive same-store sales. However, it could not fully offset sales slowdown in major markets including Beijing and Shanghai, where local residents traveled to other cities. China’s strategy for the quarter focused on refining the menu, lowering discounts and adopting a store rationalization approach to navigate the challenging environment.

Australia recorded a subdued business activity in 3Q23, with a slight same-store sales decrease of 2.8% y-y. Meanwhile, total-system-sales were 4.0% lower y-y from the closure of underperforming stores to improve overall profitability. Sales initiatives to boost customer traffic via branding and new menus continued to be executed with the inclusion of profitable store expansion in the longer-term plan.

Overall, 9M23 group-wide total-system-sales increased by 13.7% y-y, driven by strong growth across all hubs. Group-wide same-store-sales grew by 5.4% y-y, reflecting the improved sales activities from Minor Food’s successful business strategies.

Restaurant Business Performance

%	3Q23	3Q22	9M23	9M22
Average Same-Store-Sales Growth	-2.0	16.6	5.4	9.3
Average Total-System-Sales Growth	4.7	41.3	13.7	21.3

Note: Calculation based on local currency to exclude the impact of foreign exchange

Financial Performance Analysis

3Q23 total core restaurant revenue grew by 4% y-y, attributable to top-line growth of Thailand, Australia and Singapore hubs, together with an increase in profit contribution from joint ventures. Restaurants in Thailand saw stronger performance in dine-in business, while Australia also reported revenue growth due to higher coffee bean roasting capacity. The increase in number of new brands and outlets drove higher revenue of Singapore hub. Franchise income reported a slight decrease of 3% y-y. Higher initial income from additional franchised contracts in Thailand and overseas markets partially offset the impact from lower franchised stores in Australia and the softer performance of franchised restaurants in Australia and CLMV.

Core EBITDA in 3Q23 increased by 13% y-y to Baht 1,759 million. The growth was attributed to lower raw material costs and cost savings in labor and promotional expenses at Thailand and China hubs, enabling EBITDA to outpace revenue expansion. As a result, core EBITDA margin improved to 22.8% in 3Q23 from 21.0% in 3Q22.

In 9M23, Minor Food reported an increase of 15% y-y in total core revenue, driven by higher sales activities in Thailand, China and Australia, as well as strong performance from joint ventures. Leveraging higher operating efficiency and effective cost management, core EBITDA increased by 33% y-y to Baht 5,060 million. Core EBITDA margin increased to 21.8% in 9M23, compared to 18.9% in 9M22.

Financial Performance*

<i>Bt million</i>	3Q23	3Q22	%Chg
Revenue from Operation**	7,331	7,000	5
Franchise Fee	388	401	-3
Total Revenue	7,718	7,400	4
EBITDA	1,759	1,556	13
EBITDA Margin (%)	22.8	21.0	
	9M23	9M22	%Chg
Revenue from Operation**	21,966	18,912	16
Franchise Fee	1,196	1,223	-2
Total Revenue	23,162	20,135	15
EBITDA	5,060	3,797	33
EBITDA Margin (%)	21.8	18.9	

* Exclude non-core items as detailed in the appendix

** Includes share of profit and other income

Hotel & Mixed-use Business

Hotel Business

At the end of 3Q23, MINT owns 367 hotels and manages 169 hotels and serviced suites in 55 countries. Altogether, these properties have 78,588 hotel rooms and serviced suites, including 56,522 rooms that are equity-owned and leased and 22,066 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH, nhow and Elewana Collection. Of the total, 5,719 rooms in Thailand accounted for 7%, while the remaining 72,869 rooms or 93% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	3Q23	Chg q-q	Chg y-y
Owned Equity*	56,522	120	59
- Thailand	3,596	0	0
- Overseas	52,926	120	59
Management	22,066	339	2,223
- Thailand	2,123	148	419
- Overseas	19,943	191	1,804
Total Hotel Rooms	78,588	459	2,282

* Owned equity includes all hotels which are majority-owned, leased and joint-venture.

Hotel Rooms by Ownership

	3Q23	Chg q-q	Chg y-y
Owned Hotels	19,108	120	-277
Leased Hotels	35,385	0	136
Joint-venture Hotels	2,029	0	200
Managed Hotels	15,467	148	1,994
MLRs*	6,599	191	229
Total Hotel Rooms	78,588	459	2,282

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis by Ownership

Owned & Leased Hotels

MINT's owned and leased hotels portfolio (including NH Hotel Group) contributed 85% of core hotel & mixed-use revenues in 3Q23. The portfolio reported a y-y increase of 17% in system-wide revenue per available room ("RevPar"). Continuous strong travel demand was seen, elevating average room rates of hotels in Europe and Latin America, as well as Thailand. Compared to 2019 level, RevPar surpassed pre-pandemic level by 30%, a testament to the effective pricing strategy of Minor Hotels.

3Q23 system-wide RevPar of owned and leased hotel portfolio in Europe and Latin America grew 11% y-y in EUR term, led by both higher average occupancy and room rates. Leisure demand remained robust and a strong line-up of trade fairs and corporate conferences during the quarter further accelerated business travels. All regions including Southern, Northwestern and Central Europe, as well as Latin America posted strong RevPar growth. Overall average occupancy rate rose from 69% in 3Q22 to 71% in 3Q23, inching closer to 2019 level of 75%. Concurrently, average room rate surpassed both the previous year and pre-pandemic level by 8% and 25%, respectively. As a result, RevPar of owned and leased hotel portfolio in Europe and Latin America exceeded pre-COVID-19 figure by 19%.

In 3Q23, owned hotels in Thailand saw substantial 38% y-y increase in system-wide RevPar. The rise in international arrivals to Thailand, combined with Minor Hotels' strategy to penetrate further into non-traditional feeder markets, drove average occupancy and room rates. Meanwhile, higher room rates remained a pivotal driver behind RevPar approaching pre-pandemic level. Bangkok, in particular outperformed other markets, surpassing 2019 horizon by 5%.

In the Maldives, 3Q23 RevPar in USD term decreased by 26% y-y and was 12% below 2019 level. Overall Maldives' hotel industry experienced intensified competition from the reopening of other destinations whereas last year the destination attracted tourists all year round. Nevertheless, average room rate held its ground, matching its pre-COVID-19 level despite tapering demand. With Maldives' distinctive appeal as tropical paradise, it continues to stand out as a destination poised for substantial growth in long-term.

Management Letting Rights

The management letting rights portfolio (MLRs), contributed 8% to 3Q23 core hotel & mixed-use revenues, continuing its impressive performance with RevPar exceeding pre-pandemic horizon by 40% in AUD term. Compared to 2019, average occupancy rate increased to 82% in 3Q23 from 80% and average room rate saw a substantial 37% increase, fueled by strong demand. Despite starting from a higher base in the previous year, RevPar in AUD demonstrated y-y stability.

Management Contracts

In 3Q23, management contract contributed 2% to MINT's core hotel & mixed-use revenues. System-wide RevPar of management contract portfolio increased by 5% y-y, aligning closely with 2019 level. Hotels in Europe, Asia and the Middle East recorded solid performances, supported by favorable demand recovery.

Overall Hotel Portfolio

MINT's system-wide RevPar for the entire portfolio in 3Q23 increased by 11% y-y and surpassed pre-COVID-19 level by 26%. The growth reflected operational revival across all business models, continuous rebound in global travel demand and the successful execution of Minor Hotels' sales and pricing strategy.

In 9M23, system-wide RevPar of MINT's entire portfolio increased substantially by 26% y-y and 24% from 9M19, attributable to the aforementioned dynamics.

Owned Hotels*	3,927	3,359	3,597	2,674
Joint Ventures	2,015	2,416	2,562	3,150
Managed Hotels*	2,869	2,727	3,065	2,655
MLRs**	4,434	4,788	4,235	4,275
Average	3,742	3,368	3,538	2,816

* These numbers include NH Hotel Group

** Properties under Management Letting Rights in Australia & New Zealand

Mixed-Use Business

One of MINT's mixed-use businesses is plaza and entertainment business. The Company owns and operates three shopping plazas in Bangkok, Phuket and Pattaya. In addition, MINT is the operator of seven entertainment outlets in Pattaya, which include the famous Ripley's Believe It or Not Museum and The Louis Tussaud's Waxworks.

MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. MINT has two projects in Thailand and Malaysia that are currently available for sale and another office development project. In addition, three new residential development projects, are currently under study, construction and in the pipeline to be launched, to ensure continuous pipeline of MINT's real estate business in the coming years.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 3Q23, AVC had a total inventory of 317 units in Thailand, New Zealand, Indonesia, and China. The number of members increased by 6% y-y to 18,204 members at the end of 3Q23.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 3Q23, hotel & mixed-use business experienced a substantial 15% y-y increase in total core revenue. Hotels in Europe, Latin America and Thailand witnessed stronger demand, leading to an increase in room rate. Management income in the quarter rose by 18% y-y from the growth in RevPar of managed hotels and the increase in number of managed rooms. Revenue from mixed-use business increased by 22% y-y in 3Q23, with all business units contributing, except for residential projects where smaller-valued unit was sold compared to the same period last year. AVC business benefitted from a higher number of points sold and increasing average price per point, while better performance in plaza & entertainment and restaurants in the UK was supported by stronger customer traffic.

Hotel Business Performance by Ownership

(System-wide)		Occupancy (%)		
	3Q23	3Q22 (Restated)	9M23	9M22 (Restated)
Owned Hotels*	70	68	67	58
Joint Ventures	34	40	37	40
Managed Hotels*	57	55	56	49
MLRs**	82	84	79	80
Average	68	66	65	58
(System-wide)		ADR (Bt/night)		
	3Q23	3Q22 (Restated)	9M23	9M22 (Restated)
Owned Hotels*	5,610	4,974	5,409	4,633
Joint Ventures	5,851	6,093	6,871	7,890
Managed Hotels*	5,011	4,992	5,436	5,370
MLRs**	5,383	5,727	5,371	5,316
Average	5,500	5,073	5,426	4,854
(System-wide)		RevPar (Bt/night)		
	3Q23	3Q22 (Restated)	9M23	9M22 (Restated)

Core EBITDA of hotel & mixed-use business grew by 6% y-y to Baht 9,272 million in 3Q23. The pace of growth was slightly slower compared to revenue due to higher operating costs in the hotel business, specifically in labor and leases. As a result, core EBITDA margin decreased slightly to 29.3% in 3Q23 from 31.8% in 3Q22.

In 9M23, hotel & mixed-use business reported total revenue growth of 32% y-y, showcasing strong operational improvement across all business perimeters. Core EBITDA growth, surging by 38% y-y to Baht 24,983 million. This was driven by improved overall flow-through from room rate and total revenue growth. Consequently, overall core EBITDA margin improved to 28.2% in 9M23, compared to 26.8% in 9M22.

Financial Performance*

<i>Bt million</i>	3Q23	3Q22 (Restated)	%Chg
Hotel & related services **	29,466	25,721	15
Management fee	537	454	18
Mixed-use	1,620	1,333	22
Total Revenue	31,624	27,508	15
EBITDA	9,272	8,748	6
EBITDA Margin (%)	29.3	31.8	
	9M23	9M22 (Restated)	%Chg
Hotel & related services **	81,652	62,647	30
Management fee	1,536	1,298	18
Mixed-use	5,542	3,520	57
Total Revenue	88,730	67,465	32
EBITDA	24,983	18,067	38
EBITDA Margin (%)	28.2	26.8	

* Exclude non-core items as detailed in the appendix

** Include share of profit and other income

Lifestyle Business

At the end of 3Q23, MINT had 278 retail trading points of sales, a decrease of 28 points from 306 points at the end of 3Q22. The reduction was mainly from exit of Esprit and Radley brands to enhance efficiency, but it was partially offset by additional outlets of successful kitchenware brands such as Zwilling J.A. Henckels, Joseph Joseph and BergHOFF. Of total 278 retail trading outlets, 69% are fashion brands including Anello, Bossini and Charles & Keith, while the remaining 31% are home & kitchenware brands including Joseph Joseph, Zwilling J.A. Henckels and BergHOFF.

Lifestyle's Outlet Breakdown

	3Q23	Chg q-q	Chg y-y
Fashion	191	-1	-32
Home & Kitchenware	87	0	4
Total Outlets	278	-1	-28

In 3Q23, total revenue of Minor Lifestyle decreased by 15% y-y mainly due to the reduction in number of retail trading stores for existing fashion brands, together with the closure of all Esprit and Radley outlets as part of store rationalization strategy. Nevertheless, Zwilling J.A. Henckels saw good sales momentum, especially in key mall locations.

Minor Lifestyle reported overall core EBITDA decline of 57% y-y to Baht 59 million 3Q23. This decline was attributable to the provision for obsolete inventory in compliance with accounting standards, higher marketing expenses associated with the appointment of the first Charles & Keith brand ambassador and expenses related to the scaling down of certain brands. As a result, EBITDA margin in 3Q23 stood at 10.9%, compared to 21.6% in 3Q22.

For 9M23, revenue declined by 10% y-y. While Minor Smart Kids delivered strong performances, it was unable to fully offset the adverse impact of lower store numbers of other brands. Core EBITDA in 9M23 declined by 51% y-y to Baht 183 million due to the same reasons mentioned above. Consequently, EBITDA margin was lower from 21.0% in 9M22 to 11.4% in 9M23.

Financial Performance*

<i>Bt million</i>	3Q23	3Q22	%Chg
Total Revenues**	545	639	-15
EBITDA	59	138	-57
EBITDA Margin	10.9	21.6	
	9M23	9M22	%Chg
Total Revenues**	1,609	1,782	-10
EBITDA	183	374	-51
EBITDA Margin	11.4	21.0	

* Exclude non-core items as detailed in the appendix

** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 3Q23, MINT reported total assets of Baht 370,070 million, an increase of Baht 11,861 million from Baht 358,210 million at the end of 2022. The increase was

primarily attributable to (1) Baht 2,792 million increase in trade and other receivables in tandem with the higher sales, (2) Baht 5,507 million increase in property, plant and equipment from the addition of assets and acquisition of a resort in the Maldives, as well as gain on translation adjustment (3) Baht 3,311 million increase in right-of-use assets from lease extension of hotels in Europe and (4) Baht 4,401 million increases in intangible assets, mainly from the adjustment of fair value of the Wolseley, goodwill from acquisition of a resort in the Maldives and stakes in Sizzler brand franchisor, as well as gain on translation adjustment, netted off with (1) Baht 3,064 million decrease in cash from the repayment of borrowings and debentures, (2) Baht 245 million decrease in land and real estate sales projects for sales from real estate activities and (3) Baht 320 million decrease in non-current assets classified as held-for-sale from the sale of one hotel in Australia in 2Q23.

MINT reported total liabilities of Baht 281,997 million at the end of 3Q23, an increase of Baht 6,396 million from Baht 275,601 million at the end of 2022. The increase was mainly due to (1) an increase in lease liabilities of Baht 3,928 million mainly as a result of lease extension of hotels in Europe and (2) Baht 3,498 million increase in derivative liabilities, netted off with Baht 6,422 million decrease in net financing from the repayment of short-term and long-term borrowings and debentures.

Shareholders' equity increased by Baht 5,464 million, from Baht 82,609 million at the end of 2022 to Baht 88,073 million at the end of 3Q23, mainly to (1) reported 9M23 net profit of Baht 4,423 million and (2) proceeds from the exercise of warrants amounting to Baht 7,894 million, netted with (1) loss on translation adjustment of Baht 611 million, (2) interest paid on perpetual bonds of Baht 1,511 million, (3) Baht 2,729 million dividend paid to shareholders in 9M23 and (4) Baht 1,237 million change interest of investment in subsidiaries from increased stakes in NH Hotel Group, Bonchon and Minor Food Singapore.

For the first nine months of 2023, MINT and its subsidiaries reported positive cash flows from operations of Baht 26,925 million, an increase of Baht 4,503 million y-y, largely attributed to significantly improved operations.

Cash flow used in investing activities was Baht 6,512 million in 9M23, primarily due to (1) Baht 5,663 million regular capital expenditures of hotel, restaurant and other

businesses and (2) Baht 1,418 million acquisitions of a resort in the Maldives and stakes in Sizzler brand franchisor.

The Company reported net cash used for financing activities of Baht 24,212 million in 9M23, primarily due to (1) repayment of lease liabilities of Baht 7,442 million, (2) cash paid for interest expenses of Baht 8,239 million, (3) interest paid on perpetual debentures of Baht 1,552 million, (4) net repayment of short-term and long-term borrowings from financial institutions, debentures and perpetual debenture of Baht 8,953 million, (5) 2,729 million dividend paid to shareholders and (6) Baht 3,139 million cash paid to acquire increased stakes in NH Hotel Group, Bonchon and Minor Food Singapore, netted off with Baht 7,894 million proceeds received from the exercise of warrants.

In summary, cash flows from operating, investing and financing activities resulted in a net decrease of MINT's net cash and cash equivalents of Baht 3,800 million in 9M23.

Free cash flow, which is defined as operating cash flow, netted with repayment of lease liabilities, interest payment including to perpetual bond holders and net CAPEX, was negative at Baht 2.1 billion in 3Q23 due to interest expenditure, acquisitions of a resort in the Maldives and stakes in Sizzler brand franchisor, together with increased stakes in Minor Food Singapore despite significantly improved operating cash flow.

Financial Ratio Analysis

MINT's gross profit margin expanded from 41.8% in 9M22 to 45.1% in 9M23, mainly supported by improved operational performance of all three business units. MINT's core net profit margin turned to a positive 4.1% from core losses during the same period last year.

Return on equity (on a core basis) rebounded to positive territory, reaching 7.2% in 9M23. This improvement was a result of strong recovery of hotel business and the enhanced operational efficiency of restaurant units, driven by higher customer footfall. Similarly, the positive trend extended to return on assets (on a core basis), transitioning from a negative 0.1% in 9M22 to a positive 1.7% in 9M23.

Collection days decreased from 43 days in 9M22 to 39 days in 9M23, supported by MINT's diligence in expediting payment collection. The provision for impairment as a

percentage of gross trade receivables remained unchanged from last year, standing at 9.2%.

MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant and retail trading & contract manufacturing businesses. Inventory days in 9M23 was reduced to 21 days, compared to 26 days in 9M22, as a result of much stronger sales and proactive inventory management. Account payable days decreased from 84 days in 9M22 to 71 days in 9M23 as business activities resumed without the offer on payment extensions.

Current ratio remained steady at 0.7x at the end of 3Q23. According to MINT's debt covenant definition which carves out lease liabilities from the calculation, net interest-bearing debt to equity ratio decreased from 1.17x at the end of 2022 to 1.05x as at end 3Q23. The reduction was attributable to lower interest-bearing debt from net debt repayment and higher equity base. This level stood significantly below MINT's debt covenant of 1.75x and its internal policy of 1.3x. Interest coverage ratio decreased slightly from 4.7x in 9M22 to 4.6x in 9M23, primarily due to higher interest expenses as a result of higher interest rates despite strong improvement in cash flows from operations.

Financial Ratio Analysis

Profitability Ratio	30 Sept 23	30 Sept 22 (Restated)
Gross Profit Margin (%)	45.1	41.8
Net Profit Margin (%)	3.9	2.6
Core Net Profit Margin* (%)	4.1	-0.4
Efficiency Ratio	30 Sept 23	30 Sept 22 (Restated)
Return on Equity* (%)	7.2	-0.6
Return on Assets* (%)	1.7	-0.1
Collection Period (days)	39	43
Inventory (days)	21	26
Accounts Payable (days)	71	84
Liquidity Ratio	30 Sept 23	31 Dec 2022
Current Ratio (x)	0.7	0.7
Leverage & Financial Policy	30 Sept 23	31 Dec 2022
Interest Bearing Debt/Equity (x)	1.28	1.44
Net Interest Bearing Debt/Equity (x)	1.05	1.17
	30 Sept 23	30 Sept 22 (Restated)
Interest Coverage (x)	4.6	4.7

* Exclude non-core items as detailed in the appendix

Management's Outlook

Minor Hotels

Amidst steadily rising global tourism industry, Minor Hotels is poised for growth. Its forward bookings display good tractions in the final quarter of the year, despite prevailing geopolitical and economic challenges.

Operational statistics in Europe, particularly in October, were strong, benefiting from a series of citywide events, corporate conventions and trade fairs, on top of leisure segment. However, November and December will be a period of lower seasonality. Regarding energy expenses, NH Hotel Group has successfully locked in contract pricing for over 60% of its forecasted usage and it is currently forecasted to account for less than 5% of total revenue throughout 2023.

The tourism sector in Thailand is experiencing an upward trend as it enters the high season. Airlines are ramping-up their seating capacities to many destinations and the government has granted visa waivers for arrivals from China, Russia, Kazakhstan, Taiwan and India. Coupled with Minor Hotels' pricing power, thanks to a strong commercial network and targeted sales initiatives, the performances of Thailand portfolio is expected to surpass pre-pandemic levels with more diverse tourist source markets.

In Australia, 4Q23 performances are expected to strengthen q-q as winter, which impacted the previous quarter, has passed. Minor Hotels has launched multiple targeted campaigns to boost demand in leisure markets, which experienced fewer trips compared to the previous year due to a high base. Additionally, sales strategies have been deployed to target MICE market, driving revenue across all business segments. New Zealand continues to experience positive momentum, especially in key cities including Auckland and Queenstown, driven by strong leisure demand.

Proactive sales tactics are being consistently implemented across all hotels in the Maldives. Minor Hotels is targeting upscale and unconventional travelers from less penetrated countries, aligning campaigns with local markets' calendar. Despite the Maldives' reputation as a honeymoon destination, Minor Hotels is expanding its customer base by catering to the family segment, offering family-friendly activities such as watersports and adventurous experiences at our properties.

Minor Food

Market dominance with a winning brand portfolio remains one of the key strategy pillars for Minor Food, aimed at enhancing the product and store experience and attracting broader base of customers.

Minor Food Thailand is also focusing on driving revenue and market share through new growth initiatives. The strategy to increase average spending per ticket is being implemented for core brands, expanding their product categories and creating new revenue streams. Dairy Queen, for instance, is introducing more premium category of sundaes, in addition to its original soft-serve, and similar strategies will be applied to other brands. To optimize operational efficiency and store profitability, Minor Food is resizing stores with small formats to increase market penetration and shorten the payback period.

In China, there has been a sustained softness in domestic consumer confidence and consumption, primarily due to a slowdown in the property market impacting the overall economy. Nevertheless, the government’s fiscal stimulus is expected to serve as a turning point for economic recovery in the country. Minor Food’s strategy is to mitigate the impact of market weakness, while safeguarding the profitability. This includes continuous control of raw material cost, labor optimization, rental negotiation with landlords and store rationalization program. Different menu engineering is also implemented to stimulate spending, reduce operating costs and further enhance product consistency. These measures, integral to the core strategy, will continue to strengthen Minor Food’s brand in China’s for sustained long-term growth, especially as domestic consumption and confidence rebound.

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Mr. Chaiyapat Paitoon
Chief Financial Officer

Appendix

Non-Recurring Items			
Period	Amount (Bt million)	Business Unit	Non-recurring Items
1Q22	42 revenue 115 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-7	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
	-74	Minor Hotels	Foreign exchange loss on unmatched USD Cross- Currency Swap (SG&A expense)
	-576	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	389	Minor Hotels	Ineffective hedge accounting (Other gain)
	-65	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-7	Minor Hotels	Deferred tax related to gain on sale of 40% MINT's interest in the five assets (Tax expense)
	-16 revenue 13 net profit	Minor Food	Disposal of fixed asset, provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
2Q22	32 revenue 115 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-8	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
	867	Minor Hotels	Foreign exchange gain on unmatched USD Cross- Currency Swap (SG&A expense)
	-141	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-32	Minor Hotels	Ineffective hedge accounting (Other losses)
	-120	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-463	Minor Hotels	Unrealized loss from derivatives (Other losses)
	128	Minor Hotels	Gain from unwind USD 300 million perpetual bond (Other gains)
3Q22	-1 revenue 5 net profit	Minor Food	Disposal of fixed asset, provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
	387 revenue 456 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-8	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
	783	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	-52	Minor Hotels	Change in fair value o interest rate derivative (SG&A expense)
	349	Minor Hotels	Ineffective hedge accounting (Other gains)
	147	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	922	Minor Hotels	Unrealized gain from derivatives (Other gains)
	-24 revenue 1 net profit	Minor Food	Disposal of fixed asset, reversed provision expenses fo asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
	11 revenue 137 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
1Q23	-139	Minor Hotels	Foreign exchange loss on unmatched USD Cross- Currency Swap (SG&A expense)
	13	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-167	Minor Hotels	Ineffective hedge accounting (Other losses)
	46	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-314	Minor Hotels	Unrealized loss from derivatives (Other losses)
	66	Minor Hotels	Unrealized gain from forward contracts of USI

			300 million perpetual bond (Other gains)
	1 revenue 29 net profit	Minor Food	Disposal of fixed asset, reversal of provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
2Q23	103 revenue 86 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	447	Minor Hotels	Foreign exchange gain or unmatched USD Cross-Currency Swap (SG&A expense)
	-60	Minor Hotels	Change in fair value of interest rate derivative (Other losses)
	-237	Minor Hotels	Ineffective hedge accounting (Other losses)
	-41	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-73 EBITDA -201 net profit	Minor Hotels	Unrealized loss from derivatives (Other losses and interest expenses)
	347	Minor Hotels	Realized gain from forward contracts of US\$ 300 million perpetual bond (Other gains)
	-70	Minor Hotels	Unrealized loss from forward contracts of US\$ 300 million perpetual bond (Other losses)
	1 revenue -22 net profit	Minor Food	Disposal of fixed asset, reversal of provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
3Q23	0.2 revenue 10 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	291	Minor Hotels	Foreign exchange gain or unmatched USD Cross-Currency Swap (SG&A expense)
	-135	Minor Hotels	Change in fair value of interest rate derivative (Other losses)
	-162	Minor Hotels	Ineffective hedge accounting (Other losses)
	-121 EBITDA -91 net profit	Minor Hotels	Unrealized loss from derivatives (Other losses and interest expenses)
	-43	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)

1	Minor Food	Reversal of provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
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