



BOUND&BEYOND

Bound and Beyond Public Company Limited
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29 February 2024

Re: Management Discussion and Analysis (MD&A) for the Year Ended 31 December 2023

To: President of The Stock Exchange of Thailand

Fellow Shareholders and Investors

THE PERSPECTIVE IN YEAR 2023 AND THE TREND FOR 2024 OF THE MANAGEMENT

Throughout the year 2023, Thailand's tourism industry experienced continuous recovery. The number of international tourists visiting Thailand reached as high as 28 million, exceeding the TAT's target of 25 million, representing a recovery rate of 70% compared to 2019, the year before the COVID-19 situation. Thailand also ranked first in ASEAN countries for having the highest number of international tourists. This reflects Thailand's strength as a top destination and one of the top choices for tourists globally following the full reopening of tourism in the past year. During the last three months of 2023, the number of international tourists continued to increase steadily, especially in December, surpassing three million people. The recovery of the Chinese tourist group was slower due to flight shortages, but towards the end of the year, there were positive signs of recovery, mainly due to increased flights and various festivals at the end of the year, along with support from the Thai government, such as the visa fee waiver for key tourist groups like China, Kazakhstan, India, and Taiwan. Domestic tourism also saw continuous growth in 2023, with a total of 249 million domestic tourists, showing a consistent increase from the previous year. There was a trend of increased spending on tourism, supported by continuous festivals and concerts throughout the year as part of the government's tourism promotion policy.

For the 4th quarter of the year 2023, the Company generated revenue from hotel operations from both hotels, Four Seasons Hotel Bangkok at Chao Phraya River and Capella Bangkok, totaling THB 882mn. This represented a 6% growth from 4Q22. The revenue composition consisted of room revenue at 46%, food and beverage revenue at 48%, and other revenue at 6%. Room revenue experienced growth compared to the same period last year, with increases in both occupancy rate and average room rate from the same period last year. This resulted in a 13% growth in RevPAR, driven by accelerated growth in Thai tourism towards the end of the past year. Overall, for the year 2023, the Company's revenue from hotel operations amounted to THB 2,978mn, exceeding the revenue target of THB 2,800mn and growing by 39% from 2022. The top five nationalities of main customers are China, Korea, Hong Kong, the United States, and Thailand, contributing to 56% of total room revenue.

For the overall perspective of the year 2024, the Company has set a hotel revenue target of THB 3,300mn, aiming for an 11% growth from year 2023. Supported by external factors, this includes the continuously efficient growth of Thai tourism. This year, the Thai government aims for 40 million foreign tourists, equivalent to the level in 2019 before the COVID-19 situation. Additionally, the recovery of the airline industry is expected to return to normal levels this year, along with the number of tourists, which will help support the continuous growth of international travel demand, which remains high globally. Furthermore, the government's tourism stimulus policies to develop Thailand as a "Global Hub of Celebration" aims to promote year-round tourism in Thailand, including measures such as the visa-free policy that began last year and intensified measures this year, such as providing permanent visa-free entry for Chinese tourists.

And this year, the Company continues to vigorously pursue the competitiveness of our hotels, focusing on both service quality and successful marketing strategies. The concept of Urban Resort hotels in Bangkok and positioning as an F&B Destination remain paramount for the Company, under the vision of "Inspiring the new ways to experience the world" to innovate and differentiate our products and services, delivering exciting and impressive experiences to customers. Moreover, accelerating hotel business profitability is prioritized alongside strengthening the Company's financial position, while also exploring diverse business opportunities to sustain continuous growth.



KEY BUSINESS DEVELOPMENT IN 2023

The Company successfully executed the sale of land located in Rayong province, covering an area of 52 rai. This sale was part of the Company's Asset Monetization strategy, which involves selling assets from its previous business operations. The transaction was completed in May 2023 and the company realized a profit of THB 317.47mn from the sale of the property. This profit contributed positively to the company's financial performance during the year 2023.

AWARDS AND RECOGNITIONS IN 2023

The Company

- 1) Recognition as a member of the Thai Private Sector Collective Action Coalition against Corruption for the third time.
- 2) A 5-star rating or "Excellent" level from the Corporate Governance Report Survey of Registered Companies for the year 2023.
- 3) The "Contribution to Thailand's Hospitality Industry" award from the Thailand's Favorite Restaurants 2023-2024 awards announced by KOKTAIL magazine, a leading food and lifestyle magazine in Thailand.

Four Seasons Hotel Bangkok at Chao Phraya River

- 1) Hotel
 - Ranked 3rd among the world's best hotels and holds the 1st position in Asia and Thailand according to The World's 50 Best Hotels 2023.
 - Ranked 6th among the best hotels in Thailand according to La Liste, a French organization ranking restaurants and hotels.
 - Ranked 5th in the Best City Hotels category and 9th in the Best Hotel Spa category at the Luxury Awards Asia Pacific 2023 announced by Travel+Leisure.
- 2) Restaurants and Bars:
 - BKK Social Club, the hotel bar, has been ranked as the 13th best bar in the world, moving up from its previous position of 14th. It also maintains its position as the number 1 bar in Asia and Thailand according to The World's 50 Best Bars 2023.
 - Riva del Fiume and the Chinese restaurant Yu Ting Yuan are among the 30 restaurants awarded Thailand's Favorite Restaurants 2023-2024.
 - Andrea Accordi, the Executive Chef of the hotel, has also received the Exceptional Culinary Contribution award from KOKTAIL magazine, a leading food and lifestyle magazine in Thailand.

Capella Bangkok

- 1) Hotel
 - Ranked 11th among the world's best hotels and awarded the Best New Hotel Award by The World's 50 Best Hotels 2023.
 - Ranked 5th among the best hotels in the world and holds the 1st position among the best hotels in Thailand according to La Liste, a French organization ranking restaurants and hotels.
 - Ranked 2nd in the Best City Hotels and Best Hotel Spa categories and received the 1st place award in the Best Hotel General Managers category at the Luxury Awards Asia Pacific 2023 announced by Travel+Leisure magazine.



- Awarded the Forbes Travel Guide Star Award Winners 2023 with a 5-star rating in both the hotel and spa categories, being one of only 3 hotels in Thailand to receive this award.

2) Restaurants:

- Côte by Mauro Colagreco, located at Capella Bangkok, has been selected as the 71st best restaurant in Asia by Asia's 50 Best Restaurants 2023, and is one of Asia's finest restaurants for the year 2023. Additionally, it has been chosen as one of the 30 restaurants awarded Thailand's Favorite Restaurants 2023-2024 from the Thailand's Favorite Restaurants awards.

FY2023 PERFORMANCE

Unit: THB mn	FY2022	FY2023	Change	% YoY
Revenues from hotel operations	2,135.26	2,977.50	842.24	39.4%
Gain from sales of investment properties, plant and equipment	98.77	319.50	220.73	223.5%
Other revenue ¹	37.48	18.22	(19.26)	-51.4%
Total revenues	2,271.51	3,315.22	1,043.71	45.9%
Cost of hotel operations	(1,597.44)	(1,940.37)	(342.93)	21.5%
Selling expenses	(232.70)	(287.32)	(54.62)	23.5%
Administrative expenses	(480.63)	(510.28)	(29.65)	6.2%
Total expenses	(2,310.77)	(2,737.97)	(427.20)	18.5%
Operating profit (loss)	(39.26)	577.25	616.51	-1,570.3%
Finance cost	(404.27)	(425.61)	(21.34)	5.3%
Income tax revenue (expense)	95.15	(1.92)	(97.07)	-102.0%
Others ²	6.43	8.45	2.02	31.4%
Net profit (loss) for the year	(341.95)	158.17	500.12	-146.3%
Earnings (loss) per share (THB)	(1.18)	0.55	1.73	-146.6%
EBITDA	269.69	891.73	622.04	230.7%

¹ Other revenue consist of gain from disposal/liquidation of investment in subsidiaries and joint venture, and other income.

² Others consist of share of loss from investments in joint ventures, finance income, and profit for the year from discontinued operation.

FY2023 PERFORMANCE ANALYSIS

In FY2023, the Company reported **total revenues** of THB 3,315.22mn, a significant increase of THB 1,043.71mn or 45.9% from FY2022, primarily due to the recognition of revenues from hotel operations of THB 2,977.50mn from the steady growth of international tourist. Moreover, the Company recognized gain from sales of investment properties and equipment of THB 319.50mn due to the sale of land from the previous business to strengthen financial resources for investment in the future of hospitality businesses.

The Company's **total expenses** for FY2023 were THB 2,737.97mn, an increase of THB 427.20mn or 18.5% from the last year, consist of cost of hotel operations of THB 1,940.37mn, selling expenses of THB 287.32mn and administrative expenses of THB 510.28mn which increase in line with revenue.

In FY2023, the Company incurred a **finance cost** of THB 425.61mn, increasing by THB 21.34mn or 5.3% from the last year, due to increase in interest rate of loans under the hotel business.

Consequently, the Company posted a **net profit for the year** of THB 158.17mn, while the Company's earnings per share stood at THB 0.55. Moreover, the Company reported earnings before interest, taxes, depreciation, and amortization (EBITDA) of THB 891.73mn in FY2023.



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FINANCIAL POSITION AS AT 31 DECEMBER 2023

ASSETS	31 December 2022		31 December 2023		Change	% change
	THB mn	% of assets	THB mn	% of assets		
Cash and cash equivalents	701.00	5.3%	1,387.65	10.2%	686.65	98.0%
Trade and other receivables	107.82	0.8%	99.22	0.7%	(8.60)	-8.0%
Inventories	44.96	0.3%	53.35	0.4%	8.39	18.7%
Other current financial assets	59.93	0.4%	-	-	(59.93)	-100.0%
Other current assets	372.82	2.8%	292.78	2.2%	(80.04)	-21.5%
Total current assets	1,286.53	9.6%	1,833.00	13.5%	546.5	42.5%
Restricted bank deposits	260.36	2.0%	314.89	2.3%	54.53	20.9%
Investment properties	220.49	1.7%	30.10	0.2%	(190.39)	-86.3%
Property, plant, and equipment	3,220.57	24.1%	3,143.74	23.1%	(76.83)	-2.4%
Right-of-use assets	8,210.83	61.5%	8,090.38	59.4%	(120.45)	-1.5%
Deferred tax assets	75.37	0.6%	70.21	0.5%	(5.16)	-6.8%
Other non-current assets ³	71.48	0.5%	133.09	1.0%	61.61	86.2%
Total non-current assets	12,059.10	90.4%	11,782.41	86.5%	(276.69)	-2.3%
Total assets	13,345.63	100.0%	13,615.41	100.0%	269.78	2.0%

³ Other non-current assets consist of investments in joint ventures, intangible assets and other non-current assets.

Total assets of the Company as at 31 December 2023 stood at THB 13,615.41mn, an increase of THB 269.78mn or 2.0% from total assets as at 31 December 2022. The increase was primarily attributed to an increase in cash and cash equivalents of THB 686.65mn which mainly came from proceeds from sales of investment properties offset by decline in other current assets, investment properties, property, plant, and equipment and right-of-use assets from depreciation over the year.

LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2022		31 December 2023		Change	% change
	THB mn	% of assets	THB mn	% of assets		
Short-term loans from financial institution	986.42	7.4%	987.67	7.3%	1.25	0.1%
Trade and other payables	342.51	2.6%	488.72	3.6%	146.21	42.7%
Share subscription payable	140.25	1.1%	140.25	1.0%	-	0.0%
Current portion of long-term loans	22.50	0.2%	97.50	0.7%	75.00	333.3%
Current portion of debenture	-	-	575.89	4.2%	575.89	N.A.
Other current liabilities ⁴	274.19	2.1%	197.77	1.5%	(76.42)	-27.9%
Total current liabilities	1,765.87	13.4%	2,487.80	18.3%	721.93	40.9%
Long-term loans from financial institution – net ⁵	1,950.35	14.6%	1,852.85	13.6%	(97.50)	-5.0%
Long-term loans from related parties	2,000.00	15.0%	2,000.00	14.7%	-	0.0%
Long-term debenture – net ⁵	886.35	6.6%	315.99	2.3%	(570.36)	-64.3%
Lease liabilities – net ⁵	363.68	2.7%	368.89	2.7%	5.21	1.4%
Deferred tax liabilities	241.89	1.8%	244.45	1.8%	2.56	1.1%
Provision for long-term employee benefits	34.79	0.3%	45.02	0.3%	10.23	29.4%
Total non-current liabilities	5,477.06	41.0%	4,827.20	35.4%	(649.86)	-11.9%
Total liabilities	7,242.93	54.4%	7,315.00	53.7%	72.07	1.0%
Total shareholders' equity	6,102.70	45.6%	6,300.41	46.3%	197.71	3.2%
Total liabilities and shareholders' equity	13,345.63	100.0%	13,615.41	100.0%	269.78	2.0%

⁴ Other current liabilities consist of deposits and advance received from customers, current portion of lease liabilities, and other current liabilities.

⁵ Net of current portion

Total liabilities of the Company as at 31 December 2023 were THB 7,315.00mn, consisting of total current liabilities of THB 2,487.80mn, equivalent to 34.01% of total liabilities, and non-current liabilities of THB 4,827.20mn, equivalent to 65.99% of total liabilities. Total liabilities increased by THB 72.07mn or 1.0% from total liabilities as at 31 December 2022 mainly due to trade and other payables from hotel operations.

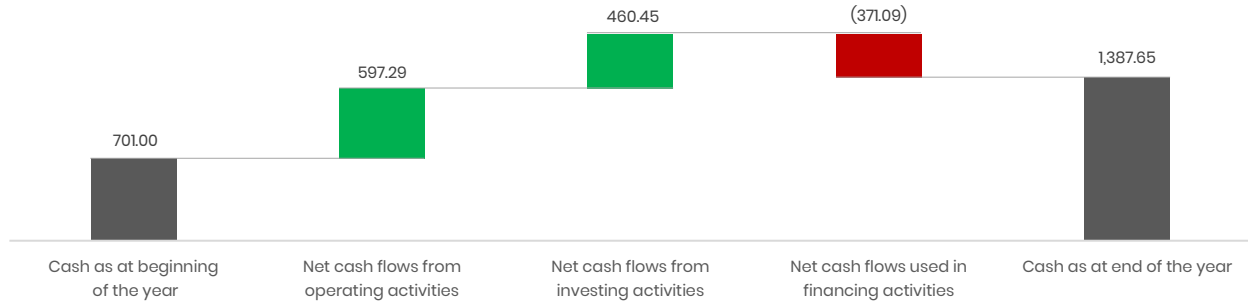


Total shareholders' equity stood at THB 6,300.41mn as at 31 December 2023, increased by THB 197.71mn or 3.2% from 31 December 2022 mainly due to net profit for the year.

As at 31 December 2023, the Company had total interest-bearing liabilities at THB 5,829.90mn and the interest-bearing liabilities to equity ratio was at 0.93 times⁶. The Company's debt-to-equity ratio was 1.16 time.

Consolidated Financial Statements

Unit: MB



As at 31 December 2023, the Company's **cash and cash equivalents** stood at THB 1,387.65mn, increased by 98.0% or THB 686.65mn from 31 December 2022. The Company reported **net cash flows from operating activities** of THB 597.29mn. The Company's **net cash flows from investing activities** was THB 460.45mn, mainly from proceeds from sales of investment properties and equipment – net of THB 486.21mn. Cash received from financial assets and interest of THB 63.18mn. Cash received from disposal/liquidation of subsidiaries and joint venture of THB 17.64mn offset with payment for improvements of investment properties and equipment of THB 106.58mn. **Net cash flows used in financing activities** were THB 371.09mn, mainly due to repayment of loans and interest paid during the year of THB 311.26mn. Payment of principal portion of lease liabilities of THB 17.29mn and increase in restricted bank deposits of THB 54.54mn offset with cash received from increase in shares capital of THB 12mn.

Sincerely yours,

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⁶ The Company's interest-bearing liabilities includes short-term loans from financial institution, current portion of long-term loans, current portion of debenture, long-term loans from financial institution, net of current portion, long-term loans from related party and debentures, net of current portion.