February 8, 2024 Minor International Public Company Limited

Management Discussion and Analysis

Overview
4Q23 and 2023 Performance

Summary: Minor International Public Company Limited ("MINT") reported robust financial results for 2023, achieving core net profit, which far exceeded 2019 pre-COVID level on both pre- and post-TFRS basis (circa 11% on a LFL pre-TFRS basis) despite external challenges. These remarkable results demonstrate MINT's ability to identify strategic opportunities and drive high-quality and sustainable growth, as well as strong resilience of the tourism and restaurant sectors.

In 2023, core revenue of Baht 153,486 million grew significantly by 22% compared to the same period the previous year. This growth was attributable to the ongoing recovery of hotel business due to rising travel demand and a successful pricing strategy. Additionally, a revival of dine-in activities and innovative product offerings led to the growth of restaurant operations.

Core EBITDA also posted a 30% increase y-y to Baht 42,742 million. The relatively higher EBITDA growth rate compared to revenue was a result of increased operating leverage from both Minor Hotels and Minor Food, as well as MINT's agile cost management strategies and improving efficiency, which helped the firm weathered through high inflationary environment unscathed and even with higher core EBITDA growth.

Core profit more than tripled compared to same period in the previous year, reaching Baht 7,132 million in 2023 which exceeded the pre-pandemic level of 2019. Hotel and restaurant businesses and MINT's ability to enhance strong flow-through and operating leverages were key drivers for bottom-line growth. 2023 is now a record-breaking year for core profit of MINT.

In 4Q23, MINT recorded core revenue growth of 9% y-y to Baht 39,985 million, due to factors similar to those in 2023. Pricing strategy, effective cost management and enhanced productivity, particularly within the hotel segment, contributed to a 17% y-y increase in core EBITDA to Baht 12,516 million. Meanwhile, core profit was Baht 2,501 million, compared to Baht 2,379 million in 4Q22.

Excluding high baseline of 1) received government subsidies; 2) the release of the benefit of basket lease liability that we provisioned originally at the beginning of lease contracts (such release of liability took place when business activities were not yet fully back to normal in 2022 and we had more flexibility in terms of recording rent expenses as per our basket lease structure) and 3) deferred tax asset by NH Hotel Group as we utilized tax loss carried from COVID period in 4Q22, core revenue, EBITDA and net profit in 4Q23 would have shown even higher growth rates of 11%, 28% and 77%, respectively.

Including non-core items detailed in the appendix, MINT posted 9% and 9% y-y increases in reported revenue and EBITDA in 4Q23, amounting to Baht 40,013 million and Baht 11,084 million, respectively. Reported bottom line in 4Q23 dipped only as a result of fluctuation of FX which resulted in higher losses from hedging and derivatives recorded during the year. For the full year of 2023, MINT's reported revenue rose by 22% y-y to Baht 153,630 million, while EBITDA increased by 17% to Baht 41,253 million. Reported bottom line remained strong at Baht 5,407 million, a 26% surge from Baht 4,286 million reported in 2022 despite losses from hedging and derivatives recorded during the year, in contrast to foreign exchange gains in the previous year.

Financial Performance

Bt million	4Q23	4Q22 (Restated)	%Chg
Core*			
Total Revenue**	39,985	36,526	9
Total EBITDA	12,516	10,681	17
EBITDA Margin (%)	**31.3**	**29.2**	
Total Net Profit	2,501	2,379	5
Net Profit Margin (%)	**6.3**	**6.5**	
As Reported			
Total Revenue**	40,013	36,640	9
Total EBITDA	11,084	10,161	9
EBITDA Margin (%)	**27.7**	**27.7**	
Total Net Profit	984	1,911	-48
Net Profit Margin (%)	**2.5**	**5.2**	
	2023	**2022 (Restated)**	**%Chg**
Core*			
Total Revenue**	153,486	125,910	22
Total EBITDA	42,742	32,919	30
EBITDA Margin (%)	**27.8**	**26.1**	
Total Net Profit	7,132	2,019	253
Net Profit Margin (%)	**4.6**	**1.6**	
As Reported			
Total Revenue**	153,630	126,442	22
Total EBITDA	41,253	35,208	17
EBITDA Margin (%)	**26.9**	**27.8**	
Total Net Profit	5,407	4,286	26
Net Profit Margin (%)	**3.5**	**3.4**	

* Exclude non-core items as detailed in the appendix
** Includes share of profit and other income

Performance Breakdown by Business*

2023	% Core Revenue Contribution	% Core EBITDA Contribution	% Core Profit Contribution
Hotel & Mixed-use	78	84	69
Restaurant Services	20	16	29
Retail trading	1	1	2
Total	**100**	**100**	**100**

* Exclude non-core items as detailed in the appendix

Major Developments in 4Q23

	Developments
Restaurant	• Added 38 outlets, net q-q, majority of which were the openings of Dairy Queen, Swensen's, The Pizza Company and GAGA in Thailand
Hotel & Mixed-Use	• Opened a total of two hotels q-q - NH Collection: One leased hotel in Germany - Tivoli: One managed hotel in Spain • Closed a total of four hotels q-q - Avani: One managed hotel in Oman - Anantara: One managed hotel in Indonesia - NH: Two leased hotels in Spain • Rebranded one hotels q-q - Avani: from NH in Colombia

Segment Performance

Restaurant & Contract Manufacturing Businesses

At the end of 4Q23, MINT's total restaurants reached 2,645 outlets, comprising of 1,337 equity-owned outlets (51% of total) and 1,308 franchised outlets (49% of total). 2,005 outlets (76% of total) are under Thailand hub, while the remaining 640 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

	4Q23	Chg q-q	Chg y-y
Owned Equity	1,337	28	73
Franchise	1,308	10	41
Total Outlets	**2,645**	38	114
Thailand*	2,005	31	101
China	138	-2	-2
Australia	326	1	-9
Others	176	8	24
Total Outlets	**2,645**	38	114

* Thailand hub includes stores in CLMV and Japan

Restaurant Outlets by Brand

	4Q23	Chg q-q	Chg y-y
The Pizza Company	588	4	14
Swensen's	358	4	10
Sizzler	73	0	7
Dairy Queen	518	10	13
Burger King	130	3	3
The Coffee Club	404	6	-1
Thai Express	106	1	15
Riverside	145	-2	0
Benihana	21	1	2
Bonchon	118	3	4
Coffee Journey	94	2	9
GAGA	41	5	41

Others*	49	1	-3
Total Outlets	**2,645**	**38**	**114**

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

Hub Performance Analysis

Overall, 2023 group-wide total-system-sales increased by 10.8% y-y, supported by positive growth in all hubs. Group-wide same-store-sales grew by 3.4% y-y, reflecting the success of Minor Food's effective business strategies in boosting sales.

In 4Q23, total-system-sales (including sales from franchised outlets) increased by 3.0% y-y. The growth was primarily driven by the successful expansion of profitable outlets in Thailand and Singapore. Although overall same-store-sales in the quarter saw a slight decrease of 2.2%, compared to the same period of last year, some key contributing brands still saw positive same-store-sales growth. The recovery of operations in China also partially offset lower store trading activities in other hubs.

Thailand hub in 4Q23 reported total-system-sales growth of 5.9% y-y. The growth was largely attributable to network expansion across various brands including The Pizza Company, Swensen's, Dairy Queen and Coffee Journey. Same-store-sales decreased by 2.5% y-y. Excluding CLMV, same-store-sales of restaurants in Thailand was almost on par with last year. During the quarter, initiatives such as product innovation, festive seasonal menus and new store formats continued to engage customer and generate excitement in the market. Dairy Queen's new product ranges, including Ovaltine Volcano, Crispy Brownie, Thai Tea Slushy and Kids Premium offerings, helped attract a broader customer base and increase the average spending per docket. Swensen's also launched its first-ever experiential concept store, offering 101 Flavors, which enhanced the brand's ice cream reputation and attracted more customers to the stores.

China's same-store-sales increased by 3.3%, compared to the same quarter in previous year despite lingering weak consumer confidence. Meanwhile, total system sales dipped only slightly by 1.7% y-y, primarily from lower number of stores. Nevertheless, China's hub implemented initiatives to attract larger groups of customers through sales campaigns and promote customer loyalty benefits, resulting in higher frequency of visits.

Australia recorded total-system-sales and same-store sales decreases of 5.2% and 3.5% y-y, respectively. Subdued business activity and the closure of underperforming stores were the key contributors. The strategic focus was on drawing customer visits through store design, media advertising, new coffee blend and menu innovation.

Restaurant Business Performance

%	4Q23	4Q22	2023	2022
Average Same-Store-Sales Growth	-2.2	4.4	3.4	8.0
Average Total-System-Sales Growth	3.0	17.1	10.8	20.1

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

Financial Performance Analysis

In 2023, Minor Food reported an increase of 13% y-y in total core revenue, driven by sales growth across all hubs and strong performance from joint ventures. Leveraging on higher operating efficiency and effective cost management, especially in Thailand and China, core EBITDA experienced faster growth, increasing by 24% y-y to Baht 6,746 million. Core EBITDA margin increased to 21.8% in 2023, compared to 19.8% in 2022.

4Q23 total core restaurant revenue grew by 9% y-y, attributable to the top-line growth across all hubs, together with an increase in profit contribution from joint ventures. The growth in the number of outlets drove expansion in Thailand and Singapore, while reduced discount offerings played a key role in revenue growth in China. Australia also reported an uptick in top-line performance, mainly driven by increased coffee bean roasting capacity. Franchise income reported a decrease of 5% y-y from a lower number of franchised stores in Australia and the softer performance of franchised restaurants in Australia and CLMV.

Core EBITDA in 4Q23 increased by 4% y-y to Baht 1,685 million, largely supported by lower price of fish and other raw materials, as well as effective labor cost control in China. However, core EBITDA margin slightly decreased to 21.5% in 4Q23 from 22.4% in 4Q22.

Financial Performance*

Bt million	4Q23	4Q22	%Chg
Revenue from Operation**	7,432	6,848	9
Franchise Fee	397	418	-5
Total Revenue	**7,830**	**7,266**	**8**

EBITDA	**1,685**	**1,625**	4
EBITDA Margin (%)	**21.5**	**22.4**	

	2023	**2022**	**%Chg**
Revenue from Operation**	29,399	25,759	14
Franchise Fee	1,593	1,641	-3
Total Revenue	**30,992**	**27,401**	13
EBITDA	**6,746**	**5,423**	24
EBITDA Margin (%)	**21.8**	**19.8**	

* 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 4Q23, MINT owns 365 hotels and manages 167 hotels and serviced suites in 55 countries. Altogether, these properties have 78,253 hotel rooms and serviced suites, including 56,736 rooms that are equity-owned and leased and 21,517 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, 5,124 rooms in Thailand accounted for 7%, while the remaining 73,129 rooms or 93% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	4Q23	**Chg q-q**	**Chg y-y**
Owned Equity*	56,736	214	315
- Thailand	3,596	0	0
- Overseas	53,140	214	315
Management	21,517	-549	942
- Thailand	1,528	-595	-447
- Overseas	19,989	46	1,389
Total Hotel Rooms	**78,253**	**-335**	**1,257**

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

Hotel Rooms by Ownership

	4Q23	**Chg q-q**	**Chg y-y**
Owned Hotels	19,078	-30	-156
Leased Hotels	35,629	244	271
Joint-venture Hotels	2,029	0	200
Managed Hotels	14,924	-543	788
MLRs*	6,593	-6	154
Total Hotel Rooms	**78,253**	**-335**	**1,257**

* 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 84% of core hotel & mixed-use revenues in 4Q23. The portfolio reported a y-y increase of 19% in system-wide revenue per available room ("RevPar") in 4Q23. Hotels in Europe and Latin America, as well as Thailand led strong recovery y-y from increased travel activities and the ability to raise average room rates. Compared to pre-pandemic level, RevPar surpassed 2019 horizon by an impressive 43%, thanks to Minor Hotels' successful pricing strategy.

4Q23 system-wide RevPar of owned and leased hotel portfolio in Europe and Latin America rose by 15% y-y in EUR term. Average occupancy rate improved to 68% in 4Q23 from strong travel demand, compared to 64% in the same period of last year while room rate was 8% higher y-y, reaching EUR 139 per room per night. Spain saw the strongest RevPar improvement, followed by Benelux, Italy, Central Europe and Latin America. Compared to pre-pandemic level, RevPar outperformed the figure by 27%, fueled by a hike in room rate.

In 4Q23, owned hotels in Thailand experienced a robust recovery with RevPar surging by 15% y-y. The country welcomed more international tourists due to increased airline seating capacity and Minor Hotels' strategy to upsell room types led to higher room rates. Although the number of foreign arrivals in the country was still catching up with pre-pandemic figures, Thailand's RevPar performance exceeded 2019 levels by 23%, supported by hotels in both upcountry and Bangkok. Notably, RevPar in December 2023 improved beyond pre-pandemic horizon by 43% with occupancy rate higher than those in 2019 for the first time.

In the Maldives, the return to customary seasonality partly explained 4Q23 RevPar in USD term decreases of 24% y-y and 7% below 2019 level. Similar to previous quarters in 2023, intensified competition in Maldives' hotel industry was temporarily observed due to the reopening of other destinations during the year and the high baseline performance in 2022. However, average room rates at our hotels remained above pre-COVID-19 level despite competition.

Management Letting Rights

The management letting rights portfolio (MLRs), contributed 9% to 4Q23 core hotel & mixed-use revenues, continuing its impressive performance with RevPar exceeding the pre-pandemic horizon by 32% in AUD term. Compared to 2019, average occupancy rate increased to 82% in 4Q23 from 78% and average room rate saw a substantial 26% increase, driven by strong leisure demand from concerts, school holidays and the festive period, as well as corporate travels driven by MICE segments, largely in the CBD locations. Despite a higher baseline in the previous year, RevPar in AUD posted only a slight y-y dip of 2%.

Management Contracts

In 4Q23, management contract contributed 2% to MINT's core hotel & mixed-use revenues. System-wide RevPar of management contract portfolio was 3% and 31% above 2022 and 2019 levels, respectively. Hotels in Europe, Asia, the Maldives and the Middle East recorded outperformance, supported by favorable demand recovery.

Overall Hotel Portfolio

MINT's system-wide RevPar for the entire portfolio in 4Q23 increased by 12% y-y and surpassed pre-COVID-19 level by 41%. This operational improvement reflected a continuous rebound in global travel demand and the successful execution of Minor Hotels' sales and pricing strategy.

In 2023, system-wide RevPar of MINT's entire portfolio increased substantially by 22% y-y and 28% from 2019, attributable to the aforementioned dynamics.

Hotel Business Performance by Ownership

(System-wide)		Occupancy (%)		
	4Q23	**4Q22 (Restated)**	**2023**	**2022 (Restated)**
Owned Hotels*	68	63	67	59
Joint Ventures	42	42	38	40
Managed Hotels*	62	60	58	52
MLRs**	82	80	80	80
Average	**67**	**64**	**66**	**59**
(System-wide)		**ADR (Bt/night)**		
	4Q23	**4Q22 (Restated)**	**2023**	**2022 (Restated)**
Owned Hotels*	5,563	5,010	5,448	4,735
Joint Ventures	7,342	7,725	7,005	7,847
Managed Hotels*	6,198	6,320	5,642	5,655
MLRs**	5,377	5,753	5,373	5,430
Average	**5,670**	**5,326**	**5,489**	**4,984**
(System-wide)		**RevPar (Bt/night)**		
	4Q23	**4Q22 (Restated)**	**2023**	**2022 (Restated)**
Owned Hotels*	3,765	3,174	3,639	2,801
Joint Ventures	3,047	3,244	2,690	3,174
Managed Hotels*	3,870	3,768	3,267	2,947
MLRs**	4,395	4,616	4,275	4,364
Average	**3,823**	**3,400**	**3,610**	**2,965**

* 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 4Q23, AVC had a total inventory of 322 units in Thailand, New Zealand, Indonesia, and China. The number of members increased by 6% y-y to 18,342 members at the end of 4Q23.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 2023, hotel & mixed-use business reported an impressive total revenue growth of 25% y-y, showcasing a robust recovery across all business perimeters. Core EBITDA surged by 32% y-y to Baht 35,730 million. This growth was supported by improved overall flow-through from room rates and total revenue growth. Consequently, overall core EBITDA margin improved to 29.7% in 2023, up from 28.1% in 2022.

In 4Q23, hotel & mixed-use business posted a total core revenue increase of 11% y-y, driven by a rebound in hotel business, which more than offset the relatively softer mixed-use revenues. Core revenue from hotel operations and related services rose by 13%, compared to the same period in the previous year. The increase was due to heightened travel demand and well-executed pricing strategy that contributed to improved hotel performance in Europe and Latin America, as well as Thailand.

Management income decreased by 18% y-y mainly due to the exit of a few matured hotels, while newly added hotels were still in their ramp-up phase. Excluding these factors, management income would have shown an increase thanks to the RevPar growth of managed hotels and the expansion of managed rooms. Revenue from mixed-use business fell by 6% y-y in 4Q23, despite the improved operations of AVC and restaurants in the UK. These improvements only partially offset the revenue decrease in plaza & entertainment as well as residential projects, mainly from timing mismatch in real estate sales activities. The AVC business benefited from increased number of points sold and a higher average price per point, while The Wolseley Group's improved performance was supported by rising traffic and the addition of new restaurants.

Core EBITDA of hotel & mixed-use business grew by 20% y-y to Baht 10,747 million in 4Q23. The growth outpaced revenue increase, resulting in a core EBITDA margin of 34.1% in 4Q23, up from 31.4% in the same period the previous year. This margin expansion was due to enhanced profitability of hotels in Thailand and positive adjustments in cost allocation for Oaks according to IFRS16.

Excluding the impact from NH Hotel Group's higher baseline in 4Q22 from the receipt of COVID-19-related government subsidies and positive accounting adjustment related to the benefit of basket lease contracts when business activities were not yet back to normal and the utilization of tax loss carried from COVID through deferred tax asset, the growth rates of total core revenue and EBITDA for hotel & mixed-use business would have been much higher at 13% and 34%, respectively.

Financial Performance*

Bt million	4Q23	4Q22 (Restated)	%Chg
Hotel & related services **	29,167	25,904	13
Management fee	593	722	-18
Mixed-use	1,786	1,896	-6
Total Revenue	**31,546**	**28,522**	11
EBITDA	**10,747**	**8,945**	20
EBITDA Margin (%)	**34.1**	**31.4**	

	2023	2022 (Restated)	%Chg
Hotel & related services **	110,819	88,551	25
Management fee	2,128	2,020	5
Mixed-use	7,328	5,416	35
Total Revenue	**120,276**	**95,987**	25
EBITDA	**35,730**	**27,012**	32
EBITDA Margin (%)	**29.7**	**28.1**	

* Exclude non-core items as detailed in the appendix
** Include share of profit and other income

Lifestyle Business

At the end of 4Q23, MINT had 286 retail trading points of sales, a decrease of 11 points from 297 points at the end of 4Q22. The reduction was mainly due to the exit of Esprit and Radley brands to enhance efficiency and the closure of some Bossini and Anello stores. However, the decline was partially offset by the addition of new outlets from successful kitchenware brands such as Zwilling J.A. Henckels, Joseph Joseph and BergHOFF. Of total 286 retail trading outlets, 66% are fashion brands including Anello, Bossini and Charles & Keith, while the remaining 34% are home & kitchenware brands including Joseph Joseph, Zwilling J.A. Henckels and BergHOFF.

Lifestyle's Outlet Breakdown

	4Q23	Chg q-q	Chg y-y
Fashion	190	-1	-15
Home & Kitchenware	96	9	4
Total Outlets	**286**	**8**	**-11**

In 4Q23, total revenue of Minor Lifestyle decreased by 18% y-y mainly due to the reduction in the number of retail trading stores for existing fashion brands, together with the closure of all Esprit and Radley outlets as part of a store rationalization strategy. Nevertheless, all brands under home and kitchenware experienced solid sales momentum, driven by the corporate segment and successful sales campaigns in mall locations. Additionally, share of profit from Pop Mart positively contributed to revenue.

Minor Lifestyle reported overall core EBITDA decline of 25% y-y to Baht 83 million 4Q23. This decline was attributable to the provision for obsolete inventory in compliance with accounting standards and expenses related to the scaling down of certain brands. As a result, EBITDA margin in 4Q23 decreased to 13.7%, compared to 15.0% in 4Q22.

For the full year 2023, revenue declined by 12% y-y as the improved operations of Minor Smart Kids was unable to fully offset the softer performance of other segments and the adverse impact of lower store numbers of fashion brands. Core EBITDA in 2023 declined by 45% y-y to Baht 267 million due to the same reasons mentioned earlier. Consequently, EBITDA margin decreased from 19.2% in 2022 to 12.0% in 2023.

Financial Performance*			
Bt million	**4Q23**	**4Q22**	**%Chg**
Total Revenues**	**609**	**739**	**-18**
EBITDA	**83**	**111**	**-25**
EBITDA Margin	**13.7**	**15.0**	
Bt million	**2023**	**2022**	**%Chg**
Total Revenues**	**2,218**	**2,521**	**-12**
EBITDA	**267**	**485**	**-45**
EBITDA Margin	**12.0**	**19.2**	

* Exclude non-core items as detailed in the appendix
** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2023, MINT reported total assets of Baht 359,196 million, an increase of Baht 986 million from Baht 358,210 million at the end of 2022. The increase was primarily attributable to (1) Baht 1,191 million increase in trade and other receivables, in line with higher sales, (2) Baht 3,785 million increase in property, plant and equipment from asset additions and the acquisition of a resort in the Maldives, along with gain on translation adjustment (3) Baht 4,089 million increase in right-of-use assets from the addition of new lease contracts and lease extension for hotels in Europe and (4) Baht 3,153 million increases in intangible assets, mainly from fair value adjustment for the Wolseley, goodwill from the 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 8,706 million decrease in cash from the repayment of borrowings, (2) Baht 278 million decrease in land and real estate projects for sales due to real estate activities and (3) Baht 332 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 271,901 million at the end of 2023, a decrease of Baht 3,699 million from Baht 275,601 million at the end of 2022. The decrease was mainly due to Baht 15,795 million decrease in net financing from the repayment of short-term and long-term borrowings and debentures, partially netted off with (1) an increase in lease liabilities of Baht 5,011 million mainly as a result of addition of new lease contracts and lease extension of hotels in Europe and (2) Baht 3,294 million increase in derivative liabilities.

Shareholders' equity increased by Baht 4,686 million, from Baht 82,609 million at the end of 2022 to Baht 87,295 million at the end of 2023, mainly to (1) reported 2023 net profit of Baht 5,407 million and (2) proceeds of Baht 7,894 million from the exercise of warrants, netted with (1) loss on translation adjustment of Baht 1,995 million, (2) interest paid on perpetual bonds of Baht 1,552 million, (3) dividend of Baht 2,729 million paid to shareholders in 2023 and (4) Baht 1,229 million change in interest of investment in subsidiaries from increased stakes in NH Hotel Group, Bonchon and Minor Food Singapore.

For the full year 2023, MINT and its subsidiaries reported positive cash flows from operations of Baht 38,017 million, an increase of Baht 7,878 million y-y, largely attributed to significantly improved operations.

Cash flow used in investing activities was Baht 8,264 million in 2023, primarily due to (1) Baht 7,864 million regular capital expenditures for 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 38,918 million in 2023, primarily due to (1) repayment of lease liabilities of Baht 10,866 million, (2) cash paid for interest expenses of Baht 10,691 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 17,768 million, (5) dividend of 2,729 million paid to shareholders and (6) cash payment of Baht 3,144 million to increase stakes in NH Hotel Group, Bonchon and Minor Food Singapore, netted off with proceeds of Baht 7,894 million 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 by Baht 9,165 million in 2023.

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 positive at Baht 2.0 billion in 2023, mainly due to significantly improved operating cash flow.

Financial Ratio Analysis

MINT's gross profit margin expanded from 42.8% in 2022 to 44.6% in 2023, mainly supported by improved operational performance of hotel and restaurant businesses. MINT's core net profit margin improved significantly, reaching to 4.6% in 2023, up from 1.6% in the previous year.

Return on equity (on a core basis) surged to 8.4% in 2023. This improvement was a result of strong recovery of the hotel business and enhanced operational efficiency of restaurant units, driven by higher customer footfall. Return on assets (on a core basis) also increased from 0.6% in 2022 to 2.0% in 2023, demonstrating similar positive trends in operational performance.

Collection days decreased from 38 days in 2022 to 37 days in 2023, reflecting MINT's efforts to expedite payment collection. The provision for impairment as a percentage of gross trade receivables decreased from 9.9% in 2022 to 8.8% in 2023, mainly from improvements in hotel business with increased volume and higher quality of sales.

MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant and retail trading & contract manufacturing businesses. Inventory days reduced from 25 days in 2022 to 21 days in 2023, as a result of much stronger sales and proactive inventory management. Account payable days decreased from 79 days in 2022 to 69 days in 2023 as business activities resumed without extensions for payment.

Current ratio decreased slightly to 0.6x at the end of 2023, compared to 0.7x at the end of 2022, mainly due to reduced cash used to repay long-term borrowings and debentures.

According to MINT's debt covenant definition, which excludes lease liabilities, net interest-bearing debt to equity ratio decreased from 1.17x at the end of 2022 to 1.01x as at end 2023. The reduction was attributable to lower interest-bearing debt resulting from net debt repayment and a higher equity base. This level stood well below MINT's debt covenant of 1.75x and its internal policy of 1.3x. Interest coverage ratio increased slightly from 4.6x in 2022 to 4.7x in 2023, primarily resulting from improved cash flows from operations.

Financial Ratio Analysis

Profitability Ratio	**31 Dec 23**	**31 Dec 22 (Restated)**
Gross Profit Margin (%)	44.6	42.8
Net Profit Margin (%)	3.5	3.4
Core Net Profit Margin* (%)	4.6	1.6
Efficiency Ratio	**31 Dec 23**	**31 Dec 22 (Restated)**
Return on Equity* (%)	8.4	2.5
Return on Assets* (%)	2.0	0.6
Collection Period (days)	37	38
Inventory (days)	21	25
Accounts Payable (days)	69	79
Liquidity Ratio	**31 Dec 23**	**31 Dec 2022**
Current Ratio (x)	0.6	0.7
Leverage & Financial Policy	**31 Dec 23**	**31 Dec 2022**
Interest Bearing Debt/Equity (x)	1.17	1.44
Net Interest Bearing Debt/Equity (x)	1.01	1.17
	31 Dec 23	**31 Dec 22 (Restated)**
Interest Coverage (x)	4.7	4.6

* Exclude non-core items as detailed in the appendix

Management's Outlook

MINT is off the block with a strong start in 2024 with room revenues in January and on-the-book value in February and March surpassing the levels recorded in 2023 by 39% for Thailand and 20% for Europe. We also see Chinese tourists coming back strong, despite their economic challenges. Given increasing air connectivity and government's tourism stimulus measures in particular countries, global tourism will continue to grow strongly.

MINT remains committed in its vision to lead the industry by delivering exceptional experiences that not only meet but anticipate and satisfy customers' aspirations. As it delves into its new three-year plan for the period 2023-2026, it anticipates a robust growth trajectory despite its already substantial base. The Company targets to achieve a revenue growth of 8-10% per annum on a CAGR basis, while its profit growth is expected to outpace this at a higher rate of 15-20%, thanks to margin expansion and increased operating leverage. By 2026, MINT's target is to attain a core ROIC of more than 10%.

MINT's aspirations are inspiring, reflecting the Company's commitment to sustainable growth and a resilient portfolio of businesses. Over the next three years, MINT is determined to expand its presence across more than 63 countries, with over 780 hotels (from 532 hotels) and 3,700 restaurant outlets (from 2,645 outlets) worldwide. The majority of these expansions will be carried out through asset-light business models and strategic partnerships, minimizing investments and risks while maximizing its global reach.

Key strategies to reach these targets are as follows:

Driving Existing Portfolios

Brand Building- Flagship Locations: MINT aims to maximize revenue, bolster market presence and foster sustained growth through its existing winning brand portfolio. This includes establishing new flagship locations, such as Anantara Palazzo Naiadi in Rome and the sixth regional flagship store of Swensen's in Hat Yai, Thailand, showcase unique customer experiences and local culture influences. These flagship locations serve as powerful brand ambassadors, creating a physical expression of a brand's identity and values, thus driving loyalty and strengthening its market presence.

Maximizing Asset Value: In 2023, MINT successfully rebranded 19 hotels, with more than 30 hotels planned for 2024 and 2025, elevating some to higher-tier brands, notably Anantara and Tivoli in Europe's high-end markets. This rebranding not only enhances the property's value but also allows for the optimal utilization of assets by tapping into premium markets and commanding higher room rates.

The focus on value also extends to intellectual asset, i.e. brand. MINT continues to enhance brand value by ensuring customers increased worth and value in every visit. Example includes Dairy Queen's strategic move to expand its product categories to a series of popular premium sundaes, alongside its classic soft-serve offerings. This initiative fosters growths in spending, loyalty and repeat business.

Cross-selling Strategy: Minor Hotels and Minor Food will continue to execute cross-selling strategies to expand their reach beyond traditional markets. For instance, Minor Hotels proudly introduced NH Collection into the UAE and the Maldives, and Oaks made its debut in China. Minor Food also launched successful brands such as Poulet from Singapore, Café Wolseley from the UK and Riverside from China in Thailand, together with the new format of Benihana in Singapore. This strategy leverage MINT's brand equity and expertise to cater to a broader audience, further solidifying its position as a global leader in the hospitality and food service industries.

Boosting Profitability: Smart capital allocation is critical in a high-inflation environment. MINT has implemented various initiatives to enhance the profitability of both hotel and restaurant businesses. For Minor Hotels, this includes maximizing room rates, strategic repositioning, rebranding and property upgrades. It has also emphasized high-margin owned booking channels to reduce reliance on third parties and enhance guest experiences. Meanwhile, Minor Food has adjusted store sizes to smaller formats for increased market penetration and shorter investment payback periods. Efficiency is a cornerstone of profitability, with a focus on centralizing functional services and investing in technological solutions that to support expansion pipeline and streamline operations.

Active Deleveraging Plan

In parallel with growth strategy, MINT is committed to strengthening its balance sheet by reducing leverage ratio to lower levels. Cash flows from operating activities, combined with the current cash balance, will be key sources for debt repayment and business expansion. The target is to reduce the net debt-to-equity ratio from 1.02 as at end 2023 to 0.8x within 12 months. Coupled with any asset rotation opportunities, deleverage target will be achieved faster.

Expansion through Asset-Light Business Model

MINT's extensive network of industry connections and strategic partners positions the Company for expansive growth. It aims to explore new markets, introduce hotel brands and cuisines, and expand its loyal customer base. New hotel openings are planned in new strategic geographies like Paris and Helsinki, while its restaurant brands will expand into high-growth potential Asian countries. Additionally, MINT is exploring opportunities to launch new brands that cater to untapped segments in the hospitality sector.

Growth Sustainability

As MINT pursues it growth journey, it remains committed to environmental and social responsibility. It actively champions conservation initiatives, minimize environmental and social impact, and commit to a sustainable business model that promotes long-term growth.

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Mr. Chaiyapat Paitoon
Chief Financial Officer

MINOR INTERNATIONAL

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)
	-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)
3Q22	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 of 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 for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
4Q22	149 revenue 34 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-61	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
	-71	Minor Hotels	Provision expenses for asset and account receivable impairment (SG&A expense)
	-1,000	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	182	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	242	Minor Hotels	Ineffective hedge accounting (Other gains)
	-9	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	167	Minor Hotels	Unrealized gain from derivatives (Other gains)
	-36 revenue 43 net profit	Minor Food	Disposal of fixed asset, reversed provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)

1Q23	11 revenue 137 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-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 USD 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 on 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 USD 300 million perpetual bond (Other gains)
	-70	Minor Hotels	Unrealized loss from forward contracts of USD 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 on 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)
4Q23	28 revenue -159 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-701	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	18	Minor Hotels	Change in fair value of interest rate derivative (Other losses)
	49	Minor Hotels	Ineffective hedge accounting (Other losses)
	-781 EBITDA -772 net profit	Minor Hotels	Unrealized loss from derivatives (Other losses and interest expenses)
	35	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-0.3 revenue 12 net profit	Minor Food	Reversal of provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)