

August 5, 2024

Minor International Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

2Q24 and 1H24 Performance

Summary: Minor International Public Company Limited (“MINT”) reported another record-high quarterly financial results in 2Q24, demonstrating its strong business model, strategic focus and the resilience of the macroeconomic environment.

In 2Q24, solid operational improvement of hotel and restaurant businesses drove MINT’s core top-line growth by 10% y-y, reaching Baht 44,600 million. Continuous rise in travel demand and higher room rates, especially in Europe and Thailand, together with the opening of new hotels resulted in robust performance of hotel unit. Meanwhile, increased customer traffic in Thailand and Singapore, attributable to new product launches, successful marketing campaigns and outlet expansion, drove restaurant portfolio.

Core EBITDA in 2Q24 increased by 8% y-y to Baht 13,234 million. The growth rate was slower than revenue growth due to the external impact from the movement of foreign exchange rate. Excluding the adverse revaluation impact from foreign exchange rate movement, core EBITDA would have outperformed top-line growth, growing at a double-digit rate. Optimization of key expenses and enhanced productivity across MINT’s hotel properties, restaurants and corporate offices were the key contributors.

Despite the above-mentioned unfavorable revaluation impact from foreign exchange rate movement, MINT delivered another record core profit in 2Q24, reaching Baht 3,230 million. This 8% y-y growth was supported by stronger performance across all business units. Excluding such impact, core earnings would have grown by more than 30%.

In 1H24, MINT’s core revenue grew by 12% y-y to Baht 82,248 million from healthier financial performances of

hotels and restaurants. 1H24 core EBITDA was Baht 21,587 million, a 13% growth y-y, driven by higher revenues and MINT’s increasingly efficient operating platform. Coupled with tax management, primarily the utilization of tax loss carry forward, core profit surged by 22% y-y to Baht 2,878 million in 1H24.

Including non-core items detailed in the appendix, MINT posted 9% and 2% y-y increases in reported revenue and EBITDA to Baht 44,422 million and Baht 12,913 million, respectively, in 2Q24. Reported bottom line was Baht 2,823 million in 2Q24, marking a 13% decrease compared to Baht 3,255 million in 2Q23, mainly due to unrealized loss from derivatives and termination of lease contracts. In 1H24, MINT’s reported revenue rose by 12% y-y to Baht 82,473 million, while EBITDA grew at a higher rate of 19%, reaching Baht 22,836 million. Stronger operating performance, together with favorable foreign exchange movements, particularly in 1Q24, contributed to a significant improvement in the reported bottom-line to Baht 3,969 million in 1H24, representing a 74% y-y increase.

Financial Performance

<i>Bt million</i>	2Q24	2Q23 (Restated)	%Chg
Core*			
Total Revenue**	44,600	40,504	10
Total EBITDA	13,234	12,282	8
EBITDA Margin (%)	29.7	30.3	
Total Net Profit	3,230	3,005	8
Net Profit Margin (%)	7.2	7.4	
As Reported			
Total Revenue**	44,422	40,607	9
Total EBITDA	12,913	12,691	2
EBITDA Margin (%)	29.1	31.3	
Total Net Profit	2,823	3,255	-13
Net Profit Margin (%)	6.4	8.0	

Bt million	1H24	1H23 (Restated)	%Chg
Core*			
Total Revenue**	82,248	73,614	12
Total EBITDA	21,587	19,136	13
EBITDA Margin (%)	26.2	26.0	
Total Net Profit	2,878	2,358	22
Net Profit Margin (%)	3.5	3.2	
As Reported			
Total Revenue**	82,473	73,729	12
Total EBITDA	22,836	19,188	19
EBITDA Margin (%)	27.7	26.0	
Total Net Profit	3,969	2,279	74
Net Profit Margin (%)	4.8	3.1	

* Exclude non-core items as detailed in the appendix

** Includes share of profit and other income

Performance Breakdown by Business*

1H24	% Core Revenue Contribution	% Core EBITDA Contribution	% Core Profit Contribution
Hotel & Mixed-use	80	83	58
Restaurant Services	20	17	42
Total	100	100	100

* Exclude non-core items as detailed in the appendix

Major Developments in 2Q24

Developments

Restaurant	<ul style="list-style-type: none"> Opened 13 outlets, net q-q, majority of which were the openings of Swensen's, Dairy Queen and GAGA in Thailand
Hotel & Mixed-Use	<ul style="list-style-type: none"> Opened a total of 9 hotels q-q <ul style="list-style-type: none"> - Avani: One managed hotel in Thailand - NH Collection: One leased hotel in Finland and three managed hotels in the Maldives, Thailand and Sri Lanka - NH: Four managed hotels in Thailand, Sri Lanka, the Maldives and South Africa Closed a total of 6 hotels q-q <ul style="list-style-type: none"> - Anantara: One managed hotel in UAE - NH: One owned hotel in the Netherlands and four leased hotels in Switzerland, Spain and Germany Rebranded 2 hotels q-q <ul style="list-style-type: none"> - Avani: from NH in the Netherlands - Tivoli: from NH Collection in Italy Added Dubai as new inventory destination in AVC
Corporate	<ul style="list-style-type: none"> Successful issuance of Baht 8 billion sustainability-linked bond

Segment Performance

Restaurant & Contract Manufacturing Businesses

At the end of 2Q24, MINT's total restaurants reached 2,655 outlets, comprising of 1,365 equity-owned outlets (51% of total) and 1,290 franchised outlets (49% of total). 2,031 outlets (76% of total) are under Thailand hub, while the remaining 624 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

	2Q24	Chg q-q	Chg y-y
Owned Equity	1,365	12	65
Franchise	1,290	1	9
Total Outlets	2,655	13	74
Thailand*	2,031	12	88
China	134	1	-10
Australia	313	-2	-14
Others	177	2	10
Total Outlets	2,655	13	74

* Thailand hub includes stores in CLMV and Japan

Restaurant Outlets by Brand

	2Q24	Chg q-q	Chg y-y
The Pizza Company	587	0	12
Swensen's	368	7	18
Sizzler	74	0	11
Dairy Queen	521	2	15
Burger King	129	0	2
The Coffee Club	389	-3	-9
Thai Express	98	2	-8
Riverside	141	1	-8
Benihana	21	1	2
Bonchon	120	-1	8
Coffee Journey	86	-2	-7
GAGA	49	2	17
Others*	72	4	21
Total Outlets	2,655	13	74

* 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 2Q24, business improvement and the expansion of stores in Thailand and Singapore resulted in total-system-sales (including sales from franchised outlets) increase of 2.5%,

compared to the same period last year. However, overall same-store-sales decreased slightly by 2.8% y-y in the quarter as higher store trading activities at restaurants in Thailand and Singapore only partially offset softer performance in other hubs.

Restaurants in Thailand in 2Q24 reported total-system-sales growth of 7.4% y-y, attributable to 0.7% same-store-sales growth and 4.1% network expansion. The growth in same-store and total-system sales was primarily driven by: 1) an increase in dine-in traffic resulting from product innovations, specifically designed for dine-in customers, 2) the successful introduction of a single-serve menu platform that broadened dining occasions for several brands, including The Pizza Company, Sizzler and Bonchon, and 3) strong performance in takeaway and delivery channels driven by effective marketing and loyalty campaigns. Including CLMV countries, the opening of new outlets drove total-system-sales to grow by 8.9% y-y despite stable same-store-sales compared to last year.

China hub experienced a decrease in customer counts amidst weak consumer confidence due to economic challenges. Coupled with the closure of some underperforming stores, total system sales and same-store-sales declined by 22.8% and 20.2%, respectively in 2Q24. However, Minor Food China has made a bold move to drive sales with the launch of an extended core menu that goes beyond fish to offer a new array of protein options, designed to attract a broader customer base. Cost control measures also continued to be implemented across all stores. Meanwhile, the new brand- Jiang Mei Xian is expanding its network through a franchised business model.

Total-system-sales of Australia hub decreased by 4.9% while same-store sales fell by 4.2% in 2Q24, compared to the same period of last year. This was attributable to lingering low domestic consumer confidence and cost of living pressure, which led to lower store traffic, as well as the closure of underperforming stores. Nevertheless, The Coffee Club remained proactive in sales strategies to uplift its brand relevance. A revamped menu including new and refreshed dishes, as well as major marketing campaign for the year (collaboration with MasterChef Australia) were launched nationwide at the end of the quarter. Store refurbishments with new designs have also been executed to improve sales sequentially.

Overall, 1H24 group-wide total-system-sales increased by 2.5% y-y, driven by solid growth of restaurants in Thailand and Singapore. However, group-wide same-store-sales decreased by 3.1% y-y. Positive sales momentum of restaurants in Thailand and Singapore only partially mitigated the adverse impact of macroeconomic slowdown on operations in China and Australia.

Restaurant Business Performance

%	2Q24	2Q23	1H24	1H23
Average Same-Store-Sales Growth	-2.8	8.1	-3.1	9.6
Average Total-System-Sales Growth	2.5	17.5	2.5	18.7

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

Financial Performance Analysis

In 2Q24, total core restaurant revenue grew by 5% y-y, attributable to top-line improvements in Thailand, Australia and Singapore, along with increased profit contributions from joint ventures. Higher customer traffic and network expansion boosted revenue in Thailand and Singapore, while NOMAD's increased contract roasting volume was the key contributor for Australia's top-line growth. Franchise income increased by 3% y-y, mainly due to solid performance of franchised restaurants in Thailand and overseas during the quarter.

Core EBITDA in 2Q24 outpaced revenue growth, rising by 15% y-y to Baht 1,868 million. This strong performance was driven by higher revenue flow-through and cost management at Thailand and Australia hubs, as well as lower raw material costs in China. As a result, core EBITDA margin improved to 23.1% in 2Q24 from 21.0% in 2Q23.

In 1H24, Minor Food reported a total core revenue increase of 5% y-y, reflecting improved sales activities in Thailand, Singapore and Australia, as well as strong performance from joint ventures. Franchise income saw a slight decrease of 1% y-y, as the recovery of franchised outlets in Thailand nearly offset softer performance of international franchised restaurants in 1Q24. Nevertheless, stronger profitability of restaurants in Thailand and Singapore contributed to an overall core EBITDA growth of 12% y-y, reaching Baht 3,708 million. Core EBITDA margin increased to 23.0% in 1H24, compared to 21.4% in 1H23.

Financial Performance*

<i>Bt million</i>	2Q24	2Q23	%Chg
Revenue from Operation**	7,683	7,309	5
Franchise Fee	419	406	3
Total Revenue	8,102	7,715	5
EBITDA	1,868	1,619	15
EBITDA Margin (%)	23.1	21.0	
	1H24	1H23	%Chg
Revenue from Operation**	15,343	14,636	5
Franchise Fee	802	808	-1
Total Revenue	16,145	15,444	5
EBITDA	3,708	3,302	12
EBITDA Margin (%)	23.0	21.4	

* 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 2Q24, MINT owns 371 hotels and manages 184 hotels and serviced suites in 57 countries. Altogether, these properties have 80,547 hotel rooms and serviced suites, including 56,257 rooms that are equity-owned and leased and 24,290 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, 6,152 rooms in Thailand accounted for 8%, while the remaining 74,395 rooms or 92% are located in 56 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	2Q24	Chg q-q	Chg y-y
Owned Equity*	56,257	-219	-145
- Thailand	3,791	0	195
- Overseas	52,466	-219	-340
Management	24,290	1,245	2,563
- Thailand	2,361	833	386
- Overseas	21,929	412	2,177
Total Hotel Rooms	80,547	1,026	2,418

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

Hotel Rooms by Ownership

	2Q24	Chg q-q	Chg y-y
Owned Hotels	19,031	-112	43
Leased Hotels	35,505	-107	120
Joint-venture Hotels	1,721	0	-308
Managed Hotels	17,624	1,262	2,305
MLRs*	6,666	-17	258
Total Hotel Rooms	80,547	1,026	2,418

* 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 contributed 85% of core hotel & mixed-use revenues in 2Q24. The portfolio reported a y-y increase of 14% in system-wide revenue per available room ("RevPar"). Hotels in Europe and Latin America, as well as Thailand experienced rising demand and higher average room rates. Compared to 2019 level, RevPar outperformed by 56% due to Minor Hotels' successful pricing strategy.

Continued strength prevailed in 2Q24 for owned and leased hotel portfolio in Europe and Latin America. System-wide RevPar in EUR term increased by 8% y-y and 54% q-q, respectively. Sustained leisure demand and strong growth in the business segment, along with Minor Hotels' brand upgrade initiatives, contributed to y-y improvement in average occupancy and room rates, while higher seasonality drove sequential quarterly advancement. All regions reported exceptional results, with Spain leading in y-y RevPar growth, followed by Central Europe, Latin America, Benelux and Italy. Average occupancy rate reached 73% in the quarter, up from 72% in the same quarter of previous year and was nearly on par with the pre-pandemic level of 75%. Meanwhile, average room rate hit another record high at EUR 165, marking 7% and 47% increases compared to the same period in 2023 and 2019, respectively. As a result, RevPar of owned and leased hotel portfolio in Europe and Latin America exceeded pre-COVID-19 level by 44%.

2Q24 system-wide RevPar of owned hotels in Thailand rose by 14% y-y, driven by a surge in international tourism demand and higher room rates. Hotels in Bangkok and other tourist destinations such as Phuket, Samui and Chiangmai showed strong y-y RevPar growth, surpassing pre-pandemic level by 20%, led by higher room rates.

In the Maldives, RevPar in 2Q24 decreased slightly by 4% y-y. Nevertheless, there were positive signs of recovery towards the end of the quarter with RevPar growth in May and June 2024 turning positive, with 1% and 9% y-y increases, respectively, indicating a gradual rebound in the occupancy rate. This recovery was supported by targeted marketing efforts and strategic partnerships aimed at boosting tourist arrivals. Despite the overall RevPar being 21% below pre-pandemic level, the average room rate exceeded pre-pandemic level by 14%. With the positive

trends seen in the latter part of the quarter, there is optimism for continued recovery in the coming months.

Management Letting Rights

The management letting rights portfolio (MLRs), contributed 7% to core hotel & mixed-use revenues in 2Q24. Its RevPar in AUD saw a substantial 33% increase compared to pre-pandemic level, mainly due to a rise in average room price, while average occupancy rate was on par of 2019 level. On a y-y basis, RevPar of MLRs experienced a decrease of 7%, aligning with our expectations due to the high-base effect from the previous year. Growth in corporate segments could not fully offset softer domestic leisure demand, impacted by increased international outbound tourism, bad weather, challenging economic conditions and the higher baseline set in the previous year. Nevertheless, RevPar of Minor Hotels in Australia, particularly occupancy rate, outperformed the market, as our marketing initiatives helped attract a steady stream of corporate and domestic travelers, mitigating some of adverse effects of above-mentioned reasons.

Management Contracts

In 2Q24, management contract contributed 2% to MINT's core hotel & mixed-use revenues. System-wide RevPar of management contract portfolio exceeded 2023 and 2019 levels by 14% and 21%, respectively, supported by positive performances of hotels in most regions.

Overall Hotel Portfolio

In 2Q24, MINT's system-wide RevPar for the entire portfolio increased by 12% y-y and surpassed pre-COVID-19 level by 48%. The growth reflected overall business improvement, driven by continuous travel demand recovery and the successful execution of Minor Hotels' sales and pricing strategy.

In 1H24, system-wide RevPar of MINT's entire portfolio increased substantially by 15% y-y and 41% from 1H19, attributable to the same reasons mentioned above.

Hotel Business Performance by Ownership

(System-wide)	2Q24	Occupancy (%)		
		2Q23 (Restated)	1H24	1H23 (Restated)
Owned Hotels*	71	70	67	65
Joint Ventures	29	36	35	39
Managed Hotels*	60	57	61	56

MLRs**	74	77	78	77
Average	69	68	66	64
(System-wide)	ADR (Bt/night)			
	2Q24	2Q23 (Restated)	1H24	1H23 (Restated)
Owned Hotels*	6,570	5,842	5,970	5,299
Joint Ventures	8,193	6,253	9,412	7,384
Managed Hotels*	5,874	5,441	6,130	5,661
MLRs**	5,249	5,224	5,398	5,365
Average	6,354	5,727	5,975	5,386
(System-wide)	RevPar (Bt/night)			
	2Q24	2Q23 (Restated)	1H24	1H23 (Restated)
Owned Hotels*	4,692	4,118	3,998	3,430
Joint Ventures	2,383	2,263	3,305	2,873
Managed Hotels*	3,525	3,099	3,757	3,167
MLRs**	3,907	4,010	4,221	4,134
Average	4,373	3,894	3,961	3,435

* 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 four projects in Thailand and Malaysia that are currently available for sale and another office development project. In addition, two 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 2Q24, AVC had a total inventory of 340 units in Thailand, New Zealand, Indonesia, China and UAE. The number of members increased by 3% y-y to 18,531 members at the end of 2Q24.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 2Q24, hotel & mixed-use business posted total core revenue increase of 11% y-y, mainly supported by hotel business unit. Improved performance in Europe, Latin

America and Thailand, driven by higher demand and room rates, resulted in a 12% y-y growth in core revenue from hotel operations and related services. Management income surged by 24% y-y due to stronger RevPar trend of managed hotels and the addition of new managed hotels throughout the past 12 months. Revenue from mixed-use business in 2Q24 was on par with those in the same period last year. The top-line growth of AVC, restaurants in the UK, retail trading, as well as plaza and entertainment was offset by lower revenue from residential projects due to the timing of settlement of contracted properties.

Positive growth continued as core EBITDA of hotel & mixed-use business grew by 7% y-y to Baht 11,366 million. However, core EBITDA growth was slower than revenue growth, resulting in a softer core EBITDA margin to 31.1% in 2Q24 from 32.5% in 2Q23. This was solely due to unrealized foreign exchange loss recorded in 2Q24, as opposed to an unrealized foreign exchange gain in the same period of last year, stemming from unfavorable foreign exchange rate movement of USD against Sri Lankan Rupee (based on loans of Minor Hotels' Sri Lanka hotels) and USD against Brazilian Real (based on lease liability of hotels in Brazil). Excluding the adverse revaluation impact from foreign exchange rate movement, core EBITDA would have outpaced revenue growth, supported by effective cost management and higher operating leverage from revenue flow-through, together with positive adjustments in cost allocation for Oaks, in accordance with IFRS16.

In 1H24, hotel & mixed-use business reported total revenue growth of 14% y-y, showcasing improved operations in both hotel and mixed-use business units. Core EBITDA increased by 13% y-y to Baht 17,879 million, a slightly slower rate than revenue growth, attributable to foreign exchange rate movement factors as observed in 2Q24. As a result, overall core EBITDA margin saw a slight decrease to 27.0% in 1H24, compared to 27.2% in 1H23.

	1H24	1H23 (Restated)	%Chg
Hotel & related services **	59,771	52,185	15
Management fee	1,250	998	25
Mixed-use	5,082	4,987	2
Total Revenue	66,103	58,171	14
EBITDA	17,879	15,835	13
EBITDA Margin (%)	27.0	27.2	

* Exclude non-core items as detailed in the appendix

** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2Q24, MINT reported total assets of Baht 372,383 million, an increase of Baht 13,187 million from Baht 359,196 million at the end of 2023. The increase was primarily attributable to (1) Baht 1,760 million increase in trade and other receivables, in line with higher sales, (2) Baht 7,737 million increase in property, plant and equipment from asset additions, land revaluation surplus, along with gains on translation adjustment and (3) Baht 2,325 million increase in intangible assets, mainly from gains on translation adjustment.

MINT reported total liabilities of Baht 277,610 million at the end of 2Q24, an increase of Baht 5,708 million from Baht 271,901 million at the end of 2023. The increase was mainly due to (1) Baht 3,094 million increase in net financing from the addition of short-term and long-term borrowings, unrealized loss on exchange rates, adjusted fair value under hedge accounting and translation adjustments on borrowings and debentures and (2) Baht 1,457 million increase in other current liabilities due to stronger advanced hotel booking deposits at Minor Hotels Europe and Americas and (3) Baht 1,697 million increase in deferred tax liabilities related to land revaluation surplus.

Shareholders' equity increased by Baht 7,479 million, from Baht 87,295 million at the end of 2023 to Baht 94,774 million at the end of 2Q24, mainly due to (1) improved 1H24 financial results, (2) proceeds of Baht 2,300 million from the exercise of warrants and (3) Baht 2,963 million increase in other components of equity mainly as a result of land revaluation surplus of Baht 1,783 million and a gain on translation adjustment of Baht 1,171 million, netted with (1) interest payments of Baht 857 million on perpetual bonds and (2) dividend payment to shareholders of Baht 1,814 million.

Financial Performance*

<i>Bt million</i>	2Q24	2Q23 (Restated)	%Chg
Hotel & related services **	33,335	29,723	12
Management fee	566	457	24
Mixed-use	2,596	2,609	0
Total Revenue	36,497	32,789	11
EBITDA	11,366	10,663	7
EBITDA Margin (%)	31.1	32.5	

For the first six months of 2024, MINT and its subsidiaries reported positive cash flows from operations of Baht 14,214 million, a decrease of Baht 3,419 million y-y, mainly due to non-cash unrealized loss from fair value adjustment to derivatives and financial liabilities and shortened payment days across Europe.

Cash flow used in investing activities was Baht 3,313 million in 1H24, primarily due to Baht 4,103 million in regular capital expenditures for hotel, restaurant and other businesses, offset with (1) Baht 703 million interest income and Baht 317 million proceeds from the disposal of non-current assets classified as held-for-sale.

The Company reported net cash used for financing activities of Baht 10,839 million in 1H24, primarily due to (1) repayment of lease liabilities totaling Baht 5,726 million, (2) cash paid for interest expenses of Baht 5,711 million, (3) interest payments of Baht 857 million on perpetual debentures and (4) dividend payment of Baht 1,814 million to shareholders, offset by (1) proceeds of Baht 2,300 million from the exercise of warrants and (2) net addition of short-term and long-term borrowings from financial institutions totaling Baht 994 million.

In summary, cash flows from operating, investing and financing activities resulted in a net increase of MINT's net cash and cash equivalents by Baht 62 million in 1H24.

Free cash flow, defined as operating cash flow net of lease liability repayment, interest payments (including those to perpetual bond holders) and net CAPEX, was negative at Baht 1.4 billion in 1H24. This reflects strategic investments in capital expenditures and financial commitments (interest and financial lease payments), which are essential for future growth and profitability.

Financial Ratio Analysis

MINT's gross profit margin saw a slight decrease from 44.2% in 1H23 to 43.5% in 1H24, mainly due to mixed-use business as lower-margin residential units were sold, compared to previous year. However, MINT's core net profit margin improved from 3.2% in 1H23 to 3.5% in 1H24 from higher revenue flow-through and cost management, especially in the restaurant business.

Return on equity (on a core basis) increased to 6.3% in 1H24 from 5.6% in 1H23, driven by higher demand in the tourism

and dine-in business, coupled with MINT's ability to expand profitability. Correspondingly, MINT recorded a return on assets (on a core basis) of 1.6% in 1H24, an improvement from 1.3% in 1H23.

Collection days decreased from 39 days in 1H23 to 38 days in 1H24, supported by MINT's diligence in expediting payment collection. The provision for impairment as a percentage of gross trade receivables decreased from 10.0% in 1H23 to 8.8% in 1Q24, mainly from improvements in hotel and restaurant businesses with increased volume and higher sales quality.

MINT's inventory comprises primarily raw materials, work-in-process and finished products from the restaurant and retail trading & contract manufacturing businesses. Inventory days reduced from 23 days in 1H23 to 19 days in 1H24, as a result of much stronger sales and proactive inventory management. Account payable days decreased from 74 days in 1H23 to 67 days in 1H24 mainly due to a regulation change across Europe implemented in the quarter which imposes the reduction of payment days for food and beverage products.

Current ratio increased to 0.7x at the end of 2Q24, compared to 0.6x at the end of 2023, as current assets grew at a faster rate than current liabilities.

According to MINT's debt covenant definition, which excludes lease liabilities, net interest-bearing debt to equity ratio decreased from 1.01x at the end of 2023 to 0.96x as at end 2Q24. The reduction was mainly attributable to higher equity base. This level remained well below MINT's debt covenant of 1.75x and its internal policy of 1.3x. Meanwhile, net debt to EBITDA also decreased to 4.65x as at end 2Q24 from 4.87x at the end of 2023. With cash flows expected to remain strong in the second half of the year, our liquidity position should continue to strengthen and our leverage ratio should continue to decrease in 2H24. Interest coverage ratio decreased from 4.6x in 1H23 to 3.7x in 1H24, primarily resulting from higher interest expenses.

Financial Ratio Analysis

Profitability Ratio	30 Jun 24	30 Jun 23 (Restated)
Gross Profit Margin (%)	43.5	44.2
Net Profit Margin (%)	4.8	3.1
Core Net Profit Margin* (%)	3.5	3.2
Efficiency Ratio	30 Jun 24	30 Jun 23 (Restated)

Return on Equity* (%)	6.3	5.6
Return on Assets* (%)	1.6	1.3
Collection Period (days)	38	39
Inventory (days)	19	23
Accounts Payable (days)	67	74
Liquidity Ratio	30 Jun 24	31 Dec 23
Current Ratio (x)	0.7	0.6
Leverage & Financial Policy	30 Jun 24	31 Dec 23
Interest Bearing Debt/Equity (x)	1.11	1.17
Net Interest Bearing Debt/Equity (x)	0.96	1.01
	30 Jun 24	30 Jun 23 (Restated)
Interest Coverage (x)	3.7	4.6

* Exclude non-core items as detailed in the appendix

Management's Outlook

Minor Hotels

Minor Hotels continues to **strengthen its brand equity** through strategic upgrades, offering tailored experiences and unforgettable journey that cater to the unique demands of each locale. The Anantara Convento di Amalfi Grand Hotel introduced a new dining theme, "future-heritage," featuring local ingredients from the Amalfi coast. Meanwhile, Avani Frankfurt City Hotel now offers four new experiences, including art classes, walking tours, water bike rides and mixology lessons, immersing guests in the city's vibrant culture. Additionally, Anantara Layan Phuket Resort will debut "Layan Life by Anantara" in 3Q24, a world-class medical wellness concept blending modern technologies with ancient Thai healing traditions.

Minor Hotels actively engages with guests, stays attuned to the latest trends and focuses on **expanding its customer base**, particularly in underrepresented markets. The company has strengthened its sales network to target the Israeli market for hotels in Thailand, while UAE, Saudi Arabia and Australia have become key markets for Maldives hotels during low seasons. Anantara, a home-grown brand, has expanded its market network to city locations beyond its traditional resort types. NH and NH Collection brands are also broadening their customer base to include resort categories.

Distribution channel management is another key focus area for Minor Hotels, which aims to drive customer acquisition and retention by integrating all hotel brands under Minor Hotels' own booking platforms.

Europe: Forward bookings for 3Q24 indicate double-digit growth in total revenue for both Southern and Northern European countries. Intra-European travel, as well as business, entertainment and sport events will be key demand drivers. Asset rebranding to maximize profitability and lease extensions for profitable hotels are ongoing. Nearly 30 hotels in Europe are planned for upgrades to higher-tier brands and refurbishment in 2024, tapping into premium markets and commanding higher room rates.

Thailand: Hotels in Thailand will benefit from the government's push to boost tourism. Tourism Authority of Thailand plans to penetrate more potential markets in order to meet its revenue target for the second half of the year. In addition to five stable markets, Russia, the UK, the US, Germany and France, TAT has identified six high-potential long-distance countries as 'rising stars': Canada, Italy, Kazakhstan, Poland, Denmark and Saudi Arabia. These countries, now benefitting from the government's visa-free policy, have shown increasing tourism revenues and potential for more flights to Thailand. Room revenues of our hotels in Thailand in July and August are forecasted to grow by 15% and 16%, respectively.

Australia: Minor Hotels Australia remains proactive in outperforming the market and securing market share, despite soft domestic leisure travel. The strategy focuses on identifying revenue opportunities from corporate and MICE segments and exploring cost management to safeguard profitability. The market outlook is expected to improve in the second half of the year, with state and local governments are providing reliefs through income tax reductions and energy rebates.

Maldives: Recovery continues in the second half of the year, driven by Minor Hotels' sales initiatives to attract additional customer markets with new offerings and activities. Anantara Dhigu Maldives Resort recently unveils its fully refurbished over-water villas with larger pools, attracting visitors and yielding premium rates. Niyama Private Islands Maldives will host its first-ever fitness week program, hosted by Shaun Stafford, two-time World Fitness champion. This special retreat has the ideal setting on Niyama's twin islands of Play and Chill.

Minor Food

Introducing new products has been key to driving incremental sales, increasing customer spending, enhancing store traffic and capturing new customers. Minor Food’s brands are adjusting menus and developing new ones to cater to each distribution channel including dine-in, delivery, take-away and drive-thru.

Minor Food also focuses on **strengthening customer engagement** through loyalty and digital marketing rewards programs, brand ambassadors and viral communication campaigns. These efforts aim to increase loyalty members and repeat sales.

As Minor Food expands its number of restaurants, **operational excellence** remains the backbone of execution, ensuring higher efficiency, quality, consistency, customer experience and profitability. We are committed to maintaining the highest standards across processes, services and products for all brands.

Thailand: All brands aim to increase market shares and boost revenue growth. In the second half of the year, Minor Food will roll out more regional flagship stores, showcasing local culture influences and unique customer experiences. The Pizza Company recently launched its first regional flagship store in Phrae province, Thailand, combining local architecture with modern brand elements, making the outlet a new city landmark. Special menus featuring local ingredients strengthen the brand’s market presence and drive overall sales. Building on the success of its previous flagship concepts, Swensen’s will open another flagship store in a new location. Dairy Queen’s new product series ‘Yuppo’- yoghurt mixed with jelly continues to attract market attention and drive strong sale momentum.

China: Amid a sluggish economy, Minor Food China is focusing on mitigating market weakness while exploring additional revenue opportunities. Successful relocations of dine-in stores to high-traffic locations have been executed, benefiting from the closure of other casual dining restaurants in top shopping malls. Delivery menus are being enhanced for different dining occasions. Following the launch of Jiang Mei Xian brand last year for franchising, Minor Food plans to launch another new concept targeting casual dining market which will also be piloted for franchising model.

Australia: Minor Food Australia prioritizes business turnaround initiatives and improving store performance. New menus including fresh pastry options, and new store designs, have been rolled out nationally. Visual in-store changes, including new packaging and new uniforms, enhance brand value and expand market reach.

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Mr. Chaiyapat Paitoon
Chief Financial Officer

Appendix

Non-Recurring Items			
Period	Amount (Bt million)	Business Unit	Non-recurring Items
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 US\$ 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 US\$ 300 million perpetual bond (Other gains)
	-70	Minor Hotels	Unrealized loss from forward contracts of US\$
1Q24	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)
	402 revenue 308 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	919	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	-73	Minor Hotels	Change in fair value of interest rate derivative (Other losses)
	-287	Minor Hotels	Ineffective hedge accounting (Other losses)
	3	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	608 EBITDA 628 net profit	Minor Hotels	Unrealized gain from derivatives (Other gains)
	-0.1 revenue 0.5 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)
2Q24	-126 revenue -358 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	158	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (Other gains)
	47	Minor Hotels	Change in fair value of perpetual bond (Other gains)
	19	Minor Hotels	Ineffective hedge accounting (Other gains)
	-0.5	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-242 EBITDA -271 net profit	Minor Hotels	Unrealized loss from derivatives (Other losses)
	-51 revenue -0.8 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)