

August 13, 2019

Minor International Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

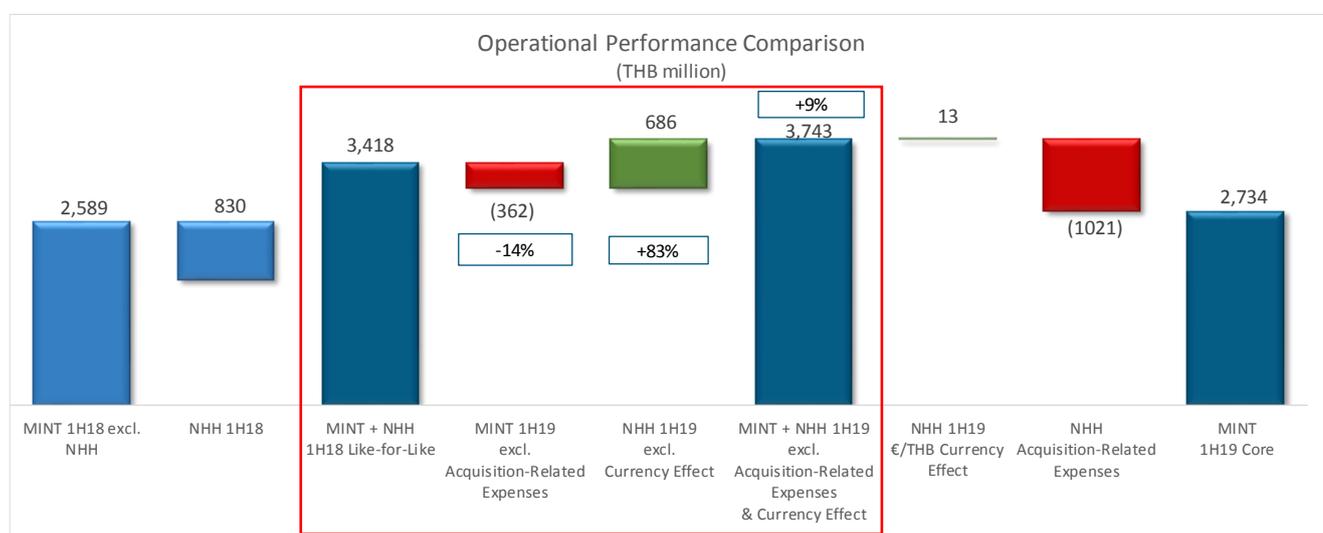
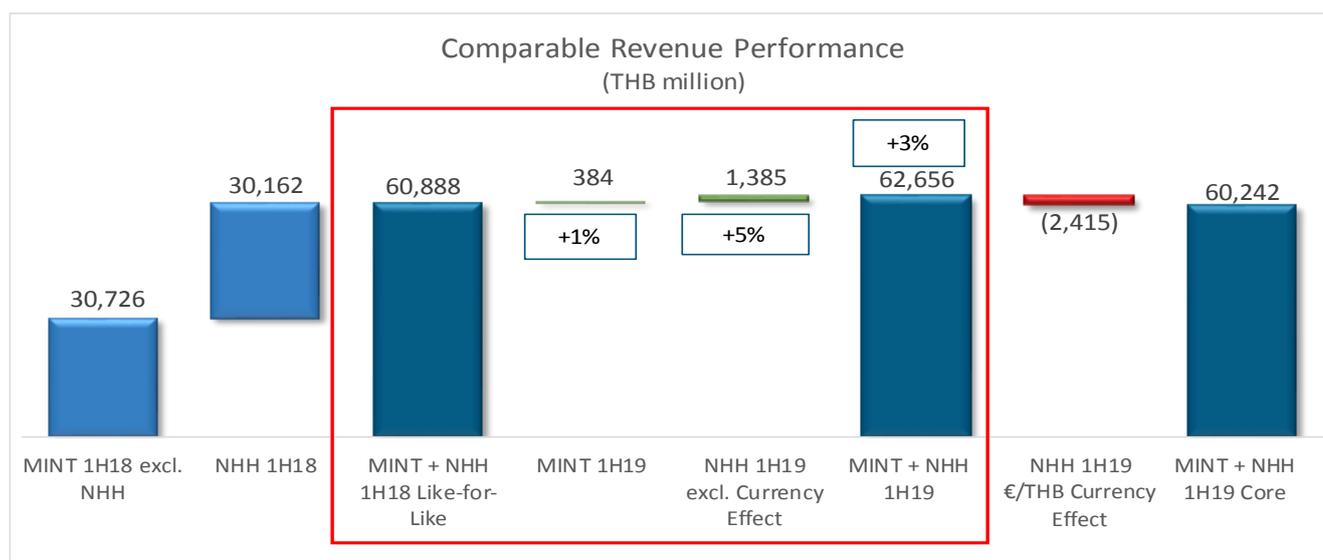
Overview

2Q19 and 1H19 Performance

Summary: Minor International (“MINT”) reported core revenue (excluding non-recurring items) of Baht 31,393 million in 2Q19, doubling y-y. Correspondingly, MINT’s core net profit jumped strongly by 94% y-y to Baht 2,101 million in 2Q19. This exceptional performance in the quarter was mainly attributable to the contribution of NH Hotel Group. For 1H19, MINT reported total core revenue of Baht 60,242 million, an increase of two-fold from core revenue of Baht 31,085 million in 2H18. However, core earnings in 1H19 decreased slightly by 2% y-y, mainly due to contribution of core earnings loss from NH Hotel Group in 1Q19 due to European business low seasonality while NH Hotel Group was not consolidated into MINT’s 1Q18 results. The sale and lease back of the 3 hotels in Portugal which were completed in July would generate approximately Baht 2,100 million in net profit, and this amount will be reported in 3Q19.

Note that MINT recorded non-core accounting-related items in 2Q18, 1Q19 and 2Q19, which are detailed in the table on page 4. Including non-core items, MINT’s 2Q19 reported revenue was Baht 31,455 million and reported net profit was Baht 1,786 million, 109% and 48% growth respectively. For 1H19, MINT’s reported revenue almost doubled y-y to Baht 60,485 million while reported net profit showed a decline of 19% y-y to Baht 2,369 million, compared to the same period last year.

Comparisons of 1H19 results to MINT’s consolidated results for 1H18 are not directly relevant, as MINT began to consolidate NH Hotel Group only in October 2018. Therefore, whilst MINT’s 1H19 consolidated results include the consolidation of NH Hotel Group, MINT’s consolidated 1Q18 results do not and only dividend income from NH Hotel Group was recorded in 2Q18, making them not directly comparable. This situation will continue until 4Q19, when for the first time MINT’s consolidated results will also reflect the results of NH Hotel Group in the comparable prior year period. In order to fairly reflect the true operations of the group, the like-for-like first half core revenue and core NPAT are compared, taking into account MINT and NH Hotel Group’s performance for both 1H18 and 1H19. On a like-for-like basis, the year-on-year revenue increases in both MINT alone and NH Hotel Group’ revenues drove the consolidated revenues up 3% over the prior year on a like-for-like basis in 1H19 at constant FX. Meanwhile, the year-on-year improvement in NH Hotel Group’s recurring net profit (Baht 686 million) more than offsets the lower core net profit recorded by MINT over 1H18 to 1H19 period (Baht 362 million), resulting in a solid 9%, or Baht 324 million increase in MINT’s like-for-like core net profit for such period.



MINT has a strong strategic track record in M&As for more than a decade where previous investments have generated good returns. The acquisition of NH Hotel Group is one of the testimonies that helped MINT to diversify its portfolio both in terms of geography and brands. Amid weak domestic consumption and slowdown of international tourist arrivals to Thailand, MINT was still able to deliver impressive earnings growth, mainly supported by the NH Hotel Group. The NH Hotel Group, which is strategically and financially attractive, has highly captivating assets and has contributed good performance to MINT. Additionally, the sale and lease back of Tivoli hotels transaction with minimum rental guarantee basket component is another testament of the firm's robust asset rotation strategy. Not only has the transaction accelerated the internal rate of return of MINT's 2016 acquisition of the entire 14-asset Tivoli platform, it also paid back almost the entire capital deployment from MINT's

2016 acquisition of the entire Tivoli portfolio through the sale of only three of the 14 acquired Tivoli properties, as well as, retaining over 75% of the portfolio EBITDA. The transactions have already been completed by the end of July 2019. Net cash received from the gross selling price of Euro 313 million has been used to repay debt while the net gain of approximately Euro 62 million from sale of these assets are expected to be realized in MINT's financials in 3Q19 and will help improve its equity base.

For the second quarter performance, MINT recorded a notable core revenue growth which doubled y-y. The strong growth was mainly driven by significant revenue contribution from NH Hotel Group, together with slight increase in revenue of MINT's organic operations of the three business units, despite the headwind of the adverse impact from the appreciation of Thai Baht against foreign currencies.

In 1H19, MINT's core revenue almost doubled y-y, supported by the consolidation of NH Hotel Group, as well as, positive growth of restaurant operation from outlet expansion and higher sales of retail trading & contract manufacturing from promotional campaigns. Such increases helped offset the slight decline of revenue from hotel and mixed-use business, where the excellent performance of the hotel operations was pulled back.

Revenue Breakdown

<i>Bt million</i>	2Q19	2Q18	%Chg	Contribution
As Reported				
Restaurant Services	5,865	5,927	-1	19
Hotel & Mixed-Use	24,471	8,121	201	78
Retail Trading & Contract Manufacturing	1,120	1,014	10	4
Total Revenue	31,455	15,061	109	100
Core*				
Restaurant Services	5,865	5,806	1	19
Hotel & Mixed-Use	24,408	8,121	201	78
Retail Trading & Contract Manufacturing	1,120	1,014	10	4
Total Revenue	31,393	14,940	110	100

* Exclude non-core items as detailed in the table on page 4

Revenue Breakdown

<i>Bt million</i>	1H19	1H18	%Chg	Contribution
As Reported				
Restaurant Services	12,282	12,012	2	20
Hotel & Mixed-Use	45,833	17,050	169	76
Retail Trading & Contract Manufacturing	2,370	2,143	11	4
Total Revenue	60,485	31,206	94	100
Core*				
Restaurant Services	12,233	11,892	3	20
Hotel & Mixed-Use	45,639	17,050	168	76
Retail Trading & Contract Manufacturing	2,370	2,143	11	4
Total Revenue	60,242	31,085	94	100

* Exclude non-core items as detailed in the table on page 4

Core EBITDA in 2Q19 more than doubled y-y, driven by the substantial contribution of NH Hotel Group which helped offset the softer performance of the core EBITDA of the organic operations. The strong performance of pure hotel operations, particularly owned brands, was offset by FX headwinds and softer performance of MLR, mixed-use, restaurant and lifestyle businesses. Moreover, the high margin of NH Hotel Group during its high season and improved profitability of pure hotel business have helped pull up MINT's overall EBITDA margin. Accordingly, core

EBITDA margin increased from 19.5% in 2Q18 to 19.8% in 2Q19.

For 1H19, MINT recorded core EBITDA growth of 65% y-y. The EBITDA increase was slower than revenue increase, due to organic operations, as well as, the consolidation of NH Hotel Group which has lower first-quarter profitability than MINT in general. Consequently, core EBITDA margin declined to 17.4% in 1H19, compared to 1H18 core EBITDA margin of 20.4%.

EBITDA Breakdown

<i>Bt million</i>	2Q19	2Q18	%Chg	Contribution
As Reported				
Restaurant Services	859	1,024	-16	14
Hotel & Mixed-Use	5,036	1,926	162	85
Retail Trading & Contract Manufacturing	55	83	-34	1
Total EBITDA	5,950	3,033	96	100
EBITDA Margin	18.9	20.1		

Core*

Restaurant Services	879	903	-3	14
Hotel & Mixed-Use	5,282	1,926	174	85
Retail Trading & Contract Manufacturing	62	83	-26	1
Total EBITDA	6,223	2,912	114	100
EBITDA Margin	19.8	19.5		

* Exclude non-core items as detailed in the table on page 4

EBITDA Breakdown

<i>Bt million</i>	1H19	1H18	%Chg	Contribution
As Reported				
Restaurant Services	2,012	2,147	-6	20
Hotel & Mixed-Use	8,061	4,170	93	79
Retail Trading & Contract Manufacturing	139	155	-10	1
Total EBITDA	10,212	6,472	58	100
EBITDA Margin	16.9	20.7		

Core*

Restaurant Services	1,982	2,026	-2	19
Hotel & Mixed-Use	8,367	4,170	101	80
Retail Trading & Contract Manufacturing	145	155	-6	1
Total EBITDA	10,495	6,351	65	100
EBITDA Margin	17.4	20.4		

* Exclude non-core items as detailed in the table on page 4

In 2Q19, MINT's core net profit rose significantly by 94% y-y, mainly from the contribution of NH Hotel Group and hotel operations, although margin narrowed partly due to margin pressure on MLR, mixed-use, restaurant and lifestyle businesses, as well as, increased interest expenses

and taxes from acquisition. As a result, core net profit margin fell to 6.7% in 2Q19, compared to 7.3% in 2Q18.

Core net profit in 1H19 decreased slightly by 2% y-y, attributable to organic operations in 1H19, together with core earnings loss contribution from NH Hotel Group during its low seasonality in 1Q19. Additionally, the acquisition of NH Hotel Group resulted in additional interest expense and higher effective tax rate. Correspondingly, core net profit margin nudged down to 4.5% in 1H19 from 9.0% in 1H18.

Net Profit

<i>Bt million</i>	2Q19	2Q18	%Chg
As Reported			
Total net profit	1,786	1,205	48
Net Profit Margin	5.7	8.0	
Core*			
Total net profit	2,101	1,085	94
Net Profit Margin	6.7	7.3	

* Exclude non-core items as detailed in the table on page 4

Net Profit

<i>Bt million</i>	1H19	1H18	%Chg
As Reported			
Total net profit	2,369	2,925	-19
Net Profit Margin	3.9	9.4	
Core*			
Total net profit	2,734	2,804	-2
Net Profit Margin	4.5	9.0	

* Exclude non-core items as detailed in the table on page 4

Non-Recurring Items

<i>Bt million</i>	Pre-tax	Post-tax	Non-Recurring Items
2Q18	121	121	Fair value adjustment on the investment in Benihana
1Q19	50	50	Gain from the divestment of Bread Talk Thailand (Revenue)
	132	91	Capital gain from asset rotation of NH Hotel Group (Revenue)
	-191	-191	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
2Q19	-48	-38	Provision expenses for employee retirement benefits to adhere to the new labor law (SG&A expense allocated to each business unit)
	62	44	Capital gain from asset rotation of NH Hotel Group (Revenue)
	-320	-320	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)

Major Developments in 2Q19

Developments	
Restaurant	<ul style="list-style-type: none"> Added 14 outlets, net q-q, majority of which were Burger King and Dairy Queen outlets in Thailand and Riverside outlets in China
Hotel & Mixed-Use	<ul style="list-style-type: none"> Opened a total of 10 hotels <ul style="list-style-type: none"> Anantara: the first Anantara in Spain, Anantara Villa Padierna Palace Benahavis Marbella Resort (leased hotel) with 132 keys NH: NH Leipzig Zentrum (leased hotel) with 197 keys in Germany, NH Munchen Deutscher Kaiser (leased hotel) with 173 keys in Germany and NH Porto Jardim (managed hotel) in Portugal NH Collection: NH Collection Mexico City Centro Historico (leased hotel) with 105 keys in Mexico, NH Collection A Coruna Finisterre (leased hotel) with 92 keys in Spain, NH Collection Santiago Casacostanera (managed hotel) in Chile AVANI: FCC Angkor managed by AVANI (managed hotel) in Cambodia and AVANI Seminyak (managed hotel) in Indonesia Elewana: Loisaba Lodo Camp (managed hotel) in Kenya
Corporate	<ul style="list-style-type: none"> Drew down 5-year syndicated loans of Euro 329 million to refinance bridge loans associated with NH Hotel Group acquisition Announced to sell and lease back (through NH Hotel Group) 3 of its hotel properties in Lisbon, Portugal

Segment Performance

Restaurant Business

At the end of 2Q19, MINT's total restaurants reached 2,268 outlets, comprising of 1,139 equity-owned outlets (50% of total) and 1,129 franchised outlets (50% of total). 1,499 outlets (66% of total) are in Thailand, while the remaining 769 outlets (34% of total) are in 26 other countries in Asia, Oceania, Europe and Canada.

Restaurant Outlets by Owned Equity and Franchise			
	2Q19	Chg q-q	Chg y-y
Owned Equity	1,139	15	50
- Thailand	917	3	36
- Overseas	222	12	14
Franchise	1,129	-1	88
- Thailand	582	11	83
- Overseas	547	-12	5
Total Outlets	2,268	14	138

Restaurant Outlets by Brand			
	2Q19	Chg q-q	Chg y-y
The Pizza Company	544	0	70
Swensen's	322	2	0
Sizzler	66	-1	1
Dairy Queen	516	4	57
Burger King	115	4	20
The Coffee Club	468	2	25
Thai Express	88	-5	-3
Riverside	75	4	15
Benihana	21	0	2
Others*	53	4	-49**
Total Outlets	2,268	14	138

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

** The decrease in numbers of outlets was mainly due to the divestment of Breadtalk Thailand JV

Hub Performance Analysis

In 2Q19, total-system-sales (including sales from franchised outlets) increased by 3.8% y-y, solely supported by 6.5% outlet expansion, mainly in Thailand and China, as well as through international franchises. Same-store-sales decreased by 3.6% y-y. Although China hub reported positive same-store-sales growth for the second consecutive quarter, it was not enough to offset the soft performance of other key markets which remained under pressure from

continuing industry-wide consumption slowdown and intense competitive environment.

Thailand hub reported a 0.8% y-y increase in total-system-sales in 2Q19, attributable to selective store expansion of 9% amid weak same-store-sales growth. 2Q19 same-store-sales declined by 5.6% y-y, an improving trend compared to a decline of 6.0% in 1Q19. The domestic consumption, especially in the provinces of Thailand remained weak, and sluggish recovery of international tourist arrivals to Thailand continued to put pressure on the performance of outlets in tourist locations. Nevertheless, month-on-month same-store-sales have shown an improving trend during the quarter, primarily because of successful promotional campaigns and product innovation. The brand that achieved positive same-store-sales growth in June was Burger King, driven by successful launch of new Rice Menus in April. Furthermore, the rollout of sales campaigns including Sizzler's Baht 139 salad bar promotion while increasing the meal price, as well as, The Pizza Company's Baht 149 pizza promotion and Pizza Khoom Set campaign, also helped same-store-sales of these two brands to pick up month-on-month. Thailand hub will continue to drive product innovations, increase productivity through digital platform and engage marketing efforts amidst highly competitive environment. For example, Burger King is proactive in drawing customer traffic, especially at the stores in the Southern of Thailand by introducing new products such as several options of vegetarian burgers to target Indian tourists. The Pizza Company has also recently launched new product, Cheesy Shrimp Pizza while Sizzler offered Off-Peak Super Deal to drive traffic during off-peak period and new menu presentation to increase the price per bill. At the same time, MINT will employ a selective and disciplined approach of outlet expansion.

In 2Q19, China hub delivered total-system-sales growth of 15.8% y-y, mainly attributable to the rapid expansion of Riverside outlets of 13.6% y-y and continuous same-store-sales growth. China hub's same-store-sales growth remained in the positive territory at 1.1% y-y for the second consecutive quarter, thanks to its earlier strategy to focus its business only in the key cities with high purchasing power like Beijing and Shanghai, as well as, Riverside's selling price adjustment since February. China hub reiterates its goal to dominate the grilled fish segment in the tier-1 cities. It has

introduced 3 different store designs, targeting different types of customers; core customer base, young and affluent customers and customers in suburban locations. It will also elevate dining experience at its restaurants by rolling out premiumization project including upgrade grilled fish tray, table and heating plate which would uplift the brand image. Meanwhile, it will build product innovation through regional localization capabilities.

With weak economy and domestic consumption, Australia hub saw a 2.3% y-y decline in same-store-sales in 2Q19. This was mainly attributable to soft performance of The Coffee Club in Australia. Nevertheless, overseas operations of The Coffee Club and the Nomad Coffee Group (the wholesale coffee operation) which was acquired since 2014, continued to show solid growth with the focus on improving the profitability of the stores rather than outlet expansion. Australia hub posted a modest decline in total-system-sales growth of -2.1% in 2Q19. Australia hub continued to drive brand relevance with new brand image rolled out in June 2019, which includes enhancing delivery services, as well as, promoting differentiation through digital and new loyalty program application.

Overall, 1H19 group-wide total-system-sales rose by 4.5% y-y. The positive total-system-sales growth of Thailand and China hub offset the declining trend of Australia hub. 1H19 group-wide same-store-sales fell by 3.8%, given the challenging operating environments in Thailand and Australia.

For the remainder of the year, Minor Food expects China hub to be the key driver to support MINT's overall restaurant performance, thanks to its continuous outlet expansion, improvement in productivity, higher operational leverage from scale which lead to strong sales and profitability momentum. Meanwhile, Thailand is expected to improve from government policies to help support domestic consumption.

Restaurant Business Performance				
%	2Q19	2Q18	1H19	1H18
Average Same-Store-Sales Growth	(3.6)	(3.1)	(3.8)	(2.5)
Average Total-System-Sales Growth	3.8	(0.7)	4.5	(1.2)

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

Financial Performance Analysis

2Q19 total core restaurant revenue rose slightly by 1% y-y, mainly driven by China hub. Revenue of China hub grew strongly y-y which helped offset the declining revenue in Thailand and Australia hubs and the adverse translation impact of the strengthening of Thai Baht against Australian Dollar. Meanwhile, franchise fee remained stable y-y in 2Q19, supported by solid growth of franchise income from Thailand despite decreasing franchise revenue from weaker performance of the franchised stores in Australia and Vietnam, together with franchised store closure in Saudi Arabia.

2Q19 core EBITDA declined by 3% y-y. The effective cost management, improving operational productivity and higher sales flow-through in China partially helped ease the weak EBITDA performance in Thailand hub. Same-store-sales contraction as a result of investment and expenses in growing sales and strengthening of digital capability have put pressure on margins in Thailand. Consequently, overall core EBITDA margin declined to 15.0% in 2Q19, compared to 2Q18 EBITDA margin of 15.6%.

For 1H19, total core restaurant revenue grew by 3% y-y, supported by store expansion in Thailand, rapid expansion of Riverside outlets and continuous improvement of same-store-sales in China. 1H19 core EBITDA fell by 2% y-y from lower margin in Thailand hub which led overall core EBITDA margin to fall from 17.0% in 2H18 to 16.2% in 2H19.

Financial Performance*			
<i>Bt million</i>	2Q19	2Q18	%Chg
Revenues from Operation**	5,463	5,406	1
Franchise Fee	402	400	0
Total Revenues	5,865	5,806	1
EBITDA	879	903	-3
EBITDA Margin	15.0	15.6	
	1H19	1H18	%Chg
Revenues from Operation**	11,399	11,087	3
Franchise Fee	833	804	4
Total Revenues	12,233	11,892	3
EBITDA	1,982	2,026	-2
EBITDA Margin	16.2	17.0	

* Exclude non-core items as detailed in the table on page 4

** Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 2Q19, MINT owns 442 hotels and manages 136 hotels and serviced suites in 54 countries. Altogether, these properties have 75,722 hotel rooms and serviced suites, including 55,196 rooms that are equity-owned and leased and 20,526 rooms that are purely-managed under the Company's brands including Anantara, AVANI, Oaks, Tivoli, NH Collection, NH Hotels, nhow and Elewana Collection. Of the total, 4,060 rooms in Thailand accounted for 5%, while the remaining 71,662 rooms or 95% are located in 53 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	2Q19	Chg q-q	Chg y-y
Owned Equity*	55,196	192	46,073
- Thailand	2,716	0	0
- Overseas	52,480	192	46,073
Management	20,526	242	9,264
- Thailand	1,344	-97	-351
- Overseas	19,182	339	9,615
Total Hotel Rooms	75,722	434	55,337

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

Hotel Rooms by Ownership

	2Q19	Chg q-q	Chg y-y
Owned Hotels	19,141	-11	12,078
Leased Hotels	34,121	295	34,121
Joint Ventures	2,026	0	-34
Managed Hotels	13,445	161	8,695
MLRs*	6,989	-11	477
Total Hotel Rooms	75,722	434	55,337

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis

MINT's existing owned-hotels portfolio (excluding NH Hotel Group), which accounted for 20% of core hotel & mixed-use revenues in 2Q19, reported y-y organic revenues per available room ("RevPar") increase of 6%. Owned hotels in Thailand saw flat organic RevPar growth y-y, as strong performance of owned hotels in Bangkok helped offset the weak operations of owned hotels outside of Bangkok. An increase in both occupancy rates and room rates drove organic RevPar growth of owned hotels in Bangkok to 9% y-y. Anantara Riverside Bangkok and Anantara Siam Bangkok achieved double-digit RevPar growth in 2Q19. Organic RevPar of owned hotels in the provinces of Thailand

declined by 7% y-y, particularly because of hotels in the key tourist destinations like Phuket, Samui and Chiangmai. For overseas operations, the performance was robust as organic RevPar of owned overseas hotels jumped 10% y-y in Thai Baht term despite appreciation of Thai Baht against other foreign currencies. Excluding the foreign exchange translation impact, organic RevPar of owned overseas hotels grew by 20% y-y, driven by strong performance of all key hubs including Portugal, Brazil, Maldives and Africa. Owned hotels in both Portugal and Africa achieved organic RevPar growth of 8% y-y in Thai Baht term, mainly led by rising occupancy rates. With superior demand growth from the Portuguese, American and domestic tourists, room rates of the Brazil portfolio grew significantly which led to notable organic RevPar growth of 18% y-y in Thai Baht term. In the Maldives, the effective pricing management has resulted in a jump of RevPar by 19% y-y.

The NH Hotel Group portfolio, contributing 68% of core hotel & mixed-use revenues in 2Q19, saw organic RevPar of its owned and leased hotel portfolio in Euro term increase by 6% y-y. The strong RevPar growth was mainly supported by higher room rate across all of its key markets. Spain showed the strongest operations with 7% organic RevPar growth in 2Q19, supported by successful price maximization from increased congresses and events. With the inclusion of new hotels, 2Q19 system-wide RevPar of NH Hotel Group's owned and leased portfolio grew by 6% y-y in Euro term.

With the inclusion of new hotels and NH Hotel Group, system-wide RevPar of MINT's entire owned and leased hotel portfolio decreased by 14% y-y. This was solely due to the change in mix of hotel portfolio with NH Hotel Group commanding much lower RevPar than MINT's average.

The management letting rights portfolio (MLRs), contributing 6% of 2Q19 core hotel & mixed-use revenues, recorded a decline in RevPar by 12% y-y in Thai Baht term, pressured by appreciation of Thai Baht against Australian Dollar, as well as, lower occupancy and room rates in local currency. The markets in Australia continued to face headwinds from lower demand from the economic slowdown and higher supply which led to increased competition and aggressive rates environment. Nevertheless, 2Q19 RevPar of MLRs decreased by a lower magnitude at 4% y-y in local currency compared to a decline of 12% in Thai Baht term.

Revenue contribution of management contract (excluding NH Hotel Group) to MINT's core hotel & mixed-use revenues was 1% in 2Q19. Organic RevPar of management contract portfolio increased by 8% y-y in 2Q19, led by improved performance of managed hotels in UAE, Oman, Qatar and Seychelles, all of which delivered strong RevPar growth in 2Q19. Including the consolidation of NH Hotel Group, in which its hotels have lower average room rate than MINT's existing portfolio, system-wide RevPar of managed hotels declined by 13% y-y in 2Q19.

In summary, in 2Q19, MINT's organic RevPar of the entire portfolio increased slightly by 1% y-y as strong performance of owned Bangkok and overseas hotels, together with managed hotels helped offset the soft operations of owned hotels in the provinces of Thailand and MLRs, as well as, the foreign exchange translation impact from the strengthening of Thai Baht. Excluding the foreign exchange impact, organic RevPar of the entire portfolio rose by 6% y-y. Including new hotels and NH Hotel Group, system-wide RevPar of MINT's entire portfolio decreased by 9% y-y in Thai Baht, primarily due to the lower RevPar commanded by NH Hotel Group than MINT's average.

In 1H19, organic RevPar of MINT's entire portfolio declined by 3% y-y in Thai Baht term from the weak performance of hotels in non-Bangkok and MLR, and Thai Baht appreciation. Including new hotels and NH Hotel Group, system-wide RevPar of the entire portfolio decreased by 24% y-y.

Hotel Business Performance by Ownership

(System-wide)	<u>Occupancy (%)</u>			
	2Q19	2Q18	1H19	1H18
Owned Hotels*	74	64	70	62
Joint Ventures	48	47	54	53
Managed Hotels*	60	59	62	63
MLRs**	74	76	75	77
Average	72	66	69	67
MINT's Portfolio in Thailand	73	72	77	77

(System-wide)	<u>ADR (Bt/night)</u>			
	2Q19	2Q18	1H19	1H18
Owned Hotels*	4,109	5,556	3,942	6,383
Joint Ventures	7,676	6,987	8,876	8,805
Managed Hotels*	4,561	5,375	4,548	5,766
MLRs**	3,627	3,999	3,879	4,310
Average	4,168	4,983	4,098	5,572
MINT's Portfolio in Thailand	4,432	4,337	5,169	5,186

(System-wide)	<u>RevPar (Bt/night)</u>			
	2Q19	2Q18	1H19	1H18
Owned Hotels*	3,053	3,568	2,752	3,973
Joint Ventures	3,715	3,301	4,772	4,626
Managed Hotels*	2,744	3,144	2,812	3,656
MLRs**	2,673	3,052	2,928	3,334
Average	2,985	3,270	2,822	3,729
MINT's Portfolio in Thailand	3,216	3,102	3,984	4,011

(Organic)	<u>Occupancy (%)</u>			
	2Q19	2Q18	1H19	1H18
Owned Hotels*	68	64	64	62
Joint Ventures	48	47	54	53
Managed Hotels*	60	59	65	63
MLRs**	74	76	75	77
Average	67	66	68	67
MINT's Portfolio in Thailand	73	72	77	77

(Organic)	<u>ADR (Bt/night)</u>			
	2Q19	2Q18	1H19	1H18
Owned Hotels*	5,611	5,556	6,166	6,383
Joint Ventures	7,676	6,987	8,876	8,805
Managed Hotels*	5,613	5,375	5,935	5,766
MLRs**	3,627	3,999	3,879	4,310
Average	4,936	4,983	5,369	5,572
MINT's Portfolio in Thailand	4,432	4,337	5,169	5,186

(Organic)	<u>RevPar (Bt/night)</u>			
	2Q19	2Q18	1H19	1H18
Owned Hotels*	3,788	3,568	3,962	3,973
Joint Ventures	3,715	3,301	4,772	4,626
Managed Hotels*	3,391	3,144	3,846	3,656
MLRs**	2,673	3,052	2,928	3,334
Average	3,291	3,270	3,628	3,729
MINT's Portfolio in Thailand	3,216	3,102	3,992	4,011

* 2Q19 numbers include NH Hotel Group

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

Hotel Performance Analysis

In 2Q19, core revenue from hotel and related services operation jumped more than three-fold y-y, mainly from the substantial revenue contribution from the consolidation of NH Hotel Group, together with growing organic hotel operations in Bangkok and overseas markets. 2Q19 management income excluding NH Hotel Group recorded solid growth of 10% y-y, primarily from rising organic RevPar of managed hotels in UAE, Oman, Qatar and Seychelles, as well as, additional management fees from increase in number of managed rooms.

In 1H19, core revenue from hotel and related services operations tripled from the same period last year, chiefly due to the consolidation of NH Hotel Group. 1H19 management income (excluding NH Hotel Group) increased strongly by 12% y-y, reflecting higher income of managed hotels and fee contribution from expanding managed hotel portfolio.

Mixed-Use Business & Performance Analysis

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. The first project is The Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Resort Koh Samui. The second project is St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. To date, all units of St. Regis Residences have been sold. The third project is Layan Residences by Anantara in Phuket, with 15 villas next to Anantara Layan Phuket Resort. In addition, MINT launched three joint-venture residential projects. Anantara Chiang Mai Serviced Suites is situated across Anantara Chiang Mai Resort & Spa and consists of 44 condominium units available for sale. Avadina Hills by Anantara is located next to Layan Residences by Anantara in Phuket with 16 luxury villas for sale. Lastly, the Torres Rani in Maputo, Mozambique consists of 187 condominium units. While most of the units are leased out, there are six penthouses available for sale. In addition, two new residential development projects are currently under

construction, including Anantara Desaru in Malaysia and Anantara Ubud Bali in Indonesia 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 2Q19, AVC had a total inventory of 229 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. With MINT's sales and marketing efforts, the number of members continued to increase by 17% y-y to 13,296 members at the end of 2Q19.

Revenue from mixed-use business declined by 10% y-y in 2Q19 from the same period last year due to the mismatched timing of residential unit sales, weak operations of plaza and entertainment business, as well as, sluggish AVC revenues. Lower level of AVC sales activities was primarily a result of an increase in price per point since December 2018 which coincided with China economic slowdown, together with adverse tier mix and lower average value of new members sourced from China. For 1H19, revenue from mixed-use business fell by 7% y-y as the residential development activities in 1Q19 did not fully mitigate the decline in AVC and plaza and entertainment revenues.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 2Q19, total core revenue of hotel & mixed-use business tripled y-y with a significant increase from the revenue consolidation of NH Hotel Group and better performance of existing hotel operations. Excluding NH Hotel Group, total core revenue rose by 1%, compared to the same period last year. The improved performance of owned hotels in the portfolio in Bangkok and overseas markets, together with strong management income offset the weak revenues of MLR portfolio and the mixed-use business. MLR portfolio continued to be pressured by lower demand from weak economic environment in Australia, stiff room rate competition and the weakening of Australian Dollar.

Core EBITDA of hotel & mixed-use business increased by almost three-fold in 2Q19 from the same period last year, mostly because of the consolidation of NH Hotel Group and strong operations of existing hotels. Excluding NH Hotel Group, organic EBITDA declined. The strong performance of owned and managed hotels helped mitigate the weak

performance of MLR and mixed-use businesses. Higher profitability from the organic hotel operation and the higher margin of NH Hotel Group during its high season partially helped ease the pressure from the lower operating leverage of MLR and mixed-use operations. Consequently, core EBITDA margin of hotel & mixed-use business nudged down to 21.6% in 2Q19, compared with 2Q18 EBITDA of 23.7%.

For 1H19, total revenue of hotel & mixed-use business increased by more than two-fold y-y, attributable to revenue contribution from NH Hotel Group and growth of pure hotel operations and management income, together with residential sales activities. However, total core revenue excluding NH Hotel Group fell slightly by 1% y-y as the operations of MLR and AVC were under pressure. Core EBITDA of hotel & mixed-use business in 1H19 doubled y-y from the consolidation of NH Hotel Group and pure hotel operations. Excluding NH Hotel Group, strong performance of pure hotel operations helped alleviate the decline in core EBITDA from lower flow-through of MLR, residential and AVC operations. With softer operations of mixed-use business and the consolidation of NH Hotel group which structurally has lower margins, core EBITDA margin of hotel

& mixed-use business contracted from 24.5% in 1H18 to 18.3% in 1H19

In 2H19, Minor Hotels expects organic hotel operations in Thailand to continue to improve from a recovery of the international tourist arrivals and MINT's efforts to make sure that its hotel brands and products are on top of customers' mind. Meanwhile, positive outlook remains intact for key operating overseas markets. Maldives is expected to deliver strong operations, mainly driven by an increase in average room rates from improved demand and continued targeted marketing initiatives. Tivoli assets should ride on the positive tourism outlook and improved product offerings while its margins are expected to further improve with the integration of the operations with NH Hotel Group. For hotels in European countries, which is part of NH Hotel Group, stellar performance is expected as its operations are likely to outperform the economy due to their prime locations, together with higher operating leverage and effective cost management. The mixed-use business should improve on the back of residential sales pipeline and a gradual recovery of AVC sales.

Financial Performance*

<i>Bt million</i>	2Q19 Organic	2Q19 NHH	2Q19 Consolidated	2Q18 Organic	2Q18 NHH	2Q18 Consolidated	%Chg Organic	%Chg Consolidated
Hotel & related services**	6,329	16,596	22,924	6,184	359	6,543	2	250
Management fee	322		322	293		293	10	10
Mixed-use	1,162		1,162	1,284		1,284	-10	-10
Total Revenues	7,812	16,596	24,408	7,762	359	8,121	1	201
EBITDA	1,363	3,920	5,282	1,692	234	1,926	-19	174
EBITDA Margin (%)	17.4	23.6	21.6	21.8	65.2	23.7		

<i>Bt million</i>	1H19 Organic	1H19 NHH	1H19 Consolidated	1H18 Organic	1H18 NHH	1H18 Consolidated	%Chg Organic	%Chg Consolidated
Hotel & related services**	13,215	29,132	42,347	13,298	359	13,657	-1	210
Management fee	762		762	681		681	12	12
Mixed-use	2,530		2,530	2,713		2,713	-7	-7
Total Revenues	16,507	29,132	45,639	16,691	359	17,050	-1	168
EBITDA	3,509	4,859	8,367	3,936	234	4,170	-11	101
EBITDA Margin (%)	21.3	16.7	18.3	23.6	65.2	24.5		

* Exclude non-core items as detailed in the table on page 4

** Include share of profit and other income

Retail Trading & Contract Manufacturing Business

At the end of 2Q19, MINT had 496 retail trading points of sales, an increase of 67 points of sales from 429 points at the end of 2Q18. Of total 496 retail trading outlets, 84% are operated under fashion brands including Anello, Bossini, Brooks Brothers, Charles & Keith, Esprit, Etam, OVS, Radley and Save My Bag, while 16% are operated under home and kitchenware brands including Joseph Joseph, Zwilling J.A. Henckels and Bodum.

Retail Trading's Outlet Breakdown

	2Q19	Chg q-q	Chg y-y
Fashion	417	7	44
Home & Kitchenware	79	3	23
Total Outlets	496	10	67

In 2Q19, total retail trading & contract manufacturing revenue grew by 10% y-y, mainly fuelled by retail trading business. Retail trading recorded solid revenue growth of 14% y-y as a result of proactive promotional campaigns. Meanwhile, revenue of contract manufacturing business decreased slightly by 1% y-y as MINT's FMCG customers missed their sales forecasts, pressured by sluggish economy and weak domestic demand. 2Q19 EBITDA of retail trading & contract manufacturing business declined by 26% y-y, tampered by higher proportion of lower-margin product sales from the marked down clearance sales in retail trading and lower economies of scale in contract manufacturing. As a result, EBITDA margin nudged down from 8.2% in 2Q18 to 5.5% in 2Q19.

1H19 revenue from retail trading & contract manufacturing increased by 11% y-y, driven by higher sales of retail trading portfolio and growth of contract manufacturing business. However, 1H19 EBITDA decreased by 6% y-y due to lower operating leverage of both businesses. Therefore, EBITDA margin fell from 7.2% in 1H18 to 6.2% in 1H19.

Financial Performance*

<i>Bt million</i>	2Q19	2Q18	%Chg
Retail Trading	909	800	14
Manufacturing	211	213	-1
Total Revenues**	1,120	1,014	10
EBITDA	62	83	-26
EBITDA Margin	5.5	8.2	

<i>Bt million</i>	1H19	1H18	%Chg
Retail Trading	1,864	1,668	12
Manufacturing	507	475	7
Total Revenues**	2,370	2,143	11
EBITDA	145	155	-6
EBITDA Margin	6.2	7.2	

* Exclude non-core items as detailed in the table on page 4

** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2Q19, MINT reported total assets of Baht 260,552 million, a decrease of Baht 7,148 million from Baht 267,700 million at the end of 2018. The reduction was primarily the result of (1) Baht 3,397 million decrease in property, plant and equipment and (2) Baht 3,867 million decrease in intangible assets, both of which are mainly from the impact of foreign exchange translation with the strengthening of the Thai Baht during the first six months.

MINT reported total liabilities of Baht 180,193 million at the end of 2Q19, a decrease of Baht 4,433 million from Baht 184,626 million at the end of 2018. The decrease was primarily due to the decrease in net financing of Baht 2,259 million, mainly from the impact of foreign exchange translation.

Shareholders' equity decreased by Baht 2,715 million, from Baht 83,074 million at the end of 2018 to Baht 80,359 million at the end of 2Q19, owing mainly to (1) Baht 659 million interest payment on subordinated perpetual debentures, (2) the dividend payment of Baht 1,848 million and (3) foreign exchange translation adjustment of Baht 1,827 million, which more than offset the net income contribution of Baht 1,786 million for the period.

For the first 6 months of 2019, MINT and its subsidiaries reported positive cash flows from operations of Baht 6,156 million, an increase of Baht 4,133 million y-y. This was from (1) higher depreciation and amortisation of Baht 2,324 million and (2) the net increase related to the foreign exchange translations of Baht 1,516 million.

Cash flow paid for investing activities was Baht 6,557 million, primarily due to capital expenditures of hotel, restaurant, and other businesses amounted to Baht 6,918 million.

The Company reported net cash paid for financing activities of Baht 25 million, primarily due to (1) the dividends paid to

shareholders and non-controlling interests of Baht 2,008 million and (2) interest paid on perpetual debentures of Baht 659 million, which slightly more than offset the net cash received from the issuance of debentures and long-term borrowings of Baht 2,641 million.

In summary, cash flows from operating, investing and financing activities resulted in MINT's net cash and cash equivalents' decrease of Baht 426 million in 1H19.

Financial Ratio Analysis

MINT's gross profit margin decreased from 57.2% in 1H18 to 45.4% in 1H19, due mainly to lower flow-through of hotel, mixed-use and retail operations. MINT reported a decrease in core net profit margin to 4.5% in 1H19 from 9.0% in 1H18. The decline was attributable to lower profitability of MLR, mixed-use, restaurant and retail trading & contract manufacturing businesses, together with higher interest expense and tax rate related to NH Hotel Group.

Annualized return on equity decreased from 11.2% in 1H18 to 6.7% in 1H19, as a result of the increase in equity base from the issuance of perpetual debentures to finance the acquisition of NH Hotel Group while earnings of MLR, residential, AVC, restaurant and lifestyle were under pressure. Correspondingly, annualized return on assets also declined from 4.2% in 1H18 to 2.1% in 1H19.

Collection days decreased from 59 days in 1H18 to 46 days in 1H19, mainly from NH Hotel Group consolidation. The provision for impairment as a percentage of gross trade receivables decreased from 6.4% in 1H18 to 4.2% in 1H19, from hotel, restaurant and retail businesses due to 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 decreased from 54 days in 1H18 to 25 days in 1H19, mainly from the consolidation of NH Hotel Group given that the nature of pure hotel operator like NH Hotel Group has lower inventory level than MINT's existing businesses which consist of food and retail trading operations as well. Account payable days increased from 42 days in 1H18 to 75 days in 1H19, mainly from hotel business with the consolidation of NH Hotel Group's financials.

Current ratio decreased slightly to 0.8x at the end of 2Q19, compare to 0.9x at the end of 2018 because of the increase

in short-term loans from financial institutions and current portions of long-term borrowings. Interest bearing debt to equity rose slightly to 1.55x in 2Q19 from 1.53x at the end of 2018, attributable to the reduction of equity from translation adjustments and interest expenses on perpetual bonds. Interest coverage ratio increased from 2.7x in 1H18 to 4.4x in 1H19 because of the higher cash flows from operations despite higher interest expense from acquisition of NH Hotel Group.

Financial Ratio Analysis

Profitability Ratio (6 months)	30 June 19	30 June 18
Gross Profit Margin (%)	45.4	57.2
Net Profit Margin (%)	3.9	9.4
Core Net Profit Margin* (%)	4.5	9.0
Efficiency Ratio	30 June 19	30 June 18
Return on Equity** (%)	6.7	11.2
Return on Assets** (%)	2.1	4.2
Collection Period (days)	46	59
Inventory Days	25	54
Accounts Payable Days	75	42
Liquidity Ratio	30 June 19	31 Dec 18
Current Ratio (x)	0.8	0.9
Leverage & Financial Policy	30 June 19	31 Dec 18
Interest Bearing Debt/Equity (x)	1.6	1.5
Net Interest Bearing Debt/Equity (x)	1.4	1.4
	30 June 19	30 June 18
Interest Coverage (x)	4.4	2.7

* Exclude non-core items as detailed in the table on page 4

** In an annualized term

NH Hotel Group

NH Hotel Group posted strong financial results in 2Q19 with reported revenue growth of 5% y-y. System-wide RevPar of the overall portfolio rose by 6% y-y in Euro term in 2Q19, mainly fueled by strong performance in Spain and Italy. Spain operations benefited from the continuous recovery of hotels in Barcelona and solid performance of hotels in Madrid from more congresses, events and Champions League Final. Meanwhile, good performance in Italy was due to favourable trade fair calendar in Milan and Rome.

2Q19 recurring EBITDA grew by 10% y-y to EUR 110 million, driven by solid top-line growth, effective cost control and business improvement which led to higher flow-through. As a result, recurring EBITDA margin rose from 22.3% in 2Q18 to 23.4% in 2Q19.

NH Hotel Group's net recurring profit in 2Q19 jumped by 23% y-y to EUR 57 million, supported by improvement in operational performance and a substantial reduction in financial cost, following the early redemption of convertible bond in June 2018 and the partial early redemption of 2023 bond in 4Q18. Therefore, net recurring profit margin improved from 9.6% in 2Q18 to 12.3% in 2Q19. Due to y-y lower write-off from repositioning capex investments in 2Q19, NH Hotel Group's reported net profit in 2Q19 grew by 35%, at a faster rate than its net recurring profit.

In 1H19, revenue of NH Hotel Group grew 5% y-y, supported by system-wide RevPar growth of 6% in Euro term with particular strength in Spain, Central Europe and Italy. Meanwhile, its EBITDA and net recurring profit increased at a larger magnitude than the revenue growth with the same reasons as in 2Q19. Net recurring profit jumped 83% y-y to EUR 42 million in 1H19 with business improvement and reduction in financial costs.

For 2019, NH Hotel Group reiterates its full-year recurring EBITDA target of EUR 285 million and recurring net profit of EUR 100 million (excluding IFRS 16 and IAS 29). The operations in 1H19 were on track and NH Hotel Group remains positive in its business outlook on the back of favorable demand across its key markets and its good asset quality which will further drive higher average room rates and profitability.

Financial Performance*

EUR million	2Q19	2Q18	%Chg
Revenue	469	445	5
Recurring EBITDA	110	99	10
Recurring EBITDA Margin (%)	23.4	22.3	1
Net Recurring Profit	57	46	23
Net Recurring Profit Margin (%)	12.0	10.3	2
Net Profit	58	43	35
Net Profit Margin (%)	12.3	9.6	3

	1H19	1H18	%Chg
Revenue	822	785	5
Recurring EBITDA	131	115	14
Recurring EBITDA Margin (%)	15.9	14.6	1
Net Recurring Profit	42	23	83
Net Recurring Profit Margin (%)	5.1	2.9	2
Net Profit	46	64	-29
Net Profit Margin (%)	5.6	8.2	-3

* Exclude IFRS 16 accounting effect, which was implemented on 1 January 2019 in Europe

Management's Outlook

Balance Sheet Management

Following the acquisition of NH Hotel Group, 2Q19 interest bearing debt to equity ratio rose to 1.55x, still well below MINT's debt covenant of 1.75x. However, MINT reiterates its target to bring the leverage ratio down to the internal policy of 1.3x by the end of 2019. MINT is fully committed to proactive capital structure management and has concrete funding and refinancing plans with the objective to maximize the quality of both debt and equity while optimizing the funding costs. The following actions have been implemented to strengthen MINT's balance sheet post NH Hotel Group acquisition.

- Issuance of perpetual bonds in 2018: MINT successfully issued two tranches of perpetual bonds to help strengthen the equity base; Baht 15 billion perpetual bonds and USD 300 million perpetual bonds.
- Revaluation of NH Hotel Group assets in 2018: the revaluation exercise was completed, which helped boost MINT's equity base by Baht 708 million.
- Issuance of EUR bonds in 2018: Euro 80 million 15-year corporate bonds and Euro 139 million 5-year loans were successfully issued to refinance bridge loans associated with NH Hotel Group acquisition.
- Issuance of THB bonds in 1Q19: MINT successfully issued THB bond in the amount of Baht 33 billion in March 2019. These bonds are in series with maturities of 2 to 15 years, of which Baht 24 billion were used to refinance bridge loans associated with NH Hotel Group acquisition.

- Take out syndicated loans in 2Q19: 5-year syndicated loans of Euro 329 million were drawn down in April 2019 to repay bridge loans associated with NH Hotel Group acquisition.
- Tivoli asset rotation strategy in 3Q19: MINT announced in June 2019 that it has entered into agreements to sell and lease back (through NH Hotel Group) three of its hotel properties in Lisbon, Portugal. The transactions have already been completed by the end of July 2019. The cash received from the gross selling price of Euro 313 million has been used to repay debt while the net gain of Euro 62 million from sale of these assets will improve the equity base in 3Q19. Not only has the asset rotation strategy enhanced the internal rate of return of MINT's 2016 acquisition of the entire 14 Tivoli properties but it also highlighted MINT's strategic M&A track record, as it is able to sell these assets at an attractive price while retaining ownership of the Tivoli brand and full operational control of the Tivoli Portugal and Brazil operating platforms.

In summary, about 80% of the bridge loans (the investment amount of NH Hotel Group acquisition) have already been refinanced to long-term bonds and loans and another 10% will be repaid by the cash received from the Tivoli sale and lease back strategy. With the aforementioned initiatives and 2019 net profit which will further add to the equity base, MINT is confident that its leverage position will be reduced to the internal level of 1.3x by year end.

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Mr. Chaiyapat Paitoon

Deputy Corporate Chief Financial Officer