November 12, 2020 **Minor International Public Company Limited**

Management Discussion and Analysis

Overview
3Q20 and 9M20 Performance

Summary: Minor International Public Company Limited ("MINT") reported improving business trend across all three business units in 3Q20 compared to the previous quarter, driven by continuous easing of COVID-19 restrictions in most of the regions, together with MINT's stringent cost cutting measures.

In 3Q20, core revenue decreased by 50% y-y to Baht 14,887 million, pressured by the adverse impact of COVID-19 pandemic on overall business operations. Nevertheless, revenue from real estate sales activities and food revenue in China saw a y-y increase in the quarter. Compared to the previous quarter, the revenue increased by more than two folds as hotels, restaurants and retail outlets started to resume their operations since June following the strict lockdown globally earlier.

Cost reduction measures are an on-going process and continued to be implemented in 3Q20 across all business units and across geographies, notably in Europe where NH Hotel Group has actively negotiated with its lessors and other parties for rent reduction, rent deferral, lease restructuring, as well as government relief packages. This led to a 34% y-y reduction of total costs including cost of goods sold, operating expenses and selling, general & administrative expenses which helped mitigate the y-y lower sales flow-through in 3Q20. Core EBITDA excluding TFRS16 turned into net loss of Baht 1,721 million in 3Q20 from core EBITDA of Baht 5,171 million in 3Q19. However in 3Q20, Minor Food remained resilient, recording continuous positive EBITDA while MLR and plaza & entertainment businesses also passed break-even points in the quarter. Including the impact of TFRS 16, core EBITDA was Baht 1,495 million in 3Q20, declining by 71% from 3Q19 level.

Core net profit of Baht 1,417 million in 3Q19 turned into a pre-TFRS 16 core loss of Baht 4,419 million in 3Q20, but a big improvement from core loss pre-TFRS16 of Baht 6,869 million in 2Q20. Specifically, the core losses have consistently come down m-m from its peak of Baht 2,684 million in April to Baht 1,438 million in September. All business units saw positive recovery q-q, notably Minor Food in which its financial performance bounced back to net profit of Baht 208 million in 3Q20, following core losses in the first two quarters of the year. This was driven by exceptional performance of China hub, successful product innovation, together with delivery and takeaway business in Thailand, robust contribution of Bonchon, as well as strict cost control. Including the unfavorable accounting impact from the adoption of TFRS16, MINT reported core loss of Baht 4,783 million during the quarter.

Including non-core items as detailed in the appendix, and with the adoption of TFRS16, MINT posted a 57% and 92% y-y decline in revenue and EBITDA to Baht 14,904 million and Baht 658 million, respectively. Reported bottom line was at a loss of Baht 5,595 million in 3Q20. For 9M20, MINT's revenue fell by 53% to Baht 44,135 million while EBITDA decreased by 89% to Baht 1,959 million, compared to the same period last year. Reported net profit turned into net loss of Baht 15,816 million in 9M20.

Financial Performance

Bt million	Core 3Q20 Post-TFRS16	Core 3Q20 Pre-TFRS16	Core 3Q19	%Chg Like-for-Like	Reported 3Q20 Post-TFRS16	Reported 3Q19	%Chg
Total Revenue	14,887	14,887	29,497	-50	14,904	34,277	-57
Total EBITDA	1,495	-1,721	5,171	-133	658	8,311	-92
EBITDA Margin (%)	**10.0**	**-11.6**	**17.5**		**4.4**	**24.2**	
Total Net Profit	-4,783	-4,419	1,417	-412	-5,595	4,560	-223
Net Profit Margin (%)	**-32.1**	**-29.7**	**4.8**		**-37.5**	**13.3**	
Bt million	**Core 9M20 Post-TFRS16**	**Core 9M 20 Pre-TFRS16**	**Core 9M19**	**%Chg Like-for-Like**	**Reported 9M20 Post-TFRS16**	**Reported 9M19**	**%Chg**
Total Revenue	43,989	43,989	89,739	-51	44,135	94,762	-53
Total EBITDA	2,651	-6,954	15,666	-144	1,959	18,523	-89
EBITDA Margin (%)	**6.0**	**-15.8**	**17.5**		**4.4**	**19.5**	
Total Net Profit	-15,119	-14,122	4,151	-440	-15,816	6,929	-328
Net Profit Margin (%)	**-34.4**	**-32.1**	**4.6**		**-35.8**	**7.3**	

TFRS16 Impact on P&L*

Bt million	3Q20 Pre-TFRS16	3Q20 Post-TFRS16
Total EBITDA	**-1,721**	**1,495**
EBITDA Margin (%)	**-11.6**	**10.0**
Depreciation	2,349	4,947
Interest Expense	1,272	2,329
Corporate Income Tax	-635	-709
Minority Interest	-288	-288
Total Net Profit	**-4,419**	**-4,783**
Net Profit Margin (%)	**-29.7**	**-32.1**
	9M20 Pre-TFRS16	**9M20 Post-TFRS16**
Total EBITDA	**-6,954**	**2,651**
EBITDA Margin (%)	**-15.8**	**6.0**
Depreciation	6,884	14,671
Interest Expense	3,100	6,049
Corporate Income Tax	-1,873	-2,007
Minority Interest	-943	-943
Total Net Profit	**-14,122**	**-15,119**
Net Profit Margin (%)	**-32.1**	**-34.4**

* Exclude non-core items as detailed in the appendix

Performance Breakdown by Business*

9M20	**% Core Revenue Contribution**
Hotel & Mixed-use	60
Restaurant Services	34
Retail trading & Contract Manufacturing	6
Total	**100**

* Exclude non-core items as detailed in the appendix but include the impact of TFRS16

Major Developments in 3Q20

Developments	
Restaurant	• Reduced 7 outlets, net q-q, majority of which were a result of store closure of The Coffee Club in Australia, which offset the opening of 9 Bonchon outlets during the quarter
Hotel & Mixed-Use	• Opened a total of 12 new hotels q-q (including 7 hotels formerly known as Boscolo) - Anantara: Anantara Palazzo Naiadi Rome Hotel (leased hotel) in Italy, Anantara New York Palace Budapest Hotel (leased hotel) in Hungary, Anantara Maia Seychelles Villas (managed hotel) in Seychelles - NH Collection: NH Collection Venezia Grand Hotel Palazzo Dei Dogi (leased hotel) in Italy, NH Collection Firenze Palazzo Gaddi (leased hotel) in Italy, NH Collection Budapest City Center (leased hotel) in Hungary, NH Collection Prague Carlo IV (leased hotel) in Czech Republic - NH: NH Berlin Potsdam Conference Center (leased hotel) in Germany, NH

	Venezia Santa Lucia (leased hotel) in Italy - Oaks: Oaks Ibn Battuta Gate (managed hotel) in UAE, Oaks Toowoomba (MLR hotel) in Australia, Oaks Cairns (MLR hotel) in Australia
Corporate	• Successfully completed rights offering issuance in the amount of Baht 9,759 million • Issued and allocated Warrants-7 to the existing shareholders at the ratio of 22 ordinary shares per 1 unit of warrant with the exercise price of Baht 21.60 per share

Segment Performance

Restaurant Business

At the end of 3Q20, MINT's total restaurants reached 2,356 outlets, comprising of 1,183 equity-owned outlets (50% of total) and 1,173 franchised outlets (50% of total). 1,582 outlets (67% of total) are in Thailand, while the remaining 774 outlets (33% of total) are in 25 other countries in Asia, Oceania, Middle East, Europe, Canada and Mexico.

Restaurant Outlets by Owned Equity and Franchise

	3Q20	Chg q-q	Chg y-y
Owned Equity	1,183	-1	40
- Thailand	956	-8	43
- Overseas	227	7	-3
Franchise	1,173	-6	19
- Thailand	626	8	28
- Overseas	547	-14	-9
Total Outlets	**2,356**	**-7**	**59**

Restaurant Outlets by Brand

	3Q20	Chg q-q	Chg y-y
The Pizza Company	573	-5	21
Swensen's	324	2	3
Sizzler	63	0	-3
Dairy Queen	499	-6	-21
Burger King	119	-2	4
The Coffee Club	452	-12	-30
Thai Express	80	-3	-7
Riverside	99	8	18
Benihana	19	0	0
Bonchon	74	9	74
Others*	54	2	0
Total Outlets	**2,356**	**-7**	**59**

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

Hub Performance Analysis

In 3Q20, total-system-sales (including sales from franchised outlets) declined by 17.2% y-y. The positive total-system-sales growth of China hub attributable to strong business recovery and outlet expansion with attractive locations, partially helped offset the challenging operating environments of Minor Food in Thailand and Australia. Overall same-store-sales decreased by 15.9% y-y, an immense improvement from the previous quarter which was a decline of 23.0% y-y, due to the continuous easing of COVID-19 restrictions for restaurants in most of the regions, especially in China which recorded first positive same-store-sales growth since the outbreak of the pandemic.

Total-system-sales of Thailand hub fell by 14.2% y-y in 3Q20, mainly from a decrease of 15.5% in same-store-sales. This was primarily because of weak domestic consumption, heavy rain and lack of tourist traffic which resulted in lower customer counts in dine-in business across most of the brands, together with temporary store closure of certain stores in tourist areas, mainly The Coffee Club and Burger King. Nevertheless, Minor Food's enhanced delivery and digital platform, continuous growth of take-away, contribution from Bonchon, as well as new product development helped alleviate the adverse impact. To further boost customers' engagement, each brand also implemented its sales strategies. During the quarter, key new product development helped support the sales of The Pizza Company and Bonchon while Sizzler, Swensen's and Dairy Queen managed to increase average spending per ticket through menu price increase and promotions of selective product mix. Furthermore, Minor Food continued to strengthen its brand proposition. For example, Swensen's has implemented brand revitalization by conducting consumer and market study to develop new brand identity and enhance brand perception. The brand has carried out new menu and store design, as well as product development. The brand recently opened its regional flagship store in Nan province, Thailand with unique architecture style and local culture and has received positive online awareness from the customers.

China hub reported an impressive total-system-sales growth of 8.1% y-y in 3Q20, driven by successful store expansion and solid recovery of dine-in business, especially in Beijing and Shanghai from the pick-up in domestic consumption. Same-store-sales growth in the quarter turned positive for the first time in the year to 3.0% y-y, a remarkable improvement from a decline of 27.0% y-y in 2Q20. Particularly, the operating sales showed significant development m-m with same-store-sales growth back to positive territory in August and September at 8.0% and 5.4% y-y, respectively.

Total-system-sales of Australia hub decreased by 25.2% y-y in 3Q20, a result of lower number of stores from permanent closure of underperforming stores and a decrease of 18.6% y-y in same-store-sales which was mostly impacted by the new outbreak of COVID-19 in Victoria State. The sales performance in Australia in the quarter was dependent upon the development of the infection situation but on a recovery path from same-store-sales decline of 41.7% y-y in 2Q20. Although there was an emergency alert on COVID-19 in Victoria State where the operations were limited to only takeaway and delivery during the quarter, only 13% of The Coffee Club store network was in Victoria State while continuous easing of COVID-19 restrictions on restaurants were seen in all other states and areas. Currently, the State of Victoria remains under lock-down, however, permitted hours and number of people allowed in a social gathering are being increased. Australia hub's strategy to promote food delivery campaign like "The Coffee Club @ Home" and the launch of virtual brands which utilize existing The Coffee Club restaurants as cloud kitchens and focus only on delivery have helped to build sales momentum. Furthermore, Nomad Coffee Group (the wholesale coffee operation) successfully pivoted its products to online trading sales and supplies coffee to its high value specialty customers such as independent cafes.

Overall, 9M20 group-wide total-system-sales declined by 19.6% y-y and group-wide same-store-sales fell by 16.1% y-y, given the challenging operating environments across key markets due to the outbreak of COVID-19, especially in the second quarter. Nevertheless, Minor Food will remain agile in order to better adapt to any dynamic situations.

Restaurant Business Performance

%	3Q20	3Q19	9M20	9M19
Average Same-Store-Sales Growth	(15.9)	(3.7)	(16.1)	(3.8)
Average Total-System-Sales Growth	(17.2)	3.7	(19.6)	4.3

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

Financial Performance Analysis

3Q20 total core restaurant revenue fell by 9% y-y. The y-y top-line growth of China hub which turned positive in the quarter helped eased the softer sales performance of Thailand and Australia hubs, as well as, the loss contribution from joint ventures. Meanwhile, franchise income declined by 20% y-y in 3Q20. Although international franchise income of The Pizza Company increased, particularly attributable to the increase in number of franchised stores in Vietnam, Saudi Arabia and Cambodia, it was not sufficient to offset lower franchise revenue from other brands.

Core EBITDA excluding impact of TFRS16 remained in the black throughout the COVID-19 pandemic including in 3Q20 which was Baht 767 million, an increase of 10% compared to the same period last year. This was an impressive result given such difficult time amidst challenging consumption and competitive environment. The strong performance of Riverside restaurants in China, driven by healthy top-line, robust sales flow-through and disciplined cost management on food raw material, manpower and administrative expenses drove the operating profit. Together with the cost saving measures put in place across Minor Food in which total costs were 14% lower y-y, core EBITDA margin increased to 14.8% in 3Q20, compared to 3Q19 EBITDA margin of 12.3%. Including favorable impact from adoption of TFRS16, core EBITDA was at Baht 1,206 million with core margin of 23.2% in 3Q20.

For 9M20, total core revenue of Minor Food declined by 17% y-y, dampened by softer performance of all operational hubs from challenges during COVID-19 pandemic, especially in 2Q20. Meanwhile, core EBITDA excluding TFRS16 contracted by 48% y-y in 9M20, declining at faster pace than revenue decrease due to lower flow-through from sales shortfall despite stringent cost reduction primarily in 1H20 which led overall core EBITDA margin to fall from 15.0% in 9M19 to 9.3% in 9M20. However, MINT is already seeing good recovery going into 3Q20 as mentioned earlier.

Accounting for the adoption of TFRS16, core EBITDA fell by 3% y-y to Baht 2,603 million in 9M20.

Financial Performance*

Bt million	3Q20	3Q19	%Chg
Revenue from Operation**	4,872	5,287	-8
Franchise Fee	319	400	-20
Total Revenue	**5,191**	**5,686**	-9
EBITDA	**1,206**	**698**	73
EBITDA Margin (%)	**23.2**	**12.3**	
EBITDA (pre-TFRS16)	767	698	10
EBITDA Margin (%) (pre-TFRS16)	14.8	12.3	
	9M20	**9M19**	**%Chg**
Revenue from Operation**	13,943	16,686	-16
Franchise Fee	897	1,233	-27
Total Revenue	**14,840**	**17,919**	-17
EBITDA	**2,603**	**2,680**	-3
EBITDA Margin (%)	**17.5**	**15.0**	
EBITDA (pre-TFRS16)	1,387	2,680	-48
EBITDA Margin (%) (pre-TFRS16)	9.3	15.0	

* Exclude non-core items as detailed in the appendix but include the impact of TFRS16

** Includes share of profit and other income

Hotel & Mixed-use Business

Hotel Business

At the end of 3Q20, MINT owns 379 hotels and manages 156 hotels and serviced suites in 55 countries. Altogether, these properties have 75,968 hotel rooms and serviced suites, including 57,019 rooms that are equity-owned and leased and 18,949 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, 4,782 rooms in Thailand accounted for 6%, while the remaining 71,186 rooms or 94% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	3Q20	Chg q-q	Chg y-y
Owned Equity*	57,019	720	1,545
- Thailand	3,188	0	472
- Overseas	53,831	720	1,073
Management	18,949	61	-2,544
- Thailand	1,594	0	-132
- Overseas	17,355	61	-2,412
Total Hotel Rooms	**75,968**	**781**	**-999**

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

Hotel Rooms by Ownership

	3Q20	Chg q-q	Chg y-y
Owned Hotels	19,196	-683	-34
Leased Hotels	35,994	1,403	1,776
Joint-venture Hotels	1,829	0	-197
Managed Hotels	12,600	284	-1,850
MLRs*	6,349	-223	-694
Total Hotel Rooms	**75,968**	**781**	**-999**

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis

<u>Owned & Leased Hotels</u>

MINT's owned and leased hotels portfolio (including NH Hotel Group), which accounted for 80% of core hotel & mixed-use revenues in 3Q20, reported y-y organic revenue per available room ("RevPar") decline of 67% in Thai Baht term. This was a positive recovery from 2Q20 decline of 95%, from both higher average occupancy and room rate as some of the hotel operations started to resume since June. All key regions showed an improvement, especially in Europe where domestic and regional demand helped support the key development of operations despite the second wave of the pandemic starting in September.

Organic RevPar of owned hotels in Thailand declined by 79% y-y in 3Q20 as the country still did not open its border to international tourists. Nevertheless, operations of the hotels both in Bangkok and upcountry showed a q-q progressive improvement. The four hotels under Alternative State Quarantine (ASQ) in Bangkok helped lift the overall average occupancy rate while domestic tourism boosted both the demand and ability to increase the price for hotels in the upcountry, in particular in Hua Hin and Pattaya.

3Q20 owned and leased portfolio in Europe and Latin America reported organic RevPar decline of 65% y-y, largely pressured by lower business activities amidst the COVID-19 pandemic, however, relatively better from the previous quarter which saw RevPar decline of 95% y-y. The hotel performance in Europe saw a continued sequential improvement in July and August led by the re-opening of hotels and higher demand from domestic and regional markets. The recovery should have been stronger in the quarter but was slowed down in September, impacted by the second wave of COVID-19 pandemic, especially in Spain and Benelux. In any case, Central Europe saw the strongest rebound in RevPar with occupancy level of over 40% in the quarter. Meanwhile, operations in Latin America remained under pressure due to high infection cases of COVID-19.

For hotels in the Maldives, all hotels completely closed their doors throughout 3Q20. Only Anantara Kihavah Maldives Villa resumed its operation on September 28th. Accordingly, organic RevPar declined by 100% y-y during the quarter.

Management Letting Rights

The management letting rights portfolio (MLRs), contributing 10% of 3Q20 core hotel & mixed-use revenues, recorded a decline in RevPar of 32% y-y in Thai Baht term, impacted by the COVID-19 outbreak. Despite of new COVID-19 restrictions particularly in Sydney and Melbourne in August, RevPar trend picked up strongly q-q, supported by both average occupancy and room rates as solid operation of regional portfolio helped offset the softness of hotel performance in the top-tier cities in Australia. The average occupancy rate in the quarter reached 64%, compared to 33% in 2Q20.

Management Contracts

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 2% in 3Q20. Organic RevPar of management contract portfolio declined by 57% y-y in Thai Baht term, pressured by challenges of the hotel operations during the pandemic across Asia, Europe and the Middle East. Nonetheless, improvement from previous quarter was seen for overall portfolio.

Overall Hotel Portfolio

In summary, in 3Q20, MINT's organic RevPar of the entire portfolio decreased by 62% y-y in Thai Baht, reflecting the adverse impact from COVID-19 globally, yet with a pick-up in both average occupancy and room rate compared to 2Q20. Taking into account new hotels, mostly seven additional high-end properties in Europe previously under the Boscolo portfolio which were added at the beginning of September, system-wide RevPar of MINT's entire portfolio declined by 63% y-y.

In 9M20, organic and system-wide RevPar of MINT's entire portfolio decreased by 65% and 62% y-y respectively, attributable to lower business activities amidst COVID-19 pandemic.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	3Q20	**3Q19**	**9M20**	**9M19**
Owned Hotels*	30	74	28	71
Joint Ventures	18	45	24	49
Managed Hotels*	28	65	28	64
MLRs**	64	80	57	77
Average	**32**	**72**	**31**	**70**
MINT's Portfolio in Thailand	18	75	24	76
Industry Average in Thailand***	27	64	31	70

(System-wide)	ADR (Bt/night)			
	3Q20	**3Q19**	**9M20**	**9M19**
Owned Hotels*	3,023	3,763	3,305	3,881
Joint Ventures	2,606	4,860	5,301	6,051
Managed Hotels*	4,566	4,572	4,618	4,783
MLRs**	3,069	3,601	3,221	3,781
Average	**3,234**	**3,869**	**3,543**	**4,018**
MINT's Portfolio in Thailand	3,487	4,353	5,067	4,896
Industry Average in Thailand***	987	1,615	1,128	1,707

(System-wide)	RevPar (Bt/night)			
	3Q20	**3Q19**	**9M20**	**9M19**
Owned Hotels*	899	2,773	938	2,760
Joint Ventures	482	2,168	1,289	2,938
Managed Hotels*	1,258	2,965	1,291	3,083
MLRs**	1,965	2,895	1,837	2,917
Average	**1,038**	**2,803**	**1,083**	**2,826**
MINT's Portfolio in Thailand	640	3,244	1,231	3,731
Industry Average in Thailand***	271	1,035	407	1,206

(Organic)	Occupancy (%)			
	3Q20	**3Q19**	**9M20**	**9M19**
Owned Hotels*	31	74	28	71
Joint Ventures	18	45	24	49
Managed Hotels*	29	65	30	64
MLRs**	64	80	54	77
Average	**33**	**72**	**30**	**70**
MINT's Portfolio in Thailand	19	75	25	76

(Organic)	ADR (Bt/night)			
	3Q20	**3Q19**	**9M20**	**9M19**
Owned Hotels*	2,991	3,763	2,983	3,881
Joint Ventures	2,606	4,860	5,301	6,051
Managed Hotels*	4,326	4,572	4,545	4,783
MLRs**	3,069	3,601	3,221	3,781
Average	**3,177**	**3,869**	**3,277**	**4,018**
MINT's Portfolio in Thailand	3,517	4,353	5,250	4,896

(Organic)	RevPar (Bt/night)			
	3Q20	**3Q19**	**9M20**	**9M19**
Owned Hotels*	914	2,773	822	2,760
Joint Ventures	482	2,168	1,290	2,938
Managed Hotels *	1,274	2,965	1,355	3,083
MLRs**	1,965	2,895	1,730	2,917

Average	**1,052**	**2,803**	**995**	**2,826**
MINT's Portfolio in Thailand	675	3,244	1,335	3,731

* These numbers include NH Hotel Group
** Properties under Management Letting Rights in Australia & New Zealand
*** Source for Industry Average: Bank of Thailand

Hotel Performance Analysis

In 3Q20, core revenue from hotel and related services operation declined by 64% y-y, pressured by challenging operating environment in all key markets from COVID-19 impact. Management income also reported a decrease of 16% in 3Q20 compared to the same period last year from the same reason as mentioned above. However, the sales activities improved from the previous quarter in which hotel operations and management income posted a decline of 93% and 43% y-y, respectively, supported by the easing of COVID-19 restrictions which allowed increasing domestic and regional mobility.

Despite the strong operations of NH Hotel Group and hotels in the Maldives in the first two months of the year, core revenue from hotel and related services operations in 9M20 decreased by 62% from the same period last year, chiefly attributable to travel disruptions across regions amidst COVID-19 outbreak. By the same token, 9M20 management income fell by 32% y-y, primarily due to weaker organic RevPar of managed hotels in all markets, together with the exit of some hotel management contracts in 1Q20.

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. MINT has completed the sales of the first two projects, The Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Resort Koh Samui, and St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. 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 has 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 3Q20, AVC had a total inventory of 248 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 before the outbreak of COVID-19, the number of members increased by 7% y-y to 14,846 members at the end of 3Q20.

Revenue from mixed-use business decreased by 34% y-y in 3Q20 as a jump in residential revenue from real estate sales activities in the quarter did not fully mitigate the decline in AVC and plaza and entertainment revenues. AVC business was dampened by lower tour volumes and overall activities from the COVID-19 impact while plaza and entertainment business saw lower customer traffic and weak retail business conditions. For 9M20, revenue from mixed-use business decreased by 52% compared to the same period last year due to softer operations of all mixed-use units.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 3Q20, total core revenue of hotel & mixed-use business declined by 62% y-y, adversely impacted by the COVID-19 pandemic across the portfolio including owned, leased and managed hotels, as well as AVC and plaza and entertainment.

Core EBITDA of hotel & mixed-use business excluding impact of TFRS16 in 3Q20 turned into net loss of Baht 2,479 million from positive EBITDA of Baht 4,417 million in 3Q19, given lower overall flow-through from revenue shortfall. Nevertheless, this was a positive development from 2Q20 which reported core EBITDA loss of Baht 5,094 million. The improvement was from the cost reduction, higher profitability of residential business from sales activities in the quarter, improved AVC business, and strong recovery of MLR business which has passed its break-even point. Consequently, both mixed-use and MLR business reported positive EBITDA during the quarter. Including tailwind from the adoption of TFRS16, 3Q20 core EBITDA post-TFRS16 turned from negative in 2Q20 to positive in 3Q20, with significant improved monthly trend in September.

For 9M20, hotel & mixed-use business posted total revenue decrease of 61% y-y and core EBITDA loss excluding TFRS16 impact of Baht 8,243 million, attributable to challenging business operations. Taking into account TFRS16, core EBITDA declined from Baht 12,785 million in 9M19 to Baht 61 million in 9M20.

Amidst lingering volatile situation, Minor Hotels continues to monitor the business development and carry out careful hotel re-opening and closure strategy crafted for each market with a target to optimize the profitability. With the changing of government measures in each country, the team has adapted its tactical offers to boost customers' activities in domestic and regional markets. In addition, Minor Hotels remains proactive in looking for opportunities for additional revenues and further cost savings.

Financial Performance*

Bt million	**3Q20**	**3Q19**	**%Chg**
Hotel & related services **	7,754	21,254	-64
Management fee	216	256	-16
Mixed-use	734	1,108	-34
Total Revenue	**8,704**	**22,619**	-62
EBITDA	**266**	**4,417**	-94
EBITDA Margin (%)	**3.1**	**19.5**	
EBITDA (pre-TFRS16)	-2,479	4,417	-156
EBITDA Margin (%) (pre-TFRS16)	-28.6	19.5	
	9M20	**9M19**	**%Chg**
Hotel & related services **	24,152	63,601	-62
Management fee	689	1,018	-32
Mixed-use	1,760	3,639	-52
Total Revenue	**26,601**	**68,257**	-61
EBITDA	**61**	**12,785**	-100
EBITDA Margin (%)	**0.2**	**18.7**	
EBITDA (pre-TFRS16)	-8,243	12,785	-164
EBITDA Margin (%) (pre-TFRS16)	-31.1	18.7	

* Exclude non-core items as detailed in the appendix but include the impact of TFRS16
** Include share of profit and other income

Retail Trading & Contract Manufacturing Business

At the end of 3Q20, MINT had 468 retail trading points of sales, a decrease of 18 points of sales from 486 points at the end of 3Q19, primarily from the closing down of the Save My Bag and Brooks Brothers brands. Of total 468 retail trading outlets, 83% are operated under fashion brands including Anello, Bossini, Charles & Keith, Esprit, Etam, OVS and Radley, while 17% are operated under home and kitchenware brands including Joseph Joseph, Zwilling J.A. Henckels and Bodum.

Retail Trading's Outlet Breakdown

	3Q20	**Chg q-q**	**Chg y-y**
Fashion	388	14	-22
Home & Kitchenware	80	-12	4
Total Outlets	**468**	**2**	**-18**

In 3Q20, total retail trading & contract manufacturing revenue decreased by 17% y-y, solely dragged by fashion business from weak consumer sentiment and domestic economic slowdown amidst the COVID-19 pandemic. However, the stronger performance of home & kitchenware and manufacturing businesses partially compensated the revenue shortfall of fashion brands. The special clearance sale event at Isetan department store and the Villa Market point redemption campaign helped boost the sales of Zwilling J.A. Henckels and Joseph Joseph. Manufacturing operations remained resilient, supported by higher demand of cleaning products and new product orders from major FMCG customers. In addition, sales from online channels such as brand website page and e-commerce market place continued to be strong. Overall sales improved from previous quarter as most of the retail outlets resumed their operations in the quarter.

The lower sales flow-through and heavier markdown of fashion unit, as well as loss contribution of Scomadi from weak domestic demand and absence of export sales tampered 3Q20 overall EBITDA of retail trading & contract manufacturing. Nevertheless, the cost savings in personnel, rental fee and advertising & promotion, together with improving operating profit of home & kitchenware and manufacturing units helped mitigate the softer fashion operations. As a result, 3Q20 core EBITDA of retail trading

& contract manufacturing excluding the impact from TFRS16 dipped into a loss of Baht 9 million from core profit of Baht 56 million in the same period last year. Including the impact from the adoption of TFRS16, core EBITDA in 3Q20 decreased by 57% y-y to Baht 24 million.

9M20 revenue from retail trading & contract manufacturing decreased by 28% y-y while core EBITDA excluding the impact from TFRS16 turned into a loss of Baht 97 million from positive EBITDA in 9M19, attributable to the temporary store closures in accordance with the government's measures in the second quarter and reducing customer traffic amidst COVID-19 outbreak. With the adoption of TFRS16, 9M20 core EBITDA was a loss of Baht 13 million.

Financial Performance*

Bt million	**3Q20**	**3Q19**	**%Chg**
Retail Trading	706	981	-28
Manufacturing	286	211	35
Total Revenue**	**992**	**1,192**	**-17**
EBITDA	**24**	**56**	**-57**
EBITDA Margin (%)	**2.4**	**4.7**	
EBITDA (pre-TFRS16)	-9	56	-116
EBITDA Margin (%) (pre-TFRS16)	-0.9	4.7	
	9M20	**9M19**	**%Chg**
Retail Trading	1,729	2,845	-39
Manufacturing	819	718	14
Total Revenue**	**2,548**	**3,563**	**-28**
EBITDA	**-13**	**201**	**-106**
EBITDA Margin (%)	**-0.5**	**5.6**	
EBITDA (pre-TFRS16)	-97	201	-149
EBITDA Margin (%) (pre-TFRS16)	-3.8	5.6	

* Exclude non-core items as detailed in the appendix but include the impact of TFRS16
** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 3Q20, MINT reported total assets of Baht 376,933 million, a rise of Baht 122,749 million from Baht 254,184 million at the end of 2019. The increase was primarily attributable to (1) Baht 18,344 million increase in cash due to liquidity management, (2) Baht 6,286 million increase in intangible assets mainly as a result of the acquisition of Spoonful in 1Q20 in which MINT has obtained the master franchise rights to expand Bonchon chicken in Thailand, (3) Baht 5,856 million increase in property, plant and equipment, (4) Baht 790 million of derivative assets from the adoption of TFRS9 and (5) Baht 94,825 million of right of use assets from the adoption of TFRS16 and the acquisition of hotels previously under the Boscolo portfolio in Europe.

MINT reported total liabilities of Baht 294,165 million at the end of 3Q20, an increase of Baht 125,849 million from Baht 168,316 million at the end of 2019. The increase was mainly due to (1) a rise in net financing of Baht 25,877 million from short-term and long-term borrowings, primarily for NH Hotel Group as additional loans have been drawn down for liquidity during the COVID-19 pandemic and (2) Baht 98,889 million of financial lease liabilities as a result of TFRS16 adoption and the addition of hotels previously under the Boscolo portfolio in Europe.

Shareholders' equity decreased by Baht 3,100 million, from Baht 85,868 million at the end of 2019 to Baht 82,768 million at the end of 3Q20, owing mainly to (1) reported 9M20 post-TFRS16 net loss of Baht 15,816 million, (2) interest paid on perpetual bonds of Baht 1,103 million and (3) the majority of the remaining is from the adverse impact from the difference between right of use assets and financial lease liabilities as a result of the adoption of TFRS16, netted with the proceeds from (1) the issuance of perpetual bond amounting to Baht 8,291 million in 2Q20 and (2) the rights offering issuance in the amount of Baht 9,759 million in 3Q20.

For the first nine months of 2020, MINT and its subsidiaries reported negative cash flows from operations of Baht 1,745 million, a decrease of Baht 12,176 million y-y. This was mainly from the net decrease in 9M20 bottom line and the net decrease related to the foreign exchange translations of Baht 14,660 million. However, the trend has been improving with with cash flows from operations turning positive to Baht 835 million in 3Q20 from negative cash flows from operations of Baht 2,580 million in 1H20.

Cash flow paid for investing activities was Baht 10,171 million in 9M20, primarily due to capital expenditures of hotel, restaurant and other businesses including the acquisition of Bonchon operations in Thailand in 1Q20, an increase of investment in BreadTalk Group in 2Q20 and the acquisition of operating company to operate high-end properties in Europe previously under the Boscolo portfolio in 3Q20.

For the first nine months of 2020, the Company reported net cash receipt for financing activities of Baht 29,225 million, primarily due to cash received from short-term and long-term borrowings from financial institutions to ensure MINT's liquidity, as well as, from the issuance of perpetual bond and rights offerings with total amount of Baht 83,484 million, netted of with repayments of debt financing of Baht 45,646 million and interest paid on perpetual debentures of Baht 1,103 million.

In summary, cash flows from operating, investing and financing activities resulted in an increase of MINT's net cash and cash equivalents of Baht 17,308 million in 9M20.

Cash burn, which is defined as operating cash flow, repayment of lease liabilities and net CAPEX, turned negative since January onwards amidst challenging operating environment during the pandemic and were negative Baht 18,420 million in 9M20, with a peak in 2Q20. Negative operating cash outflow was at its lowest point in May during the worst months of the pandemic and thus cash burn rate improved since June as operations started to resume. MINT's monthly cash burn almost halved from an average of Baht 2.9 billion per month in 2Q20 to Baht 1.5 billion per month in 3Q20.

Financial Ratio Analysis

MINT's gross profit margin declined from 45.0% in 9M19 to 17.3% in 9M20, due mainly to softer margins of all three businesses, primarily in 1H20 from the COVID-19 impact and the impact of TFRS16. Consequently, MINT's bottom line turned into net loss in 9M20 due to lower flow-through from revenue shortfall, despite the stringent cost cutting measures.

Annualized return on equity excluding the impact of TFRS-16 was negative at 21.8% in 9M20, compared to positive return on equity of 6.7% in 9M19, as a result of core loss in the nine months of the year. Correspondingly, MINT recorded negative pre-TFRS16 annualized return on assets of 7.0% in 9M20.

Collection days increased from 45 days in 9M19 to 78 days in 9M20 due to a decline of total revenue which was impacted by COVID-19 pandemic. The provision for impairment as a percentage of gross trade receivables increased significantly from 5.0% in 9M19 to 18.4% in 9M20, because of the new TFRS9 where the methodology of calculating the amount of provision for impairment is more conservative, with additional forward-looking assumptions to record provision.

MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant and retail trading & contract manufacturing businesses. Inventory days rose from 25 days in 9M19 to 48 days in 9M20, mainly from hotel and retail trading businesses amidst COVID-19 outbreak. Account payable days increased from 75 days in 9M19 to 115 days in 9M20, from lower amount of cost of sale due to lower business volume and cost saving initiatives.

Current ratio remained at 1.1x in 3Q20, on par with the figure at the end of 2019, supported by a surge in cash as a result of MINT's prudent liquidity strategy despite a larger amount of current portion of finance lease liabilities due to the adoption of TFRS16. According to MINT's new debt covenant which carves out lease liabilities in calculating the gearing ratio, interest bearing debt to equity rose from 1.31x at the end of 2019 to 1.67x in 3Q20, primarily attributable to higher borrowings from financial institutions, lower equity base from net loss in the nine months of the year and the impact of TFRS16, partially offset by the positive impact from perpetual bond issuance in 2Q20 and capital raising exercise in 3Q20. Interest coverage ratio decreased from 4.9x in 9M19 to 0.4x in 9M20 due to the decline in cash flows from operations. This is a big improvement from 1H20 as cash flows from operations in 3Q20 turned positive.

Financial Ratio Analysis*		
Profitability Ratio	**30 Sept 20**	**30 Sept 19**
Gross Profit Margin (%)	17.3	45.0
Net Profit Margin (%)	-35.8	7.3
Core Net Profit Margin** (%)	-34.4	4.6
Efficiency Ratio* **	**30 Sept 20**	**30 Sept 19**
Return on Equity** (%)	-21.8	6.7
Return on Assets** (%)	-7.0	2.1
Collection Period (days)	78	45
Inventory (days)	48	25
Accounts Payable (days)	115	75
Liquidity Ratio	**30 Sept 20**	**31 Dec 19**
Current Ratio (x)	1.1	1.1
Leverage & Financial Policy	**30 Sept 20**	**31 Dec 19**
Interest Bearing Debt/Equity (x)	1.67	1.31
Net Interest Bearing Debt/Equity (x)	1.29	1.15

	30 Sept 20	30 Sept 19
Interest Coverage (x)	0.4	4.9

* Include the impact of TFRS16 except for Return on Equity and Return on Asset ratios
** Exclude non-core items as detailed in the appendix
*** In an annualized term

Management's Outlook

Looking ahead into the fourth quarter of this year and also 2021, overall business trend is expected to improve, however, the business environment remains volatile in some regions. Consequently, MINT stays agile and innovative especially in its strategies to react swiftly to the fluid situations and is already preparing its platform for a post-COVID19 world. MINT expects to post positive cash flow and profit in 2021 as a group, following the likelihood of the arrival of the vaccine and planned asset rotation strategy.

MINT will continue to implement its stringent cost control and drastic capital expenditure reduction programs across the organization in order to minimize cash outflows and boost liquidity. Following these initiatives since the beginning of the COVID-19 pandemic, the Company has been able to navigate its operations with more streamlined and efficient management chain. Furthermore, not only are these exceptional measures carried out in this unprecedented time, but MINT is also seeking new revenue opportunities aggressively.

Minor Hotels Outlook

With the different lock down or restrictions imposed in each country, Minor Hotels is following closely on the local government measures to formulate its business strategy. In Europe, NH Hotel Group is adjusting its management of hotel inventories, particularly the hotel re-opening and closure in response to the challenging external environment from the second wave of the COVID-19 pandemic in the region. Continuous cost reduction, especially with the focus on labor and leases, will be carried out throughout next year. NH Hotel Group is also working closely with the local governments for further subsidies and incentives. For example, Italy government launched a tax benefit scheme on a tax credit in rent while Germany authorized the deferred payment of rent to be paid in 24 months. Although the recovery in Europe has been slower than expected as a result of the surge in COVID-19 cases, NH Hotel Group has clearly outperformed its closest competitor in terms of financial performance, including revenue, EBITDA and net profit recovery.

Hotels in Australia will continue to leverage on domestic market which is 85% of the feeder markets. Demand from regional market is also expected to gradually pick up as some Australian ports are progressively opening for visitors from New Zealand. Consequently, Minor Hotels plans to implement marketing strategy to accelerate the corporate business sector in the fourth quarter of the year. Meanwhile, Minor Hotels will be ramping up for further profitability improvement taking advantage of the operating leverage after surpassing EBITDA break-even point in 3Q20.

Hotels in Asia have been taking advantage of domestic tourism and more recently, the regional market following the easing of regional restrictions in some countries. Government's "We Travel Together" campaign has helped boost the domestic demand for hotels in Thailand while the regional restrictions have been gradually eased starting in October, allowing certain groups of non-Thai nationals including special tourist visas to enter the country. Maldives hotels have seen good traction since hotel reopening at the end of September with Anantara Kihavah Maldives Villas, MINT's flagship hotel, boasting an average occupancy of almost 70% in November, as the high season approaches.

Additionally, Minor Hotels remains open to new opportunities in order to create additional revenue. For example, some of the hotels in Thailand, particularly in Bangkok and Phuket are being served as alternative state quarantine hotels. With the customer trend focusing more on health and well-being, Minor Hotels will launch the first fully integrated scientific wellness and medical retreat, RAKxa in the fourth quarter. For AVC sales operations in China, the new pop-up sales office in Kunming was added, in addition to the ones in Guang Zhou, Shanghai, Guiyang and Tianjin.

Minor Food Outlook

Apart from driving dine-in business through enhancing customers' experience, Thailand hub will continue to further strengthen its digital and delivery capabilities. This includes the acceleration of loyalty program, specifically for The Pizza Company and 1112 Delivery, improvement in delivery platform through improved application experience and operating efficiency, payment integration and delivery fleet coverage in both Bangkok and major provincial cities such as Pattaya. In terms of store expansion, Minor Food will leverage on Bonchon brand to open new stores in profitable locations with an aim to fulfill delivery operation gap in greater Bangkok and capture the strong demand in big cities like Chiangmai, Chonburi and Khon Kaen. At the same time, Minor Food is also closing the underperforming stores and focusing on cost reduction including reducing waste on operation procedure, saving cost on packaging material and store rental expenses to lift the overall profitability.

China hub continues to recover strongly with improving consumer confidence and spending following successful control of COVID-19 re-emergence. The earlier efforts to build customer loyalty will help lift its dine-in traffic while improving deliverable menu offerings will drive delivery sales. China hub will also cautiously expand the Riverside brand in prime locations that it had the opportunity to secure during the peak of the pandemic in the country at the beginning of the year.

Australia hub targets to further enhance its loyalty program and grow delivery sales through major upgrade of its digital loyalty technology including customer engagement application platform. In addition, Nomad Coffee Group will accelerate its sales growth by launching a new range of coffee beans for home delivery and take-away, especially amidst lockdown in Victoria State since August.

Cash Flow and Balance Sheet Management Outlook

Given the cost saving initiatives implemented since the beginning of the COVID-19 pandemic, MINT's all three businesses across all key markets were able to reduce the total costs by 31% y-y in 9M20, including 27%, 20%, 25% and 45% reduction in payroll, leases, supply chain and other operating expenses, respectively. Cost reduction measures in all areas will continue to be implemented throughout the remaining of the year and into next year. Notably, NH Hotel Group which manages more than 200 hotel lease agreements in Europe, especially in Spain and Central Europe, has entered into negotiations with landlords for rent reduction, rent deferral and lease restructuring since the beginning of the year. As of today, NH Hotel Group has successfully negotiated with more than 80% of the lease agreements and the remaining are expected to be achieved within this year. With further identified savings, NH Hotel Group expects total lease and rental-related savings to reach EUR 90 million for the full year 2020, with a goal of continuing the reduction until 1H21. Additionally, supply chain is an area where the Company sees rooms for more opportunities. MINT is pursuing supply chain transformation which will consolidate sourcing teams of Minor Hotels and Minor Food to be under one umbrella in order to conduct group-wide negotiation with suppliers and to maximize efficiency at optimal cost across the organization. Furthermore, MINT will leverage the scale, infrastructure and logistic network and best practice of sourcing process with its affiliates such as S&P, NOMAD, NMT and Pecan Deluxe to increase business opportunities and profitability for the Company as a whole.

Throughout this challenging time, MINT continues to focus on preserving its liquidity and managing its balance sheet. With the improving operations, cost cutting program and the capital strengthening plan which includes the issuance of USD perpetual bonds and the rights offering issuance, MINT had approximately Baht 30 billion of cash on hand and Baht 25 billion of unutilized credit facilities as at end of October, which will be able to support its operations going forward. Additionally, there is another Baht 5 billion from potential warrant conversion into equity over the next three years.

As part of MINT's precautionary initiatives to pursue balance sheet management, the Company will enter into discussion with creditors on the extension of the covenant testing waiver, as well as making suitable changes to the covenant definition. NH Hotel Group has successfully extended the maturity of its EUR 236 million syndicated revolving credit facilities to March 2023 and also obtained approval to allow waiver of financial covenant testing until June 2021. Furthermore, given MINT's and NH Hotel Group's strong holding of irreplaceable real estate assets across key European cities in great locations these quality assets continue to be in high demand even during this challenging time. MINT also believes that low interest rate environment will make it possible to achieve favorable valuation. MINT continues to engage with long-term core real estate investors for asset rotation options which has been a part of MINT's strategy even before the COVID-19 pandemic in order to further strengthen its balance sheet. Such plan has been well prepared and ready to be executed if needed, depending on the evolution of the situation. The readiness exemplifies MINT's long history of foresight and agility.

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Mr. Chaiyapat Paitoon
Chief Strategy Officer

Appendix

Non-Recurring Items*

Period	Amount (Bt million)	Business Unit	Non-recurring Items
1Q19	50	Minor Food	Gain from the divestment of Bread Talk Thailand (Revenue)
	132 pre-tax 91 post-tax	Minor Hotels	Capital gain from asset rotation of NH Hotel Group
	-191	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
2Q19	-48 pre-tax -38 post-tax	Minor Hotels / Minor Food / Minor Lifestyle	Provision expenses for employee retirement benefits to adhere to the new labor law (SG&A expense allocated to each business unit)
	62 revenue 44 net profit	Minor Hotels	Capital gain from asset rotation of NH Hotel Group (Revenue)
	-320	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
3Q19	4,743 revenue 3,512 net profit	Minor Hotels	Gain from Tivoli asset sales (Revenue and SG&A expense)
	35 revenue -1 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-46	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
	-322	Minor Hotels / Minor Food	Expenses and provisions related to Corbin & King Ribs & Rumps, certain brands in Singapore hub (SG&A expenses)
1Q20	113 revenue 49 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	755	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	568 pre-tax 585 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	10	Minor Food	Reversal of provision related to Ribs & Rumps (reversal of SG&A expense)
2Q20	17 revenue -152 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-469	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-534	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-130	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
3Q20	17 revenue -96 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-110	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-17 revenue -13 net profit	Minor Food	Provision expenses for inventory (SG&A expense)
	-197	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-396	Minor Hotels	Change in fair value of financial instruments (SG&A expense)

* Include the impact of TFRS16