MINOR INTERNATIONAL

May 13, 2021 — Minor International Public Company Limited

Management Discussion and Analysis

Overview

1Q21 Performance

Summary: Minor International Public Company Limited ("MINT") reported 1Q21 core revenue of Baht 12,499 million, a decrease of 44% compared to the same period last year. The resilient operations of management letting rights business and robust sales of residential units in the quarter could not fully compensate for the softer revenue of other businesses, especially hotels, when compared to 1Q20 where the first two months were still the pre-COVID-19 base.

Core EBITDA in 1Q21 declined by 83% y-y to Baht 521 million, attributable to lower sales flow-through from revenue shortfall, mainly from hotel operations despite the continuous cost reduction program. Nevertheless, this was a positive development from core EBITDA loss of Baht 51 million in 4Q20. Management letting rights, mixed-use, restaurant and lifestyle businesses posted positive EBITDA in the quarter.

As a result of the above, core net profit was at a loss of Baht 5,211 million in 1Q21, compared to core loss of Baht 3,173 million in 1Q20.

During the quarter, MINT recorded non-core items as detailed in the appendix, the biggest amount for the quarter being the impairment of asset related to COVID-19 in the amount of Baht 2,349 million. Including the non-core items, MINT posted a 44% y-y decline in revenue to Baht 12,618 million in 1Q21. EBITDA and reported bottom line were both at a loss of Baht 1,515 million and Baht 7,250 million in 1Q21, respectively.

Financial Performance

Bt million	**1Q21**	**1Q20**	**%Chg**
As Reported			
Total Revenue	12,618	22,533	-44
Total EBITDA	-1,515	4,402	-134
EBITDA Margin (%)	**-12.0**	**19.5**	
Total Net Profit	-7,250	-1,774	309
Net Profit Margin (%)	**-57.5**	**-7.9**	
Core*			
Total Revenue	12,499	22,421	-44
Total EBITDA	521	2,982	-83
EBITDA Margin (%)	**4.2**	**13.3**	
Total Net Profit	-5,211	-3,173	64
Net Profit Margin (%)	**-41.7**	**-14.2**	

* Exclude non-core items as detailed in the appendix

Performance Breakdown by Business*

1Q21	**% Core Revenue Contribution**
Hotel & Mixed-use	53
Restaurant Services	41
Retail trading & Contract Manufacturing	6
Total	**100**

* Exclude non-core items as detailed in the appendix

Major Developments in 1Q21

	Developments
Restaurant	• Reduced 5 outlets, net q-q, majority of which were a result of store closure of The Pizza Company and The Coffee Club in Thailand, which offset the opening of Riverside in China and Coffee Journey in Thailand during the quarter
Hotel & Mixed-Use	• Closed a total of 5 hotels q-q - NH Hotels: Two leased hotels in Italy and three managed hotels in Switzerland, Portugal and Mexico
Corporate	• Successfully secured the extension of financial covenant testing waiver for another two years until the end of 2022 from bondholders • Obtained approval from bondholders to exclude the COVID-19 impairment impact from its equity in the debt covenant calculation until the end of 2024

Segment Performance

Restaurant Business

At the end of 1Q21, MINT's total restaurants reached 2,365 outlets, comprising of 1,187 equity-owned outlets (50% of total) and 1,178 franchised outlets (50% of total). 1,582 outlets (67% of total) are in Thailand, while the remaining 783 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

	1Q21	Chg q-q	Chg y-y
Owned Equity	1,187	-4	6
- Thailand	942	-12	-9
- Overseas	245	8	15
Franchise	1,178	-1	-3
- Thailand	640	9	24
- Overseas	538	-10	-27
Total Outlets	**2,365**	**-5**	**3**

Restaurant Outlets by Brand

	1Q21	Chg q-q	Chg y-y
The Pizza Company	562	-10	-14
Swensen's	324	-2	3
Sizzler	64	1	-2
Dairy Queen	495	-1	-20
Burger King	119	1	-2
The Coffee Club	434	-6	-34
Thai Express	79	-3	-9
Riverside	117	5	27
Benihana	19	0	0
Bonchon	89	0	43
Coffee Journey	14	11	14
Others*	49	-1	-3
Total Outlets	**2,365**	**-5**	**3**

* 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 1Q21, total-system-sales (including sales from franchised outlets) decreased by 12.4% y-y. The strong total-system-sales growth of China hub helped alleviate the soft performance of Minor Food in Thailand which was adversely impacted by the second wave of COVID-19 pandemic and in Australia with the continued store rationalization. Nevertheless, sequential operational improvement was seen in the quarter in which total-system-sales growth turned positive in March, growing by 2.6% compared to the prior year. Overall same-store-sales decreased by 15.3% y-y. China and Australia posted positive same-store-sales growth in the quarter but this could not compensate the decline of same-store-sales in Thailand which was mainly impacted by the government's more stringent restrictions amidst second wave of COVID-19 pandemic.

Thailand hub in 1Q21 reported total-system-sales decline of 27.4% y-y, attributable to 27.5% softer same-store-sales. The second wave of COVID-19 pandemic since end of December led to government's restrictions on operating hours and seat distancing at the restaurants which resulted in lower dine-in traffic and continuous temporary closure of certain stores in some areas. Nevertheless, delivery, take-away and drive-through channels partly helped support the overall sales. Minor Food continued to strengthen and exploit its digital platform to further generate revenue. During the quarter, Minor Food implemented multiple online and offline campaigns to recruit new users to its own 1112D application, resulting in 22% jump in number of application downloads and installation from 4Q20. Meanwhile, it also successfully increased delivery's driver productivities, reaching its internal target. Specifically, The Pizza Company officially penetrated and broadened delivery coverage in North-eastern part of Thailand while Sizzler launched exclusive menu on 1112D and joined campaigns with third party aggregators and banks to drive higher activities. In addition, Burger King and Sizzler added new third-party food delivery service to capture the opportunity to expand the client base.

Total-system-sales growth of China hub continued to be robust, jumping by 182.6% y-y in 1Q21, driven by store expansion and continuous strong recovery of domestic consumption, as well as the low base of prior year as the hub was heavily impacted by the COVID-19 pandemic since February 2020. Same-store-sales in the quarter surged by 75.1% y-y, a positive growth for three consecutive quarters with solid performance of dine-in business. Specifically, same-store-sales growth remained positive in January despite a spike in COVID-19 cases in Beijing and Shanghai during the month. The growth rate strongly accelerated in February from the solid performance during Chinese New Year week and as the strict lockdown of many cities in the country started in the month of last year, and also in March in which local transmission cases have no longer been reported.

Total-system-sales of Australia hub decreased by 5.1% y-y in 1Q21, as a result of permanent closure of underperforming stores and temporary store closures amid COVID-19 pandemic, while same-store-sales growth turned positive to 2.0% during the quarter. For the monthly trend, same-store-sales growth declined in January and February, pressured by the restricted operational trading to only takeaway and delivery amidst another lockdown in cities, especially greater Brisbane. Nevertheless, same-store-sales turned positive in March, surpassing the decline rate in 2020 during the lockdown, as a result of Minor Food's digital and operational initiatives to drive sales and the addition of new delivery aggregator to build sales momentum.

Restaurant Business Performance

%	1Q21	1Q20
Average Same-Store-Sales Growth	(15.3)	(10.5)
Average Total-System-Sales Growth	(12.4)	(5.8)

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

Financial Performance Analysis

1Q21 total core restaurant revenue fell by 10% y-y. The y-y top-line growth of China hub from robust operational recovery and Australia hub from positive impact of the foreign exchange rate, together with lower discount offerings helped ease the impact from the softer sales performance of Thailand hub, as well as loss contribution from joint ventures. Meanwhile, franchise income decreased by 12%, compared to the same period last year. The increase in local initial franchise income of Swensen's from renewed franchise contracts was not sufficient to offset lower franchise revenue from other brands in Thailand.

Despite a decrease in revenue, core EBITDA in 1Q21 grew by 17% y-y to Baht 1,079 million. The strong performance of Riverside restaurants in China, driven by robust sales flow-through and lower fish purchase price, together with disciplined cost management on manpower, rental and administrative expenses across Minor Food drove the overall operating profit. As a result, core EBITDA margin increased to 21.1% in 1Q21, compared to 1Q20 EBITDA margin of 16.2%.

Financial Performance*

Bt million	1Q21	1Q20	%Chg
Revenue from Operation**	4,798	5,296	-9
Franchise Fee	325	369	-12
Total Revenue	**5,123**	**5,664**	-10
EBITDA	**1,079**	**919**	17
EBITDA Margin (%)	**21.1**	**16.2**	

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

Hotel & Mixed-use Business

Hotel Business

At the end of 1Q21, MINT owns 373 hotels and manages 154 hotels and serviced suites in 55 countries. Altogether, these properties have 75,168 hotel rooms and serviced suites, including 56,368 rooms that are equity-owned and leased and 18,800 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, 4,809 rooms in Thailand accounted for 6%, while the remaining 70,359 rooms or 94% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	1Q21	Chg q-q	Chg y-y
Owned Equity*	56,368	-168	-146
- Thailand	3,188	0	0
- Overseas	53,180	-168	-146
Management	18,800	-302	-1,006
- Thailand	1,621	0	-283
- Overseas	17,179	-302	-723
Total Hotel Rooms	**75,168**	**-470**	**-1,152**

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

Hotel Rooms by Ownership

	1Q21	Chg q-q	Chg y-y
Owned Hotels	19,065	0	-950
Leased Hotels	35,474	-168	804
Joint-venture Hotels	1,829	0	0
Managed Hotels	12,392	-319	-234
MLRs*	6,408	17	-772
Total Hotel Rooms	**75,168**	**-470**	**-1,152**

* 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 52% of core hotel & mixed-use revenues in 1Q21, reported y-y organic revenue per available room ("RevPar") decline of 76% in Thai Baht term. On a q-q basis, RevPar of hotels in the Maldives and Latin America showed positive development from 4Q20 but this could not fully compensate for the RevPar shortfall in other regions, especially Thailand and Europe which faced challenging environment with the reemergence of COVID-19.

1Q21 organic RevPar of owned hotels in Thailand declined by 81% y-y due to the absence of international visitors and the new outbreak of COVID-19 cases since late December 2020. Alternative State Quarantine (ASQ) business continued to support the hotel operations in Bangkok, however, reemergence of local transmission in the quarter had more adverse impact on the hotel business in upcountry as locals are more cautious to travel across cities. Nevertheless, sequential improvement was seen m-m throughout the quarter due to lower new reported cases.

Owned and leased hotel portfolio in Europe and Latin America reported organic RevPar decline of 77% y-y in 1Q21. European countries imposed extension of mobility restrictions which resulted in weak operating activities and continuous temporary closures of some hotels in the region, whereas in 1Q20, the operations were only impacted by the COVID-19 pandemic starting in March. On a positive note, hotel performance in both Europe and Latin America in the quarter posted m-m recovery.

In the Maldives, organic RevPar decreased by only 11% y-y in 1Q21, a continuous operational recovery since the hotel reopening at the end of September 2020. On a q-q basis, organic RevPar improved immensely, driven by both occupancy and average room rate from Minor Hotels' sales and marketing efforts and the Maldives' government tourism campaign with no quarantine restrictions for tourists to visit the island.

<u>Management Letting Rights</u>

The management letting rights portfolio (MLRs), contributing 20% of 1Q21 core hotel & mixed-use revenues, recorded an increase in RevPar of 8% y-y in Thai Baht term, mainly due to an improvement in occupancy, together with the positive impact of the foreign exchange rate on the ADR. Despite renewed COVID-19 lockdown in some cities, average occupancy rate remained high at 70%, while ADR declined by 7% in AUD, but increased by 6% in Thai Baht term.

<u>Management Contracts</u>

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 4% in 1Q21. Organic RevPar of management contract portfolio declined by 45% y-y, a y-y continued improvement trend since 3Q20, driven by hotels in UAE, Qatar and the Maldives.

<u>Overall Hotel Portfolio</u>

In summary, in 1Q21, MINT's organic RevPar of the entire portfolio decreased by 59% y-y in Thai Baht, reflecting the adverse impact from COVID-19 pandemic across the regions. In a system-wide basis, RevPar of MINT's entire portfolio declined by 60% y-y.

Hotel Business Performance by Ownership

Occupancy (%)	(System-wide)		(Organic)	
	1Q21	**1Q20**	**1Q21**	**1Q20**
Owned and Leased Hotels*	14	46	15	46
Joint Ventures	28	41	28	41
Managed Hotels*	25	48	25	48
MLRs**	70	69	70	69
Average	**21**	**48**	**21**	48
MINT's Portfolio in Thailand	17	51	18	51
Industry Average in Thailand***	17	52	N/A	N/A

ADR (Bt/night)	(System-wide)		(Organic)	
	1Q21	**1Q20**	**1Q21**	**1Q20**
Owned and Leased Hotels*	2,880	3,810	2,873	3,810
Joint Ventures	7,904	7,530	7,904	7,530
Managed Hotels*	5,028	4,641	4,923	4,641
MLRs**	3,932	3,702	3,932	3,702
Average	**3,693**	**3,982**	**3,671**	**3,982**
MINT's Portfolio in Thailand	3,242	5,662	3,204	5,662
Industry Average in Thailand***	1,066	1,652	N/A	N/A

RevPar (Bt/night)	(System-wide)		(Organic)	
	1Q21	**1Q20**	**1Q21**	**1Q20**
Owned and Leased Hotels*	415	1,752	425	1,752
Joint Ventures	2,174	3,067	2,174	3,067
Managed Hotels*	1,236	2,234	1,226	2,234
MLRs**	2,768	2,558	2,768	2,558
Average	**774**	**1,929**	**788**	**1,929**
MINT's Portfolio in Thailand	562	2,901	566	2,901
Industry Average in Thailand***	178	852	N/A	N/A

* 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 1Q21, core revenue from hotel and related services operation declined by 67%, compared to the same period last year. In 1Q20, the COVID-19 pandemic was primarily in China and did not become widespread until March, and therefore the first two months of the quarter was still the normal, pre-COVID base. For 1Q21, despite the resilient operations of hotels in Australia due to government's ability to curb the COVID-19 spread effectively, a decrease in core revenue y-y in the quarter was mainly attributable to the challenging operating conditions of other key markets amidst extended mobility restrictions and border closures. 1Q21 management income also reported a decrease of 15% y-y, primarily from lower organic RevPar of managed hotels in most markets, as well as the exit of some hotel management contracts. However, the decrease was at a much lower rate than the decline of hotel operation, supported by the strong recovery of managed hotels in the Maldives.

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 and St. Regis Residences in Bangkok. The projects that are currently on sale include Layan Residences by Anantara in Phuket, Anantara Chiang Mai Serviced Suites, Avadina Hills by Anantara in Phuket and Torres Rani in Maputo. In addition, two new residential development projects, Anantara Desaru in Malaysia and Anantara Ubud Bali in Indonesia, are currently under construction, 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 1Q21, AVC had a total inventory of 253 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. The number of members increased by 5% y-y to 15,623 members at the end of 1Q21.

Revenue from mixed-use business increased by 38% y-y in 1Q21. The strong real estate sales activities in the quarter fully offset the weaker performance of AVC and plaza and entertainment businesses. Nevertheless, operations of AVC continued to recover for three consecutive quarters, supported by increasing number of points sold and members.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 1Q21, hotel & mixed-use business posted total core revenue decline of 58% y-y, adversely impacted by weaker performance across all portfolio amidst COVID-19 pandemic except for management letting rights and real estate business.

Core EBITDA of hotel & mixed-use business in 1Q21 dipped into net loss of Baht 602 million from positive EBITDA of Baht 2,070 million in 1Q20, given lower overall flow-through from drastic revenue shortfall, particularly at NH Hotel Group. Nevertheless, this was a positive recovery from previous quarter which reported core EBITDA loss of Baht 1,467 million, supported by the continuous effort on cost reduction. Consequently, core EBITDA of hotel operations excluding NH Hotel Group turned positive this quarter while both mixed-use and MLR businesses remained in the black during the quarter.

Financial Performance*

Bt million	1Q21	1Q20	%Chg
Hotel & related services **	4,734	14,289	-67
Management fee	246	289	-15
Mixed-use	1,645	1,192	38
Total Revenue	**6,624**	**15,770**	-58
EBITDA	**-602**	**2,070**	-129
EBITDA Margin (%)	**-9.1**	**13.1**	

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

Retail Trading & Contract Manufacturing Business

At the end of 1Q21, MINT had 428 retail trading points of sales, a decrease of 45 points of sales from 473 points at the end of 1Q20, primarily from the closing down of OVS and Etam brands, netted of with the addition of Scomadi stores. Of total 428 retail trading outlets, 77% are operated under fashion brands including Anello, Bossini, Charles & Keith, Esprit and Radley, while 23% are operated under lifestyle brands including Joseph Joseph, Zwilling J.A. Henckels, Bodum and Scomadi.

Retail Trading's Outlet Breakdown

	1Q21	Chg q-q	Chg y-y
Fashion	329	-30	-64
Lifestyle*	99	-1	19
Total Outlets	**428**	**-31**	**-45**

* Include Scomadi distributor stores

In 1Q21, total retail trading & contract manufacturing revenue decreased by 24% y-y, mainly pressured by fashion business from weak consumer spending, temporary closure of some stores and slowdown of the tourism sector amidst COVID-19 pandemic. Nevertheless, home & kitchenware operations saw a robust revenue growth, particularly from Zwilling J.A. Henckels brand while e-commerce sales continued to grow, mainly supported by strong performance of Charles & Keith standalone website.

1Q21 overall core EBITDA of retail trading & contract manufacturing turned positive to Baht 45 million from a loss of Baht 7 million in the same quarter last year. This was mainly driven by higher sales flow-through of home & kitchenware business and cost savings in personnel, rental fee, logistics and advertising & promotion across Minor Lifestyle. As a result, EBITDA margin was positive at 6.0% in 1Q21.

Financial Performance*

Bt million	1Q21	1Q20	%Chg
Retail Trading	476	692	-31
Manufacturing	275	294	-6
Total Revenue**	**751**	**986**	**-24**
EBITDA	**45**	**-7**	**-745**
EBITDA Margin (%)	**6.0**	**-0.7**	

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

Balance Sheet & Cash Flows

At the end of 1Q21, MINT reported total assets of Baht 353,003 million, a decrease of Baht 9,324 million from Baht 362,327 million at the end of 2020. The decrease was primarily attributable to (1) Baht 4,109 million decrease in cash due to cash outflows with the impact from the pandemic and repayment of some borrowings, (2) Baht 795 million decrease in land and real estate project for sales due to real estate sales activities in the quarter, (3) Baht 2,846 million and Baht 2,574 million decrease in property, plant and equipment, as well as right-of-use assets, respectively, mainly from the regular depreciation and amortization schedule and impairment of assets related to COVID-19.

MINT reported total liabilities of Baht 283,583 million at the end of 1Q21, a decrease of Baht 2,419 million from Baht 286,003 million at the end of 2020. The decrease was mainly due to (1) a decrease in net financing of Baht 1,057 million from the repayments of debentures, (2) Baht 469 million decrease in derivative liabilities and (3) a decrease in lease liabilities of Baht 1,607 million as a result of rental reduction from landlord and extension of rental payment schedule.

Shareholders' equity decreased by Baht 6,904 million, from Baht 76,324 million at the end of 2020 to Baht 69,420 million at the end of 1Q21, owing mainly to (1) reported 1Q21 net loss of Baht 7,250 million and (2) interest paid on perpetual bonds of Baht 435 million, netted with the proceeds from the exercise of warrants amounting to Baht 201 million.

For the first three months of 2021, MINT and its subsidiaries reported positive cash flows from operations of Baht 593 million, a decrease of Baht 1,305 million y-y. This was mainly from the net decrease in 1Q21 bottom line, netted with the net increase related to the foreign exchange translations of Baht 3,558 million.

Cash flow paid for investing activities was Baht 1,320 million in 1Q21, primarily due to capital expenditures of hotel, restaurant and other businesses.

The Company reported net cash used for financing activities of Baht 3,455 million, primarily due to repayments of debt financing of Baht 7,835 million, repayment of lease liabilities of Baht 2,463 million and interest paid on perpetual debentures of Baht 435 million, netted off with a total amount of Baht 7,285 million cash received from short-term and long-term borrowings from financial institutions and related parties to ensure MINT's liquidity, as well as, from the exercise of warrants.

In summary, cash flows from operating, investing and financing activities resulted in a net decrease of MINT's net cash and cash equivalents of Baht 4,182 million in 1Q21.

Cash burn, which is defined as operating cash flow, repayment of lease liabilities and net CAPEX, were Baht 3.2 billion in 1Q21 equivalent to monthly cash burn of Baht 1.1 billion. This was lower than Baht 1.6 billion per month in 4Q20, mainly due to improving operating cash flow and lower repayment of lease liabilities.

Financial Ratio Analysis

MINT's gross profit margin declined from 33.4% in 1Q20 to 16.5% in 1Q21, due mainly to softer margins of hotel and lifestyle businesses from the COVID-19. Consequently, MINT's net loss was higher in 1Q21 compared to 1Q20 due to lower flow-through from revenue shortfall, despite the stringent cost cutting measures.

Annualized return on equity was negative at 28.6% in 1Q21, compared to negative return on equity of 15.3% in 1Q20, as a result of higher core net loss compared to last year and the impairment of assets related to COVID-19. Correspondingly, MINT recorded negative annualized return on assets of 5.8% in 1Q21.

Collection days increased from 56 days in 1Q20 to 74 days in 1Q21 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 from 17.2% in 1Q20 to 23.7% in 1Q21. During the year, accounts receivables have been paid off, resulting in a decrease in accounts receivables which have been at a higher rate than the decrease in provision for impairment.

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 36 days in 1Q20 to 61 days in 1Q21, mainly from hotel and food businesses amidst COVID-19 outbreak. Account payable days increased from 91 days in 1Q20 to 128 days in 1Q21, from lower amount of cost of sale due to lower business volume and cost saving initiatives.

Current ratio decreased to 1.0x in 1Q21, compared to 1.3x at the end of 2020 due to lower cash from net cash outflow and the increase in short-term loans from financial institutions and current portions of debentures. According to MINT's new debt covenant definition which carves out lease liabilities from the calculation, interest bearing debt to equity ratio rose from 1.79x at the end of 2020 to 1.95x in 1Q21, primarily attributable to lower equity base from net loss in the quarter and the impairment of assets related to COVID-19. Excluding the impairment of asset related to COVID-19, the ratio would be at 1.88x in 1Q21. Nevertheless, the extension of its financial covenant testing waiver for another two years until the end of 2022 from bondholders was successfully secured. Interest coverage ratio decreased from 1.9x in 1Q20 to 1.0x in 1Q21 due to the decline in cash flows from operations.

Financial Ratio Analysis		
Profitability Ratio	**31 Mar 21**	**31 Mar 20**
Gross Profit Margin (%)	16.5	33.4

Net Profit Margin (%)	-57.5	-7.9
Core Net Profit Margin* (%)	-41.7	-14.2
Efficiency Ratio	**31 Mar 21**	**31 Mar 20**
Return on Equity* (%)	-28.6	-15.3
Return on Assets* (%)	-5.8	-4.1
Collection Period (days)	74	56
Inventory (days)	61	36
Accounts Payable (days)	128	91
Liquidity Ratio	**31 Mar 21**	**31 Dec 20**
Current Ratio (x)	1.0	1.3
Leverage & Financial Policy	**31 Mar 21**	**31 Dec 20**
Interest Bearing Debt/Equity (x)	1.95	1.79
Net Interest Bearing Debt/Equity (x)	1.63	1.44
	31 Mar 21	**31 Mar 20**
Interest Coverage (x)	1.0	1.9

* Exclude non-core items as detailed in the appendix

Management's Outlook

Positive development of vaccine rollout globally is an encouraging progress for 2021. Nevertheless, the situation remains very fluid in the short term with uncontrollable external factors such as new waves of COVID-19 pandemic and renewed mobility restrictions in many regions of the world. Despite the ongoing volatility, MINT foresees promising long-term outlook and will continue to focus on the sustainability of the businesses. MINT expects clearer recovery to start in the second half of this year, with the businesses ramping up throughout 2022.

Minor Hotels Outlook

The recovery trajectory of the hotel business will largely depend on the speed of COVID-19 vaccination domestically and globally as the vaccination will allow economic activities to resume and country borders to reopen.

In Europe, the rollout of vaccination is expected to accelerate in 2Q21, supported by the arrival of vaccines, with 70% of the adults in Europe to be vaccinated by end of September. Travel restrictions will be relaxed gradually, starting in mid-May or early June. Therefore, tourism industry in the region is likely to see stronger recovery in the second half of this year. In addition, the government and authorities will continue to support businesses through their stimuli to accelerate the economic recovery.

In Australia, good performance has already been seen and solid recovery is expected to continue. Domestic travels which make up about 85% of Minor Hotels' management letting rights business will remain the key driver of demand as border reopening for international visitors is unlikely until 2022. Nevertheless, there has been increasing demand from New Zealand as travel bubble between the two countries was recently implemented in April 2021.

In Thailand, despite the third wave of COVID-19 pandemic, which resulted in additional mobility restrictions, domestic tourism, ASQ (Alternative State Quarantine) and 'Hospitel' business in cooperation with local hospital, will continue to be the main drivers in the short term. The country's gradual reopening, starting with Phuket Island, will allow for international tourism, paving way for visible recovery of the hospitality industry in the long term.

Outlook for the Maldives will continue to be positive with its one-island-one-resort concept and no quarantine policy as unique competitive advantage. In addition, the government's newly launched tourism campaign, called "3V" for "Visit, Vaccinate, Vacation" also provides potential acceleration of the recovery of the tourism industry for the Maldives.

Minor Food Outlook

Performance of food business has been relatively resilient with a fast recovery. In 2021, Minor Food will continue to strengthen its brand equity and implement cost control measures.

In Thailand, the sales of food business are volatile with the third wave of COVID-19. Nevertheless, strong delivery performance across all brands helped mitigate the slowdown in dine-in traffic. Thailand hub will focus on customer engagement and loyalty program of each brand through its digital transformation. In addition, Minor Food in Thailand is cautiously taking steps to expand its store network with the focus on untapped market.

The strong recovery of domestic consumption in China continues to support the dine-in business and therefore China hub will continue to expand its Riverside brand. It is developing new store model, investing in technology and implementing fish traceability project, which will improve operational efficiency and yield higher returns.

Operations in Australia hub are leaner following the continuous store rationalization and disciplined profitability management. Australia hub will continue to focus on brand renewal, digital loyalty program and delivery platform, as well as expansion through additional sales channels such as drive-thru and convenient kiosks offering small food boxes.

Minor Lifestyle Outlook

Minor Lifestyle will leverage on customer relations management database to improve buying traffic across omni channels. On top of its own brand online websites, Minor Lifestyle plans to add more new online marketplace platforms to expand the customer base. In addition, Minor Lifestyle will continue to leverage on the demand of sanitizer and cleaning products amidst the COVID-19 pandemic in Thailand.

Cash Flow and Balance Sheet Management Outlook

Amidst the short-term volatility, cost saving measures across business units and across geographies remain one of MINT's key priorities. Among many initiatives, NH Hotel Group continues to optimize its workforce through the management of temporary redundancy according to regulation processes and collective dismissal measures.

In terms of liquidity, MINT had approximately Baht 21 billion of available cash and Baht 21 billion of unutilized credit facilities as at end of April. The amount is sufficient to support the negative operating cash flow during this short-term volatile environment. Furthermore, MINT's cash position will further be enhanced by the asset rotation transaction, which is on target to be completed in 3Q21.

MINT continues to proactively focus on balance sheet management, both at the consolidated level and at NH Hotel Group.

As part of its liability and liquidity management, MINT plans to issue corporate bonds of up to Baht 6 billion. Moreover, on May 11, TRIS Rating affirmed the ratings on MINT and its existing senior unsecured debentures at "A" and the rating on its subordinated perpetual debentures (hybrid debentures, MINT18PA) at "BBB+". At the same time, TRIS assigned the rating of "A" to MINT's proposed issue of up to THB6 billion in senior unsecured debentures. The "negative" outlook has been maintained amidst the COVID-19 pandemic.

To strengthen the debt profile, NH Hotel Group has reached an agreement with the creditors to extend the maturity of its Euro 250 million ICO guaranteed syndicated loan from 2023 to 2026, with covenant testing waiver granted until June 2022. In addition, the covenant testing waiver has been approved for RCF loan until December 2021, with relaxed covenant in June 2022. In addition, NHH is also assessing alternatives for other debt that will become mature in 2023. To further enhance its liquidity and balance sheet position, NH Hotel Group has announced its intention to do a rights offering in the amount of EUR 107 million in 1H21. Meanwhile, in 2Q21, MINT will extend a shareholder's loan of EUR 100 million to NH Hotel Group, of which the amount will be capitalized through the rights offering. MINT's support for NH Hotel Group reinforces its full commitment as NH Hotel Group's major shareholder in seeing the company through this very challenging time. MINT, together with NH Hotel Group, will continue to proactively explore alternatives to further enhance its liquidity and balance sheet position going forward.

Amidst the short-term volatility in many regions with COVID-19 pandemic, MINT continues to navigate its business while taking precautionary actions to ensure the Company's continuous business operations.

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Mr. Chaiyapat Paitoon
Chief Strategy Officer

Appendix

Non-Recurring Items*

Period	Amount (Bt million)	Business Unit	Non-recurring Items
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)
1Q21	119 revenue -100 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-2,349	Minor Hotels	Impairment of asset related to COVID-19 (SG&A expense)
	793	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	-135	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-12	Minor Hotels / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-236	Minor Food	Provision expenses for store closure and lease receivable, and write-off of prepaid rent (SG&A expense)

* Include the impact of TFRS16