

August 13, 2021

Minor International Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

2Q21 and 1H21 Performance

Summary: Minor International Public Company Limited (“MINT”) reported better overall performance both y-y and q-q in 2Q21. MINT posted core revenue of Baht 15,587 million in the quarter, which more than doubled from the same period last year. The y-y improvement was driven by the recovery of hotel business in all regions, especially in Europe and food operations in all major hubs, especially China and Australia, together with the low base effect in 2Q20 in which many hotels and restaurants were temporarily closed.

Core EBITDA in 2Q21 was Baht 3,100 million, turning positive y-y from core EBITDA loss of Baht 1,826 million in 2Q20, and increased by almost 6 folds q-q. The increase was attributable to higher sales flow-through and continuous cost reduction program. Notably, both Minor Hotels and Minor Food posted positive EBITDA in the quarter.

In tandem with core EBITDA, core loss improved from Baht 7,162 million in 2Q20 to core loss of Baht 3,395 million in 2Q21, supported by all three businesses. Remarkably, improving m-m performance was seen throughout the quarter and net profit returned to positive territory in June, chiefly from the good recovery trend of hotel portfolio in Europe.

For 1H21, MINT’s core revenue decreased slightly by 3% y-y to Baht 28,086 million, primarily from a revenue plunge in 1Q21 where most of the geographies continued to be impacted by COVID-19, compared to the first two months of 2020 which were still the pre-COVID-19 base. However, revenue increase in 2Q21 almost offset all of 1Q21 shortfall. Despite slight revenue decline in 1H21, core EBITDA surged by three folds y-y from strong performance recovery in 2Q21, driven largely by European hotel portfolio, together with effective cost control. As a consequence, core loss improved

to Baht 8,606 million in 1H21, compared to core loss of Baht 10,336 million in 1H20.

Including the non-core items as detailed in the appendix, MINT posted a 135% y-y jump in revenue to Baht 15,721 million while EBITDA turned positive to Baht 3,029 million in 2Q21. Reported bottom line was at a loss of Baht 3,924 million in 2Q21, improving from a net loss of Baht 8,448 million in the same period of last year. For 1H21, MINT’s reported revenue fell by 3% but EBITDA increased by 16% to Baht 28,340 million and Baht 1,514 million, respectively. 1H21 reported net loss of Baht 11,174 million was higher than 1H20, primarily with the impairment of asset related to COVID-19 in the amount of Baht 2,349 million recorded in 1Q21.

Financial Performance

<i>Bt million</i>	2Q21	2Q20	%Chg
As Reported			
Total Revenue	15,721	6,698	135
Total EBITDA	3,029	-3,101	-198
EBITDA Margin (%)	19.3	-46.3	
Total Net Profit	-3,924	-8,448	-54
Net Profit Margin (%)	-25.0	-126.1	
Core*			
Total Revenue	15,587	6,682	133
Total EBITDA	3,100	-1,826	-270
EBITDA Margin (%)	19.9	-27.3	
Total Net Profit	-3,395	-7,162	-53
Net Profit Margin (%)	-21.8	-107.2	
	1H21	1H20	%Chg
As Reported			
Total Revenue	28,340	29,231	-3
Total EBITDA	1,514	1,301	16
EBITDA Margin (%)	5.3	4.5	
Total Net Profit	-11,174	-10,221	9
Net Profit Margin (%)	-39.4	-35.0	

Core*

Total Revenue	28,086	29,102	-3
Total EBITDA	3,622	1,156	213
EBITDA Margin (%)	12.9	4.0	
Total Net Profit	-8,606	-10,336	-17
Net Profit Margin (%)	-30.6	-35.5	

* Exclude non-core items as detailed in the appendix

Performance Breakdown by Business*

1H21	% Core Revenue Contribution	% Core EBITDA Contribution
Hotel & Mixed-use	58	37
Restaurant Services	37	62
Retail trading & Contract Manufacturing	5	1
Total	100	100

* Exclude non-core items as detailed in the appendix

Major Developments in 2Q21

Developments

- | | |
|-------------------|---|
| Restaurant | <ul style="list-style-type: none"> Added 2 outlets, net q-q, majority of which were a result of store opening of Riverside in China and Coffee Journey in Thailand, which offset the closure of The Coffee Club in Thailand and Australia during the quarter |
| Hotel & Mixed-Use | <ul style="list-style-type: none"> Completed the sale and lease back transaction (through NH Hotel Group) of the NH Collection Barcelona Gran Hotel Calderon Established hotel management joint venture agreement with Funyard Hotels & Resorts to jointly develop and operate upscale hospitality projects in China Opened a total of 2 hotels q-q <ul style="list-style-type: none"> Oaks: One MLR hotel in Australia NH Hotels: One leased hotel in Germany Closed a total of 2 hotels q-q <ul style="list-style-type: none"> NH Hotels: Two leased hotels in Spain |
| Corporate | <ul style="list-style-type: none"> Extended a shareholder's loan of EUR 100 million to NH Hotel Group, of which the amount will be capitalized through the rights offering of NH Hotel Group Extended maturities of NH Hotel Group's syndicated facility guaranteed by ICO and |

revolving credit facilities (RCF) from 2023 to 2026

- Extended waiver on covenant testing on all material loans of NH Hotel Group until Dec 2022
- Issued EUR 400 million senior secured notes due 2026 by NH Hotel Group

Segment Performance

Restaurant Business

At the end of 2Q21, MINT's total restaurants reached 2,367 outlets, comprising of 1,190 equity-owned outlets (50% of total) and 1,177 franchised outlets (50% of total). 1,587 outlets (67% of total) are in Thailand, while the remaining 780 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

	2Q21	Chg q-q	Chg y-y
Owned Equity	1,190	3	6
- Thailand	942	0	-22
- Overseas	248	3	28
Franchise	1,177	-1	-2
- Thailand	645	5	27
- Overseas	532	-6	-29
Total Outlets	2,367	2	4

Restaurant Outlets by Brand

	2Q21	Chg q-q	Chg y-y
The Pizza Company	565	3	-13
Swensen's	326	2	4
Sizzler	64	0	1
Dairy Queen	494	-1	-11
Burger King	117	-2	-4
The Coffee Club	425	-9	-39
Thai Express	76	-3	-7
Riverside	124	7	33
Benihana	19	0	0
Bonchon	91	2	26
Coffee Journey	18	4	18
Others*	48	-1	-4
Total Outlets	2,367	2	4

* 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 2Q21, total-system-sales (including sales from franchised outlets) surged by 36.4% y-y, compared to a 12.4% decline in the previous quarter. The positive total-system-sales growth were reported in all key hubs and mainly attributable to the recovery of same-store-sales and the reopening of stores which were temporarily closed during the same period in prior year due to lockdown in many countries amidst COVID-19 pandemic. Overall same-store-sales growth turned positive in the quarter, increasing by 6.1% y-y. The strong same-store-sales growth in China and Australia helped offset the decline of same-store-sales in Thailand.

Thailand hub in 2Q21 reported total-system-sales growth of 5.5% y-y. The sales from store reopening and network expansion fully mitigated the 13.6% softer same-store-sales which was impacted by the government's restrictions on operating hours of restaurants and dine-in services from the rising cases of local COVID-19 transmission in the country since mid of April 2021. During the quarter, Minor Food continued to strengthen its own 1112D application by building more application awareness to acquire new users and secure existing user retention, expanding its delivery base to cover new cities including Chiangmai, Chonburi (and Pattaya) and Rayong, together with enhancing operational efficiency via increasing active drivers and driver productivities. In addition, all brands have made menu adjustment and developed new products to cater more to delivery, take-away and drive-thru channels. Specifically, Sizzler launched new food concept 'Ready to Cook' menu in response to rising home cooking trend, introduced new products to lift spending per ticket and collaborated with partners such as banks to drive high-margin traffic. Bonchon expanded its store network in untapped market, particularly in the first-tier and second-tier cities.

Total-system-sales growth of China hub remained strong, jumping by 76.0% y-y in 2Q21, driven by store expansion and continuous positive trend of same-store-sales growth, as well as the low base of prior year due to the COVID-19 pandemic, particularly in Beijing. Same-store-sales in the quarter increased by 28.1% y-y, a continuous growth for four consecutive quarters. This was led by strong recovery of domestic consumption, the launch of new menu, an increase of menu prices and its successful loyalty program which resulted in solid performance of dine-in business.

Total-system-sales of Australia hub surged by 85.3% y-y in 2Q21, as a result of the recovery of same-store-sales, store reopening and the low base effect in the same quarter last year. Same-store-sales growth was reported at 74.0% y-y, supported by Minor Food's initiatives in delivery offerings despite the lockdowns in many regions in the country including states of Victoria, New South Wales and Queensland with the dine-in seating capacity restrictions during the quarter.

Overall, 1H21 group-wide total-system-sales increased by 6.8% y-y as the strong total-system-sales growth of China and Australia hubs mitigated the soft performance of Thailand hub. Group-wide same-store-sales fell by 6.0% y-y, given the lower dine-in traffic at restaurants in Thailand due to government's restrictions on operating hours and seat distancing amidst rising COVID-19 cases in the country.

Restaurant Business Performance

%	2Q21	2Q20	1H21	1H20
Average Same-Store-Sales Growth	6.1	(23.0)	(6.0)	(15.9)
Average Total-System-Sales Growth	36.4	(36.8)	6.8	(21.1)

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

Financial Performance Analysis

2Q21 total core restaurant revenue increased by 31% y-y, driven by all key hubs as a result of the reopening of stores which were temporarily closed amidst lockdown globally in the same period last year. Revenue of China and Australia hubs had especially high growth rate of over 70%, attributable to the demand recovery in addition to the low base effect in 2Q20. Furthermore, joint-ventures reported lower loss contribution from improving business conditions. Similarly, franchise income jumped by 63% y-y. This was attributable to improved performance of franchised restaurants in all regions, as well as higher marketing fee revenue received from franchisees in Thailand as the fee was exempted in prior year as part of Minor Food's subsidies.

Core EBITDA in 2Q21 remained positive, jumping by more than two folds y-y to Baht 1,170 million. Compared to previous quarter, an improvement of 8% was also seen despite an adverse impact on Thailand hub from the restrictions amidst the third wave of COVID-19 since mid of April 2021. Higher sales flow-through and cost savings on corporate, manufacturing, rental and manpower expenses

across Minor Food drove the y-y core EBITDA growth. Consequently, core EBITDA margin surged to 22.4% in 2Q21, compared to 2Q20 EBITDA margin of 12.0%.

In 1H21, total core revenue of Minor Food rose by 7% y-y. Robust operational recovery at China hub and a pickup in sales activities in Australia helped ease the softer sales performance of Thailand hub. Core EBITDA grew at a faster rate, soaring by 61% y-y, supported by disciplined cost management. As a result, overall core EBITDA margin increased from 14.5% in 1H20 to 21.7% in 1H21.

Financial Performance*

<i>Bt million</i>	2Q21	2Q20	%Chg
Revenue from Operation**	4,891	3,776	30
Franchise Fee	340	209	63
Total Revenue	5,231	3,985	31
EBITDA	1,170	478	145
EBITDA Margin (%)	22.4	12.0	
	1H21	1H20	%Chg
Revenue from Operation**	9,689	9,071	7
Franchise Fee	665	578	15
Total Revenue	10,354	9,649	7
EBITDA	2,249	1,397	61
EBITDA Margin (%)	21.7	14.5	

* 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 2Q21, MINT owns 372 hotels and manages 155 hotels and serviced suites in 55 countries. Altogether, these properties have 75,242 hotel rooms and serviced suites, including 56,366 rooms that are equity-owned and leased and 18,876 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH Hotels, nhov and Elewana Collection. Of the total, 4,809 rooms in Thailand accounted for 6%, while the remaining 70,433 rooms or 94% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	2Q21	Chg q-q	Chg y-y
Owned Equity*	56,366	-2	67
- Thailand	3,188	0	0
- Overseas	53,178	-2	67
Management	18,876	76	-12
- Thailand	1,621	0	27

- Overseas	17,255	76	-39
Total Hotel Rooms	75,242	74	55

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

Hotel Rooms by Ownership

	2Q21	Chg q-q	Chg y-y
Owned Hotels	19,065	0	-814
Leased Hotels	35,472	-2	881
Joint-venture Hotels	1,829	0	0
Managed Hotels	12,418	26	102
MLRs*	6,458	50	-114
Total Hotel Rooms	75,242	74	55

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis

Owned & Leased Hotels

MINT's owned and leased hotels portfolio (including NH Hotel Group), which accounted for 73% of core hotel & mixed-use revenues in 2Q21, reported y-y system-wide revenue per available room ("RevPar") increase of 413%. All regions saw significant improvement in operations as performance in the same period of previous year was severely impacted by COVID-19 pandemic which resulted in temporary closures of most of the hotels in all regions. Moreover, m-m sequential improvement was seen throughout the quarter, driven by a recovery of hotel performance in both Europe and Latin America.

2Q21 system-wide RevPar of owned hotels in Thailand jumped by more than 7 folds y-y due to the low base effect during the same period in prior year in which some hotels were temporarily closed. On a q-q basis, the new clusters of COVID-19 in the country since mid of April 2021, especially in Bangkok, together with travel restrictions between many cities put pressure on the hotel operations despite some support from Alternative State Quarantine (ASQ) business.

Owned and leased hotel portfolio in Europe and Latin America reported system-wide RevPar increase of 396% y-y in 2Q21, driven by the reopening of most of the hotels and the demand recovery, as well as, the low base last year with strict lockdown being imposed. The ramp-up of vaccination rollout and the easing of COVID-19 restrictions across all regions in Europe during the quarter, starting in Southern Europe and followed by Northern Europe resulted in higher travel activities and sequential improvement of operations.

In the Maldives, system-wide RevPar improved immensely y-y in 2Q21 as all hotels of Minor Hotels in the island completely shut their doors in the same period of prior year. Operational recovery has continued since the hotel reopening at the end of September 2020, with RevPar only 5% below the 2019 pre-COVID level for the months of May and June.

Management Letting Rights

The management letting rights portfolio (MLRs), contributing 15% of 2Q21 core hotel & mixed-use revenues, recorded an increase in RevPar of more than four times y-y, mainly due to the pick-up in demand and the low base of the same period last year which was impacted by domestic restrictions in Australia and New Zealand amidst COVID-19 pandemic. The RevPar in the quarter exceeded pre-COVID-19 level in 2019 by 13% in AUD term, mainly driven by average room rate while average occupancy rate remained high at 74%. Strong hotel performance was reported in all regions in 2Q21, especially in April and May, supported by easing of state border restrictions and the successful Trans-Tasman travel bubble between Australia and New Zealand. Performance in June slowed down slightly m-m due to stricter restrictions and lockdowns in some states in Australia, as well as suspended travel bubble from a surge of COVID-19 cases in the country.

Management Contracts

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 3% in 2Q21. System-wide RevPar of management contract portfolio surged by 210% y-y, a recovery across Asia, Europe and the Middle East as most of hotels in 2Q20 were closed amidst the pandemic.

Overall Hotel Portfolio

In summary, in 2Q21, MINT's system-wide RevPar of the entire portfolio rose by 316% y-y, reflecting operational improvement across the regions from the improving demand in 2Q21 and low base effect of previous year.

In 1H21, system-wide RevPar of MINT's entire portfolio decreased by 16% y-y, mainly attributable to the first quarter of 2021 in which all regions were adversely impacted from COVID-19 pandemic, compared to the first two months of 2020 which were still the pre-COVID-19 base.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	2Q21	2Q20	1H21	1H20
Owned Hotels*	23	6	19	26
Joint Ventures	23	14	25	27
Managed Hotels*	28	8	26	30
MLRs**	74	32	72	49
Average	28	9	25	29
MINT's Portfolio in Thailand	13	2	15	27
Industry Average in Thailand***	8	13	12	32

(System-wide)	ADR (Bt/night)			
	2Q21	2Q20	1H21	1H20
Owned Hotels*	3,238	2,563	3,100	3,544
Joint Ventures	6,168	2,387	7,099	6,226
Managed Hotels*	4,694	5,183	4,802	4,661
MLRs**	4,420	2,463	4,182	3,306
Average	3,773	2,886	3,732	3,721
MINT's Portfolio in Thailand	3,162	3,415	3,207	5,586
Industry Average in Thailand***	892	743	979	1,198

(System-wide)	RevPar (Bt/night)			
	2Q21	2Q20	1H21	1H20
Owned Hotels*	739	144	579	929
Joint Ventures	1,448	330	1,809	1,698
Managed Hotels*	1,336	431	1,268	1,401
MLRs**	3,291	777	3,029	1,629
Average	1,057	254	916	1,084
MINT's Portfolio in Thailand	416	65	489	1,525
Industry Average in Thailand***	73	100	126	476

* 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 2Q21, core revenue from hotel and related services operation surged by five folds, compared to the same period last year. This was attributable to stronger performance across all geographies, most notably hotel portfolio in Europe with the relaxation of mobility restrictions in the region starting in mid of May 2021 and the low base last year. 2Q21 management income also reported an increase of 58% y-y from stronger RevPar trend of managed hotels in all markets. Specifically, sequential improvement was seen m-m throughout the quarter, resulting in core revenue from hotel and related services operation and management income combined almost doubled q-q.

In 1H21, core revenue from hotel and related services operations decreased 17% y-y, chiefly due to challenging

operating conditions from COVID-19 impact in 1Q21 amidst mobility restrictions in Europe and border closures in Thailand, together with the higher base in 1Q20 where the first two months of the year saw normal operations at pre-COVID level. Management income in 1H21 rose by 14% from the same period last year, primarily due to recovery of managed hotels, prominently in the Maldives and the Middle East.

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 2Q21, AVC had a total inventory of 259 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 9% y-y to 15,935 members at the end of 2Q21.

Revenue from mixed-use business jumped by four folds y-y in 2Q21, driven by real estate sales activities in the quarter and improving operations of AVC and plaza and entertainment. AVC business continued to recover, supported by increasing number of members and points sold. AVC successfully implemented the strategy to expand its point redemption program to include other services such as restaurants and spas in addition to hotel rooms for members, particularly in China where overseas travels are still not

permitted. The redemption program is further supported by technology upgrades to make it effortless for members to redeem points. Meanwhile, performance of plaza and entertainment improved y-y due to the reopening of outlets. For 1H21, revenue from mixed-use business increased by 84% from the same period last year, from the strong residential unit sales and improving AVC operations.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 2Q21, hotel & mixed-use business posted total core revenue surge of more than four folds y-y, supported by all business units from both demand recovery and the low base effect in the same period last year.

Core EBITDA of hotel & mixed-use business in 2Q21 turned positive to Baht 1,948 million from net loss EBITDA of Baht 2,275 million in 2Q20. The EBITDA improvement was attributable to both hotel and mixed-use businesses, given higher overall flow-through from revenue improvement and continuous effort on cost reduction, especially at NH Hotel Group. Consequently, core EBITDA margin in 2Q21 was at 19.9%.

For 1H21, hotel & mixed-use business reported total revenue decrease of 8% y-y, mainly due to a sharp revenue decline in 1Q21 compared to the normal performance in the first two months of 2020. However, core EBITDA loss of Baht 205 million in 1H20 improved to positive core EBITDA of Baht 1,345 million in 1H21 from cost cutting measures throughout the period and performance recovery in 2Q21. As a result, overall core EBITDA margin stood at 8.2% in 1H21.

Financial Performance*			
<i>Bt million</i>	2Q21	2Q20	%Chg
Hotel & related services **	8,510	1,697	402
Management fee	291	184	58
Mixed-use	999	246	306
Total Revenue	9,800	2,126	361
EBITDA	1,948	-2,275	-186
EBITDA Margin (%)	19.9	-107.0	

	1H21	1H20	%Chg
Hotel & related services **	13,243	15,986	-17
Management fee	537	472	14
Mixed-use	2,644	1,438	84
Total Revenue	16,424	17,897	-8
EBITDA	1,345	-205	-756
EBITDA Margin (%)	8.2	-1.1	

* 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 2Q21, MINT had 432 retail trading points of sales, a decrease of 34 points of sales from 466 points at the end of 2Q20, primarily from the closing down of OVS and ETAM brands and fewer stores of other brands, netted off with the addition of Scomadi stores and the launch of new kitchenware brand from Belgium 'BergHOFF' in May 2021. Of total 432 retail trading outlets, 74% are operated under fashion brands including Anello, Bossini, Charles & Keith, Esprit and Radley, while 26% are operated under lifestyle brands including Joseph Joseph, Zwilling J.A. Henckels, Bodum, BergHOFF and Scomadi.

Retail Trading's Outlet Breakdown

	2Q21	Chg q-q	Chg y-y
Fashion	319	-10	-65
Lifestyle*	113	14	31
Total Outlets	432	4	-34

* Include Scomadi distributor stores

In 2Q21, total retail trading & contract manufacturing revenue decreased slightly by 3% y-y, mainly from the manufacturing business. Although the demand of sanitizer and cleaning products was robust in the quarter, manufacturing operations saw a slight y-y decline in revenue due to high demand for alcohol and cleaning products, especially at the start of COVID-19 pandemic in the same quarter of prior year.

2Q21 overall core EBITDA loss of retail trading & contract manufacturing was narrower to Baht 17 million from Baht 29 million in the same quarter last year despite a decrease in total revenue. Better performance of fashion business which was supported by less discount offerings, helped mitigate the softer performance of home & kitchenware and manufacturing.

1H21 revenue from retail trading & contract manufacturing decreased by 16% y-y, attributable to all business units amidst the challenging environment with COVID-19 pandemic. Nevertheless, core EBITDA in 1H21 turned positive to Baht 28 million from a loss of Baht 36 million in the same period last year. This was mainly due to higher sales flow-through of home & kitchenware business in 1Q21 and improving EBITDA performance of fashion business in 2Q21, together with cost savings in personnel, rental fee, logistics and advertising & promotion across Minor Lifestyle. As a result, EBITDA margin was positive at 2.1% in 1H21.

Financial Performance*

<i>Bt million</i>	2Q21	2Q20	%Chg
Retail Trading	330	331	0
Manufacturing	226	240	-6
Total Revenues**	556	571	-3
EBITDA	-17	-29	-41
EBITDA Margin	-3.1	-5.2	

<i>Bt million</i>	1H21	1H20	%Chg
Retail Trading	807	1,023	-21
Manufacturing	501	533	-6
Total Revenues**	1,307	1,556	-16
EBITDA	28	-36	-176
EBITDA Margin	2.1	-2.3	

* Exclude non-core items as detailed in the appendix

** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2Q21, MINT reported total assets of Baht 362,628 million, an increase of Baht 302 million from Baht 362,327 million at the end of 2020. The increase was primarily attributable to (1) Baht 2,877 million increase in cash due to positive operating cashflows, receipts from borrowings and proceeds from asset rotation in 2Q21 and (2) Baht 2,550 increase in intangible assets mainly as a result of translation adjustment, netted off with (1) Baht 805 million decrease in land and real estate project for sales due to real estate sales activities in 1H21 and (2) Baht 5,515 million and Baht 640 million decrease in property, plant and equipment, as well as right-of-use assets, respectively, mainly from the asset rotation in 2Q21, the regular depreciation and amortization schedule and impairment of assets related to COVID-19.

MINT reported total liabilities of Baht 297,016 million at the end of 2Q21, an increase of Baht 11,013 million from Baht 286,003 million at the end of 2020. The increase was mainly

due to (1) a rise in net financing of Baht 5,942 million from short-term borrowings, mainly for NH Hotel Group's liquidity purposes, (2) Baht 1,013 million increase in derivative liabilities and (3) an increase in lease liabilities of Baht 488 million as a result of the sale and lease back transaction of the NH Collection Barcelona Gran Hotel Calderon in 2Q21.

Shareholders' equity decreased by Baht 10,711 million, from Baht 76,324 million at the end of 2020 to Baht 65,612 million at the end of 2Q21, owing mainly to (1) reported 1H21 net loss of Baht 11,174 million and (2) interest paid on perpetual bonds of Baht 799 million, netted with the proceeds from the exercise of warrants amounting to Baht 286 million.

For the first six months of 2021, MINT and its subsidiaries reported positive cash flows from operations of Baht 2,635 million, an increase of Baht 5,215 million y-y, partly attributable to improved operations and partly from the working capital management.

Cash flow receipt for investing activities was Baht 2,917 million in 1H21, primarily due to Baht 4,755 million proceeds from the sale and lease back transaction of the NH Collection Barcelona Gran Hotel Calderon in 2Q21, netted off with regular capital expenditures of hotel, restaurant and other businesses.

The Company reported net cash used for financing activities of Baht 3,137 million in 1H21, primarily due to repayment of lease liabilities of Baht 5,918 million and interest paid on perpetual debentures of Baht 799 million, netted off with net cash received from short-term and long-term borrowings from financial institutions and related parties of Baht 3,595 million 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 increase of MINT's net cash and cash equivalents of Baht 2,414 million in 1H21.

Free cash flow, which is defined as operating cash flow, repayment of lease liabilities and net CAPEX, turned positive to Baht 2.8 billion in 2Q21. The improvement has been seen sequentially from a negative of Baht 4.8 billion in 4Q20 and negative of Baht 3.2 billion in 1Q21, mainly due to improving operating cash flow which turned positive in the

quarter and proceeds from the asset rotation implemented in 2Q21.

Financial Ratio Analysis

MINT's gross profit margin declined slightly from 20.5% in 1H20 to 19.8% in 1H21, in tandem with revenue shortfall amidst the COVID-19 pandemic. Nevertheless, MINT's net loss was lower in 1H21 compared to 1H20 due to strong performance recovery in 2Q21 and the stringent cost cutting measures.

Annualized return on equity was negative at 24.3% in 1H21, improved from negative return on equity of 25.2% in 1H20, as a result of lower core net loss compared to last year. Correspondingly, MINT recorded negative annualized return on assets of 4.7% in 1H21.

Collection days decreased from 77 days in 1H20 to 72 days in 1H21 as a decline in receivables were larger than revenue shortfall. The provision for impairment as a percentage of gross trade receivables increased from 18.2% in 1H20 to 20.7% in 1H21. 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 52 days in 1H20 to 56 days in 1H21, mainly from hotel, food and retail trading businesses amidst COVID-19 outbreak. Account payable days increased from 120 days in 1H20 to 131 days in 1H21, from lower amount of cost of sale due to lower business volume and cost saving initiatives.

Current ratio decreased to 1.0x in 2Q21, compared to 1.3x at the end of 2020 due to 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 2.17x in 2Q21, primarily attributable to higher borrowings and lower equity base from net loss during the period. Nevertheless, the extension of its financial covenant testing waiver for another two years until the end of 2022 from bondholders was successfully secured. In any case, part

of the higher debt level, and thus higher interest bearing debt to equity ratio, was also because of the cash level maintained for liquidity reserve. Should such cash be used to repay debt, then the leverage ratio would decline, and would be closer to the net interest bearing debt to equity level of 1.73x. Interest coverage ratio improved from negative territory in 1H20 to 1.3x in 1H21 due to an improvement in cash flows from operations.

Financial Ratio Analysis

Profitability Ratio	30 June 21	30 June 20
Gross Profit Margin (%)	19.8	20.5
Net Profit Margin (%)	-39.4	-35.0
Core Net Profit Margin* (%)	-30.6	-35.5
Efficiency Ratio	30 June 21	30 June 20
Return on Equity* (%)	-24.3	-25.2
Return on Assets* (%)	-4.7	-6.8
Collection Period (days)	72	77
Inventory (days)	56	52
Accounts Payable (days)	131	120
Liquidity Ratio	30 June 21	31 Dec 20
Current Ratio (x)	1.0	1.3
Leverage & Financial Policy	30 June 21	31 Dec 20
Interest Bearing Debt/Equity (x)	2.17	1.79
Net Interest Bearing Debt/Equity (x)	1.73	1.44
	30 June 21	30 June 20
Interest Coverage (x)	1.3	-0.1

* Exclude non-core items as detailed in the appendix

Management's Outlook

The acceleration of vaccine rollout globally, especially in Europe and the US has paved a clearer recovery for business activities. Nevertheless, the development of COVID-19 pandemic in many geographies remains fluid and volatile with the reemergence of local transmissions in different countries. In any case, MINT will continue to strengthen its foundation to stay agile and resilient, drive revenue by identifying rising opportunities, reduce cost to enhance margin, optimize balance sheet via liability management and asset rotation, as well as accelerate digital by using technology and data to enable growth.

Minor Hotels Outlook

In addition to good performance of hotels in the Maldives and management letting rights in Australia, visible recovery of travel activities in Europe will help to drive Minor Hotels' overall business in the short to medium term.

In Europe, the rollout of vaccination has been on track with over 70% of the adults administered with the first dose of vaccine, on target of The European Commission to be fully vaccinated by end of September. The increasing vaccination rates have allowed the easing of restrictions in many European markets and rising in mobility, starting in 2Q21 which led to growing demand trend despite the rise of Delta variant across the region. As at end of July, more than 90% of hotels in Europe are operational and weekly average occupancy rate of opened hotels has accelerated to 50% in early August 2021 from approximately 23% in 1Q21. NH Hotel Group expects monthly improvement to continue in the coming months, driven by strong recovery of leisure market from domestic and intra-European demand while business and corporate markets are expected to start to recover after the end of the summer travel season. Such demand recovery, together with the implementation of efficiency measures and the strategy to ramp-up average room rate, operating cash flow for the European operation is expected to accelerate further after already turning positive in June.

In Australia, with its reliance primarily on domestic travelers, the hotel RevPar already exceeded the pre-COVID-19 level in 2019. The solid recovery is expected to continue, albeit some minor setbacks from various city lockdowns. Domestic travels will remain the key driver of demand.

In Thailand, the launch of 'Phuket Sandbox' on 1 July 2021 marks the milestone of the country's reopening to international tourists, paving way for other major destinations such as 'Samui Plus' to follow the footsteps. All relevant parties, including the government and private sectors have worked collaboratively to ensure the scheme is moving forward with success, ringfencing the island from other parts of the country which are experiencing rising COVID cases. The recovery pace of hotels in Thailand, particularly Phuket and Samui is expected to further accelerate in the last quarter of the year as increasing advanced bookings have been seen from international wholesale and group markets. In addition, Minor Hotels will continue the Alternative Quarantine business and drive domestic tourism through various promotional campaigns, although the rising COVID-19 cases in the country since mid of April may slow down the recovery trend.

In the coming months, the Maldives is expected to see another wave of pent up demand, following the reopening of the country in mid of July to South Asian visitors after two months of restrictions. Currently, all visitors who have negative PCR test reports or are fully vaccinated are welcome to the island without quarantine. The Maldivian government expects strong demand for both couples and families. With the rising demand, hotels in the Maldives will also be able to maintain and increase its ADR, which is already very close to the pre-COVID level.

Outlook for the residential sales activities will continue to be robust with strong pipeline of transfers, particularly the units in Phuket as customers are seeking more privacy due to COVID-19 outbreak. Meanwhile, AVC operation, especially in China, is seeing continuous recovery trend, with the recovery of domestic travels.

Minor Food Outlook

China hub will be the key driver of Minor Food for the remaining of the year while operations in Australia remain stable. This will help mitigate the short-term volatility of food business in Thailand amidst lockdown in many cities in the country.

In Thailand, food business continues to face volatility amidst the government's effort to curb the pandemic. This includes the heightened lockdown measures in the last two weeks of July with closure of all restaurants in shopping and community malls, and the reopening of the stores for delivery only since August onwards. Minor Food has been quick to adapt to the changing situation, including expanding delivery radius, leveraging existing stores outside of shopping malls as cloud kitchens for multiple brands, adjusting manpower and managing stocks. Furthermore, the varieties of sales channels, including delivery service on both its own platform and third-party aggregators, takeaways and drive-thru have helped Minor Food to stay ahead of competitors during this challenging time. Until the vaccination is widely distributed, which is expected to be by the end of the year, Minor Food will continue to leverage on its variety of established sales channels, the ability to adapt to the quickly changing business environment, and strict cost control.

China hub has seen a steady recovery since last year. Strong positive trend is expected to continue, attributable to robust

pickup in domestic consumption and government's ability to curb the COVID-19 spread effectively. With the business environment largely back to normal, Riverside will continue to drive its membership program, both in terms of new members and increased usage, together with profitable outlet expansion amidst rising opportunities.

For operations in Australia, as the economic activities start to improve with increased domestic mobility, expanding sales channels and strengthening digital loyalty program and delivery platform, as well as profitability management will remain the key focus.

Minor Lifestyle Outlook

Apart from expanding the customer base via adding new online marketplace platforms to improve sales activities, Minor Lifestyle also gives importance to merchandising and product inventory management. Given higher focus on hygiene amidst COVID-19 pandemic, demand of sanitizer and cleaning products remain high.

Cash Flow and Balance Sheet Management Outlook

Cost saving measures continued to be implemented across business units and across geographies. Optimizing workforce and lease negotiations with landlords for rent reduction remain in place. Moreover, other initiatives including inventory and logistics management, waste reduction and energy savings were also executed.

Over the past few months, MINT and NH Hotel Group have entered into a series of transactions to proactively manage its balance sheet and liquidity positions. The liability management initiatives included successful issuance of MINT's Baht 10 billion domestic debentures and USD 300 million perpetual bonds, NH Hotel Group's senior secured bonds of EUR 400 million. Moreover, two asset rotation transactions with the aggregate selling price of EUR 273.5 million have been completed, with the sale and lease back of NH Collection Barcelona Gran Hotel Calderon in Spain and the sale and manage back of Tivoli Marina Vilamoura and Tivoli Carvoeiro in Portugal.

With such initiatives, MINT's liquidity position improved significantly, with available cash on hand increasing to approximately Baht 27 billion as at end of July. In addition, the unutilized credit facilities also increased to Baht 31 billion. Furthermore, cash burn rate has improved since May of this year, attributable to improving operating cash,

together with the cash received from asset rotation. Going forward, recovery is expected to continue, driven primarily by operational improvement of hotels in Europe, further relieving any pressure on MINT's liquidity position.

With all the balance sheet measures put in place, MINT will be able to fully focus on business recovery going forward. This is in time as the business environment has become more conducive. In any case, MINT will remain cautious as short-term volatility from the COVID-19 pandemic still lingers.

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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)
2Q20	17 revenue -152 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-251	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-218	Minor Hotels	Receivable provision for AVC (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)
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)
2Q21	134 revenue 83 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-340 pre-tax -103 post-tax	Minor Hotels	Loss from asset sale in Spain (SG&A expense)
	-737	Minor Hotels	Transaction cost related to NH Hotel Group's debt restructuring (Interest expense)
	-9	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
	-9	Minor Food	Provision expenses for store closure and write- off of prepaid rent (SG&A expense)
	272 pre-tax 209 post-tax	Minor Hotels	Foreign exchange gain on unmatched USD Cross- Currency Swap (SG&A expense)
	45 pre-tax 36 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)