

February 23, 2023

Minor International Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

4Q22 and 2022 Performance

Summary: In 4Q22, Minor International Public Company Limited (“MINT”) reported robust financial results, growing both y-y and q-q.

Core revenue of Baht 35,964 million in 4Q22 grew significantly by 35% compared to the same period last year. This was attributable to a strong rebound of hotel business from higher domestic and international travel activities and solid pricing strategy, together with growing operational business of restaurants and lifestyle units from rising customer traffic.

Core EBITDA in 4Q22 of Baht 10,681 million, increased by 23% y-y. The relatively low EBITDA growth rate compared with revenue was a result of accounting adjustment related to lease contracts and a high base of government subsidies received by NH Hotel Group in 4Q21. MINT’s cost structure has been well maintained, following the lingering effect of disciplined cost reduction program and productivity improvement, as well as revenue maximization during COVID-19.

Core profit increased significantly by 44% compared to same period of previous year to Baht 2,379 million in 4Q22. Strong profits were achieved in all three business units.

In 2022, MINT recorded core revenue growth of 66% y-y to Baht 123,809 million from improved business environment in all key regions. Higher sales flow-through on the back of pricing optimization strategy and proactive cost management contributed to a doubling of core EBITDA y-y to Baht 32,919 million, and core profit turning into the black to Baht 2,019 million in 2022, compared to core loss of Baht 9,314 million in 2021.

Including the non-core items as detailed in the appendix, MINT posted 34% and 204% y-y increases in reported

revenue and EBITDA to Baht 36,077 million and Baht 10,161 million, respectively in 4Q22. Reported bottom line in 4Q22 turned into the black to Baht 1,911 million, compared to net loss of Baht 1,557 million in the same period last year. For the full year of 2022, MINT’s reported revenue rose by 64% y-y to Baht 124,341 million while EBITDA more than tripled to Baht 35,208 million. Bottom line returned to profitability at Baht 4,286 million, which is a significant improvement from a net loss of Baht 13,167 million in 2021.

Financial Performance

Bt million

4Q22 **4Q21** **%Chg**

As Reported

Total Revenue*	36,077	26,958	34
Total EBITDA	10,161	3,345	204
EBITDA Margin (%)	28.2	12.4	
Total Net Profit	1,911	-1,557	223
Net Profit Margin (%)	5.3	-5.8	

Core**

Total Revenue*	35,964	26,632	35
Total EBITDA	10,681	8,670	23
EBITDA Margin (%)	29.7	32.6	
Total Net Profit	2,379	1,657	44
Net Profit Margin (%)	6.6	6.2	

2022 **2021** **%Chg**

As Reported

Total Revenue*	124,341	76,003	64
Total EBITDA	35,208	11,114	217
EBITDA Margin (%)	28.3	14.6	
Total Net Profit	4,286	-13,167	133
Net Profit Margin (%)	3.4	-17.3	

Core**

Total Revenue*	123,809	74,463	66
Total EBITDA	32,919	16,629	98
EBITDA Margin (%)	26.6	22.3	
Total Net Profit	2,019	-9,314	122
Net Profit Margin (%)	1.6	-12.5	

* Includes share of profit and other income

** Exclude non-core items as detailed in the appendix

Segment Performance

Restaurant & Contract Manufacturing Businesses

At the end of 4Q22, MINT's total restaurants reached 2,531 outlets, comprising of 1,264 equity-owned outlets (50% of total) and 1,267 franchised outlets (50% of total). 1,904 outlets (75% of total) are under Thailand hub, while the remaining 627 outlets (25% of total) are overseas, with a total of 24 other countries in Asia, Oceania, Middle East, Europe, Mexico and Canada.

Restaurant Outlets by Ownership and Hub

	4Q22	Chg q-q	Chg y-y
Owned Equity	1,264	18	59
Franchise	1,267	29	83
Total Outlets	2,531	47	142
Thailand*	1,904	50	139
China	140	-2	5
Australia	335	-3	-7
Others	152	2	5
Total Outlets	2,531	47	142

* Thailand hub includes stores in CLMV

Restaurant Outlets by Brand

	4Q22	Chg q-q	Chg y-y
The Pizza Company	574	2	12
Swensen's	348	9	25
Sizzler	66	-3	1
Dairy Queen	505	6	15
Burger King	127	3	8
The Coffee Club	405	0	-10
Thai Express	91	0	6
Riverside	145	-2	5
Benihana	19	2	2
Bonchon	114	5	11
Coffee Journey	85	20	56
Others*	52	5	11
Total Outlets	2,531	47	142

* 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 4Q22, total-system-sales (including sales from franchised outlets) increased by 17.1% y-y. Strong total-system-sales growth of Thailand and Australia hubs more than offset the slowdown in operations in China, which was due to government's stringent COVID-19 measures and big waves

Performance Breakdown by Business*

2022	% Core Revenue Contribution	% Core EBITDA Contribution	% Core Profit Contribution
Hotel & Mixed-use	76	82	45
Restaurant Services	22	17	45
Retail trading & Contract Manufacturing	2	1	10
Total	100	100	100

* Exclude non-core items as detailed in the appendix

Major Developments in 4Q22

Developments

- Added 47 outlets, net q-q, majority of which were the openings of Swensen's, Dairy Queen, Burger King, Bonchon and Coffee Journey in Thailand, together with The Pizza Company in Cambodia and Vietnam, which offset outlet closures of The Coffee Club in Australia during the quarter
 - Opening the first Poulet restaurant, a unique French Roast Chicken specialty in Thailand
 - Acquired 50.1% stakes in GAGA, a trend-leading beverage retail concept
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- Completed the sale and manage back of Tivoli Coimbra in Portugal
 - Opened a total of four hotels q-q
 - Anantara: One leased hotel in France and one managed hotel in the Middle East
 - NH: One leased hotel in Italy and one managed hotel in Thailand
- Hotel & Mixed-Use
- Closed a total of one hotels q-q
 - NH: One leased hotel in the Germany
 - Launched BDMS Wellness Clinic Retreat at Anantara Riverside Bangkok Resort on a joint venture with Bangkok Dusit Medical Services
 - Anantara Vacation Club added room inventories in the new destination, Khao Lak (Thailand)

of infections in the country. Overall same-store-sales in the quarter rose by 4.4%, compared to the same period in prior year as positive sales growth was seen in all regions except for China.

Thailand hub in 4Q22 reported total-system-sales growth of 20.2% y-y, driven by a 4.1% increase in same-store-sales and outlet expansion across many brands including The Pizza Company, Swensen's, Dairy Queen, Burger King, Bonchon and Coffee Journey. Store expansions of Minor Food have been more customized for branding and location. For example, Dairy Queen introduced Asia's first pop-up store, offering new experience with interactive Japanese-style merchandises, an Artificial-Intelligence kiosk and limited-time-only menu. Burger King launched the first of its kind in Asia, featuring advanced technologies including the new flame-grill burger broiler, smart automated lockers for delivery riders and sustainability-led electric vehicle charging stations.

Total-system-sales of China hub decreased by 20.1% y-y in 4Q22 despite an increase in number of stores. This was due to the challenging operating environment in key cities of China, where government imposed dine-in restrictions at the restaurants. Although local lockdowns were lifted in early December, a surge in COVID-19 cases throughout the country resulted in low in-store traffic, causing same-store-sales to decline by 26.4% y-y in 4Q22. In response, China hub implemented cost saving measures through rental reduction and workforce optimization.

In contrast, business conditions in Australia continued to improve due to rising consumer spending and economic activity. Minor Food Australia also implemented effective sales and marketing programs to boost sales and launched a digital wallet to enhance offline customer experience, making it easier for customers to earn and redeem points in the reward program. As a result, same-store-sales grew by 15.1% y-y in 4Q22. Coupled with the reopening of stores at the airports and flood-impacted sites, total-system-sales grew by 18.9% y-y.

Overall, 2022 group-wide total-system-sales increased by 20.1% y-y, supported by business recovery in Thailand and Australia. Group-wide same-store-sales rose by 8.0% y-y as the rebound of dine-in sales in all regions more than offset the challenging operating environment in China.

Restaurant Business Performance

%	4Q22	4Q21	2022	2021
Average Same-Store-Sales Growth	4.4	(1.7)	8.0	(5.1)
Average Total-System-Sales Growth	17.1	6.0	20.1	3.1

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

Financial Performance Analysis

4Q22 total core restaurant revenue surged by 21% y-y, driven by operational improvement in Thailand and Australia, positive contribution from joint ventures and the reclassification of a contract manufacturing unit under Minor Food. Excluding the effect of internal business restructuring by stripping out contract manufacturing, total core restaurant revenue grew by 17% y-y. Franchise income also rose by 6% y-y, attributable to higher local franchise income for most brands, together with higher initial income from additional franchise contracts of The Pizza Company and Swensen's in overseas markets.

Core EBITDA for 4Q22 increased by 16% y-y to Baht 1,625 million with stronger performance from Thailand and Australia hubs due to new store formats and successful sales and marketing initiatives that increased customer engagement, more than offset the challenging operating environment in China. Core EBITDA margin decreased slightly to 22.4% in 4Q22, compared to 4Q21 EBITDA margin of 23.3%, mainly due to the lower margin business of contract manufacturing unit. Stripping off the reclassification, 4Q22 EBITDA margin would be at 23.2%, which is comparable y-y.

In 2022, total core revenue and EBITDA of Minor Food grew by 29% and 13% y-y to Baht 27,401 million and Baht 5,423 million, respectively, due to the same reasons mentioned above. Core EBITDA expanded at a slower rate than revenue from the reclassification of a lower-margin contract manufacturing unit, lower sales flowthrough of business in China and higher costs in Thailand. Consequently, core EBITDA margin decreased from 22.6% in 2021 to 19.8% in 2022. Excluding internal business restructuring, core EBITDA margin was 20.6% in 2022.

Financial Performance*

<i>Bt million</i>	4Q22	4Q21	%Chg
Revenue from Operation**	6,848	5,612	22
Franchise Fee	418	393	6

Total Revenue	7,266	6,005	21
EBITDA	1,625	1,396	16
EBITDA Margin (%)	22.4	23.3	

	2022	2021	%Chg
Revenue from Operation**	25,759	19,853	30
Franchise Fee	1,641	1,321	24
Total Revenue	27,401	21,173	29
EBITDA	5,423	4,782	13
EBITDA Margin (%)	19.8	22.6	

* 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 4Q22, MINT owns 365 hotels and manages 166 hotels and serviced suites in 56 countries. Altogether, these properties have 76,996 hotel rooms and serviced suites, including 56,341 rooms that are equity-owned and leased and 20,655 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH, nhow and Elewana Collection. Of the total, 5,571 rooms in Thailand accounted for 7%, while the remaining 71,425 rooms or 93% are located in 55 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	4Q22	Chg q-q	Chg y-y
Owned Equity*	56,341	-42	-334
- Thailand	3,516	0	328
- Overseas	52,825	-42	-662
Management	20,655	732	1,709
- Thailand	2,055	271	351
- Overseas	18,600	461	1,358
Total Hotel Rooms	76,996	690	1,375

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

Hotel Rooms by Ownership

	4Q22	Chg q-q	Chg y-y
Owned Hotels	19,154	-151	42
Leased Hotels	35,358	109	-376
Joint-venture Hotels	1,829	0	0
Managed Hotels	14,216	663	1,721
MLRs*	6,439	69	-12
Total Hotel Rooms	76,996	690	1,375

* Properties under management letting rights in Australia and New Zealand

Hotel Performance Analysis by Ownership

Owned & Leased Hotels

MINT's owned and leased hotels portfolio (including NH Hotel Group), which accounted for 82% of core hotel & mixed-use revenues in 4Q22, reported y-y system-wide revenue per available room ("RevPar") increase of 66%. Hotels in Europe and Latin America, Thailand and Australia led strong recovery y-y from higher travel activities and ability to increase average room rate. Comparing to pre-pandemic level, overall RevPar of owned and leased hotels continued to surpass 2019 horizon for the third consecutive quarter, by 21% in 4Q22.

4Q22 system-wide RevPar of owned and leased hotel portfolio in Europe and Latin America surged by 66% y-y in EUR term. Average occupancy rate improved to 64% in 4Q22 from strong travel demand, compared to 50% in the same period of last year while room rate was 28% higher y-y. Compared to 2019 horizon, RevPar exceeded the level by 10%, fueled by a hike in room rate. Southern Europe posted the strongest RevPar improvement over pre-pandemic level, followed by Latin America and Northern Europe.

Maldives' RevPar remained above pre-COVID-19 level since third quarter of 2021, outperforming by 22% in 4Q22. This was attributable to higher average room rate from Minor Hotels' sales efforts. The sequential improvement from the prior quarter was also seen. On a y-y basis, Maldives reported a RevPar decrease of 12% in USD term as a 7% increase in daily room rate partially offset a decrease in occupancy rate. The re-opening of other destinations has provided travelers with more choices when compared with the high base of prior year when Maldives was one of few destinations amidst COVID-19.

4Q22 system-wide RevPar of owned hotels in Thailand recovered strongly both y-y and q-q, surging by 207% and 66%, respectively as the country fully reopened to international tourists in July 2022 and airlines' seating capacity started to ramp up faster. In Q4 2022, Thailand's RevPar reached the same level as 2019, the first quarter since the pandemic, due to an increase in room rates of 16%. Notably, RevPar in December 2022 exceeded pre-pandemic horizon by 9%, led by hotels in Bangkok which is a gateway city of Thailand.

Management Letting Rights

The management letting rights portfolio (MLRs), contributing 8% of 4Q22 core hotel & mixed-use revenues, recorded an increase in RevPar of 56% y-y in AUD, a continuous improvement in performance. RevPar surpassed pre-pandemic levels by 35%, fueled by robust leisure demand during the quarter, which was driven by school holidays, festive season and an increase in international travel. These factors drove a surge in average room rates.

Management Contracts

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 3% in 4Q22. System-wide RevPar of management contract portfolio increased by 38% y-y, attributable to demand recovery across Europe, Asia and the Middle East.

Overall Hotel Portfolio

MINT's system-wide RevPar for the entire portfolio experienced a significant y-y increase of 58% in Q4 2022, exceeding pre-pandemic levels by 25%. This operational improvement was largely driven by a surge in global travel demand and Minor Hotels' pricing strategy.

Similarly, in 2022, system-wide RevPar of MINT's entire portfolio doubled y-y and exceeded 2019 levels by 7% due to the same reasons mentioned above.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	4Q22	4Q21	2022	2021
Owned Hotels*	63	48	59	33
Joint Ventures	42	40	40	30
Managed Hotels*	59	46	52	37
MLRs**	80	64	80	65
Average	64	49	60	36
MINT's Portfolio in Thailand	65	29	48	19
Industry Average in Thailand***	63	26	47	14

(System-wide)	ADR (Bt/night)			
	4Q22	4Q21	2022	2021
Owned Hotels*	5,009	3,980	4,780	3,668
Joint Ventures	7,725	8,219	7,847	7,261
Managed Hotels*	6,316	5,901	5,750	4,997
MLRs**	5,753	4,701	5,430	4,348
Average	5,326	4,393	5,029	4,024
MINT's Portfolio in Thailand	5,736	4,334	4,891	3,529
Industry Average in Thailand***	1,289	867	1,063	914

(System-wide)	RevPar (Bt/night)			
	4Q22	4Q21	2022	2021
Owned Hotels*	3,176	1,910	2,835	1,218
Joint Ventures	3,244	3,329	3,174	2,151
Managed Hotels*	3,756	2,712	3,000	1,841
MLRs**	4,616	3,022	4,364	2,814
Average	3,400	2,148	2,998	1,462
MINT's Portfolio in Thailand	3,754	1,250	2,346	683
Industry Average in Thailand***	806	228	503	129

* These numbers include NH Hotel Group

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

*** Source for Industry Average: Bank of Thailand

Mixed-Use Business

One of MINT's mixed-use businesses is plaza and entertainment business. The Company owns and operates three shopping plazas in Bangkok, Phuket and Pattaya. In addition, MINT is the operator of seven entertainment outlets in Pattaya, which include the famous Ripley's Believe It or Not Museum and The Louis Tussaud's Waxworks.

MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. MINT has five projects in Thailand, Mozambique and Malaysia that are currently available for sale. In addition, four new residential and office development projects, are currently under construction and in the pipeline to be launched, to ensure continuous pipeline of MINT's real estate business in the coming years.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 4Q22, AVC had a total inventory of 288 units in Thailand, New Zealand, Indonesia, and China. The number of members increased by 5% y-y to 17,362 members at the end of 4Q22.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 4Q22, hotel & mixed-use business posted a total core revenue increase of 42% y-y, driven by a strong rebound in hotel business that more than offset softer mixed-use revenues. Core revenue from hotel and related services operation and management income surged by 48% and 43% y-y, respectively, due to higher travel demand and solid pricing strategy that led to a robust performance of hotels in key regions including Europe and Latin America, Thailand and Australia. Meanwhile, revenue from mixed-use business

decreased by 10% y-y in 4Q22, despite improved operations of AVC and plaza & entertainment that could only partially mitigate the decrease in revenue of residential projects from timing mismatch in real estate sales activities. Higher number of points sold and increasing average price per point resulting from successful marketing activities drove AVC business, while better performance of plaza & entertainment was supported by stronger traffic.

Core EBITDA of hotel & mixed-use business in 4Q22 increased 25% y-y to Baht 8,945 million, a slower pace than revenue growth, resulting in a decrease in core EBITDA margin to 32.0% in 4Q22 from 36.3% in the same period last year. This was mainly due to NH Hotel Group's high base of government subsidies received amidst COVID-19 pandemic and accounting adjustment related to lease contracts in 4Q21. Apart from this, other business models posted higher core EBITDA growth compared to revenue, reiterating MINT's efforts to strengthen its cost structure effectively.

In 2022, hotel & mixed-use business reported y-y total revenue increase of almost double to Baht 93,886 million from operational recovery of all business perimeters, except for residential development business, which was impacted by a timing mismatch in real estate sales activities as opposed to underlying operation. Core EBITDA surged by more than two folds y-y to Baht 27,012 million, supported by robust performance of hotel segment and the recovery of world-class restaurants under the Wolseley Group in the UK and plaza & entertainment. As a result, overall core EBITDA margin rose to 28.8% in 2022, compared to 23.2% in 2021.

Financial Performance*

<i>Bt million</i>	4Q22	4Q21	%Chg
Hotel & related services **	25,341	17,074	48
Management fee	722	506	43
Mixed-use	1,896	2,107	-10
Total Revenue	27,960	19,688	42
EBITDA	8,945	7,154	25
EBITDA Margin (%)	32.0	36.3	
	2022	2021	%Chg
Hotel & related services **	86,450	43,320	100
Management fee	2,020	1,302	55
Mixed-use	5,416	5,909	-8
Total Revenue	93,886	50,530	86
EBITDA	27,012	11,726	130
EBITDA Margin (%)	28.8	23.2	

* Exclude non-core items as detailed in the appendix

** Include share of profit and other income

Lifestyle Business

At the end of 4Q22, MINT had 297 retail trading points of sales, a decrease of 89 points of sales from 386 points at the end of 4Q21, mainly from brand exit of Esprit, Radley and Bodum in order to focus on efficiency, netted off with the addition of more outlets of successful kitchenware brands such as Zwilling J.A. Henckels, Joseph Joseph and BergHOFF. Of total 297 retail trading outlets, 69% are operated under fashion brands including Anello, Bossini and Charles & Keith, while 31% are operated under home & kitchenware brands including Joseph Joseph, Zwilling J.A. Henckels and BergHOFF.

Lifestyle's Outlet Breakdown

	4Q22	Chg q-q	Chg y-y
Fashion	205	-18	-97
Home & Kitchenware	92	9	8
Total Outlets	297	-9	-89

In 4Q22, total revenue of Minor Lifestyle decreased by 21% y-y due to the reclassification of contract manufacturing business to Minor Food. Excluding such internal business restructuring, Minor Lifestyle revenues grew by 6% y-y even with a lower number of retail trading stores. The growth was driven primarily by stronger door-to-door and seminar sales of Minor Smart Kids.

4Q22 overall core EBITDA of Minor Lifestyle remained positive but decreased marginally by 7% y-y to Baht 111 million. This was due to higher sales mix of lower-margin corporate sales of home & kitchenware business, higher rental expenses and write-off expenses related to exiting brands. Nevertheless, EBITDA margin improved to 15.0% in 4Q22 from 12.8% in 4Q21 due to an absence of contract manufacturing unit with much lower profitability.

2022 revenue of Minor Lifestyle decreased by 9% y-y, solely due to shortfall of contract manufacturing contribution from the reporting adjustment. Ruling out the reclassification impact, overall revenue reported growth of 31%. Core EBITDA in 2022 rose to Baht 485 million from Baht 121 million, increasing at a much faster rate than revenue from stronger performance of fashion, e-commerce and Minor Smart Kids. As a result, EBITDA margin improved to 19.2% in 2022 from 4.4% in 2021.

Financial Performance*

<i>Bt million</i>	4Q22	4Q21	%Chg
Retail Trading	739	696	6
Manufacturing**	0	244	-100
Total Revenues***	739	940	-21
EBITDA	111	120	-7

EBITDA Margin **15.0** **12.8**

<i>Bt million</i>	2022	2021	%Chg
Retail Trading	2,521	1,752	44
Manufacturing**	0	1,008	-100
Total Revenues***	2,521	2,760	-9
EBITDA	485	121	301

EBITDA Margin **19.2** **4.4**

* Exclude non-core items as detailed in the appendix

** Manufacturing was reclassified to Minor Food from 1Q22 due to internal restructuring

*** Include share of profit and other income

Balance Sheet & Cash Flows

At the end of 2022, MINT reported total assets of Baht 358,210 million, a decrease of Baht 11,423 million from Baht 369,633 million at the end of 2021. The decrease was primarily attributable to (1) Baht 2,130 million decrease in cash as a result of repayment of borrowings, (2) Baht 690 million decrease in investments in associates, (3) Baht 7,252 million, Baht 3,427 million and Baht 1,887 million decreases in property, plant and equipment, right-of-use assets, as well as intangible assets respectively, mainly from the regular depreciation and amortization schedule and loss on translation adjustment and (4) Baht 1,207 million decrease in deferred tax asset, netted off with Baht 2,414 million increase in trade and other receivables, mainly due to increasing sales.

MINT reported total liabilities of Baht 275,601 million at the end of 2022, a decrease of Baht 14,540 million from Baht 290,140 million at the end of 2021. The decrease was mainly due to (1) Baht 14,008 million decrease in net financing from the repayment of long-term borrowings, (2) a decrease in lease liabilities of Baht 3,924 million mainly as a result of lease payment schedule and (3) Baht 1,486 million decrease in derivative liabilities, netted off with Baht 3,413 million increase in payables.

Shareholders' equity increased by Baht 3,117 million, from Baht 79,492 million at the end of 2021 to Baht 82,609 million at the end of 2022, owing mainly to (1) reported 2022 net profit of Baht 4,286 million and (2) proceeds from

the exercise of warrants amounting to Baht 1,475 million, netted with (1) net redemption of perpetual debentures of Baht 1,989 million and (2) interest paid on perpetual bonds of Baht 1,411 million.

For the full-year 2022, MINT and its subsidiaries reported positive cash flows from operations of Baht 30,139 million, an increase of Baht 11,996 million y-y, supported by improved operations.

Cash flow used in investing activities was Baht 112 million in 2022, primarily due to (1) Baht 1,273 million investment amount related to Corbin & King and (2) Baht 4,587 million regular capital expenditures of hotel, restaurant and other businesses, netted off with (1) Baht 1,861 million decrease in loans to other companies, (2) Baht 2,090 million proceeds from disposals of some assets including the sale of two owned assets in the Netherlands and Germany in 2Q22, (3) Baht 1,708 million proceeds from disposals of asset held for sales including the sale of two owned assets in the UK and Belgium in 3Q22 and (4) Baht 204 million proceeds from disposal and change interest of investment in subsidiaries including the sale and manage back of one asset in Portugal in 4Q22.

The Company reported net cash used for financing activities of Baht 31,882 million in 2022, primarily due to (1) repayment of lease liabilities of Baht 8,819 million, (2) cash paid for interest expenses of Baht 8,944 million, (3) interest paid on perpetual debentures of Baht 1,411 million, (4) net repayment of long term borrowings, debentures and perpetual debentures of Baht 13,614 million, netted off with Baht 1,475 million proceeds received 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 1,854 million in 2022.

Free cash flow, which is defined as operating cash flow, netted with repayment of lease liabilities, interest payment including to perpetual bond holders and net CAPEX, remained positive at Baht 2.9 billion in 4Q22, mainly due to significantly improved operating cash flow. In 2022, free cash flow was at Baht 10.9 billion.

Financial Ratio Analysis

MINT's gross profit margin rose strongly from 31.8% in 2021 to 43.5% in 2022, mainly supported by improved operations of Minor Hotels and Minor Lifestyle. Furthermore, MINT's core loss in 2021 also improved to positive profitability in 2022 from business recovery in all business units.

Return on equity (on a core basis) returned to positive territory at 2.5% in 2022, a significant improvement from negative return on equity of 12.0% in 2021, as a result of strong recovery of hotel business and improving operational performance of restaurants and lifestyle units from rising customer traffic. Correspondingly, MINT recorded positive return on assets (on a core basis) of 0.6% in 2022.

Collection days decreased from 56 days in 2021 to 39 days in 2022, supported by MINT's efforts to collect payment faster. The provision for impairment as a percentage of gross trade receivables decreased from 16.5% in 2021 to 9.9% in 2022 from hotel and restaurant businesses due to increase in volume and higher quality of sales.

MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant and retail trading & contract manufacturing businesses. Inventory days in 2022 was 26 days, compared to 44 days in 2021, as a result of much stronger sales and proactive inventory management. Account payable days decreased from 115 days in 2021 to 83 days in 2022 from absence of payment extension as business activities resumed.

Current ratio was at 0.7x at the end of 2022, compared to 0.9x at the end of 2021 mainly due to an increase in current portions of long-term borrowings. According to MINT's debt covenant definition which carves out lease liabilities from the calculation, net interest-bearing debt to equity ratio decreased from 1.36x at the end of 2021 to 1.17x as at end 2022, attributable to lower interest-bearing debt from net debt repayment and higher equity base from profit generation and asset sales. This level was much below MINT's debt covenant of 1.75x. Nevertheless, financial covenant testing was waived until the end of 2022. Interest coverage ratio increased from 2.6x in 2021 to 4.6x in 2022, mainly due to strong improvement in cash flows from operations.

Financial Ratio Analysis

	31 Dec 22	31 Dec 21
Profitability Ratio		
Gross Profit Margin (%)	43.5	31.8
Net Profit Margin (%)	3.4	-17.3
Core Net Profit Margin* (%)	1.6	-12.5
Efficiency Ratio	31 Dec 22	31 Dec 21
Return on Equity* (%)	2.5	-12.0
Return on Assets* (%)	0.6	-2.5
Collection Period (days)	39	56
Inventory (days)	26	44
Accounts Payable (days)	83	115
Liquidity Ratio	31 Dec 22	31 Dec 2021
Current Ratio (x)	0.7	0.9
Leverage & Financial Policy	31 Dec 22	31 Dec 2021
Interest Bearing Debt/Equity (x)	1.44	1.68
Net Interest Bearing Debt/Equity (x)	1.17	1.36
	31 Dec 22	31 Dec 21
Interest Coverage (x)	4.6	2.6

* Exclude non-core items as detailed in the appendix

Management's Outlook

MINT has resumed the full process of long-term strategic planning after the pandemic and has developed a new three-year plan for the period 2022-2025. The strategies prioritize high-level strategic and financial objectives, aiming at reaccelerating business growth, while effectively managing risks associated with a dynamic operating environment and future uncertainties.

Our strategic pillars to achieve new height of profitability and shareholder value include;

Winning Brand Portfolio

To maintain its leading position as the preferred choice for customers and further capitalize on new business opportunities, MINT continues to keep building a portfolio of strong brands and high-value assets. The Company will focus on expanding its existing multi-brand portfolio by opening flagship properties in new markets, revitalizing its brands through 360-degree approach and exploring opportunistic addition of new brands to the portfolio.

Value Capture and Productivity

A series of initiatives are implemented put in place to enhance profitability margins and returns, while also shortening payback period to improve cash flow and liquidity. These initiatives include;

- CAPEX optimization to maximize return on investment
- Further integration of Minor Hotels and NH Hotel Group to boost sales and maximize margins
- Strengthening manufacturing capabilities to enhance overall capabilities of MINT as a group
- Improving balance sheet strength to increase long-term shareholder value
- Back office transformation to improve productivity and efficiency and implementation of hub and regional cluster structure to maximize revenue per employee

Investment, Partnerships and Portfolio Management

MINT adopts a balanced investment strategy that capitalizes on its scale to support Minor Hotels' high-yield investments and reposition Minor Food's portfolio to appeal to younger generations. Additionally, MINT is enhancing its position as the preferred partner for promising business ventures in new markets and existing markets, as well as broadening relationships with key partners such as large institutional investors, asset managers and high-net-worth entrepreneurs. The Company also prioritizes portfolio management for franchisees, accelerating asset-light expansion for hotels and exploring potential alliances for Minor's reward program.

Digital and Innovation

Digital and innovation have long been integral to enhancing MINT's competitive advantages as well as product and service offerings. The Company is incorporating technology such as multi-brand booking engine, data analytics, digital touchpoints at properties and customer relationship management throughout the value chain of Minor Hotels, from pre-stay to in-stay and post-stay. Minor Food is focusing on enhancing customer segmentation, customer insights for innovation, supply chain and logistic planning, digital touchpoints at stores and initiatives for customer engagement and retention. These efforts will improve customer experience and maximize value propositions of MINT's products and services.

People Development

Recognizing that people are MINT's greatest asset with an aim to remain the employer of choice, the Company is

focusing on recruiting and developing the right talent for the future, providing career growth opportunities that support leadership development and creating an inclusive and agile culture that fosters a sustainable pipeline of talents and leaders. By prioritizing the well-being, growth, and development of its 70,000 employees, MINT aims to attract and retain top talent and to become a leading employer in the industry.

Sustainability

Sustainability remains a key focus of MINT's three-year strategy, reflecting its commitment to building a more sustainable future for all stakeholders over the long-term.

Its sustainability strategy comprises five key areas:

- People through building a sustainable pipeline of talents and leader
- Value chain through being the brand of choice for trust and safety among partners
- Planet through working towards a target of becoming net-zero carbon organization by 2050
- Governance through maintaining good corporate governance and promoting responsible business culture
- Shared value through implementing ESG best practices across all levels of organization

MINT has another aspiration to maximize shareholders' return. As a step towards achieving this goal, MINT is contemplating to propose a cash dividend at 30% of 2022 core profit and potentially another interim dividend later in the year given favorable operating conditions across all businesses. The decision, however, will be subject to the approval from the board of directors and shareholders.

As we move into post-pandemic era, MINT expects to continue its positive momentum and achieve another strong year in 2023. In alignment with its new three-year strategy, the focus for 2023 will be identifying and seizing new opportunities that unlock and accelerate growth and profitability, while maintaining MINT's position as a global market leader.

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Mr. Chaiyapat Paitoon
Chief Financial Officer

Appendix

Non-Recurring Items			
Period	Amount (Bt million)	Business Unit	Non-recurring Items
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
-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)
3Q21	35 revenue -75 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	937	Minor Hotels	Gain from asset sale in Portugal (Revenue)
	5	Minor Hotels / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-12 revenue -17 net profit	Minor Food	Provision expenses for store closure, write-off of prepaid rent and share loss from JV (Revenue and SG&A expense)
	1,044 pre-tax 1,136 post-tax	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	50 pre-tax 76 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-131	Minor Hotels	Ineffective hedge accounting (Interest expense)
4Q21	116 revenue -26 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-4,460 pre-tax -3,065 post-tax	Minor Hotels	Loss on land revaluation and impairment of building (SG&A expense)
	862	Minor Hotels	Adjustment of deferred tax asset at MINT level in relation to NH's lease liabilities (Tax expense)
	-75	Minor Hotels	Corporate income tax from gain on sales of 40% MINT's interest in the five assets in Thailand (Tax expense)
	-208 pre-tax -223 post-tax	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-284 pre-tax -131 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense and Interest expense)
	1Q22	42 revenue 115 net profit	Minor Hotels
-7		Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
-74		Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)

	-576	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)		-52	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	389	Minor Hotels	Ineffective hedge accounting (Other gain)		349	Minor Hotels	Ineffective hedge accounting (Other gains)
	-65	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)		147	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-7	Minor Hotels	Deferred tax related to gain on sale of 40% MINT's interest in the five assets (Tax expense)		922	Minor Hotels	Unrealized gain from derivatives (Other gains)
	-16 revenue 13 net profit	Minor Food	Disposal of fixed asset, provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)	3Q22	-24 revenue 1 net profit	Minor Food	Disposal of fixed asset, reversed provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
	32 revenue 115 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)		149 revenue 34 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-8	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)		-61	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)
2Q22	867	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)		-71	Minor Hotels	Provision expenses for asset and account receivable impairment (SG&A expense)
	-141	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)		-1,000	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-32	Minor Hotels	Ineffective hedge accounting (Other losses)		182	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-120	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)	4Q22	242	Minor Hotels	Ineffective hedge accounting (Other gains)
	-463	Minor Hotels	Unrealized loss from derivatives (Other losses)		-9	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	128	Minor Hotels	Gain from unwind USD 300 million perpetual bond (Other gains)		167	Minor Hotels	Unrealized gain from derivatives (Other gains)
	-1 revenue 5 net profit	Minor Food	Disposal of fixed asset, provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)		-36 revenue 43 net profit	Minor Food	Disposal of fixed asset, reversed provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
	387 revenue 456 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)				
3Q22	-8	Minor Hotels	Redundancy costs from cost cutting measures (SG&A expense)				
	783	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)				