

May 14, 2024

Minor International Public Company Limited

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

### 1Q24 Performance

**Summary:** Minor International Public Company Limited (“MINT”) reported improved financial results for 1Q24 with a positive outlook.

In 1Q24, both hotel and restaurant businesses demonstrated healthier financial performances due to rising travel demand, increased dine-in traffic, the ability to raise room rates and average spending, as well as portfolio expansion through new hotels and restaurants. This resulted in reported revenue growth of 15% y-y to Baht 38,050 million.

Reported EBITDA in 1Q24 grew significantly faster than revenue, surging by 53% y-y to Baht 9,923 million. This impressive growth was attributable to improved overall flow-through from revenue, enhanced efficiency and effective cost management.

MINT achieved a reported profit of Baht 1,146 million for 1Q24 despite low seasonality in its primary European operations, representing a significant y-y turnaround from a loss of THB 976 million in the same period last year. Stronger underlying performance across all business units, together with favorable foreign exchange movements contributed to this bottom-line recovery.

Excluding non-core items detailed in the appendix, MINT recorded 14% and 22% y-y increases in core revenue and EBITDA to Baht 37,649 million and Baht 8,353 million, respectively in 1Q24. Core bottom line reported a loss of Baht 352 million in 1Q24, primarily due to the regular seasonality of European tourism business. However, the core loss was reduced by 46% from Baht 647 million in 1Q23, indicating significant y-y improvement, despite macroeconomic and geopolitical challenges.

### Financial Performance

<i>Bt million</i>	<b>1Q24</b>	<b>1Q23 (Restated)</b>	<b>%Chg</b>
<b>Core*</b>			
Total Revenue**	37,649	33,110	14
Total EBITDA	8,353	6,854	22
<b>EBITDA Margin (%)</b>	<b>22.2</b>	<b>20.7</b>	
Total Net Profit	-352	-647	46
<b>Net Profit Margin (%)</b>	<b>-0.9</b>	<b>-2.0</b>	
<b>As Reported</b>			
Total Revenue**	38,050	33,122	15
Total EBITDA	9,923	6,497	53
<b>EBITDA Margin (%)</b>	<b>26.1</b>	<b>19.6</b>	
Total Net Profit	1,146	-976	217
<b>Net Profit Margin (%)</b>	<b>3.0</b>	<b>-2.9</b>	

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

\*\* Includes share of profit and other income

### Performance Breakdown by Business\*

<i>1Q24</i>	<b>% Core Revenue Contribution</b>	<b>% Core EBITDA Contribution</b>
Hotel & Mixed-use	79	78
Restaurant Services	21	22
<b>Total</b>	<b>100</b>	<b>100</b>

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

## Major Developments in 1Q24

### Developments

Restaurant	<ul style="list-style-type: none"> <li>Closed 3 outlets, net q-q, majority of which were the closures of The Coffee Club in Australia, Coffee Journey in Thailand and Riverside in China</li> </ul>
Hotel & Mixed-Use	<ul style="list-style-type: none"> <li>Opened a total of 13 hotels q-q               <ul style="list-style-type: none"> <li>Anantara: One leased hotel in Austria and two managed hotels in UAE</li> <li>NH Collection: One managed hotel in China</li> <li>NH: Six managed hotels in France and China</li> </ul> </li> </ul>

	- Oaks: One managed hotel in China and two MLRs in Australia
	• Closed a total of two hotels q-q
	- NH: Two leased hotels in Spain and Germany
	• Rebranded one hotel q-q
	- Avani: from NH Collection in Germany
Corporate	• Fitch Ratings upgraded NH Hotel Group's long-term issuer default rating to 'BB-' from B, senior secured notes due 2026 to 'BB+' from BB- and standalone credit profile to 'bb-' from b+

Riverside	140	-5	-5
Benihana	20	-1	1
Bonchon	121	3	7
Coffee Journey	88	-6	-4
GAGA	47	6	47
Others*	68	19	13
<b>Total Outlets</b>	<b>2,642</b>	<b>-3</b>	<b>102</b>

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

## Segment Performance

### Restaurant & Contract Manufacturing Businesses

At the end of 1Q24, MINT's total restaurants reached 2,642 outlets, comprising of 1,353 equity-owned outlets (51% of total) and 1,289 franchised outlets (49% of total). 2,019 outlets (76% of total) are under Thailand hub, while the remaining 623 outlets (24% of total) are overseas, with a total of 23 other countries in Asia, Oceania, Middle East, Europe, Mexico and Canada.

#### Restaurant Outlets by Ownership and Hub

	1Q24	Chg q-q	Chg y-y
Owned Equity	1,353	16	86
Franchise	1,289	-19	16
<b>Total Outlets</b>	<b>2,642</b>	<b>-3</b>	<b>102</b>
Thailand*	2,019	14	105
China	133	-5	-7
Australia	315	-11	-11
Others	175	-1	15
<b>Total Outlets</b>	<b>2,642</b>	<b>-3</b>	<b>102</b>

\* Thailand hub includes stores in CLMV and Japan

#### Restaurant Outlets by Brand

	1Q24	Chg q-q	Chg y-y
The Pizza Company	587	-1	10
Swensen's	361	3	12
Sizzler	74	1	10
Dairy Queen	519	1	16
Burger King	129	-1	2
The Coffee Club	392	-12	-4
Thai Express	96	-10	-3

### Hub Performance Analysis

In 1Q24, total-system-sales (including sales from franchised outlets) increased by 2.7% y-y. The growth was mainly fuelled by the addition of new outlets in Thailand, Singapore, along with the acquisition of the Sizzler brand trademark, which enabled us to consolidate its existing franchised stores in Japan. Overall same-store-sales in the quarter decreased slightly by 3.4%, compared to the same period in prior year as good sales momentum of restaurants in Thailand only partially mitigated the lower store trading activities in other hubs.

Restaurants in Thailand in 1Q24 reported total-system-sales growth of 7.4% y-y, driven by a 1.8% same-store-sales growth, together with outlet expansion. Minor Food's key brands saw improved sales figures due to increased customer frequency and docket growth, driven by product innovations. This year, Swensen's launched a new look for its Mango and Strawberry Overload, adding a fresh twist to the seasonal menu. The launch of its viral duck ice cream for the Lunar New Year campaign and the brand's first experiential concept pop-up store, offering 101 flavors, successfully captured market attention, fostering loyalty and attracting new customers. Dairy Queen's existing product lines encouraged repeat purchases, while new offerings helped expand its customer base. Including CLMV countries, total-system-sales grew by 8.2% y-y, solely from network expansion as same-store-sales remained stable compared to last year.

China hub posted total system sales and same-store-sales declines of 23.3% and 27.2%, respectively, in 1Q24. The slowdown was a result of economic challenges, weakened consumer confidence, some store closures and a high baseline from the prior year when international borders reopened in January. During the quarter, China hub concentrated on boosting sales, implementing cost-saving strategies, and optimizing its store portfolio, while actively

exploring opportunities for new store openings in selected high-traffic areas.

Total-system-sales of Australia hub decreased slightly by 2.8% while same-store sales fell by 2.7% in 1Q24, compared to the same period of last year. This was influenced by lower number of store traffic, coupled with delays in store expansion. The Coffee Club accelerated the rollout of its new coffee blend across all stores nationwide, to further strengthen The Coffee Club's brand identity. In addition, NOMAD Coffee Group's recognition as the winner of the Golden Bean World Series award for its coffee blend is expected to further boost sales volume.

### Restaurant Business Performance

%	1Q24	1Q23
Average Same-Store-Sales Growth	-3.4	11.4
Average Total-System-Sales Growth	2.7	19.9

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

### Financial Performance Analysis

In 1Q24, total core restaurant revenue grew by 4% y-y, attributable to top-line improvements in Thailand, Australia and Singapore, together with an increase in profit contribution from joint ventures. Growth in customer visits and an expansion in the number of outlets propelled growth in Thailand and Singapore, while an increase in roasted coffee bean sales was the primary driver behind Australia's top-line performance improvement. Franchise income saw a slight decrease of 5% y-y as the recovery of franchised outlets in Thailand only partially offset softer performance in international franchised restaurants as well as a lower number of franchised stores in Australia.

Core EBITDA in 1Q24 increased by 9% y-y to Baht 1,840 million. Higher revenue flow-through and improved cost management, particularly in the Thailand hub and lower price of raw materials in China, resulted in stronger profitability, with core EBITDA growth outpacing revenue growth. Consequently, core EBITDA margin increased to 22.9% in 1Q24, compared to 1Q23 EBITDA margin of 21.8%.

### Financial Performance\*

<i>Bt million</i>	1Q24	1Q23	%Chg
Revenue from Operation**	7,659	7,326	5
Franchise Fee	384	402	-5
<b>Total Revenue</b>	<b>8,043</b>	<b>7,728</b>	4

<b>EBITDA</b>	<b>1,840</b>	<b>1,683</b>	9
<b>EBITDA Margin (%)</b>	<b>22.9</b>	<b>21.8</b>	

\* 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 1Q24, MINT owns 372 hotels and manages 178 hotels and serviced suites in 55 countries. Altogether, these properties have 79,521 hotel rooms and serviced suites, including 56,476 rooms that are equity-owned and leased and 23,045 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH, nhov and Elewana Collection. Of the total, 5,319 rooms in Thailand accounted for 7%, while the remaining 74,202 rooms or 93% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

### Hotel Rooms by Owned Equity and Management

	1Q24	Chg q-q	Chg y-y
Owned Equity*	56,476	-260	239
- Thailand	3,791	195	275
- Overseas	52,685	-455	-36
Management	23,045	1,528	1,056
- Thailand	1,528	0	-527
- Overseas	21,517	1,528	1,583
<b>Total Hotel Rooms</b>	<b>79,521</b>	<b>1,268</b>	<b>1,295</b>

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

### Hotel Rooms by Ownership

	1Q24	Chg q-q	Chg y-y
Owned Hotels	19,143	65	-91
Leased Hotels	35,612	-17	358
Joint-venture Hotels	1,721	-308	-108
Managed Hotels	16,362	1,438	914
MLRs*	6,683	90	222
<b>Total Hotel Rooms</b>	<b>79,521</b>	<b>1,268</b>	<b>1,295</b>

\* 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 contributed 80% of core hotel & mixed-use revenues in 1Q24. The portfolio witnessed y-y system-wide revenue per available room ("RevPar") surge of 21% in 1Q24. This growth was primarily fueled by a continued increase in travel demand and MINT's capacity to raise average room rates, led by hotels in Europe

and Latin America, along with those in Thailand. Minor Hotels' successful pricing strategy remained a key contributor, resulting in RevPar that surpassed pre-COVID-19 level by 35%.

In 1Q24, owned and leased hotel portfolio in Europe and Latin America saw sustained growth of 13% y-y in system-wide RevPar in EUR term. Average occupancy rate rose to 62% in 1Q24 from 59% in the corresponding period last year, driven by continuous improvements in both leisure and corporate segments. Average room rate was also higher, increasing 7% y-y to EUR 125 per room per night. Compared to pre-pandemic level, RevPar exceeded the 2019 horizon by 26%, primarily attributed to the rise in room rate. Spain saw the strongest RevPar outperformance, followed by Latin America, Italy, Benelux and Central Europe.

In 1Q24, the number of international tourists to Thailand continued to climb in tandem with increased airline seating capacity and the ongoing allure of the destination. This, combined with a significant increase in room rates, resulted in a remarkable 25% y-y surge in system-wide RevPar of owned hotels in Thailand. The figure exceeded pre-pandemic horizon by 22% with the occupancy rate reaching 81%, on par with those in 2019, while room rates exceeded the 2019 level by 23%.

In the Maldives, m-m improvement in hotel performance was seen throughout 1Q24. While 1Q24 RevPar in USD term decreased by 10% y-y and was 5% below 2019 level, RevPar growth in March 2024 turned positive, with a 4% y-y increase, bringing the figure in line with pre-pandemic range. The abnormality of exceptionally high baseline performance in 2022 tapered off, with a rise in both occupancy and room rates witnessed in the last month of the quarter.

#### Management Letting Rights

The management letting rights portfolio (MLRs), contributing 9% to core hotel & mixed-use revenues in 1Q24, recorded another notable performance. RevPar exceeded the same period of last year and the pre-pandemic horizon by 6% and 37% in AUD term, respectively. This outstanding achievement was propelled by strong corporate travel activities in CBD locations across Australia, as well as major events such as high-profile concerts and the Formula 1 Grand Prix in Melbourne and Sydney, despite the higher baseline set in the previous year. Additionally, the newly

refurbished rooms in Queenstown and Auckland drove higher demand and commanded premium rates.

#### Management Contracts

In 1Q24, management contract contributed 2% to MINT's core hotel & mixed-use revenues. System-wide RevPar of management contract portfolio exceeded 2022 and 2019 levels by 23% and 26%, respectively. Hotels in Europe, Asia, the Maldives and the Middle East recorded outperformance, supported by a favorable recovery in demand.

#### Overall Hotel Portfolio

In 1Q24, MINT's system-wide RevPar for the entire portfolio increased by 19% y-y and surpassed pre-COVID-19 level by 34%. This strong growth was attributed to the rebound of global travel demand and the successful implementation of Minor Hotels' sales and pricing strategy.

### Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)	
	1Q24	1Q23 (Restated)
Owned Hotels*	63	59
Joint Ventures	41	42
Managed Hotels*	63	55
MLRs**	82	77
<b>Average</b>	<b>64</b>	<b>60</b>

  

(System-wide)	ADR (Bt/night)	
	1Q24	1Q23 (Restated)
Owned Hotels*	5,287	4,647
Joint Ventures	10,274	8,472
Managed Hotels*	6,376	5,893
MLRs**	5,537	5,503
<b>Average</b>	<b>5,566</b>	<b>4,993</b>

  

(System-wide)	RevPar (Bt/night)	
	1Q24	1Q23 (Restated)
Owned Hotels*	3,306	2,739
Joint Ventures	4,227	3,551
Managed Hotels*	3,989	3,235
MLRs**	4,545	4,257
<b>Average</b>	<b>3,548</b>	<b>2,973</b>

\* These numbers include NH Hotel Group

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

#### **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 three projects in Thailand and Malaysia that are currently available for sale and another office development project. In addition, two new residential development projects, are currently under study, 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 1Q24, AVC had a total inventory of 328 units in Thailand, New Zealand, Indonesia, and China. The number of members increased by 4% y-y to 18,415 members at the end of 1Q24.

#### Overall Hotel & Mixed-Use Financial Performance Analysis

In 1Q24, hotel & mixed-use business experienced a strong operational recovery, resulting in a 17% y-y growth in total core revenue. Core revenue from hotel operations and related services grew by 18%, compared to the same period in the previous year. Improved hotel performance was seen in Europe, Latin America, Thailand and Australia, benefitting from higher travel demand and a dynamic pricing strategy. Management income also surged by 26% y-y due to RevPar growth in managed hotels, along with the addition of new hotel management contracts throughout the year. Revenue from mixed-use business rose by 5% y-y in 1Q24 as improved operations across all business models overcompensated for lower revenue from residential projects. AVC experienced growth due to higher number of points sold and an increase in the average price per point. The Wolseley Group, Plaza & Entertainment, as well as Minor Lifestyle, which was restructured to fall under Minor Hotels' business unit, all benefitted from stronger customer traffics, resulting in accelerated business performance.

Core EBITDA of hotel & mixed-use business grew at a faster rate than revenue, surging by 26% y-y to Baht 6,513 million. As a result, core EBITDA margin in 1Q24 improved strongly to 22.0% from 20.4%, compared to the same period of last year. The margin expansion was attributable to enhanced

profitability in hotels across Europe and Thailand, together with positive adjustments in cost allocation for Oaks, in accordance with IFRS16.

#### Financial Performance\*

<i>Bt million</i>	<b>1Q24</b>	<b>1Q23 (Restated)</b>	<b>%Chg</b>
Hotel & related services **	26,436	22,462	18
Management fee	684	541	26
Mixed-use	2,486	2,379	5
<b>Total Revenue</b>	<b>29,606</b>	<b>25,382</b>	17
<b>EBITDA</b>	<b>6,513</b>	<b>5,171</b>	26
<b>EBITDA Margin (%)</b>	<b>22.0</b>	<b>20.4</b>	

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

\*\* Include share of profit and other income

#### Balance Sheet & Cash Flows

At the end of 1Q24, MINT reported total assets of Baht 368,813 million, an increase of Baht 9,618 million from Baht 359,196 million at the end of 2023. The increase was primarily attributable to (1) Baht 1,216 million increase in trade and other receivables, in line with higher sales, (2) Baht 4,769 million increase in property, plant and equipment from asset additions, along with gains on translation adjustment and (3) Baht 2,082 million increase in intangible assets, mainly from gains on translation adjustment, offset by Baht 557 million decrease in cash mainly from the repayment of liabilities.

MINT reported total liabilities of Baht 276,952 million at the end of 1Q24, an increase of Baht 5,051 million from Baht 271,901 million at the end of 2023. The increase was mainly due to (1) Baht 1,783 million unrealized loss on exchange rates, adjusted fair value under hedge accounting and translation adjustments on borrowings and debentures, despite net repayment of these debts and (2) Baht 2,139 million increase in other current liabilities due to stronger advanced hotel booking deposits at Minor Hotels Europe and Americas.

Shareholders' equity increased by Baht 4,567 million, from Baht 87,295 million at the end of 2023 to Baht 91,862 million at the end of 1Q24, mainly due to (1) improved 1Q24 financial results, (2) proceeds of Baht 2,300 million from the exercise of warrants and (3) a gain on translation adjustment of Baht 1,154 million, netted with interest payments of Baht 857 million on perpetual bonds.

For the first three months of 2024, MINT and its subsidiaries reported positive cash flows from operations of Baht 6,248 million, a slight decrease of Baht 353 million y-y.

Cash flow used in investing activities was Baht 1,774 million in 1Q24, primarily due to Baht 2,040 million in regular capital expenditures for hotel, restaurant and other businesses, offset with Baht 358 million interest income.

The Company reported net cash used for financing activities of Baht 5,542 million in 1Q24, primarily due to (1) repayment of lease liabilities totaling Baht 3,190 million, (2) cash paid for interest expenses of Baht 3,262 million, (3) interest payments of Baht 857 million on perpetual debentures and (4) net repayment of short-term and long-term borrowings from financial institutions and debentures totaling Baht 522 million, offset by proceeds of Baht 2,300 million 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 by Baht 1,068 million in 1Q24.

Free cash flow, defined as operating cash flow net of lease liability repayment, interest payments (including those to perpetual bond holders) and net CAPEX, was negative at Baht 2.8 billion in 1Q24, mainly due to regular seasonality of the European tourism business.

## Financial Ratio Analysis

MINT's gross profit margin expanded from 40.1% in 1Q23 to 41.3% in 1Q24, mainly supported by improved operational performance in the hotel and restaurant businesses. Furthermore, MINT's core loss also improved from business recovery in both business units.

Return on equity (on a core basis) was negative at 1.6% in 1Q24, a significant improvement from the negative return on equity of 3.0% in 1Q23. This improvement was driven by higher demand in the tourism and dine-in business, coupled with MINT's ability to expand profitability. Correspondingly, MINT recorded a slightly negative return on assets (on a core basis) of 0.4% in 1Q24, an improvement from the negative return of 0.7% in 1Q23.

Collection days remained stable y-y at 41 days in 1Q24. The provision for impairment as a percentage of gross trade receivables decreased from 9.4% in 1Q23 to 9.1% in 1Q24, mainly from improvements in hotel and restaurant businesses with increased volume and higher sales quality.

MINT's inventory comprises primarily raw materials, work-in-process and finished products from the restaurant and retail trading & contract manufacturing businesses. Inventory days reduced from 23 days in 1Q23 to 20 days in 1Q24, as a result of much stronger sales and proactive inventory management. Account payable days increased slightly from 73 days in 1Q23 to 74 days in 1Q24 due to the restaurant business.

Current ratio increased to 0.7x at the end of 1Q24, compared to 0.6x at the end of 2023, mainly due to a decrease in the current portions of debentures.

According to MINT's debt covenant definition, which excludes lease liabilities, net interest-bearing debt to equity ratio decreased from 1.01x at the end of 2023 to 0.98x as at end 1Q24. The reduction was attributable to improved financial performance combined with MINT's active capital structure management. This level remained well below MINT's debt covenant of 1.75x and its internal policy of 1.3x. Interest coverage ratio decreased slightly from 3.8x in 1Q23 to 3.4x in 1Q24, primarily resulting from higher interest expenses.

## Financial Ratio Analysis

	<b>31 Mar 24</b>	<b>31 Mar 23</b> <b>(Restated)</b>
<b>Profitability Ratio</b>		
Gross Profit Margin (%)	41.3	40.1
Net Profit Margin (%)	3.0	-2.9
Core Net Profit Margin* (%)	-0.9	-2.0
<b>Efficiency Ratio</b>	<b>31 Mar 24</b>	<b>31 Mar 23</b> <b>(Restated)</b>
Return on Equity* (%)	-1.6	-3.0
Return on Assets* (%)	-0.4	-0.7
Collection Period (days)	41	41
Inventory (days)	20	23
Accounts Payable (days)	74	73
<b>Liquidity Ratio</b>	<b>31 Mar 24</b>	<b>31 Dec 23</b>
Current Ratio (x)	0.7	0.6
<b>Leverage &amp; Financial Policy</b>	<b>31 Mar 24</b>	<b>31 Dec 23</b>
Interest Bearing Debt/Equity (x)	1.13	1.17
Net Interest Bearing Debt/Equity (x)	0.98	1.01
	<b>31 Mar 24</b>	<b>31 Mar 23</b> <b>(Restated)</b>
Interest Coverage (x)	3.4	3.8

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

## Management's Outlook

### Minor Hotels

**Europe:** With high seasonality in Europe approaching in the second and third quarters, operating trends across regions have shown strong momentum without any signs of slowdown. Total revenue in April continued to increase with double-digit growth, while forward bookings for May also post 12% growth above last year. In addition to robust leisure demand and numerous corporate congresses and trade fairs, Minor Hotels Europe & Americas is set to benefit significantly from sports and entertainment events, including the Summer Olympics, UEFA Euro 2024 and various concerts, given its strong presence and prime locations in those cities. With rising demand and hotel brand upgrade initiatives, average room rates are expected to see further increases.

**Thailand:** Thailand has experienced a notable surge in international tourist arrivals since the start of the year, prompting the Ministry of Tourism and Sports to revise its 2024 target from 36 million to 40 million. Supporting factors include the government's visa exemption scheme, plans to organize international seminars, tourism promotion of second-tier cities and airlines opening new routes and increasing flight frequency. The Civil Aviation Authority of Thailand expects more flight routes from countries like China, Japan, South Korea and Scandinavian nations throughout the year. Minor Hotels' Thailand RevPar has already outperformed pre-pandemic figures since December 2023, even as foreign arrivals continue to catch up. Room revenues in April and on-the-book value in May exceeded 2023 levels by 15% and 26%, respectively. Hotel renovations and continuous room-upsell strategy will drive further room rate growth.

**Australia:** Tourism Research Australia projects that tourism will maintain its growth momentum into 2024. International travel will be the primary driver, while domestic leisure travel will see more gradual growth after strong recovery in 2022 and 2023. Minor Hotels continues focusing on strengthening its MICE businesses as additional

growth driver in 2024, alongside the highly anticipated debut of NH, NH Collection, and Avani in the country.

**Maldives:** Positive RevPar growth started in March 2024, as the impact of irregular high baselines diminished. Exciting activities for guests at Minor Hotels in the Maldives are consistently being introduced to respond to the ever-evolving travel landscape. For example, Anantara Kihavah recently welcomed an award-winning executive chef to bring innovative dining experiences to visitors. Avani+ Fares Maldives Resort, a wellness sanctuary, offers a unique ballet retreat, while Niyama Private Islands Maldives has positioned itself as the ultimate surf destination by presenting surf pros and surf photographers for exclusive guest moments.

### Minor Food

**Thailand:** All brands aim to drive top-line growth by generating repeat sales from loyal customers and winning over new ones. This has been successfully achieved through viral communication campaigns, influential brand ambassadors, exciting menus, exclusive limited-time event and superior membership programs. Swensen's, in collaboration with Chanthaburi Chamber of Commerce, set up pop-up Durian Town Experiential Concept Store. Fresh and rare durians sourced directly from Chanthaburi province are served alongside Swensen's signature menus, including 16 new durian ice cream flavors, sundaes, cakes and beverages. Sizzler aims to attract new customers with new menus featuring a 'Spring theme' of fresh and premium salad bar options to boost weekday brunch and lunch traffic. Meanwhile, both The Coffee Club and Sizzler are active in expanding market base through membership programs and subscription models.

**China:** Amidst sluggish economy, Minor Food China continues to mitigate the impact of market weakness through sales initiatives and controlled discount offerings, while also driving profitability. Cost savings in key areas, such as raw materials, rental negotiations and overhead expenses, are being implemented. Concurrently, underperforming stores are being closed and Minor Food China is selectively expanding its network in locations with healthy customer traffic.

**Australia:** Minor Food Australia has conducted extensive market research for deep market insights into market trends and consumer behavior. As a result, elevated product offerings, improved operating procedures and visual in-store changes, including seating layouts and new uniforms, have been introduced to enhance brand relevance. Meanwhile, NOMAD Coffee Group is promoting its specialty coffee credential by improving brand value and expanding market reach.

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Mr. Chaiyapat Paitoon  
Chief Financial Officer



## Appendix

### Non-Recurring Items

Period	Amount (Bt million)	Business Unit	Non-recurring Items
1Q23	11 revenue 137 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-139	Minor Hotels	Foreign exchange loss on unmatched USD Cross- Currency Swap (SG&A expense)
	13	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	-167	Minor Hotels	Ineffective hedge accounting (Other losses)
	46	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	-314	Minor Hotels	Unrealized loss from derivatives (Other losses)
	66	Minor Hotels	Unrealized gain from forward contracts of US\$ 300 million perpetual bond (Other gains)
	1 revenue 29 net profit	Minor Food	Disposal of fixed asset, reversal of provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)
1Q24	402 revenue 308 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	919	Minor Hotels	Foreign exchange gain on unmatched USD Cross- Currency Swap (SG&A expense)
	-73	Minor Hotels	Change in fair value of interest rate derivative (Other losses)
	-287	Minor Hotels	Ineffective hedge accounting (Other losses)
	3	Minor Hotels	Deferred tax related to IFRS9 (Tax expense)
	608 EBITDA 628 net profit	Minor Hotels	Unrealized gain from derivatives (Other gains)
	-0.1 revenue 0.5 net profit	Minor Food	Disposal of fixed asset, reversal of provision expenses for asset impairment and amortization of deferred income related to IFRS15 (Revenue and SG&A expense)