MINOR INTERNATIONAL

February 25, 2021 | Minor International Public Company Limited

Management Discussion and Analysis

Overview

4Q20 and 2020 Performance

Summary: Minor International Public Company Limited ("MINT") reported core revenue of Baht 14,128 million in 4Q20, a decrease of 58% compared to the same period last year. This was attributable to challenging environment from COVID-19 pandemic on overall business operations. Compared to the previous quarter, core revenue was slightly softer mainly due to the second wave of COVID-19 pandemic in Europe, affecting hotel business. Nevertheless, a q-q increase was seen for Minor Food and Minor Lifestyle.

Continuous cost reduction program in 4Q20 helped lessen the adverse impact on core EBITDA which turned into a pre-TFRS16 core loss of Baht 1,754 million in 4Q20 from core EBITDA of Baht 6,968 million in 4Q19 due to the lower sales flow-through from revenue shortfall, mainly from hotel operations. However, management letting rights, residential, timeshare and restaurant businesses continued to record positive EBITDA, with improving trend q-q. With the adoption of TFRS16, MINT's core EBITDA was negative 51 million in 4Q20.

In tandem with core EBITDA, core net profit of Baht 2,909 million in 4Q19 turned into a pre-TFRS16 core loss of Baht 4,708 million in 4Q20. Nevertheless, residential development and restaurant businesses remained profitable in 4Q20, with improvement q-q, while timeshare operations bounced back to net profit in the quarter. Notably, Minor Food's core net profit more than doubled y-y to Baht 533 million in 4Q20 despite a decline in total revenue, driven by robust performance of China hub and effective cost savings. Including the accounting impact from the adoption of TFRS16, MINT reported core loss of Baht 4,270 million during the quarter.

For 2020, MINT's core revenue decreased by 53% y-y to Baht 58,118 million while pre-TFRS16 core EBITDA and core net profit turned into net loss of Baht 8,708 million and Baht 18,830 million, respectively. This was pressured by the COVID-19 pandemic which resulted in weaker demand and temporary closure of some hotels and restaurants, especially in 2Q20. Including the impact of TFRS16, core EBITDA posted a decline of 89% y-y while core net profit was at a loss of Baht 19,389 million.

Including non-core items as detailed in the appendix, and with the adoption of TFRS16, MINT posted a 60% y-y decline in revenue to Baht 14,096 million in 4Q20. EBITDA and reported net profit were at a loss of Baht 1,413 million and Baht 5,591 million in 4Q20, respectively. For 2020, MINT's revenue fell by 55% to Baht 58,232 million while EBITDA decreased by 98% to Baht 546 million, compared to the same period last year. Reported net profit turned into net loss of Baht 21,407 million in 2020.

Financial Performance

Bt million	Core 4Q20 Post-TFRS16	Core 4Q20 Pre-TFRS16	Core 4Q19	%Chg Like-for-Like	Reported 4Q20 Post-TFRS16	Reported 4Q19	%Chg
Total Revenue	14,128	14,128	33,646	-58	14,096	35,127	-60
Total EBITDA	-51	-1,754	6,968	-125	-1,413	7,760	-118
EBITDA Margin (%)	**-0.4**	**-12.4**	**20.7**		**-10.0**	**22.1**	
Total Net Profit	-4,270	-4,708	2,909	-262	-5,591	3,768	-248
Net Profit Margin (%)	**-30.2**	**-33.3**	**8.6**		**-39.7**	**10.7**	

Bt million	Core 2020 Post-TFRS16	Core 2020 Pre-TFRS16	Core 2019	%Chg Like-for-Like	Reported 2020 Post-TFRS16	Reported 2019	%Chg
Total Revenue	58,118	58,118	123,385	-53	58,232	129,889	-55
Total EBITDA	2,600	-8,708	22,634	-138	546	26,283	-98
EBITDA Margin (%)	**4.5**	**-15.0**	**18.3**		**0.9**	**20.2**	
Total Net Profit	-19,389	-18,830	7,061	-367	-21,407	10,698	-300
Net Profit Margin (%)	**-33.4**	**-32.4**	**5.7**		**-36.8**	**8.2**	

TFRS16 Impact on P&L*

Bt million	4Q20 Pre-TFRS16	4Q20 Post-TFRS16
Total EBITDA	**-1,754**	**-51**
EBITDA Margin (%)	**-12.4**	**-0.4**
Depreciation	2,719	3,549
Interest Expense	1,162	1,395
Corporate Income Tax	-576	-372
Minority Interest	-353	-353
Total Net Profit	**-4,708**	**-4,270**
Net Profit Margin (%)	**-33.3**	**-30.2**
	2020 Pre-TFRS16	**2020 Post-TFRS16**
Total EBITDA	**-8,708**	**2,600**
EBITDA Margin (%)	**-15.0**	**4.5**
Depreciation	9,603	18,219
Interest Expense	4,263	7,444
Corporate Income Tax	-2,449	-2,379
Minority Interest	-1,296	-1,296
Total Net Profit	**-18,830**	**-19,389**
Net Profit Margin (%)	**-32.4**	**-33.4**

* Exclude non-core items as detailed in the appendix

Performance Breakdown by Business*

2020	**% Core Revenue Contribution**
Hotel & Mixed-use	58
Restaurant Services	36
Retail trading & Contract Manufacturing	6
Total	**100**

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

Major Developments in 4Q20

	Developments
Restaurant	• Added 14 outlets, net q-q, majority of which were Bonchon and Riverside, which offset the closure of 12 The Coffee Club outlets, mainly in Thailand during the quarter
Hotel & Mixed-Use	• Opened 2 new hotels q-q - Anantara: RAKxa Bang Krachao by Anantara (managed hotel) in Thailand, a fully integrative wellness and medical retreat, a partnership with M.K. Real Estate Development and VitalLife Scientific Wellness Centre - Avani: Avani Palm View Dubai Suites (managed hotel) in UAE • Closed a total of 5 hotels, all of which were in Europe - NH Hotels: One owned hotel in the Netherlands, three leased hotels in Germany and Spain, and one managed hotel in Spain

Segment Performance

Restaurant Business

At the end of 4Q20, MINT's total restaurants reached 2,370 outlets, comprising of 1,191 equity-owned outlets (50% of total) and 1,179 franchised outlets (50% of total). 1,585 outlets (67% of total) are in Thailand, while the remaining 785 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

	4Q20	Chg q-q	Chg y-y
Owned Equity	1,191	8	-7
- Thailand	954	-2	-8
- Overseas	237	10	1
Franchise	1,179	6	0
- Thailand	631	5	15
- Overseas	548	1	-15
Total Outlets	**2,370**	**14**	**-7**

Restaurant Outlets by Brand

	4Q20	Chg q-q	Chg y-y
The Pizza Company	572	-1	2
Swensen's	326	2	4
Sizzler	63	0	-2
Dairy Queen	496	-3	-26
Burger King	118	-1	-3
The Coffee Club	440	-12	-41
Thai Express	82	2	-8
Riverside	112	13	21
Benihana	19	0	0
Bonchon	89	15	43
Others*	53	-1	3
Total Outlets	**2,370**	**14**	**-7**

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

Hub Performance Analysis

In 4Q20, total-system-sales (including sales from franchised outlets) decreased by 15.5% y-y, mainly impacted by Minor Food Thailand's reduced dine-in traffic and the continued closure of outlets in tourist destinations amidst COVID-19 pandemic and the store rationalization of Minor Food in Australia. Overall same-store-sales decreased by 13.7% y-y, a continuous improvement for two consecutive quarters from a decline of 23.0% y-y in 2Q20 and 15.9% in 3Q20. This was supported by strong business recovery in Australia and China.

Thailand hub in 4Q20 reported total-system-sales decline of 17.2% y-y, mainly attributable to 16.9% softer same-store-sales. The country's political protest in mid-October to November and the new wave of COVID-19 pandemic since mid-December led to lower dine-in sales, while the continuation of international travel ban resulted in temporary closure of certain stores in tourist areas. Nevertheless, Minor Food's digital platform drove delivery and take-away sales across all brands and helped compensate the dine-in revenue shortfall. Minor Food's own 1112 Delivery application successfully recruited new users through online and offline campaigns. Two new brands including Song Fa Bak Kut The and Sergeant Singapore Hainanese Chicken Rice were brought onto the platform. Each brand continued to craft their own strategies to boost sales and capture any upcoming demand. The Pizza Company officially launched the loyalty program "TPC Rewards" in December with a target to drive member activation which will lead to increasing sales activities. During the quarter, Sizzler enhanced its dine-in service experience by introducing robot technology and increased average spending per ticket through successful festive menu offerings and price increase on new menu book. Bonchon expanded its delivery hours to support rising demand in delivery amid more stringent dine-in restrictions following the new wave of the pandemic and continued to cautiously expand its store network.

Total-system-sales of China hub continued to grow, increasing by 7.6% y-y in 4Q20, fueled by store expansion and growth of domestic consumption which resulted in solid performance of dine-in business. Same-store-sales in the quarter increased by 3.4% y-y, a positive growth for two consecutive quarters. Particularly, the operating sales were remarkably robust in October with strong consumer spending during national holiday and mid-autumn festival in the country. Nevertheless, same-store-sales growth should have been stronger in the quarter but was slowed down in November and December, pressured by emergence of new isolated COVID-19 cases in Shanghai and Beijing.

Total-system-sales of Australia hub decreased by 15.0% y-y in 4Q20, a result of permanent closure of underperforming stores and a decrease of 7.0% y-y in same-store-sales which was impacted by lower customer traffic amid COVID-19 pandemic. However, same-store-sales improved immensely from a decline of 41.7% y-y in 2Q20 and 18.6% in 3Q20 as state borders were gradually re-opened and the lockdown in Victoria State ended. This facilitated the interstate travel and consumer sentiment, as well as resulted in the re-opening for dine-in services, increasing store trading hours and easing of business restrictions albeit with some seating limits. In addition, the introduction of new gift cards, the launch of App & Braze customer engagement platform, digital loyalty promotions, focus on delivery and festive seasons and holidays helped to build sales momentum in 4Q20. Notably, same-store-sales saw m-m remarkable recovery, bouncing back to almost flat in December. Furthermore, Nomad Coffee Group (the wholesale coffee operation) and Veneziano Coffee Roasters (a specialty coffee roasters and wholesale coffee suppliers) reported strong sales volume following the launch of new range of single origin beans, specifically in online trading channels.

Overall, 2020 group-wide total-system-sales declined by 18.6% y-y and group-wide same-store-sales fell by 15.5% y-y, given the challenging operating environments across key markets due to the COVID-19 pandemic. Nevertheless, quarterly figures showed improving trend throughout the year since the peak of the COVID-19 outbreak in the second quarter.

Restaurant Business Performance

%	4Q20	4Q19	2020	2019
Average Same-Store-Sales Growth	(13.7)	(0.8)	(15.5)	(3.0)
Average Total-System-Sales Growth	(15.5)	7.3	(18.6)	5.0

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

Financial Performance Analysis

4Q20 total core restaurant revenue fell by 7% y-y. The strong y-y top-line growth of China and Australia hubs, together with positive share of profit from joint ventures in the quarter partially helped offset the softer sales performance of Thailand hub. Meanwhile, franchise income decreased by 8%, compared to the same period last year. An increase of international franchise income which was mainly attributable to additional stores of The Pizza Company in Cambodia, Myanmar and Vietnam did not fully mitigate the lower franchise income from brands in Thailand. Nevertheless, total revenue continued to improve q-q.

Core EBITDA excluding impact of TFRS16 in 4Q20 remained positive, jumping by 41% y-y and 56% q-q to Baht 1,197 million. This was driven by the strong performance of restaurants in China and Thailand, as well as continuous cost cutting measures that were put in place across Minor Food which fully offset the weaker profitability of Australia hub due to increased expense from the improvement of information technology infrastructure and rental support to franchisees. Despite a decline in total revenue of restaurants in Thailand, waste management, savings of corporate expenses and lower brand headcounts drove the profitability. In addition, lower fish purchase price, menu price increase, labor cost savings and rental negotiation led to margin improvement of China hub. As a result, core EBITDA margin increased to 20.5% in 4Q20, compared to 4Q19 EBITDA margin of 13.4%. Including favorable impact from adoption of TFRS16, core EBITDA was at Baht 1,505 million with core margin of 25.7% in 4Q20.

For 2020, total core revenue of Minor Food declined by 15% y-y due to weak consumer sentiment and temporary closure of some stores in all operational hubs during COVID-19 pandemic, especially in 2Q20. The cost savings measures helped lessen the impact on core EBITDA excluding TFRS16 which was 27% lower y-y due to lower flow-through from sales shortfall primarily in the first half of the year. Nevertheless, solid recovery was seen for two consecutive quarters. Consequently, overall core EBITDA margin fell from 14.6% in 2019 to 12.5% in 2020. Accounting for the adoption of TFRS16, core EBITDA growth was positive, rising by 16% y-y to Baht 4,108 million in 2020.

Minor Food's business activities have already resumed to the pre-COVID level. To build for further growth, Minor Food will boost dine-in business through innovation and loyalty program while delivery platform will be strengthened further to drive incremental sales. In the meantime, Minor Food is enhancing its profitability through continuous cost cutting program.

Financial Performance*

Bt million	**4Q20**	**4Q19**	**%Chg**
Revenue from Operation**	5,479	5,919	-7
Franchise Fee	365	395	-8
Total Revenue	**5,844**	**6,314**	-7

EBITDA	**1,505**	**847**	78
EBITDA Margin (%)	**25.7**	**13.4**	
EBITDA (pre-TFRS16)	1,197	847	41
EBITDA Margin (%) (pre-TFRS16)	20.5	13.4	
	2020	**2019**	**%Chg**
Revenue from Operation**	19,422	22,605	-14
Franchise Fee	1,262	1,629	-23
Total Revenue	**20,684**	**24,233**	-15
EBITDA	**4,108**	**3,527**	16
EBITDA Margin (%)	**19.9**	**14.6**	
EBITDA (pre-TFRS16)	2,583	3,527	-27
EBITDA Margin (%) (pre-TFRS16)	12.5	14.6	

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

** Includes share of profit and other income

Hotel & Mixed-use Business

Hotel Business

At the end of 4Q20, MINT owns 375 hotels and manages 157 hotels and serviced suites in 55 countries. Altogether, these properties have 75,638 hotel rooms and serviced suites, including 56,536 rooms that are equity-owned and leased and 19,102 rooms that are purely-managed under the Company's brands including Anantara, Avani, Oaks, Tivoli, NH Collection, NH Hotels, nhow and Elewana Collection. Of the total, 4,809 rooms in Thailand accounted for 6%, while the remaining 70,829 rooms or 94% are located in 54 other countries in Asia, Oceania, Europe, the Americas and Africa.

Hotel Rooms by Owned Equity and Management

	4Q20	Chg q-q	Chg y-y
Owned Equity*	56,536	-483	255
- Thailand	3,188	0	83
- Overseas	53,348	-483	172
Management	19,102	153	-2,977
- Thailand	1,621	27	-283
- Overseas	17,481	126	-2,694
Total Hotel Rooms	**75,638**	**-330**	**-2,722**

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

Hotel Rooms by Ownership

	4Q20	Chg q-q	Chg y-y
Owned Hotels	19,065	-131	-867
Leased Hotels	35,642	-352	1,319
Joint-venture Hotels	1,829	0	-197
Managed Hotels	12,711	111	-2,221
MLRs*	6,391	42	-756
Total Hotel Rooms	**75,638**	**-330**	**-2,722**

* 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 69% of core hotel & mixed-use revenues in 4Q20, reported y-y organic revenue per available room ("RevPar") decline of 80% in Thai Baht term. This was slightly softer than in 3Q20, mainly attributable to the second wave of COVID-19 pandemic in Europe which resulted in the closure of some hotels and decreasing travel activities amid lockdowns of many countries in the region, together with softer operations in Thailand where the international tourist arrivals were at mere level.

4Q20 organic RevPar of owned hotels in Thailand declined by 78% y-y due to the absence of international visitors. However, the magnitude of y-y decline was slightly narrower, compared to the previous quarter. In addition to Alternative State Quarantine (ASQ) business, Staycation business helped support the hotel operations in Bangkok as the government amended the conditions of "We Travel Together" stimulus campaign to allow users to book the hotel stays in their cities of residence. Domestic tourism continued to be the key driver of room night stays in upcountry.

Owned and leased hotel portfolio in Europe and Latin America reported organic RevPar decline of 82% y-y in 4Q20. The q-q improvement of hotel performance in Latin America partially helped offset the weak demand and the adverse impact from temporary closures of some hotels in Europe, which were hit by the second wave of the pandemic.

In the Maldives, hotels started to reopen at the end of September. Since the reopening, strong operational recovery was seen in the quarter, posting RevPar decline of 18% y-y from a decline of 100% in 3Q20. Particularly, the operations improved immensely m-m in which occupancy rate reached 62% while RevPar decreased by only 6% y-y in December, approaching pre-COVID19 level. The significant positive development was driven by both demand as there is no restriction for tourists to visit the Maldives and from Minor Hotels' sales and marketing efforts, together with the ability to maintain the price.

Management Letting Rights

The management letting rights portfolio (MLRs), contributing 19% of 4Q20 core hotel & mixed-use revenues, recorded a decrease in RevPar of 15% y-y in Thai Baht term, impacted by the COVID-19 pandemic. Nevertheless, the hotel performance had a positive m-m trend, especially in the top-tier cities in Australia following the reopening of interstate borders and easing of travel restrictions. Notably, the average occupancy rate continued to rise, reaching 75% in December, which was already back to pre-COVID19 level.

Management Contracts

Revenue contribution of management contract to MINT's core hotel & mixed-use revenues was 3% in 4Q20. Organic RevPar of management contract portfolio declined by 57% y-y, on par with the previous quarter. Overall hotel operations were pressured by weaker demand amidst the pandemic across Asia, Europe and the Middle East despite Minor Hotels' ability to increase room rates.

Overall Hotel Portfolio

In summary, in 4Q20, MINT's organic RevPar of the entire portfolio decreased by 69% y-y in Thai Baht, reflecting the adverse impact from COVID-19 pandemic in every region. Taking into account new hotels, mostly seven additional high-end properties in Europe previously under the Boscolo portfolio which were added at the beginning of September, system-wide RevPar of MINT's entire portfolio declined by 70% y-y.

In 2020, organic and system-wide RevPar of MINT's entire portfolio decreased by 63% and 64% y-y respectively. This was attributable to travel disruptions globally amidst COVID-19 pandemic which resulted in lower business activities and temporary closures of the hotels, especially in the second quarter of the year.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	4Q20	4Q19	2020	2019
Owned Hotels*	17	70	25	71
Joint Ventures	28	51	26	49
Managed Hotels*	26	64	27	64
MLRs**	70	78	60	77
Average	**23**	**70**	**29**	**70**
MINT's Portfolio in Thailand	23	72	24	75
Industry Average in Thailand***	32	71	30	71

(System-wide)	ADR (Bt/night)			
	4Q20	4Q19	2020	2019
Owned Hotels*	2,888	3,736	3,267	3,846
Joint Ventures	5,812	5,674	5,387	5,946
Managed Hotels*	4,825	4,537	4,667	4,656
MLRs**	3,615	3,804	3,337	3,797
Average	**3,469**	**3,881**	**3,530**	**3,978**
MINT's Portfolio in Thailand	3,634	5,175	4,721	4,966
Industry Average in Thailand***	1,051	1,766	1,121	1,721

(System-wide)	RevPar (Bt/night)			
	4Q20	4Q19	2020	2019
Owned Hotels*	505	2,631	825	2,729
Joint Ventures	1,609	2,901	1,375	2,925
Managed Hotels*	1,268	2,920	1,283	3,003
MLRs**	2,521	2,963	2,005	2,937
Average	**813**	**2,713**	**1,013**	**2,793**
MINT's Portfolio in Thailand	846	3,713	1,124	3,727
Industry Average in Thailand***	339	1,258	331	1,229

(Organic)	Occupancy (%)			
	4Q20	4Q19	2020	2019
Owned Hotels*	19	70	26	71
Joint Ventures	28	51	26	49
Managed Hotels*	27	64	30	64
MLRs**	70	78	60	77
Average	**25**	70	**29**	70
MINT's Portfolio in Thailand	24	72	25	75

(Organic)	ADR (Bt/night)			
	4Q20	4Q19	2020	2019
Owned Hotels*	2,758	3,736	3,252	3,846
Joint Ventures	5,812	5,674	5,387	5,946
Managed Hotels*	4,677	4,537	4,674	4,656
MLRs**	3,615	3,804	3,337	3,797
Average	**3,369**	**3,881**	**3,512**	**3,978**
MINT's Portfolio in Thailand	3,664	5,175	4,856	4,966

(Organic)	RevPar (Bt/night)			
	4Q20	4Q19	2020	2019
Owned Hotels*	521	2,631	834	2,729
Joint Ventures	1,609	2,901	1,375	2,925
Managed Hotels *	1,250	2,920	1,391	3,003
MLRs**	2,521	2,963	2.005	2,937
Average	**841**	**2,713**	**1,304**	**2,793**
MINT's Portfolio in Thailand	869	3,713	1,203	3,727

* 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 4Q20, core revenue from hotel and related services operation declined by 72%, compared to the same period last year. This was a result of lower business activities in all regions, particularly Europe in which some hotels were temporarily closed due to renewed lockdowns amidst the reemergence of COVID-19. Nevertheless, hotels in all key markets except Europe showed improvement from prior quarter. For management income in 4Q20, revenue grew by 15% q-q but declined 22% y-y due to the same reason as mentioned above.

In 2020, core revenue from hotel and related services operations decreased by 65% from 2019 due to travel restrictions in many geographies amidst the COVID-19 pandemic, especially in 2Q20. However, solid recovery of hotel operations in the Maldives and management letting rights in Australia helped mitigate the challenging operating environment in other regions. 2020 management income fell by 30% y-y, declining at a much lower magnitude than that of owned and leased business due to the resilient performance of hotels in the and China.

Mixed-Use Business & Performance Analysis

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

MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. MINT has completed the sales of the first two projects, The Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Resort Koh Samui, and St. Regis Residences, with 53 residential units located above The St. Regis Bangkok. The third project is Layan Residences by Anantara in Phuket, with 15 villas next to Anantara Layan Phuket Resort. In addition, MINT launched three joint-venture residential projects. Anantara Chiang Mai Serviced Suites is situated across Anantara Chiang Mai Resort & Spa and consists of 44 condominium units available for sale. Avadina Hills by Anantara is located next to Layan Residences by Anantara in Phuket with 16 luxury villas for sale. Lastly, the Torres Rani in Maputo, Mozambique has six penthouses available for sale. In addition, two new residential development projects are currently under construction, including Anantara Desaru in Malaysia and Anantara Ubud Bali in Indonesia to ensure continuous pipeline of MINT's real estate business in the coming years.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club (AVC). At the end of 4Q20, AVC had a total inventory of 250 units in Samui, Phuket, Bangkok and Chiang Mai in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. The number of members increased by 5% y-y to 15,239 members at the end of 4Q20.

Revenue from mixed-use business decreased by 76% y-y in 4Q20. The real estate sales activities in the quarter did not fully compensate for the weaker performance of AVC and plaza and entertainment businesses, as well as the high base of residential unit sales last year. Nevertheless, AVC revenues picked up for two consecutive quarters, rising by 15% q-q, driven by increasing number of points sold and members. For 2020, revenue from mixed-use business declined by 62% compared to last year, attributable to lower business activities in all mixed-use units.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 4Q20, hotel & mixed-use business posted total core revenue decline of 72% y-y, pressured by weak demand from COVID-19 pandemic across all business units including owned, leased, managed and management letting rights hotels, as well as AVC, real estate and plaza and entertainment.

Core EBITDA of hotel & mixed-use business excluding impact of TFRS16 in 4Q20 turned into net loss of Baht 2,834 million from positive EBITDA of Baht 6,018 million in 4Q19 due to lower sales flow-through from revenue shortfall despite the continuous effort on cost reduction. The core EBITDA loss was slightly larger than in 3Q20, mainly impacted by the new travel restrictions in Europe following the second wave of COVID-19 pandemic. However, management letting rights, residential and timeshare businesses continued to record positive EBITDA in the quarter with positive development from 3Q20. Including tailwind from the adoption of TFRS16, 4Q20 core EBITDA was posted with lower net loss at Baht 1,467 million.

For 2020, hotel & mixed-use business reported total revenue decrease of 64% y-y and core EBITDA loss excluding TFRS16 impact of Baht 11,077 million, adversely impacted by challenging operating environment globally. Taking into account TFRS16, core EBITDA loss was at 1,406 million in 2020, compared to positive EBITDA of Baht 18,803 million in 2019.

Going into 2021, Minor Hotels is looking forward to resuming its businesses to full operations given the positive development of vaccine rollout in many countries. Hotel inventory management, cost cutting measures and strategy to increase business activities will continue to be implemented. Additionally, Minor Hotels is expanding its revenue through asset light business model and therapeutic wellness and retreat business in response to rising demand of healthy lifestyle solutions.

Financial Performance*

Bt million	4Q20	4Q19	%Chg
Hotel & related services **	6,289	22,693	-72
Management fee	248	317	-22
Mixed-use	709	2,922	-76
Total Revenue	**7,245**	**25,932**	-72
EBITDA	**-1,467**	**6,018**	-124
EBITDA Margin (%)	**-20.2**	**23.2**	
EBITDA (pre-TFRS16)	-2,834	6,018	-147
EBITDA Margin (%) (pre-TFRS16)	-39.3	23.2	
	2020	**2019**	**%Chg**
Hotel & related services **	30,440	86,294	-65
Management fee	937	1,335	-30
Mixed-use	2,469	6,561	-62
Total Revenue	**33,846**	**94,189**	-64
EBITDA	**-1,406**	**18,803**	-107
EBITDA Margin (%)	**-4.2**	**20.0**	
EBITDA (pre-TFRS16)	-11,077	18,803	-159
EBITDA Margin (%) (pre-TFRS16)	-32.9	20.0	

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

** Include share of profit and other income

Retail Trading & Contract Manufacturing Business

At the end of 4Q20, MINT had 459 retail trading points of sales, a decrease of 26 points of sales from 485 points at the end of 4Q19, primarily from the closing down of the Save My Bag, Brooks Brothers and Etam brands, netted of with the addition of Scomadi stores. Of total 459 retail trading outlets, 78% are operated under fashion brands including Anello, Bossini, Charles & Keith, Esprit, OVS and Radley, while 22% are operated under lifestyle brands including Joseph Joseph, Zwilling J.A. Henckels, Bodum and Scomadi.

Retail Trading's Outlet Breakdown

	4Q20	Chg q-q	Chg y-y
Fashion	359	-29	-43
Lifestyle	100	20	17
Total Outlets	**459**	**-9**	**-26**

In 4Q20, total retail trading & contract manufacturing revenue continued to improve from previous quarter but decreased by 26% y-y. The y-y decline was mainly pressured by fashion and home & kitchenware businesses due to weak consumer sentiment resulted from economic slowdown amid COVID-19 pandemic and political instability. Nevertheless, the strong performance of manufacturing operations partially helped alleviate the revenue shortfall of retail trading. Manufacturing sales continued to deliver positive growth, jumping by 40% y-y in the quarter, driven by new product orders from major FMCG customers and strong demand for cleaning products. Meanwhile, e-commerce sales remained strong, mainly supported by solid performance of Charles & Keith standalone website.

4Q20 overall EBITDA of retail trading & contract manufacturing was tampered by lower sales flow-through of retail trading including the heavier markdown of fashion unit, together with the loss contribution of Scomadi from weak domestic demand and absence of export sales. However, the cost savings in personnel, rental fee, logistics and advertising & promotion partially compensated the softer overall operations. Consequently, 4Q20 core EBITDA of retail trading & contract manufacturing excluding the impact from TFRS16 turned into a loss of Baht 117 million from positive EBITDA of Baht 103 million in 4Q19. Including the impact from the adoption of TFRS16, retail trading & contract manufacturing posted core EBITDA loss of Baht 89 million in 4Q20.

2020 revenue from retail trading & contract manufacturing decreased by 28% y-y while core EBITDA excluding the impact from TFRS16 turned into a loss of Baht 214 million from positive EBITDA in 2019. This was due to weak store traffic and the temporary store closures amidst COVID-19 pandemic, especially in the second quarter of the year. With the adoption of TFRS16, 2020 core EBITDA was a loss of Baht 102 million.

Financial Performance*			
Bt million	**4Q20**	**4Q19**	**%Chg**
Retail Trading	730	1,180	-38
Manufacturing	309	220	40
Total Revenue**	**1,039**	**1,400**	**-26**
EBITDA	**-89**	**103**	**-186**
EBITDA Margin (%)	**-8.6**	**7.4**	
EBITDA (pre-TFRS16)	-117	103	-213
EBITDA Margin (%) (pre-TFRS16)	-11.2	7.4	
	2020	**2019**	**%Chg**
Retail Trading	2,460	4,025	-39
Manufacturing	1,128	937	20
Total Revenue**	**3,588**	**4,962**	**-28**
EBITDA	**-102**	**304**	**-133**
EBITDA Margin (%)	**-2.8**	**6.1**	
EBITDA (pre-TFRS16)	-214	304	-170
EBITDA Margin (%) (pre-TFRS16)	-6.0	6.1	

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

Balance Sheet & Cash Flows

At the end of 2020, MINT reported total assets of Baht 362,327 million, a rise of Baht 108,143 million from Baht 254,184 million at the end of 2019. The increase was primarily attributable to (1) Baht 12,857 million increase in cash due to liquidity management, (2) Baht 2,661 million increase in non-current assets classified as held-for-sale from the reclassification of some of the assets as part of the asset rotation plan, (3) Baht 7,526 million increase in intangible assets mainly as a result of the acquisition of Spoonful in 1Q20 in which MINT has obtained the master franchise rights to expand Bonchon chicken in Thailand, (4) Baht 696 million of derivative assets from the adoption of TFRS9 and (5) Baht 89,076 million of right of use assets from the adoption of TFRS16 and the acquisition of hotels under lease agreements which are previously under the Boscolo portfolio in Europe.

MINT reported total liabilities of Baht 286,003 million at the end of 2020, an increase of Baht 117,687 million from Baht 168,316 million at the end of 2019. The increase was mainly due to (1) a rise in net financing of Baht 23,993 million from long-term borrowings, primarily for NH Hotel Group as additional loans have been drawn down for liquidity during the COVID-19 pandemic, (2) Baht 94,602 million of financial lease liabilities as a result of TFRS16 adoption and the addition of hotels previously under the Boscolo portfolio in Europe and (3) Baht 4,537 million of derivative liabilities from the adoption of TFRS9.

Shareholders' equity decreased by Baht 9,544 million, from Baht 85,868 million at the end of 2019 to Baht 76,324 million at the end of 2020, owing mainly to (1) reported 2020 post-TFRS16 net loss of Baht 21,407 million, (2) interest paid on perpetual bonds of Baht 1,455 million and (3) the majority of the remaining is from the adverse impact from the difference between right of use assets and financial lease liabilities as a result of the adoption of TFRS16, netted with the proceeds from (1) the issuance of perpetual bond amounting to Baht 8,281 million in 2Q20 and (2) the rights offering issuance in the amount of Baht 9,741 million in 3Q20.

For the full-year 2020, MINT and its subsidiaries reported negative cash flows from operations of Baht 2,500 million, a decrease of Baht 17,265 million y-y. This was mainly from the net decrease in 2020 bottom line and the net decrease related to the foreign exchange translations of Baht 13,607 million.

Cash flow paid for investing activities was Baht 10,531 million in 2020, primarily due to capital expenditures of hotel, restaurant and other businesses including the acquisition of Bonchon operations in Thailand in 1Q20, an increase of investment in BreadTalk Group in 2Q20 and the acquisition of operating company to operate high-end properties in Europe previously under the Boscolo portfolio in 3Q20.

For the full-year 2020, the Company reported net cash receipt for financing activities of Baht 24,949 million, primarily due to cash received from short-term and long-term borrowings from financial institutions to ensure MINT's liquidity, as well as, from the issuance of perpetual bond and rights offering, together with the exercise of warrants in total amount of Baht 84,257 million, netted of with repayments of debt financing of Baht 46,739 million and interest paid on perpetual debentures of Baht 1,455 million.

In summary, cash flows from operating, investing and financing activities resulted in an increase of MINT's net cash and cash equivalents of Baht 11,918 million in 2020.

Cash burn, which is defined as operating cash flow, repayment of lease liabilities and net CAPEX, turned negative since January onwards amidst challenging operating environment during the pandemic and were negative Baht 24.2 billion in 2020, with a peak in 2Q20. Negative operating cash outflow was at its lowest point in May during the worst months of the pandemic and thus cash burn rate improved since June as operations started to resume. MINT's monthly cash burn in 4Q20 was slightly higher from Baht 1.5 billion per month in 3Q20 to Baht 1.6 billion per month in 4Q20, mainly due to the adverse impact on hotel business from the second wave of COVID-19 in Europe. Nevertheless, the cash burn rate improved m-m in the quarter, decreasing from Baht 2.2 billion in October to Baht 1.6 billion and Baht 0.9 billion in November and December, respectively.

Financial Ratio Analysis

MINT's gross profit margin declined from 45.2% in 2019 to 15.5% in 2020, due mainly to softer margins of all three businesses, primarily in 2Q20 from the COVID-19 impact and the impact of TFRS16. Consequently, MINT's bottom line turned into net loss in 2020 due to lower flow-through from revenue shortfall, despite the stringent cost cutting measures.

Annualized return on equity excluding the impact of TFRS-16 was negative at 24.0% in 2020, compared to positive return on equity of 8.4% in 2019, as a result of core loss in the full-year of 2020. Correspondingly, MINT recorded negative pre-TFRS16 annualized return on assets of 7.6% in 2020.

Collection days increased from 43 days in 2019 to 77 days in 2020 due to a decline of total revenue which was impacted by COVID-19 pandemic. The provision for impairment as a percentage of gross trade receivables increased significantly from 5.9% in 2019 to 20.6% in 2020, because of the new TFRS9 where the methodology of calculating the amount of provision for impairment is more conservative, with additional forward-looking assumptions.

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 26 days in 2019 to 44 days in 2020, from all three businesses amidst COVID-19 outbreak. Account payable days increased from 72 days in 2019 to 108 days in 2020, from lower amount of cost of sale due to lower business volume and cost saving initiatives.

Current ratio improved to 1.3x at the end of 2020, compared to 1.1x at the end of 2019, driven by a surge in cash as a result of MINT's prudent liquidity strategy despite a larger amount of current portion of finance lease liabilities due to the adoption of TFRS16. According to MINT's new debt covenant which carves out lease liabilities in calculating the gearing ratio, interest bearing debt to equity rose from 1.31x at the end of 2019 to 1.79x at the end of 2020, primarily attributable to higher long-term borrowings from financial institutions, lower equity base from net loss in the full-year of 2020 and the impact of TFRS16, partially offset by the positive impact from perpetual bond issuance in 2Q20, rights offering in 3Q20 and exercise of warrants in 4Q20. Interest coverage ratio decreased from 5.2x in 2019 to 0.3x in 2020 due to the decline in cash flows from operations.

Financial Ratio Analysis*		
Profitability Ratio	**31 Dec 20**	**31 Dec 19**
Gross Profit Margin (%)	15.5	45.2
Net Profit Margin (%)	-36.8	8.2
Core Net Profit Margin** (%)	-33.4	5.7
Efficiency Ratio	**31 Dec 20**	**31 Dec 19**
Return on Equity** (%)	-24.0	8.4
Return on Assets** (%)	-7.6	2.7
Collection Period (days)	77	43
Inventory (days)	44	26
Accounts Payable (days)	108	72
Liquidity Ratio	**31 Dec 20**	**31 Dec 19**
Current Ratio (x)	1.3	1.1
Leverage & Financial Policy	**31 Dec 20**	**31 Dec 19**
Interest Bearing Debt/Equity (x)	1.79	1.31
Net Interest Bearing Debt/Equity (x)	1.44	1.15
	31 Dec 20	**31 Dec 19**
Interest Coverage (x)	0.3	5.2

* Include the impact of TFRS16 except for Return on Equity and Return on Asset ratios

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

Management's Outlook

Although 2021 is expected to be another challenging year, it is also expected to be a year of strong recovery as the vaccine rollout will finally allow economic activities to resume and country borders to reopen. With more streamlined and efficient operation, MINT is ready to drive its business forward to full operations in a post-COVID-19 world. In the meantime, the Company will continue to implement disciplined cost control measures, capital expenditure reduction programs and balance sheet management as precautionary measures for any unanticipated events.

Minor Hotels Outlook

With the positive news on vaccine development that it is becoming widely available globally, global pent-up demand for traveling activities is expected to return in the second half of this year.

In Europe, NH Hotel Group continues to manage its hotel inventories in response to the development of the COVID-19 pandemic in the region. The hotel re-opening and closure can be executed swiftly with low incremental fixed cost. Although Europe is the geography that was hardest hit during the COVID-19 pandemic, the portfolio is expected to demonstrate the strongest recovery once travel restrictions are eased, given that domestic and regional travelers are the majority of its customer base. Entering 2021, NH Hotel Group continues to implement cost savings on labor and rentals, and to work closely with the local governments for subsidies. Government subsidies on payroll expenses for the temporary dismissed employees in Europe have already been extended into the first quarter of 2021.

In Australia, the borders are expected to remain closed for international visitors until the end of 2021. Nevertheless, 85% of the management letting rights business in Australia is driven by domestic demand. The government has been able to curb the spread of the COVID-19 effectively throughout the outbreak, and recently, interstate borders have reopened. This will further support domestic travels. In December of last year, the occupancy rate of hotels in Australia has returned to pre-COVID-19 level. While the business outlook in Australia remains promising, Minor Hotels will continue to implement cost control measures. The government subsidies on employee payrolls has been extended until the end of the first quarter of this year, albeit at lower contribution.

Domestic tourism will continue to be the driver of hotels in Asia in the first half of the year as borders of many countries remain closed. Demand from regional markets are expected to return later in the year as borders reopen, followed by international travels. Of the geographies, Maldives hotels have seen the fastest recovery trend since the reopening at the end of September with rising number of tourists m-m. Given Maldives Ministry of Tourism's various campaigns to attract tourists, together with Minor Hotels' targeted sales strategies, good traction is expected to continue throughout 2021. On the other hand, Thailand gradually started reopening the country with the special tourist visa (STV) campaign for long-stay tourists in October 2020. However, the government's quarantine regime is still the significant travel inhibitor. Solid improvements in hotel industry in Thailand will be seen once the vaccine is rolled out and the country allows for the inflow of international visitors as domestic demand before COVID-19 accounted for less than 15% of Minor Hotels' total room nights.

For AVC and residential operations, particularly, Layan Residences by Anantara and Avadina Hills by Anantara in Phuket, together with Anantara Desaru in Malaysia, sales activities have resumed.

In addition to focusing on driving the recovery of its existing portfolio, Minor Hotels is also expanding its revenue through asset light business model. With the anticipated growth of China's travel sector, Minor Hotels has formed a strategic partnership with Funyard Hotels & Resorts, a hotel operator with a portfolio of over 200 hotels, to accelerate its growth in the country.

Minor Food Outlook

With business activities already returning to its normalized pre-COVID level, Minor Food's mission is to build on its current achievements for further growth.

Thailand hub's key action plan for 2021 will be driving sales and enhancing profitability. In addition to strict compliance with safety measures at the restaurants, Minor Food will continue to accelerate dine-in business through new product pipeline and customer engagement. In order to drive innovation and new product development, projects such as M-Fit and Young Entrepreneur Program have been launched to explore new products, concepts and brands. As an example, Minor Food launched its new owned brand "Coffee Journey" in the third quarter of 2020. With 15 outlets at the end of March, the brand is scalable potentially nationwide through partnership with Esso gas stations and in any prime locations. Additionally, Minor Food has leveraged its expansive customer database to drive personalization through loyalty program of The Pizza Company, which was launched in October last year. Loyalty program of other brands will be launched throughout 2021. In addition, digital and delivery platform will continue to be strengthened through increased driver productivity, heightened speed of service and integration of other payment channels. In terms of enhancing profitability, cost cutting initiatives will continue to be in place across all brands, including optimization of product sourcing and logistics network and savings on store rental expenses.

The strong rebound of domestic consumption and Minor Food's loyalty platform will continue to boost the dine-in business in China. China hub is speeding up its profitable expansion of Riverside brand in prime locations in response to strong growth of restaurant market. It is also improving its overall effectiveness of operation and customer experience through upgrading fish oven to shorten fish production period and broadening traceable fish supply channels. Furthermore, continuous cost savings will be implemented.

Australia hub will continue to strengthen its brand equity and further expand its delivery sales. On top of its earlier effort on the advancement of digital loyalty technology, Minor Food plans to add new delivery aggregators and conduct online channel marketing campaigns to enlarge its customer base. Nomad Coffee Group will build up the sales volume via OEM, retail and online channels. In addition, Australia hub will negotiate for extension of rental discounts with landlords.

Minor Lifestyle Outlook

With the expected vaccine to be rolled out, consumer confident and spending is expected to improve.

Minor Lifestyle will remain focused on driving sales performance through online channels, both on its own brand websites and third-party marketplace platforms, as well as leveraging on customer relations management database to uplift traffic across omni channels. Meanwhile, efficient stock optimization, merchandising, consolidation of warehouses, management of sustainable supply chain and rental negotiation will continue to be implemented in order to operate at a higher efficiency level and improve cash flow and liquidity position. Given higher focus on hygiene, Minor Lifestyle will continue to capture the high demand of sanitizer and cleaning products, as well as to expand its customer base.

Cash Flow and Balance Sheet Management Outlook

With aggressive cost cutting effort across business units and across geographies, MINT was able to achieve 34% y-y reduction of total costs in 2020, exceeding earlier target of 25%. Of all two main categories, payroll was the area where the savings were the highest at 30% y-y, followed by leases 18% y-y. Moving into 2021, strict cost control and cash management measures will remain in place. All business units will continue to negotiate with landlords for further discounts on rent. NH Hotel Group is planning for permanent workforce rationalization if government subsidies are terminated. In addition, there will be additional savings on supply chain from optimization of product sourcing and logistic network.

In terms of liquidity, MINT had approximately Baht 25 billion of available cash and Baht 28 billion of unutilized credit facilities as at end of January which is sufficient to support the operations going forward. With the current environment of the second waves of the virus, the Company's cash burn rate has been approximately Baht 1.6 billion per month in 4Q20. Such burn rate should improve once the travel activities start to kick in again.

As the short-term situation remains fluid, MINT has taken a precautionary measure to manage its balance sheet. The Company has already successfully secured the extension of its financial covenant testing waiver for another two years until the end of 2022. In addition, MINT has obtained the approval to exclude the COVID-19 impairment impact to its equity in the debt covenant calculation until the end of 2024.

Furthermore, the implementation of the asset rotation strategy is already on its way with an expected timeline for completion in the second and third quarter of 2021. Minor Hotels has identified four to five selected assets and is actively engaging in discussions with potential real estate investors on sales-and-lease-back or sales-and-manage-back transactions. The proceeds will be used to reduce debt which will further strengthen the balance sheet.

The Board of Directors has also approved the issuance of warrants to existing shareholders, with maturities in 2023 (MINT-W8 Warrants) and 2024 (MINT-W9 Warrants). The conversion of the warrants will strengthen MINT's equity base of an additional Baht 10 billion over the next two to three years, at a dilution of only 6.2%.

While the business environment is expected to improve, allowing MINT to see business recovery, MINT also has its proactive and precautionary strategies in place, to prepare the Company for any further or prolonged challenging events in 2021 and beyond.

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Mr. Chaiyapat Paitoon
Chief Strategy Officer

Appendix

Non-Recurring Items*

Period	Amount (Bt million)	Business Unit	Non-recurring Items
1Q19	50	Minor Food	Gain from the divestment of Bread Talk Thailand (Revenue)
	132 pre-tax 91 post-tax	Minor Hotels	Capital gain from asset rotation of NH Hotel Group
	-191	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
2Q19	-48 pre-tax -38 post-tax	Minor Hotels / Minor Food / Minor Lifestyle	Provision expenses for employee retirement benefits to adhere to the new labor law (SG&A expense allocated to each business unit)
	62 revenue 44 net profit	Minor Hotels	Capital gain from asset rotation of NH Hotel Group (Revenue)
	-320	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
3Q19	4,743 revenue 3,512 net profit	Minor Hotels	Gain from Tivoli asset sales (Revenue and SG&A expense)
	35 revenue -1 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-46	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
	-322	Minor Hotels / Minor Food	Expenses and provisions related to Corbin & King, Ribs & Rumps, certain brands in Singapore hub (SG&A expenses)
4Q19	1,350 revenue 935 net profit	Minor Hotels	Gain from Maldives asset sales (Revenue)
	131 revenue 55 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue)
	-131	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expenses)
1Q20	113 revenue 49 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	755	Minor Hotels	Foreign exchange gain on unmatched USD Cross-Currency Swap (SG&A expense)
	568 pre-tax 585 post-tax	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
	10	Minor Food	Reversal of provision related to Ribs & Rumps (reversal of SG&A expense)
2Q20	17 revenue -152 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-469	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-534	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-130	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)
3Q20	17 revenue -96 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-110	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-17 revenue -13 net profit	Minor Food	Provision expenses for inventory (SG&A expense)
	-197	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
	-396	Minor Hotels	Change in fair value of financial instruments (SG&A expense)
4Q20	12 revenue -201 net profit	Minor Hotels	Non-recurring items of NH Hotel Group (Revenue and SG&A expense)
	-44	Minor Hotels / Minor Food / Minor Lifestyle	Redundancy costs from cost cutting measures (SG&A expense)
	-117	Minor Food	Provision expenses for store closure and write-off of investment in joint venture related to Ya Hua store closure in Singapore (SG&A expense)

-75	Minor Lifestyle	Provision expenses for inventory and store closure of exited brands (SG&A expense)
-898	Minor Hotels	Foreign exchange loss on unmatched USD Cross-Currency Swap (SG&A expense)
58	Minor Hotels	Change in fair value of interest rate derivative (SG&A expense)

* Include the impact of TFRS16