

## Executive Summary

***The Company's core performance in 2Q22 and 1H22 improved YoY due to higher revenue from the recovery of hotel, education, and food business units. Excluding non-recurring items, the Company's core loss declined by 48.7% and 31.8%, respectively.***

In 1H22, global tourism business gradually recovered. The Omicron variant of COVID-19 remained but with less severity and low mortality rates. Many countries relaxed their travel measures which resulted in increased number of international tourists. In Thailand, lockdown measures were relaxed and the country fully reopened since June 1, 2022. As a result, the number of international tourist arrivals to Thailand in 1H22 significantly increased to 2 million from around 40,000 in 2H21. With gradual improvement of the COVID-19 situation, educational institutions resumed onsite activities and the international school catering business also resumed normal operations in 2Q22.

In 2Q22, the Company reported total revenue of THB 1,048 million, an increase of 78.5% YoY driven by higher revenue from hotel, education, and food business units. However, other business revenue declined due to non-recurring items\*. The recovery of core business resulted in improving EBITDA and lower net loss by THB 99 million and THB 118 million, respectively. Excluding non-recurring items, the Company's core performance improved YoY with core loss of THB 254 million and core EBITDA of THB 59 million compared to core loss of THB 495 million and core EBITDA of THB -194 million in 2Q21.

Compared to 1Q22, the Company's hotel business continued its recovery thanks mainly to the hotel business in Thailand following the easing of global travel restrictions. Food business revenue improved QoQ since the international schools in Vietnam were back onsite. The Company also had a higher FX gain. However, total revenue decreased by 7.2% QoQ mainly from the absence of gain on sale of investment in associates of the property development business and lower revenue from the education business amid summer. As a result, EBITDA and net loss worsened by THB 153 million and THB 130 million QoQ, respectively. Excluding non-recurring items, the Company would have reported a higher core loss of THB 129 million compared to THB -125 million in 1Q21, and lower core EBITDA of THB -151 million compared to THB -210 million in 1Q21.

In 1H22, the Company reported total revenue of THB 2,174 million, up by 14.5% YoY due to higher revenue from hotel, education, and food business units that have gradually recovered from COVID-19 despite lower revenue from property development business (gain on sale of investment) and lower other revenues (non-recurring items). EBITDA and net loss worsened by THB 239 million and THB 84 million, respectively, due to lower gain on measurement of other financial assets, lower gain on sale of investment in associates, higher staff cost, and higher hotel administrative expenses. Excluding non-recurring items, the Company's core performance improved YoY with a core loss of THB -379 million, a decrease of 31.8% YoY compared to THB -556 million YoY. Core EBITDA also improved by 254.0% YoY to THB 269 million from THB 76 million in 1H21.

**As for the business outlook in 2H22, the Company remains positive about the recovery of hotel business. Although the third quarter is the low season, the Company still expects the recovery of domestic hotel business to gradually improve** due to increasing number of Thai tourists and international tourist arrivals to Thailand following the official reopening of the country in June and subsequent cancellation of the Thailand Pass in July. The number of international tourist arrivals to Thailand in July rose to 1.25 million, exceeding 1 million for the first month since the COVID-19 outbreak in 2020, bringing the cumulative number in the first seven months of the year to 3.3 million. The Tourism Authority of Thailand targets 10 million international tourist arrivals to Thailand this year. Based on these assumptions, the Company maintains 2022 hotel business revenue forecast at around 75% of the hotel business revenue in 2019 (pre-COVID-19 level) given that the epidemic situation will

not worsen and there will be no protracted war between Russia and Ukraine. In 2H22, the Company plans to open more new Dusit Hotels and Resorts worldwide.

**The Company expects to see a better outlook for education business and food business in 2H22, as businesses recover in accordance with the improved COVID-19 situation.** “The Food School,” a new project under education business offering a variety of multi-cuisine training and business incubation all under one roof, plans to commence cooking classes by 4Q22 and to start food incubator leasing by 3Q22. **In 2H22, the company will focus more on food business expansion** in accordance with the Company's key strategy on balance, diversification, and expansion that not only builds growth but also balances both revenue and EBITDA for more recurring income to mitigate the impact of hotel business volatility. At the end of 2Q22, Dusit Foods Co., Ltd. which is the Company's subsidiary, invested 55% in Bonjour Bakery Asia Co., Ltd. and Baujour International Co Limited, which operates a bakery business and a franchise of "Bonjour" pastry shop with more than 50 branches in Thailand and China. This transaction accomplishes Dusit Foods's goal to expand to upstream business to facilitate product standardisation and cost optimisation for other businesses within DUSIT, including hotels and restaurants. In addition, this allows the Company to seize opportunities to provide OEM products for future B2B customers.

**For the property development business, both projects are still under construction.** Dusit Central Park, a mixed-use JV project with Central Pattana PCL (CPN), plans to open the first phase in early 2024, starting with the hotel. Central Park Department Store and Central Park Offices Building are slated to open in 2024, with Dusit Residences and Dusit Parkside following in mid-2025. Currently, Dusit Residences and Dusit Parkside units have sold approximately 45% of the saleable areas. The Hampton Sriracha by Origin and Dusit, a condominium JV project with Origin Property PCL, is expected to be completed at the end of 2022. Currently, approximately 72% of the units have been sold.

**Financial resilience continued.** In early August 2022, the Company successfully issued and offered the Subordinated Perpetual Debentures No. 1/2022 worth THB 1,500 million. This transaction helps strengthen the Company's capital structure and financial management flexibility.

Unit: THB mn	2Q22	2Q21	Change		1H22	1H21	Change	
Hotel business	683	322	361	112.1%	1,317	759	558	73.5%
Education business	88	56	32	57.1%	216	161	55	34.2%
Food business	168	54	114	211.1%	309	213	96	45.1%
Property development business	0	-9	9	100.0%	133	247	-114	-46.2%
Others	109	164	-55	-33.5%	199	518	-319	-61.6%
<b>Total revenue</b>	<b>1,048</b>	<b>587</b>	<b>461</b>	<b>78.5%</b>	<b>2,174</b>	<b>1,898</b>	<b>276</b>	<b>14.5%</b>
EBITDA	54	-45	99	NM+	261	500	-239	-47.8%
EBIT	-176	-281	105	37.4%	-200	-75	-125	-166.7%
<b>Net profit (loss) attributable to parent</b>	<b>-258</b>	<b>-376</b>	<b>118</b>	<b>31.4%</b>	<b>-386</b>	<b>-302</b>	<b>-84</b>	<b>-27.8%</b>
EPS (THB)	-0.30	-0.44	0.15	33.6%	-0.46	-0.36	-0.10	-27.7%
Non-recurring items	-4	119	-123	NM-	-7	254	-261	NM-
<b>Net profit (loss) attributable to parent excluding non-recurring items</b>	<b>-254</b>	<b>-495</b>	<b>241</b>	<b>48.7%</b>	<b>-379</b>	<b>-556</b>	<b>177</b>	<b>31.8%</b>

Unit: THB mn	2Q22	1Q22	Change	
Hotel business	683	634	49	7.7%
Education business	88	128	-40	-31.3%
Food business	168	141	27	19.1%
Property development business	0	133	-133	-100.0%
Others	109	93	16	17.2%
<b>Total revenue</b>	<b>1,048</b>	<b>1,129</b>	<b>-81</b>	<b>-7.2%</b>
EBITDA	54	207	-153	-73.9%
EBIT	-176	-25	-151	-604.0%
<b>Net profit (loss) attributable to parent</b>	<b>-258</b>	<b>-128</b>	<b>-130</b>	<b>-101.6%</b>
EPS (THB)	-0.30	-0.15	-0.15	-100.3%
Non-recurring items	-4	-3	-1	-33.3%
<b>Net profit (loss) attributable to parent excluding non-recurring items</b>	<b>-254</b>	<b>-125</b>	<b>-129</b>	<b>-103.2%</b>

Remark: Non-recurring items

1Q22= Gain on measurement of other financial assets (THB 32 million), loss on sale of other financial assets (THB 33 million), and severance pay (THB 2 million)

2Q22 = Loss on measurement of other financial assets (THB -3 million) and severance pay (THB 2 million)

1H22 = Gain on measurement of other financial assets (THB 29 million), severance pay (THB 4 million), and loss on sale of other financial assets (THB 33 million)

2Q21 = Gain on measurement of other financial assets (THB 93 million), gain on sale of other long-term investment (THB 59 million), severance pay (THB 3 million), and tax income (THB 30 million)

1H21 = Gain on measurement of other financial assets (THB 371 million), gain on sale of other long-term investment (THB 59 million), impairment loss (THB 106 million), severance pay (THB 6 million), and tax income (THB 64 million)

## Major developments in 2Q22

### Hotel Business

During 2Q22, Elite Havens expanded its coverage in luxury villa rentals and management service by marketing additional villas in India. At the end of the quarter, the Company's property portfolio comprised 332 properties (47 hotels and resorts, and 285 villas) and 12,063 rooms.

### Food Business

In June 2022, Dusit Foods Co., Ltd., a 99.99% Company subsidiary, invested 55% in Bonjour Bakery Asia Co., Ltd. and Baujour International Co Limited, which operates a French bakery business and the "Bonjour" pastry shop franchise with more than 50 branches in Thailand and China. This investment is in line with the Company's long-term strategy – Balance, Diversification, and Expansion.

### Property Development

At the end of 2Q22, the Company exercised the call option to buy Vimarn Suriya Co., Ltd. shares from CPN. The Company's share in this JV company increased to 70% (from previous ultimate structure of 60%). This transaction was executed as per DUSIT's rights to exercise the call option as per the Shareholder Agreement signed in 2016. The Company recognises that the new Dusit Thani Bangkok hotel and Dusit Residences and Dusit Parkside projects are good large-scale super luxury projects. With additional shares, DUSIT will be able to recognise more profits from these projects in the future.

### Financial Resilience

In June 2022, the Company submitted the filing to the SEC to prepare for the issuance and offering of the Subordinated Perpetual Debentures No. 1/2022 worth not exceeding THB 1,500 million. This debenture is scheduled to be offered in early August 2022. The proceeds will be used to repay financial institution loans and/or for working capital.

## 2Q22 and 1H22 Business Segment Performance

Unit: THB mn	Revenue breakdown					EBITDA breakdown				
	2Q22	2Q21	Change	1Q22	Change	2Q22	2Q21	Change	1Q22	Change
Hotel business	683	322	112.1%	634	7.7%	124	-15	NM+	123	0.8%
Education business	88	56	57.1%	128	-31.3%	-10	-19	47.4%	36	NM-
Food business	168	54	211.1%	141	19.1%	-4	-37	89.2%	-1	-300.0%
Property development business	0	-9	100.0%	133	-100.0%	-19	-22	13.6%	114	NM-
Others	109	164	-33.5%	93	17.2%	-37	48	NM-	-65	43.1%
<b>Total revenue</b>	<b>1,048</b>	<b>587</b>	<b>78.5%</b>	<b>1,129</b>	<b>-7.2%</b>	<b>54</b>	<b>-45</b>	<b>NM+</b>	<b>207</b>	<b>-73.9%</b>

In 2Q22, the Company reported total revenue of THB 1,048 million; an increase of THB 461 million or 78.5% YoY, of which 65.2%, 8.4%, 16.0% and 10.4% of total revenue came from Hotel Business, Education Business, Food Business, and Other Business, respectively.

Unit: THB mn	Revenue breakdown				EBITDA breakdown			
	1H22	1H21	Change		1H22	1H21	Change	
Hotel business	1,317	759	558	73.5%	247	-6	253	NM+
Education business	216	161	55	34.2%	26	6	20	333.3%
Food business	309	213	96	45.1%	-5	-30	25	83.3%
Property development business	133	247	-114	-46.2%	95	227	-132	-58.1%
Others	199	518	-319	-61.6%	-102	303	-405	NM-
<b>Total</b>	<b>2,174</b>	<b>1,898</b>	<b>276</b>	<b>14.5%</b>	<b>261</b>	<b>500</b>	<b>-239</b>	<b>-47.8%</b>

In 1H21, the Company reported total revenue of THB 2,174 million; an increase of THB 276 million or 14.5% YoY, of which 60.6%, 9.9%, 14.2%, 6.1% and 9.2% of total revenue came from Hotel Business, Education Business, Food Business, Property Development Business, and Other Business, respectively.

### Hotel Business

Hotel Business generated revenue of THB 683 million in 2Q21, an increase of 112.1% YoY and 7.7% QoQ; and THB 1,317 million in 1H21, up by 73.5% YoY. The increase was mainly driven by the improving COVID-19 situation in Thailand. In 2Q21, a new wave of COVID-19 around April 2021 caused a surge in infections while the vaccination rate was low. The government had to impose several restriction measures, resulting in a decrease in the number of domestic and international travellers. Although COVID-19 has continued to spread until now, the negative impact on the Company's hotel business has been eased thanks to improving global vaccination rates (including in Thailand), the lifting of pandemic-related restrictions, the cancellation of the Test & Go scheme for entry into Thailand for fully vaccinated tourists (1 May 2022), the full reopening of Thailand (1 June 2022), and the government tourism stimulus campaign. Overseas Hotel Business has also been continuously recovering, mainly in the Philippines, the Maldives, Egypt, and the Middle East.

### Owned Hotels

	2Q22	2Q21	% Change	1Q22	% Change	1H22	1H21	% Change
Occupancy %	57.6%	33.5%	71.9%	47.0%	22.5%	52.3%	32.9%	59.1%
ADR (THB/night)	3,041	2,309	31.7%	3,899	-22.0%	3,424	2,777	23.3%
RevPar (THB/night)	1,751	774	126.3%	1,833	-4.5%	1,792	914	96.2%

*Remark: For comparison purposes, the statistics do not include Dusit Thani Princess Chiang Mai.*

Owned Hotels Business generated revenue of THB 593 million in 2Q22, an increase of 119.6% YoY and 1.9% QoQ; and THB 1,175 million in 1H22, up by 80.8% YoY. This is detailed as follows:

- Revenue from Owned Hotels in Thailand in 2Q22 increased by 272.2% YoY. The increase was mainly driven by the increasing nationwide vaccination rate (including booster doses), the lifting of pandemic-related restrictions, the cancellation of the Test & Go scheme on 1 May 2022, and the full reopening of Thailand effective 1 June 2022. The revenue of all owned hotels in Thailand improved, especially Dusit Thani Pattaya, Dusit Thani Hua Hin (the government urged people to avoid inter-province travel in 2Q21 due to the surge of COVID-19 cases), and Dusit Thani Laguna Phuket (mainly from participation in the 'Phuket Sandbox' programme for vaccinated travellers, with no quarantine requirements, since 1 July 2021). The revenue also improved by 26.7% QoQ due to less severity of the spread of Omicron variant, as well as the government's tourism stimulus campaign. In 1H21, revenue from owned hotels in Thailand improved by 218.8% YoY.
- Revenue from Overseas Hotels in 2Q22 increased by 56.5% YoY. The increase was mainly driven by Dusit Thani Manila increasing 86.8% YoY owing to the country reopening to fully vaccinated tourists who have proof of a negative COVID-19 PCR test, with no quarantine requirements, in February 2022. ADR improved by 94.3% YoY coinciding with the improving COVID-19 situation. However, the Philippines still implemented various actions to prevent the spread of COVID-19. For Dusit Thani Maldives, revenue increased by 36.8% YoY from the continuing return of tourism and the depreciation of the baht against the US dollar. Main customers were from Saudi Arabia, followed by India and South Korea. However, the revenue decreased by 14.6% QoQ due to Maldives' low season. In 1H22, revenue from overseas hotels increased by 33.8% YoY.

### Hotel Management

Revenue from Hotel Management was THB 90 million in 2Q22, an increase of 73.1% YoY. The increase was driven by both Thailand and overseas managed properties due to the lifting of international and domestic travel restrictions and the progressive recovery of international tourism, particularly in the Middle East and Singapore. Moreover, the revenue from Hotel Management under Elite Havens also constantly increased following the reopening of Thailand (June 2022) and Indonesia (January 2022). However, the revenue from hotel management under Dusit brands in China decreased by 46.2% YoY due to the impact of the government's Zero-Covid policy and related lockdown from March to May 2022. The revenue also improved by 73.1% QoQ due to the lower severity of the Omicron variant. In 1H22, the revenue from hotel management was THB 142 million, up by 30.3% YoY.

The Company reported EBITDA from Hotel Business of THB 124 million in 2Q22, up by THB 139 million YoY and THB 1 million QoQ; and THB 247 million in 1H22, improved by THB 253 million YoY. This increase was driven by the country reopening and improving EBITDA margin from continuous cost containment.

The depreciation and amortization were THB 156 million in 2Q22, down by 3.1% YoY; and THB 312 million in 1H22, down by 3.7% YoY because of the sale of Dusit Thani Princess Chiang Mai in August 2021.

In 2021, provision for impairment loss was recorded at THB 106 million from Dusit Suites Ratchadamri, Bangkok, Dusit Thani Laguna Phuket, Dusit Thani Hua Hin, and dusitD2 Chiang Mai, from business disruption caused by the COVID-19 pandemic in 1Q21.

### **Education Business**

Education Business generated the revenue of THB 88 million in 2Q22, up by 57.1% YoY; and THB 216 million in 1H22, an increase of 34.2% YoY. The increase was mainly driven by the following: first, Dusit Thani College postponed one month of teaching and learning in June 2021 to prevent the spread of COVID-19, and also welcomed an increasing number of students for degree and short-course programmes. Second, higher profit sharing from Le Cordon Bleu Dusit Culinary School after the temporary closure in January and April-October 2021 according to the government's order. Third, lower loss sharing from Dusit Hospitality Education Philippines following decreasing administrative expenses. However, The Food Education Bangkok Co., Ltd. which was in its pre-opening phase, generated higher loss sharing due to increasing employee cost and other expenses. However, the revenue decreased by THB 40 million or 31.3% QoQ due to a decrease of number of students registered for summer courses, which was normally less than normal courses.

EBITDA from Education Business was THB -10 million in 2Q22, increased from THB -19 million in 2Q21; and THB 26 million in 1H22, up by THB 20 million YoY due to the increase in revenue mentioned above. However, EBITDA worsened by THB 46 million QoQ mainly due to the change in Dusit Thani College's revenue.

### **Food Business**

Food Business generated revenue of THB 168 million in 2Q22, up by 211.1% YoY and 19.1% QoQ; and THB 309 million in 1H22, up by 45.1% YoY. This mainly came from Epicure Catering, which resumed full operations at 31 out of 33 schools in January 2022, and all schools in the following month. Revenue from the Caterers also increased as international schools changed from online teaching and learning in 1Q22 to on-site teaching and learning in 2Q22. In 2021, there was a temporary closure of schools in Thailand (January, and April to mid-October) and Vietnam (February, and April to September).

EBITDA from Food Business was THB -4 million, up by THB 33 million YoY; and THB -5 million in 1H22, up by THB 25 million YoY, mainly from the change in revenue mentioned above. However, EBITDA decreased by THB 3 million QoQ due to the rising cost of ingredients.

### **Property Development Business**

In 2Q22, Property Development Business reported an increase of revenue of THB 9 million YoY due to lower loss sharing from lower marketing expenses (THB 8 million) for The Origin Dusit Co., Ltd., a joint venture, and other income increasing by THB 1 million. While revenue and loss sharing decreased by THB 114 million in 1H22, the Company recorded gain on sale of an investment in Suanlum Property Co., Ltd. (THB 131 million), recognised income from deferred arrangement fee income by based on a decrease in shareholding proportion of THB 4 million, and other income of THB 1 million in 1H22, while recorded THB 251 million and THB 16 million, respectively in 1H21. Meanwhile, the Company recorded lower loss sharing from The Origin Dusit Co., Ltd., due to lower marketing expenses of THB 17 million.

EBITDA from Property Development was THB -19 million in 2Q22, up by THB 3 million YoY; and THB 95 million in 1H22, down by THB 132 million YoY following changes in revenue and higher marketing expenses related to the Dusit Central Park project.

### **Other Businesses**

The Company reported revenue from Other Businesses of THB 109 million in 2Q22, down by THB 55 million or 33.5% YoY. Mainly, the Company recorded the decrease in gain on measurement of other financial assets (THB 89 million), the absence of gain on sale of other financial assets (THB 59 million), higher profit sharing from DREIT (THB 45 million), the increase in gain on exchange rate (THB 18

million), the increase in Baan Dusit Thani and Dusit Hospitality Services revenue following the improving COVID-19 situation (THB 12 million), and other income e.g., rental income, IT fees, and interest income (THB 18 million).

The Company reported revenue from Other Businesses of THB 199 million in 1H22, down by THB 319 million or 61.6% YoY. Mainly, the Company recorded the decrease in gain on measurement of other financial assets (THB 337 million), the absence of gain on sale of other financial assets (THB 59 million), the decrease in gain on exchange rate (THB 10 million), higher profit sharing from DREIT (THB 43 million), the increase in Baan Dusit Thani and Dusit Hospitality Services revenue following the improving COVID-19 situation (THB 10 million), and other income e.g., rental income, IT fees, and interest income (THB 34 million).

EBITDA in 2Q22 was THB -37 million, down by THB 85 million YoY; and THB -102 million in 1H22, down by THB 405 million YoY due to the decrease in revenue as mentioned and the increase in administrative expenses.

#### **Earnings before Interest, Corporate Income Tax, Depreciation and Amortization (EBITDA)**

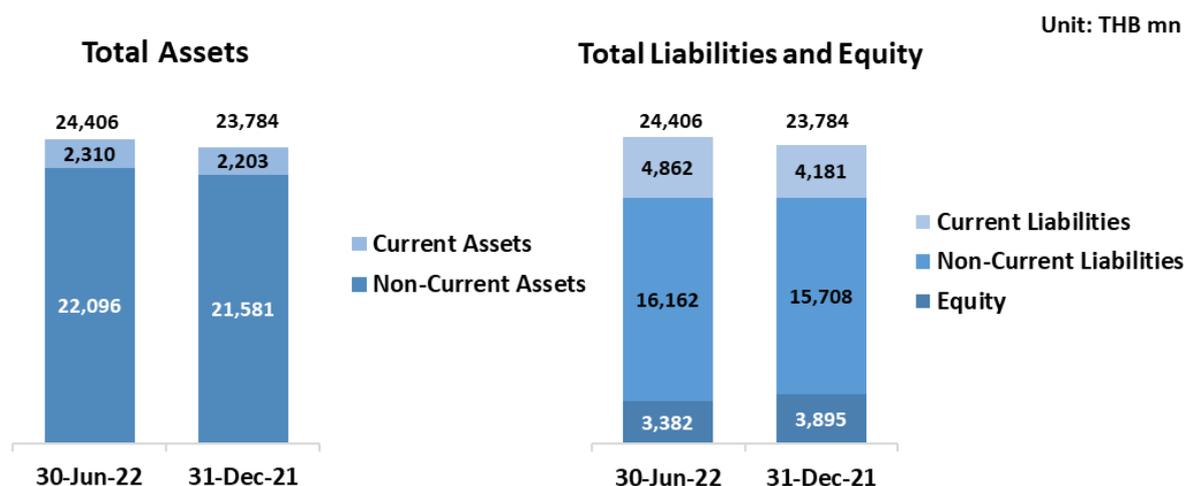
The Company's EBITDA was THB 54 million in 2Q22, up by THB 99 million YoY; and THB 261 million in 1H22, down by THB 239 million YoY due to the change in EBITDA mentioned above.

#### **Finance Costs**

Finance Costs was THB 123 million in 2Q22, up by 12.8% YoY; and THB 246 million in 1H22, an increase of 12.8% mainly from the 2 new debenture issuances in 2021, the increase in interest rate of short/long-term loans, and the increase in long-term loans.

#### **Net Profit**

The Company reported the net loss of THB 258 million in 2Q22, down by THB 118 million YoY; and THB -386 million in 1H22, a decrease of THB 84 million YoY.



### Assets

As of 30 June 2022, the Company reported the total assets of THB 24,406 million, up by THB 622 million or 2.6% from total assets as of 31 December 2021.

- Current assets increased by THB 108 million, mainly from proceeds from the sale of other current financial assets, investment in associate, and customer's deposits offset with an increase of net changes in cash and cash equivalents of investing, financing, and operating activities.
- Non-current assets increased by THB 515 million from an increase of property, plant and equipment for Dusit Central Park, an increase of goodwill from investment in subsidiaries, and an increase of deferred tax asset offset with a decrease of sale of other non-current financial assets, a decrease of right-of-use assets from depreciation, and a decrease of advanced construction payment.

### Liabilities

As of 30 June 2022, total liabilities were THB 21,024 million, up by THB 1,135 million from the total liabilities as of 31 December 2021.

- Current liabilities increased by THB 681 million mainly from an increase of short-term loan from financial institutions, an increase in trade accounts and other current payable, and an increase in income tax payable offset with a repayment in current portion of long-term loans and payable for acquisition of business.
- Non-current liabilities increased by THB 454 million due to an increase in deferred revenue, customer's deposits, and lease liabilities offset with a decrease in long-term loan and deferred tax liabilities.

### Shareholders' Equity

As of 30 June 2022, Shareholders' Equity of THB 3,382 million decreased by THB 513 million or 13.2% from the Shareholders' Equity as of 31 December 2021. This consisted of the equity attributed to owners of the parent of THB 2,656 million and the non-controlling interest of THB 726 million due to loss on operating results in this period.

### **Cash Flows**

As of 30 June 2022, the Company reported cash and cash equivalents of THB 1,296 million, up by THB 114 million (before gain from foreign currencies of THB 28 million) from THB 1,210 million as of 31 December 2021.

### **Use of Funds**

The Company reported net cash outflows of THB 592 million, consisting of the following:

- Net cash outflow from investing activities of THB 295 million, mainly consisting of:
  - Cash outflow for purchases of equipment and construction for “Dusit Central Park” and “ASAI Sathorn” projects – THB 659 million.
  - Cash outflow for investment in subsidiary – THB 271 million.
  - Cash outflow for long-term loans to related parties – THB 144 million.
  - Cash outflow for purchases of other intangible assets – THB 21 million.
  - Cash outflow for the payment of lease liabilities – THB 14 million, and others of THB 7 million.
  - Cash inflow from sales other financial assets – THB 626 million.
  - Cash inflow from sales investment in associate – THB 137 million.
  - Cash inflow from dividend income received from investment in associates – THB 46 million.
  - Cash inflow from interest income – THB 11 million, and others of THB 1 million.
- Net cash outflow of financing activities of THB 297 million consisting of:
  - Cash outflow for the repayment of short-term and long-term loans from financial institutions at THB 1,129 million and THB 167 million, respectively.
  - Cash outflow for investment in subsidiary – THB 221 million.
  - Cash outflow for long-term loans to related parties – THB 196 million.
  - Cash outflow for interest paid – THB 249 million.
  - Cash outflow for the payment of lease liabilities – THB 143 million.
  - Cash outflow for dividend payment – THB 24 million.
  - Cash inflow from the proceed of short-term and long-term loans from financial institutions of THB 1,597 million and THB 229 million, respectively.
  - Cash inflow from increase in share capital from subsidiary – THB 6 million.

The Company reported net cash inflows of THB 706 million, consisting of the following:

- Net cash inflow of operating activities of THB 706 million consisting of:
  - Cash inflows from deferred revenue of THB 155 million, customer’s deposits of THB 318 million offset by net cash inflow from sales and services deducting cash outflow for the operating results from COVID-19 pandemic impact, and income tax payment from prior-year operating results.

Dusit Thani PLC  
Management Discussion and Analysis  
For 2Q22 and 1H22

Statement of Financial Position

Unit: THB mn	30-Jun-22	% to total assets	31-Dec-21	% to total assets	Chg
Cash and cash equivalents	1,296	5.3%	1,210	5.1%	7.1%
Other current financial assets	144	0.6%	197	0.8%	-26.9%
Trade and other receivables	468	1.9%	438	1.8%	6.8%
Other current assets	402	1.6%	358	1.6%	12.3%
<b>Total current assets</b>	<b>2,310</b>	<b>9.5%</b>	<b>2,203</b>	<b>9.3%</b>	<b>4.9%</b>
Other non-current financial assets	37	0.2%	610	2.6%	-93.9%
Investments in associates	1,633	6.7%	1,631	6.9%	0.1%
Investment properties	1,152	4.7%	1,152	4.8%	0.0%
Property, plant and equipment	6,564	26.9%	5,785	24.3%	13.5%
Right-of-use assets	8,976	36.8%	9,071	38.1%	-1.0%
Intangible assets other than goodwill	821	3.4%	853	3.6%	-3.8%
Goodwill	1,062	4.4%	652	2.7%	62.9%
Advance payment for construction	648	2.7%	745	3.1%	-13.0%
Other non-current assets	1,203	4.9%	1,082	4.6%	11.2%
<b>Total non-current assets</b>	<b>22,096</b>	<b>90.5%</b>	<b>21,581</b>	<b>90.7%</b>	<b>2.4%</b>
<b>Total assets</b>	<b>24,406</b>	<b>100.0%</b>	<b>23,784</b>	<b>100.0%</b>	<b>2.6%</b>
Short-term loans from financial institutions	1,775	7.3%	1,291	5.4%	37.5%
Trade and other current payables	1,341	5.5%	1,121	4.7%	19.6%
Current portion of long-term loans	1,257	5.2%	1,315	5.5%	-4.4%
Current portion of lease liabilities	259	1.1%	252	1.2%	2.8%
Other current liabilities	230	0.9%	202	0.8%	13.9%
<b>Total current liabilities</b>	<b>4,862</b>	<b>19.9%</b>	<b>4,181</b>	<b>17.6%</b>	<b>16.3%</b>
Long-term loans	1,819	7.5%	1,895	8.0%	-4.0%
Lease liabilities	7,594	31.1%	7,517	31.6%	1.0%
Debentures	1,985	8.1%	1,979.00	0.08	100.0%
Deferred rental revenue	455	1.9%	457	1.9%	-0.4%
Deferred revenue	2,511	10.3%	2,356	9.9%	6.6%
Customer's deposit	1,178	4.8%	860	3.6%	37.0%
Other non-current liabilities	620	2.5%	644	2.7%	-3.7%
<b>Total non-current liabilities</b>	<b>16,162</b>	<b>66.2%</b>	<b>15,708</b>	<b>66.0%</b>	<b>2.9%</b>
<b>Total liabilities</b>	<b>21,024</b>	<b>86.1%</b>	<b>19,889</b>	<b>83.6%</b>	<b>5.7%</b>
Equity attributable to owners of the Company	2,656	10.9%	3,288	13.8%	-19.2%
Non-controlling interests	726	3.0%	607	2.6%	19.6%
<b>Total shareholders' equity</b>	<b>3,382</b>	<b>13.9%</b>	<b>3,895</b>	<b>16.4%</b>	<b>-13.2%</b>

<b>Key Financial Ratio</b>		
<b>Profitability ratio</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Gross profit margin	27.2%	-6.9%
EBITDA margin	12.0%	-7.7%
Net profit margin	-17.8%	-64.1%
<b>Efficiency ratio</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Return on equity	-31.1%	-17.9%
Return on asset	-2.7%	-2.0%
<b>Liquidity ratio</b>	<b>30-Jun-22</b>	<b>31-Dec-21</b>
Current ratio (time)	0.48	0.53
<b>Leverage ratio</b>	<b>30-Jun-22</b>	<b>31-Dec-21</b>
Interest bearing debt to equity (time)*	5.54	4.35
Net interest bearing debt to equity (time)*	5.00	3.92
Debt to equity (time)*	7.92	6.05
Interest bearing debt to total equity (time) (excl: TFRS16 effect)	2.03	1.68
Net interest bearing debt to total equity (time) (excl: TFRS16 effect)	1.60	1.99
	<b>30-Jun-22</b>	<b>30-Jun-21</b>
Interest coverage ratio (time)**	-0.81	-2.57

\* Calculated from equity attributable to owners of the Company

\*\* =EBIT/Interest expense

As of 30 June 2022, the Company had interest bearing debt to equity attributable to owners of the Company (IBD/E) ratio at 5.54 times, and IBD/E ratio excluding TFRS 16 - Lease at 2.58 times.

In terms of leverage, the Company's interest bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity and net interesting bearing debts (excluding TFRS 16 - lease liability) to total shareholder equity were 2.03 times and 1.60 times, respectively. This does not exceed 3 times and complies with both the loan from financial institution's covenant and new debenture's covenant

Average collection in 2021 was 29 days, which complied with the normal credit term granted by the Group due within 30-60 days. However, the Company extended the payment terms to support the customers affected by COVID-19.

## **Outlook**

For 2022, the Company maintains the assumption of total revenue growth of 35%-40% from 2021 driven mainly by hotel business, education business, and food business. The Company still expects 2022 EBITDA margin to be in the range of 12%-15% of total revenue. The Company's business outlook in 2H22 remains the same as follows:

### **Hotel business:**

- The Company expects to see a clearer picture of hotel business recovery in 2H22, with 1H22 reliant on domestic tourism and more international tourist arrivals in 2H22 following the full opening of Thailand on June 1, 2022. With China's border closed, the Company shifted its focus to tourists from Europe and Russia. However, due to the Russia-Ukraine war that started at the end of February, the Company has shifted to target tourists from India, ASEAN, and the Middle East region. Based on these assumptions, the Company still expects hotel business revenue this year to increase to around 75% of 2019 hotel business revenue (pre-COVID-19 level) given that the epidemic situation does not worsen and that there is no protracted war between Russia and Ukraine.

### **Education business:**

- The Company expects to see a better outlook for education business since currently both Dusit Thani College and Le Cordon Bleu Dusit Culinary School have resumed operations after being affected by government-mandated school closures in 2021 until year end.
- Dusit Thani College continues to change its teaching method to blend both online and onsite teachings for bachelor's and master's degree programmes. Dusit Thani College aims to enroll 800 students by 2022, while Le Cordon Bleu Dusit targets more than 300 enrollments per intake/term. The Food School project, the first center to offer a variety of multi-cuisine training and business incubation all under one roof, plans to start its food incubator leasing by 3Q22 and commence cooking classes by 4Q22.

### **Food business:**

- In 2H22, the company will focus more on food business expansion in accordance with the company's main strategy for balance, diversification, and expansion which not only builds growth, but also balances both revenue and EBITDA for more recurring income to mitigate the impact of hotel business volatility. At the end of 2Q22, Dusit Foods Co., Ltd. a subsidiary of the Company, invested 55% in Bonjour Bakery Asia Co., Ltd. and Baujour International Co Limited, which operates a bakery business and a franchise pastry shop "Bonjour" with more than 50 branches in Thailand and China. This transaction accomplishes Dusit Foods' goal to expand to upstream business and facilitate product standardisation and cost optimisation for other businesses within DUSIT, including hotels and restaurants. In addition, this allows the Company to seize opportunities to provide OEM products for future B2B customers. The company will recognise the consolidated performance from this investment in full quarters from 3Q22 onwards.
- International school catering services show better outlook compared to 1H22 due to the return of more school services in Thailand and Vietnam since 2Q22, as well as resumed outside catering business in Vietnam following the improvement of the COVID-19 situation.
- Healthy food business under the KAUI brand: Revenue is likely to improve from various COVID-19 easing measures and more office workers returning to work. However, most offices

remain in a hybrid work mode, i.e., employees alternate between working at the office and at home. Therefore, the company is focusing more on digital marketing and new menus, with plans to open a new branch at the end of the year. The change in Dusit Real Food Co., Ltd.'s shareholder structure that resulted in JV partner change will support KAUAI's plan for more business collaboration and expansion with Virgin Active to increase the company's revenue in the future.

- Dusit Gourmet is currently a food sourcing hub for all Dusit Hotels and Resorts in Thailand and overseas, as well as for external customers. Dusit Gourmet has been supplying frozen bakery and Ready-to-Cook items to Dusit Hotels and Resorts in Thailand since 2021. In 1Q22, Dusit Gourmet has expanded client base to include HoReCa group and has sold organic rice to Dusit properties. In August 2022, Dusit Gourmet will start selling curry pastes to Dusit overseas hotels for standardisation of taste and cost reduction. In addition, Dusit Gourmet plans to recognise revenue from OEM bakery for non-Dusit customers at the end of 3Q22.

**Property development business:**

- Dusit Central Park Project, a mixed-use JV project with CPN.
  - Currently, the project is in the progress of sub-structure work of the residences and retail building. Ritta, the main contractor, started construction of the hotel building in 2Q22.
  - The first phase of the project, including the hotel, is expected to open in early 2024. Central Park Department Store and Central Park Offices Building are slated to open in 2024, with Dusit Residences and Dusit Parkside following in mid-2025.
  - Currently, Dusit Residences and Dusit Parkside have sold approximately 45% of the saleable areas. The customer target is split to 65% Thai and 35% foreigner. The Sales & Marketing team is conducting an international roadshow in Singapore, the Middle East, and Southeast Asia while waiting for the Hong Kong and Chinese market open.
- The Hampton Sriracha by Origin and Dusit, a condominium JV project with Origin Property PCL, is currently under construction. The condominium development is expected to be completed in 2022 and begin transferring units during the end of 2022-2023. Currently, approximately 72% of the units have been sold.

---

Please be informed accordingly

Sukit Ngamsangapong

Authorized person to disclose information