



Dusit

INTERNATIONAL

Company Presentation

Moving towards New Normal

September 2020

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Dusit Thani Guam Resort, USA

Agenda

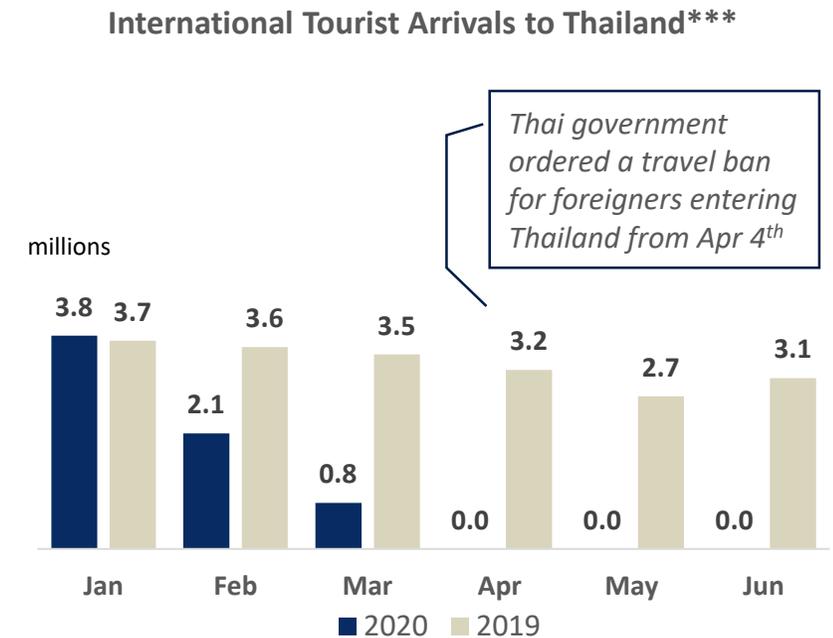
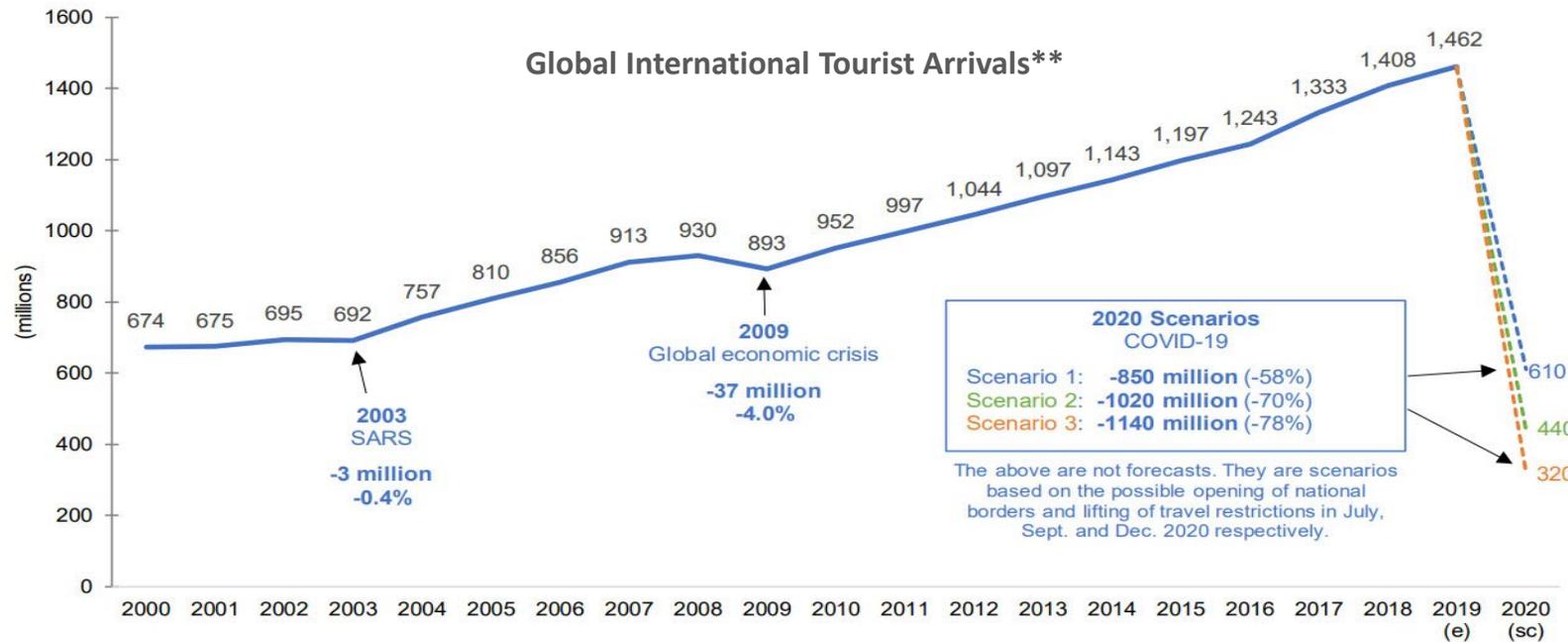
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1H20 Recap



COVID-19 pandemic impacted global hospitality industry **Dusit** INTERNATIONAL

- As of May 2020, The World Tourism Organization reported a further cut of estimated international tourist arrivals in 2020 to be approximately 320-610 mn, representing 60%-80% drop from 1.46 bn in 2019.
- Tourism Authority of Thailand reported approximately 6.7 mn of international tourist arrival to Thailand in 1H20, a 66% drop YoY. The estimation of international tourist arrivals to Thailand in 2020 was cut by 80% to 8 mn from 40 mn* previously.



Source:
 * Kasikorn Research Center
 ** World Tourism Organization (UNWTO) (e) Estimate; (sc) Scenario-based data
 *** Tourism Authority of Thailand (TAT)

The rate of new cases gradually dropped throughout April 2020. By mid-May, locally transmitted infection rates in Thailand had fallen to near-zero. Thai government has gradually relaxed restrictions to allow more business activities since May.

TO EMPOWER OUR PEOPLE TO EXCEED CUSTOMER EXPECTATIONS

DUSIT CARE PROGRAMME

FINANCIAL MODEL

1 Asset optimization and financial resilience

BUSINESS MODEL

2 Recover business and reimagine our services

OPERATION MODEL

3 Accelerate positive transformation – Business and IT



DTC's Response to COVID-19

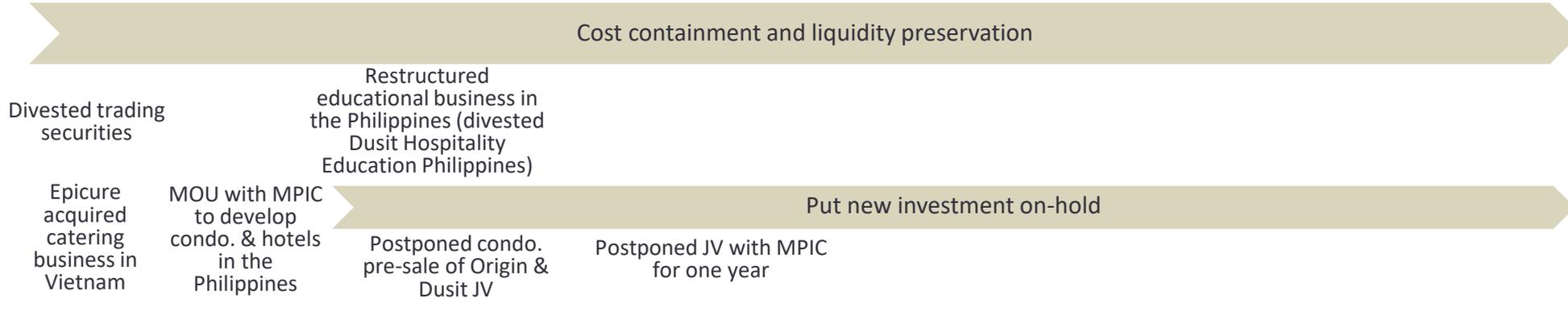


FINANCIAL MODEL

1

Asset optimization and financial resilience

Financials
Asset optimization
Investment



BUSINESS MODEL

2

Recover business and reimagine our services

Operation



New hotel opening



OPERATION MODEL

3

Accelerate positive transformation: Business and IT

Organizational transformation



Cost containment & Liquidity preservation

Cost saving

- Implemented cost-cutting measures especially fixed cost
 - Leave without pay, executive salary cut, and redundancy review
 - Lower advisory fees, administrative and marketing expenses
- Expected cost saving by 20% in 2020
 - 2Q20 cost saving around 34% YoY

CAPEX reduction

- Postponed recent real estate projects (JV with Origin Property and JV with MPIC)
- Selective investment. Hold property renovation plan. Excluding Dusit Central Park (DCP) project and ASAI projects*, CAPEX plan in 2020 was cut by 60% from original budget to THB 160 mn.

Rental fee reschedule

- Exercised right to postpone the rental payment of assets under DRIET from Apr 2020
- Started to pay the rental fee from August 2020 onwards

Cashflow management

- Long term loan reschedule (principal)
- Cash on hand and short-term investment THB 1,260 mn (30 June 2020)
- Unutilized credit facilities THB 1,250 mn
- Secure project finance for existing projects THB 1,400 mn
 - ASAI Chinatown hotel
 - ASAI Sathorn hotel
 - Dusit Suites Ratchadamri Bangkok hotel
- Remaining proceeds from NRF divestment THB 675 mn

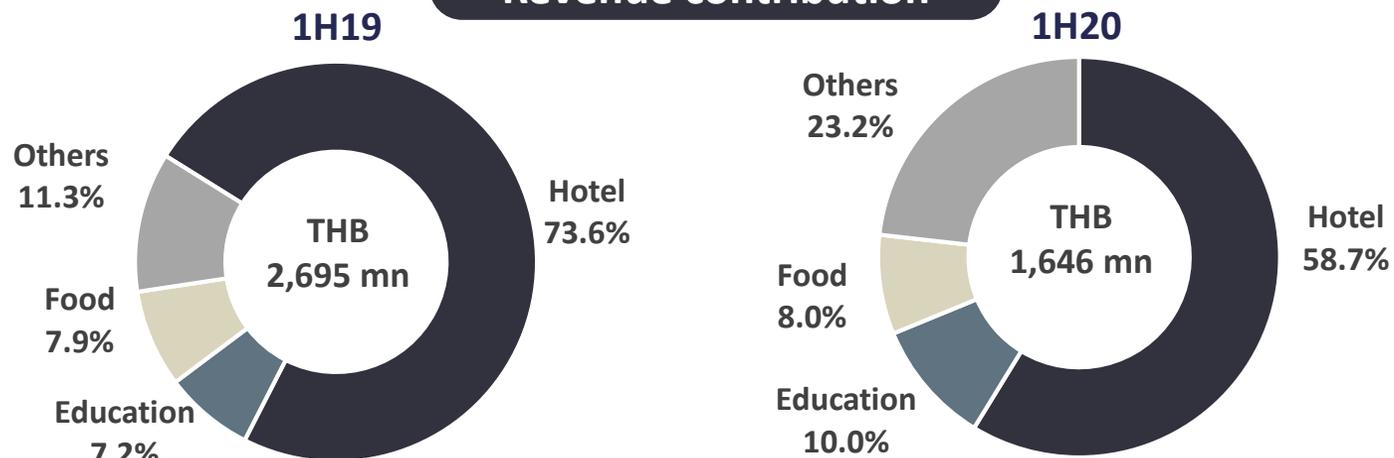
* The remaining CAPEX of ASAI hotels (approximately THB 780 mn) will be financed by the project finance from financial institution.

Financial performance

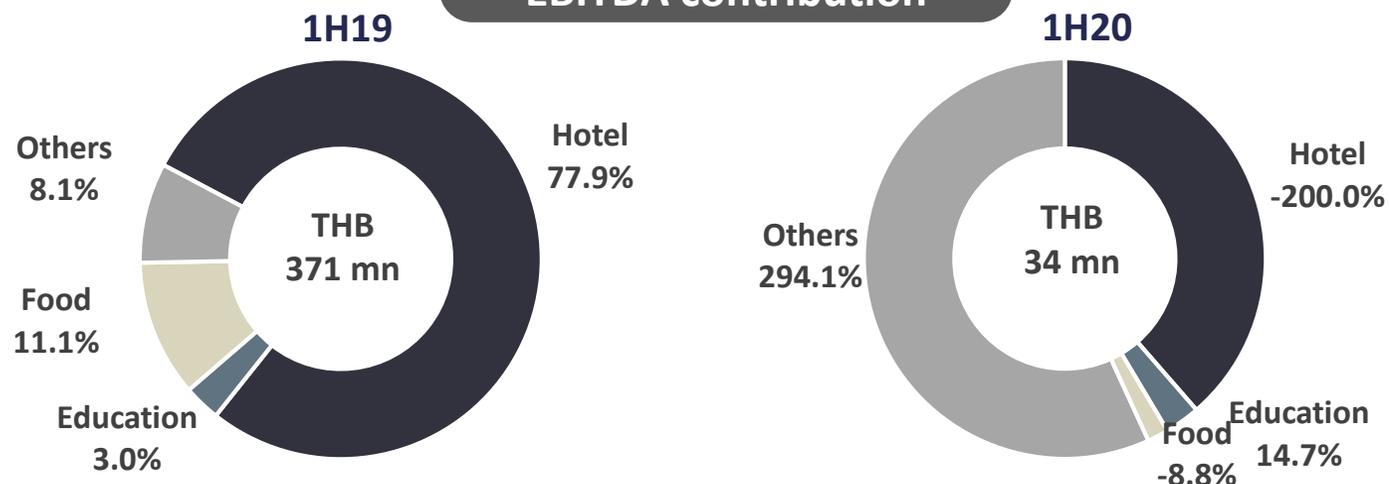


Dusit Thani Sandalwoods Resort Shuangyue Bay Huizhou, Guangdong, China

Revenue contribution



EBITDA contribution



- **Direct impact from COVID-19 pandemic** that severely hit Thai and global economy especially tourism and hospitality industry.
- **1H20 total revenue dropped 39% YoY** due to temporary closure of hotels, schools, and food/catering outlets following the governmental directives.
- **34% YoY cost saving in 2Q20** thanks to continuing efforts since 1Q20 to revisit business plans as well as organizational transformation to drive additional efficiency to achieve long-term sustainable cost savings.
- **Rationalization of asset and investment to improve balance sheet efficiency for optimum funding and future growth:** arrangement fee income and gain on sales of investments.

Remark: REIT data is included in hotel business

1H19 Others = Gain on sales of investments (DCP), interest income, dividend income, share of profit from investment in associates and JV, and others

1H20 Others = Arrangement fee (DCP), interest income, FX gain, share of profit from investment in associates and JV, and others

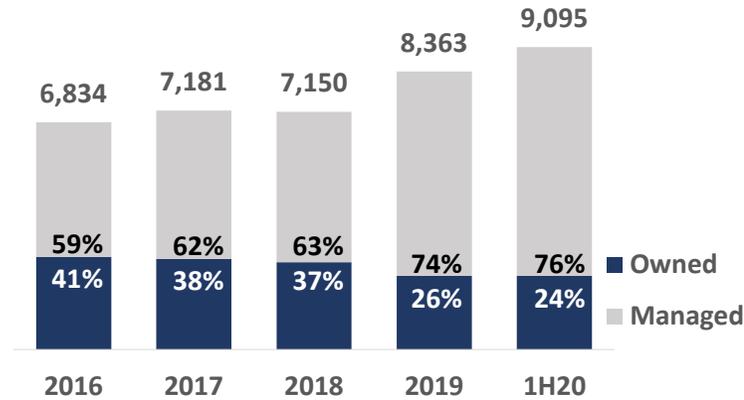
Hotel key statistics (excluding Elite Havens)

1H20: 39 properties



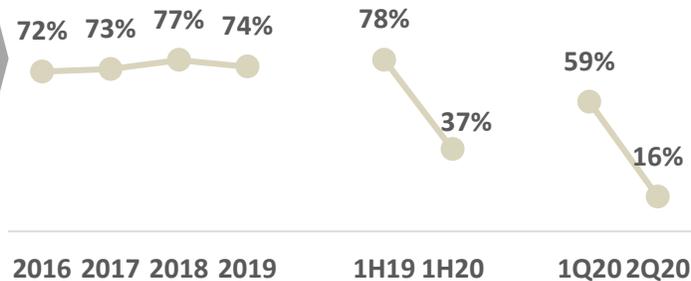
in 11 countries

No. of Rooms

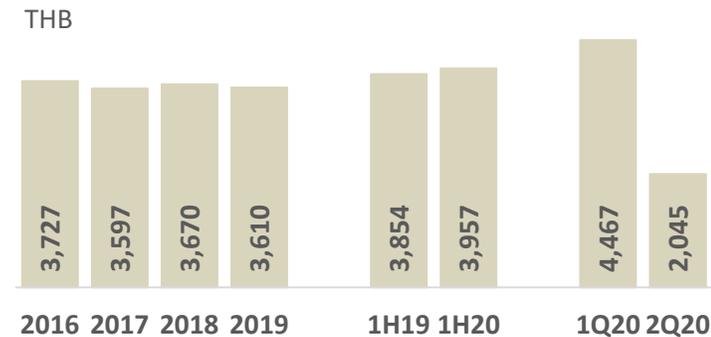


- Net addition of 732 rooms in hotel portfolio came from the new hotel openings in Qatar and USA (Guam) and one hotel deflagging in Kenya.
- 1H20 RevPar declined sharply due to declining occupancy rate and hotel closures since early April 2020.

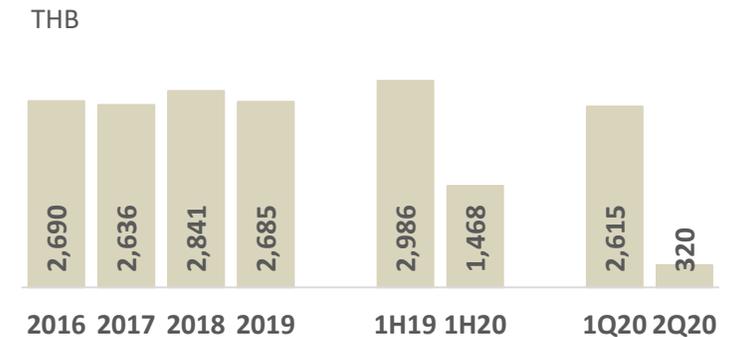
Occupancy Rate



Avg Daily Rate



RevPar

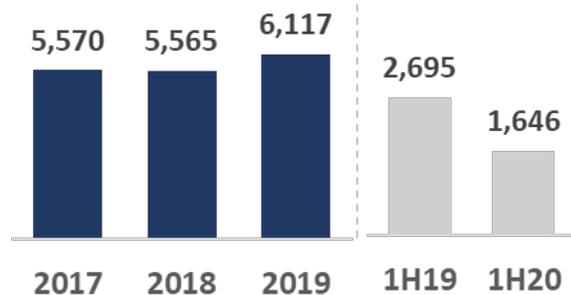


Remark: For comparison purpose, the figures in 2017 exclude Dusit Princess Korat (divested at end-2017). Figures in 2018, 2019, and 1H20 exclude Dusit Thani Bangkok (closed in 1Q19) and Dusit Suites Hotel Ratchadamri Bangkok (new investment in 2Q19).

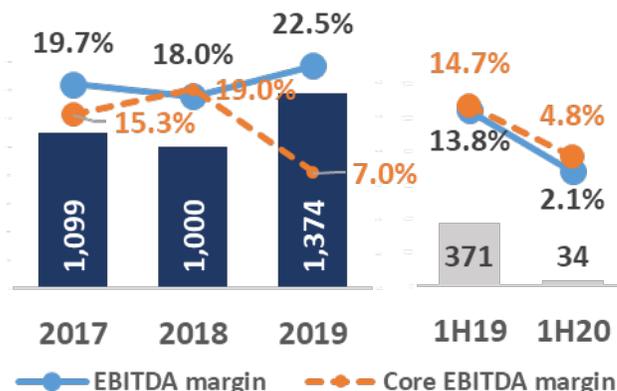
Earnings hit by COVID-19

Total Revenue

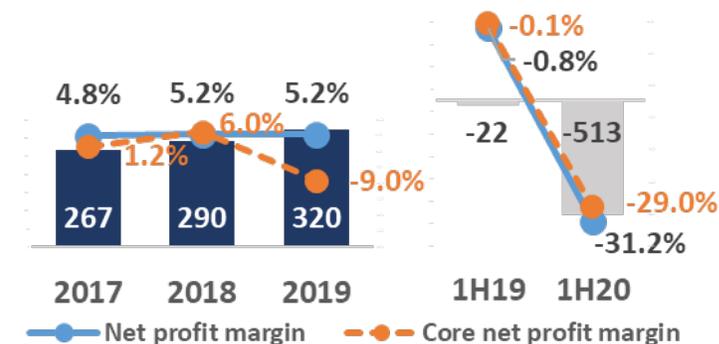
THB mn



EBITDA & EBITDA margin

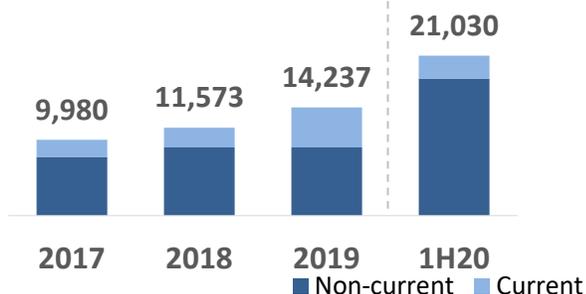


Net Profit & Net margin

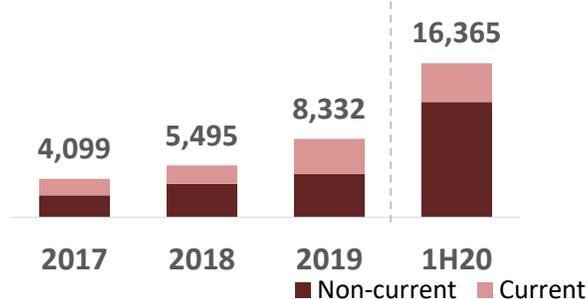


Total Assets

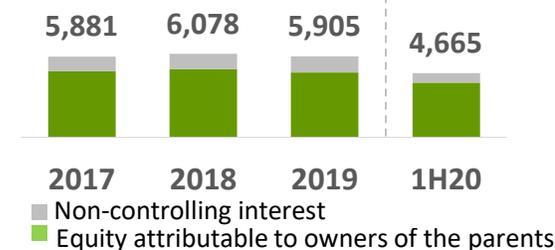
THB mn



Total Liabilities



Total Equity



Remarks of non-core items:

2017 = Gain on sales of Dusit Princess Korat and lease right assignment fee

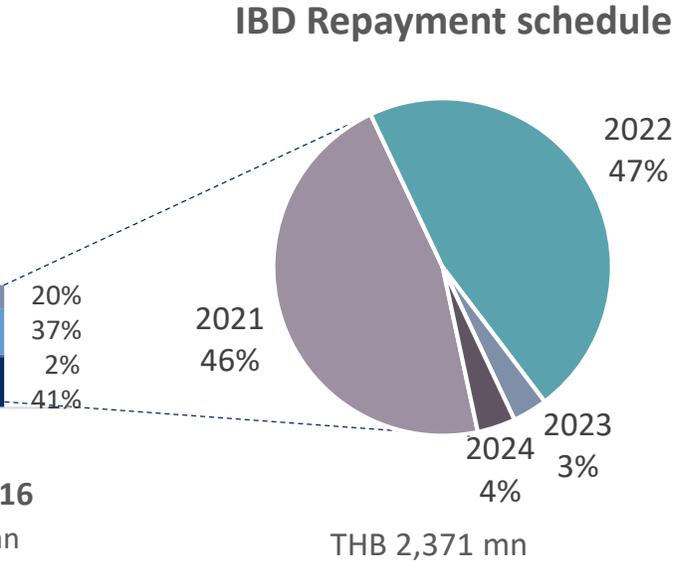
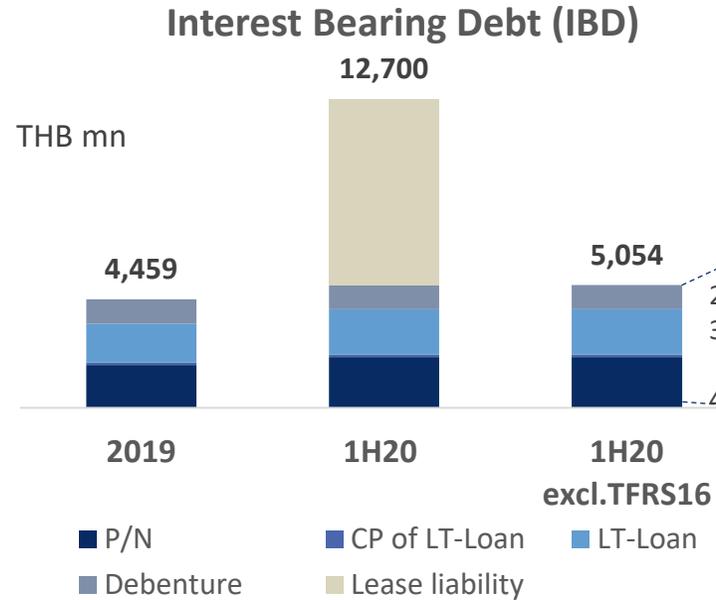
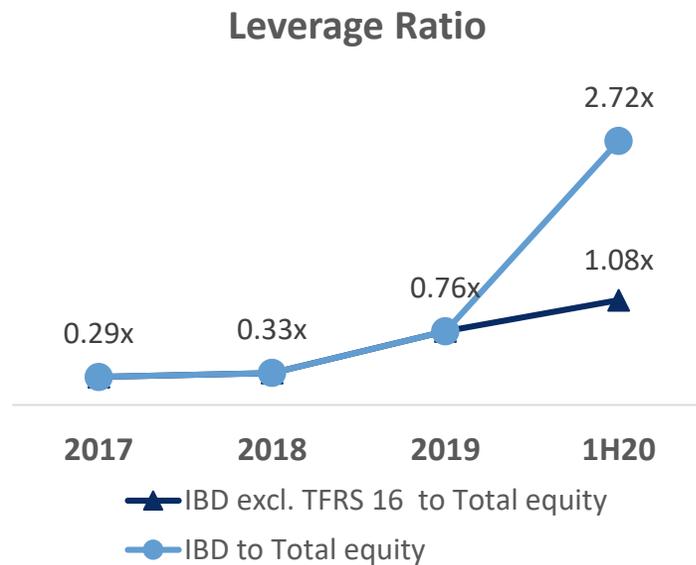
2018 = Gain on sales of available investment for sales (LRH) and severance pay (Dusit Thani Bangkok)

2019 = Provision for employee benefit as per new Labour Protection Act, gain on sales of Dusit Thani Maldives, gain on sales of investment (NRF & BBL), gain on reclassification of investments.

1H20 = Redundancy expense from organizational transformation

Higher gearing ... Remains in good covenant

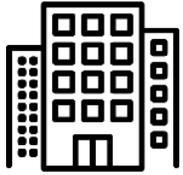
- Interest bearing debt increased significantly in 2020 due to the accounting adoption of TFRS 16 (Lease liability).
- Excluding lease liability as of 30 June 2020, IBD to total equity equals to 1.08 times which remains below DTC's policy of not exceeding 1.50 times, and debenture covenant of not more than 1.75 times.



Outlook



Dusit Central Park, Thailand rendering



Given the current situation, the Company anticipates that recovery to pre-COVID-19 level could take until 2023.

Hospitality



Our view on the post COVID-19 hospitality landscape



More consolidation of hotels



A balanced portfolio of owned, leased and managed models



More Industry partnerships



New Hygiene, Safety & Security measures



More Technology Driven



Greater Sustainability & Local Experiences



Wellness & holistic health experiences

2H20 outlook: Expects the business recovery in 2H20 compared to 1H20 that our hotels, schools, and food outlets have been gradually in re-opening phases across the markets. Our food subsidiary, Epicure Catering, will also reaped benefits from the business expansion. In addition, the Company has continued our strategic projects, including the mixed-use project 'Dusit Central Park' as planned.



Hospitality

Should domestic tourism have been recovered from government stimulus packages and Thailand be free from the second wave of COVID-19, we expect to see hotel revenue improve in 2H20 compared to 1H20 particularly the high season in 4Q20.

- After re-opening hotels at beach locations (Hua Hin and Pattaya) shown recovery sign with average occupancy rate of 35-45%. Owned hotel occupancy rate gradually improved from 26% in June to 30% in July.
- Working on the wellness project with potential strategic partner. Wellness business is already part of the Company's long-term strategic plan for business diversification. The Company has speeded up this project in responsive of promising New Normal demand due to the future trend of tourism industry
- ASAI Chinatown hotel in Bangkok is scheduled to open in mid-September. Total number of new hotel opening is revised down to 5 hotels in 2020.



Education

Despite pressure from demographic/sociological change and business disruption, we expect to see our educational business improvement in 2H20 compared to 1H20

- More efficient online programme as well as the upskill and reskill short courses that serving the increasing market demand.
- Increasing number of new student enrollments so far is expected to turnaround the Company's education business revenue in 2H20.
- Re-strategize education business in the Philippines has remained waiting for Dusit Thani Philippines, Inc. (DTPI), an indirect subsidiary of the Company in the Philippines, to proceed the selling of Dusit Hospitality Education Philippines (DHMC) shares to a major shareholder of DHMC.



Food

Food business in 2H20 will be driven by Epicure Catering that has resumed operation since Aug.

- Epicure already completed the new investment structure of The Caterers Joint Stock Company, a leader in the food and beverage management service business in Vietnam, with deal closing in 3Q20.
- Healthy food business under 'KAUAI' brand continues to provide delivery service. The company's restaurant 'Baan Dusit Thani' has come back for full services since early May after operated as home-delivery service during the country lockdown period. Currently, the Company is redefining the business plan of ready-to-cook food distribution business under 'Khong Thai' brand.



Property development

Continued our strategic projects, including the mixed-use project 'Dusit Central Park' as planned. However, due to the lower market demand from economic slowdown and COVID-19 impact, we postponed our plans on existing JV with Origin Property (condominium development project in Thailand) and postponed the JV with Metro Pacific Investments Corporation (development of condominium and hotel projects in the Philippines) for one year.



Dusit Central Park - a mixed-use project JV with Central Pattana

- Currently completed the demolition of buildings above ground and on-progress piling works that scheduled to be completed at the end of 2020.
- Sales gallery and mock-up rooms of Dusit Residences and Dusit Park Side will be opening in 4Q20. Residence sales will be prioritized for those clients that previously registered their interest since last year with marketing plan to target new clients from China, Hong Kong, and Singapore next year when demand tends to improve.

An aerial night view of a city skyline, likely Bangkok, Thailand. The image shows a dense cluster of modern skyscrapers, many of which are illuminated with warm yellow and white lights. In the foreground, a green golf course is visible, with a small pond and a path. A road or railway line runs through the middle ground, also illuminated. The sky is a deep blue with some clouds. The overall scene is a vibrant urban landscape at dusk or night.

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