

Central Plaza Hotel Public Company Limited

News Release: May 12, 2023

Key Financial Information for Quarter 1/2023

In Q1/2023, CENTEL achieved the highest Net profit of Baht 629 million since COVID-19, substantial recovery YoY and QoQ thanks to the positive impact of a significant increase in tourist arrivals.

Khun Gun Srisompong, CFO & VP of Finance and Administration of Central Plaza Hotel Public Company Limited (The Company or CENTEL) stated that the operating performance of the company in Q1/2023 achieved total revenues of Baht 5,863 million, an increase of 51%. An Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) was Baht 1,672 million, an increase of 76% from Q1/2022. An EBITDA Margin of 29% was an increase compared to last year due to a significant recovery of the hotel business YoY, particularly the outstanding performance of hotels in key tourist destinations. The company had a Net profit of Baht 629 million in Q1/2023 compared to a net Loss of Baht 44 million in Q1/2022.

The recovery trend of the hotel business is apparent in 2023 due to many positive factors including the China re-opening earlier than expected. However, according to a limited number of international flights which was still markedly lower than in 2019, the number of Chinese arrivals did not show a leap growth in Q1/2023. Nevertheless, the expected number of flights would gradually increase through Q4/2023.

Therefore, the recovery of hotel business is still challenging from several factors: dependence on the number of flights, an increase in travelling costs, raw material price inflation and an increase in operating expenses, an increase in financial cost, and the risk of economic recession. The company continued to operate the business with cautious cost control of both hotel and food business including pre-payment plan of USD loans, which had higher interest rates than THB loans, in order to mitigate the impact of interest rate hikes. Additionally, there was a plan for debentures issuance in order to increase fixed interest rate portion.

The performance of Q1/2023 will be driven by the recovery of the hotel business due to a significant increase in international tourists. While the food business has reported an evident recovery since 2022. The Expected Occupancy rate would be 68%-72%, and the Revenue per Available Room (RevPar) to Baht 3,350 – 3,650. The RevPar growth is driven by higher occupancy particularly hotels in Thailand. For the food business, the estimated Same-Store-Sales (excluded Joint Ventures) growth range 7% - 9% and Total-System-Sales growth of 13%-15% compared to the same period last year. For the outlet expansion, the company plans to have a net increase, including the joint ventures' brands, of 120-150 outlets (including the shop-in-shop of Arigato in Mister Donut) compared to 2022. KFC, Mister Donut, Auntie Anne's, Salad Factory, Som Tum Nua, and Shinkanzen Sushi will be key expansion brands.

Furthermore, the company is an emphasis on sustainability growth with the long-term target plan from 2020-2029 to reduce energy consumption, water usage, waste minimization, and reducing the emission of greenhouse gas by 20% compared to 2019. At the end of 2022, the company implemented many projects to become a smart hotel. To reduce energy consumption and efficient use of energy such as heat pump for hot pool jacuzzi Spa project to be able to reduce energy use by 2-3 times, Chiller optimizer project to reduce electric consumption by 10%-15%. Five hotels already installed the system. In 2022, Twelve hotels of Centara Hotels and Resorts and the headquarter passed the assessment and audit of the world's sustainable tourism standards in the hotel sector from Vireo SRL, an inspection specialist endorsed by the Global Sustainable Tourism Council (GSTC). The company targets all hotels of Centara Hotels and Resorts to achieve certification from GSTC in 2025.

Q1/2023 Performance:

Hotel Business: Overall, the RevPar increased by 114% YoY to Baht 4,187 as a result of the Occupancy Rate (OCC) increasing from 35% in Q1/2022 to 88% in Q1/2023. While the Average Room Rate (ARR) dropped by 5% YoY to Baht 5,380 because of an increase in the revenue contribution of hotels in Thailand, where the Average Room Rate was lower than overseas hotels. Therefore, based on the weighted average calculation, the Average Room Rate decreased YoY.

In Q1/2023, The hotel business achieved total revenues of Baht 2,832 million, an increase of Baht of 127% YoY. A Gross Profit was Baht 1,648 million, an increase of 162% YoY. An EBITDA was Baht 1,122 million with an %EBITDA margin of 40%, which increased YoY (Q1/2022: 26%). The hotel

business had a Net profit of Baht 538 million compared to a net Loss of Baht 149 million in the same period last year.

Food business: the Same Store Sales (%SSS) grew 8% and Total System Sales (TSS) of 15% YoY. At the end of Q1/2023, there was in total of 1,599 outlets, an increase of 201 outlets (including Joint Ventures) compared to Q1/2022. The food business achieved Total Revenues of Baht 3,031 million, an increase of 15% YoY. An Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) was Baht 550 million, a decrease of 12% YoY. An %EBITDA margin of 18%, a drop YoY (Q1/2022: 24%) and a Net profit of Baht 91 million, a decrease of Baht 14 million, or 13% because of a decline in profit margin compared to the same period last year.

Operating Performance for Q1/2023 and Q1/2022

| (Amount - in Baht Million) | Q1/2023 | | Q1/2022 | | Changes YoY (Increase+/ Decrease-) | |
|--|---------------------------|-------------|--------------|-------------|---------------------------------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| | Revenues - hotel business | 2,832 | 48% | 1,249 | 32% | 1,583 |
| Revenues - food business | 3,031 | 52% | 2,633 | 68% | 398 | 15% |
| Total revenues | 5,863 | 100% | 3,882 | 100% | 1,981 | 51% |
| Cost of sales - hotel business | (868) | -15% | (434) | -11% | 434 | 100% |
| Cost of sales - food business | (1,371) | -23% | (1,114) | -29% | 257 | 23% |
| Total cost of sales ⁽¹⁾ | (2,239) | -38% | (1,548) | -40% | 691 | 45% |
| Selling & General Administrative Expenses | (1,926) | -33% | (1,383) | -36% | 543 | 39% |
| Share of Loss - Investments (by the equity method) | (26) | 0% | - | - | (26) | NA |
| Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) | 1,672 | 29% | 951 | 24% | 721 | 76% |
| Depreciation & Amortization | (721) | -12% | (767) | -20% | (46) | -6% |
| Earnings before Interest and Tax (EBIT) | 951 | 16% | 184 | 5% | 767 | 417% |
| Finance Costs ⁽²⁾ | (186) | -3% | (172) | -4% | 14 | 8% |
| Income Tax Expense | (84) | -1% | (35) | -1% | 49 | 140% |
| Profit from Non-Controlling Interests | (52) | -1% | (21) | -1% | 31 | 148% |
| Net Profit | 629 | 11% | (44) | -1% | 673 | 1,530% |

(1) Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales

(2) Finance costs excluding interest expenses related to the lease according to TFRS 16 were Baht 113 million

Current Company Information

As of March 31, 2023, the Company had hotels under management in a total of 92 hotels (19,775 rooms); with 50 hotels (10,512 rooms) already in operation together with other 42 hotels (9,263 rooms) still under development. Of the 50 hotels already in operation, 19 hotels (5,051 rooms) are owned and operated by the Company, with the other 31 hotels (5,461 rooms) being operated under the Company's Hotel Management Agreements.

As for the Food Business, the company has a total of 1,599 QSR outlets, as follows: 1. KFC (322 outlets), 2. Mister Donut (471), 3. Ootoya (47), 4. Auntie Anne's (213), 5. Pepper Lunch (51), 6. Chabuton Ramen (17), 7. Cold Stone Creamery (16), 8. Yoshinoya (29), 9. The Terrace (6), 10. Tenya (12), 11. Katsuya (61), 12. Aroi Dee (29), 13. Arigato (195), 14. Kowlune (1), and 15. Grab Kitchen by Every Food (18), 16. Salad Factory (31), 17. Brown Café (10), 18. Café Amazon – Vietnam (20), 19. Som Tum Nua (5), 20. Shinkanzen Sushi (45)

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