

Central Plaza Hotel Public Company Limited

News Release : May 14, 2020

Key Financial Information for Quarter 1/2020

The strong financial position of the Company due to its strict financial discipline, has resulted in CENTEL being able to effectively manage its financial liquidity without any problems despite facing the challenging COVID-19 pandemic crisis.

In Q1/2020, the Company achieved Total Revenues of Baht 4,601.2 million (Q1/2019: Baht 5,643.0 million), a decrease of Baht 1,041.8 million (or -18.5%) Year-on-Year (YoY), with the proportion of the total revenues mix between the Hotel Business and the Food Business being 39% : 61% (Q1/2019: 49% : 51%). While Total Gross Profit was Baht 2,608.1 million, a decrease of 19.9% YoY, representing a Gross Profit Margin of 58.0% of total revenues (excluding other income), or a slight decrease from the same period last year (Q1/2019: 59.1%).

The Company achieved Total Q1/2020 EBITDA of Baht 1,051.7 million (Q1/2019: Baht 1,497.6 million), a YoY decrease of Baht 445.9 million (or -29.8%) from Q1/2019, that equaled to an EBITDA Margin of 22.9%, a decrease from the same period last year (Q1/2019: 26.5%). This decreased profit margin was due to the significant decrease in overall Hotel Business revenues as a result of the spreading COVID-19 pandemic. While at the same time costs of sales together with some selling and administrative expenses were fixed costs, with such key components as staff salaries and welfare benefits, the increased rental fees for the property, buildings and other assets of the Centara Grand Beach Resort & Villas, Hua Hin payable subsequent to the extension of Rental Agreement with the State Railways of Thailand, and the rental fee payable to the CTARAF property fund, together with additional expenses for the food delivery services. Additionally, the Company had an extraordinary expense in making a provision for assets impairment totaling Baht 36.0 million, which then resulted in the Company making a Total Net Loss of Baht 45.1 million, a decrease of Baht 871.0 million (or -105.5%) YoY. However, if the both the extraordinary item in making a provision for assets impairment and the impact of the changes in accounting treatment according to the Thai Financial Reporting Standards (TFRS)

were not included, the Company would then achieve a Total Net Profit from operations of Baht 16.5 million, equal to a YoY decrease of Baht 728.8 million (or -97.8%).

Hotel Business: Total Revenues was Baht 1,796.8 million, a YoY decrease of Baht 958.8 million (or -34.8%) from Q1/2019 due to the ongoing the COVID-19 pandemic. Additionally, there was also a negative effect from the closure for major renovations of the Centara Grand Beach Resort Samui that resulted in lost revenues of approximately Baht 98.7 million compared to the same period last year. If this negative effect from the aforementioned hotel closure was not included, then the Total Hotel Business Revenues would have decreased by approximately 32.4% YoY.

Average RevPar decreased by 33.1% YoY to be at Baht 3,089, due to the decrease in the average Occupancy (OCC) Rate from 83.3% to 58.5%; while Average Room Rates (ARR) also decreased by 4.6% YoY to be at Baht 5,285.

In Q1/2020, the Company achieved a Gross Profit of Baht 1,081.4 million (Q1/2019: Baht 1,777.4 million), a decrease of 39.2% from the same period last year and equal to a Gross Profit Margin of 62.9% of total revenues (Q1/2019: 67.2%). While EBITDA was Baht 555.8 million, with an achieved EBITDA Margin of 30.9% a decrease compared to the same period last year(Q1/2019: 42.7%) due to the significant decrease in total Hotel Business total revenues resulting from the ongoing COVID-19 pandemic situation and also to the closure for major renovations of the Centara Grand Beach Resort Samui. While cost of sales and some selling and administrative expenses were fixed costs, such as: staff salaries and welfare benefits, rental fee paid to the CTARAF property fund together with the newly increased rental fee payable for the property, buildings and other assets of the Centara Grand Beach Resort & Villas, Hua Hin.

Food Business Total Food Business Revenues was Baht 2,804.4 million, a decrease of Baht 83.0 million (or -2.9%) YoY; whereby this decrease in revenues resulted mainly from the decrease of Same-Stores-Sales (SSS) growth of -9.5% YoY (Q1/2019 -3.8%). The decreasing SSS growth in Q1/2020 occurred mainly in March as a direct result of the spreading COVID-19 pandemic situation in the country that then resulted in people losing confidence in dining out, together with the Government declaring a State of Emergency that caused closure of many types of places of businesses, such as: department stores, shopping complexes and community malls and cineplexes; which all closed down completely and restaurants ceased to offer dine-in services from March 22nd onwards resulting in dramatically affecting overall dine-in revenue and especially for Thai and Japanese food brands. They then adopt and focused more on food takeaway and delivery services,

which was not able to fully compensate for the lost dine-in revenues. As such, the decreased SSS growth occurred in both Bangkok and upcountry locations.

In Q1/2020, the Company achieved Total Gross Profit of Baht 1,526.7 million (Q1/2019: Baht 1,477.6 million), an increase of Baht 49.1 million (or +3.3%) YoY and equaled to a Gross Profit Margin of 54.9% (Q1/2019: 51.5%). The Company achieved EBITDA of Baht 495.9 million, an increase of 54% YoY, with an EBITDA Margin of 17.7% or an increase compared to the same period last year (Q1/2019: 11.2%); and a Net Loss from operations of Baht 46.1 million or a decrease of Baht 183.8 million YoY (excluding extraordinary items). In summary, the decrease in Net Operating Profit of Baht 17.9 million arose from the effect of the newly issued TFRS -16 requirement with regard to lease agreements.

CENDEL: Operating Performance Results of the Company for Quarter1/2020

(Amount in Baht million)	Quarter 1/2020		Quarter1/2019		Changes YoY (Increase + / Decrease -)	
	Amount	%	Amount	%	Amount	%
Revenues – hotel business	1,796.8	39.1%	2,755.6 ⁽¹⁾	48.8%	(958.9)	-34.8%
Revenues – food business	2,804.4	60.9%	2,887.4	51.2%	(82.9)	-2.9%
Total Revenues	4,601.2	100.0%	5,643.0	100.0%	(1,041.8)	-18.5%
Cost of sales – hotel business	636.6	13.8%	867.0	15.4%	(230.4)	-26.6%
Cost of sales – food business	1,252.5	27.2%	1,389.9	24.6%	(137.4)	-9.9%
Total cost of sales ⁽²⁾	1,889.1	41.1%	2,256.9	40.0%	(367.8)	-16.3%
Less: Selling & General Administrative Expenses	1,667.5	36.2%	1,896.4	33.6%	(228.9)	-12.1%
Add: Share of Profit/(Loss) from Investments (by the equity method)	7.1	0.2%	7.9	0.1%	(0.8)	-10.1%
Earnings before Interest, Tax and Depreciation & Amortization (EBITDA)	1,051.7	22.9%	1,497.6	26.5%	(445.9)	-29.8%
Less: Depreciation & Amortization	(854.4)	-18.6%	(510.5)	-9.0%	343.9	67.4%
Earnings before Interest and Tax (EBIT)	197.3	4.3%	987.1	17.5%	(789.8)	-80.0%
Less: Finance costs	(171.0)	-3.7%	(53.6)	-0.9%	117.4	219.0%
Less: Corporate income tax	(13.4)	-0.3%	(139.0)	-2.5%	(125.6)	-90.4%
Less: Profit/(Loss) from Non-Controlling Interests	(22.0)	-0.5%	(49.2)	-0.9%	(27.2)	-55.3%
Profit /(Loss) from normal operations	(9.1)	-0.2%	745.3	13.2%	(754.4)	-101.2%
Extraordinary Items:						
Add: Insurance Claim (net of tax)	-	-	80.60	1.4%	(80.6)	-100.0%
Less: Provisions for assets impairment	(36.0)	-0.8%	-	-	(36.0)	N/A
Net Profit / (Loss)	(45.1)	-1.0%	825.9	14.6%	(871.0)	-105.5%

- (1) INCLUDES income from amortization of deferred rental income from the Centara Grand Beach Resort Samui, totaling Baht 24.7 million in Quarter1/2019
- (2) Cost of Sales EXCLUDES Depreciation & Amortization Expenses allocated as Cost of Sales

Current Company Information

As at March 31, 2020 , the Company has a total of 77 hotels (with a total of 16,737 rooms) in its Hotel Business; with 42 hotels (7,808 rooms) already in operation together another 35 hotels (8,929 rooms) still under development, Of the 42 hotels already in operation, 18 hotels (4,457 rooms) are owned and operated by the Company, with the other 24 hotels (3,351 rooms) being operated under the Company's Hotel Management Agreements.

As for the Food Business, CENTEL has a total of 1,060 QSR outlets, as follows: 1. KFC (281 outlets), 2.Mister Donut (371), 3.Ootoya (48), 4.Auntie Anne's (181), 5. Pepper Lunch (46), 6. Chabuton Ramen (17), 7. Cold Stone Creamery (17), 8.Yoshinoya (17), 9. The Terrace (9), 10. Tenya (14), 11. Katsuya (36), 12. Aroi Dee (17), 13. Suki House (3), and 14. Kowlune (3).

For more information, please contact Dr. Ronnachit Mahattanapruet, Investor Relations Unit
Telephone (66) 02 769 1234 Ext. 6131 Email: ronnachitma@chr.co.th; or ir@chr.co.th
Website : <http://centel.listedcompany.com/>



www.centarahotelsresorts.com