



2018 ANNUAL RESULTS

Mandarin Oriental Hotel Group

2018 Performance and Highlights

- 19% increase in underlying profit
- Mandarin Oriental Hyde Park, London to re-open in April
- Redevelopment of The Excelsior announced
- Launch of *Fans of M.O.*
- Development progress – seven new projects announced in 2018
- New hotels in Dubai and Doha recently opened

2018 Annual Results Highlights

US \$ m	2018	2017
Combined Total Revenue *	1,398	1,380
Group's Total Revenue #	614	611
Underlying EBITDA	179	158

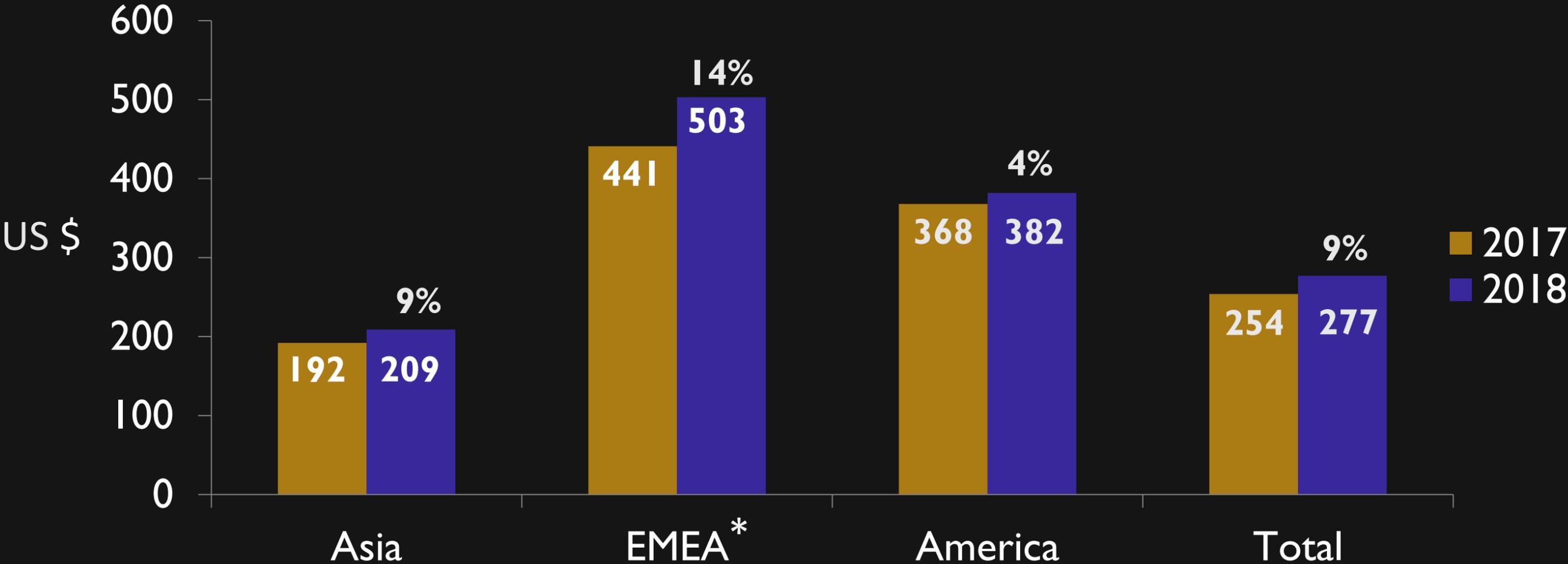
* Includes revenue from the total portfolio of owned and managed hotels

Includes revenue from the Group's subsidiary hotels as well as the Group's management and branding activities

2018 Annual Results Highlights

	2018	2017
Underlying Profit Attributable to Shareholders (US \$ m)	65	55
Profit Attributable to Shareholders (US \$ m)	44	55
Underlying Earnings per Share (US ¢)	5.16	4.37
Total Dividends per Share (US ¢)	3.00	3.00
Adjusted Net Asset Value per Share (US \$)	4.62	4.57

2018 RevPAR Performance

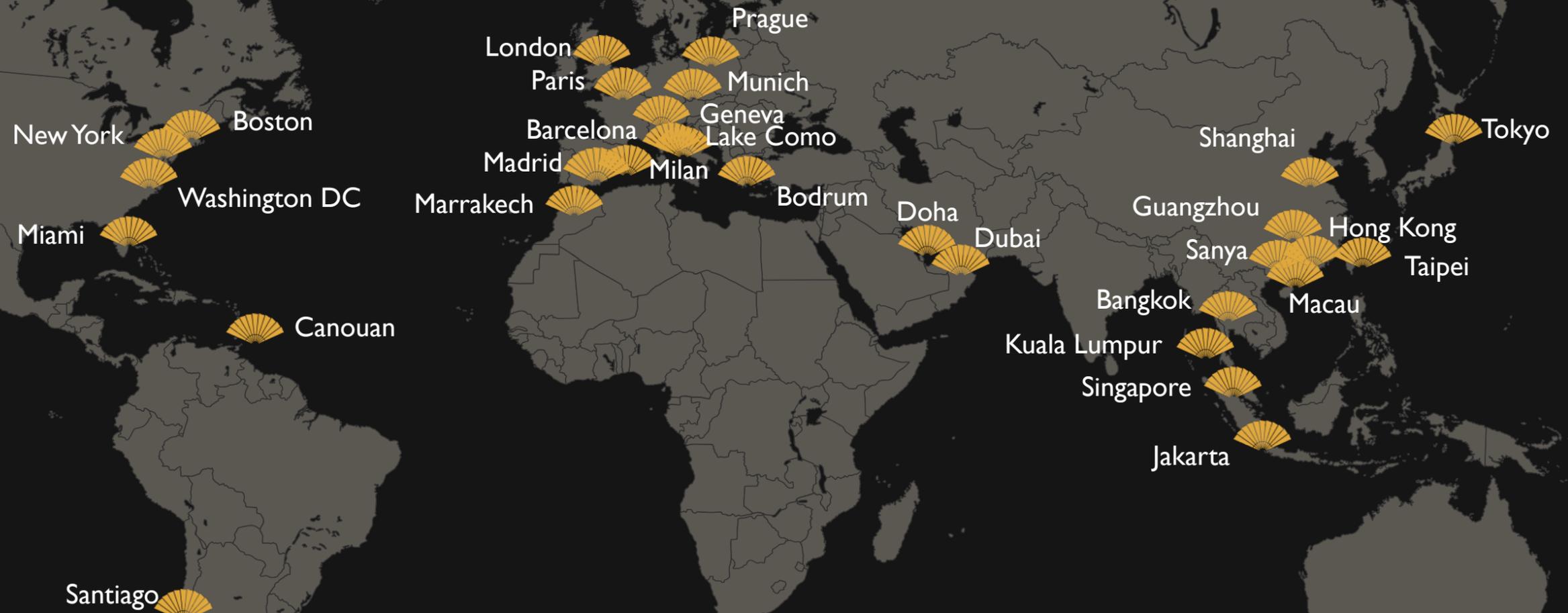


All references to RevPAR are in US dollar terms on a like-for-like basis, unless otherwise stated, and includes all hotels that were in the portfolio for the entire year of both 2017 and 2018

Mandarin Oriental Hyde Park, London closed following the fire on 6th June 2018 and Hotel Ritz, Madrid closed for restoration on 28th February 2018. In both cases, performance has been adjusted to align 2017 with the date of closure in 2018

* Europe, Middle East and Africa

CURRENT GLOBAL PORTFOLIO



 32 hotels

2018 Hotel Performance

Asia – Overall RevPAR up 9%

Mandarin Oriental, Hong Kong

Record RevPAR performance

The Excelsior, Hong Kong

11% increase in RevPAR

Tokyo

Higher average rates from leisure segment

Jakarta

Notably improved occupancy (+18%)

Singapore

Strong demand across all segments

Bangkok

Remains clear market leader

Kuala Lumpur

Rates benefited from phased return of renovated rooms

2018 Hotel Performance

EMEA – Overall RevPAR up 14%

London Newly renovated rooms drove higher rates, prior to the fire

Paris Improved demand across the city, impacted by demonstrations in final quarter

Munich Remains clear market leader

Geneva Shortfalls in corporate and leisure segments

Madrid Closed in February 2018 for restoration

2018 Hotel Performance

America – Overall RevPAR up 4%

Boston	Remains market leader
New York	6% increase in RevPAR
Miami	7% increase in average rates
Washington D.C.	Competitive pressure on average rates

Strategic Review

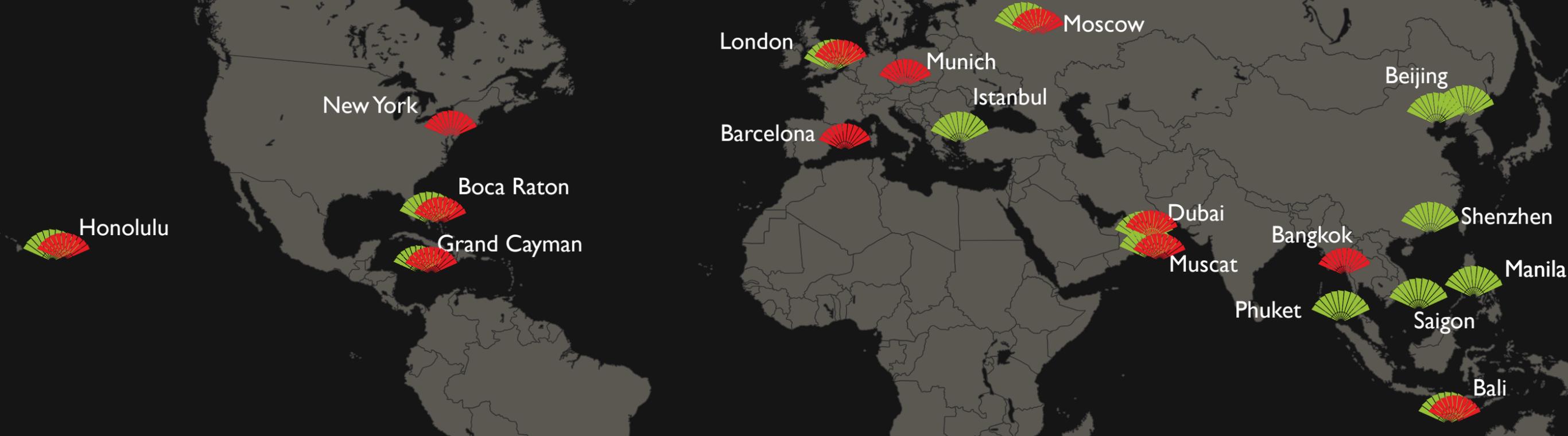
- Vision: to be recognised as the world's best luxury hotel group
- Launch of unique guest recognition programme, *Fans of M.O.*
- Consistently grow portfolio by average of three properties a year
- 13 management agreements announced in 2017 and 2018
- Owned assets provide platform for earnings growth
- Strong balance sheet allows for selective investment opportunities



MANDARIN ORIENTAL
THE HOTEL GROUP

DEVELOPMENT

DEVELOPMENT PORTFOLIO



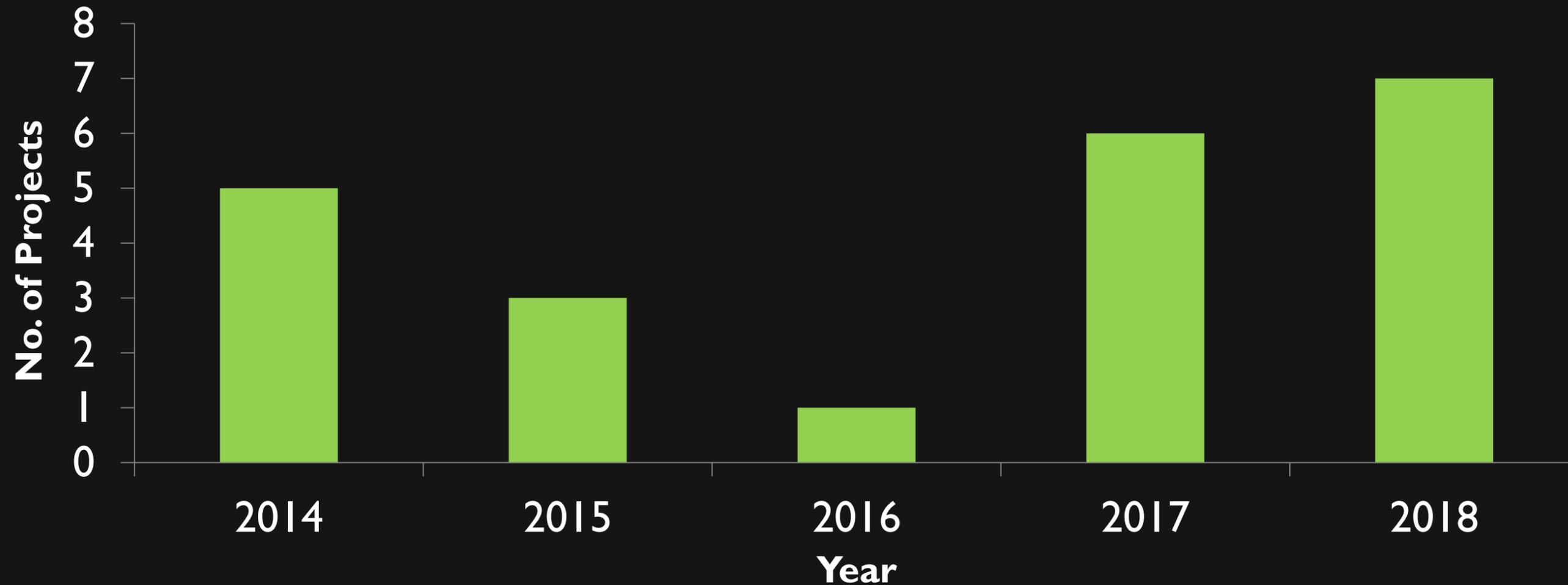
Expected to open within 5 years

-  Hotels (15)
-  Residences (12)

Development Strategy

- Build portfolio in strategic city centre locations where we are absent
- Expand presence in existing markets
- Develop resort and *Residences* portfolio

Number of Announced New Projects



* Excluding the previously announced projects in Beirut (2015), Melbourne (2017) and Viña del Mar (2018) which are currently on hold

New Projects

- Seven new management contracts announced in 2018
- *Mandarin Oriental Residences at 685 Fifth Avenue* recently announced in 2019

New Project



Mandarin Oriental, Lago di Como (*Management contract*)

- 76 rooms and suites housed in nine villas
- Located on the shores of Lake Como
- First resort in western Europe

New Project



The Residences by Mandarin Oriental, Barcelona

- 34 luxury residences
- Due to open in 2020

New Project



Mandarin Oriental, Saigon (*Management contract*)

- 228 rooms and suites
- Due to open in 2020
- First property in Vietnam

New Project



Mandarin Oriental, Muscat (*Management contract*)

- 151-room hotel with 150 branded residences
- Scheduled to open in 2021

New Project



Mandarin Oriental, Grand Cayman (*Management contract*)

- 100-room hotel with 89 branded residences
- Scheduled to open in 2021

New Project



Mandarin Oriental, Moscow (Management contract)

- 65-room hotel with 137 branded residences
- Due to open in 2021

New Project



Mandarin Oriental Residences at 685 Fifth Avenue

- 69 luxury residences
- Scheduled for completion in 2021

New Project



Mandarin Oriental, Phuket (Management contract)

- 107 rooms
- Scheduled to open in 2022

Hotel Openings



Mandarin Oriental Jumeira, Dubai
Mandarin Oriental, Doha
(Both management contracts)

- First two hotels in the Middle East
- Opened in mid-February 2019
- At least one further hotel opening expected this year:
 - Mandarin Oriental Wangfujing, Beijing

Redevelopment



The Excelsior, Hong Kong (100% ownership)

- Redevelopment into a mixed-use commercial building
- Expected to take some 6 years
- Cost: approx. US\$650 million
- Begin to unlock value of this historic site



MANDARIN ORIENTAL
THE HOTEL GROUP

FINANCIAL REVIEW

Financial Review

Total Underlying EBITDA Performance

US \$ m	2018	2017
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Underlying EBITDA	179	158
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Asia Improved performance from all subsidiaries, associates and joint ventures

EMEA Better results in London and Paris, partially offset by Madrid restoration

America Broadly flat EBITDA result

Management activities Generally improved performance, also benefiting from one-off termination fees related to Las Vegas and Atlanta

Financial Review

Fire at Mandarin Oriental Hyde Park, London

- Group received interim insurance payments totalling US\$66 million
 - US\$31 million to cover operating costs and loss of profits was recognised as underlying business performance
 - US\$30 million to restore damaged property
 - US\$5 million for expected operating expenditures in 2019, received in advance

Financial Review

Non-trading Items

US \$ m	2018	2017
Fire at Mandarin Oriental Hyde Park, London		
Repair expenses and write-off of tangible assets and other incidental expenses	(29)	-
Insurance recovery for replacement of tangible assets and other incidental expenses	30	-
Closure of The Excelsior, Hong Kong		
Accelerated depreciation and amortisation	(24)	-
Others costs	(3)	-
Change in fair value of other investments	5	-
Net non-trading losses	(21)	-

Financial Review

Cash Flow Statement – Operating Activities

US \$ m	2018	2017
Operating activities		
EBITDA from subsidiaries	156	128
Dividends and interest from associates and JVs	8	7
Net interest paid	(13)	(11)
Tax paid	(19)	(13)
Other (principally working capital)	14	9
Total	146	120

- Weighted average interest rate was 2.6% (2.2% in 2017)
- Underlying EBITDA coverage of net interest expense was 10.7 times (10.6 times in 2017)

Financial Review

Cash Flow Statement – Investing Activities

US \$ m	2018	2017
Investing activities		
Net capital expenditure on existing properties*	(53)	(83)
Payment on Munich expansion	-	(3)
Net advance to associates and joint ventures	(8)	(10)
Others	(8)	(6)
Total	(69)	(102)

* Including capex related to the London renovation of US\$30 million in 2018 and US\$55 million in 2017

Financial Review

Summary Cash Flow Statement

US \$ m	2018	2017
Operating activities	146	120
Investing activities	(69)	(102)
Financing activities		
Net drawdown of borrowings	28	28
Dividends paid	(38)	(50)
Net increase/(decrease) in cash	67	(4)
Cash and cash equivalents at 1st January	184	183
Effect of exchange rate changes	(4)	5
Cash and cash equivalents at 31st December	247	184

Financial Review

Net Debt

US \$ m	2018	2017
Net debt	285	327
Adjusted shareholders' funds*	5,833	5,747
Gearing	5%	6%
Adjusted net asset value per share (US \$)	4.62	4.57

* Shareholders' funds have been adjusted to include the market value of the Group's ownership interest in its freehold and leasehold properties

Financial Review

- Approximately 44% of Group's debt hedged
- Average remaining tenor of Group's borrowings is 0.8 years – advanced discussions underway, both major facilities expected to be refinanced ahead of time
- US\$247 million of cash and US\$78 million of undrawn committed facilities

Financial Review

Future Significant Capital Commitments

	US \$	Timing
Madrid renovation (Group's 50% share)	44m	2019-20
Munich extension	141m	2019-23
Redevelopment of The Excelsior site	589m	2019-25
Total	774m	

- The Group's strong balance sheet is well-placed to fund capital commitments through the use of external debt and cash reserves

2019 Outlook

- At least four new openings during the year
- Completion of Bangkok renovation, Madrid restoration on-going
- Earnings substantially impacted by closure of The Excelsior (US\$24 million contribution to underlying profit in 2018)
- Results will benefit from the re-opening of London property



Questions to investors@mohg.com