



2020 HALF YEAR RESULTS

Mandarin Oriental Hotel Group

Chief Executive's Review

- Unprecedented change in operating conditions for the industry
- Substantial losses incurred as most hotels closed during 2Q
- Cash preservation measures taken to reduce cash burn
- Robust liquidity to sustain reduced business levels
- Development pipeline progressing well

Results Overview

US \$ m	Jun 2020	Jun 2019
Combined Total Revenue*	276	641
Group Revenue#	96	280
Underlying EBITDA	(50)	69

* 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

Results Overview

	Jun 2020	Jun 2019
Underlying (Loss)/Profit Attributable to Shareholders (US \$ m)	(102)	11
Net Non-Trading Losses (US \$ m) [#]	(334)	(23)
Underlying (Loss)/Earnings per Share (US ¢)	(8.06)	0.85
Interim Dividend per Share (US ¢)	-	1.50
Adjusted Net Asset Value per Share (US \$)	4.34	4.70*

[#] Includes US\$334 million (10%) decrease in valuation of The Excelsior site in the first half of 2020 and US\$31 million of accelerated depreciation of hotel assets and closure costs, net of a US\$9 million increase in valuation of The Excelsior site, in the first half of 2019. The Group's owned hotel assets are only revalued at year-end

* At 31st December 2019

Cash Flow Overview

- EBITDA cash outflow in 1H was US\$43m*
- Capital expenditures and investments of US\$52m
- Cash losses reduced with cost reduction measures
- At end June 2020, US\$187m of cash reserves and US\$217m in available, committed debt facilities
- Balance sheet strong, gearing remains low at 8%
- Group can sustain lower levels of business activity

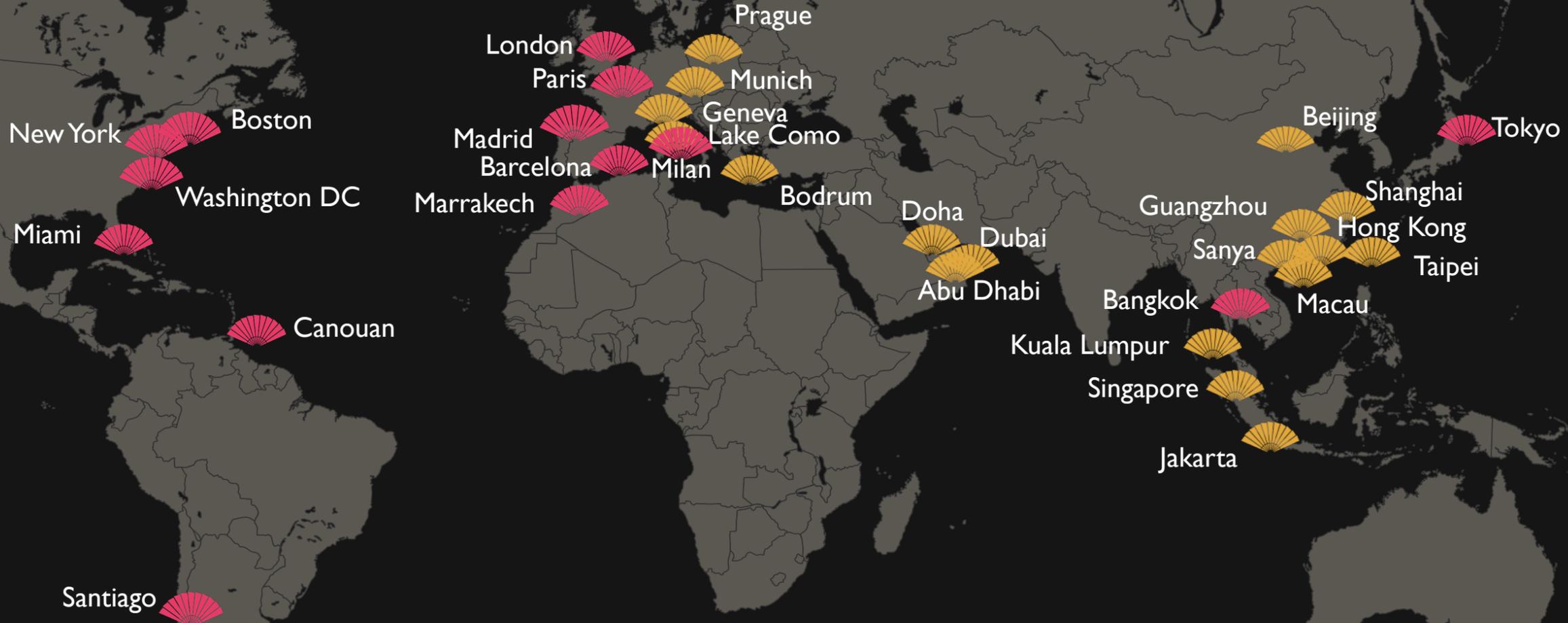
* EBITDA cash outflow includes losses from owned hotels, the management business and working capital movement



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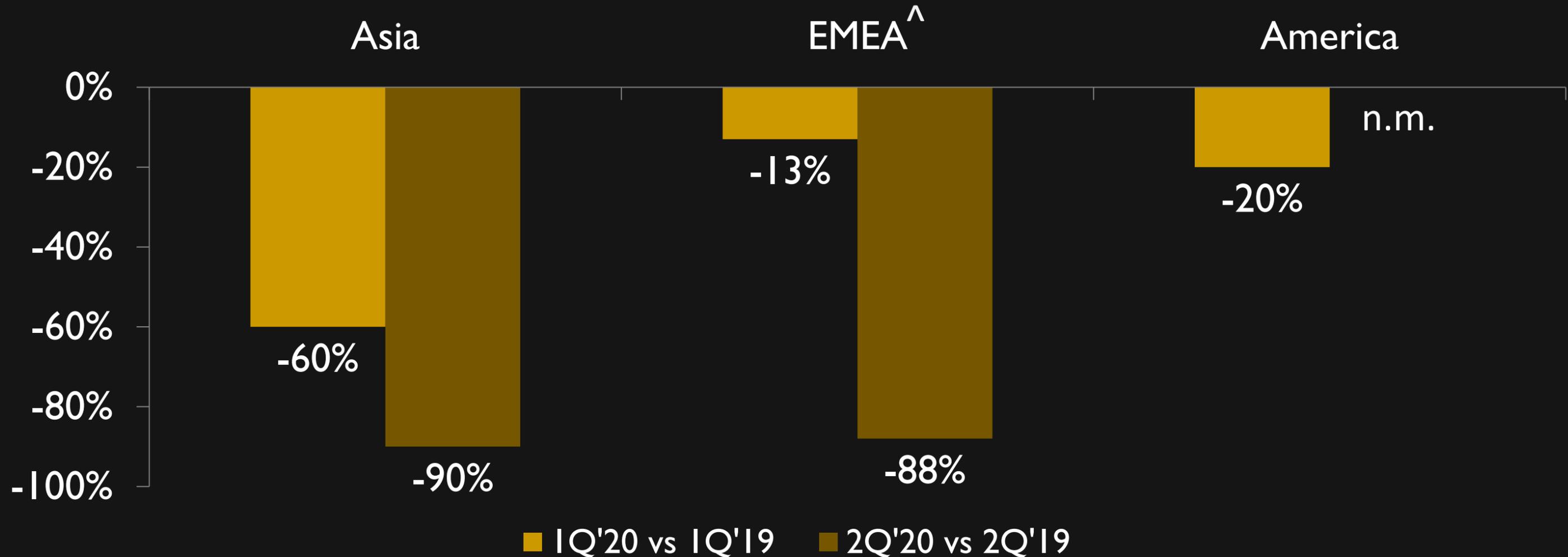
OPERATIONAL PERFORMANCE

Global Portfolio Operating Status at 30th June 2020



-  19 hotels in operation
-  14 hotels temporarily closed

Quarterly RevPAR Performance



- RevPAR in 2020 includes only the days in which hotels were operational (during the second quarter of 2020, COVID-19 resulted in the closure of several hotels). RevPAR is shown on a like-for-like portfolio basis, including only hotels that were open and part of the Group's portfolio on 1st January 2019

[^] Europe, Middle East and Africa

Owned Hotels Operating Performance in 1H 2020

Asia

- Majority remained open but all operated at low single-digit occupancies during 2Q
- Hong Kong: revenues were 66% lower, leading to material losses
- Singapore: awarded external government service contracts

EMEA

- All European hotels were effectively closed
- Munich: rooms renovation commenced
- Mandarin Oriental Ritz, Madrid restoration – opening scheduled for early 2021

America

- All properties closed in 2Q

Redevelopment of The Excelsior Site

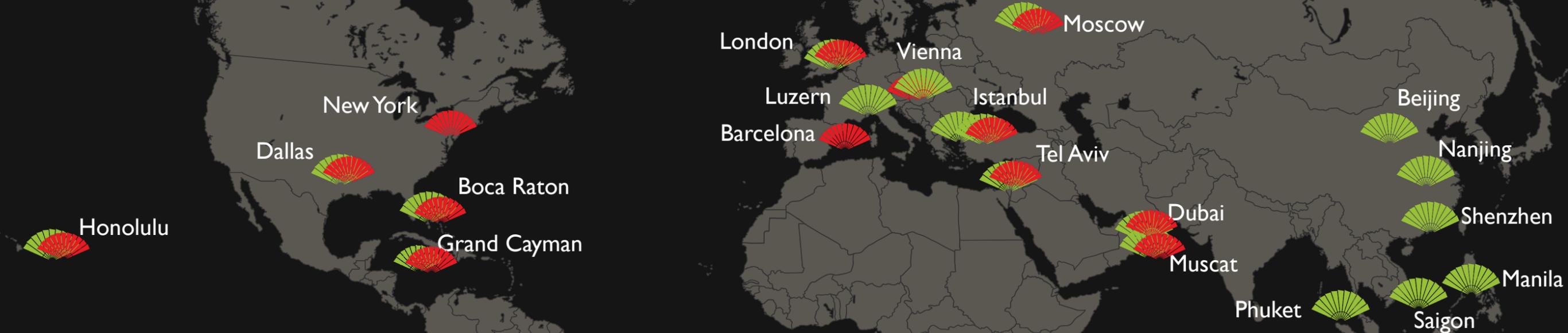
- Commenced on 1st May 2019, due to complete in 2025
- Overall on track and demolition is scheduled to complete in August 2020
- Ground excavation is next phase of work – to last 28 months
- Total construction costs of some US\$650 million, US\$26 million invested to date
- 80% of construction costs to be incurred post 2022



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DEVELOPMENT

DEVELOPMENT PORTFOLIO



Expected to open within the next 5 years

-  Hotels (19)
-  Residences (13)



Development Update

- 19 hotels under development and two standalone residences
- Focus on city-centre and resort locations where brand is currently absent
- Grow hotel portfolio by an average of three new properties per year
- Several projects at an advanced stage of completion with 2021/22 openings
- Time delays expected due to pandemic
- Projects in the development pipeline are all managed properties with no equity investment from the Group

New Project



Mandarin Oriental, Vienna (*Management contract*)

- Housed in a heritage building that originally served as the city's commercial law court from 1912 to 2003
- 151 rooms and 17 branded residences



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FINANCIAL REVIEW

Underlying EBITDA Performance

Key Highlights

US \$ m	Jun 2020	Jun 2019
Underlying EBITDA	(50)	69

- Substantial losses despite cost contingencies and participation in government support schemes
- Recognised US\$10.9m of government payroll subsidy income in 1H 2020
- Owned hotels represented c.75% of the loss, remaining loss from management business

Financial Review

Cash Flow Statement – Operating Activities

US \$ m	Jun 2020	Jun 2019
Operating Activities		
EBITDA from subsidiaries and non-cash items	(42)	54
Dividends and interest from associates and JVs	-	3
Working capital movement	(1)	(22)
Net interest and other financing charges paid	(7)	(8)
Tax paid	(8)	(4)
Total	(58)	23

Financial Review

Cash Flow Statement – Investing Activities

US \$ m	Jun 2020	Jun 2019
Investing activities		
Net capital expenditure on existing properties	(18)	(31)
Capex for redevelopment of The Excelsior	(11)	(4)
Payment on Munich expansion	-	(1)
Net advance to associates and joint ventures [#]	(23)	(15)
Others	-	(1)
Total	(52)	(52)

[#] Principally investment costs relating to Mandarin Oriental Ritz, Madrid

Financial Review

Summary Cash Flow Statement

US \$ m	Jun 2020	Jun 2019
Operating Activities	(58)	23
Investing Activities	(52)	(52)
Financing Activities		
Net drawdown of borrowings	32	14
Dividends paid	-	(19)
Others	(3)	(3)
Net decrease in cash	(81)	(37)
Opening cash balance 1st January	271	247
Effect of exchange rate changes	(3)	1
Closing cash balance 30th June	187	211

Financial Review

Net Debt

US \$ m	Jun 2020	Dec 2019
Net debt	412	300
Adjusted shareholders' funds [#]	5,490	5,936
Gearing	8%	5%
Adjusted net asset value per share (US \$)	4.34	4.70
Hedging ratio on gross debt	45%	47%
Average tenor on debt	3.6 years	4.2 years
Cash	187	271
Undrawn committed debt facilities	217	249

[#] Includes the market value of the Group's ownership interest in its freehold and leasehold properties

Financial Review

Future Significant Capital Commitments

	US \$	Timing
Munich extension	139m	2020-24
Redevelopment of The Excelsior site	564m	2020-25
Total	703m	

2020 Outlook

- Look to reopen and rebuild in 3Q/4Q
- Conditions remain uncertain and business levels will fluctuate
- Performance of Hong Kong hotel key for 2H
- Significant losses for 3Q, reduced losses in 4Q
- Long-term luxury hospitality fundamentals remain strong
- Launch of health & safety WeCare initiative
- Opening of Mandarin Oriental Ritz, Madrid in early 2021



Questions to investors@mohg.com