



MANDARIN ORIENTAL  
THE HOTEL GROUP

# 2023 Half Year Results

Mandarin Oriental Hotel Group

28 July 2023



# Agenda

- HI 2023 Performance Highlights
- Group Portfolio
- Operating Performance
- Financial Results
- Development
- Outlook for H2 2023

2023 Half Year Results

# H1 2023 Performance Highlights





## Strong operating performance and return to profitability

- Mandarin Oriental returned to underlying profit in H1 2023, a significant improvement compared to the underlying loss in H1 2022 and surpassed its pre-pandemic levels.<sup>#</sup>
- Record fee income in the Management Business, with particular strength in Europe, the Middle East and Africa.
- Net debt was reduced by 38%. Liquidity and funding position remains robust.
- Four hotel openings and a standalone residences scheduled in H2 2023.
- Five new projects announced since the start of 2023. Currently 27 hotels and two standalone residences in the pipeline.
- Dividend payments recommence with interim dividend of US¢1.50 per share.

<sup>#</sup> Excludes hotels that are no longer in operation.



# Financial performance substantially improved compared to 2022 and surpassed pre-pandemic levels<sup>#</sup>

## Total Combined Revenue Under Management\*

**US\$882m**

▲ 35% (vs H1 2022)

▲ 49% (vs H1 2019)

## Consolidated Revenue<sup>^</sup>

**US\$261m**

▲ 50% (vs H1 2022)

▲ 12% (vs H1 2019)

## Underlying EBITDA

**US\$77m**

▲ 213% (vs H1 2022)

▲ 33% (vs H1 2019)

## Underlying Profit Attributable to Shareholders

**US\$28m**

n/a (vs loss of US\$22m in H1 2022)

▲ 578% (vs profit of US\$4m in H1 2019)

\* Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associates, joint ventures and managed hotels.

<sup>^</sup> Includes revenue from the Group's subsidiary hotels and fees from the management business.

<sup>#</sup> 2022 and 2019 exclude hotels that are no longer in operation.



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# Group Portfolio



# Key highlights within the portfolio



### Rebranding of Emirates Palace Mandarin Oriental, Abu Dhabi

In February 2023, Emirates Palace Hotel officially rebranded as Emirates Palace Mandarin Oriental, Abu Dhabi.



### A Comprehensive Renovation for Mandarin Oriental, Singapore

Mandarin Oriental, Singapore was closed in March for a substantial renovation. The hotel remains on track to reopen in September 2023.

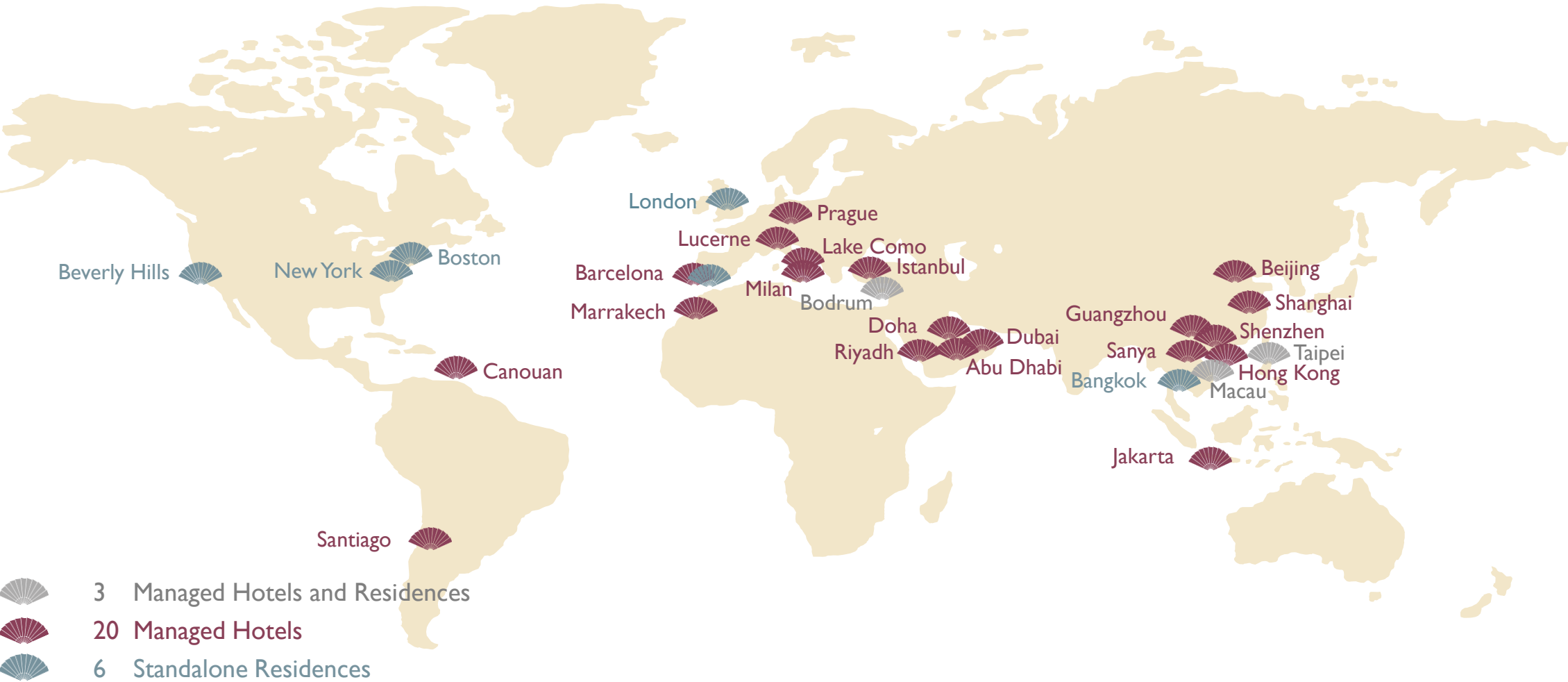


### Sale of Mandarin Oriental, Jakarta

In June 2023, the Group completed the sale of its Jakarta property. The hotel will continue to be managed as Mandarin Oriental, Jakarta.



# The Group operates 29 managed hotels and residences





And 13 owned or partially owned hotels



 13 Owned or Partially Owned Hotels

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# Operating Performance

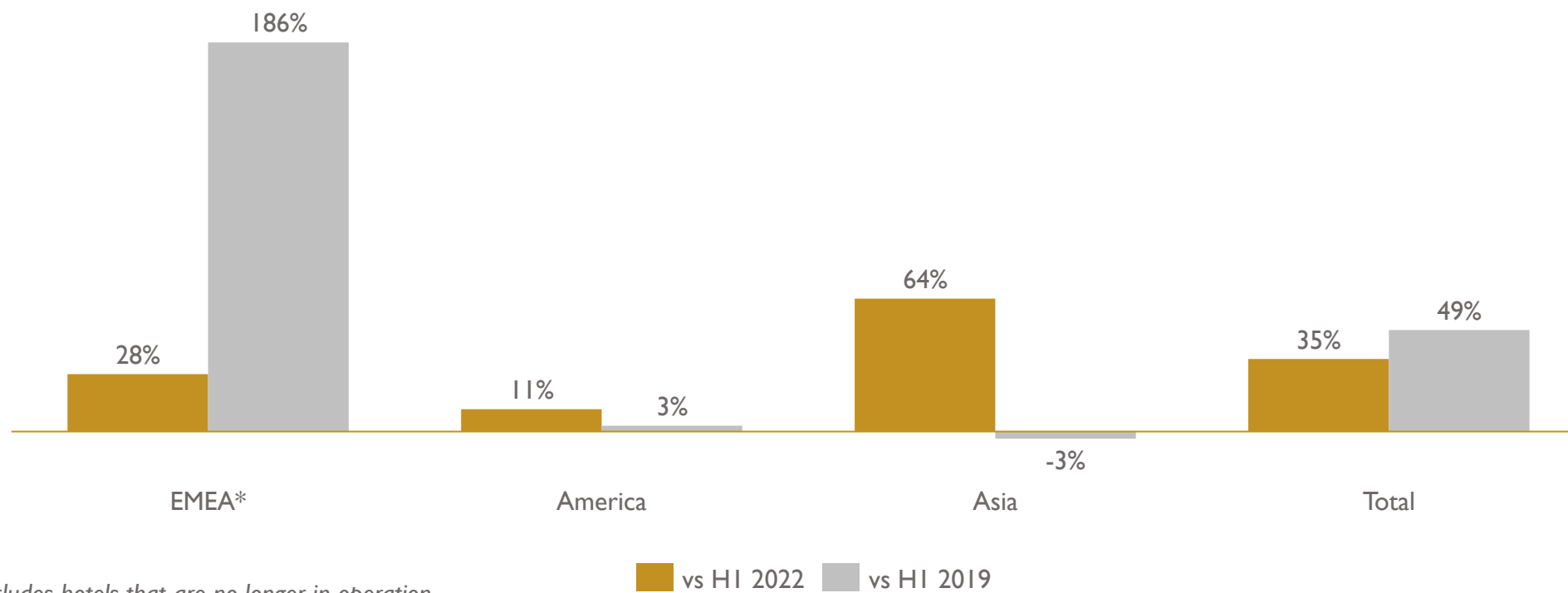




## H1 2023 Total Combined Revenue of Hotels Under Management

**Higher revenue across all regions compared to H1 2022. Asia was marginally behind 2019 due to Hong Kong and Singapore**

**Average % change in Total Combined Revenue of Hotels Under Management  
H1 2023 vs H1 2022 vs H1 2019 (US\$ terms)**



Note: Excludes hotels that are no longer in operation.

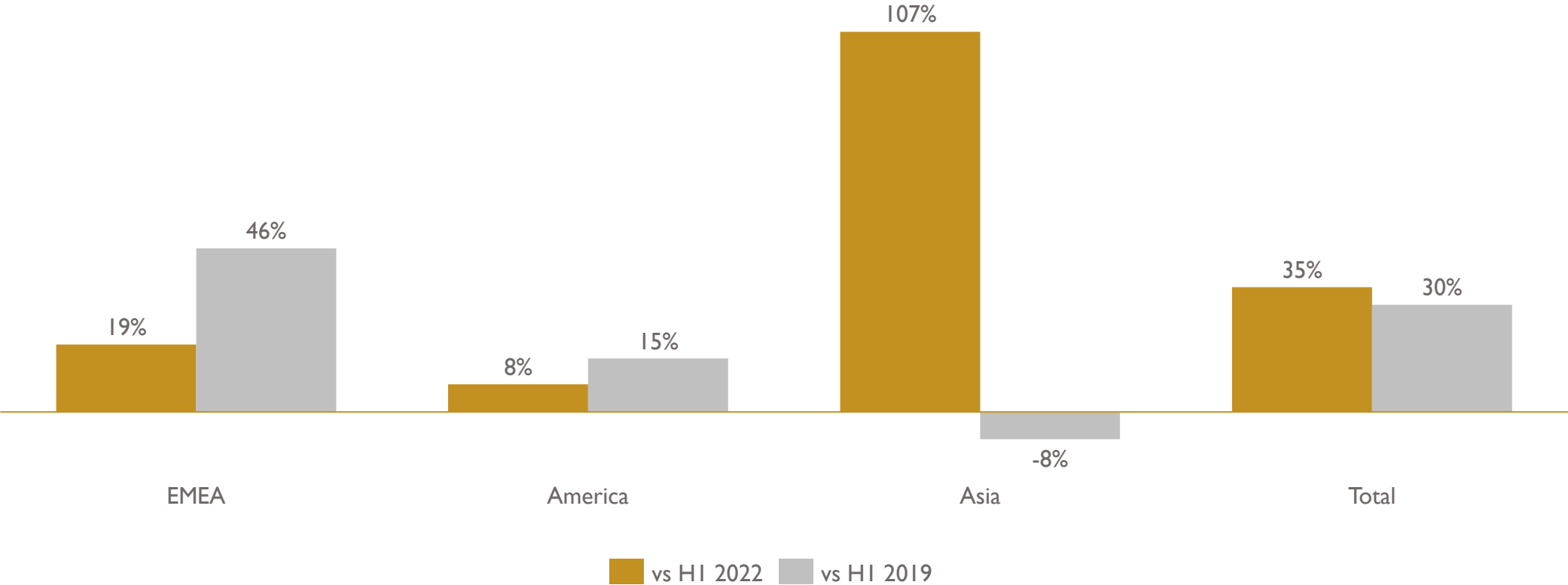
\* Europe, the Middle East, and Africa



H1 2023 Revenue Per Available Room (‘RevPAR’) Performance

All regions achieved growth in RevPAR compared to 2022 with substantial improvement in Asia

Average % change in RevPAR H1 2023 vs H1 2022 vs H1 2019 (US\$ terms)



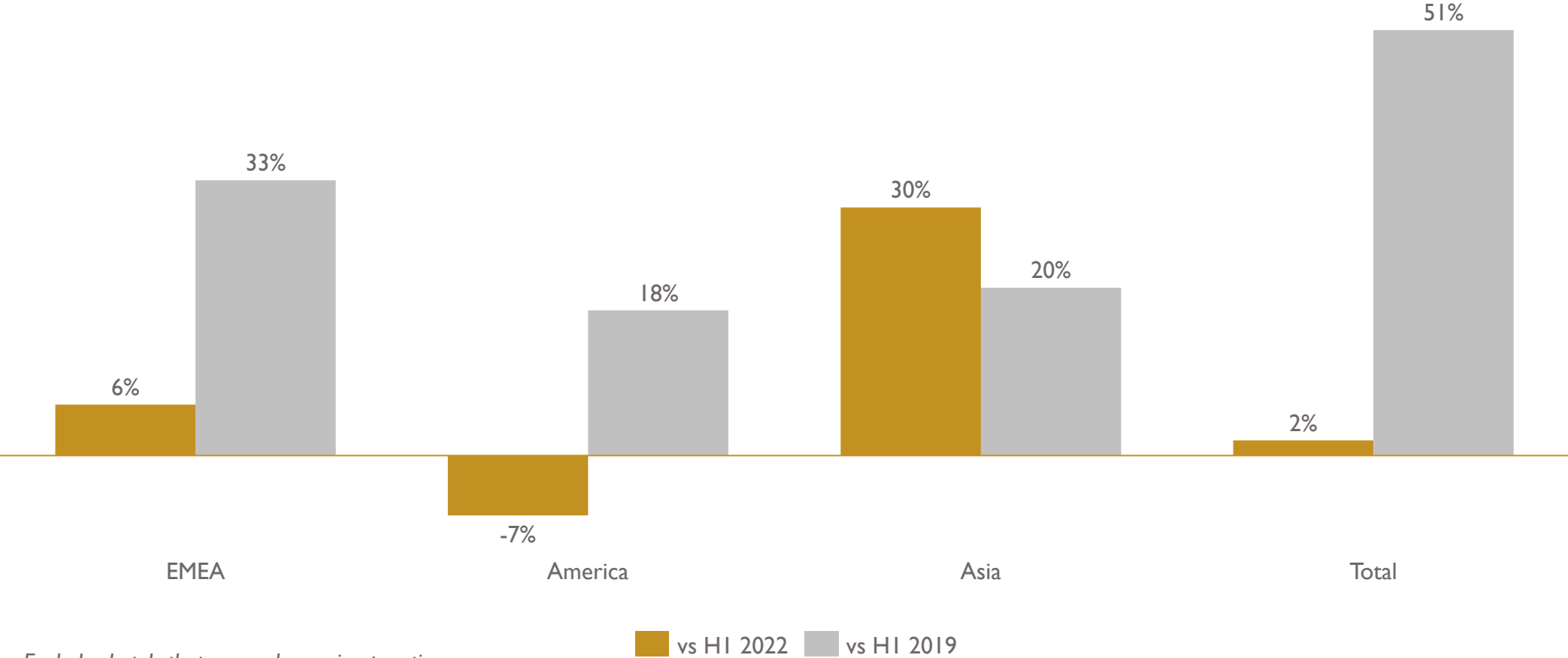
Note: Excludes hotels that are no longer in operation.





# Rates improved in EMEA and Asia but dropped slightly in America compared to 2022

Average % change in ADR H1 2023 vs H1 2022 vs H1 2019 (US\$ terms)

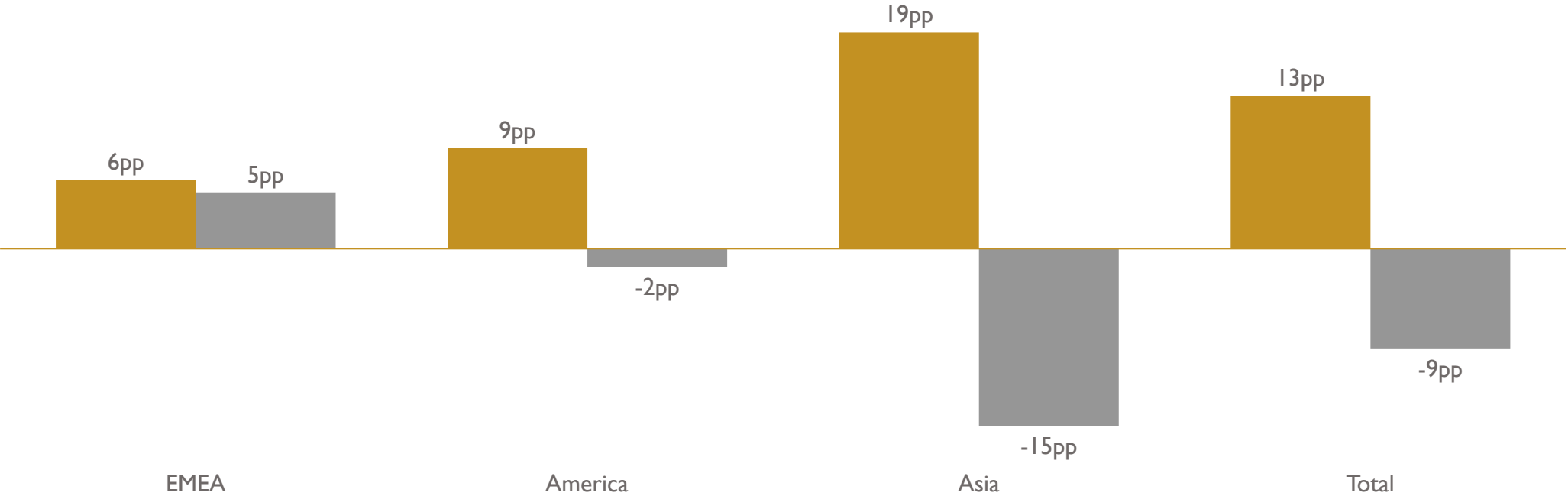


Note: Excludes hotels that are no longer in operation.



Recovery of occupancy was seen across all regions compared to 2022;  
Occupancy remained below pre-pandemic levels in America and Asia

Occupancy by Region H1 2023 vs H1 2022 vs H1 2019



Note: Excludes hotels that are no longer in operation.

vs H1 2022 vs H1 2019





## Record profitability in the Management Business driven by continued strength in resort properties



- Total hotel management fees 47% higher than H1 2022
- Vast majority of hotels delivered higher management fees compared to H1 2022 due to improved occupancy and rates
- Resorts in particular benefitted from continued buoyant demand for leisure travel and reported significant growth in fee income



## Substantially better RevPAR performance compared to H1 2022 and H1 2019



Mandarin Oriental, New York



Mandarin Oriental, Tokyo



Mandarin Oriental, Hong Kong



Mandarin Oriental, Paris

- RevPAR of Owned Hotels exceeded H1 2022 by 42%, driven by improved rates in Asia and EMEA, and higher occupancy across all regions
- In Asia, RevPAR was significantly above the first half of 2022 as trading conditions ameliorated
- RevPAR outperformed H1 2019 by 15% due to substantial increases in rates
- In June 2023, the Group completed the disposal of our property in Jakarta, which will continue to be managed as a Mandarin Oriental



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# Financial Results

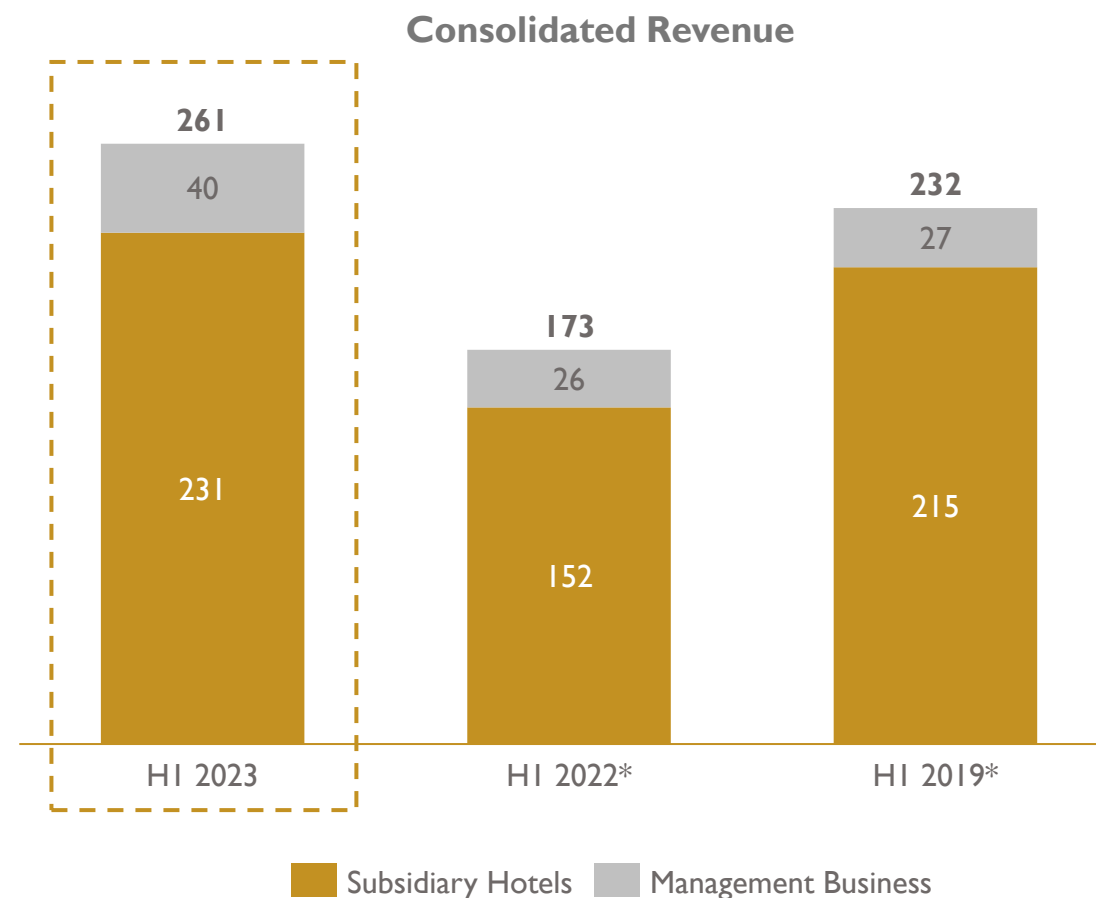




## Consolidated Revenue

**Consolidated revenue was ahead of H1 2022 and slightly behind H1 2019 impacted by Hong Kong and Singapore**

Consolidated Revenue			
US\$m	HI 2023	HI 2022*	HI 2019*
Subsidiary Hotels	231	152	215
Management Business	40	26	27
Less: Intra Segment Revenue	(10)	(5)	(10)
<b>Total</b>	<b>261</b>	<b>173</b>	<b>232</b>



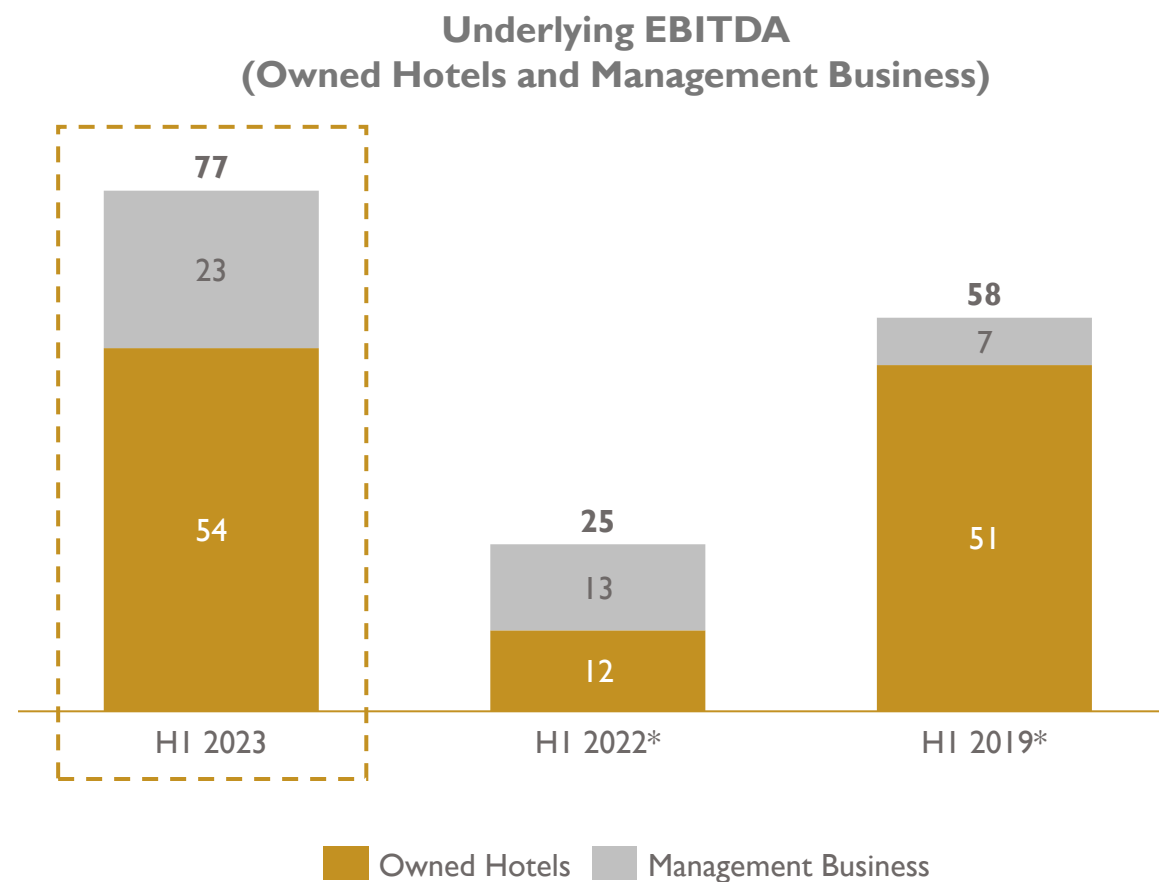
\* 2022 and 2019 exclude hotels that are no longer in operation.



## Underlying EBITDA Performance

# Underlying EBITDA exceeded H1 2022 and H1 2019

Underlying EBITDA			
US\$m	H1 2023	H1 2022* ^	H1 2019*
Owned Hotels	54	12	51
Management Business	23	13	7
<b>Total</b>	<b>77</b>	<b>25</b>	<b>58</b>



\* 2022 and 2019 exclude hotels that are no longer in operation.

^ Government support of US\$5m was recognised in EBITDA across subsidiaries, management business and associates and joint ventures in 2022.



## Underlying Profit and Loss

# The Group returned to underlying profitability in H1 2023

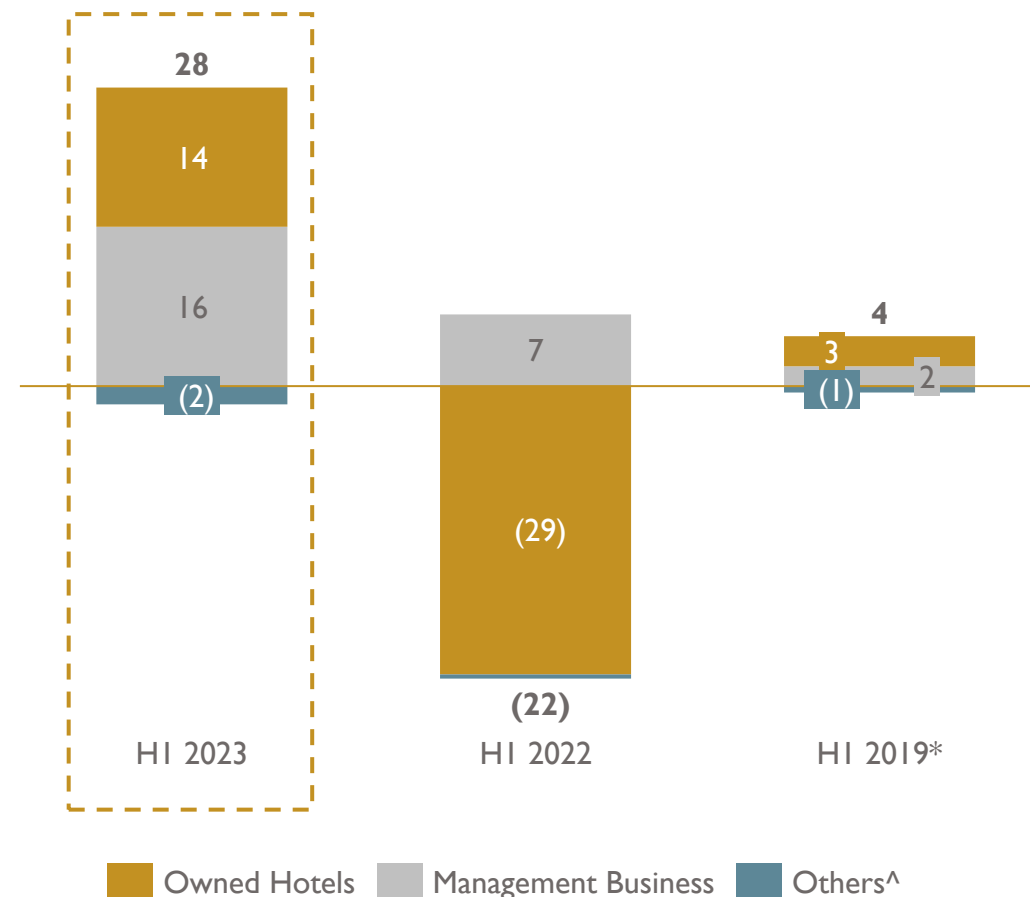
### Underlying Profit/(Loss) Attributable To Shareholders

US\$m	HI 2023	HI 2022*	HI 2019*
Owned Hotels	14	(29)	3
Management Business	16	7	2
Others ^	(2)	-	(1)
<b>Total</b>	<b>28</b>	<b>(22)</b>	<b>4</b>

^ Others include interest costs in relation to the redevelopment of the Causeway Bay site.

\* 2022 and 2019 exclude hotels that are no longer in operation.

### Underlying Profit/Loss attributable to Shareholders





## Loss Attributable to Shareholders

**Increase in loss attributable to shareholders due to non-trading losses from the revaluation of the Causeway Bay redevelopment, partially offset by the gain on disposal in Jakarta**

### Loss Attributable to Shareholders

US\$m	HI 2023	Change	HI 2022*	HI 2019*
Underlying Profit/(Loss)	28	▲ n/a	(22)	4
Net Non-Trading Losses	(97) ^	▼ n/a	3	8
Loss Attributable to Shareholders	(69)	▼ 264%	(19)	12

^ Net non-trading losses primarily comprise a 5% decrease in the valuation of the Causeway Bay site under development.

\* 2022 and 2019 exclude hotels that are no longer in operation.



# Net increase in cash from improved operating performance and investing activities

## Summary Cash Flow Statement

US\$m	HI 2023	HI 2022
Operating Activities	60	10
Investing Activities	80	(15)
Financing Activities	(25)	(21)
<b>Net increase/(decrease) in cash</b>	<b>115</b>	<b>(26)</b>



## Cash inflow from investing activities primarily driven by the gain on asset disposal in Jakarta

### Cash Flow From Investing Activities

<i>US\$m</i>	<b>HI 2023</b>	<b>HI 2022</b>
Net capital expenditure on existing properties	<b>(6)</b>	(6)
Redevelopment of the Causeway Bay site	<b>(36)</b>	(14)
Net proceeds from disposal of Jakarta property	<b>77</b>	-
Net repayments from associates and joint ventures	<b>45</b>	2
Others	-	3
<b>Total</b>	<b>80</b>	(15)





# The Group reduced net debt and its liquidity position remains strong

## Net Debt and Liquidity

US\$m	June 2023	December 2022
Net debt	233	376
Adjusted shareholders' funds*	4,843	4,897
Gearing^	5%	8%
Adjusted Net Asset Value per share (US\$)	3.83	3.87
Cash balance	349	226
Undrawn committed debt facilities	491	471
Group liquidity	840	697

\* Includes the market value of the Group's ownership interest in its freehold and leasehold properties.

^ Net debt as a percentage of adjusted shareholders' funds.



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# Development



Expected Openings in H2 2023

# The Group expects to open six new hotels and residences in 2023

## MANDARIN ORIENTAL MAYFAIR, LONDON



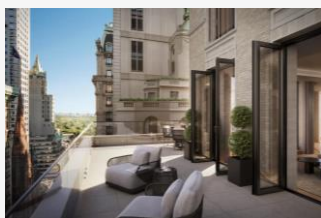
- Scheduled to open in Q4 2023
- 50 rooms and 77 branded residences

## MANDARIN ORIENTAL SAVOY, ZURICH



- Scheduled to open in Q4 2023 after renovation
- 80 rooms and suites

## MANDARIN ORIENTAL RESIDENCES, FIFTH AVENUE



- Scheduled to open in Q3 2023
- 65 branded residences

## MANDARIN ORIENTAL, RIYADH



- Scheduled to be rebranded in Q4 2023
- 325 rooms and suites
- The Group's first property in Saudi Arabia

## MANDARIN ORIENTAL, COSTA NAVARINO



- Scheduled to open on 15 August 2023
- 99 suites and villas
- The Group's first property in Greece

## MANDARIN ORIENTAL, MUSCAT



- Scheduled to open in Q4 2023
- 150 rooms and 156 branded residences
- The Group's first property in Oman



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Development



New Projects Announced Since the Start of 2023

# The Group announced four new management contracts and one residences project



## Bankside, London

- Third property in London
- 171 rooms and serviced apartments, and 70 residences



## Athens, Greece

- Located on the Athenian Riviera
- 123 rooms and 17 residences



## Mallorca, Spain

- 131 rooms, suites and bungalows
- Beachfront resort in the Balearics



## Miami, The US

- Redevelopment of the existing Mandarin Oriental, Miami
- Two towers containing the Hotel and a standalone Residences tower
- 151 rooms and 309 residences



## Madrid, Spain (standalone residences)

- Located in Salamanca, a highly desirable residential area surrounded by luxury retail and buzzing restaurants and bars
- 30 residences



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Development

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# Outlook for H2 2023



## The Group is well positioned to reinforce its profitability and strengthen the Management Business

- Laurent Kleitman will succeed James Riley as Group Chief Executive with effect from 1st September 2023.
- The Group is well positioned to capture buoyant leisure demand.
- We anticipate a gradual return in demand from corporate and MICE business.
- The re-opening of Singapore in September 2023, as well as the ongoing recovery in Hong Kong are expected to propel further growth in the Group's profitability.
- The Management Business will continue to grow with several new openings scheduled in the second half and a healthy pipeline.





Questions to  
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