



MANDARIN ORIENTAL  
THE HOTEL GROUP

# 2024 Half Year Results

Mandarin Oriental Hotel Group

24th July 2024

# Agenda

- Highlights
- Group Portfolio
- Operating Performance
- Financial Results
- Development Pipeline
- Outlook



2024 Half Year Results

# Highlights



## Highlights

# Strong RevPAR performance; New hotels supported scaling

- The Group's Revenue per Available Room ("RevPAR") grew by 5% year on year, with positive growth across all regions.
- Management fees grew by 6% over H1 2023 led by strong improvements in Asia.
- Underlying profit was US\$23 million in H1 2024, lower than US\$28 million in H1 2023<sup>2</sup>.
- Net debt reduced by US\$115 million from the same period last year. Funding position remains robust.
- With the openings of two new hotels in 2024, the Group reached a milestone of 40 hotels in its portfolio. Another new hotel opening is scheduled for H2 2024.
- Two new management contracts in Rome and Bali have been announced since the start of 2024. The Group's pipeline currently comprises 28 hotels, of which 13 have residences, and 2 standalone residences projects.
- An interim dividend of US¢1.50 per share has been declared.

Notes: (1) MO Singapore was under renovation from March to August 2023. The Group opened four new hotels since H1 2023.

(2) Includes the benefit of a non-recurring tax credit of US\$5 million in owned hotels in H1 2023.



## Highlights

The Group recorded an underlying profit of US\$23 million in the first half

### Combined Total Revenue Under Management<sup>1</sup>

**US\$980m**

▲ 11% (vs HI 2023)

▲ 5% (vs HI 2023 L/L<sup>2</sup>)

### Consolidated Revenue<sup>3</sup>

**US\$251m**

▼ 4% (vs HI 2023)

▲ 3% (vs HI 2023 L/L<sup>4</sup>)

### Underlying EBITDA

**US\$71m**

▼ 8% (vs HI 2023)

▼ 13% (vs HI 2023 L/L<sup>4</sup>)

### Underlying Profit Attributable to Shareholders

**US\$23m**

▼ 19% (vs HI 2023)

▼ 12% (vs HI 2023 L/L<sup>4</sup>)

Notes: (1) Combined total revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associates, joint ventures and managed hotels.

(2) Like-for-like (L/L) basis excludes Mandarin Oriental, Singapore (under renovation for six months in 2023) and new hotels opened since HI 2023.

(3) Includes revenue from the Group's subsidiary hotels and management fees from all hotels.

(4) L/L basis excludes Mandarin Oriental, Singapore (renovation for six months in 2023), new hotels opened since HI 2023, disposals (Paris, Jakarta). Underlying profit also excludes the benefit of a non-recurring tax credit of US\$5 million in owned hotels.



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# Group Portfolio



## Portfolio Highlights



### Rebranding of Mandarin Oriental Al Faisaliah, Riyadh

In January 2024, the Group completed the rebranding of Mandarin Oriental Al Faisaliah, Riyadh, its first flag in Saudi Arabia.



### Development Milestone of 40 Hotels Worldwide

In June 2024, Mandarin Oriental Mayfair, London and Mandarin Oriental, Muscat joined the Group's portfolio.



### Sale of the hotel and retail properties in Paris

The Group completed the sale of its Paris hotel property in April 2024 with a long-term management contract retained and completed the sale of the adjoining retail properties in July 2024.

# The Group operates 40 managed hotels

## AMERICA

Boston  
Canouan  
Miami  
New York  
Santiago

## EUROPE

Barcelona  
Bodrum  
Costa Navarino  
Geneva  
Istanbul  
Lake Como  
Hyde Park, London  
Lucerne  
Madrid  
Mayfair, London (new)  
Milan  
Munich  
Paris  
Prague  
Zurich

## ASIA

Bangkok  
Beijing  
Guangzhou  
Hong Kong  
Jakarta  
Kuala Lumpur  
Landmark, Hong Kong  
Macau  
Sanya  
Shanghai  
Shenzhen  
Singapore  
Taipei  
Tokyo

## MEA

Abu Dhabi  
Doha  
Dubai  
Marrakech  
Muscat (new)  
Riyadh





## Global Portfolio – Owned Hotels

# Of which 12 are owned or partially owned hotels

### AMERICA

**Boston**  
Canouan  
**Miami**  
**New York**  
Santiago

### EUROPE

Barcelona  
Bodrum  
Costa Navarino  
**Geneva**  
Istanbul  
Lake Como  
**Hyde Park, London**  
Lucerne  
**Madrid**  
Mayfair, London (new)  
Milan  
**Munich**  
Paris  
Prague  
Zurich

### ASIA

**Bangkok**  
Beijing  
Guangzhou  
**Hong Kong**  
Jakarta  
**Kuala Lumpur**  
Landmark, Hong Kong  
Macau  
Sanya  
Shanghai  
Shenzhen  
**Singapore**  
Taipei  
**Tokyo**

### MEA

Abu Dhabi  
Doha  
Dubai  
Marrakech  
Muscat (new)  
Riyadh



# The Group manages 12 branded residences



2024 Half Year Results

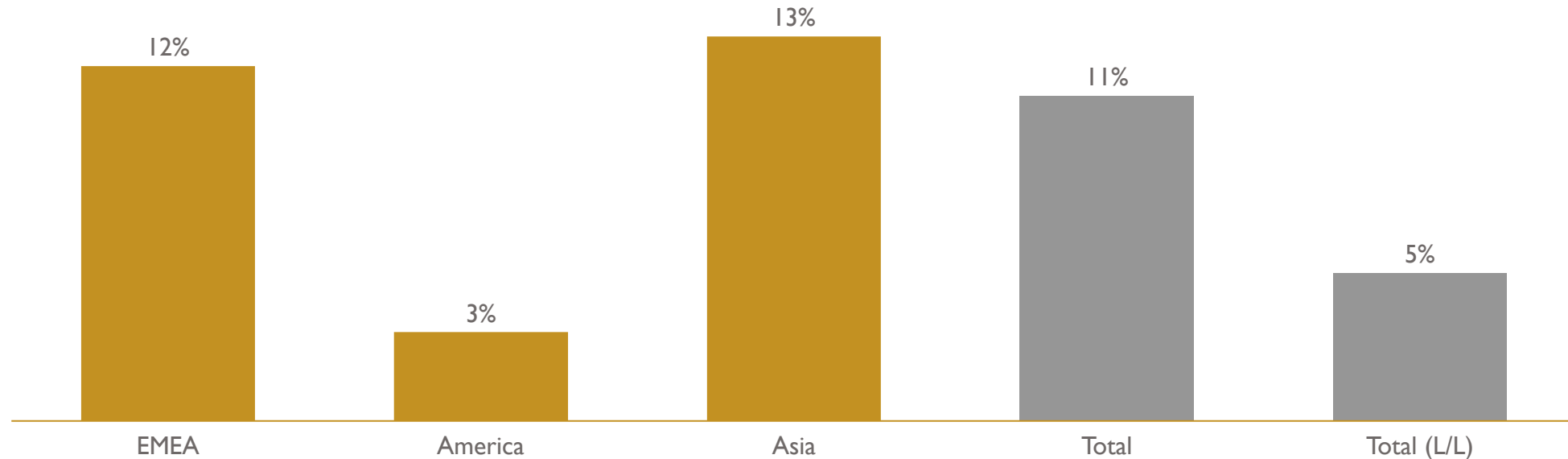
# Operating Performance



## H1 2024 Combined Total Revenue of Hotels Under Management

**Higher revenue than H1 2023 across all regions;  
EMEA and Asia reported strong growth**

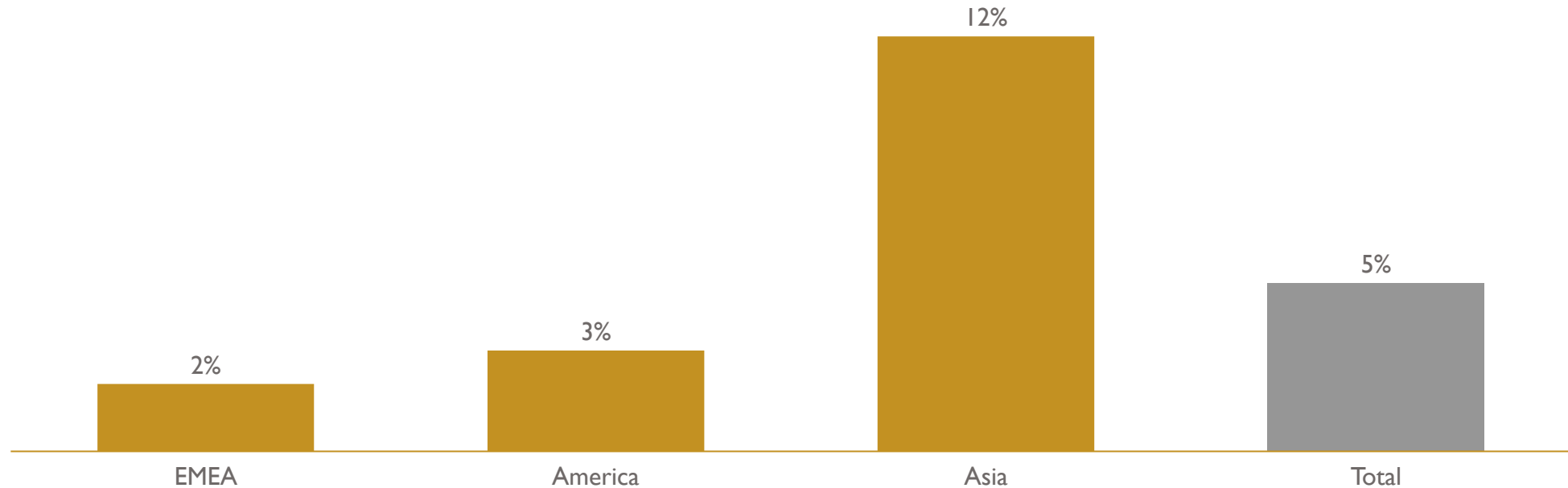
**% change in Combined Total Revenue of Hotels Under Management**  
**H1 2024 vs H1 2023 (US\$ terms)**



## H1 2024 Revenue Per Available Room ('RevPAR') Performance

**RevPAR exceeded H1 2023 levels in all regions,  
with notable growth in Asia**

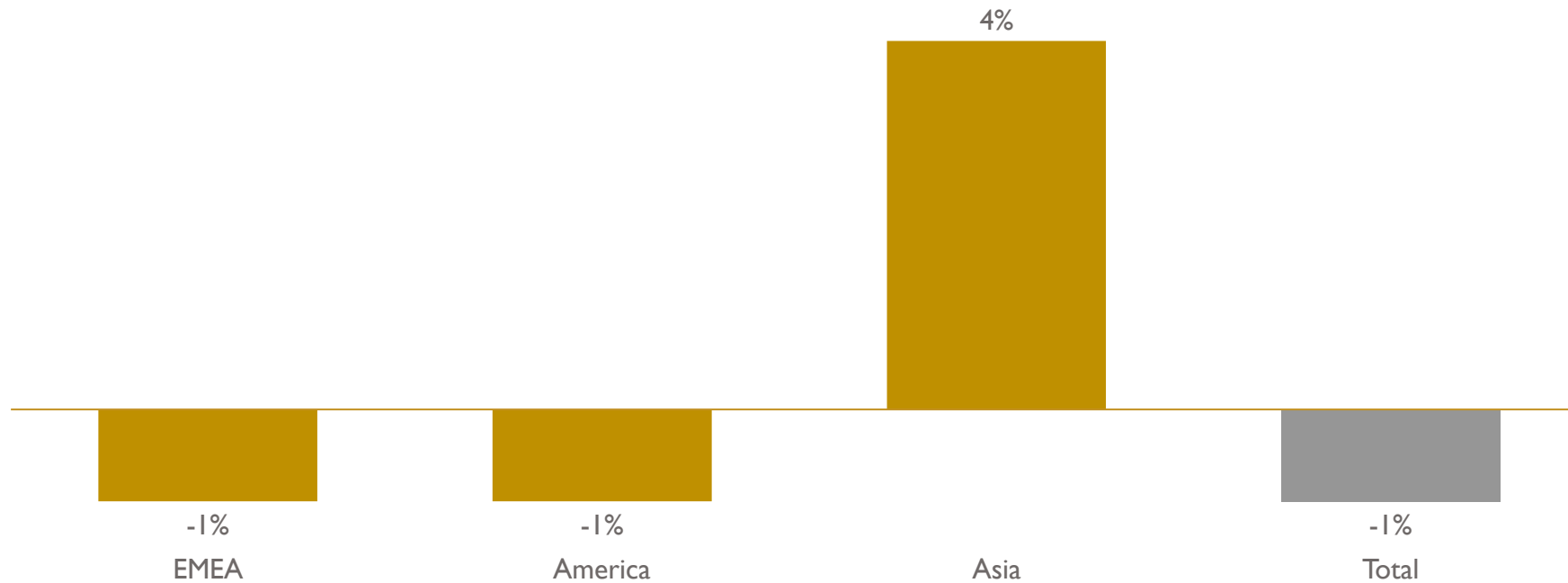
% change in RevPAR H1 2024 vs H1 2023 (US\$ terms)



## H1 2024 Average Daily Rate ('ADR') Performance

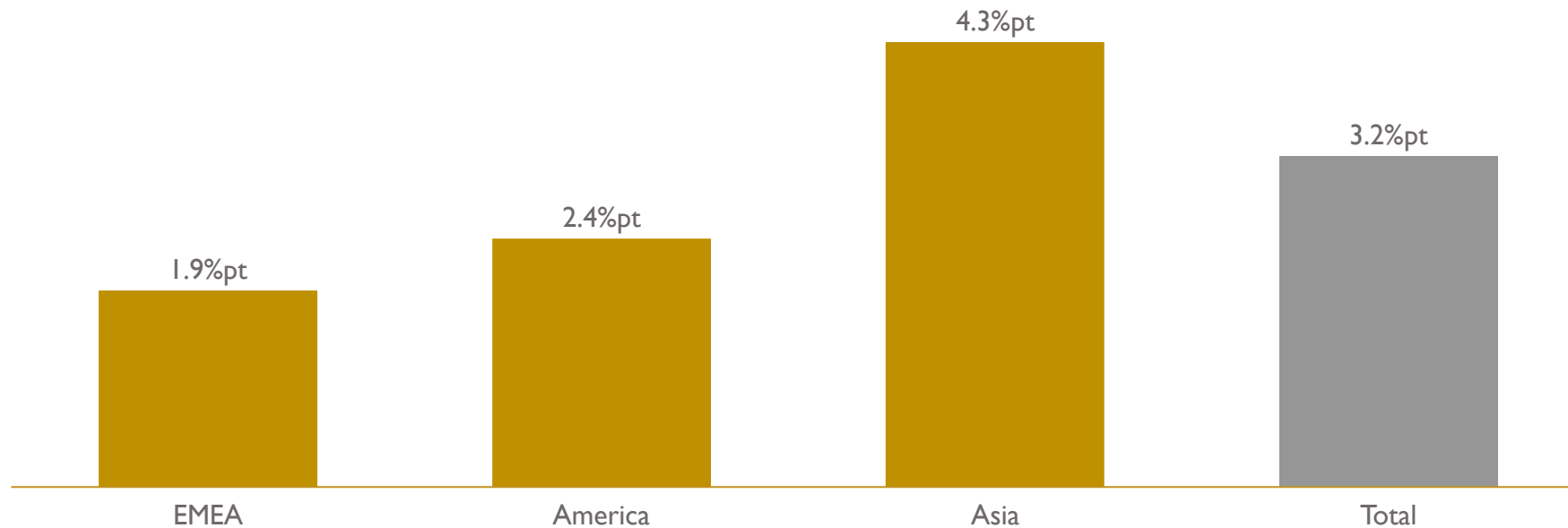
**Small decrease in rates in EMEA and America;  
Higher rates in Asia**

% change in ADR HI 2024 vs HI 2023  
(US\$ terms)



**Occupancy improved compared to H1 2023 in all regions;  
Asia recorded strong growth in demand from corporate and group segments**

Change in Occupancy by Region H1 2024 vs H1 2023



## Hotel management fee income grew by 6% in H1 2024



- Total hotel management fees were 6% higher than H1 2023, with strong growth in Asia (+15% YoY).
- In EMEA, management fee income grew in line with RevPAR.
- Branding fees from residences were US\$4 million in H1 2024.



## Owned Hotels Performance

# Solid RevPAR improvement in Asia; Mixed performance in EMEA and America



- RevPAR of Owned Hotels improved by 6% compared to H1 2023.
- Hotels in Asia recorded considerable growth in RevPAR as Singapore was under renovation for six months from March 2023, and the region benefitted from stronger travel demand.
- Mixed RevPAR performance in EMEA and America: growth in Madrid, Munich, and New York, offset by drops in London and Miami.
- The Group completed the disposal of its Paris hotel in April, and adjoining retail properties in July. The hotel remains under the management of Mandarin Oriental.



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# Financial Results



## Consolidated Revenue

# Consolidated Revenue +US\$7m L/L mostly driven by Tokyo

Consolidated Revenue				
US\$m	HI 2024	HI 2023	Reported Change	L/L Change <sup>1</sup>
Management Business	42	40	+2	-
Subsidiary Hotels	219	231	(12)	+7
Less: Intra Segment Revenue	(10)	(10)	-	-
<b>Total</b>	<b>251</b>	<b>261</b>	<b>(10)</b>	<b>+7</b>

Notes: (1) Management Business excludes management fees from hotels impacted by renovation in 2023 and new hotels opened since HI 2023. Subsidiary Hotels exclude impact of disposals.

## Underlying EBITDA

**Underlying EBITDA was lower in the Management Business as higher fee income was offset by timing differences in marketing spend**

Underlying EBITDA				
US\$m	HI 2024	HI 2023	Reported Change	L/L Change <sup>1</sup>
Management Business	19	23	(4)	(6)
Owned Hotels	54	54	-	(3)
Property Development	(2)	-	(2)	(2)
<b>Total</b>	<b>71</b>	<b>77</b>	<b>(6)</b>	<b>(11)</b>

Notes: (1) Management Business excludes hotels impacted by renovation in 2023 and new hotels opened since HI 2023. Owned Hotels exclude impacts of renovation and disposals.

## Underlying Profit and Loss

**The Group recorded a lower underlying profit as results from H1 2023 benefitted from non-recurring items**

<b>Underlying Profit/(Loss) Attributable To Shareholders</b>				
<i>US\$m</i>	<b>HI 2024</b>	<b>HI 2023</b>	<b>Reported Change</b>	<b>L/L Change<sup>1</sup></b>
Management Business	14	16	(2)	(4)
Owned Hotels	11	9	2	1
Property Development <sup>2</sup>	(2)	(2)	-	-
Others <sup>3</sup>	-	5	(5)	-
<b>Total</b>	<b>23</b>	<b>28</b>	<b>(5)</b>	<b>(3)</b>

Notes: (1) Management Business excludes hotels impacted by renovation in 2023 and new hotels opened since H1 2023. Owned Hotels exclude impacts of renovation and disposals. (2) Property Development includes the redevelopment of the One Causeway Bay site. (3) Others include a non-recurring tax credit of US\$5 million.

## Loss Attributable to Shareholders

**Decrease in loss attributable to shareholders predominantly due to lower non-trading losses from the revaluation of One Causeway Bay**

### Loss Attributable to Shareholders

US\$m	HI 2024	HI 2023	Change
Underlying Profit	23	28	(5)
Net Non-Trading Losses	(75) <sup>1</sup>	(97)	22
Loss Attributable to Shareholders	(52)	(69)	17

Notes: (1) Net non-trading losses primarily comprise a fair value loss of US\$37 million on One Causeway Bay and a US\$37 million loss on disposal of the hotel portion of the Paris property. A US\$56 million gain on disposal of the retail portion of the Paris property will be recorded in H2 2024, resulting in a full year gain of US\$19 million for the entire disposal.

## Cash Flow Statement

# Net increase in cash primarily due to higher cash inflow from investing activities

### Summary Cash Flow Statement

US\$m	HI 2024	HI 2023	Commentary
Operating Activities	24	60	<i>Working capital and tax impacts from the disposal of Paris; Reduced operating performance; One-off tax credit in 2023</i>
Investing Activities	142	80	<i>Higher in HI 2024 due to net proceeds from disposal of Paris hotel property</i>
Financing Activities	(98)	(25)	<i>Primarily comprises dividend payments and repayment of borrowings</i>
<b>Net increase in cash</b>	<b>68</b>	<b>115</b>	



## Cash Flow Statement – Investing Activities

### Increase in net cash inflow from investing activities primarily attributable to the disposal of the Paris hotel property

#### Cash Flow From Investing Activities

<i>US\$m</i>	HI 2024	HI 2023
Net capital expenditure on existing properties	(9)	(6)
Redevelopment of One Causeway Bay site	(65)	(36)
Net proceeds from disposal of Paris hotel property	216	-
Net proceeds from disposal of Jakarta property	-	77
Net repayments from associates and joint ventures	-	45
<b>Total</b>	<b>142</b>	<b>80</b>



## Net Debt and Gearing

# Liquidity position remains robust; Net debt reduced by US\$115 million

<b>Net Debt and Liquidity</b>		
<i>US\$m</i>	<b>June 2024</b>	<b>December 2023</b>
Net debt	<b>110</b>	225
Adjusted shareholders' funds <sup>1</sup>	<b>4,498</b>	4,637
Adjusted gearing <sup>2</sup>	<b>2%</b>	5%
Adjusted net asset value per share (US\$)	<b>3.56</b>	3.67
Cash	<b>254</b>	190
Undrawn committed debt facilities	<b>365</b>	659
Group liquidity	<b>619</b>	849

Note: (1) Includes the market value of the Group's ownership interest in its freehold and leasehold properties

(2) Net debt as a percentage of adjusted shareholders' funds



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# Development Pipeline



## Expected Openings in H2 2024

# The Group expects to open its second hotel in Beijing in H2 2024

### MANDARIN ORIENTAL MAYFAIR, LONDON



- Newly opened in June 2024
- Second hotel in London

### MANDARIN ORIENTAL QIANMEN, BEIJING



- Scheduled to open in H2 2024
- Second hotel in Beijing
- 42 rooms

### MANDARIN ORIENTAL RESIDENCES, FIFTH AVENUE



- Opened in Q1 2024

### MANDARIN ORIENTAL, MUSCAT



- Newly opened in June 2024
- The Group's first property in Oman



## New Projects in the Pipeline

# Two new management contracts announced since the start of 2024

### Rome, Italy



- Located in the heart of Rome, steps away from the city's major attractions and archaeological sites
- Housed in ten 19th-century villas originally built as homes for Romans
- 108 rooms and suites



### Bali, Indonesia

- Located on the Bukit peninsula
- Beachfront hideaway resort with private residences
- 110 rooms and 68 residences



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# Outlook





Questions to  
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