2023 Annual Results

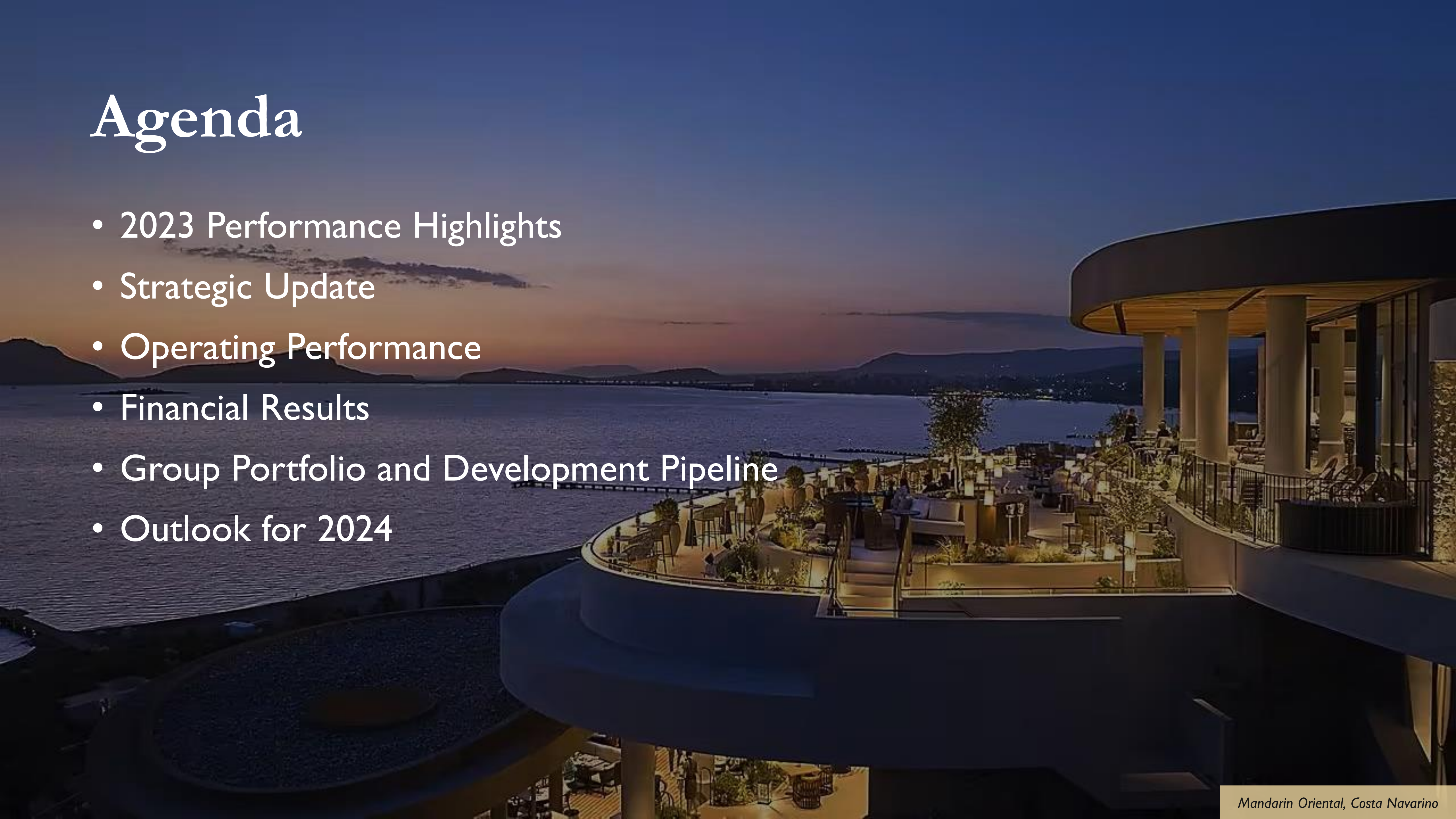
Mandarin Oriental Hotel Group

7 March 2024

Mandarin Oriental Ritz, Madrid

Agenda

- 2023 Performance Highlights
- Strategic Update
- Operating Performance
- Financial Results
- Group Portfolio and Development Pipeline
- Outlook for 2024



Mandarin Oriental, Costa Navarino

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Performance Highlights

Substantially improved financial performance; strengthened liquidity position; and good progress in development

- Underlying profit substantially improved to US$81m in 2023 and was more than double pre-pandemic levels.[#]
- Management fees grew by 30% over 2022, driven by a gradual recovery in occupancy across all geographies, a continuation of high rates in Europe, the Middle East and Africa, and a strong rebound in rates in Asia.
- Strengthened liquidity and funding position. Net debt reduced by 40% from 2022. In February 2024, the Group refinanced bank facilities of US$409 million for three to five years.
- Eight new projects announced since the start of 2023, representing 26% growth in keys in the pipeline. The pipeline now stands at 28 hotels and two standalone residences.
- Three hotels and a branded residences scheduled to open in 2024, representing 3% growth in keys in the portfolio.
- Dividend of US¢3.50 per share proposed, resulting in total dividends of US¢5.00 per share

\# *Excludes hotels that are no longer in operation (The Excelsior, Washington D.C.).*

Strong operating and financial performance boosted by record rates

Total Combined Revenue Under Management*

US$1,890m

▲23% (vs 2022#)
▲51% (vs 2019#)

Consolidated Revenue^

US$558m

▲32% (vs 2022#)
▲14% (vs 2019#)

Underlying EBITDA

US$178m

▲64% (vs 2022#)
▲26% (vs 2019#)

Underlying Profit Attributable to Shareholders

US$81m

▲935% (vs profit of US$8m in 2022#)
▲135% (vs profit of US$34m in 2019#)

* *Combined revenue includes turnover of the Group's subsidiary hotels in addition to 100% of revenue from associates, joint ventures and managed hotels.*
^ *Includes revenue from the Group's subsidiary hotels and fees from associates, joint ventures and managed hotels.*
\# *All results in 2022 and 2019 exclude hotels that are no longer in operation (The Excelsior, Washington D.C.).*

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Strategic Update

The Group continued to execute across its strategic priorities


Mandarin Oriental Savoy, Zurich

8 New Management Contracts and 2 New Hotel Openings


Mandarin Oriental, Jakarta

Capital Allocation

Rebranding of Emirates Palace Mandarin Oriental, Abu Dhabi

Renovation of Mandarin Oriental, Singapore

Celebration of the 60th anniversary of Mandarin Oriental, Hong Kong

'World's Best Luxury Hotel Brand' By Luxury Travel Intelligence

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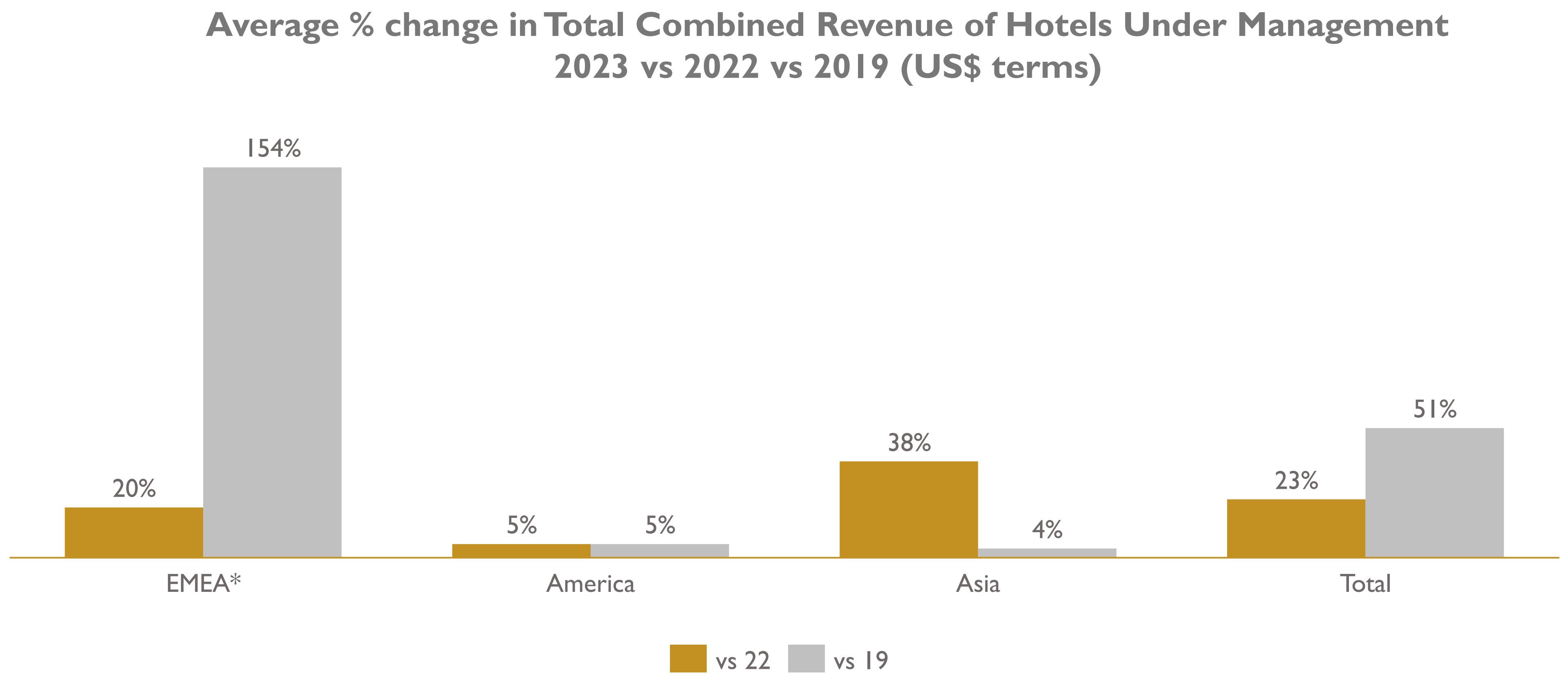
Operating Performance

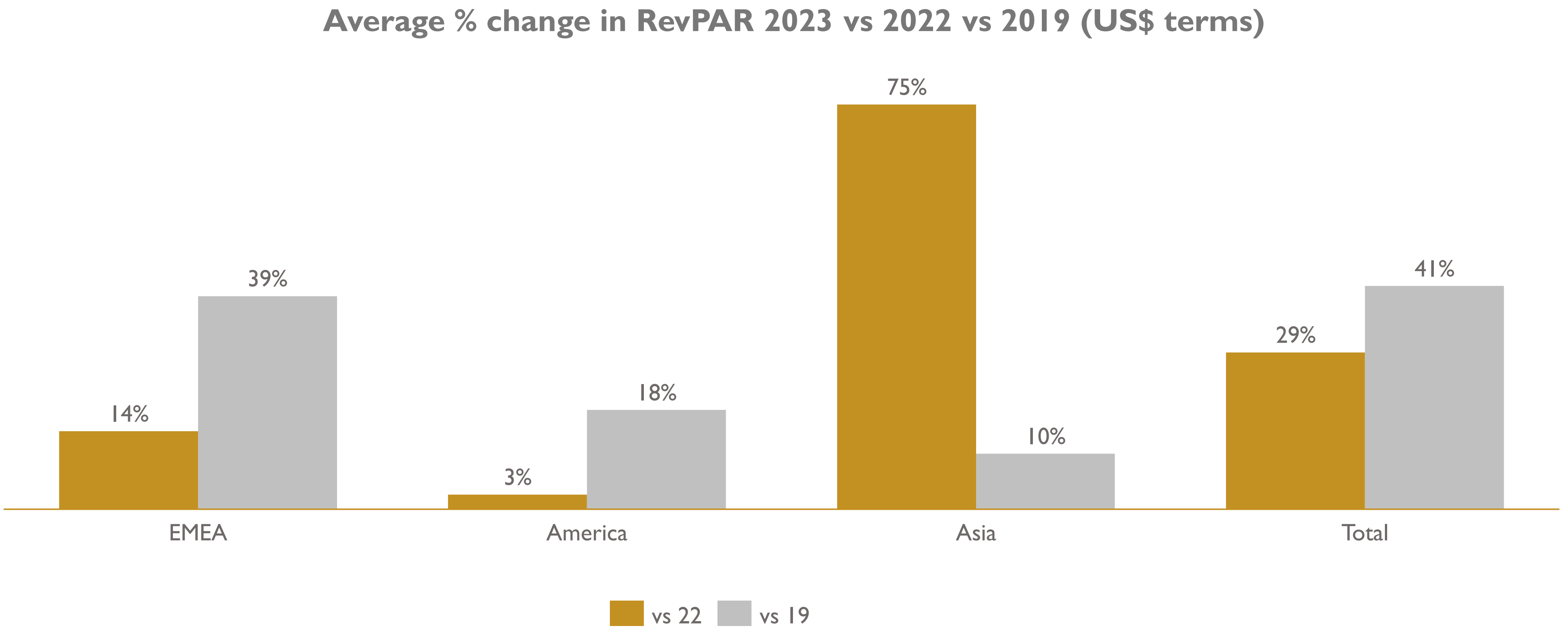
Higher revenue than 2022 and 2019 driven by all regions



* *Europe, the Middle East, and Africa*

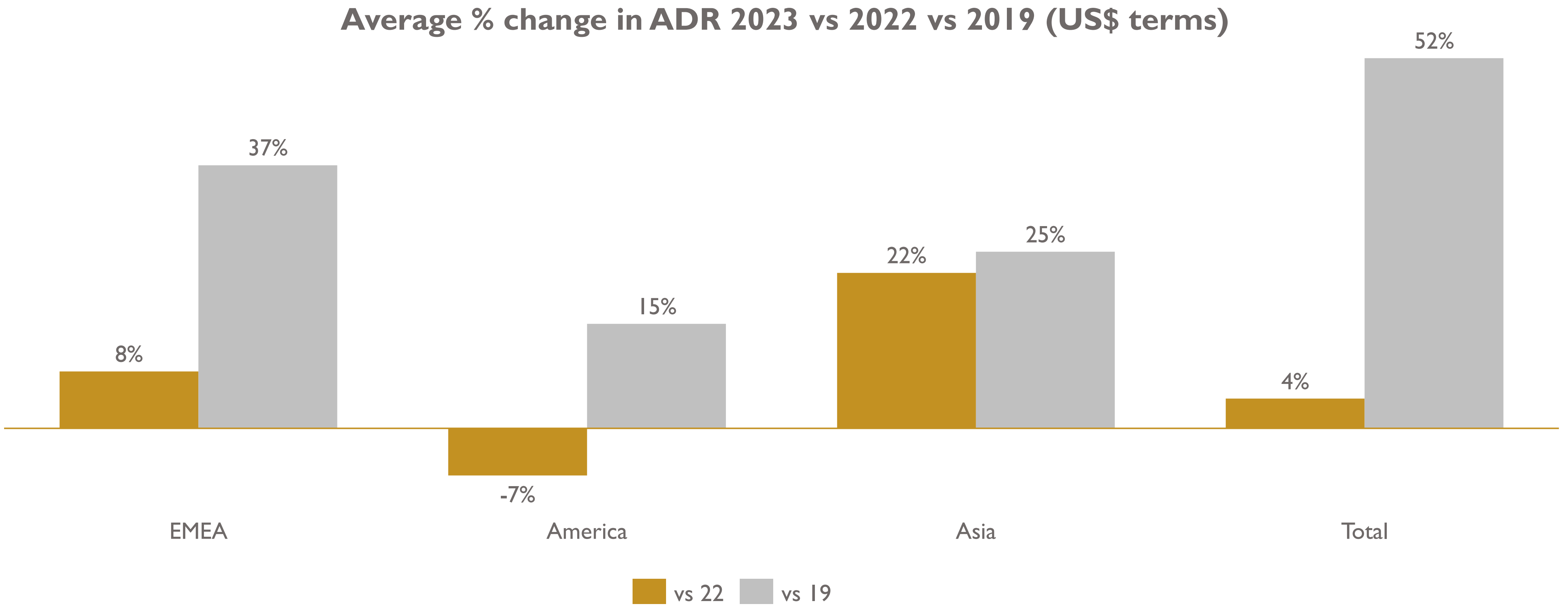
Note: Excludes hotels that are no longer in operation (The Excelsior, Washington D.C.).

All regions exceeded 2022 and pre-pandemic RevPAR levels, with a notably strong rebound in Asia



Note: Excludes hotels that are no longer in operation (The Excelsior, Washington D.C.).

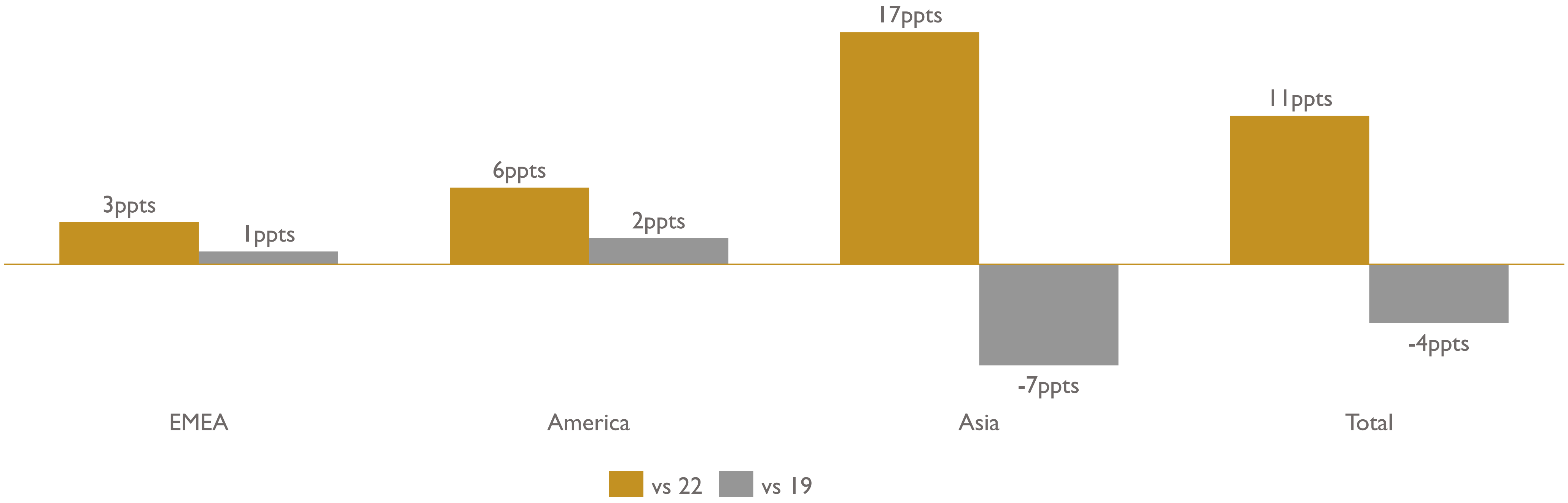
Rates in EMEA and Asia further improved compared to 2022. Hotels in America reported a slight decline in rates over 2022 but remained substantially above pre-pandemic levels.



Note: Excludes hotels that are no longer in operation (The Excelsior, Washington D.C.).

Occupancy has fully recovered to pre-pandemic levels in EMEA and America in 2023; Asia recovered strongly over 2022 but remained below pre-pandemic levels

Change in Occupancy by Region 2023 vs 2022 vs 2019



Note: Excludes hotels that are no longer in operation (The Excelsior, Washington D.C.).

Substantial growth in Management Business fee income

Mandarin Oriental, Bodrum

Mandarin Oriental Wangfujing, Beijing

Mandarin Oriental, Milan

Mandarin Oriental Residences, Fifth Avenue

- Total hotel management fees 30% higher than 2022.
- Growth of hotel management fees in EMEA (+24% Y/Y) and Asia (+97% Y/Y excl. Singapore*) was exceptionally strong.
- Fee income from hotels in America was stable compared to 2022 due to softer domestic leisure demand, compensated by steady recovery of corporate transient and group businesses.
- Branding fees from residences tripled the fees earned in 2022.

* *Mandarin Oriental, Singapore was under renovation for six months in 2023.*

Owned Hotels contributions continued to improve in the second half of the year and exceeded 2019 levels


Mandarin Oriental, Hong Kong


Mandarin Oriental, Tokyo


Mandarin Oriental Hyde Park, London


Mandarin Oriental, Geneva

- RevPAR of Owned Hotels exceeded 2022 by 32%, bolstered by the strong rebound in Hong Kong and Tokyo.
- London and Geneva also delivered considerably improved results driven by better RevPAR performance.
- RevPAR surmounted pre-pandemic levels by 28% backed by higher rates.
- The Group completed the disposal of its property in Jakarta, and targets to complete the disposal of the hotel property in Paris in H1 2024. Both hotels will continue to be managed under the Mandarin Oriental brand.

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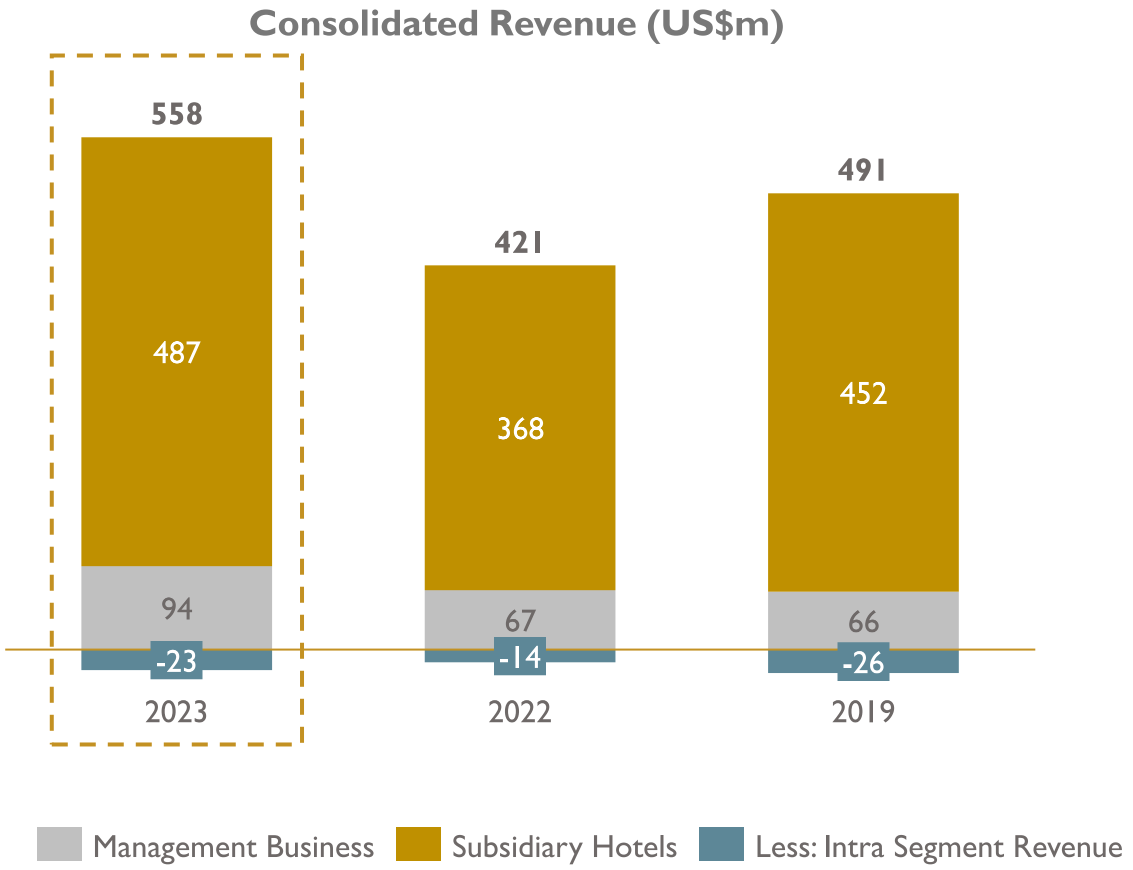
Financial Results

Consolidated Revenue improved by 32% year-on-year supported by the strong rebound in Hong Kong and Tokyo

Consolidated Revenue

US$m	H1 2023	H2 2023	2023	2022*	2019*
Management Business	40	54	94	67	66
Subsidiary Hotels	231	256	487	368	452
Less: Intra Segment Revenue	(10)	(13)	(23)	(14)	(26)
Total	**261**	**297**	**558**	**421**	**491**

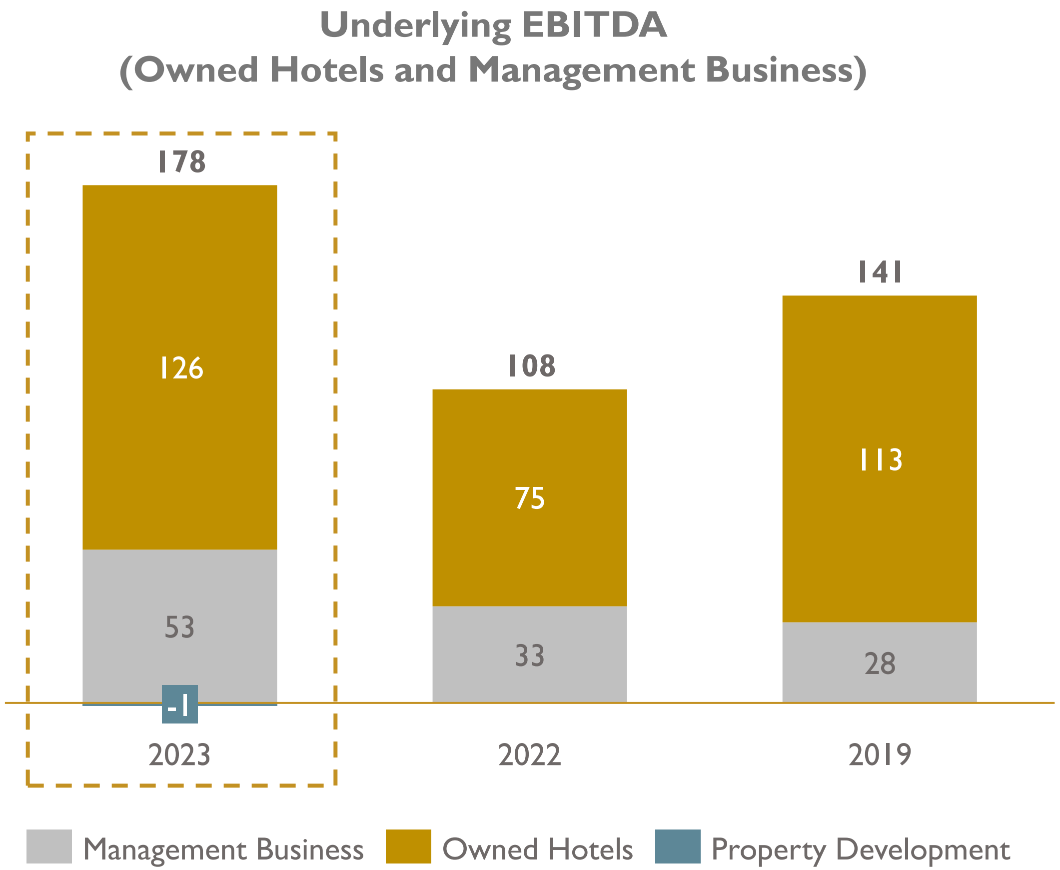


* *2022 and 2019 exclude hotels that are no longer in operation (The Excelsior, Washington D.C.).*

Underlying EBITDA surpassed 2022 and 2019 levels, driven by increased profitability from the Management Business and higher contributions from Owned Hotels

Underlying EBITDA

US$m	H1 2023	H2 2023	2023	2022*	2019*
Management Business	23	30	53	33	28
Owned Hotels	54	72	126	75	113
Property Development	-	(1)	(1)	-	-
Total	**77**	**101**	**178**	**108^**	**141**

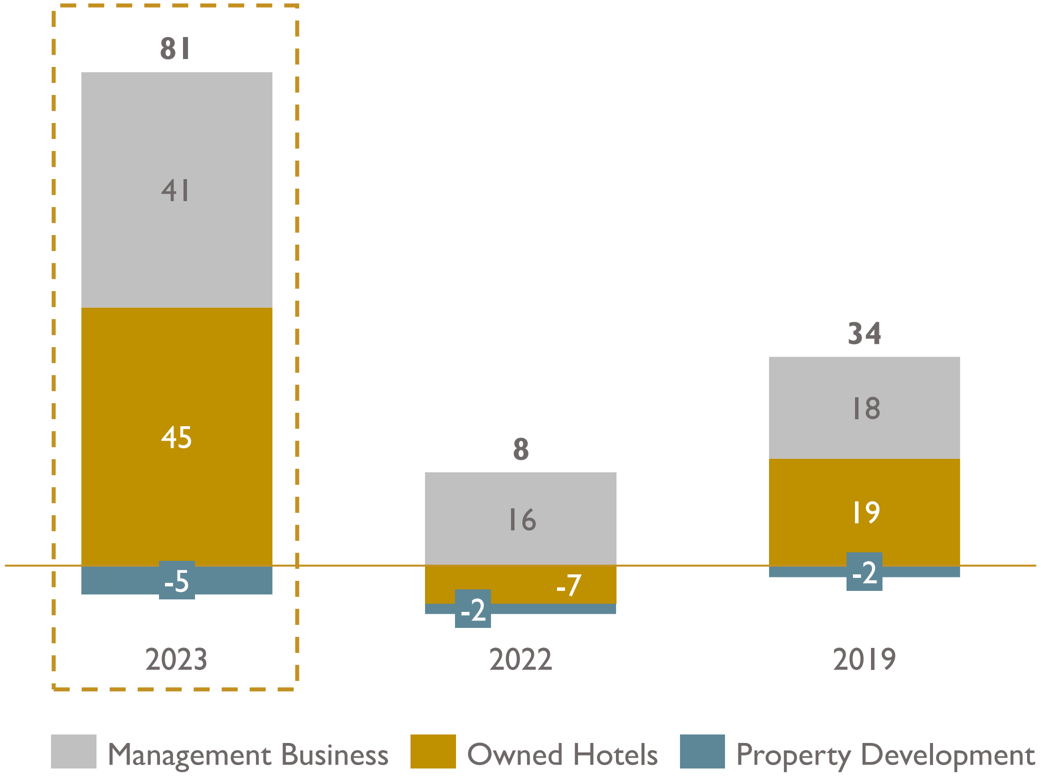


* 2022 and 2019 exclude hotels that are no longer in operation (The Excelsior, Washington D.C.).
^ Government support of US$5m was recognised in EBITDA across subsidiaries, management business and associates and joint ventures in 2022.

Significant improvement in Underlying Profit; Owned Hotels returned to profitability in 2023

Underlying Profit/(Loss) Attributable To Shareholders			
US$m	**2023**	**2022***	**2019***
Management Business	41	16	18
Owned Hotels	45	(7)	19
Property Development^	(5)	(2)	(2)
Total	**81**	**8**	**34**

Underlying Profit/(Loss) attributable to Shareholders



^ *Property Development includes interest costs in relation to the redevelopment of the Causeway Bay site.*

* *2022 and 2019 exclude hotels that are no longer in operation (The Excelsior, Washington D.C.).*

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	2023	Change	2022*	2019*
Underlying Profit	**81**	▲936%	8	34
Net Non-Trading Losses	**(446)^**	▼682%	(57)	(97)
Loss Attributable to Shareholders	**(365)**	▼642%	(49)	(62)

^ *Net non-trading losses primarily comprise a 17% decrease in the valuation of the Causeway Bay site under development. The valuation for the project was updated to purely reflect residual, value-in-use estimates, in line with normal market practice as the development project progresses toward completion.*

* *2022 and 2019 exclude hotels that are no longer in operation (The Excelsior, Washington D.C.).*

Net decrease in cash primarily due to higher repayment of borrowings, partially offset by improved operating performance

Summary Cash Flow Statement

US$m	**2023**	**2022**
Operating Activities	**141**	56
Investing Activities	**31**	87
Financing Activities	**(215)**	(122)
Net (decrease)/ increase in cash	**(43)**	21

Gain on asset disposal in Jakarta and repayments of loans from associates and joint ventures were slightly offset by higher investment into the Causeway Bay site

Cash Flow From Investing Activities

US$m	**2023**	**2022**
Net capital expenditure on existing properties	**(14)**	(13)
Redevelopment of the Causeway Bay site	**(71)**	(30)
Net proceeds from disposal of Jakarta property	**76**	-
Net proceeds from disposal of Washington D.C. property	**-**	131
Net repayments from associates and joint ventures	**47**	2
Others	**(7)**	(3)
Total	**31**	87

Liquidity position strengthened; Net debt reduced by 40%

Net Debt and Liquidity

US$m	2023	2022
Net debt	**225**	376
Adjusted shareholders' funds*	**4,637**	4,897
Gearing^	**5%**	8%
Adjusted Net Asset Value per share (US$)	**3.67**	3.87

Cash balance	**190**	226
Undrawn committed debt facilities	**659**	471
Group liquidity	**849**	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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Group Portfolio and Development Pipeline

The Group operates 38 managed hotels

AMERICA

Boston
Canouan
Miami
New York
Santiago

EMEA

Abu Dhabi
Barcelona
Bodrum
Costa Navarino (new)
Doha
Dubai
Geneva
Istanbul
Lake Como
London
Lucerne
Madrid
Marrakech
Milan
Munich
Paris
Prague
Riyadh
Zurich (new)

ASIA

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

Of which 13 are owned or partially owned hotels

AMERICA

Boston
Canouan
Miami
New York
Santiago

EMEA

Abu Dhabi
Barcelona
Bodrum
Costa Navarino (new)
Doha
Dubai
Geneva
Istanbul
Lake Como
London
Lucerne
Madrid
Marrakech
Milan
Munich
Paris
Prague
Riyadh
Zurich (new)

ASIA

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

The Group manages 9 branded residences*

* *Excluding Residences in Mayfair and Fifth Avenue in New York which were partially opened in Q4 2023 and will be fully opened in 1H 2024.*

The Group expects to open four new hotels and residences in 2024

MANDARIN ORIENTAL MAYFAIR, LONDON

- Scheduled to fully open in 1H 2024
- 50 rooms and 77 branded residences

MANDARIN ORIENTAL QIANMEN, BEIJING

- Scheduled to open in 2H 2024
- 72 rooms

MANDARIN ORIENTAL RESIDENCES, FIFTH AVENUE

- Scheduled to open in 1H 2024
- 65 branded residences

MANDARIN ORIENTAL, MUSCAT

- Scheduled to open in 1H 2024
- 150 rooms and 156 branded residences
- The Group's first property in Oman

New Projects in the Pipeline

Eight new management contracts since the start of 2023

Athens, Greece

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

Budapest, Hungary

- Renovation, repositioning and rebranding of the historic Gellért Hotel

Setouchi, Japan

- A high-ended boutique resort
- 3 distinctive properties around the Seto Inland Sea

Bankside, London

- Third property in London
- 171 rooms and 70 residences

Porto Cervo, Italy

- Located in Sardinia, Italy, overlooking the Gulf of Pevero

Miami, US

- Redevelopment of the existing Mandarin Oriental, Miami
- Two towers containing the Hotel and a standalone Residences tower
- 121 rooms and 322 residences

Madrid, Spain (standalone residences)

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

Mallorca, Spain

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

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Outlook for 2024

Strong growth prospects with new leadership, strategic initiatives underway, and solid fundamentals

- Demand for luxury leisure and resort hotels will continue to grow
- Strength of the Mandarin Oriental brand
- Steady growth in demand from group and corporate business segments
- Rate leadership strategy
- Strategic refresh underway
- Well-positioned to capitalise on growth opportunities and reinforce our leadership in luxury hospitality

Questions to Investors@mohg.com