



# 2016 ANNUAL RESULTS

Mandarin Oriental Hotel Group



# 2016 Annual Results Highlights

US \$ m	2016	2015
Combined Total Revenue *	1,324	1,335
Group's Total Revenue <sup>#</sup>	597	607
Underlying EBITDA	158	188

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

<sup>#</sup> Includes revenue from the Group's subsidiary hotels as well as the Group's management and branding activities

# 2016 Annual Results Highlights

Underlying EBITDA by geography \*

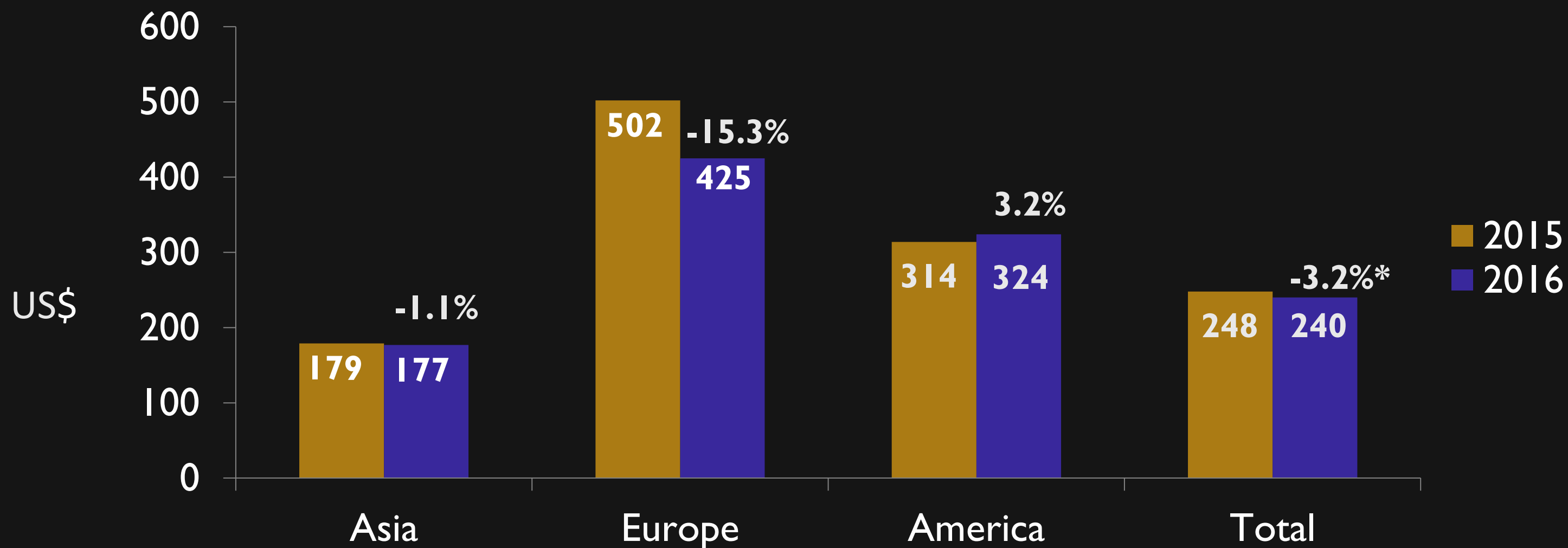
US \$ m	2016	2015
Hong Kong	69	83
Other Asia	50	49
Europe	27	46
America	12	10
	<u>158</u>	<u>188</u>

\* Subsidiaries and share of results of associates and joint ventures

# 2016 Annual Results Highlights

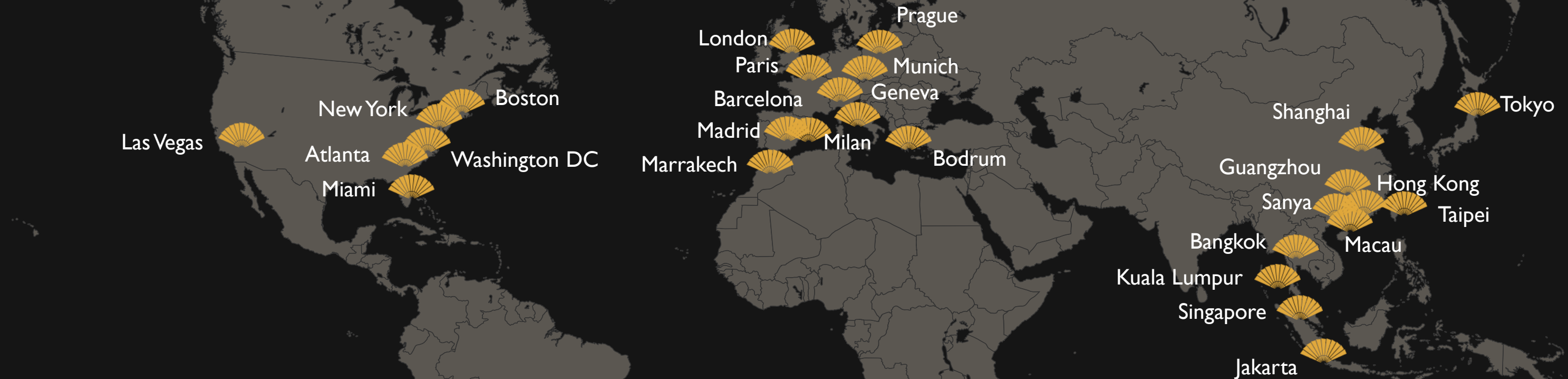
	2016	2015
Underlying Profit Attributable to Shareholders (US \$ m)	57	90
Profit attributable to shareholders (US \$ m)	55	89
Underlying Earnings per Share (US ¢)	4.56	7.53
Total dividend (US ¢)	4.00	5.00
Adjusted net asset value per share (US \$)	3.10	2.84

# 2016 RevPAR Performance



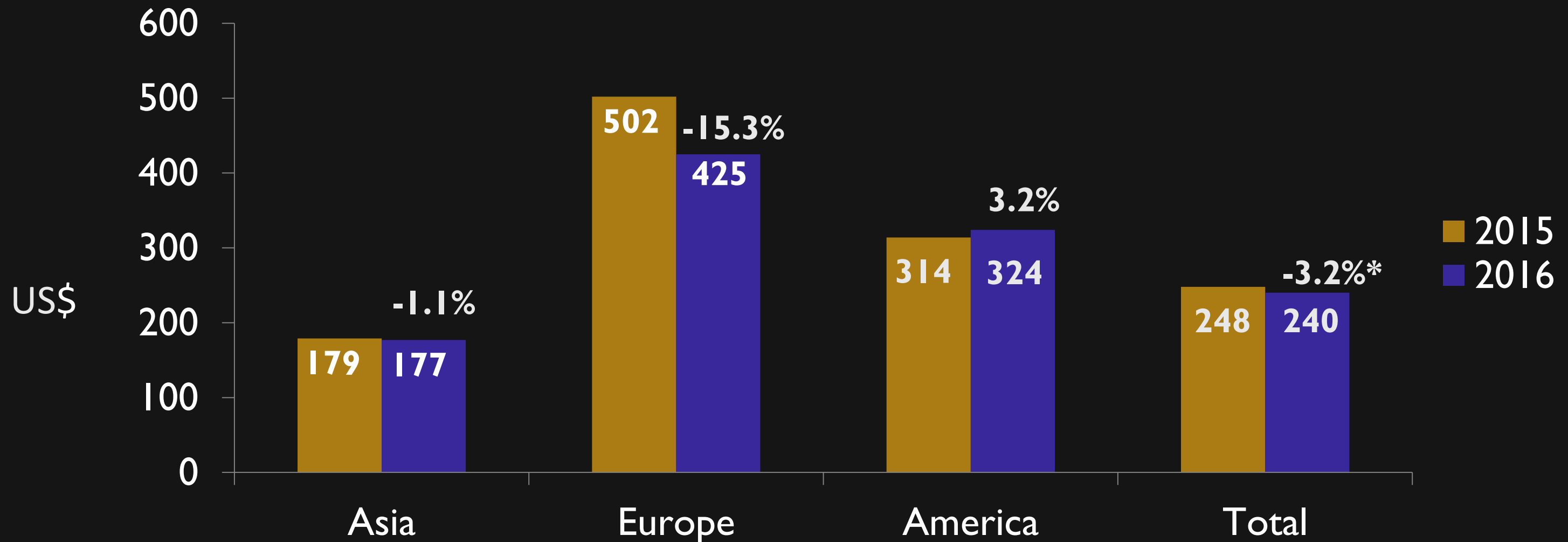
\* Total RevPAR down by 2.4% in constant currency terms  
Includes only hotels that were operational in both years

# GLOBAL PORTFOLIO



 29 hotels

# 2016 RevPAR Performance



\* Total RevPAR down by 2.4% in constant currency terms  
Includes only hotels that were operational in both years



# 2016 Hotel Performance

## ASIA

### **Mandarin Oriental, Hong Kong**

Softer demand from traditional markets

### **The Excelsior, Hong Kong**

Reduced demand combined with oversupply and impact of room refreshment

### **Tokyo**

Improved performance

### **Jakarta**

Weak operating conditions

### **Bangkok**

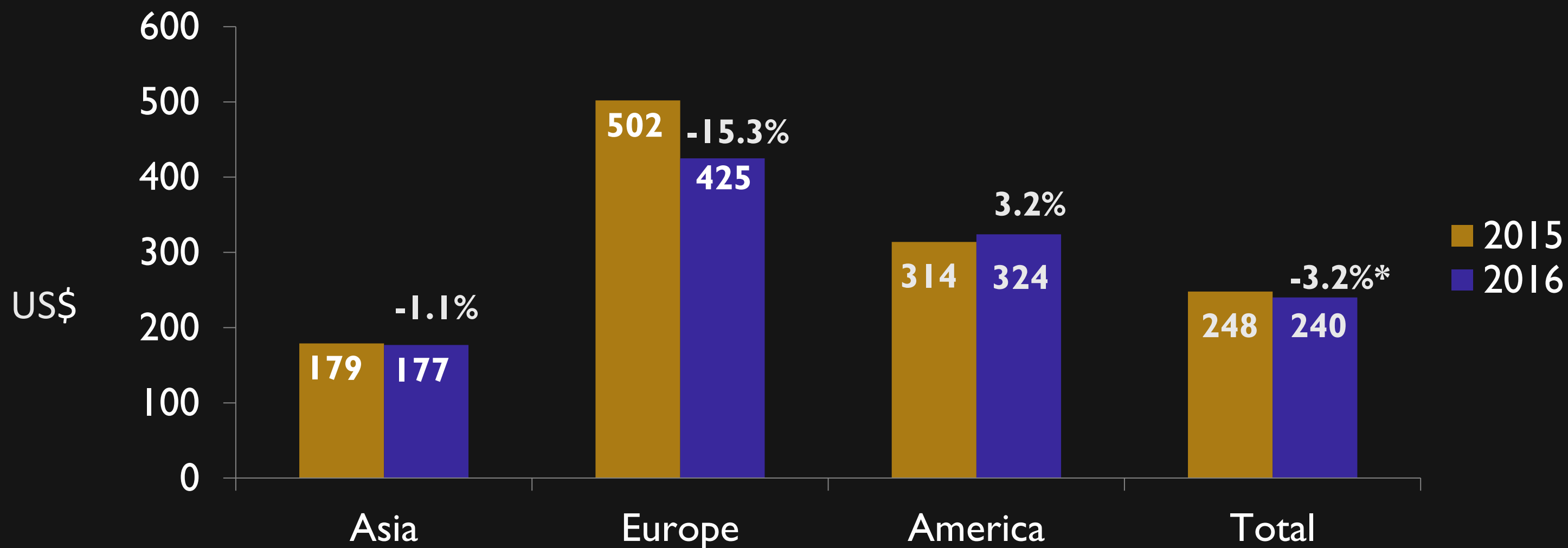
Completed Garden and Authors' Wings renovation well received

### **Singapore**

Stable performance



# 2016 RevPAR Performance



\* Total RevPAR down by 2.4% in constant currency terms  
Includes only hotels that were operational in both years

# 2016 Hotel Performance

Europe

**London**      Decline in demand and commencement of US\$120m renovation in September





Still open to all our fans.



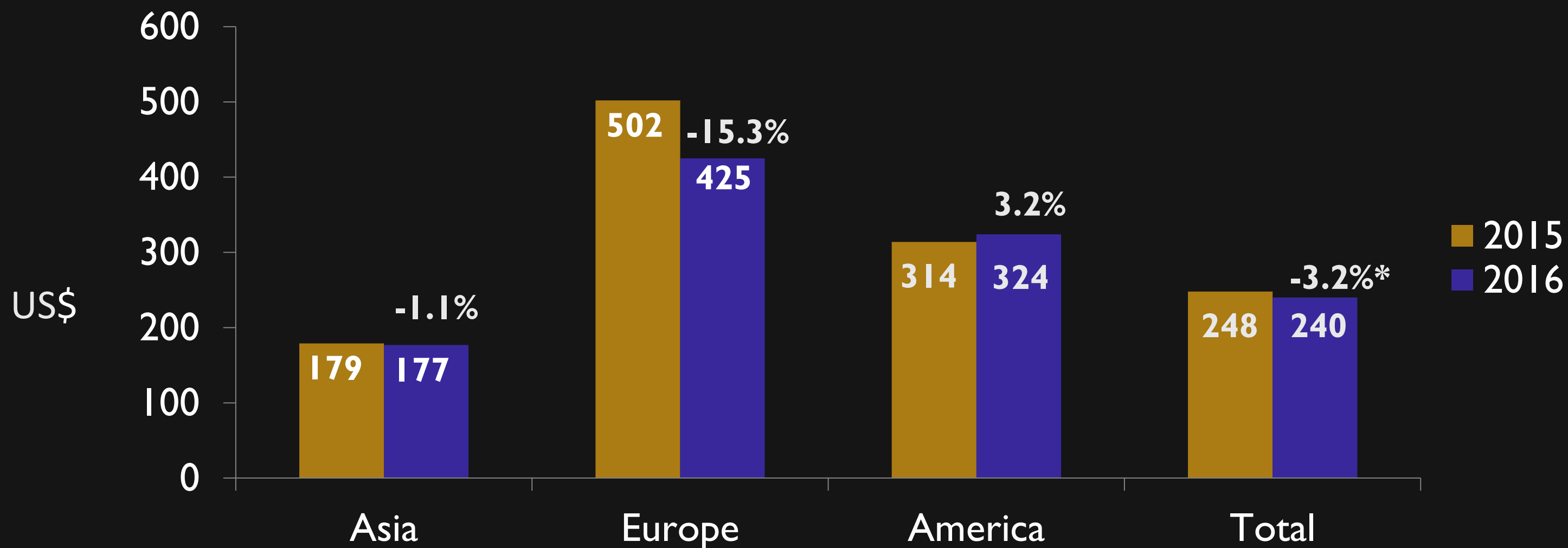


# 2016 Hotel Performance

## Europe

<b>London</b>	Decline in demand and commencement of US\$120m renovation in September
<b>Paris</b>	Ongoing security concerns and increased supply
<b>Munich</b>	Improved performance post renovation and new F&B facilities
<b>Geneva</b>	Maintained competitive position
<b>Madrid</b>	Increased rates and market share

# 2016 RevPAR Performance



\* Total RevPAR down by 2.4% in constant currency terms  
Includes only hotels that were operational in both years

# 2016 Hotel Performance

The Americas

**Boston**

Softer city-wide demand

**Washington D.C.**

Results impacted by rooms renovation

**New York**

Improved competitive performance benefiting from 2015 suite renovation





MANDARIN ORIENTAL  
THE HOTEL GROUP

# BRAND AWARENESS

# To be recognised as the world's best luxury hotel group

- Hotels positioned as leaders in their local markets
- Alert to new trends and opportunities
- Remain relevant to a multi-generational audience



## *Forbes Five Star Awards*

### 14 Mandarin Oriental hotels achieved 'Five Star' ranking

Mandarin Oriental, Bangkok

Mandarin Oriental, Guangzhou

Mandarin Oriental, Hong Kong

The Landmark Mandarin Oriental, Hong Kong

Mandarin Oriental, Macau

Mandarin Oriental Pudong, Shanghai

Mandarin Oriental, Singapore

Mandarin Oriental, Tokyo

Mandarin Oriental, Milan

Mandarin Oriental, Paris

Mandarin Oriental, Boston

Mandarin Oriental, Las Vegas

Mandarin Oriental, Miami

Mandarin Oriental, New York



*Condé Nast Traveler, US*  
Readers' Choice Awards

13 Mandarin Oriental hotels ranked as the best in their location

Mandarin Oriental, Bangkok

Mandarin Oriental, Hong Kong

Mandarin Oriental, Las Vegas

Mandarin Oriental Hyde Park, London

Hotel Ritz, Madrid

Mandarin Oriental, Miami

Mandarin Oriental, Milan

Mandarin Oriental, New York

Mandarin Oriental, Paris

Mandarin Oriental, Prague

Mandarin Oriental, Taipei

Mandarin Oriental, Tokyo

Mandarin Oriental, Washington D.C.



# *Travel + Leisure, US* World's Best Awards

Mandarin Oriental hotels ranked as the best in their location



Mandarin Oriental, Bangkok



Mandarin Oriental, Hong Kong




Mandarin Oriental, Tokyo



Mandarin Oriental, Paris





# Michelin Star Status

## 12 restaurants with 18 stars

### More than any other hotel group

Mandarin Oriental, Hong Kong  
*Pierre (Two stars);  
Man Wah; Mandarin Grill+Bar*

The Landmark Mandarin Oriental,  
Hong Kong  
*Amber (Two stars)*

Mandarin Oriental, Tokyo  
*Sense; Signature;  
Tapas Molecular Bar*

Mandarin Oriental Pudong,  
Shanghai  
*Yong Yi Ting*

Mandarin Oriental, Barcelona  
*Moments (Two stars)*

Mandarin Oriental Hyde Park, London  
*Dinner (Two stars)*

Mandarin Oriental, Milan  
*Seta (Two stars)*

Mandarin Oriental, Paris  
*Sur Mesure (Two stars)*



# Forbes 'Five Star Spas'

Mandarin Oriental, Bangkok  
Mandarin Oriental, Hong Kong  
The Landmark Mandarin Oriental, Hong Kong  
Mandarin Oriental, Macau  
Mandarin Oriental, Singapore  
Mandarin Oriental Pudong, Shanghai  
Mandarin Oriental, Tokyo  
Mandarin Oriental Hyde Park, London  
Mandarin Oriental, Boston  
Mandarin Oriental, Las Vegas  
Mandarin Oriental, Miami  
Mandarin Oriental, New York

12 'Five Star Spas'  
More than any other hotel group





MANDARIN ORIENTAL  
THE HOTEL GROUP

# DEVELOPMENT



# CURRENT GLOBAL PORTFOLIO



-  29 hotels
-  8,029 rooms
-  19 countries and territories



# HOTELS UNDER DEVELOPMENT



 Expected to open within 5 years

# Development

- Operating both owned and managed hotels in city centre and resort destinations
- Increase management contracts - brand of choice for owners
- Continuing re-investment in flagship properties
- Selective equity investment in strategic locations
- Grow portfolio of *Residences at Mandarin Oriental*



# Hotel Acquisition



## Mandarin Oriental, Boston

- US\$140 million acquisition in April 2016
- 148 rooms and 85 privately owned *Residences* under Group management since 2008

# New Project



## *Residences at Mandarin Oriental, Bali*

- 30 luxury *Residences* adjacent to Mandarin Oriental, Bali
- Due to open in 2019



# New Project



## Mandarin Oriental, Honolulu (*Management contract*)

- 125-room luxury hotel and 107 branded *Residences*
- Located in a mixed-use tower in the Ala Moana district
- Due to open in 2020



# Hotel Opening



## Mandarin Oriental, Doha (Management contract) Opening 2017

- First Mandarin Oriental in Middle East
- 158 rooms and 91 serviced apartments
- A new city centre development





# CASH FLOW, NET DEBT & SIGNIFICANT CAPITAL COMMITMENTS

# Financial Review

## Summary Cash Flow Statement

US \$ m	2016	2015
Operating activities		
EBITDA from subsidiaries	128	160
Dividends and interest from associates and JVs	9	8
Net interest paid	(9)	(10)
Tax paid	(19)	(19)
Other (principally working capital)	(1)	1
<b>Total</b>	<b>108</b>	<b>140</b>

- ❖ Weighted average interest was 2.1% (2.0% in 2015)
- ❖ Underlying EBITDA net interest was 10.9 times (12.3 times in 2015)



# Financial Review

## Summary Cash Flow Statement

US \$ m	2016	2015
Investing activities		
Boston acquisition	(140)	-
Madrid acquisition	-	(73)
Capital expenditure at existing hotels	(77)	(50)
Others	(5)	(1)
<b>Total</b>	<b>(222)</b>	<b>(124)</b>

# Financial Review

## Summary Cash Flow Statement

US \$ m	2016	2015
<b>Operating activities</b>	108	140
<b>Investing activities</b>	(222)	(124)
<b>Financing activities</b>		
Rights issue	-	314
Net drawdown/(repayment) of borrowings	50	(262)
Dividends paid	(57)	(75)
<b>Net decrease in cash</b>	<u>(121)</u>	<u>(7)</u>
Opening cash balance 1st January	308	324
Effect of exchange rate changes	(4)	(9)
<b>Closing cash balance 31st December</b>	<u>183</u>	<u>308</u>



# Financial Review

US \$ m	2016	2015
Net debt	297	132
Adjusted shareholders' funds*	3,888	3,569
Gearing	8%	4%
Adjusted net asset value per share (US \$)	3.10	2.84

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

# Financial Review

## Future Significant Capital Commitments

	US\$	Timing
London renovation	79m	2017-18
Madrid renovation (50% share)	47m	2018-19
Munich extension	132m	2017-21
<b>Total</b>	<b>258m</b>	



# Financial Review

- Approximately 49% of Group's debt hedged
- Average tenor of Group's borrowings is 2.6 years
- US\$183 million of cash and US\$76 million of undrawn committed facilities

# 2017 Outlook

- 2016 was a difficult year
- Challenging conditions likely to continue
- Earnings impacted by London renovation
- Focus on development





THANK YOU