



2019 HALF YEAR RESULTS

Mandarin Oriental Hotel Group

2019 Half Year Performance and Highlights

- Four new hotels opened – Beijing, Doha, Dubai, Lake Como
- Re-opening of Mandarin Oriental, Hyde Park London
- Two new management contracts signed
- Results lower due to closure of The Excelsior and renovation in Bangkok
- Otherwise, financial performance broadly in-line with last year

2019 Half Year Results Highlights

US \$ m	Jun 2019	Jun 2018 [^] restated
Combined Total Revenue*	641	700
Group Revenue [#]	280	308
Underlying EBITDA	69	84

[^] The comparative figures in 2018 have been restated due to the adoption of new accounting standard IFRS 16 'Leases'

* 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

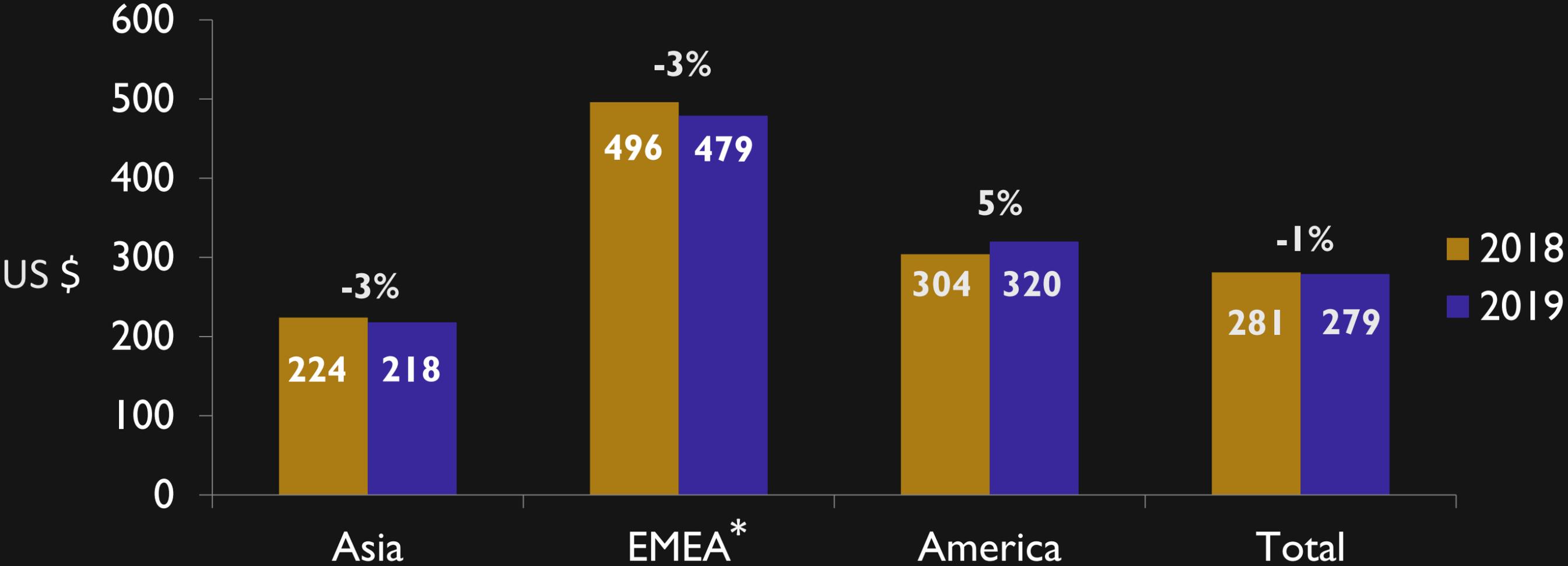
2019 Half Year Results Highlights

	Jun 2019	Jun 2018 restated
Underlying Profit Attributable to Shareholders (US \$ m)	11	22
Net Non-Trading Losses (US \$ m)	(23) [#]	-
Underlying Earnings per Share (US ¢)	0.85	1.76
Interim Dividend (US ¢)	1.50	1.50
Adjusted Net Asset Value per Share (US \$)	4.61	4.62 [*]

[#] Includes US\$25 million of accelerated depreciation and amortisation costs in connection with the closure of The Excelsior, Hong Kong

^{*} At 31st December 2018

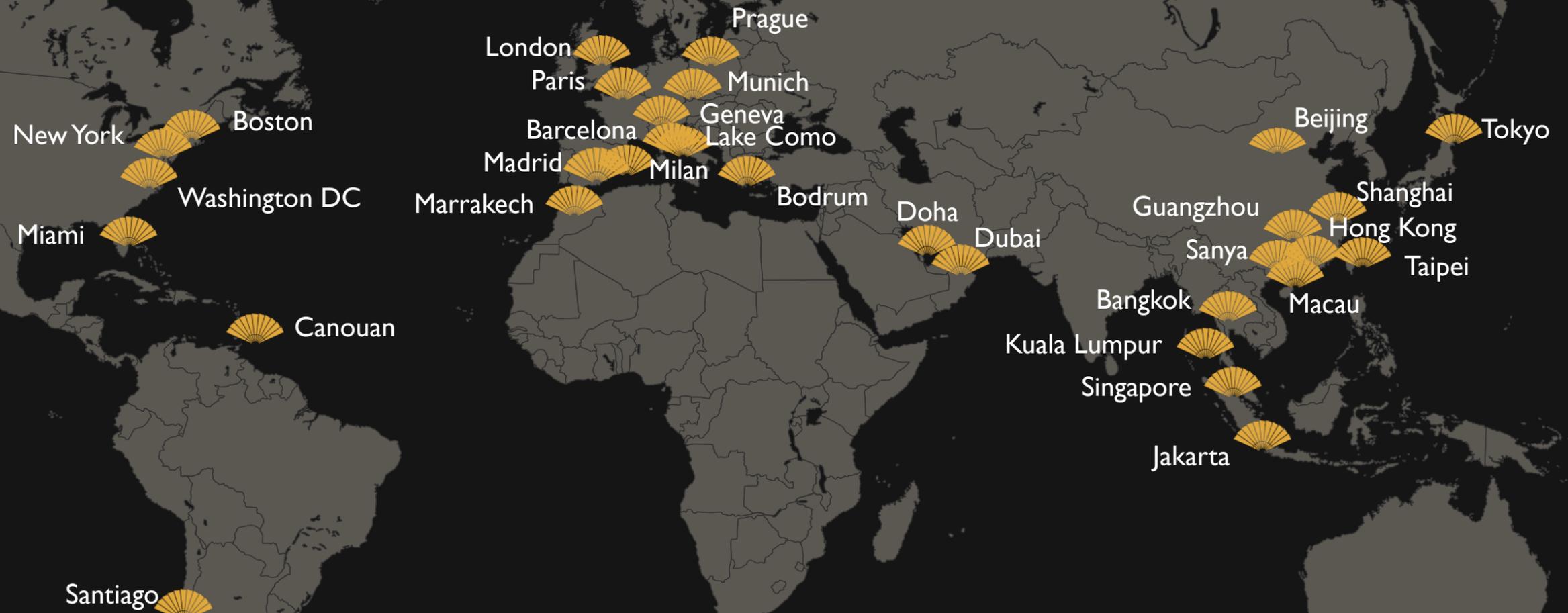
2019 Half Year RevPAR Performance



- All references to RevPAR are in US dollar terms on a like-for-like basis, unless otherwise stated. The like-for-like basis only includes hotels that were trading in the portfolio for a full first half of the year for both 2018 and 2019. Mandarin Oriental, Bangkok has been adjusted to include only 30 keys up until the hotel partially closed for renovation at the beginning of March.

* Europe, Middle East and Africa

CURRENT GLOBAL PORTFOLIO



 32 hotels

2019 Half Year Hotel Performance

Asia – Overall RevPAR down 3%

Mandarin Oriental, Hong Kong

Soft demand from corporate accounts

Tokyo

Strong market conditions

Bangkok

Partially closed in March for a major renovation and will re-open in October

Singapore

Market conditions remained steady

Kuala Lumpur

Improved occupancy

Jakarta

Rate pressures across the city

2019 Half Year Hotel Performance

EMEA – Overall RevPAR down 3%

London	Performance encouraging since reopening
Paris	Demonstrations impacted city-wide demand
Munich	Performance in-line with previous year
Geneva	Improved average rates offset by lower occupancy
Madrid	Closed in February 2018 for restoration and will re-open in mid-2020

2019 Half Year Hotel Performance

America – Overall RevPAR up 5%

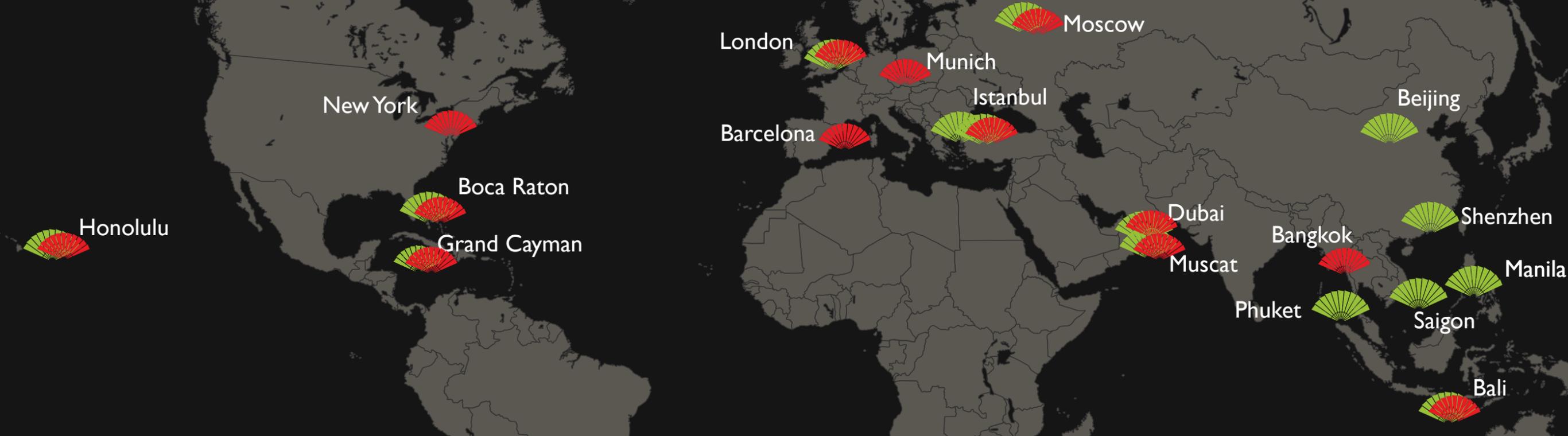
Boston	Regained market leadership position
Miami	RevPAR growth of 7%
New York	Improved competitive position
Washington D.C.	Demand mix impacted average rates



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DEVELOPMENT

DEVELOPMENT PORTFOLIO



Expected to open within 5 years

-  Hotels (15)
-  Residences (13)

Development Strategy Review

- Focus on management contracts
- Grow hotel, resort and residence portfolio across the world
- Open three to four properties per year

Hotel Openings

Mandarin Oriental, Doha
Opened on 9th March 2019



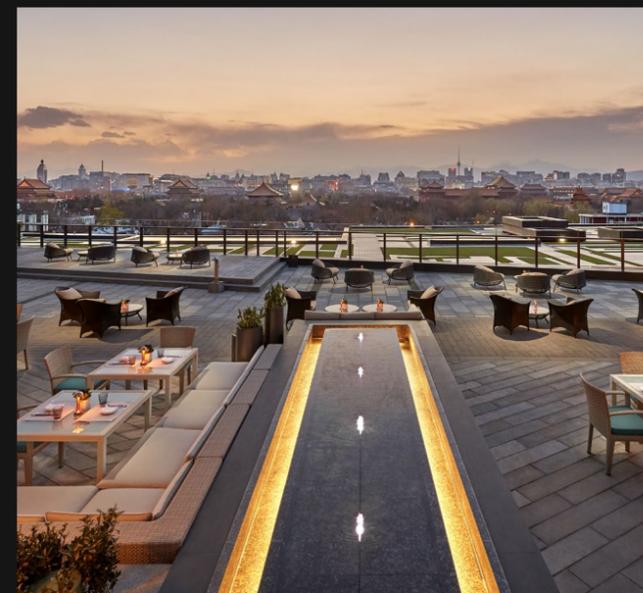
Mandarin Oriental Jumeira, Dubai
Opened on 18th February 2019



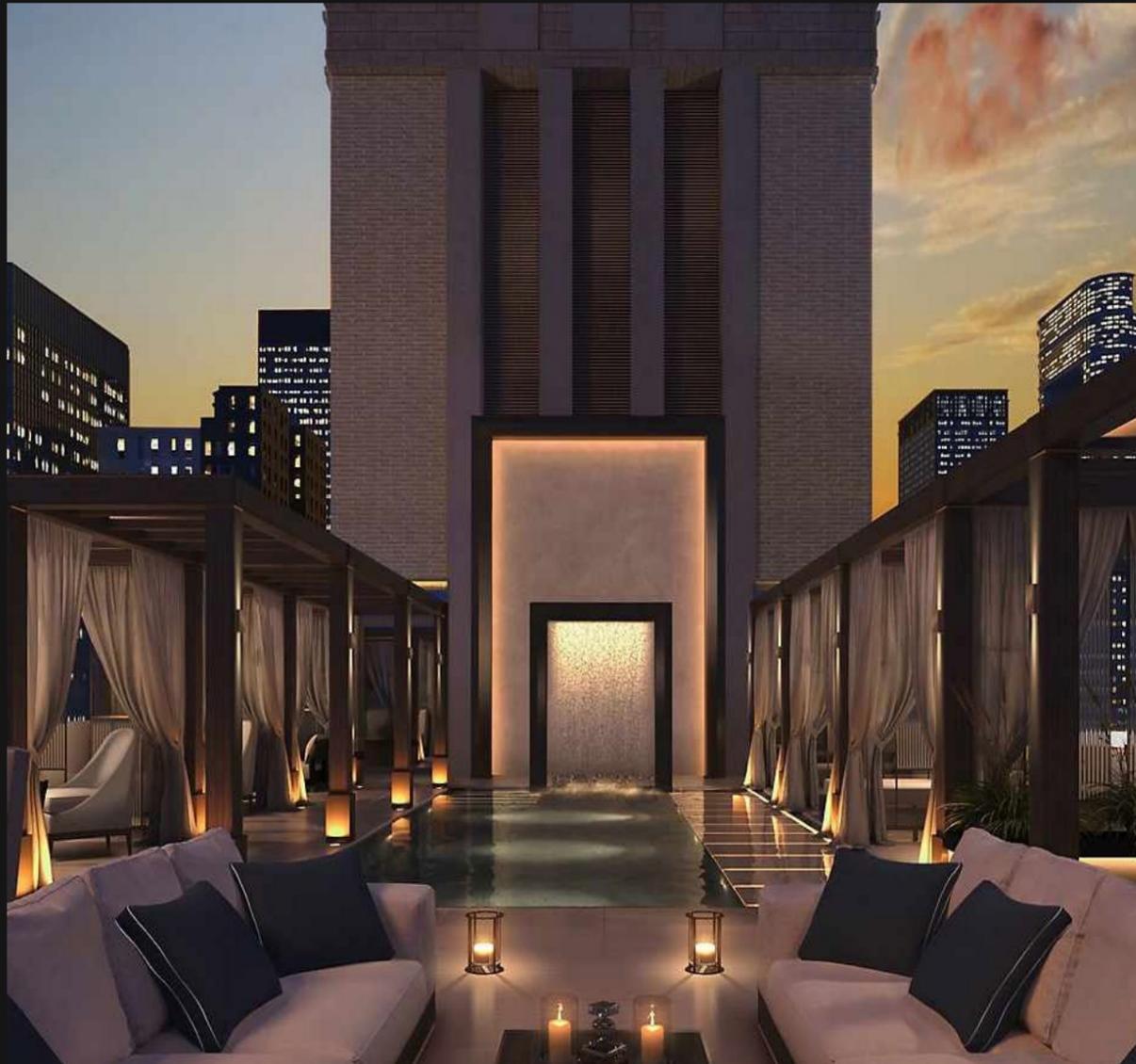
Mandarin Oriental, Lago di Como
Opened on 15th April 2019



Mandarin Oriental Wangfujing,
Beijing
Opened on 15th March 2019



New Project



Mandarin Oriental Residences at 685 Fifth Avenue (Management contract)

- 69 branded residences
- Scheduled for completion in 2020

New Project



Mandarin Oriental Etiler, Istanbul (Management contract)

- Second luxury hotel in Istanbul
- 158 rooms and 251 branded residences
- Scheduled to open in 2022



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FINANCIAL REVIEW

Underlying EBITDA Performance

Key Highlights

- US\$69 million, 18% lower than 1H 2018
- No earnings from The Excelsior from April onwards
- Lower earnings in Bangkok from March onwards due to renovation
- 2018's first half results benefited from Las Vegas termination fee

Financial Review

Non-trading Items

US \$ m	Jun 2019	Jun 2018
Fire at Mandarin Oriental Hyde Park, London		
Repair expenses and write-off of tangible assets and other incidental expenses	(8)	(20)
Insurance recovery for replacement of tangible assets and other incidental expenses	8	20
Closure of The Excelsior, Hong Kong		
Accelerated depreciation and amortisation	(25)	-
Other costs	(6)	-
Change in fair value of investment properties under development	9	-
Change in fair value of other investments	(1)	-
Net non-trading losses	(23)	-

Financial Review

Cash Flow Statement – Operating Activities

US \$ m	Jun 2019	Jun 2018 restated
Operating Activities		
EBITDA from subsidiaries	62	71
Dividends and interest from associates and JVs	3	3
Working capital movement	(22)	(24)
Net interest and other financing charges paid	(8)	(6)
Tax paid	(4)	(2)
Other (principally non-cash items) [#]	(8)	20
Total	23	62

- Weighted average interest was 2.6% (2.4% in 2018)

- Underlying EBITDA net interest coverage was 7.1 times (9.6 times in 2018)

[#] In 2019 related to the changes in fair value of The Excelsior and in 2018 related to the write-off of tangible assets in London

Financial Review

Cash Flow Statement – Investing Activities

US \$ m	Jun 2019	Jun 2018 restated
Investing activities		
Net capital expenditure on existing properties	(31)	(36)
Capex for redevelopment of The Excelsior	(4)	-
Payment on Munich expansion	(1)	-
Net advance to associates and joint ventures	(15)	(4)
Others	(1)	(1)
Total	(52)	(41)

Financial Review

Summary Cash Flow Statement

US \$ m	Jun 2019	Jun 2018 restated
Operating Activities	23	62
Investing Activities	(52)	(41)
Financing Activities		
Net drawdown of borrowings	14	24
Dividends paid	(19)	(19)
Others	(3)	(3)
Net (decrease)/increase in cash	<u>(37)</u>	<u>23</u>
Opening cash balance 1st Jan	247	184
Effect of exchange rate changes	1	(2)
Closing cash balance 30th June	<u>211</u>	<u>205</u>

Financial Review

Net Debt

US \$ m	Jun 2019	Dec 2018 restated
Net debt	336	285
Adjusted shareholders' funds [#]	5,828	5,827
Gearing	6%	5%
Adjusted net asset value per share (US \$)	4.61	4.62

[#] The Group's investment properties under development are carried at fair value. Shareholders' funds have been adjusted to include the market value of the Group's ownership interest in its freehold and leasehold properties which are carried at amortised cost in the consolidated balance sheet

Financial Review

- Approximately 49% of Group's debt hedged
- Average remaining tenor of Group's borrowings is 4.7 years
- US\$211 million of cash and US\$268 million of undrawn committed facilities

Financial Review

Future Significant Capital Commitments

	US \$	Timing
Madrid renovation (Group's 50% share)	42m	2019-20
Munich extension	139m	2019-23
Redevelopment of The Excelsior	585m	2019-25
Total	766m	

- The Group's strong balance sheet is well-placed to fund capital commitments through the use of external debt and cash reserves

2019 Outlook

- Five new properties to open in 2019
- Additional new projects to be announced
- Mixed trading conditions expected to continue
- Results will benefit from the re-opening of the London hotel



Questions to investors@mohg.com