



2021 HALF YEAR RESULTS

Mandarin Oriental Hotel Group

Highlights

- Q1 trading challenging as expected
- Q2 improved performances, except in Asia
- Increased vaccination levels and reduced border restrictions will drive demand
- Cost actions taken in 2020 benefited 1H 2021 performance
- Lower underlying loss incurred than prior year
- Owned hotels in aggregate remain loss making
- Management business breakeven
- Solid development pipeline, several new hotel openings
- Robust liquidity and funding position

Results Overview

US \$ m	IH 2021	IH 2020
Combined Total Revenue*	382	276
Group Revenue [#]	102	96
Underlying EBITDA	(17)	(50)

- In H12021, government subsidies of US\$19m were recognised in EBITDA across subsidiaries, management business and associates and joint ventures. In H12020, this was US\$12m.

* 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

Results Overview

	IH 2021	IH 2020
Underlying Loss Attributable to Shareholders	(67)	(102)
Net Non-Trading Losses (US \$ m) [#]	(89)	(334)
Loss Attributable to Shareholders (US \$ m)	(156)	(436)
Interim dividend per Share (US ¢)	-	-
Adjusted Net Asset Value per Share (US \$)	3.95	4.09*

[#] Comprises a 3% decrease in the valuation of the Causeway Bay site under development (previously the site of The Excelsior hotel in Hong Kong), in line with the overall market trend in respect of reductions in property values. The redevelopment was valued at some US\$2.4 billion, net of future construction costs, a decrease of US\$89m during the first half of 2021.

* At 31st December 2020

Cash Flow Overview

- EBITDA cash outflow was US\$15m*, significant improvement from 2020
- Capital expenditures and investments of US\$58m
- Robust liquidity position, further enhanced in early 2021
- Balance sheet strong, gearing remains low

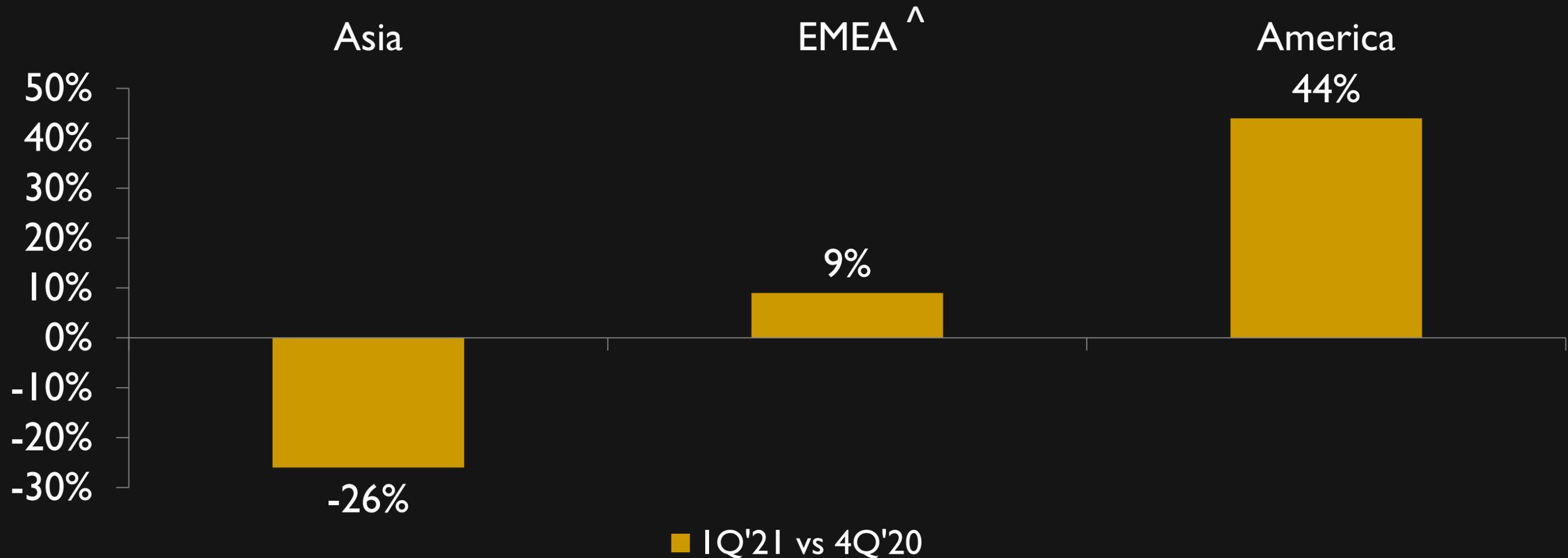
* EBITDA cash outflow includes earnings from subsidiary hotels, the management business and working capital movement



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OPERATIONAL PERFORMANCE

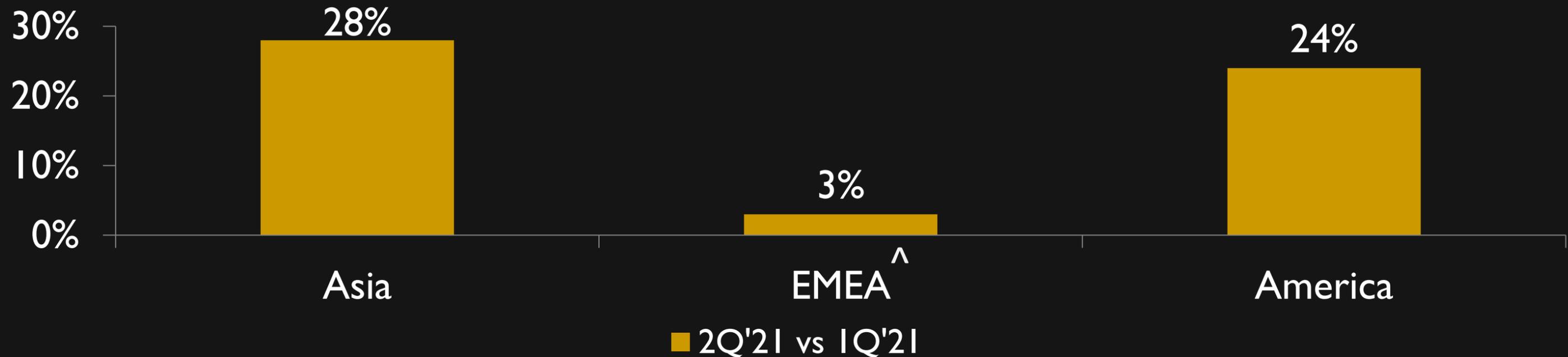
Quarterly RevPAR Performance



- Figures shown in US\$ on a like-for-like basis for all hotels that were in the Group's portfolio and operating in 2021. As Mandarin Oriental Ritz, Madrid was closed for restoration from February 2018 to April 2021, Riyadh was not operational for 2020 and periods of 2021, Bodrum and Como were closed for the winter, their results are excluded from this analysis. Figures are shown *excluding* periods when the hotels were closed in 2020 due to COVID-19 restrictions, in line with STR and other industry reports.

[^] Europe, Middle East and Africa

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Owned Hotels Operating Performance in 2021

Asia

- Losses in most owned hotels, trading conditions difficult due to border restrictions and low vaccination levels
- Hong Kong achieved positive EBITDA, c.30% occupancy

Europe

- London closed from Jan to May, Madrid opened in April
- Significant government financial support received in Paris and Munich

America

- Miami positive EBITDA buoyed by strong demand
- Challenging trading in Washington D.C. and Boston, signs of improvement
- New York reopened in April after year-long closure, strong demand

Management Business

- Management business breakeven, compared to loss in prior period
- Results benefited from decisive cost actions taken in 2020
- Branding fees received from several projects
- Sales and marketing activities curtailed, expect to invest as markets reopen
- Profitability expected to improve quickly as demand returns
- Future profit growth engine of the Group

Redevelopment of the Causeway Bay Site

- On track to complete in 2025 as a mixed-use commercial building
- Total project costs of some US\$650m, some US\$50m invested to date
- Currently in basement excavation phase
- Not the Group's intention to be the long-term owner of commercial property
- Development valued at some US\$2.4 billion at 30th June 2021



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FINANCIAL REVIEW

Financial Review

Cash Flow Statement – Operating Activities

US \$ m	IH 2021	IH 2020
Operating Activities		
EBITDA from subsidiaries and non-cash items	(11)	(42)
Working capital movement	(4)	(1)
Net interest and other financing charges paid	(7)	(7)
Tax paid	(1)	(8)
Total	(23)	(58)

Financial Review

Cash Flow Statement – Investing Activities

US \$ m	IH 2021	IH 2020
Investing activities		
Net capital expenditure on existing properties	(11)	(18)
Munich hotel expansion	(29)	-
Redevelopment of the Causeway Bay site	(12)	(11)
Restoration of the Madrid hotel	(4)	(19)
Net advance to associates and joint ventures	(2)	(4)
Total	(58)	(52)

Financial Review

Summary Cash Flow Statement

US \$ m	IH 2021	IH 2020
Operating Activities	(23)	(58)
Investing Activities	(58)	(52)
Financing Activities		
Net drawdown of borrowings	57	32
Others	(1)	(3)
	<hr/>	<hr/>
Net decrease in cash	(25)	(81)
Opening cash balance 1st January	165	271
Effect of exchange rate changes	(2)	(3)
Closing cash balance 30th June	<hr/> 138	<hr/> 187

Financial Review

Net Debt

US \$ m	Jun 2021	Dec 2020
Adjusted shareholders' funds [#]	4,990	5,171
Adjusted net asset value per share (US \$)	3.95	4.09
Net debt	590	506
Gearing	12%	10%
Hedging ratio on gross debt	38%	41%
Average tenor of debt	2.6 years	3.2 years
Cash balance	138	165
Undrawn committed debt facilities	303	163

[#] Includes the market value of the Group's ownership interest in its freehold and leasehold properties

Financial Review

Future Significant Capital Commitments

	US \$ m	Timing
Munich expansion	105	2021-25
Redevelopment of the Causeway Bay site	558	2021-25
Total	663	



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HOTEL OPENINGS AND HOTELS UNDER DEVELOPMENT

DEVELOPMENT PORTFOLIO



Expected to open within the next five years

-  Hotels (21)
-  Residences (13 of which 2 are standalone)

Development Update

- Development pipeline all managed properties, no equity investment required
- Focus on city-centre and resort locations where brand is currently absent
- Many projects at an advanced stage of completion
- Construction delays expected due to pandemic
- Two new management contracts announced
- Development team remain very active, supported by investors positive attitude towards luxury hospitality

New Project



Mandarin Oriental, Da Nang (*Management contract*)

- 69 villas and 18 branded residences
- Beach front resort
- Scheduled to open in 2024

New Project



Mandarin Oriental, Hangzhou (Management contract)

- 194 rooms and suites
- Located close to the West Lake, a premier leisure and business destination in China
- Scheduled to open in 2025

New Hotels Under Operation



Al Faisaliah Hotel, Riyadh (Management contract)

- 321 rooms and suites
- Takeover effective from March 2021
- To be rebranded as Mandarin Oriental Al Faisaliah, Riyadh, following an extensive renovation

Opened in 2021



Mandarin Oriental Ritz, Madrid (50% ownership)

- Extensive renovation of heritage building
- Excellent media and customer feedback
- Flagship hotel for the brand
- 153 rooms and suites
- Opened in April 2021

Scheduled Openings in 2021



Mandarin Oriental Bosphorus, Istanbul (Management Contract)

- Due to open in August
- 100 rooms and suites
- First new hotel to open on The Bosphorus for some time

Scheduled Openings late 2021



Mandarin Oriental, Shenzhen (Management Contract)

- 178 rooms including 16 suites
- Located on top of a 388-metre tower
- Part of the premier Shum Yip's UpperHills mixed use project

2021 Outlook

- Vaccination roll-out and removal of barriers to travel will allow improvement in trading conditions
- Pent-up demand for travel
- Improved performances in markets where travel permitted
- Short-term trading outlook for Asia generally challenging
- Mandarin Oriental brand remains strong, supported by pipeline of new hotels
- Excellent long-term prospects for luxury hospitality



Questions to investors@mohg.com