



The Hongkong and Shanghai Hotels

2022 Annual Results

15 March 2023

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Key messages

- Navigated challenges well given unprecedented circumstances
- Positive momentum towards end of 2022
- Reported a positive EBITDA before pre-opening and project expenses of HK\$518m vs HK\$457m last year
- Conservative liquidity cover and stable balance sheet
- Strong brand maintained
- The Peninsula London soft opening to be held later in 2023
- The Peninsula Istanbul soft opening held on 14 February 2023
- Peak Tram re-opened in August 2022





2022 Financial Results

2022 Highlights



Revenue

+21%
↑ HK\$ **4,198m**
2021 HK\$3,461m



EBITDA before pre-opening & project expense

+13%
↑ HK\$ **518m**
2021 HK\$457m



Net op. cashflow¹

+19%
↑ HK\$ **82m**
2021 HK\$69m



Liquidity buffer & Gearing

HK\$ 3.6bn
Available Committed
facilities

26%
Net debt to total assets



Projects

The Peak Tram

Re-opened in Aug 2022

The Peninsula Istanbul

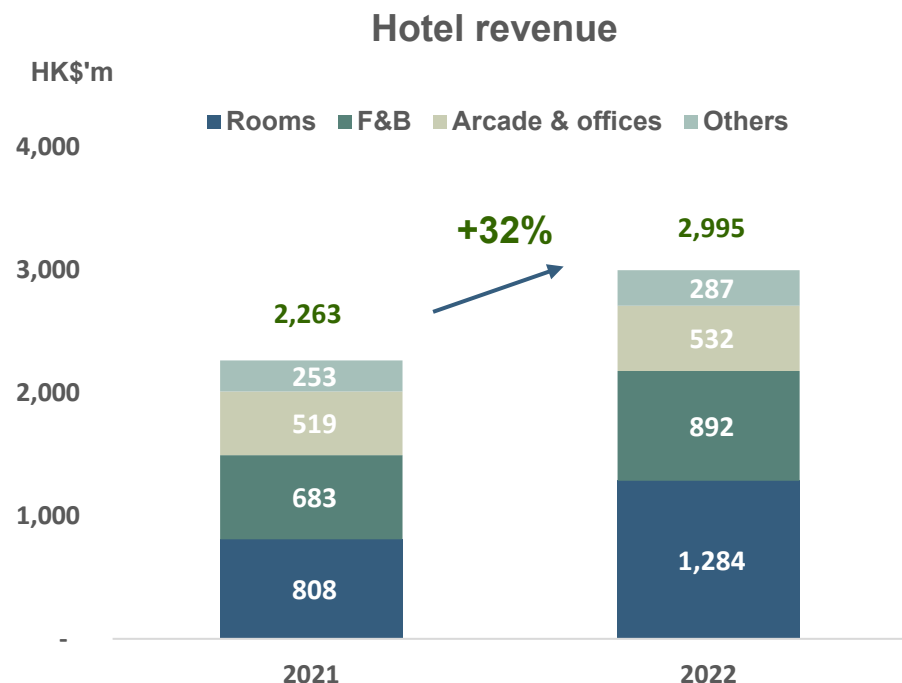
Soft opening was in Feb 2023

The Peninsula London

Soft opening later in 2023

Note1: After tax, working capital, normal CAPEX, net interest and lease attributable to existing operations, before project expense

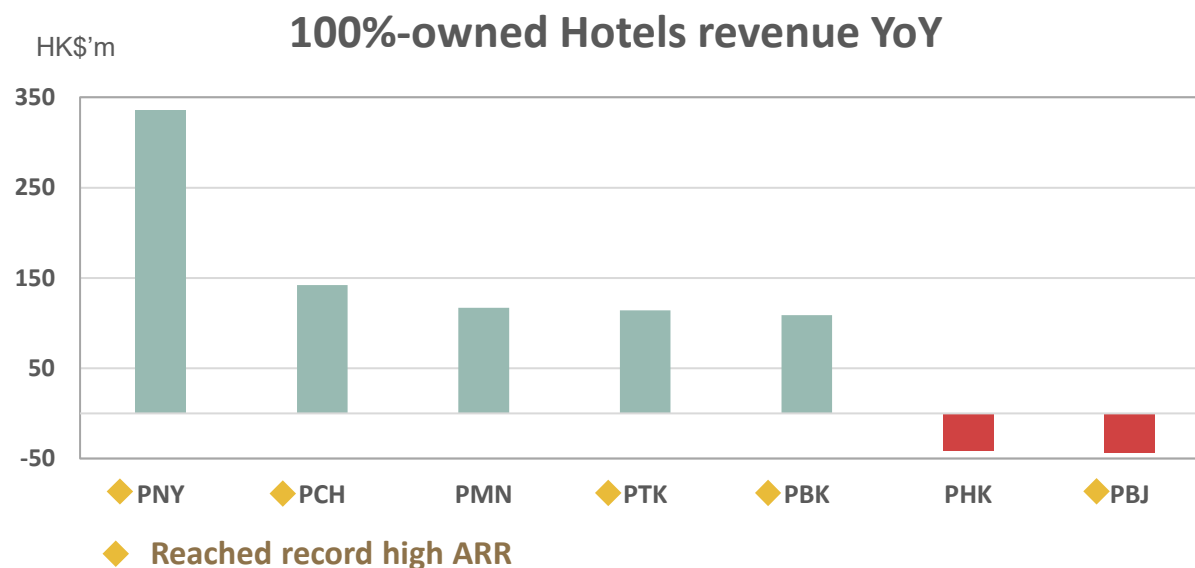
Hotels



Hotel consolidated EBITDA + HK\$180m YoY

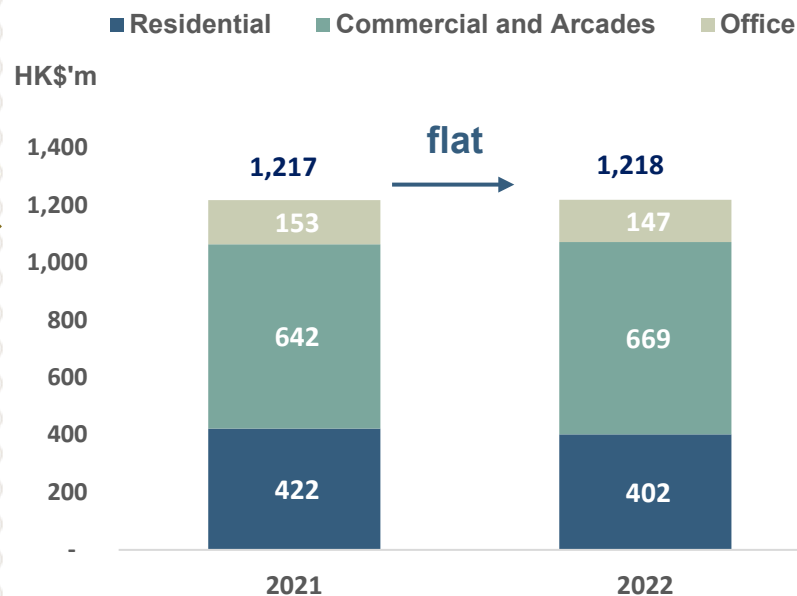
Revenue +32%

- Positive recovery trend from Rooms & F&B
- Fast rebound in the US and Europe
- Good recovery in other Asian markets particularly for Tokyo towards end of the year
- Record ARR for majority of our hotels
- Hong Kong and mainland China continued to suffer from stringent COVID-19 travel restrictions for much of the year



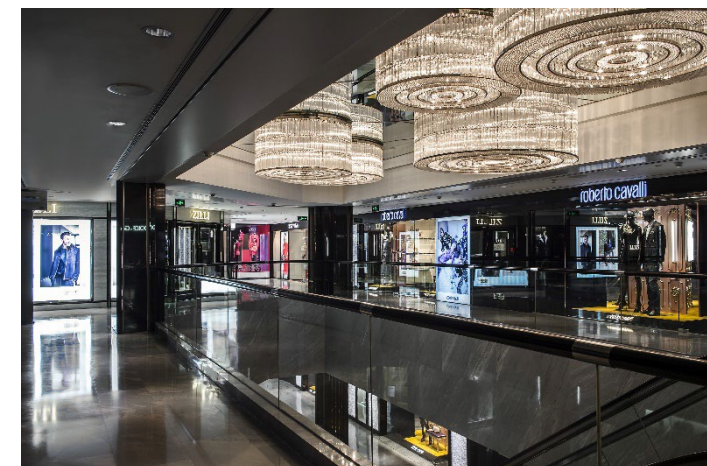
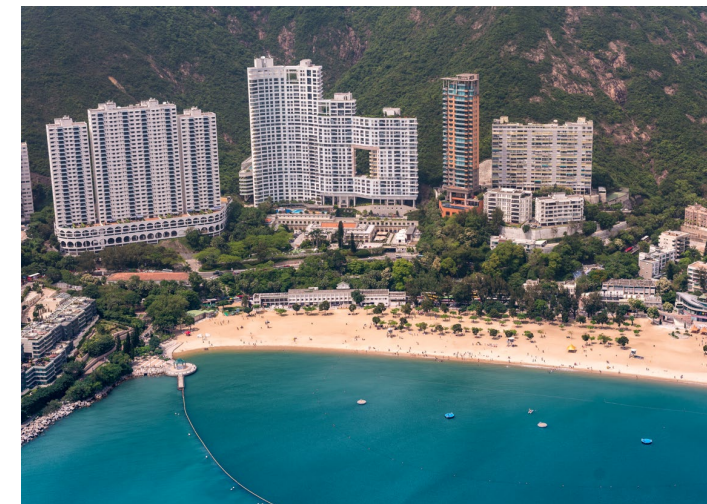
Commercial properties

Rental income Incl. arcade



Rental income
HK\$1.2bn

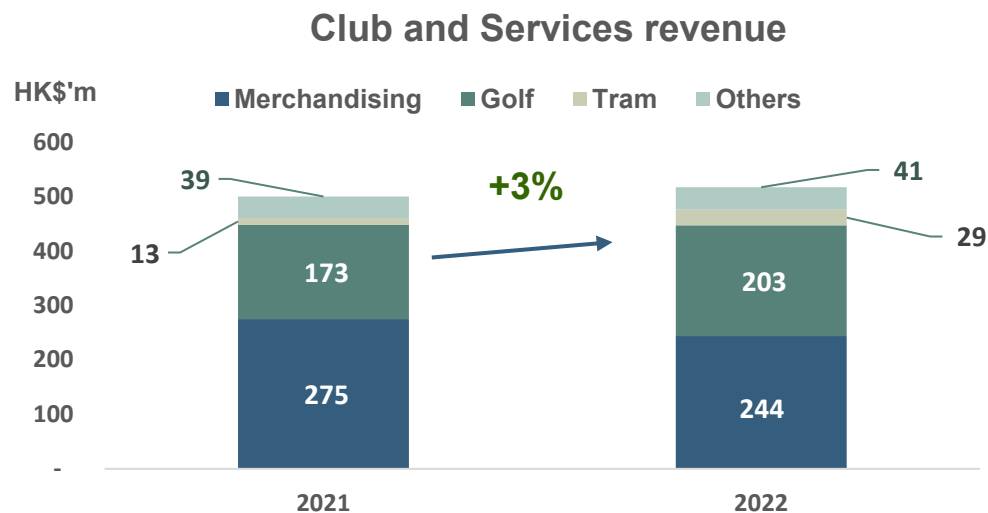
- Decrease of rental income from Residential
- Stronger performance from arcade rental
- The Peak Tower improved slightly boosted by re-opening of the Peak Tram in Aug 2022
- Office rental income remains stable



Clubs & Services

Revenue **+3%**

- Mooncake sales impacted by softer China/Hong Kong market
- Merchandising division is expanding in China with new retail boutiques and online sales channels.
- “*The Quail, A Motorsports Gathering*” in Aug 2022 continues to be a great success
- The Peak Tram re-opened in Aug 2022



Financial results

(HK\$ million)			
For the year ended 31 December	2022	2021	- Changes
Revenue	4,198	3,461	21%
Operating costs	(3,680)	(3,004)	-23%
EBITDA before pre-opening and project expenses	518	457	13%
Pre-opening and project expenses	(119)	(63)	-89%
EBITDA	399	394	1%
Depreciation and amortization	(452)	(499)	9%
Operating loss	(53)	(105)	50%
Net financing charges	(198)	(153)	-29%
Loss after net financing charges	(251)	(258)	3%
Share of results of joint ventures and associates	(65)	(15)	-333%
Increase /(decrease) in fair value of IPs	(152)	670	n/a
Provision for impairment loss of PYN	0	(679)	100%
Tax	(17)	(37)	54%
Non-controlling interests	(3)	199	n/a
Loss attributable to shareholders	(488)	(120)	-307%
Underlying (loss)/profit	(205)	(255)	20%



Cash flow summary

(HK\$ million)

For the year ended 31 December

	2022	2021
Operating EBITDA (before pre-opening and project expenses)	518	457
Changes in working capital and tax payment	18	(76)
Normal capital expenditure on existing assets (excluding projects)	(200)	(141)
Net cash inflow/(outflow) after normal capital expenditure	336	240
Net interest and lease payments for operations	(254)	(171)
Net cash inflow/(outflow) before financing activities	82	69
Project-related cash flows		
Capital expenditure on new projects	(2,464)	(2,254)
Capital expenditure on Peak Tram upgrade project	(161)	(193)
Pre-opening and project expenses	(119)	(63)
Interests incurred on projects	(196)	(125)
Cash outflow for projects	(2,940)	(2,635)
Dividends paid, other payments & receipts	82	(17)
Net cash outflow before financing	(2,776)	(2,583)



Capital structure and balance sheet

Credit metrics		Balance sheet			Financing arranged in 2022	
<div>HK\$3.6bn</div> <div>Available liquidity</div>		(HK\$ million)	2022	2021	<div>GBP 675m</div> <div>New 3-year green term loan to early refinance GBP 650m club loan due in 2023</div>	
<div>HK\$5bn+</div> <div>Peninsula London apartments contract exchanged</div>		As at 31 Dec				
		Total cash	585	479		
		Total assets	56,581	55,685		
		Total debt	15,192	13,379	<div>HK\$ 2.8bn</div> <div>Equivalent of other refinancing executed</div>	
<div>26%</div> <div>Net debt to total assets</div>	<div>2.15%</div> <div>Weighted average gross interest rate</div> <div>↑ 65bp up 2021</div>	Net debt	14,607	12,900	<div>37%</div> <div>of committed facilities classified as green loan as at 31 Dec 2022</div>	
<div>2.2 years</div> <div>Average debt duration</div>	<div>46%</div> <div>Fixed to floating interest rate ratio</div>	Shareholders equity	36,016	36,762	<div>20%</div> <div>of committed facilities classified as sustainable linked loan as at 31 Dec 2022</div>	
		Total equity	36,120	36,865		

Note: Debt related metrics exclude lease liabilities.



Hotels



THE PENINSULA

HONG KONG



Revenue - 6%
Occupancy - 13 pp
ARR +19%
RevPAR - 25%

- Negatively impacted by stringent travel restrictions and social distancing measures
- Double digit increase in average room rates
- The Peninsula Arcade was 92% occupied



THE PENINSULA
SHANGHAI
上海半岛酒店



Revenue - 36%
Occupancy - 28 pp
ARR - 3%
RevPAR - 53%

- Challenging 2022 due to stringent COVID restrictions with full lockdown from Apr to Jun 2022
- Remained to be RevPAR leader despite weak environment
- The arcade was 94% occupied



THE PENINSULA
BEIJING
王府半岛酒店



Revenue - 14%
Occupancy - 12 pp
ARR + 5%
RevPAR - 38%

- Challenging year due to stringent COVID-19 restrictions and lockdowns
- The arcade business was 98% occupied and business in the retail outlets was robust
- Some of our anchor tenants are undergoing expansion of their space



THE PENINSULA T O K Y O



Revenue + 62%
Occupancy + 13pp
ARR + 42%
RevPAR + 99%

- Gained momentum towards the end of the year
- Achieved very high average room rates
- Banquets and large events increased significantly in second half of 2022



THE PENINSULA B A N G K O K

Revenue + 393%
Occupancy + 17 pp
ARR + 90%
RevPAR + 273%



- Experienced a strong second half after removal of COVID-19 related restrictions
- All business areas picked up gradually throughout the year and December was particularly strong



THE PENINSULA

MANILA



Revenue + 341%
Occupancy + 39 pp
ARR + 37%
RevPAR + 481%

- Experienced a strong year after a relatively weak first two months
- Diplomatic and corporate business was strong
- Suite business was good and new Club Lounge brought in significant revenue



THE PENINSULA NEW YORK



Revenue + 89%
Occupancy + 8 pp
ARR + 16%
RevPAR + 32%

- Experienced fast recovery and strong rebound
- Achieved a very high average rate
- Food and beverage revenue was good



THE PENINSULA CHICAGO



Revenue	+ 32%
Occupancy	+ 7 pp
ARR	+ 15%
RevPAR	+ 30%

- Very strong year in 2022
- Achieved very high occupancy and average rates
- Maintained RevPAR leader position in the market



THE PENINSULA

BEVERLY HILLS



Revenue + 18%
Occupancy + 10 pp
ARR + 18%
RevPAR + 39%

- Successful 2022 with very high average rates
- Food and beverage performed well throughout the year
- Banqueting and catering demand was strong



THE PENINSULA PARIS



Revenue + 78%
Occupancy + 11 pp
ARR + 39%
RevPAR + 93%

- Business rebounded from Mar 2022 after uplift of all COVID-19 restrictions
- High demand for suites and family travel
- Achieved very high occupancy and average rates



Commercial Properties





Revenue - 2%

- Overall revenue declined by 2% due to lack of international arrivals affecting the luxury residential leasing market
- Food and beverage business impacted in the first half, although catering revenue picked up the second half when large events and banquets could be held again



Revenue + 6%

- Remains significantly impacted by the lack of foreign visitors to Hong Kong
- Revenue improved by 6% boosted by the re-opening of the Peak Tram in Aug 2022



St John's Building



Revenue

- 7%

- Occupancy remained stable
- 92% occupied



The Landmark



Revenue

+ 9%

- Business performance was positive in 2022
- Revenue and occupancy improved compared to the previous years



21 Avenue Kléber



Revenue

+ 4%

- Office space and both retail spaces fully leased
- Occupancy remained stable



Clubs and Services



Revenue
+112%













THE PENINSULA BOUTIQUE



Revenue - 11%

- Revenue decreased compared to last year
- Expansion in several markets including the Chinese mainland to direct operate retail boutiques and online sales channels



Revenue + 18%

- Revenue increasing 18% year on year due to significant increase in average rates and Quail events
- Delighted to host *The Quail: A Motorsports Gathering* which brought substantial sponsorship



New hotel developments

THE PENINSULA

L O N D O N



- The Peninsula London project has experienced delays and cost overruns
- The soft opening date is targeted to be later in 2023
- Revised budget of the project is GBP 1,020m



















THE PENINSULA

ISTANBUL



- Soft opening of the hotel was held on 14 February 2023
- Two buildings and spa ready for guest stays and Lobby open for business
- The rooftop restaurant Gallada will open in summer 2023

THE PENINSULA
I S T A N B U L



THE PENINSULA
I S T A N B U L



THE PENINSULA
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THE PENINSULA
I S T A N B U L





Sustainable Luxury Vision 2030



Outlook



Outlook

- Recovery in Hong Kong important for our group
- Opening up of China is a positive step
- We are optimistic for our retail arcades and merchandising business
- Immediate focus remains on delivering our new Peninsula hotel project in London
- Geopolitical uncertainties
- Strong balance sheet and liquidity
- Committed to the long-term development of the group and the Peninsula brand



Q & A

