



THE HONGKONG AND SHANGHAI HOTELS  
FY 2017 RESULTS



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## DISCLAIMER



# FY2017 REVIEW



# 2017 HIGHLIGHTS

- Satisfactory financial results for FY 2017
- Completed two major renovations
  - Transformation of The Peninsula Beijing into an all-suite hotel
  - Complete renovation of 21 avenue Kleber, Paris
- Groundbreaking ceremonies of The Peninsula London and The Peninsula Yangon and good progress made in Istanbul
- The Peninsula Tokyo celebrated its 10<sup>th</sup> anniversary in October 2017





# FINANCIAL HIGHLIGHTS



# FINANCIAL HIGHLIGHTS FOR FY 2017

HK\$ MILLION	2017	2016	VARIANCE
REVENUE	5,782	5,631	3%
EBITDA	1,422	1,288	10%
EBITDA MARGIN	25%	23%	2pp
NON-OPERATING ITEMS	609	29	2,000%
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	1,155	675	71%
EPS (HK CENTS)	73	43	70%
UNDERLYING PROFIT	801	646	24%
TOTAL DIVIDEND PER SHARE (HK CENTS)	20	19	5%



# HOTELS DROVE EARNINGS GROWTH

HK\$ MILLION	2017			2016			2017 vs 2016
	GROUP'S SUBSIDIARIES	ASSOCIATES AND JV (2)	COMBINED TOTAL	GROUP'S SUBSIDIARIES	ASSOCIATES AND JV (2)	COMBINED TOTAL	
<b>Revenue</b>							
Hotels	4,189	531	4,720	4,040	519	4,559	4%
Commercial Properties	943	–	943	935	–	935	1%
Clubs and Services	650	–	650	656	–	656	-1%
	5,782	531	6,313	5,631	519	6,150	3%
<b>EBITDA (1)</b>							
Hotels	732	161	893	649	138	787	13%
Commercial Properties	558	–	558	518	–	518	8%
Clubs and Services	132	–	132	121	–	121	9%
	1,422	161	1,583	1,288	138	1,426	11%
<b>EBITDA Margin</b>							
Hotels	17%	30%	19%	16%	27%	17%	2pp
Commercial Properties	59%	–	59%	55%	–	55%	4pp
Clubs and Services	20%	–	20%	18%	–	18%	2pp
Overall EBITDA Margin	25%	30%	25%	23%	27%	23%	2pp

(1) Table includes management fees

(2) Effective share



# CAPITAL EXPENDITURE SHIFTING TO NEW PROJECTS

HK\$ MILLION	2017	2016
EBITDA	1,422	1,288
NET CHANGE IN WORKING CAPITAL AND TAX PAYMENTS	(206)	(112)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,216</b>	<b>1,176</b>
CAPITAL EXPENDITURE ON EXISTING ASSETS	(601)	(1,000)
<b>NET CASH INFLOW AFTER NORMAL CAPEX</b>	<b>615</b>	<b>176</b>
DIVIDENDS AND NET FINANCING CHARGES	(203)	(194)
ACQUISITION OF ADDITIONAL INTEREST IN 1-5 GROSVENOR PLACE	-	(1,288)
ACQUISITION OF 5 APARTMENT UNITS FROM JOINT VENTURE IN SHANGHAI	(423)	-
CAPITAL EXPENDITURE ON NEW PROJECTS	(630)	(131)
<b>NET CASH INFLOW/(OUTFLOW) FOR THE PERIOD</b>	<b>(641)</b>	<b>(1,437)</b>



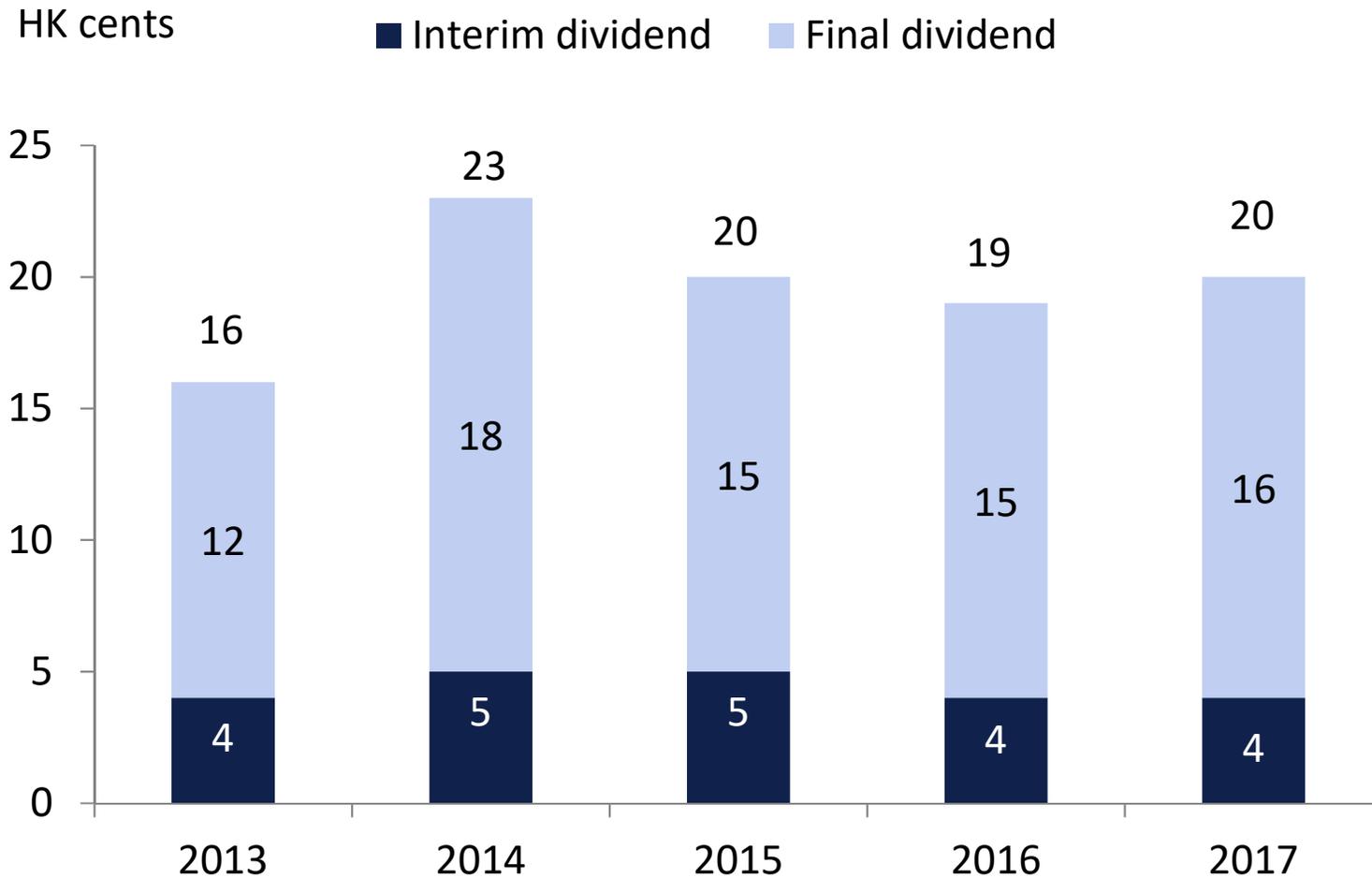
# OUR BALANCE SHEET REMAINS STRONG

HK\$ MILLION	2017	2016
GROSS BORROWINGS	7,443	6,998
NET BORROWINGS	5,521	4,911
NET GEARING	13%	12%
WEIGHTED AVERAGE GROSS INTEREST RATE	2.2%	2.1%
NET INTEREST COVER (TIMES)	10.6x	8.6x
CASH INTEREST COVER (TIMES)	11.9X	13.8X





# DIVIDEND PER SHARE IN LINE WITH LAST YEAR



# THE PENINSULA HOTELS



THE PENINSULA  
HONG KONG



THE PENINSULA  
SHANGHAI



THE PENINSULA  
BEIJING



THE PENINSULA  
TOKYO



THE PENINSULA  
MANILA



THE PENINSULA  
BANGKOK



THE PENINSULA  
NEW YORK



THE PENINSULA  
BEVERLY HILLS



THE PENINSULA  
CHICAGO



THE PENINSULA  
PARIS





THE PENINSULA  
HONG KONG



THE PENINSULA

SHANGHAI

上海半岛酒店



THE PENINSULA

BEIJING

王府半岛酒店



THE PENINSULA  
T O K Y O



THE PENINSULA  
M A N I L A



THE PENINSULA  
BANGKOK



THE PENINSULA  
NEW YORK



THE PENINSULA  

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CHICAGO



THE PENINSULA  
BEVERLY HILLS



THE PENINSULA  
P A R I S

# COMMERCIAL PROPERTIES DIVISION



THE REPULSE BAY COMPLEX,  
HONG KONG



THE PEAK TOWER,  
HONG KONG



ST. JOHN'S BUILDING,  
HONG KONG



THE LANDMARK, VIETNAM



21 AVENUE KLEBER, PARIS









**St John's Building**



The Landmark



21 avenue Kléber

# CLUBS AND SERVICES DIVISION



THE PEAK TRAM



THAI COUNTRY CLUB



QUAIL LODGE & GOLF CLUB, CARMEL



PENINSULA CLUBS



PENINSULA  
MERCHANDISING



TAI PAN LAUNDRY











The Peninsula  
Beijing:  
A Transformation















**NEW HOTEL  
PROJECTS**



# THE PENINSULA

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L O N D O N

Peninsula Hotels



# THE PENINSULA

Y A N G O N



# THE PENINSULA

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I S T A N B U L

# CORPORATE RESPONSIBILITY & SUSTAINABILITY

OUR GUESTS



OUR PEOPLE



OUR CITIES



**MORE THAN 80% OF VISION 2020 COMMITMENTS ARE ON TRACK OR ACHIEVED**





# OUTLOOK





Q & A