



THE HONGKONG AND SHANGHAI HOTELS, LIMITED

1H 2018



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1H 2018 REVIEW



1H 2018 HIGHLIGHTS

- Positive set of financial results for first half of 2018
- Strong performance achieved by The Peninsula Hong Kong and The Peninsula Bangkok with both hotels achieving double-digit growth in RevPAR
- Newly renovated hotel rooms in The Peninsula Beijing reported growth in RevPAR and occupancy
- Continued development of new hotel projects in London, Istanbul and Yangon, as well as the expansion of the Peak Tram
- Optimistic for the overall outlook for the luxury travel and tourism sector for the remainder of 2018



FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS FOR 1H 2018

HK\$ MILLION	2018	2017	VARIANCE
REVENUE	2,850	2,596	10%
EBITDA	664	561	18%
EBITDA MARGIN	23%	22%	1pp
NON-OPERATING ITEMS	391	359	9%
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	644	519	24%
EPS (HK CENTS)	41	33	24%
UNDERLYING PROFIT	255	181	41%
TOTAL DIVIDEND PER SHARE (HK CENTS)	5	4	25%



EARNINGS GROWTH DRIVEN BY HOTELS

HK\$ MILLION	2018			2017			2018 vs 2017
	GROUP'S SUBSIDIARIES	ASSOCIATES AND JV (2)	COMBINED TOTAL	GROUP'S SUBSIDIARIES	ASSOCIATES AND JV (2)	COMBINED TOTAL	
Revenue							
Hotels	2,158	268	2,426	1,926	251	2,177	11%
Commercial Properties	473	–	473	466	–	466	2%
Clubs and Services	219	–	219	204	–	204	7%
	2,850	268	3,118	2,596	251	2,847	10%
EBITDA (1)							
Hotels	378	56	434	292	69	361	20%
Commercial Properties	278	–	278	261	–	261	7%
Clubs and Services	8	–	8	8	–	8	-
	664	56	720	561	69	630	14%
EBITDA Margin							
Hotels	18%	21%	18%	15%	27%	17%	1pp
Commercial Properties	59%	–	59%	56%	–	56%	3pp
Clubs and Services	4%	–	4%	4%	–	4%	-
Overall EBITDA Margin	23%	21%	23%	22%	27%	22%	1pp

(1) Table includes management fees

(2) Effective share



CAPITAL EXPENDITURE SHIFTING TO NEW PROJECTS

HK\$ MILLION	2018	2017
EBITDA	664	561
NET CHANGE IN WORKING CAPITAL AND TAX PAYMENTS	(18)	(98)
NET CASH GENERATED FROM OPERATING ACTIVITIES	646	463
CAPITAL EXPENDITURE ON EXISTING ASSETS	(200)	(323)
NET CASH INFLOW AFTER NORMAL CAPEX	446	140
DIVIDENDS AND NET FINANCING CHARGES	(95)	(128)
CAPITAL EXPENDITURE ON NEW PROJECTS	(678)	(347)
NET CASH INFLOW/(OUTFLOW) FOR THE PERIOD	(327)	(335)



OUR BALANCE SHEET REMAINS STRONG

HK\$ MILLION	2018	2017
GROSS BORROWINGS	6,616	7,443
NET BORROWINGS	5,835	5,521
NET DEBT TO TOTAL ASSETS	12%	11%
WEIGHTED AVERAGE GROSS INTEREST RATE	2.4%	2.2%
NET INTEREST COVER (TIMES)	13.0x	4.8x
CASH INTEREST COVER (TIMES)	10.9X	9.7X

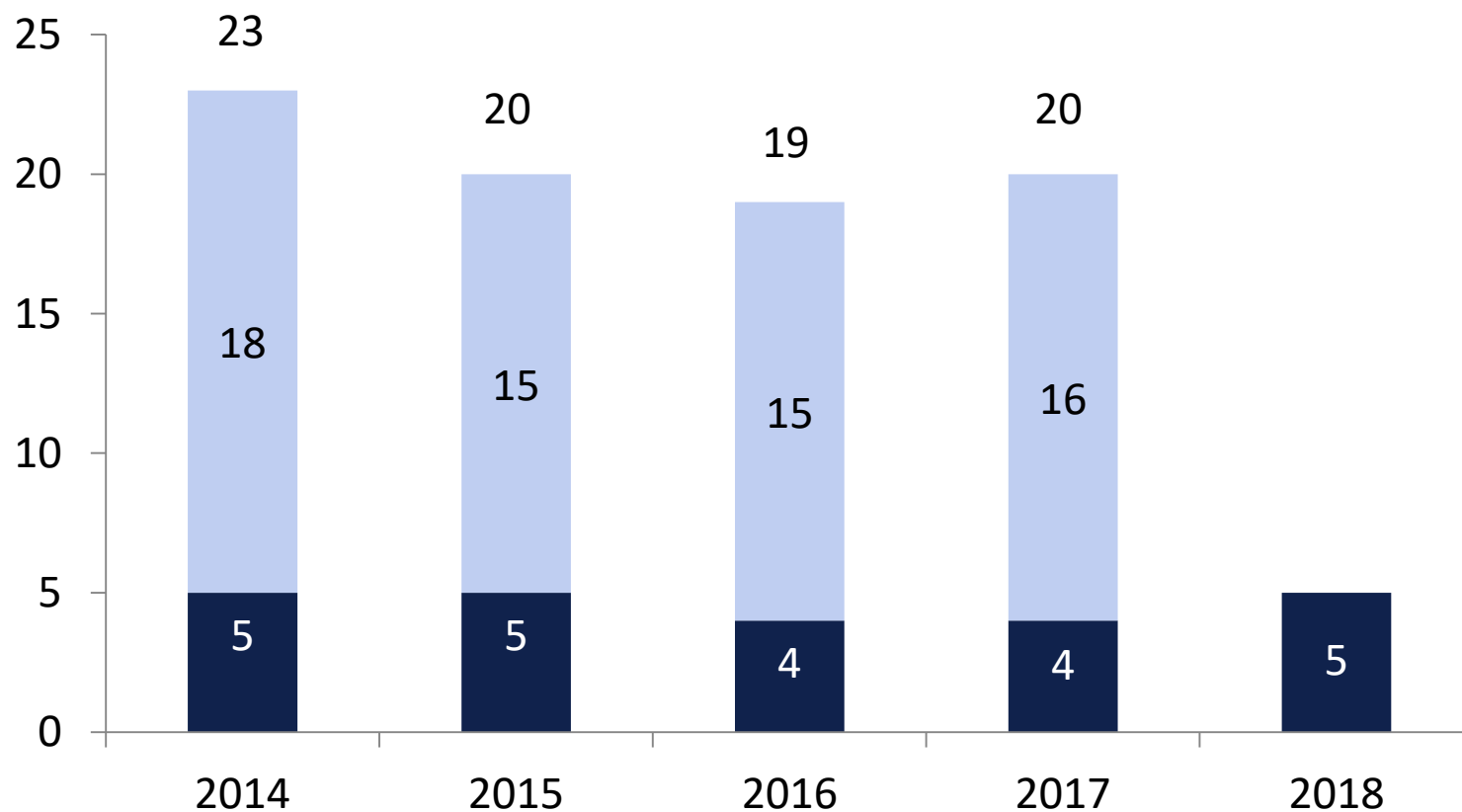




DIVIDEND PER SHARE IN LINE WITH EARNINGS GROWTH

HK cents

■ Interim dividend ■ Final dividend



THE PENINSULA HOTELS



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SHANGHAI



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BEIJING



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PARIS





THE PENINSULA
HONG KONG



THE PENINSULA

SHANGHAI

上海半岛酒店



THE PENINSULA

BEIJING

王府半岛酒店



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T O K Y O



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M A N I L A



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NEW YORK



THE PENINSULA

CHICAGO

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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







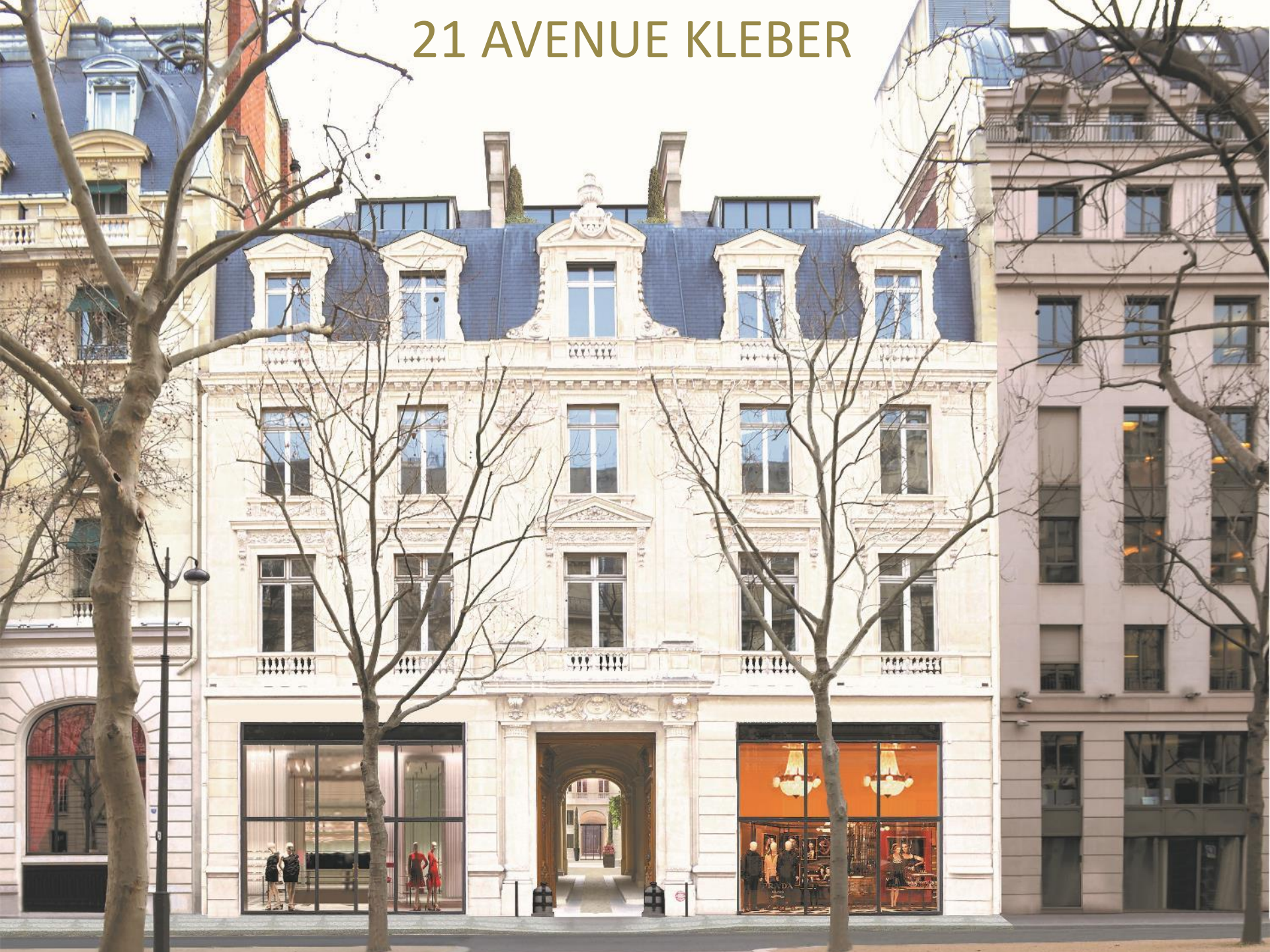


St John's Building



The Landmark

21 AVENUE KLEBER



CLUBS AND SERVICES DIVISION



THE PEAK TRAM



THAI COUNTRY CLUB



QUAIL LODGE & GOLF CLUB, CARMEL



PENINSULA CLUBS



PENINSULA
MERCHANDISING



TAI PAN LAUNDRY



所有
All boarding

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NEW HOTEL PROJECTS





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L O N D O N

● Rectangular Snip



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Y A N G O N



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I S T A N B U L

OUTLOOK



Q & A

