



2020 Interim Results

5 August 2020

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1H 2020 Review

- Most challenging operating environment
- Temporarily closed 6 out of 10 hotels as well as the Thai Country Club and Quail Lodge & Golf Club. The Peak Complex heavily affected
- Substantial cost savings implemented group-wide whilst maintaining operational and service levels
- Low gearing and liquidity bolstered considerably
- Financial resources sufficient to meet funding requirements for at least the next 18 months at current cash burn levels
- No interim dividend proposed
- Remain focused on building and improving our assets for the future





1H 2020 Financial Results

Financial results

(HK\$ million)				
Six months ended 30 June	2020	2019		Change
Revenue	1,334	2,791	▼	52%
Operating costs	(1,429)	(2,181)	▼	34%
EBITDA	(95)	610		n.a.
<i>EBITDA margin</i>	-7%	22%		
Depreciation and amortization	(283)	(291)	▼	3%
Net financing charges	(71)	(72)	▼	1%
Share of results of JV and associates	(321)	(22)		n.m.
(Decrease)/Increase in fair value of IPs	(365)	102		n.a.
Provision for impairment loss	(93)	-		n.a.
Tax	-	(67)	▼	100%
Non-controlling interests	(31)	6		n.a.
(Loss)/profit attributable to shareholders	(1,197)	254		n.a.
Underlying (loss)/profit	(499)	148		n.a.

Tourism-related assets substantially impacted by reduction in global travel and temporary hotel closures

Implemented substantial cost savings

Includes impairment on The Peninsula Istanbul (HK\$236m)

Principally attributable to the Peninsula arcades in Hong Kong, Beijing and New York

Impairment provision for The Peninsula Manila



Contribution by division

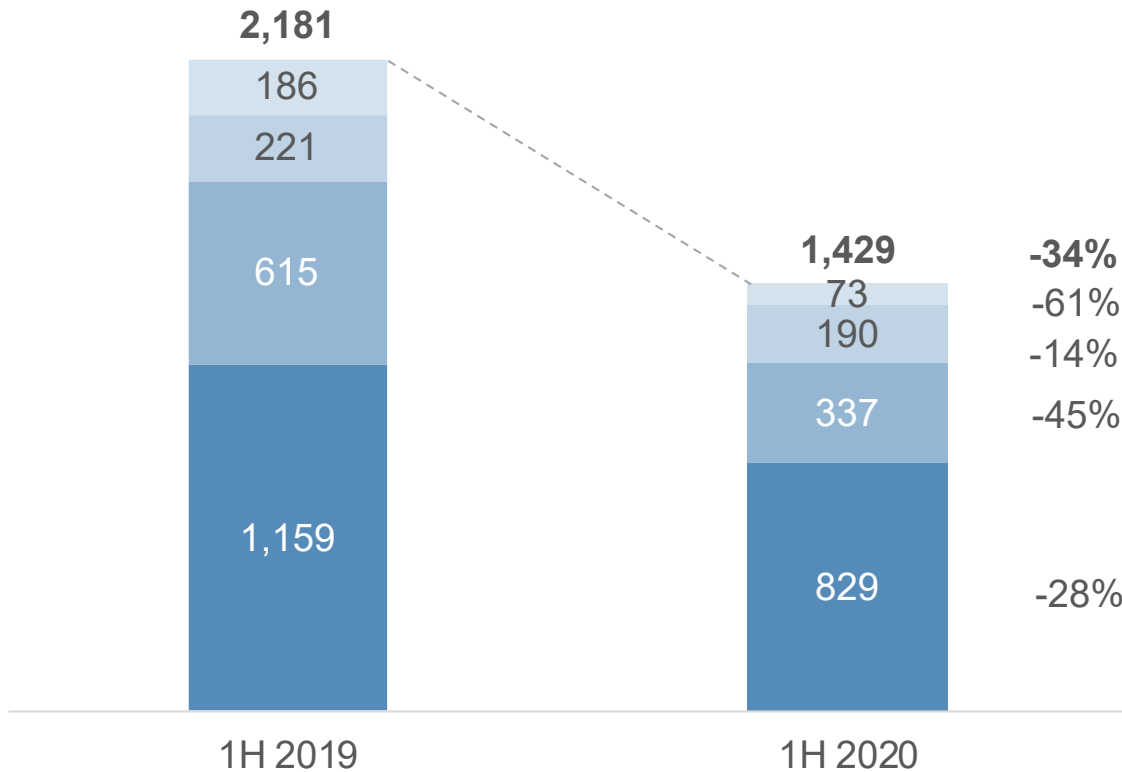
For the six months ended 30 June (HK\$ million)	2020 Combined	2019 Combined	Change
Revenue			
Hotels	932	2,345	-60%
Commercial Properties	409	486	-16%
Clubs and Services	91	204	-55%
	1,432	3,035	-53%
EBITDA			
Hotels	(301)	390	n.a.
Commercial Properties	236	267	-12%
Clubs and Services	(49)	5	n.a.
	(114)	662	n.a.

(1) Combined revenue and EBITDA including effective share of associates and JVs.

(2) Effective share and excluding the group's share in respect of the sale of an apartment by the JV in Shanghai.

Significant cost savings

(HK\$ million)



- Voluntary unpaid leave programme
- Reduced casual labour and redeployed staff
- Implemented hiring freeze
- Utilised government subsidies
- Cut operating and corporate expenses
- Renegotiated contracts

■ Staff costs and related expenses ■ Other operating expenses ■ Rent and utilities ■ Cost of inventories

Cash flow summary

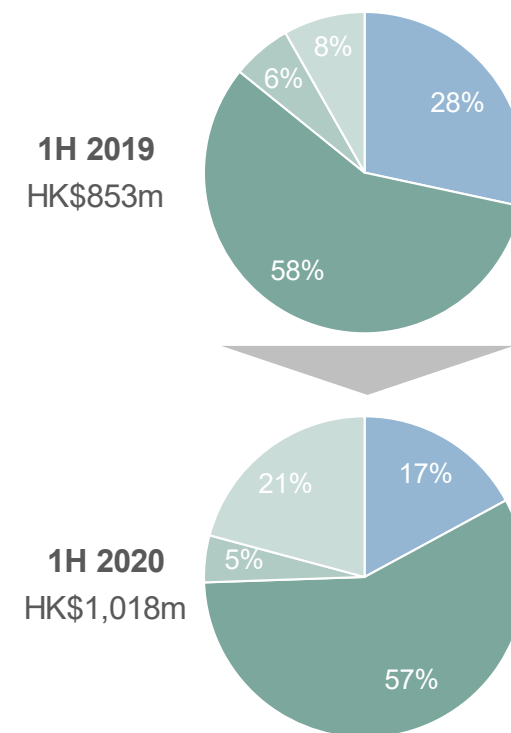
Cash flow summary

(HK\$ million)

Six months ended 30 June	2020	2019
EBITDA	(95)	610
Changes in working capital and tax payment	(360)	32
Net cash (used in) generated from operating activities	(455)	642
Capital expenditure on existing assets		
The Peak Tram upgrade project	(69)	(54)
Others (incl The Peninsula Hong Kong arcade)	(105)	(188)
Capital expenditure on new hotel projects	(844)	(611)
Net cash outflow before financing activities	(1,473)	(211)
Net interest paid	(69)	(58)
Lease rentals, dividends, other receipts and payments	(93)	(118)
Net cash outflow before financing	(1,635)	(387)

Capex distribution

Existing assets London Yangon Istanbul



Debt profile and balance sheet

Debt profile

16%	22%
Net debt to total assets	Net debt to shareholders equity
2.1%	2.4 years
Weighted average gross interest rate	Average debt duration
-2.4x	68%
Cash interest coverage	Fixed to floating interest rate ratio

Balance sheet

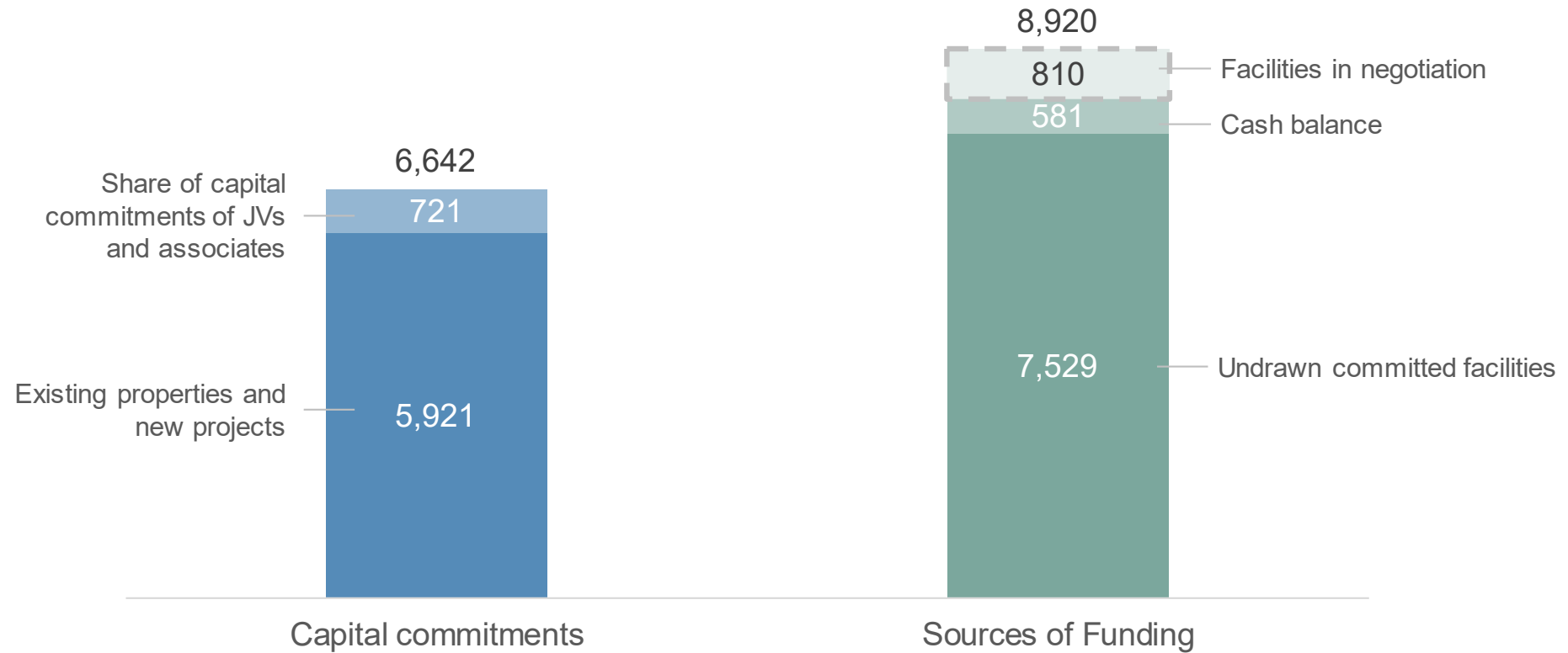
(HK\$ million)	2020	2019
As at 30 June		
Total cash	581	697
Total assets	52,353	53,061
Total debt	8,886	7,524
Net debt	8,305	6,827
Shareholders equity	37,538	39,054

Note: Debt related metrics exclude lease liabilities.

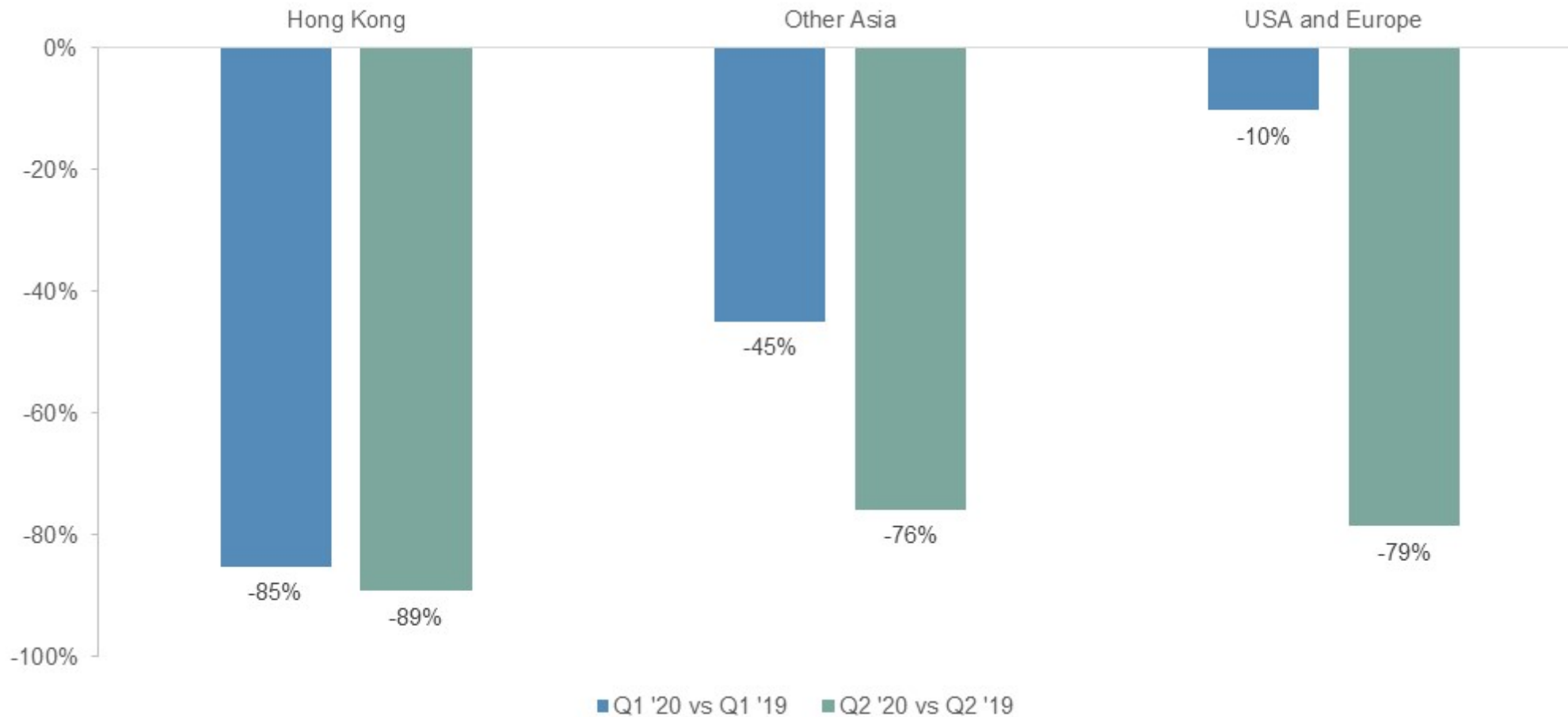
Capital commitments and funding

Group capital commitments and funding as of 30 June 2020

(HK\$ million)



Hotel RevPAR performance

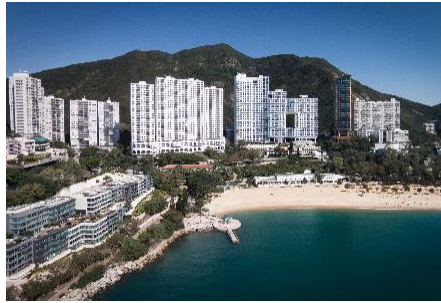


Note: From mid/end of March 2020, six of the Peninsula hotels in New York, Chicago, Paris, Tokyo (reopened in June 2020), Bangkok and Manila were temporarily closed due to public health concerns, government advisories, travel bans and community lockdowns as a result of the COVID-19 coronavirus. RevPAR and occupancy rates of these hotels have been adjusted to reflect the reduction in room inventory during the closure periods.

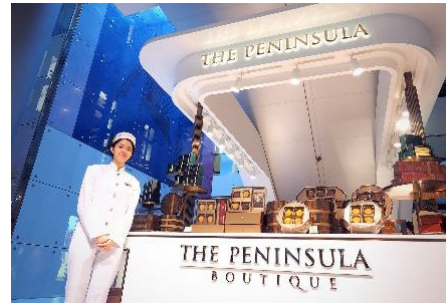
The Peninsula Hotels



Commercial Properties



Clubs & Services





New Hotel Developments





Outlook





Q & A

