



The Hongkong and Shanghai Hotels **2023 Interim Results**

3 August 2023

An aerial photograph of a city at dusk, likely Istanbul, showing a waterfront promenade with modern buildings and a large, illuminated structure with a glass and metal facade. The city skyline is visible in the background, including a prominent tower with a conical roof. The sky is a mix of orange and blue, indicating sunset. The water in the foreground is dark with some reflections.

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1H 2023 Review

- Strong rebound compared to 1H2022 when key markets still suffered from COVID-19 restrictions
- Business in Greater China improved following the border reopening
- Stable performance in the US as the momentum of the strong recovery experienced last year lessened
- Significant EBITDA improvement before pre-opening and project expenses (+HK\$389m Y-o-Y to HK\$498m)
- Labour shortage in certain markets remains a challenge
- Well received soft opening of The Peninsula Istanbul in February 2023
- The Peninsula London soft opening to be held in September 2023
- No dividend proposed

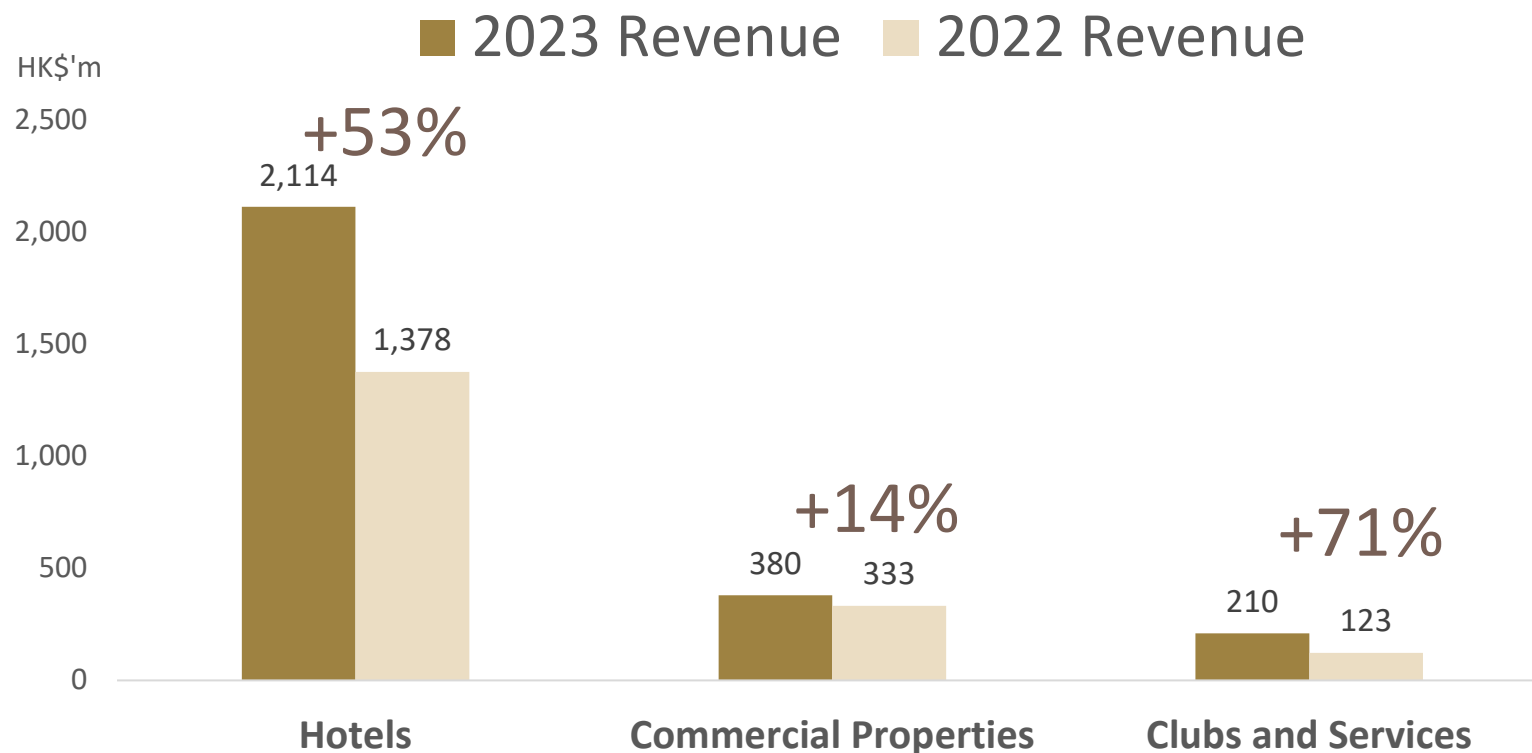


Emerging recovery in 1H 2023

(HK\$ million)			
Six months ended 30 June	2023	2022	Change
Revenue	2,445	1,662	47%
Operating costs	(1,947)	(1,553)	-25%
EBITDA before pre-opening and project expenses	498	109	357%
Pre-opening and project expenses	(136)	(44)	-209%
EBITDA	362	65	457%
Depreciation and amortization	(233)	(230)	-1%
Net financing charges	(129)	(89)	-45%
Share of results of JV and associates	(79)	(47)	-68%
Increase/(Decrease) in fair value of IPs	222	426	-48%
Profit/(Loss) before taxation	143	125	14%
Tax	(48)	10	-580%
Profit/(Loss) for the period	95	135	-30%
Underlying profit/(loss)	25	(254)	110%



Contribution by division (combined basis)



HK\$'m			
EBITDA	364m	190m	-22m

(1) Combined revenue and EBITDA including effective share of JV and Associates

Cash flow summary

(HK\$ million)		
Six months ended 30 June	2023	2022
Operating EBITDA (before pre-opening and project expenses)	498	109
Pre-opening and project expenses	(136)	(44)
Operating EBITDA after pre-opening and project expenses	362	65
Tax paid	(20)	(13)
Changes in working capital	(7)	24
Operating cashflow after tax	335	76
Capital expenditure on existing assets	(98)	(60)
Net cash inflow/(outflow) after normal capital expenditure	237	16
Dividends, interest and other receipts and payments*	(363)	(134)
New projects	(1,303)	(1,206)
<i>London</i>	(982)	(1,040)
<i>Istanbul</i>	(269)	(67)
<i>Yangon</i>	-	(5)
<i>Peak Tram upgrade</i>	(52)	(94)
Net cash outflow before financing	(1,429)	(1,324)

* Including hotel lease payments, repayment of shareholder's loan from PSH (2023: nil; HK\$63m)



Capital structure and balance sheet

Credit metrics

4%

Weighted average gross interest rate

↑ 185bp from Dec 2022

28%

Net debt to total assets

HK\$3.2bn

Available liquidity

1.9 years

Average committed facility maturity

46%

Fixed to floating interest rate ratio

Balance sheet

(HK\$ million)	As at 30-Jun-23	As at 31-Dec-22
Total cash	623	585
Total assets	58,469	56,581
Net debt before lease payment	16,303	14,607
Shareholders equity	36,163	36,016

Financing arranged in 2023 H1

HK\$3.9bn equivalent

Of financing executed, with HK\$1.9bn equivalent arranged as sustainability linked loan or green loan

57%

Of our total committed facilities are classified as green loan or sustainability linked loan

Note: Debt related metrics exclude lease liabilities.





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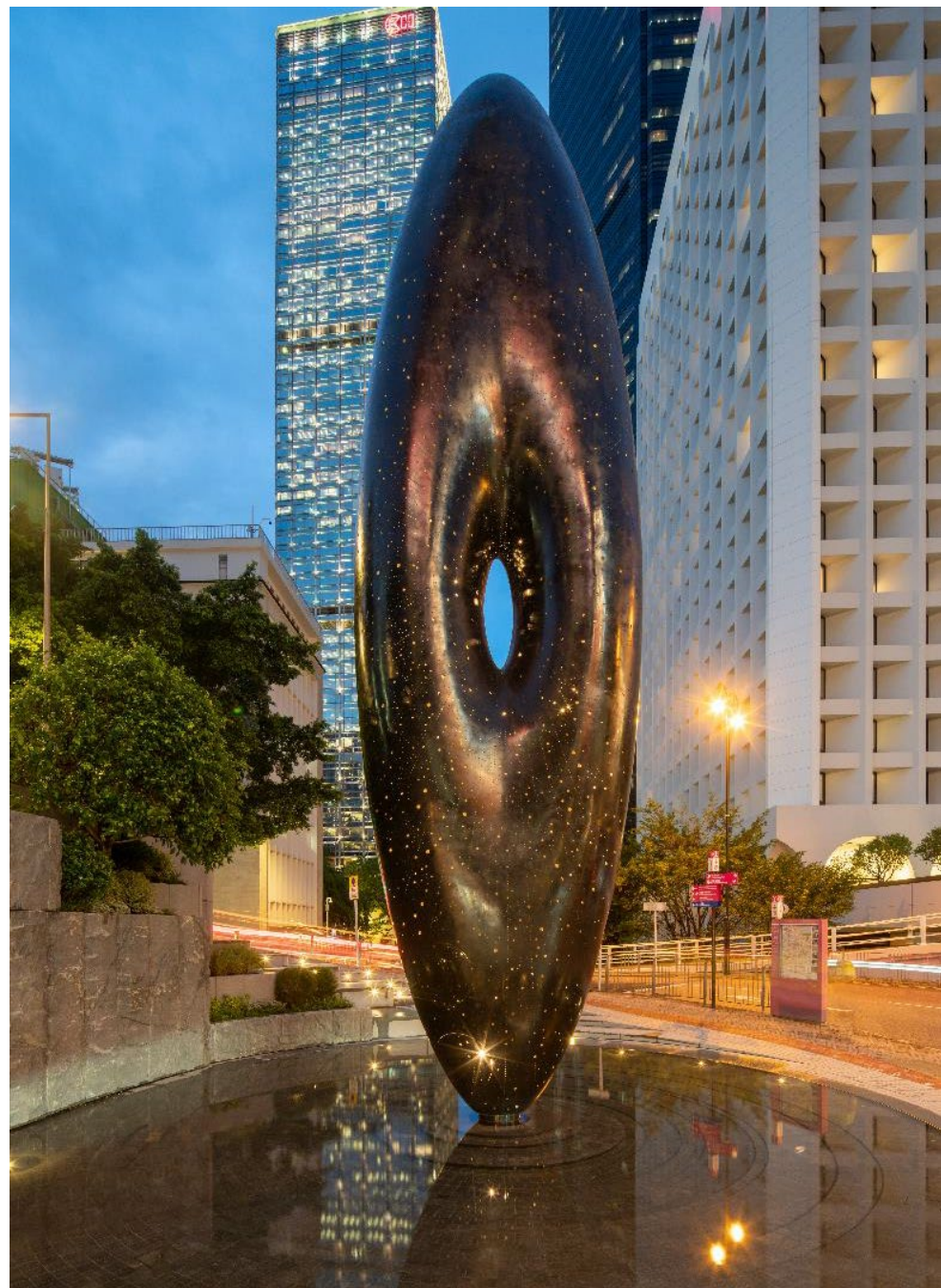


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Outlook

- Outlook for various businesses is generally favourable, particularly in Greater China
- Cautiously optimistic outlook in the hotel division; The Peninsula Hong Kong has seen improvements but is still well below normal levels
- Hopeful that the long-haul market in Hong Kong will start to return in 2H2023 although geopolitical tensions remain a concern
- The new Peninsula Istanbul and the soon-to-be-opened Peninsula London will enhance brand presence in Europe
- Confident that the new Peak Tram is a very attractive experience for visitors and expect to see continued business growth at the Peak Tower
- Seeing returning demand for the residential apartments at the Repulse Bay
- Continue to invest in existing properties including the Peninsula New York, the Peak Tower and the Repulse Bay retail arcade
- Expansion of The Peninsula Boutique in China and Japan will be a key growth driver
- Strong balance sheet and adequate liquidity position





Q & A

