



The Hongkong and Shanghai Hotels

2024 Interim Results

7 August 2024



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1H 2024 Review

- The Grand Opening of The Peninsula London held on 18 June 2024
- Business of The Peninsula London and The Peninsula Istanbul gaining momentum over the summer months. Strong global recognition and excellent feedback for both hotels
- The Peninsula London final project accounts being finalised. Targeting to complete within budget but this is not certain
- The Peninsula New York renovation nearing completion with good feedback and performance for the renovated rooms
- Some weakness in the operating results, especially in the second quarter, and our net loss was due to various explainable factors.

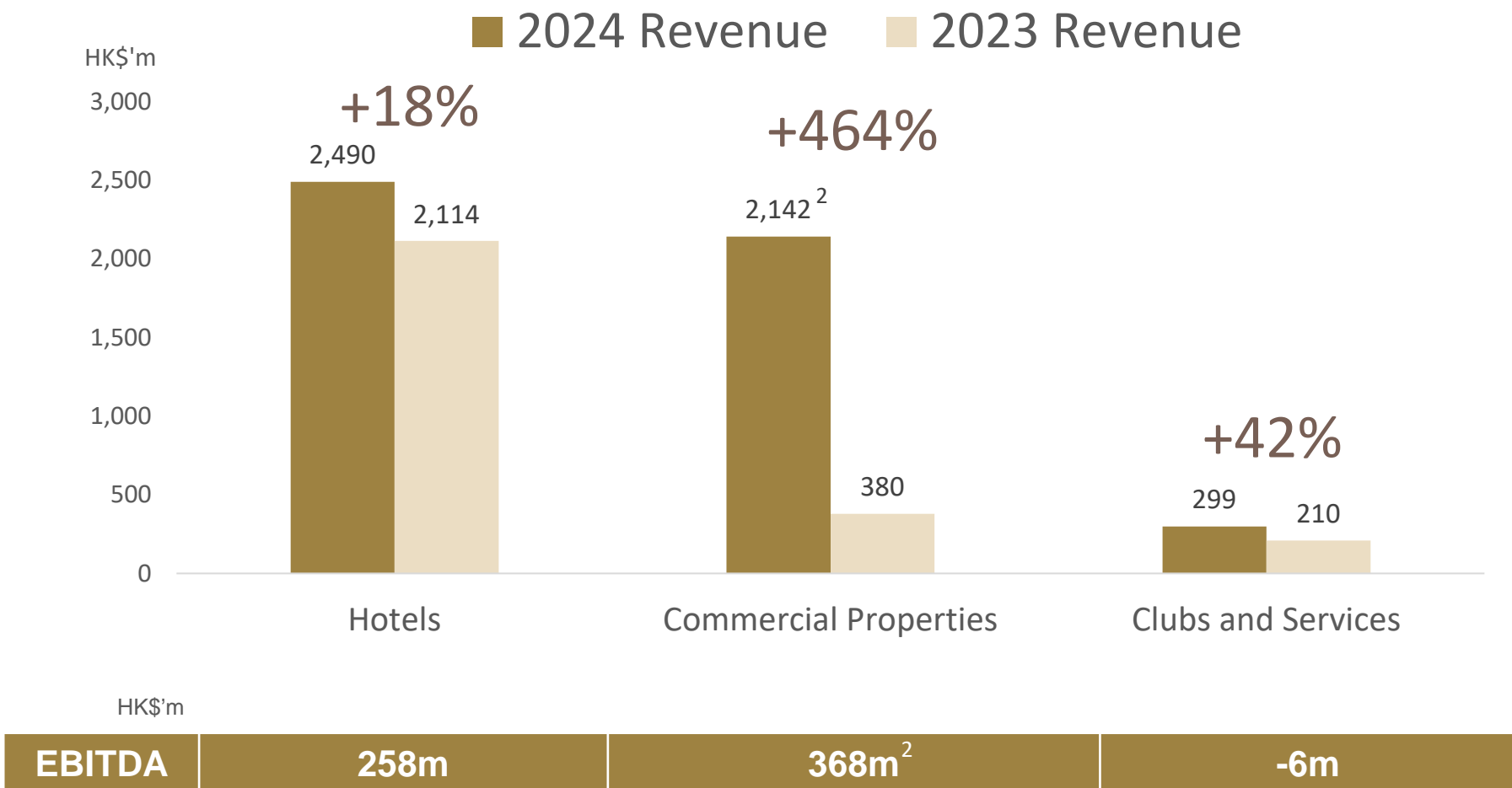


1H 2024

(HK\$ million)			
Six months ended 30 June	2024	2023	Change
Revenue			
- operations	2,908	2,445	19%
- residential sales	1,707	-	n/a
Total revenue	4,615	2,445	89%
Operating costs			
- operations	(2,513)	(1,947)	(29%)
- residential sales	(1,522)	-	n/a
Total operating cost	(4,035)	(1,947)	107%
EBITDA before non-recurring expenses	580	498	16%
Pre-opening and project expenses	(38)	(136)	72%
EBITDA	542	362	50%
Depreciation and amortization	(333)	(233)	(43%)
Net financing charges	(366)	(129)	(184%)
Share of results of JV and associates	(84)	(79)	(6%)
(Decrease)/Increase in fair value of IPs	(139)	222	n/a
Profit/(Loss) before taxation	(380)	143	n/a
Tax	(68)	(48)	(42%)
(Loss)/Profit for the period	(448)	95	n/a
Underlying (loss)/profit	(257)	25	n/a



Contribution by division (combined basis¹)



¹ Combined revenue and EBITDA including effective share of JV and Associates.

² Included HK\$1.7 billion from the sale of four Peninsula-branded Residences in London.

Cash flow summary

(HK\$ million)		
Six months ended 30 June	2024	2023
Operating EBITDA (before pre-opening and project expenses)	580	498
Pre-opening and project expenses	(38)	(136)
Operating EBITDA after pre-opening and project expenses	542	362
Tax paid	(38)	(20)
Changes in working capital in connection with the sale of The Peninsula Residences London sold	1,499	-
Changes in working capital	(150)	(7)
Operating cashflow after tax	1,853	335
Capital expenditure on existing assets	(142)	(98)
Net cash inflow/(outflow) after normal capital expenditure	1,711	237
Dividends, interest and other receipts and payments*	(485)	(363)
New projects	(595)	(1,303)
<i>London</i>	<i>(269)</i>	<i>(982)</i>
<i>Istanbul</i>	<i>(175)</i>	<i>(269)</i>
<i>New York</i>	<i>(147)</i>	<i>-</i>
<i>Peak Tram upgrade</i>	<i>(4)</i>	<i>(52)</i>
Net cash inflow/(outflow) before financing	631	(1,429)

* Including hotel lease payments

Capital structure and balance sheet

Credit metrics

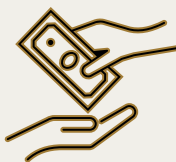


4.72%

Weighted average interest rate

↑ 34bp from Dec 2023

25%



Net debt to total assets

HK\$3.2bn



Available liquidity

1.4 yrs



Average committed facility maturity

43%



Fixed to floating interest rate ratio

Balance sheet

(HK\$ million)	As at 30-Jun-24	As at 31-Dec-23
Total cash	756	881
Total assets	56,031	57,869
Net debt before lease and other liabilities	14,055	15,033
Shareholders equity	35,891	36,279

Financing in progress in 2024 H2

HK\$2.8bn equivalent

74%

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

Credit Rating (as of 11 July 2024)

Credit Rating Agency	Long-term*
Japan Credit Rating Agency, Ltd.	A with Stable outlook



* For long term foreign currency and local currency denominated debts

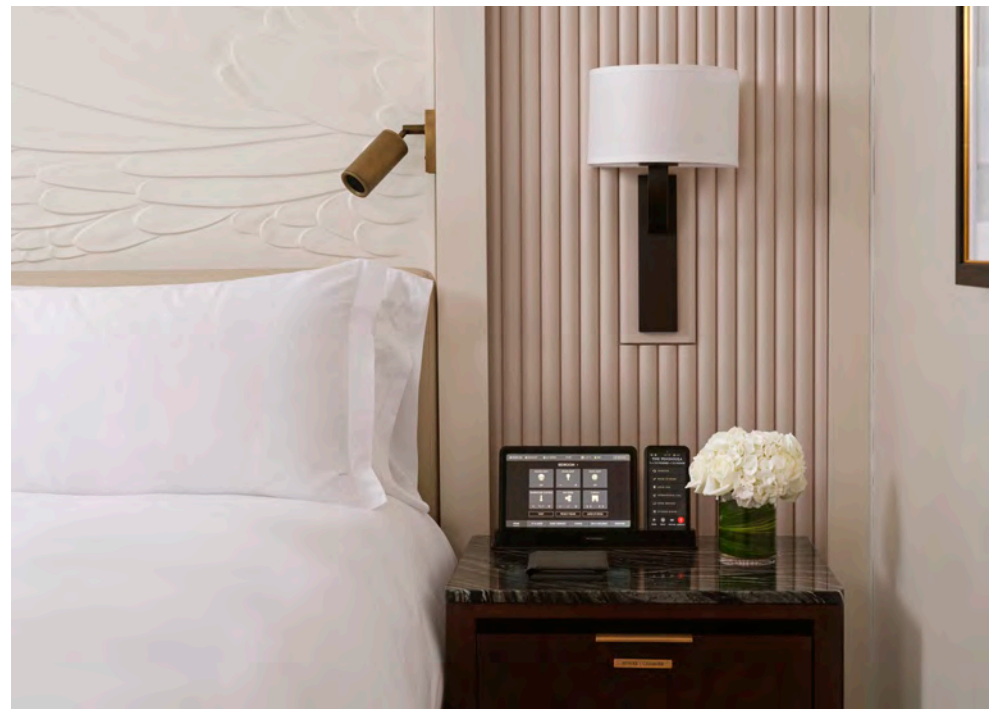


THE PENINSULA

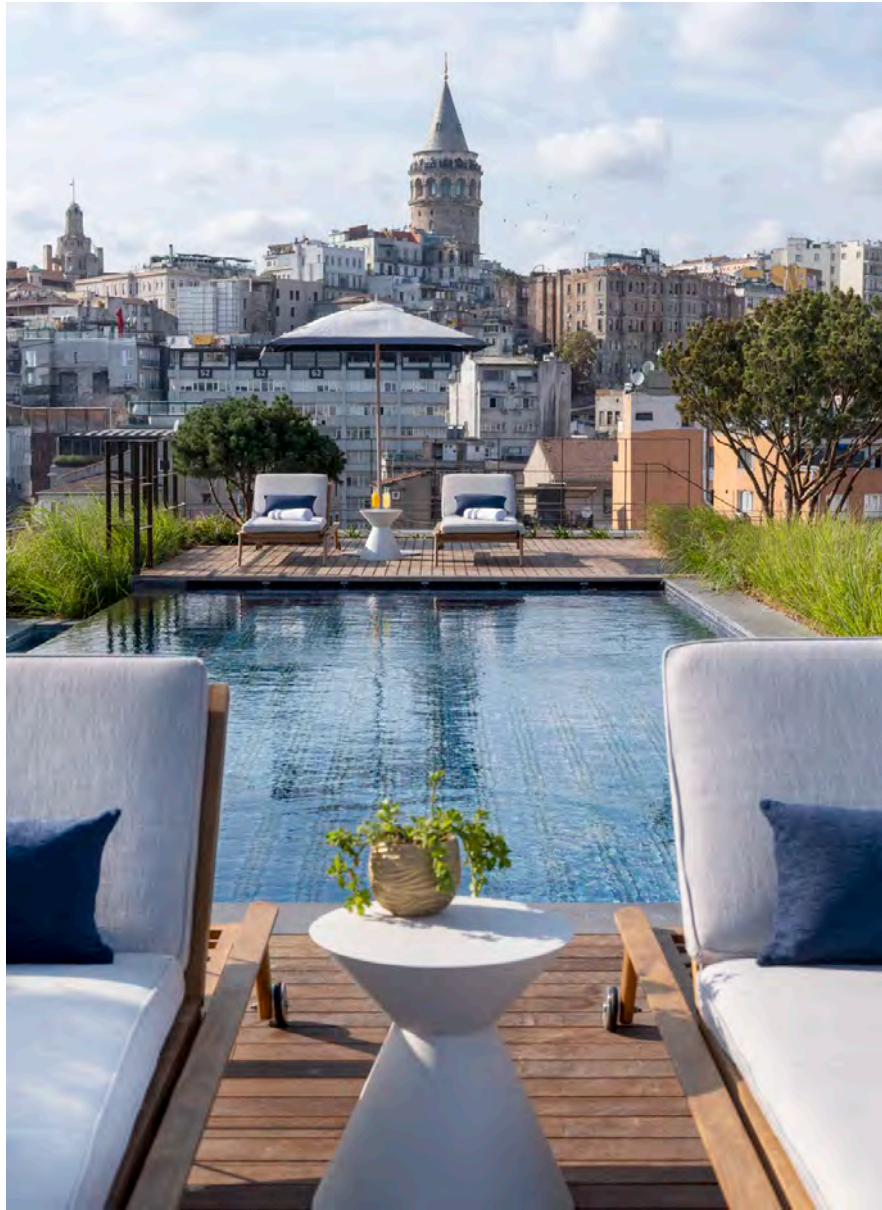
















Commercial Properties





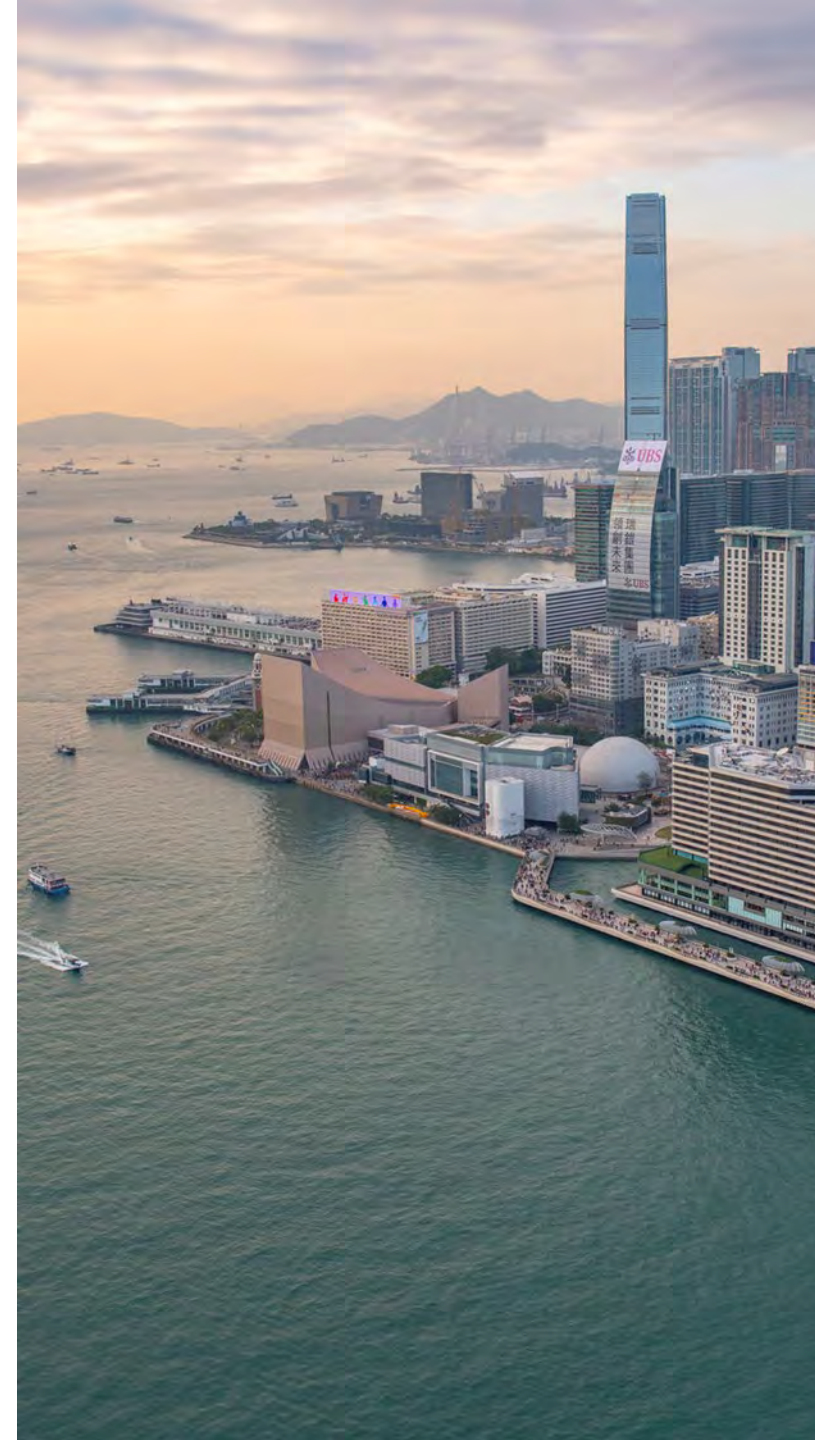






Outlook

- The outlook for our businesses is varied
- Weak long-haul market in Hong Kong and geopolitical tensions remain a concern in terms of welcoming leisure visitors from the US to Greater China
- Improving momentum at The Peninsula London and The Peninsula Istanbul
- The Peak Tram continues to be an attractive experience for visitors
- Demand returning for the residential apartments at the Repulse Bay from both the local and the expatriate markets
- Continue to invest in our existing assets and uplift our offering to visitors and residents
- Planning a renovation of the Repulse Bay commercial arcade and exploring a repositioning of The Peak Tower
- Our company has weathered the pandemic, maintained adequate liquidity and obtained a credit rating of A
- Continue to focus on the very long term





Q & A

