



THIS PLAQUE WAS UNVEILED BY
THE DUKE AND DUCHESS OF EDINBURGH
TO MARK THE GRAND OPENING OF
THE PENINSULA LONDON
18 JUNE 2024
IN THE PRESENCE OF
THE HON. SIR MICHAEL KADDOORIE
THE HONGKONG AND SHANGHAI HOTELS
SIR MICHAEL KADDOORIE AND FELLOW DIRECTORS

The Hongkong and Shanghai Hotels 2024 Annual Results

31 March 2025

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Our Priorities: Stabilise Finances; Prepare for Growth

- Operational results reflect an emerging recovery from the difficult years of the pandemic
- Underlying loss contained to HK\$176 million; no final dividend
- Net loss for the year mostly related to:
 - depreciation attributed to The Peninsula London project
 - an increase in net financing charges related to The Peninsula London
 - a revaluation loss of the group's investment properties
- Short to medium term priority – stabilise the financial results of our new hotels, reduce our borrowings, grow our revenue and profitability to then be well placed for growth.
- Long-term priority – preserve the unique culture of the brand and create value for our shareholders





2024 Highlights and Financial Results

2024 Highlights



Revenue



Profitability



Net op. cashflow²



Liquidity buffer, gearing and credit rating



Project Update



Excl. residence sales proceeds¹

+18%

HK\$ 6,838m
2023 HK\$5,814m

Incl. residence sales proceeds¹

+27%

HK\$ 10,290m
2023 HK\$ 8,112m

EBITDA

+32%

HK\$ 1,446m
2023 HK\$1,098m

Excl. residence sales proceeds

HK\$ 523m

Incl. residence sales proceeds

HK\$ 3,975m

HK\$ 2.8b

Available committed facilities

-3%



23%

2023 26%

Net debt to total assets

A

Credit rating from Japan Credit Rating Agency

The Peninsula New York

Renovation completed in Sept 2024

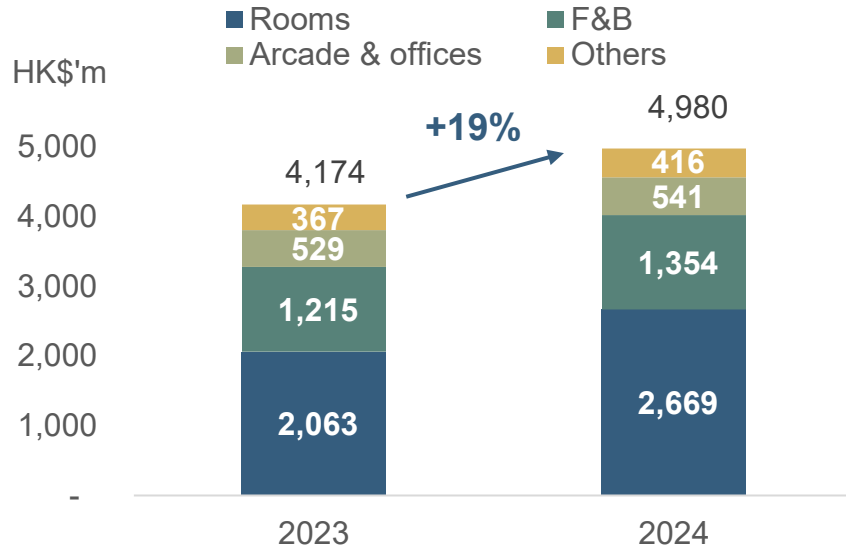
¹ HK\$3.5 billion proceeds from sale of 7 luxury Peninsula London Residences units.

² After tax payment, changes in working capital (excluding those relating to The Peninsula London Residences), normal CAPEX and lease payments attributable to existing operations; before project expenses.

Hotels



Hotel revenue

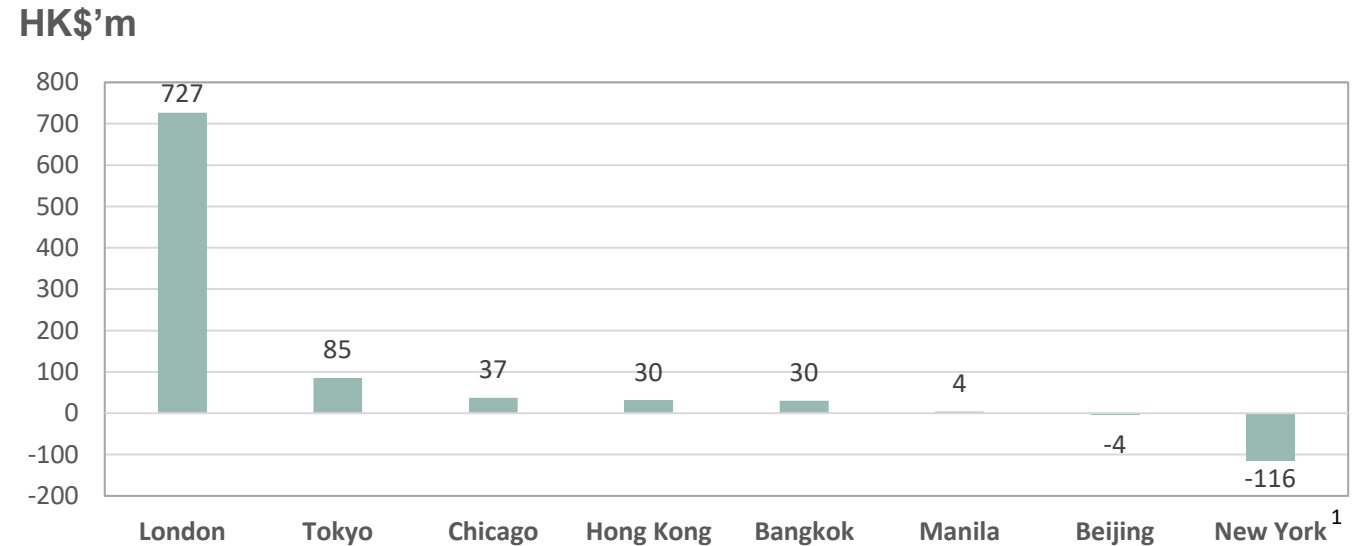


Hotel consolidated EBITDA + HK\$62m YoY

Revenue +19%

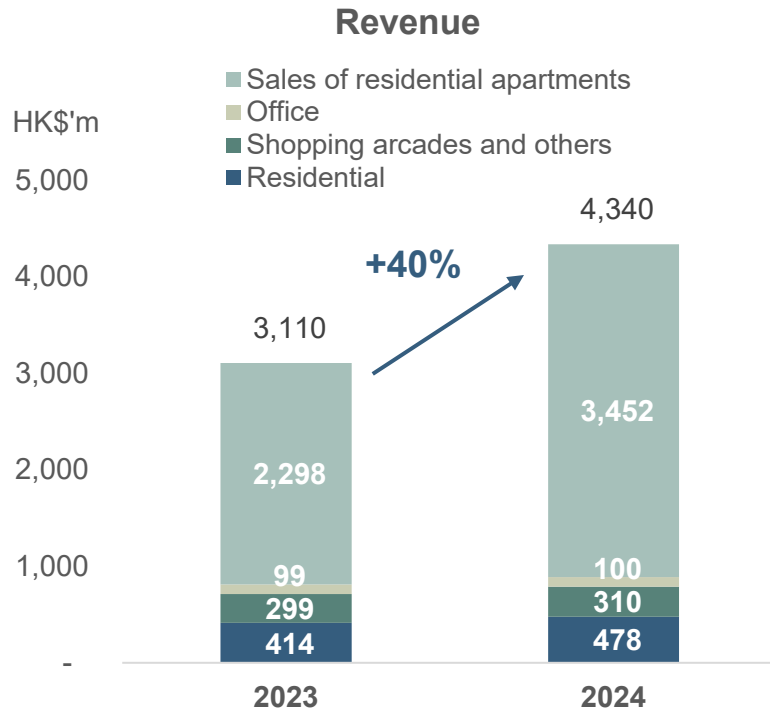
- Higher revenue driven by the full year operation of The Peninsula London and the strong performance of The Peninsula Tokyo
- Loss of revenue during the renovation of The Peninsula New York
- Results reflect an emerging recovery from the pandemic

YoY Change in Consolidated Revenue by Hotel



¹ The Peninsula New York's revenue was negatively impacted during the renovation from January to September 2024.

Commercial Properties



Revenue +40%

- Revenue increase driven by sales of 7 Peninsula Residences in London
- Improved occupancy at the Repulse Bay
- Significant increase in number of visitors to Sky Terrace
- Office rental income remained stable

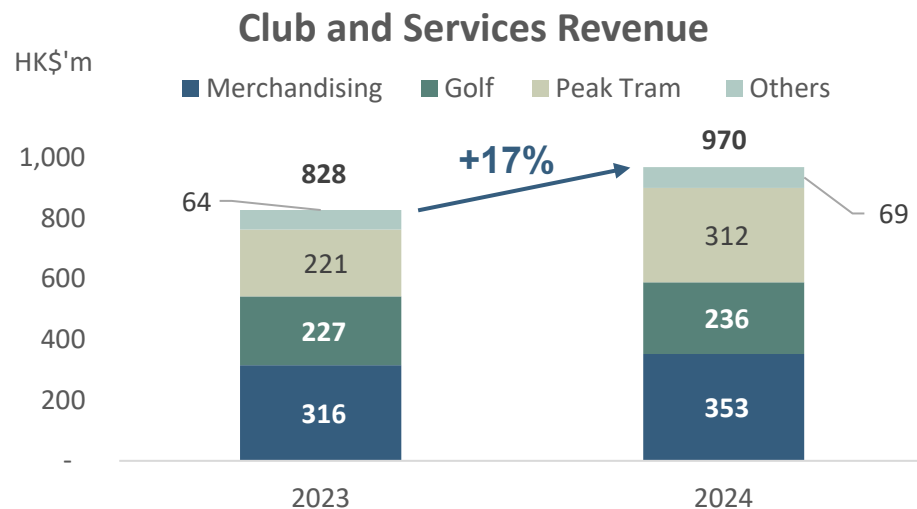


Consolidated EBITDA + HK\$74m YoY

Peak Tram, Retail and Others

Revenue **+17%**

- Exceptional performance of the Peak Tram after significant upgrade, with visitor numbers exceeded pre-pandemic level
- Merchandising division reported increase in revenue but profitability needs to improve



Consolidated EBITDA - **HK\$1m YoY**

Profit or Loss Summary

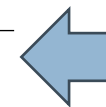
(HK\$ million)			
For the year ended 31 December	2024	2023	Changes
Total revenue	10,290	8,112	27%
EBITDA	1,446	1,098	32%
Depreciation and amortization	(686)	(520)	-32%
Net financing charges	(754)	(293)	-157%
Share of results of joint ventures and associates	(108)	(184)	41%
(Decrease) / increase in fair value of investment properties	(569)	186	n/a
Provision for impairment	(158)	-	n/a
Tax	(164)	(139)	-18%
Non-controlling interests	50	(2)	n/a
(Loss)/profit attributable to shareholders	(943)	146	n/a
Underlying (loss)/profit	(176)	277	18%
DPS (HK cents)	0	8	

Underlying loss, which excludes non-recurring items, is significantly lower than loss attributable to shareholders

Cash Flow Summary

(HK\$ million)

For the year ended 31 December	2024	2023
Operating EBITDA (before pre-opening and project expenses and residential sales)	1,207	1,101
Changes in working capital (excluding those relating to The Peninsula London Residences) and tax payment	(189)	267
Normal capital expenditure on existing assets (excluding projects)	(333)	(314)
Net cash inflow after normal capital expenditure	685	1,054
Lease payments attributable to existing operations	(162)	(148)
	523	906
Proceeds from sales of The Peninsula London Residences	3,452	2,298
Net cash inflow from operations	3,975	3,204
<i>Project-related cash flows</i>		
Capital expenditure on The Peninsula London Complex and The Peninsula Istanbul	(648)	(2,231)
Capital expenditure on The Peninsula New York major renovation	(289)	-
Capital expenditure on Peak Tram upgrade project	(12)	(68)
Pre-opening and project expenses	(79)	(259)
Cash outflow for projects	(1,028)	(2,558)
Net cash inflow before dividends and other payments	2,947	646
Net interest paid	(685)	(708)
Dividends paid, other payments / receipts	(23)	4
Net cash inflow/(outflow) before financing	2,239	(58)



Positive cash flow from operations

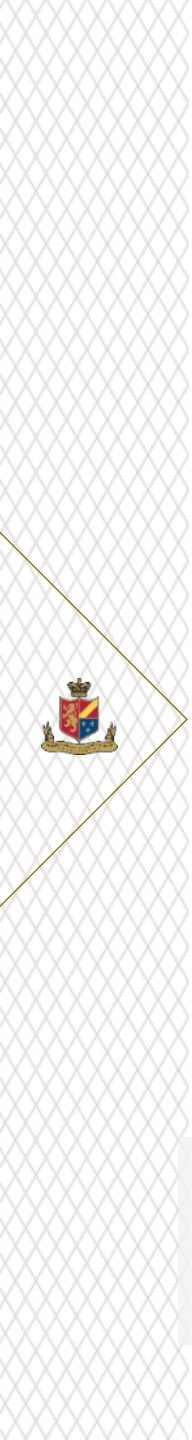


Capital Structure and Financial Position Summary

Credit Metrics		Financial Position Summary			Financing Arranged in 2024
<p>HK\$2.8b Available liquidity</p> <p>HK\$3.5b Total sale proceeds of 7 completed apartments at the Peninsula London</p>		(HK\$ million)	2024	2023	<p>HKD 2.8b Equivalent of refinancing executed in 2024</p>
		As at 31 Dec			
<p>23% Net debt to total assets</p>	<p>4.69% Weighted average gross interest rate ↑ 31bp vs. 2023</p>	Total cash	895	881	<p>32% of committed facilities classified as green loan as at 31 Dec 2024</p> <p>30% of committed facilities classified as sustainable linked loan as at 31 Dec 2024</p>
		Total assets	54,176	57,869	
		Total debt	13,389	15,914	
		Net debt	12,494	15,033	
		Shareholders equity	35,401	36,279	
		Total equity	35,446	36,379	
<p>1.7 years Average debt duration</p>	<p>47% Fixed to floating interest rate ratio</p>				

Note: Debt related metrics exclude lease liabilities.

Significant net debt reduction by HK\$2.5 billion



Hotels Highlights by Region



Europe



THE PENINSULA LONDON



Revenue + 549%
Occupancy + 20 pp
ARR - 11%
RevPAR + 29%

- Grand opening held on 18 June 2024
- Rooms business gaining momentum and banquets and Spa performing well
- Brooklands' two Michelin stars retained in Jan 2025
- 7 luxury Residences sold in 2024 (17 out of 24 sold to date)



THE PENINSULA

ISTANBUL



Revenue + 96%
Occupancy + 24 pp
ARR - 22%
RevPAR + 53%

- Satisfactory momentum in the first full year operation
- Achieved RevPAR #3 in the city for the full year of 2024
- Strong F&B performance



USA



THE PENINSULA

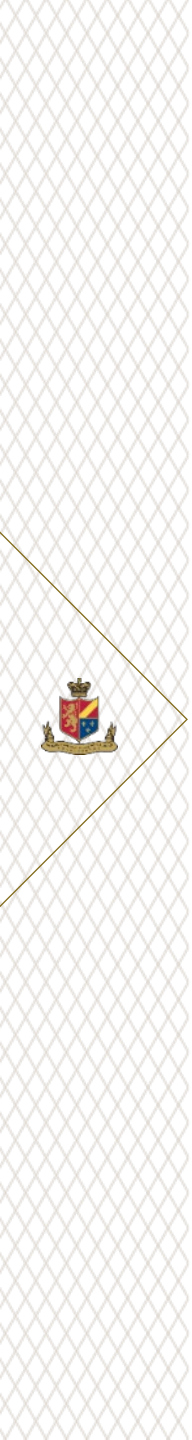
NEW YORK

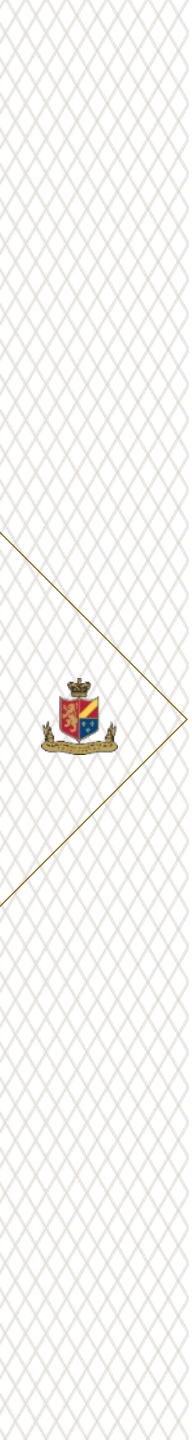


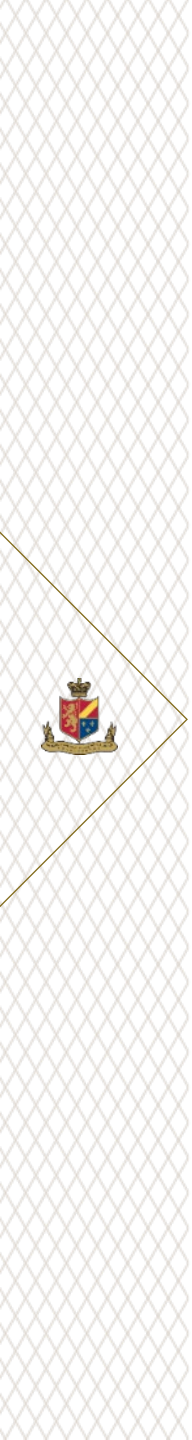
Revenue - 15%
Occupancy - 2 pp
ARR + 17%
RevPAR + 14%

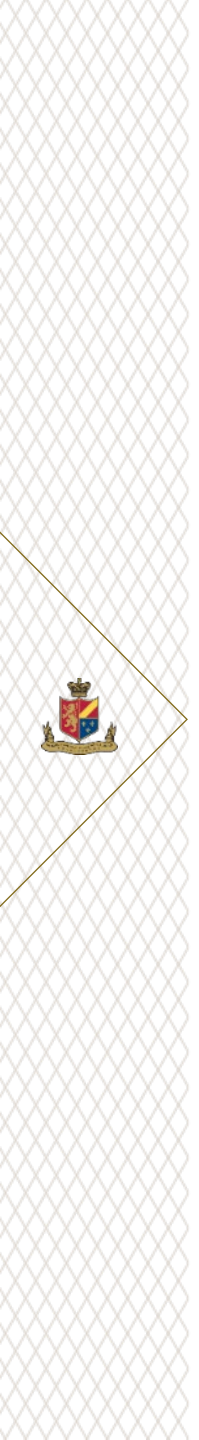
- Completed a significant renovation in Sept 2024
- Revenue negatively affected during renovation but room rates and RevPAR improved once the new rooms product became available
- Strong F&B revenue

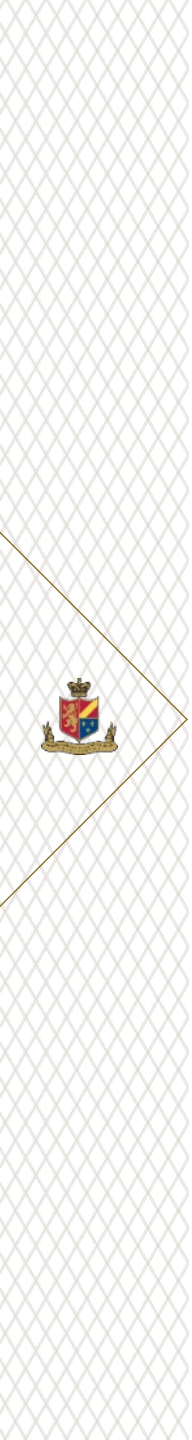
















Asia



THE PENINSULA

HONG KONG



Revenue + 3%
Occupancy + 6 pp
ARR - 5%
RevPAR + 10%

- Positive results in terms of revenue, occupancy and RevPAR
- Gradual improvement in the overall tourism sentiment in Hong Kong with visitors returning from the traditionally strong long-haul markets from US and Europe
- The Peninsula Arcade was 90% occupied



THE PENINSULA T O K Y O



Revenue + 21%
Occupancy + 11 pp
ARR + 11%
RevPAR + 32%

- Strong 2024 with rates, occupancy and RevPAR achieving significant growth, returning to pre-pandemic results, driven by robust international business from US, UK and Hong Kong
- Improved F&B performance with banquets experiencing strong demand.
- Robust arcade business



Commercial Properties Performance



THE REPULSE BAY



Revenue + 5%

- Positive leasing environment with over 90% average occupancy
- Improved residential revenue and occupancy as demand is returning from both the local market and expatriates
- Strategic review of the arcade being undertaken



Revenue + 20%

- Strong performance in 2024
- Revenue and occupancy improved
- Visitors to Sky Terrace 428 improved significantly due to successful sales of combo tickets with the Peak Tram

A high-angle, top-down view of a grand, ornate spiral staircase. The staircase is covered in a vibrant red carpet and has a polished brass handrail. A person in a dark suit is walking down the stairs. In the background, a grand hall with classical architectural elements like columns and arches is visible, illuminated by warm lighting. The overall scene is one of elegance and grandeur.

Peak Tram, Retail and Others



PEAK TRAMWAYS COMPANY, LIMITED
山頂電車有限公司



Revenue

+41%

- Strong business after upgrade completed in 2022
- Patronage returned to pre-pandemic levels, with the Peak Tram operating at full capacity on certain days



THE PENINSULA BOUTIQUE



Revenue + 12%

- Business was affected by a softer retail market in Hong Kong and Mainland China
- Work to be done on improving profitability and reducing costs
- To launch new categories of products including “lifestyle” to develop a broader range of luxury gifting
- Planning for a refurbishment of the Peninsula Boutique at Hong Kong International Airport



Sustainable Luxury Vision 2030



Outlook

Stable Outlook; Cautiously Optimistic

- Generally stable outlook for various businesses
- Cautiously optimistic for the year ahead
- Improving long-haul market for leisure travellers in Hong Kong; geopolitical tensions remain a general concern
- Strong business environment for the Peak Tram
- Strong demand returning for the residential apartments at The Repulse Bay from both the local and the expatriate markets
- Exploring new opportunities for luxury lifestyle experiences





Q & A