

Shangri-La Asia Ltd 2021 Annual Results

24 March 2022



Strong Recovery in 2021: Negative cash flow reduced significantly to -USD51.2m from -USD301.7m

Results highlights: FY2021 vs FY2010

USDm	FY2021	FY2020	YoY (USDm)	YoY (%)
Consolidated Revenue	1,241.0	1,033.4	207.6	20.1%
Effective share of EBITDA	418.0	181.6	236.4	130.2%
Operating PATMI	-193.2	-432.1	238.9	55.3%
Total PATMI	-290.6	-460.2	169.6	36.9%

Results summary

- 2021 results saw strong improvement driven by recovery in key markets and Group's effective cost management
 - Group reduced full year negative cash flow significantly to -USD51.2m from -USD301.7m a year ago
 - 2H 2021 continues improvement trend since outbreak
- Hotel properties in most destinations saw year-on-year improvement
 - Group recovery led by Mainland China though uneven due to sporadic local outbreaks
 - Hong Kong supported by domestic demand as well as quarantine businesses
 - European and some ASEAN hotels saw improvement in 2H 2021 as restrictions began to loosen
- Investment properties continue to provide stable base for the Group

FY2021 and recent updates

Major events

Hotels

New Opening

- Shangri-La Qiantan, Shanghai, Mainland China (October 2021)
- Shangri-La Shougang Park, Beijing, Mainland China (December 2021)
- Shangri-La Jeddah, Saudi Arabia (February 2022)
- Shangri-La Nanning, Mainland China soft opening (March 2022)

Other Developments

- Signed conditional SPA with Samty Group to divest 80% of Kyoto project, transaction to be completed by Q2 2022 (April 2021)
- Ceased hotel management agreement with Traders Fudu Hotel, Changzhou (June 2021)

Group

- 50th anniversary celebrations with refreshed brand logo and #WithHeart campaign
- Refresh of Shangri-la Circle loyalty program and launch of by-invitation-only Polaris tier to deepen engagement with customers

FY2021 and recent updates (Continued)

Strong balance sheet

- Group cash at USD785m as at 31 December 2021
- Total committed undrawn facilities of USD1.9bn as at 31 December 2021, sufficient capacity to cover refinancing needs for next 12 months
- Almost 80% our 2022 refinancing arrangement completed

Prospects

- COVID uncertainties remain, ensure preparedness and readiness to drive business under different operating environments
 - Mainland China to capture opportunities from domestic consumption and premiumisation as borders remain closed under zero-COVID policy
 - Ex-China to prepare for business rebound as travel restrictions are lifted under endemic approach
- Emergence of recent uncertainties from Ukraine, inflation and interest rate hikes
 - We continue to be vigilant on cash conservation and cost management

Final dividend

- The Board proposes no final dividend to conserve cash

Financial Highlights – FY2021 vs FY2020

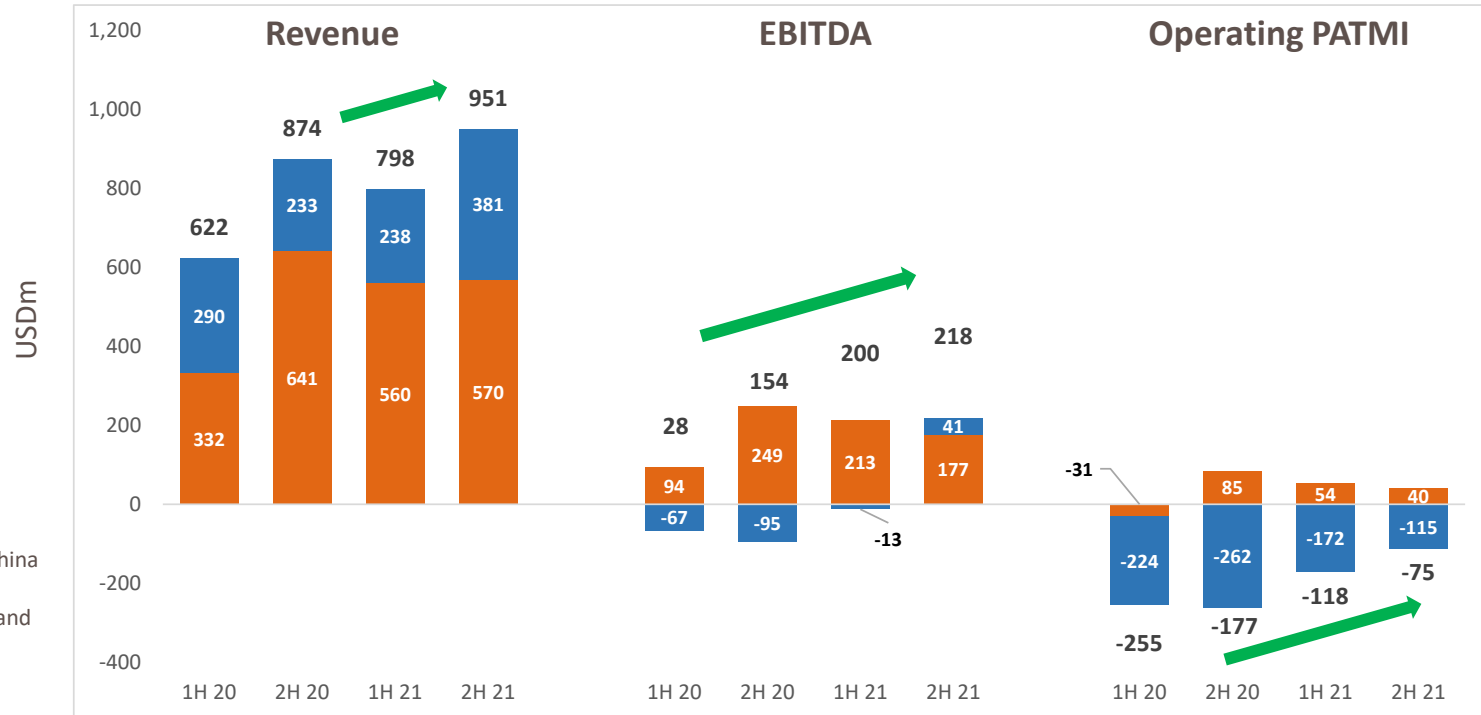
- Effective share of EBITDA improved by USD236m (130%) compared to prior year and 48% of 2019 level
- Major improvement driven by hotel business recoveries and stable IP business in China
- Agile operating & cost containment efforts also drove improvement in EBITDA

<i>In USD mn</i>	FY2021	FY2020	FY21 v FY20	% Change	2021 % of 2019
Revenue	1,241.0	1,033.4	207.6	20.1%	51.0%
EBITDA	132.8	(84.9)	217.7	nm	22.7%
<i>EBITDA Margin</i>	<i>10.7%</i>	<i>-8.2%</i>			
Effective share of EBITDA (Note 1)	418.0	181.6	236.4	130.2%	48.3%
<i>Effective EBITDA Margin</i>	<i>23.9%</i>	<i>12.1%</i>			
Operating Segment PATMI	(71.3)	(288.1)	216.8	75.3%	nm
Corporate, Project Expenses and FX	(4.3)	(25.9)	21.6	83.4%	
Corporate Interest Expenses (net)	(117.6)	(118.1)	0.5	0.4%	
Operating PATMI	(193.2)	(432.1)	238.9	55.3%	nm
Other non-operating items	(97.4)	(28.1)	(69.3)	(246.6%)	
Total PATMI	(290.6)	(460.2)	169.6	36.9%	nm

(1) Effective Share of Revenue and EBITDA - include the effective share of Revenue and EBITDA of subsidiaries and associated companies

2021 EBITDA showed weakness in China's pickup balanced by non-China recovery

- China rooms business saw weakness due to sporadic outbreak in number of provinces and tightening restrictions
 - Compensated by F&B business from local demand, however F&B has a lower profit margin
- Non-China regions supported by pent up demands once the travel restrictions was lifted



Note: All numbers in effective share basis

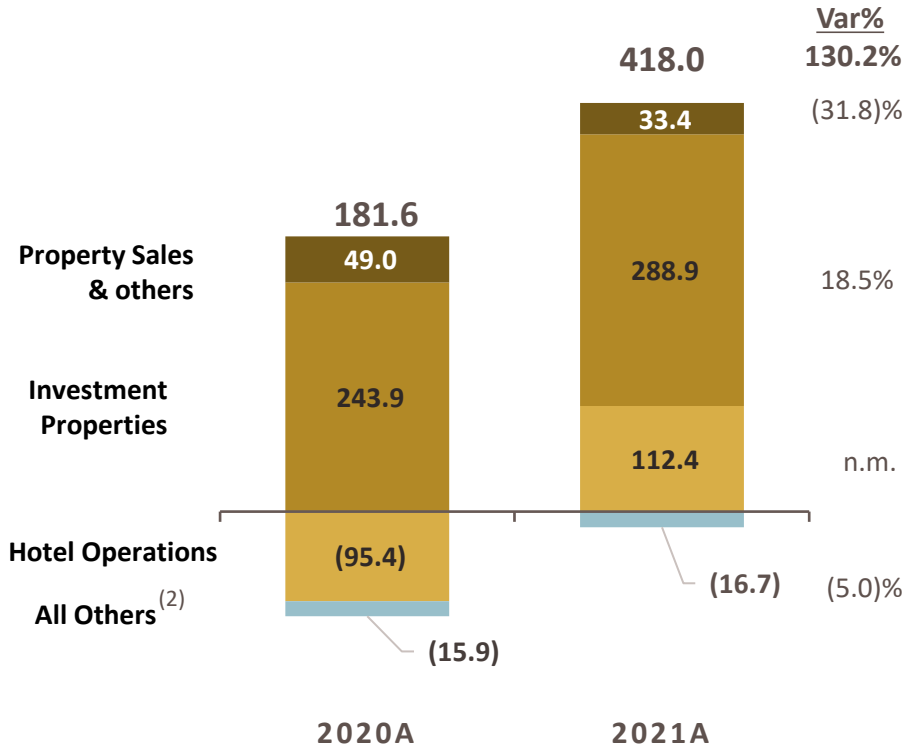
SHANGRI-LA GROUP

Effective Share of EBITDA by Segment – FY2021 vs FY2020

In USD million

Effective Share of EBITDA ⁽¹⁾

FY2021 vs FY2020



- Hotel Operations: increased USD207.8mn to USD112.4mn, mainly
 - Mainland China increased USD27.3mn
 - UK increased USD26.8mn
 - Hong Kong increased USD19.3mn
 - SLIM* increased USD70.5mn
- Investment Properties: increased USD45.0mn to USD288.9mn, mainly
 - Mainland China increased USD38.5mn
 - Mongolia increased USD5.0mn
 - Sri Lanka increased USD3.4mn
- Property Sales & Others: decreased USD15.6mn to USD33.4mn, mainly
 - Mainland China decreased USD19.5mn mainly due to lower sales recognition from our associated projects
 - Partially offset by Sri Lanka increased USD3.0mn

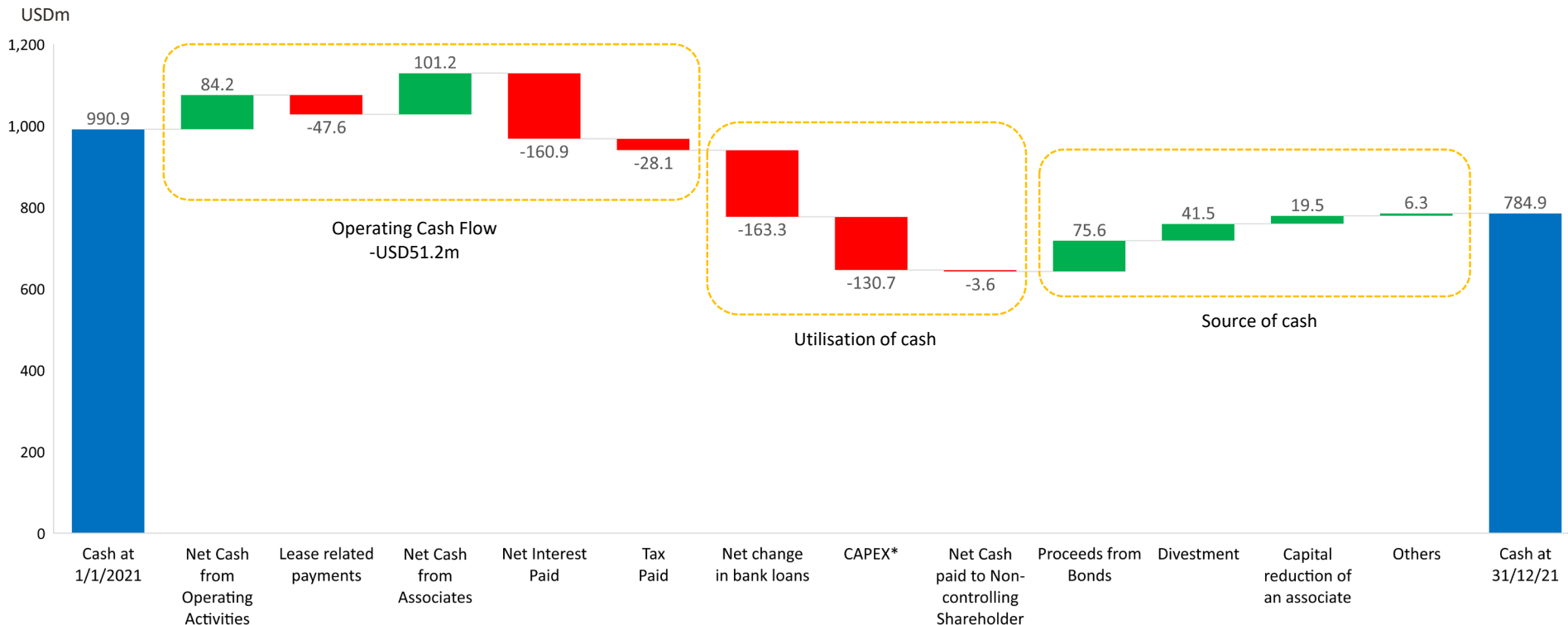
*SLIM is our hotel management subsidiary, results improvement driven by turnaround of hotels business

(1) Effective Share of EBITDA - include the effective share of EBITDA of subsidiaries and associated companies

(2) All Others – include corporate expenses and project expenses

FY2021 significantly reduced negative operating cash flow

- Full year negative consolidated operating cash flow reduced by 83% from -USD301.7m a year ago to -USD51.2m
- Capex remains low as part of Group’s cash conservation efforts



* Includes equity injection to our Hangzhou associate for its CAPEX. Maintenance capex at ~USD25-30 million

1. “Operating Cash Flow” includes operating cash flow from Group subsidiaries, as well as interest income and certain cash received from associates (loan repayment, interests, dividends)
2. Net Interest expense is on 100% subsidiaries



Corporate Finance and Treasury Update

Cash, Debt and Gearing Summary (as of 31 Dec 2021)

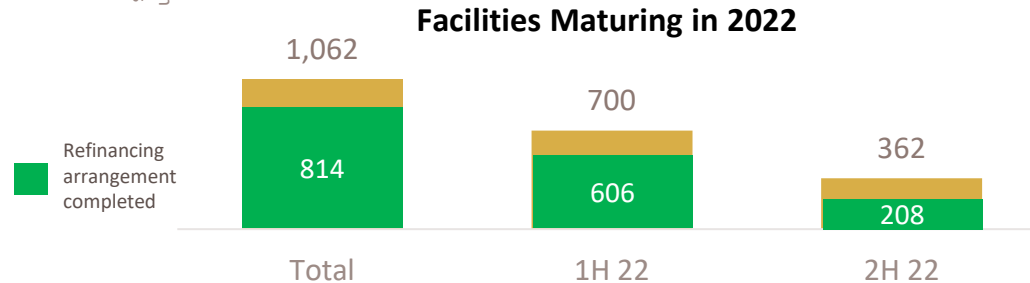
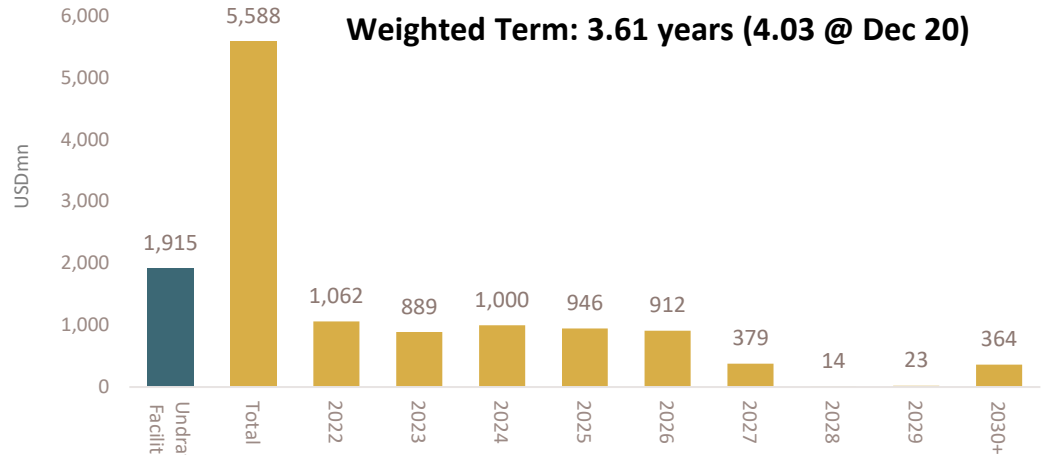
- Sufficient cash and committed undrawn facilities to sustain Group's liquidity needs
- Almost 80% our 2022 refinancing arrangement completed*

Gross Debt**
\$5.6bn ↓ **\$130mn**

Net Debt*
\$4.8bn ↑ **\$76mn**

Cash and Bank Balance
\$785mn

Committed Undrawn Facilities
\$1.9bn ***



* All legal documentation completed

** Compared to 31 Dec 20

*** Of which USD930m already been earmarked for to be drawn down to replace existing facilities from the same banks in 2022

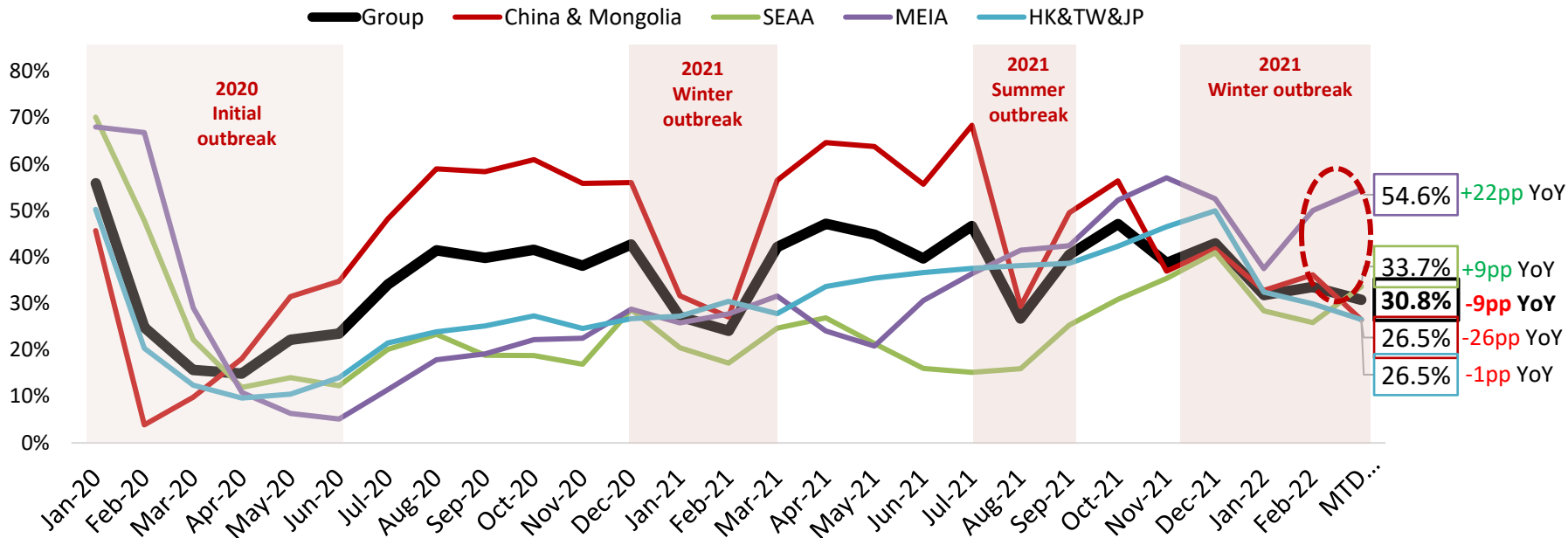


2022 Prospects

Monthly Occupancy: MTD 21-Mar Group Occupancy at 30.8%

Monthly Occ% by Region: SEAA, MEIA trending upwards as restrictions lifted while China / HK declining

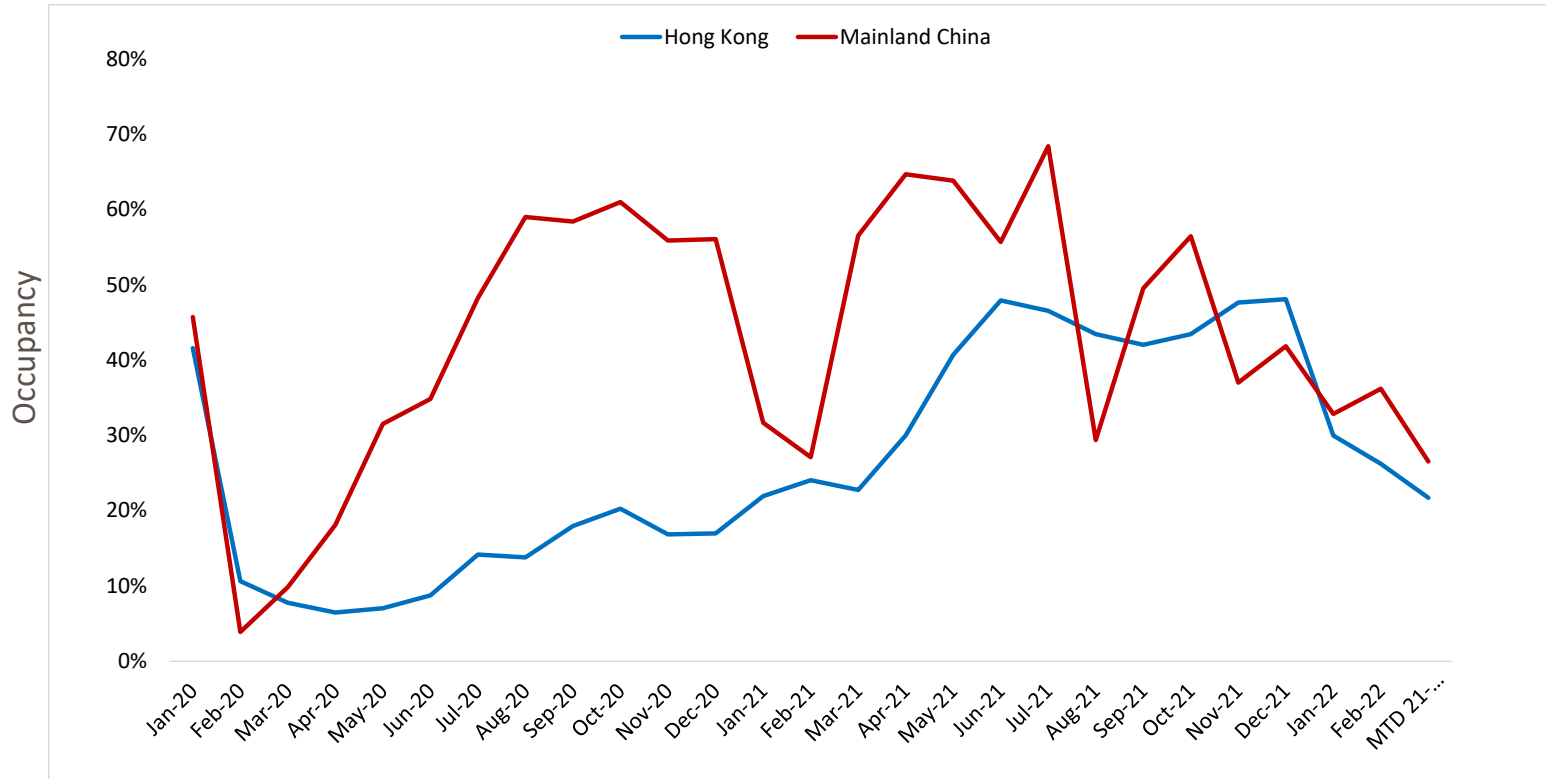
MONTHLY OCCUPANCY % BY REGION



Tale of Two Worlds

World 1 - Mainland China and Hong Kong

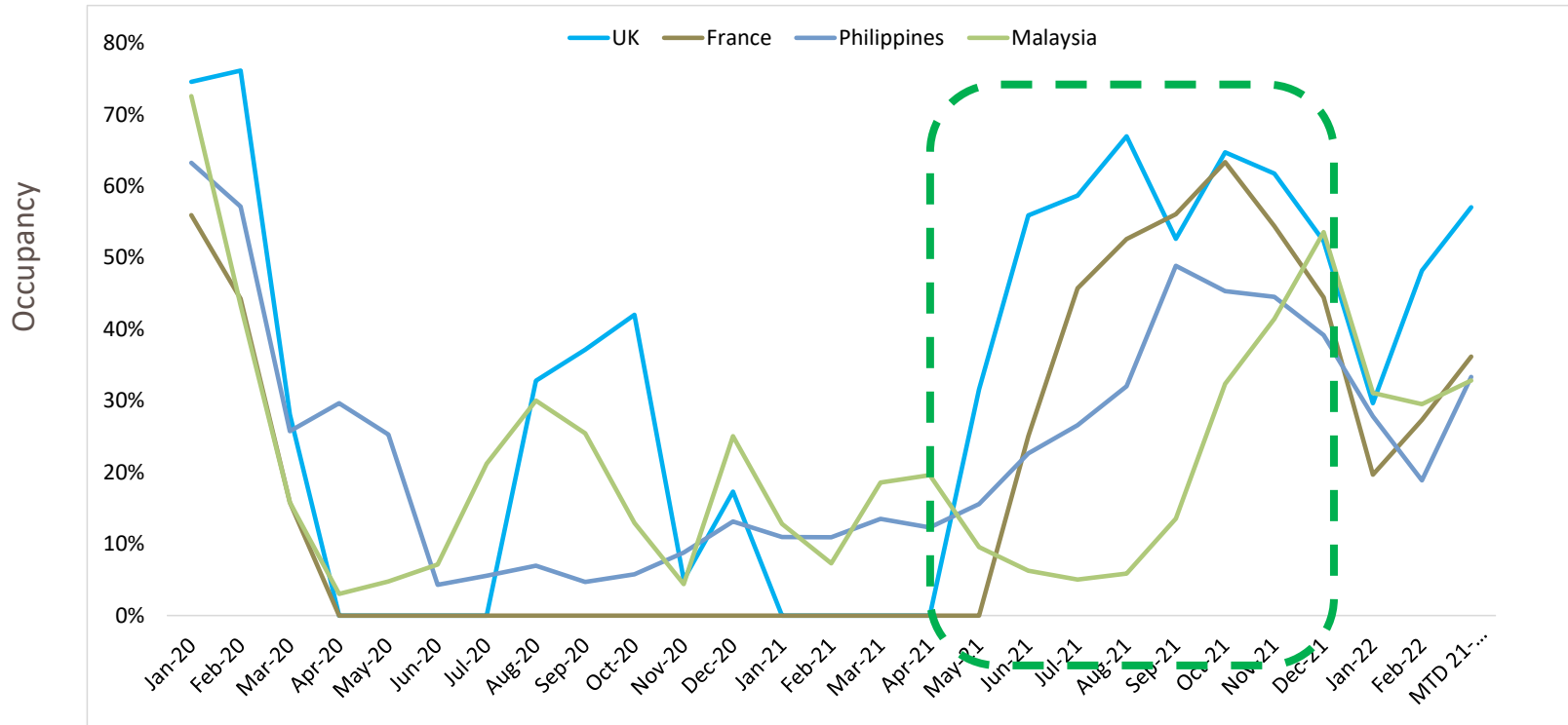
- Closed domestic bubble, recovery depending on local outbreaks
- Focus on premiumisation



Tale of Two Worlds (continued)

World 2 – Rest of the World

- Living with COVID, navigating through balance of health and economic risks
- Markets to be supported by pent up travel demand as restrictions loosen
 - Europe robust recovery since reopening in 1H 21
 - Parts of ASEAN also began to see recovery as restrictions loosen



2022 Prospects – Opportunities Amidst Uncertainties

Uncertainties remain

- Although global vaccine rollout is generally successful, latest Omicron outbreak still causing reservations towards unrestricted re-openings
- Recent rise of other uncertainties from Ukraine, inflation and interest rates may also bring more challenge to overall business environment and consumer sentiment

Mitigation actions






Focus on actions we can control

- Capture premiumisation opportunities in Mainland China
- Capture business rebounds amidst easing restrictions in Ex-China
- Already hedged ~60% of our total debt against rising interest rates
- Continue to be vigilant on cash conservation and cost management

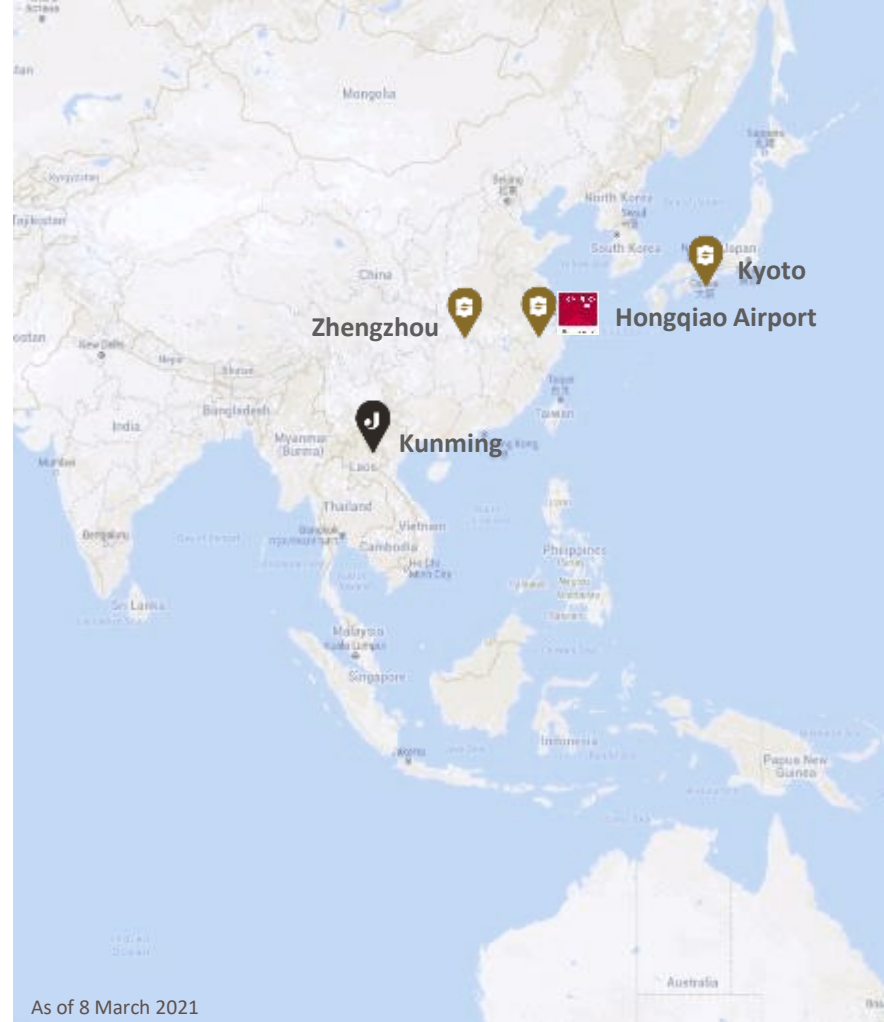


Appendix

Owned Hotels Under Development

Property Name (# Keys)	Group's Equity Interest	Projected Opening
Subsidiaries		
Shangri-La Hotel, Kyoto (80)	 51% ¹	2024
Operating Lease Agreement		
Shangri-La Hotel, Hongqiao Airport (611)	  100%	2024
JV with Kerry Properties Limited		
Jen Kunming by Shangri-La (274)	 45%	2023
Shangri-La Hotel, Zhengzhou (314)	 45%	2024

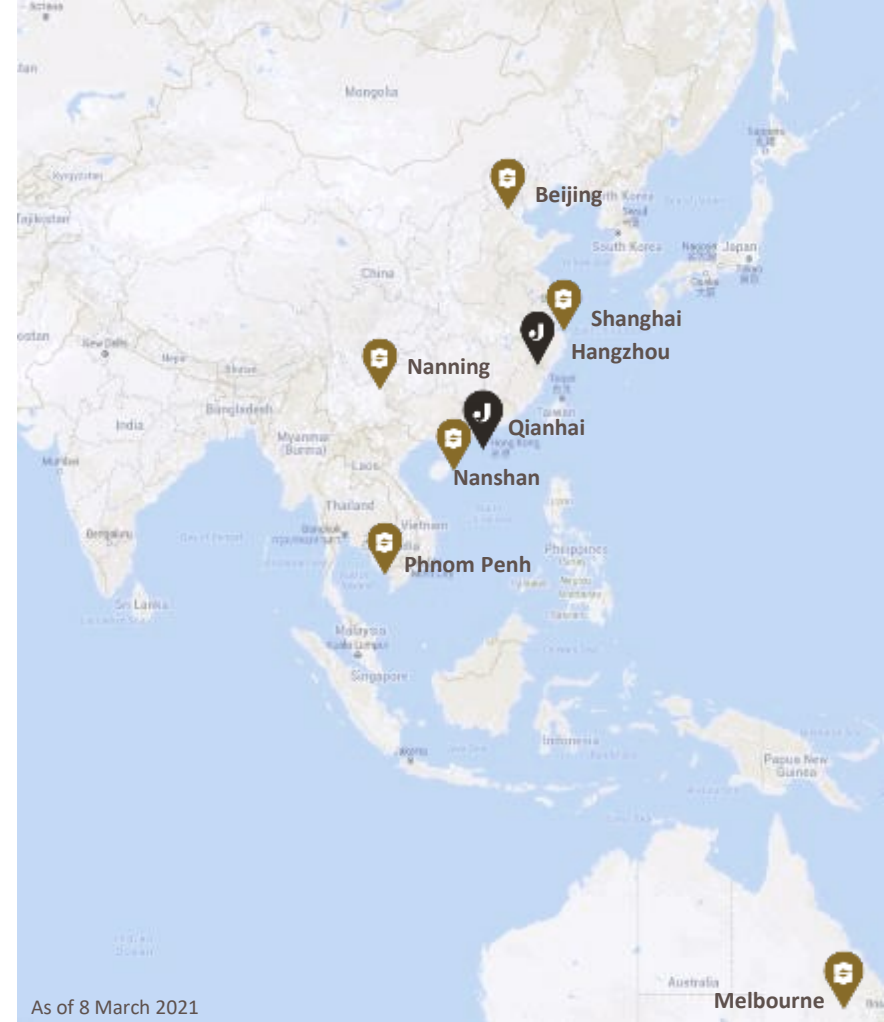
¹ Shangri-La Asia Limited currently owns 51% (49% divested in Nov 2021), and will further decrease to 20% by Q2 2022



As of 8 March 2021

Managed Hotels Under Development

Property Name		No. of Keys
Shangri-La Hotel, Nanning		320
Shangri-La Hotel, Phnom Penh		303
Jen Qianhai by Shangri-La, Shenzhen		368
Shangri-La Hotel, Nanshan		271
Shangri-La Hotel, Melbourne		487
Jen Hangzhou by Shangri-La, Hangzhou		237
Shangri-La Hotel, Bahrain		245



As of 8 March 2021

Composite Projects Under Development

Subsidiaries

Phase II of Shangri-La Hotel, Fuzhou*

- Equity interest: 100%
- Component: Office + Retail
- Projected opening: 2023
- GFA: 84,766 sqm

Joint Ventures with Kerry Properties Limited

Shenyang Kerry Centre (Phase II & III)

- Equity interest: 25%
- Part of Phase I (office & residential) sold & handed over.
- Phase III : Residential superstructure under construction
- Projected opening: Phased opening from 2022
- GFA: 562,582 sqm

Nanchang City Project

- Equity interest: 20%
- Phase I: Hotel & residential completed
- Phase II : Basement under construction
- Projected opening: 2023
- GFA: 95,847 sqm

Kunming City Project*

- Equity interest: 45%
- Component : Hotel, Commercial & Apartment
- Projected opening : 2023
- GFA: 64,681 sqm

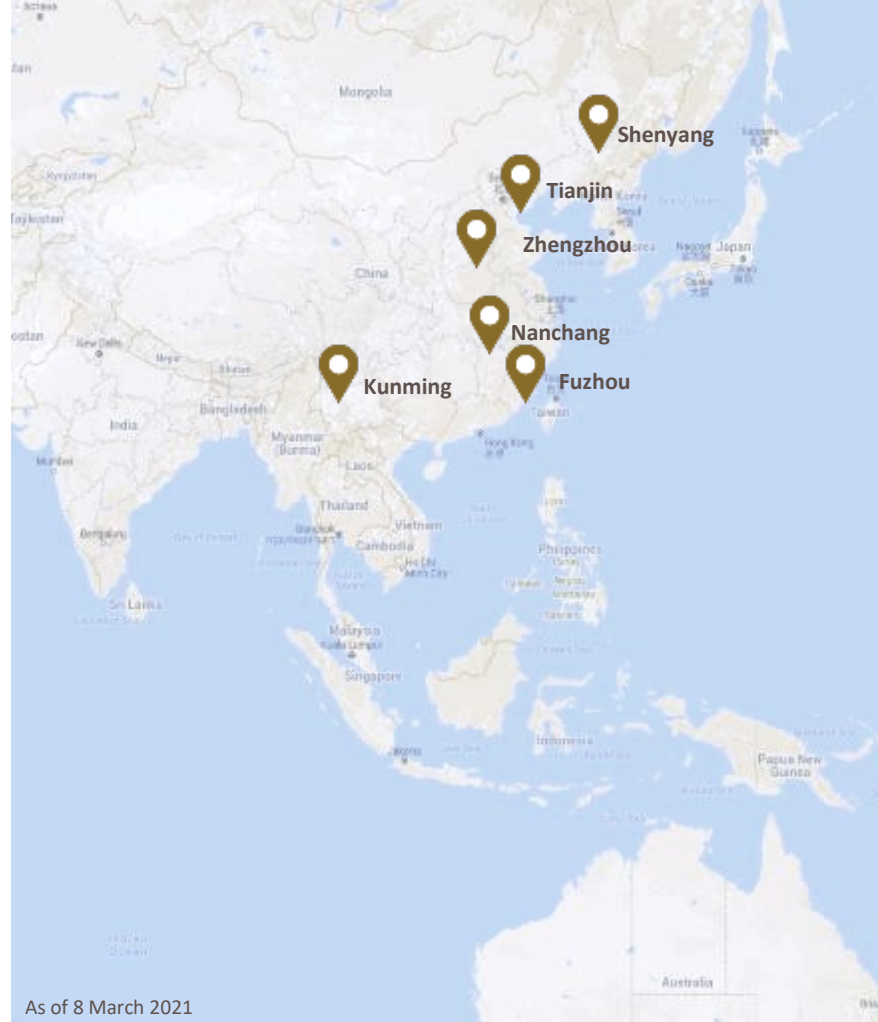
Zhengzhou City project

- Equity interest: 45%
- Component : Hotel, Office, Commercial & residential
- Projected opening : Phased opening from 2023
- GFA: 197,850 sqm

Tianjin Kerry Centre (Phase II)

- Equity interest: 20%
- Component: Office, Commercial & Residential
- Projected Opening: 2025
- GFA: 138,671 sqm

*Managed by Shangri-La Asia



As of 8 March 2021

Shangri-La Hotel, Qiantan



- Opened Oct 2021
- Located in Shanghai's newest business and lifestyle destination of The New Bund International Business District



Shangri-La Hotel, Qiantan

- 585 keys
- 4 specialty restaurants and bars
- 2,000sqm wellness club
- 7,000sqm meeting and event space



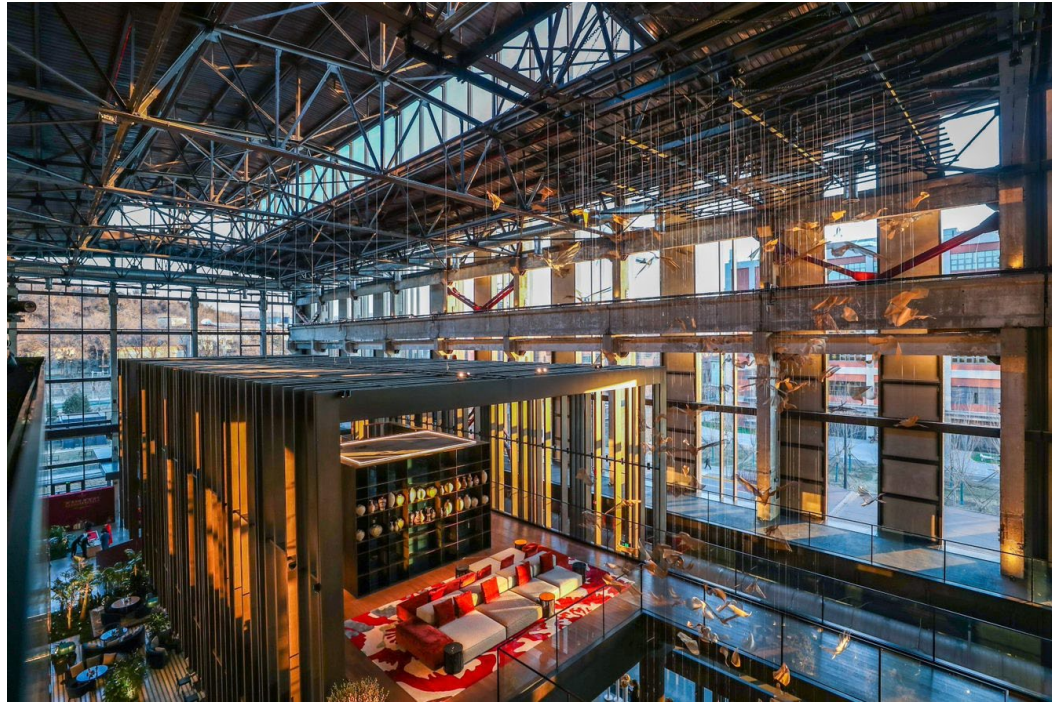
- Hotel is attached to Taikoo Li shopping centre and the New Bund Centre
- Only 5 kilometres away from Shanghai World Expo Exhibition and Convention Centre

Shangri-La Hotel, Shougang Park, Beijing

- Opened December 2021
- Located in New Shougang High-end Industry Comprehensive Service Area
- Shougang Park was snowboard Big Air Venue for Beijing 2022 Winter Olympics and four stadiums of the National Winter Sports Training Centre



Shangri-La Hotel, Shougang Park, Beijing



- 283 keys
- Three restaurants and bars
- Seven family themed suites
- Children's playground, and Buds by Shangri-La interactive play space



- Short distance to Jin An Qiao Station on Metro Line 6
- Designed by renowned Italian architectural designer Lissoni Casal Ribeiro S.p.A

Shangri-La Hotel, Jeddah



- Opened Feb 2022
- First Shangri-La Hotel in the Kingdom
- Luxury landmark at Jeddah's newly developed waterfront
- Sets Standard for new luxury leisure & business travel in Jeddah



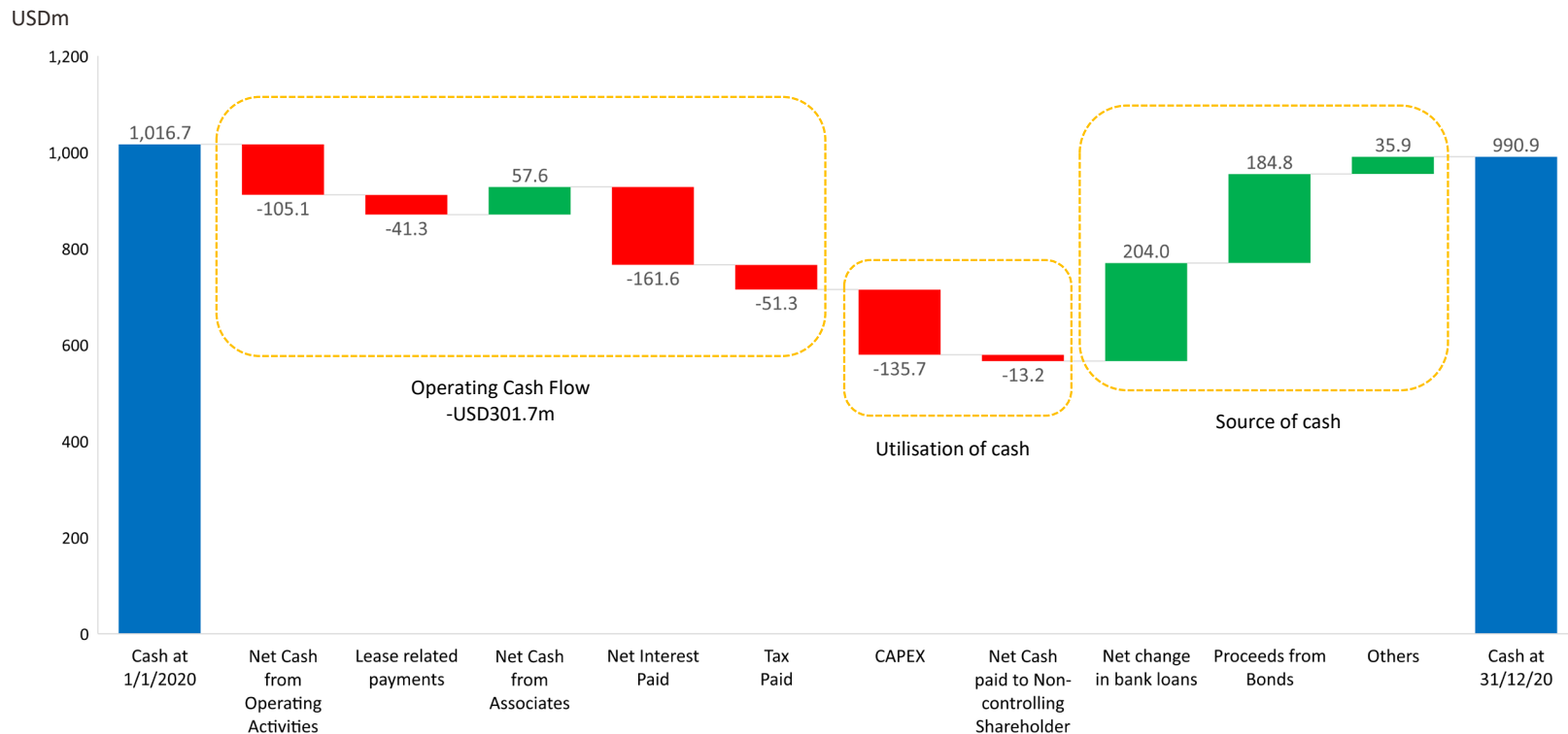
- 220 keys
- 6 F&B outlets
- 2,600sqm of events facilities

Jeddah is the principal gateway to the Holy City of Mecca



FY2020 operating cash flow

- Full year consolidated operating cash flow of -USD301.7m due to COVID outbreak
- Drastically reduced capex as part of Group’s cash conservation efforts



1. “Operating Cash Flow” includes operating cash flow from Group subsidiaries, as well as interest income and certain cash received from associates (loan repayment, interests, dividends)
2. Net Interest expense is on 100% subsidiaries

EBITDA & eff. Share of EBITDA – FY2021 vs FY2020

(USD million)	Effective share of								
	EBITDA of subsidiaries		EBITDA of subsidiaries		Effective share of EBITDA of associates		Aggregate Effective share of EBITDA		
	2021	2020	2021	2020	2021	2020	2021	2020	
Hotel Properties	The People's Republic of China								
	Hong Kong	(28.4)	(46.7)	(24.4)	(43.1)	(0.1)	(0.7)	(24.5)	(43.8)
	Mainland China	87.9	74.7	81.1	68.6	30.2	15.4	111.3	84.0
	Singapore	8.6	4.9	8.6	5.1	1.7	2.6	10.3	7.7
	Malaysia	(14.4)	(18.0)	(7.7)	(9.8)	1.2	(0.7)	(6.5)	(10.5)
	The Philippines	(10.8)	(24.8)	(10.5)	(24.6)	(0.1)	(1.1)	(10.6)	(25.7)
	Japan	8.6	(2.8)	8.6	(2.8)	-	-	8.6	(2.8)
	Thailand	(6.8)	(5.5)	(5.0)	(4.0)	-	-	(5.0)	(4.0)
	France	3.6	(12.2)	3.6	(12.2)	-	-	3.6	(12.2)
	Australia	1.0	3.1	1.0	3.1	-	-	1.0	3.1
	United Kingdom	21.1	(5.7)	21.1	(5.7)	-	-	21.1	(5.7)
	Mongolia	6.9	(2.1)	3.5	(1.0)	-	-	3.5	(1.0)
	Sri Lanka	(3.1)	(6.2)	(2.8)	(5.5)	-	-	(2.8)	(5.5)
	Other countries	(8.2)	(14.9)	(5.1)	(10.4)	4.6	(1.0)	(0.5)	(11.4)
		66.0	(56.2)	72.0	(42.3)	37.5	14.5	109.5	(27.8)
Hotel Management and Related Services		2.9	(67.6)	2.9	(67.6)	-	-	2.9	(67.6)
Sub-total Hotel Operations		68.9	(123.8)	74.9	(109.9)	37.5	14.5	112.4	(95.4)
Investment Properties	Mainland China	16.0	12.6	14.5	11.4	242.6	207.2	257.1	218.6
	Singapore	5.0	4.6	5.0	4.6	2.9	3.1	7.9	7.7
	Malaysia	2.7	3.5	1.4	1.8	-	-	1.4	1.8
	Mongolia	24.4	14.7	12.5	7.5	-	-	12.5	7.5
	Sri Lanka	4.3	0.6	3.9	0.5	-	-	3.9	0.5
	Other countries	10.3	13.7	6.1	7.8	-	-	6.1	7.8
Sub-total Investment Properties		62.7	49.7	43.4	33.6	245.5	210.3	288.9	243.9
Property Development For Sale & Other Business		12.7	2.5	11.5	1.5	21.9	47.5	33.4	49.0
Sub-total		144.3	(71.6)	129.8	(74.8)	304.9	272.3	434.7	197.5
Corporate and Project Expenses		(11.5)	(13.3)	(11.6)	(13.3)	(5.1)	(2.6)	(16.7)	(15.9)
Grand Total		132.8	(84.9)	118.2	(88.1)	299.8	269.7	418.0	181.6

FY2021 main non-operating items

	FY2021	FY2020
Fair value gains on investment properties (net of deferred tax)		
Subsidiaries	1.5	(10.7)
Associates	58.5	2.9
<hr/> Total fair value gains/(losses)	<hr/> 60.0	<hr/> (7.8)
Asset impairments	(172.7)	(13.9)
<hr/> Total	<hr/> (112.7)	<hr/> (21.7)