



BANYAN TREE HOLDINGS LIMITED

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Banyan Tree Reports 1H2020 Results

Executive Summary 1H2020

- Revenue decreased 43% to S\$75.4 million
- Core Operating Profit¹ decreased by S\$33.9 million due to lower contribution from Hotel Investments and Fee-based segments, partially cushioned by a higher contribution from the Residences and Extended Stay segment²
- Repayment of final tranche of medium-term notes in June 2020 of S\$100 million
- Successful completion of convertible bond rights issue of S\$50.4 million
- Sustained organic portfolio growth with 8 new hotels and 7 spas opening in next 12 months, representing an 18% growth in room key count
- Cash-preservation measures in place for sufficient operating runway into 2021

Key Financial Highlights

1H2020 Results (in S\$' million):

	1H20	1H19
Core Operating Profit¹	(4.9)	29.0
Revenue	75.4	133.0
Operating Profit	(26.2)	27.2

Singapore, 12 August 2020 – Banyan Tree Holdings Limited’s (“the Group”) Core Operating Profit for the half year ended 30 June 2020 (“1H2020”) decreased by S\$33.9 million to a loss of S\$4.9 million. Revenue dropped by 43% to S\$75.4 million.

Six months into the global impact of the COVID-19 pandemic, the Group repaid its final tranche of medium-term notes in June 2020 of S\$100 million. Subsequently, it successfully completed a convertible bond rights issue of S\$50.4 million with minority interest shareholders subscribing to an encouraging 98.4% of the available amount. While the travel and tourism industry remains severely impacted by this unprecedented pandemic, this positive take-up rate demonstrates confidence by all our shareholders in the Group’s business fundamentals.

Portfolio Review

Banyan Tree Holdings’ operations are broadly organised into three business segments – Residences and Extended Stay, Hotel Investments and Fee-based. These segments, collectively, form an operating portfolio of diversified

¹ Core Operating Profit = Operating Profit excluding one-off gains or losses. (Operating Profit = EBITDA (Earnings before interests, taxes, depreciation & amortisation). In 1H2020, one off items comprise write-down of property development costs and severance payment.

² Residences and Extended Stay Segment = Property Sales segment

[@]Variations are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet.



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offerings aimed at capturing distinct market segments while leveraging operational and distribution synergy. This diversification has helped cushion the dramatic effect of COVID-19 on the travel and tourism industry with buyer confidence in the Residences and Extended Stay segment staying stable.

Nevertheless, the sharp deterioration of the travel environment with travel restrictions, limited airlift and multiple waves of lockdowns has affected the Hotel Investments and Fee-based segments significantly, with some properties on partial operations.

Review of business segments

- **Residences and Extended Stay segment**

Revenue from the Residences and Extended Stay segment increased by *S\$1.7 million* or *15%* from *S\$11.0 million* in 1H2019 to *S\$12.7 million* in 1H2020, mainly due to higher average price of units recognised in the current period. Overall revenue remaining to be recognized as at 30 June 2020 amounts to *S\$151.4 million*.

- **Hotel Investments segment**

The Hotel Investments segment registered a *49%* dip in revenue to *S\$48.2 million* from its operations in 1H2020, compared to *S\$93.8 million* in 1H2019. The decrease in revenue was mainly from Thailand (*S\$33.2 million*), Maldives (*S\$10.6 million*) and Indonesia (*S\$1.6 million*) as a result of significantly lower occupancies from almost no international tourist arrivals.

- **Fee-based hospitality segment**

Banyan Tree's Fee-based hospitality segment comprises its hotel management, gallery, spa, design and other operations, which are ancillary growth streams leveraging core competencies of the Group. In 1H2020, total revenue from the segment dropped *48%* to *S\$14.5 million*, due to soft demand, low occupancies and project delays.

COVID-19

Until there is clarity on the duration and consequences of the COVID-19 pandemic, the Group will continue to pursue steps to reduce costs, conserve cash and diversify our sources of funding to strengthen our balance sheet. Cash preservation measures implemented include unpaid leave, restructuring initiatives, and the suspension of non-critical capital expenditure. The Group is also proactively reviewing all aspects of our operations, including our sales and marketing programme, to ensure that we are ready to meet demand when air travel returns to normal and borders are reopened in each of the countries where we operate. Having rolled out new health and safety protocols at currently operating locations, the Group is already seeing positive traveller feedback and consumer confidence with forward pickup. Amidst the health effects on customers, we will continue to execute and elevate our sustainability and well-being initiatives which remain the core of our hotel and resort-related operations.

Pipeline and Outlook

The Group's brands continue to show optimism with notable achievements and a pipeline gaining momentum, completing 13 hotel management agreements this year, with strong traction shown across all brands. It has received a total of 38 awards as of 30 June 2020, totaling to 2649 awards. Notable recent awards include **2020 Forbes Travel Guide Five-Star Ratings for Hotel, Spa and Restaurant** for Banyan Tree Macau; **DestinAsian 15th Readers' Choice Awards 2020 Best Hotels & Resorts** in Vietnam, Maldives, Thailand, Macau and Malaysia for Banyan Tree Lăng Cô, Banyan Tree Vabbinfaru, Banyan Tree Phuket, Banyan Tree Macau and Banyan Tree Kuala Lumpur



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respectively; *Harper's Bazaar Best Rainforest Spa Experience* for Banyan Tree Samui; *Golf Digest US Editors' Choice Awards Best Golf Resorts In Asia (4th consecutive year)* for Laguna Lăng Cô. For its Residences and Extended Stay segment, Skypark Phuket is the *winner of International Property Awards 2020* for three categories - Apartment/Condominium, Residential Interior Show Home and Development Marketing.

In the next 12 months, the Group expects to open 8 new resorts and 7 new spas across the 7 geographies of Thailand, Malaysia, Indonesia, China, Qatar, Mozambique and Greece, of which the latter 3 represent new markets. Over the next 3 years, 46 new properties are expected to open in line with the Group's ambition to double its operating footprint by 2025.

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For high-resolution images, please download [here](#).

ABOUT BANYAN TREE HOLDINGS LIMITED

Banyan Tree Holdings Limited ("Banyan Tree" or the "Group") is one of the world's leading independent, multi-branded hospitality groups. The Group's diversified portfolio of hotels, resorts, spas, galleries, golf and residences is centered on five award-winning brands (Banyan Tree, Angsana, Cassia, Dhawa and Laguna) that offer exceptional design-led experiences for global travellers of today and tomorrow.

Founded in 1994 on the core concept of sustainability, Banyan Tree Holdings seeks to create long-term value for all stakeholders and destinations across its network of properties, products and brands, through a purpose-driven mission. With 11,000 associates across 24 countries, Banyan Tree Management Academy (BTMA) was established in 2008 to support the Group's goals through advancing people development, management excellence, and learning with integrity and meaning.

Banyan Tree Holdings has received over 2649 industry awards and accolades since inception. It has also received recognition for its commitment to environmental protection and community development through its Banyan Tree Global Foundation (BTGF), which aligns the Group's efforts to the UN Sustainable Development Goals. Executing on its regionalised growth strategy, the Group's global footprint continues to grow with 46 new hotels and resorts under design and construction in the pipeline, in addition to 47 operating hotels in 24 countries as of 30 June 2020.

Banyan Tree Holdings entered a strategic long-term partnership with Accor in 2016 to develop and manage Banyan Tree branded hotels around the world along with the access to Accor's global reservations and sales network, as well as the loyalty programme ALL - Accor Live Limitless. It also formed a joint venture with China Vanke Co. Ltd. in 2017 – focusing on active ageing and wellness hospitality projects.

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