Banyan Tree Holdings Limited

4Q14 & FY14 Results Briefing






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Contents




Overview & Outlook

Overview

BANYAN TREE

Group Financial Highlights

	4Q14	4Q13	Change*
Revenue (S$'m)	91.8	97.9	6% ↓
EBITDA (S$'m)	19.9	18.7	6% ↑
PATMI (S$'m)	4.1	3.7	13% ↑

- **Revenue ↓ 6% mainly due to:**
  - ↓ architectural and design fees from projects in China.
  - ↓ revenue from hotel operations due to slowdown from the European market, in particular, the Russian market due to sharp depreciation of the Rouble and weak Russian economy.

- **EBITDA ↑ 6% due to:**
  - Gain on revaluation of investment properties in Seychelles.

  Partially offset by:
  - ↓ revenue.
  - ↑ marketing expenses on new property projects but revenue only recognisable upon project completion.

- **PATMI ↑ 13% due to:**
  - ↑ EBITDA and ↓ income tax expenses, but partially offset by ↑ depreciation.

* Note: Variance is computed based on figures to the nearest thousands & in line with announcement in SGXNet.

Overview

Group Financial Highlights

	FY14	FY13	Change*
Revenue (S$'m)	327.4	356.1	8% ↓
EBITDA (S$'m)	51.1	74.1	31% ↓
PATMI (S$'m)	1.0	18.1	94% ↓

- **Revenue ↓ 8% mainly due to:**
  - ↓ revenue from operations in Thailand due to political unrest.
  - ↓ architectural and design fees from projects in China.
- **EBITDA ↓ 31% due to:**
  - lower revenue.
  - ↓ other income due to absence of one-off gain from sale of Angsana Velavaru hotel in 1Q13.
- **PATMI ↓ 94% due to:**
  - lower EBITDA, but partially cushioned by ↓ income tax expenses.

* Note: Variance is computed based on figures to the nearest thousands & in line with announcement in SGXNet.

Overview

BANYAN TREE

Outlook

Cautiously optimistic of a better performance in FY2015 due to:

- **Promising Property Sales Outlook:**
  - Consistent sales (164 units - S$73.5m in FY14 vs 161 units - S$64.2m in FY13).
  - Unrecognised revenue of $110m will be predominantly recognised in 2015.
  - Encouraging response to our pre-launch property sales in Wenjiang, Chengdu:
    - booking deposits of 151 units received (71% of total units available for sales under Phase 1A).
- **Challenging Hotel Outlook:**
  - Hotel bookings (same store) for 1Q15 for owned hotels are currently below last year, mainly due to financial crisis in Russia:
    - Thailand ↓ 6%.
    - Non Thailand ↓ 10%.
    - Overall ↓ 7%.
- **Macro Outlook:**
  - USA economic recovery continue to gain momentum but Europe economy remains weak.
  - Recent cut in interest rate by Central bank of China likely to boast consumption.
  - Thai political situation is currently stable.

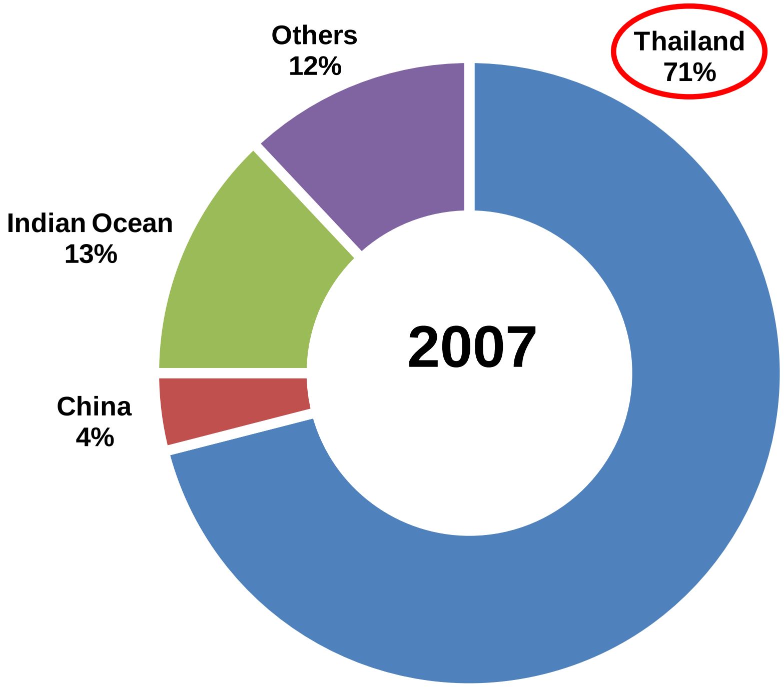


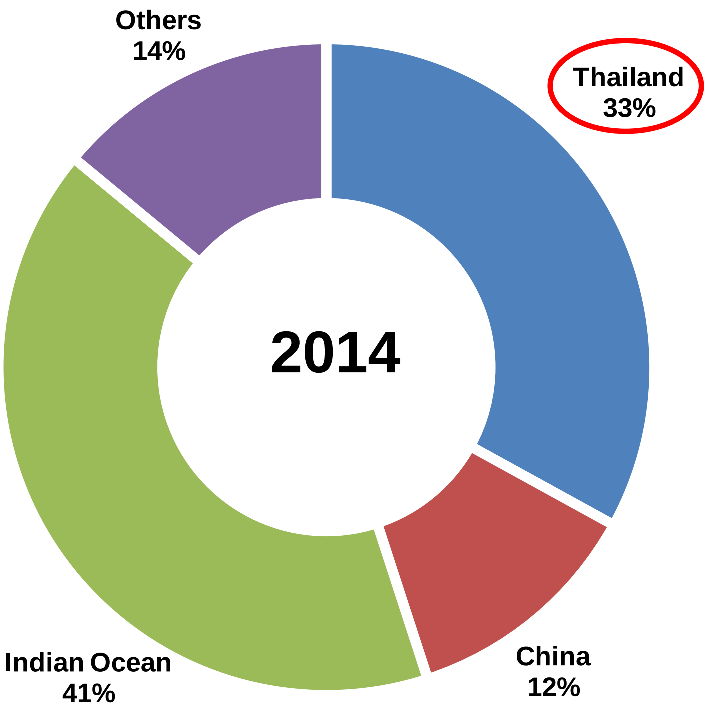

Ratios & Statistics

Key Financial Ratios

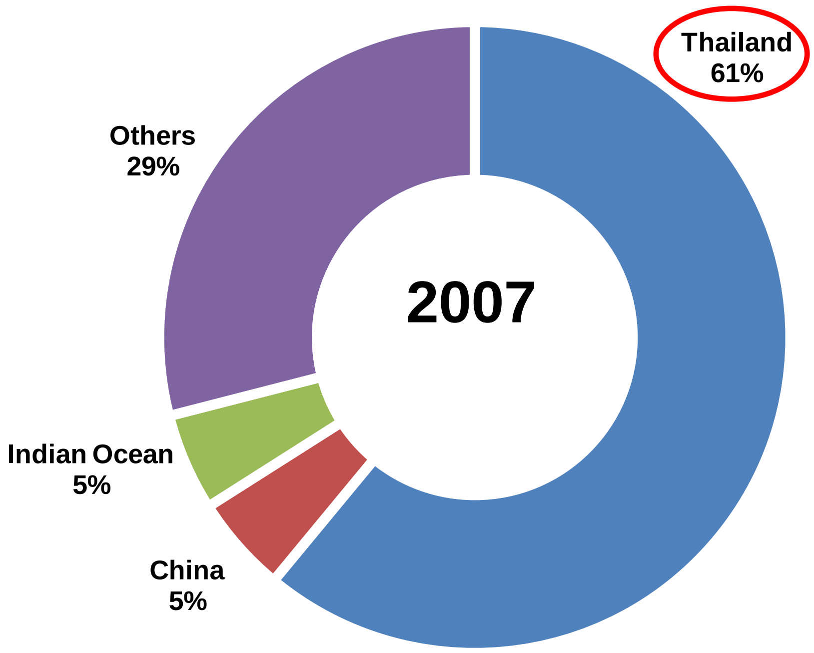
Income Statement	4Q14	4Q13	FY14	FY13
EBITDA margin	21.6%	19.1%	15.6%	20.8%
PAT margin	5.9%	4.0%	0.2%	5.1%
Earnings per share (cents)	0.54	0.48	0.13	2.39
Balance Sheet			**As at 31/12/14**	**As at 31/12/13**
Tangible Net Worth (TNW) (S$mil)			691.2	667.1
Net Debt/Equity ratio			0.48	0.40
Net Asset Value/share (S$)			0.75	0.72

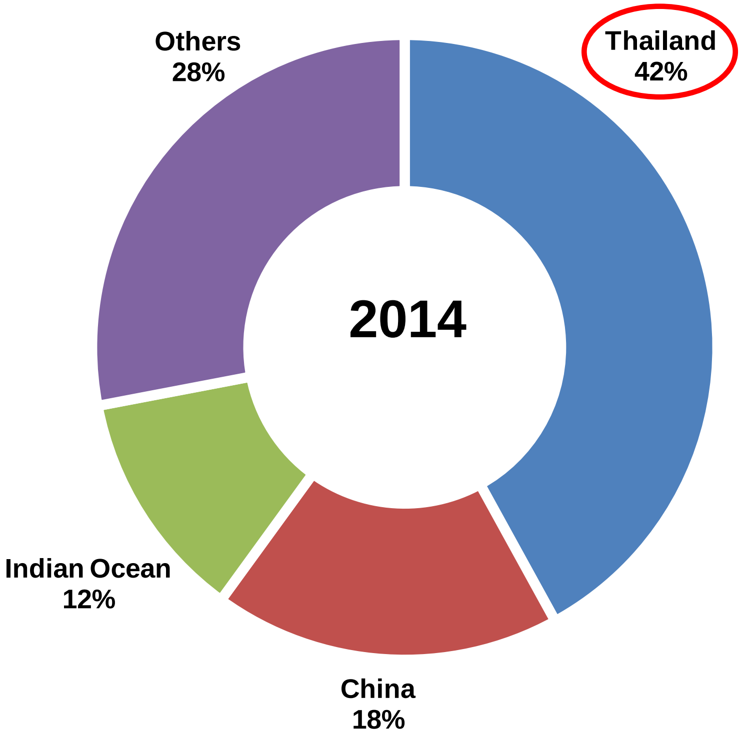
EBITDA By Geographical Region





Assets* By Geographical Region





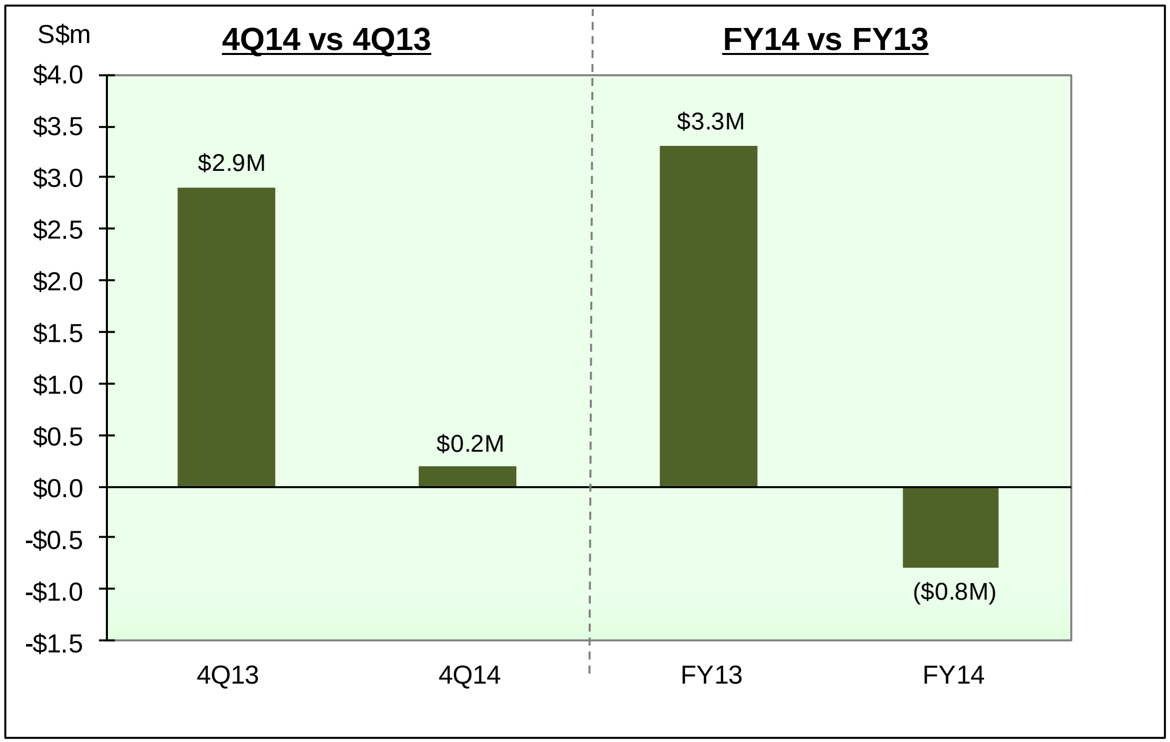
* Refers to total assets before revaluation




Property Business

Property Business – Financial Performance

EBITDA



1. Variance is computed based on figures to the nearest thousands.

Highlights

4Q14 vs 4Q13 and FY14 vs FY13

- **EBITDA ↓ 94% and EBITDA margin ↓ 23% points for 4Q14 vs 4Q13, and EBITDA ↓ 123% and EBITDA margin ↓ 12% points for FY14 vs FY13 due to:**

- **Marketing and admin expenses incurred on new projects where revenue is recognisable only on completion.**

but partially cushioned by:

- **↑ contribution of property sales units completed and recognised:**
  - **4Q14: 20 units vs 4Q13: 8 units**
  - **FY14: 31 units vs FY13: 21 units**

Property Business – Hotel Residences

Sales Progress

	Units Sold 4Q	Total Value 4Q S$'Mil	Units Sold* FY	Total Value FY S$'Mil	Sales Recognized for units sold FY S$'Mil	Avg Price FY S$'Mil	Unrecognized revenue as at 31 December S$'Mil
New Launch							
Cassia Phuket	9	1.9	44	10.4	-	0.2	42.7
Cassia Bintan	4	1.2	40	10.5	-	0.3	10.5
Dusit Laguna Phuket	-	-	2	1.7	1.7	0.9	-
BT Phuket	4	9.3	9	15.8	9.2	1.8	6.6
BT Lijiang	-	-	-	-	-	-	1.2
Cancellations	(11)	(6.2)	(3)	(1.8)	-	0.6	-
2014	**6**	**6.2**	**92**	**36.6**	**10.9**	**0.4**	**61.0**
Cassia Phuket	3	1.0	73	19.4	-	0.3	34.4
Dusit Laguna Phuket	-	-	4	4.0	4.0	1.0	-
AN Laguna Phuket	-	-	1	0.6	0.6	0.6	-
BT Phuket/BT Lijiang/BT Bintan	-	-	5	6.2	2.8	1.2	3.4
Units Exchanged / Cancellations	(2)	(2.6)	(3)	(4.2)	-	1.4	-
2013	**1**	**(1.6)**	**80**	**26.0**	**7.4**	**0.3**	**37.8**
Variance %	**↑500%**	**NM**	**↑15%**	**↑41%**	**↑47%**	**↑33%**	**↑61%**

* Units sold and cancelled in the same period will be netted off and not shown separately as units sold and units cancelled.

Highlights

4Q14 vs 4Q13

- **In 4Q14, there were 17 units sold vs 3 units in 4Q13.**
- **However, 11 units were cancelled in 4Q14 vs 2 units 4Q13.**

FY14 vs FY13

- **95 units were sold in FY14 vs 83 units in FY13.**
- **3 units cancelled in both FY14 and FY13.**
- **As at 31 Dec 2014, we have unrecognised revenue of S$61.0 mil, 61% above FY13.**

Property Business – Laguna Property Sales

Sales Progress

	Units Sold 4Q	Total Value 4Q S$'Mil	Units Sold* FY	Total Value FY S$'Mil	Sales Recognized for units sold FY S$'Mil	Avg Price FY S$'Mil	Unrecognized revenue as at 31 December S$'Mil
New Launch							
Laguna Park	2	1.2	61	27.7	0.5	0.5	43.4
Condominium	1	0.4	4	1.7	1.7	0.4	-
Bungalows	3	4.3	4	5.7	-	1.4	5.6
Cancellations	(7)	(3.7)	(10)	(3.2)	-	0.3	-
2014	**(1)**	**2.2**	**59**	**31.9**	**2.2**	**0.5**	**49.0**
Laguna Park	48	18.6	66	24.7	-	0.4	24.7
Condominiums/ Townhomes/ Bungalows	1	0.7	12	9.2	5.6	0.8	5.8
Cancellations	(1)	(0.7)	(1)	(0.7)	-	0.7	-
2013	**48**	**18.6**	**77**	**33.2**	**5.6**	**0.4**	**30.5**
Variance %	**NM**	**↓88%**	**↓23%**	**↓4%**	**↓61%**	**↑25%**	**↑61%**

* Units sold and cancelled in the same period will be netted off and not shown separately as units sold and units cancelled.

Highlights

4Q14 vs 4Q13

- **In 4Q14, 6 units were sold vs 49 units in 4Q13.**
- **However, 7 units were cancelled in 4Q14 vs 1 unit in 4Q13.**

FY14 vs FY13

- **In FY14, a total of 69 units were sold, vs 78 units in FY13.**
- **10 units cancelled units in FY14 vs 1 unit in FY13**
- **As at 31 Dec 14, we have unrecognised revenue of S$49.0 mil, 61% above FY13.**

Property Business - Outlook

BANYAN TREE

- **Consistent sales despite Thai political situation.**
  - 164 units (S$73.5m) in FY14 vs 161 units (S$64.2m) in FY13.
  - S$110m of unrecognised revenue; recognition predominately in 2015.
- **Short term sales may be affected by financial crisis in Russia.**
- **Recent cut in interest rate by China Central Bank will boast demand for our local and overseas properties.**
  - China, our 2nd largest source market for Thailand properties will mitigate shortfall from Russia market.
  - Favourable response from upcoming launch of property sales in Wenjiang, Chengdu.
    - Pre-launch booking deposits of 151 units (71% of phase 1A) received.

Property Business - Outlook

New Property Launches

	Total units for sale	Sale value of units for sale S$'m	% Sold*	Estimated year of completion 2015	2016	2017	2018
Thailand							
Cassia Phuket (ongoing sales)							
Phase 1	229	61	78%	√			
Phase 2	105	30	-		√	√	
	334	91					
Laguna Park (ongoing sales)							
Townhome	155	56	45%	√	√		
Villa	96	56	49%	√	√		
Condos	300	48	-		√		
	551	160					
Indonesia							
Cassia Bintan (ongoing sales)							
Phase 1	104	29	45%		√		
Phase 2	76	23	-			√	
	180	52					
Laguna Park Bintan (Planned launch in 2015)	79	50	-				√
Australia							
Banyan Tree Residences, Brisbane (Planned launch in 2015)	98	147	-			√	
Cassia Northpoint, Gold Coast (Planned launch in 2016)	339	255	-				√
China							
Laguna Chengdu							
Phase 1A } (Planned launch in 2015)	214	23	-		√	√	
Phase 1B	214	25	-		√	√	
Phase 2	556	88	-			√	√
Phase 3	180	108	-			√	√
	1,164	244					
Cassia Lijiang	172	52	-		√	√	

*As at 11 Feb 2015

Property Business - Outlook

Cassia Phuket

Comprises a total of 334 units (i.e.229 units in Phase 1 and 105 units in Phase 2) of serviced apartments within Laguna Phuket, Thailand.

Total GFA : 30,401 sqm

Property Business - Outlook

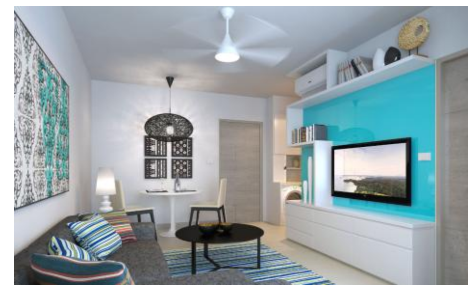
Laguna Park Phuket (Townhomes, Villas, Condos)

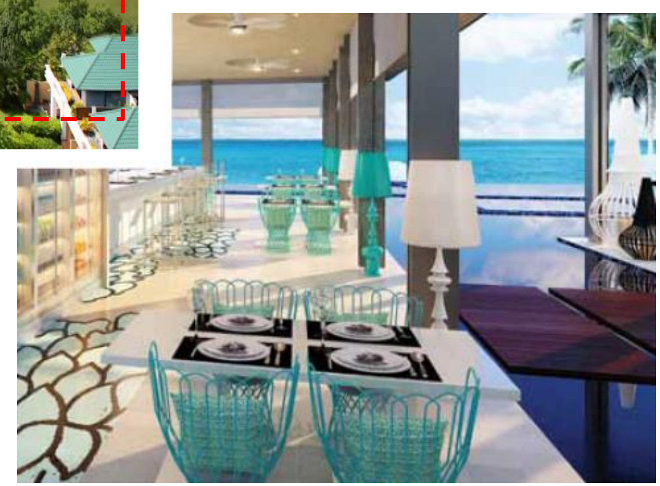
A residential gated community adjacent to the Laguna Phuket resorts, comprising of townhomes (155 units), detached house (96 units) and condos (300 units).

Total GFA : 72,481 sqm

Property Business - Outlook

Cassia Bintan





Comprises 180 units of 1 bedroom and 2 bedroom apartments within Laguna Bintan Resorts, Tanjong Said Bay, Bintan.

Total GFA : 13,806 sqm

Property Business - Outlook

Laguna Park Bintan

Comprises 79 units of 3-storey townhome within Laguna Bintan Resorts, Tanjong Said Bay, Bintan.

Total GFA : 17,632 sqm

Property Business - Outlook

Banyan Tree Residences, Kangaroo Point, Brisbane

Comprises 98 residential units in Kangaroo point, Brisbane.

Total GFA : 26,571 sqm

Property Business - Outlook

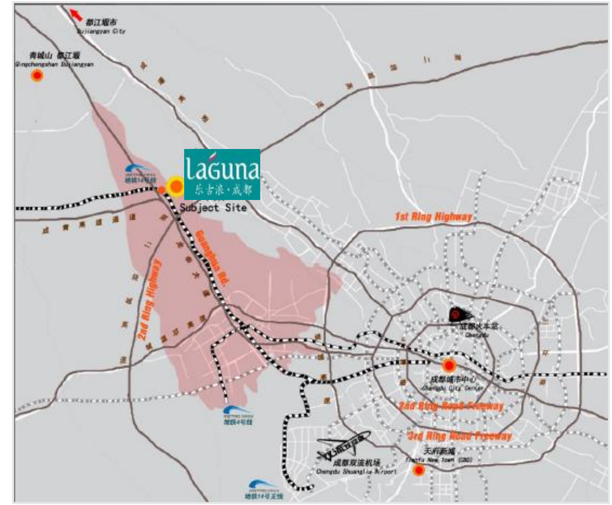
Cassia Northpoint (Gold Coast)

Comprises 339 apartment units in Surfers Paradise, Gold Coast.

Total GFA : 41,931 sqm

Property Business - Outlook

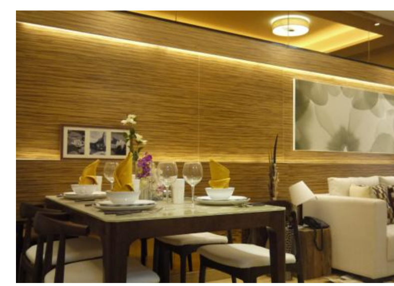
Laguna Chengdu



Comprises a total of 1,164 units in 3 phases in Wenjiang district, Chengdu, Sichuan Province, China:

- Phase 1A (214 units)
- Phase 1B (214 units)
- Phase 2 (556 units)
- Phase 3 (180 units)

Total GFA : 104,040 sqm



Property Business - Outlook

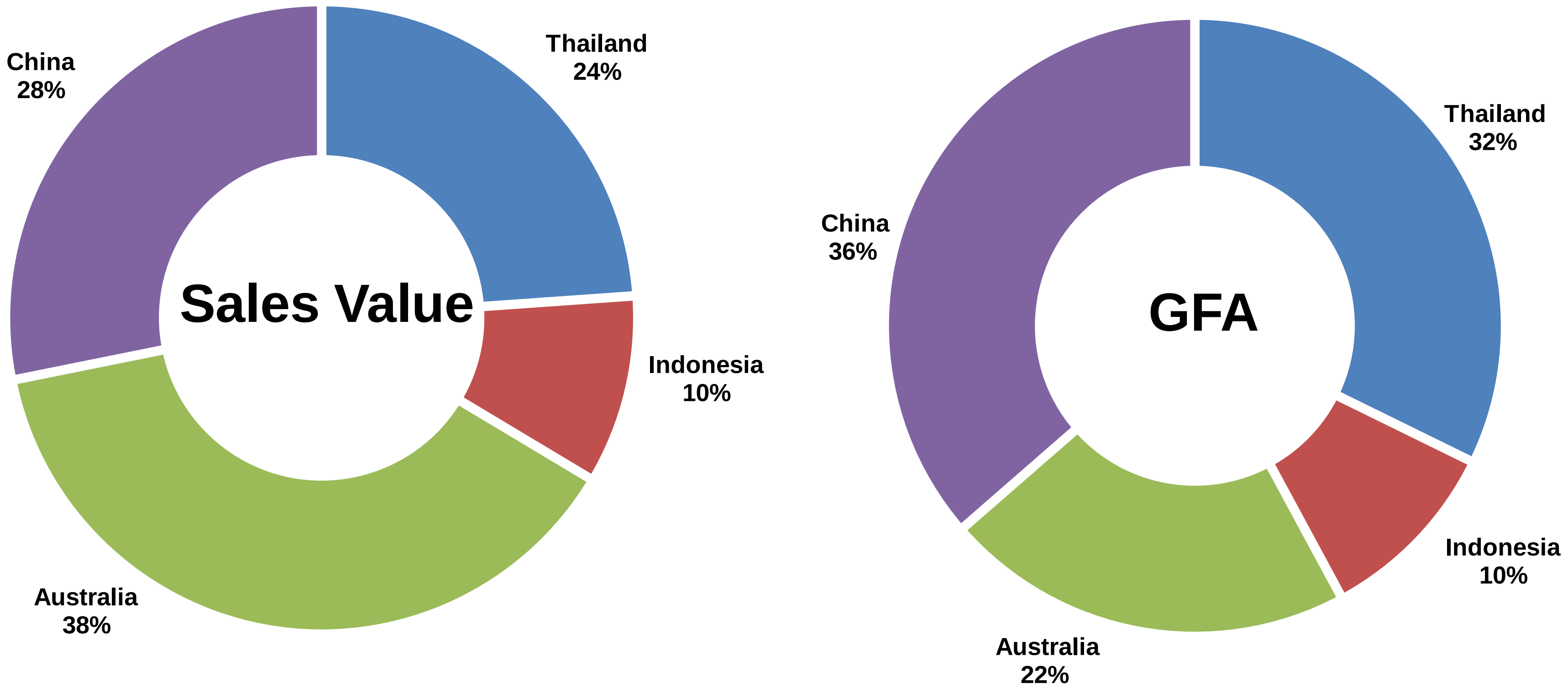
Cassia Lijiang

Comprises 172 units of 1 bedroom and 2 bedroom apartments in Lijiang, Yunnan Province, China.

Total GFA : 12,071 sqm

Property Business - Outlook

New Property Launches

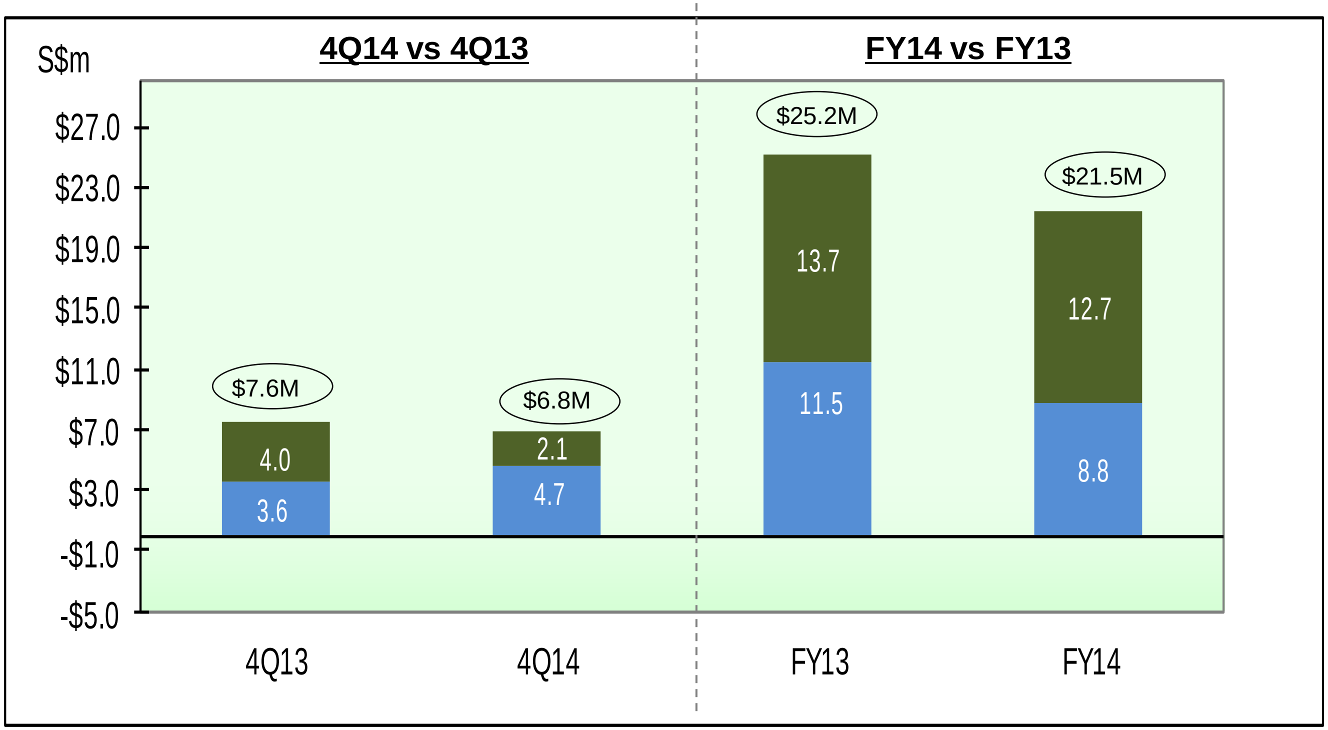





Hotel & Fee-Based Business

Hotel Investments – Financial Performance

EBITDA
Owned Hotels[1]



1. Hotel management fees attributed for hotels managed and owned by BTH was allocated to hotel management segment.
2. Variance is computed based on figures to the nearest thousands.

Highlights

4Q14 vs 4Q13

- **EBITDA ↓ 10% & EBITDA margin ↓ 1% point, due to:**
  - **↓ contribution from Thailand, Seychelles and Maldives due to slowdown from European market.**

Partially cushioned by:

- **↓ operating cost in Thailand due to control of operating expenses.**

FY14 vs FY13

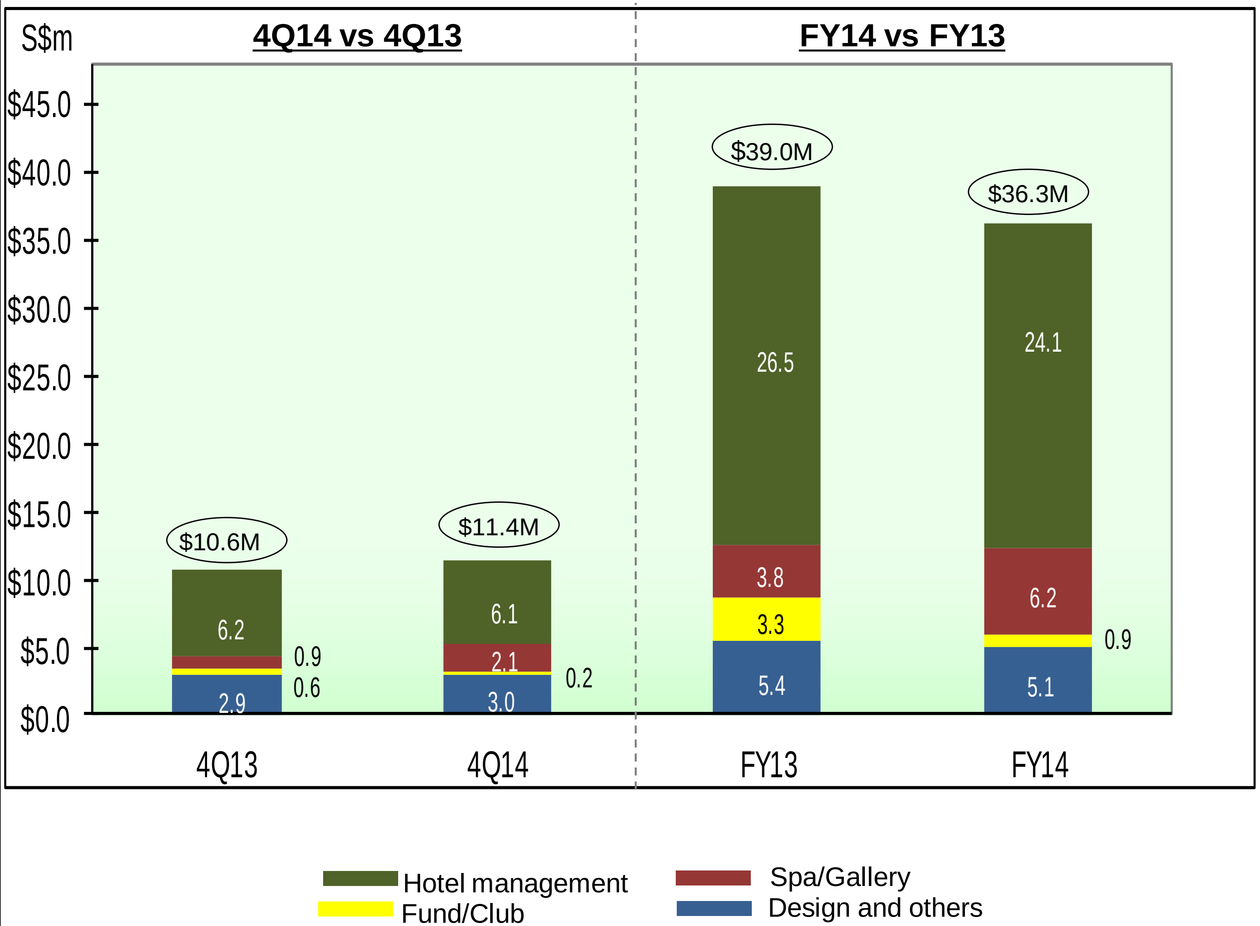
- **EBITDA ↓ 15% & EBITDA margin ↓ 1% point, due to:**
  - **↓ contribution from Thailand.**
  - **↓ contribution from China due to general decline in tourist arrivals.**

Partially cushioned by:

- **↑ contribution from Maldives and Seychelles due to favourable demand from the leisure market.**

Fee-Based Business – Financial Performance

EBITDA



1. Hotel management fees attributed for hotels managed and owned by BTH was allocated to hotel management segment.
2. Hotel management revenue includes royalty fees.
3. Variance is computed based on figures to the nearest thousands.

Highlights

4Q14 vs 4Q13

- **EBITDA ↑ 7% and EBITDA margin ↑ 8% points, mainly due to ↓ operating expenses which more than offset the ↓ revenue. ↓ revenue was attributable to:**
  - **Lower architectural and design fees from projects in China.**

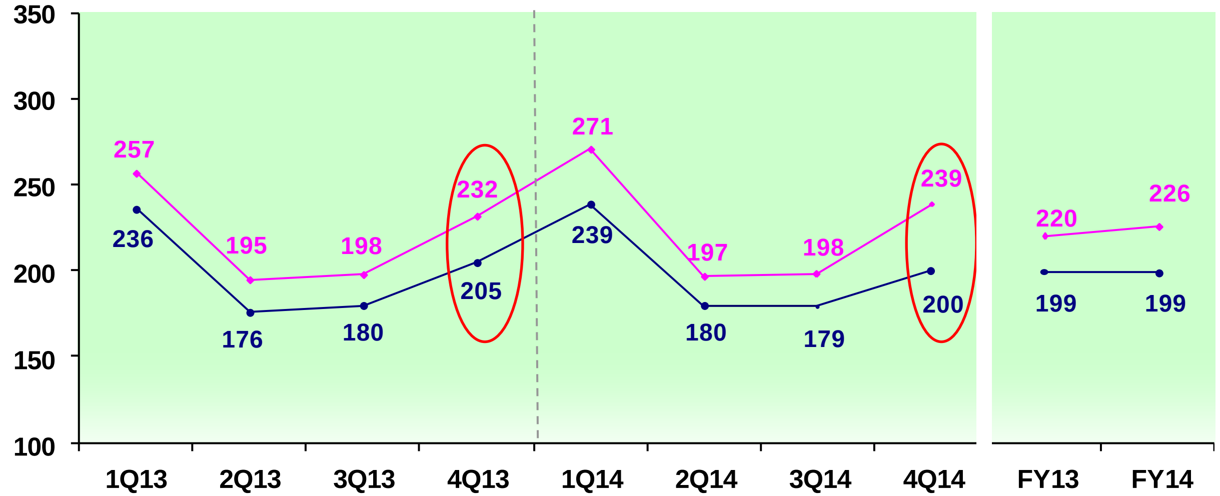
FY14 vs FY13

- **EBITDA ↓ 7% and EBITDA margin ↓ 1% point due to:**
  - **Lower architectural and design fees as mentioned above.**
  - **Lower resorts development management fees from China Fund as projects for Banyan Tree Yangshuo resort and Angsana Lijiang residences have been completed.**

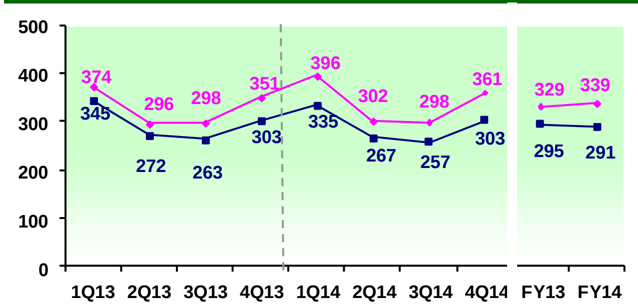
Hotel Operating Performance – REVPAR (S$)

BANYAN TREE

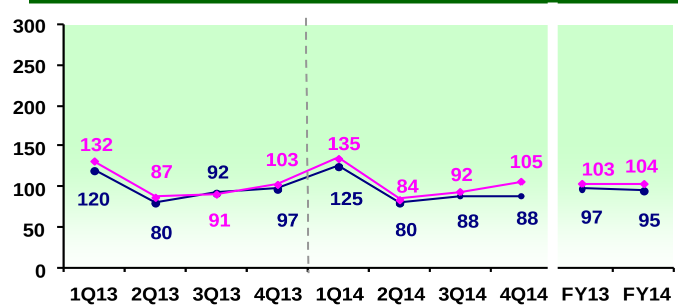
Total Hotels[1]



Banyan Tree Resorts



Angsana Resorts



Total Resorts
Same Store Charts Basis[2]

Highlights

4Q14 vs 4Q13

- **Groupwide RevPAR ↓ 2% mainly due to lower occ.**
- **On "Same Store" basis, RevPAR ↑ 3%, due to higher occ and higher ARR.**
- **Banyan Tree resorts' RevPAR on "Same Store" basis ↑ 3% mainly from our resorts in Mexico and China.**
- **Angsana resorts' RevPAR on "Same Store" basis ↑ 2% mainly due to resorts in Mauritius, Indonesia, and Morocco.**

FY14 vs FY13

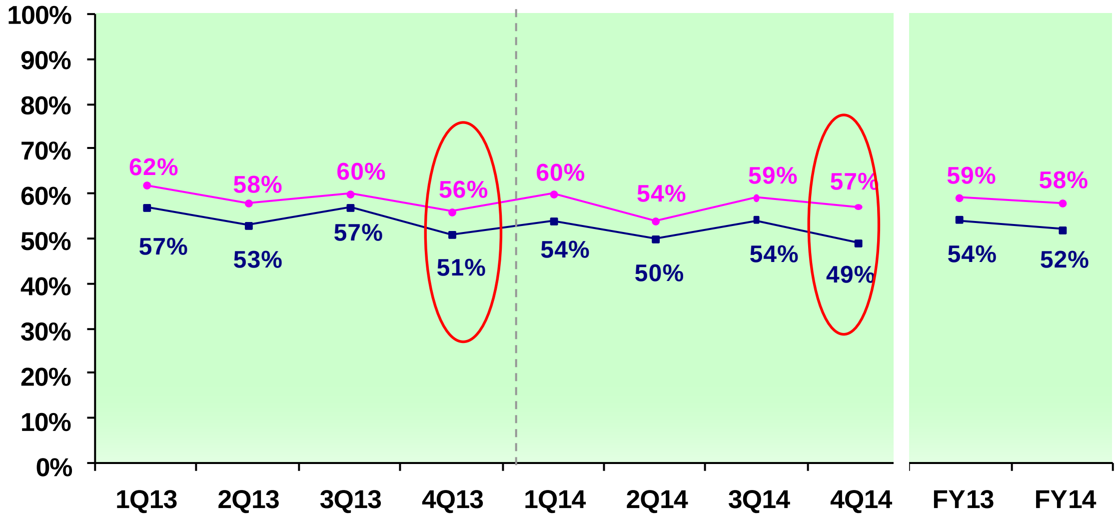
- **Groupwide RevPAR of S$199 was in line with last year, and on "Same Store" basis ↑ 3%, mainly due to higher ARR but partially offset by lower occ.**

1. Total hotels refer to company total including hotels in Banyan Tree & Angsana Resorts.
2. Same Store Concept exclude BT Madivaru, AN Great Barrier Reef, Gyalthang Dzong Hotel which were no longer in operation and all new resort opened/rebranded in the past 2 yrs: BT Shanghai On The Bund, BT Lang Co, BT Tianjin Riverside, BT Chongqing Beibei, BT Yangshuo, AN Lang Co, AN Tengchong Hot Spring Village, AN Xi'an Lintong and abnormal hotel: BT Ringha (open for 6 mths). Comparatives for Same Store concept for prior periods have been adjusted to include BT Macau, AN Hangzhou, AN Balaclava and AN Laguna Phuket.

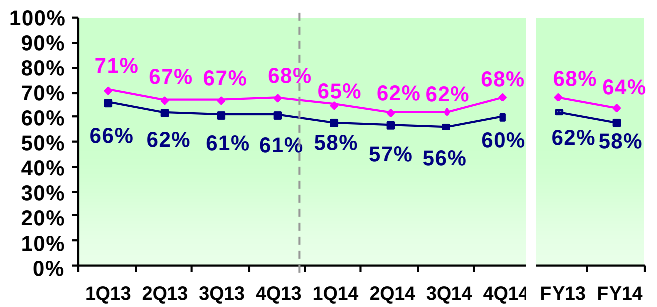
Hotel Operating Performance – Ave Occupancy (%)

BANYAN TREE

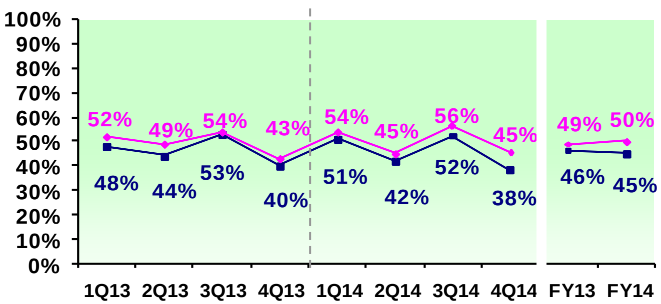
Total Hotels[1]



Banyan Tree Resorts



Angsana Resorts



Total Resorts
Same Store Charts Basis[2]

Highlights

4Q14 vs 4Q13

- **Groupwide occ ↓ 2% points mainly from our resorts in Thailand, Seychelles, Maldives and Morocco.**
- **On "Same Store" basis, occ ↑ 1% point mainly due to our resorts in China, Mauritius, Indonesia and India.**
- **Banyan Tree Resorts' occ on "Same Store" basis of 68% was in line with last year.**
- **Angsana Resorts' occ on "Same Store" basis ↑ 2% points mainly due to resorts in Indonesia, but partially offset by resorts in Thailand.**

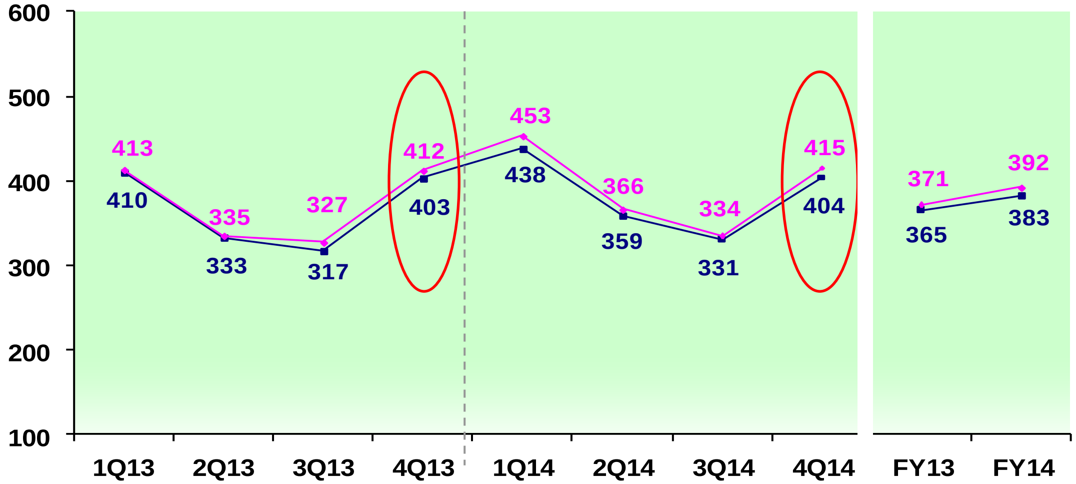
FY14 vs FY13

- **Groupwide occ ↓ 2% points and on "Same Store" basis occ ↓ 1% point, mainly from our resorts in Thailand.**

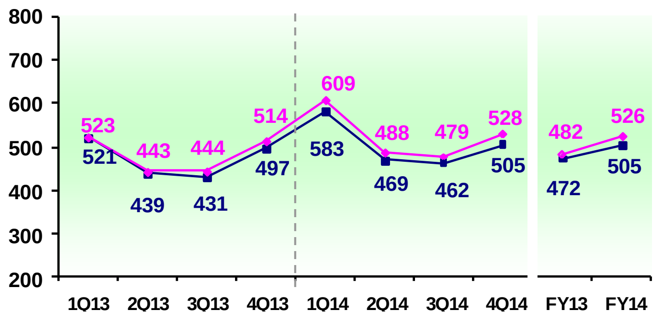
1. Total hotels refer to company total including hotels in Banyan Tree & Angsana Resorts.
2. Same Store Concept exclude BT Madivaru, AN Great Barrier Reef, Gyalthang Dzong Hotel which were no longer in operation and all new resort opened/rebranded in the past 2 yrs: BT Shanghai On The Bund, BT Lang Co, BT Tianjin Riverside, BT Chongqing Beibei, BT Yangshuo, AN Lang Co, AN Tengchong Hot Spring Village, AN Xi'an Lintong and abnormal hotel: BT Ringha (open for 6 mths). Comparatives for Same Store concept for prior periods have been adjusted to include BT Macau, AN Hangzhou, AN Balaclava and AN Laguna Phuket.

Hotel Operating Performance – Ave room rates (S$)

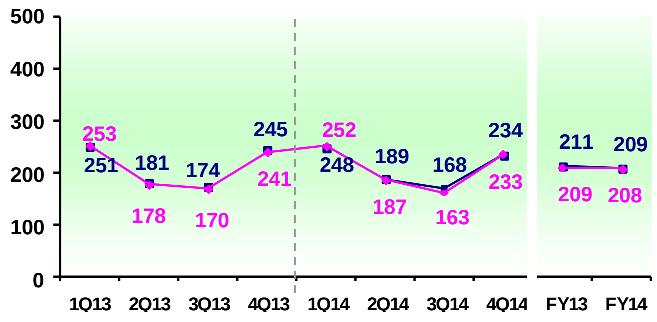
Total Hotels[1]



Banyan Tree Resorts



Angsana Resorts



Total Resorts
Same Store Charts Basis[2]

Highlights

4Q14 vs 4Q13

- **Groupwide ARR of S$404 and on "Same Store" basis of S$415 were almost in line with last year.**
- **Banyan Tree resorts' ARR on "Same Store" basis ↑ 3% mainly from resorts in Mexico, Maldives and Indonesia.**
- **Angsana resorts' ARR on "Same Store" basis ↓ 3% mainly from resorts in Indonesia, China and Thailand.**

FY14 vs FY13

- **Groupwide ARR ↑ 5% and on "Same Store" basis ↑ 6%. Except for Indonesia and Bangalore, all resorts recorded higher ARR.**

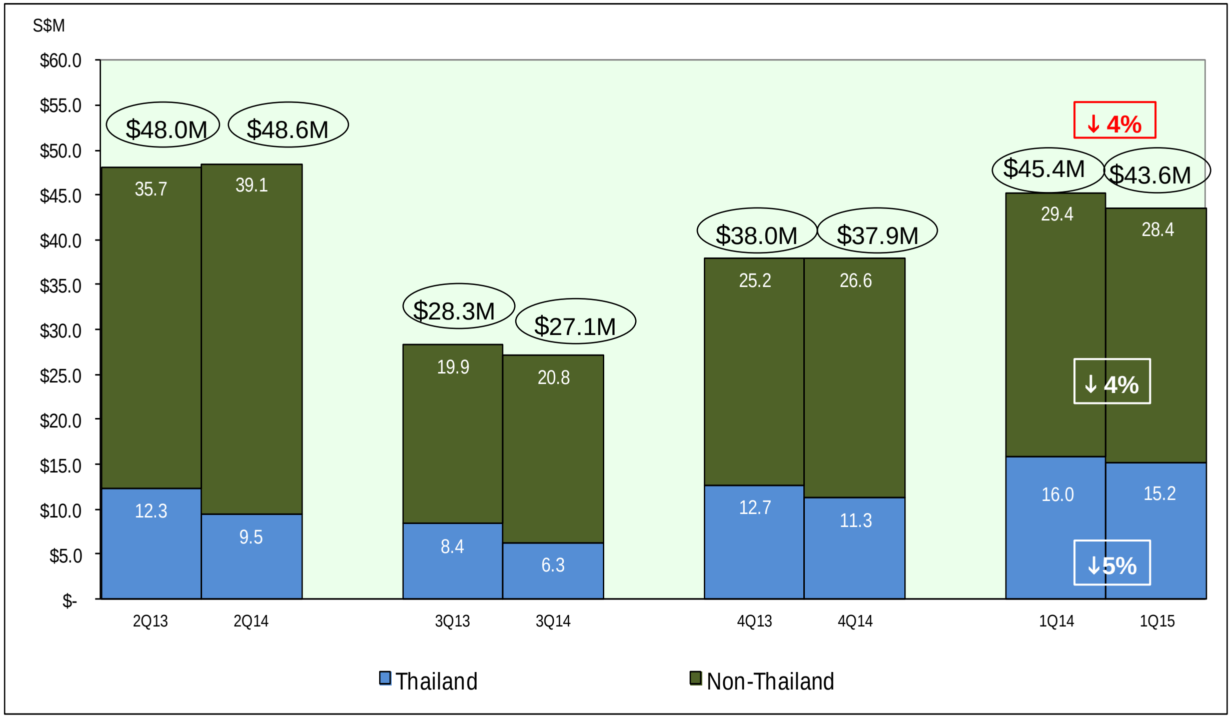
1. Total hotels refer to company total including hotels in Banyan Tree & Angsana Resorts.
2. Same Store Concept exclude BT Madivaru, AN Great Barrier Reef, Gyalthang Dzong Hotel which were no longer in operation and all new resort opened/rebranded in the past 2 yrs: BT Shanghai On The Bund, BT Lang Co, BT Tianjin Riverside, BT Chongqing Beibei, BT Yangshuo, AN Lang Co, AN Tengchong Hot Spring Village, AN Xi'an Lintong and abnormal hotel: BT Ringha (open for 6 mths). Comparatives for Same Store concept for prior periods have been adjusted to include BT Macau, AN Hangzhou, AN Balaclava and AN Laguna Phuket.

Hotel Business - Outlook

- **Macro outlook:**
  - USA is on track for further recovery.
  - Weak European market, particularly Russia due to financial crisis, will affect operations in the short term.
  - Recent cut in interest rate by Central Bank of China will boast China consumption and mitigate weak European market.
    - Chinese nationals visiting our resorts outside China ↑ 5% in FY14 vs FY13.
    - Overall contribution to room revenue ↑ 12% in FY14 vs FY13.
  - Thai political situation is currently stable and will argur well for our Thai operation.
- **Forward bookings (owned hotels, same store) for 1Q15 is currently 7% below last year.**
  - Thailand ↓ 6%.
  - Non Thailand ↓ 10%.
  - Overall ↓ 7%.
- **We expect to open 3 resorts within 12 months.**
  - Banyan Tree Huangshan, Anhui, China
  - Banyan Tree Tamouda Bay, Tetouan, Morocco
  - Cassia Phuket, Phuket, Thailand
- **We expect to launch 5 new spa outlets in the next 12 months.**

Hotel Business – Outlook

TOTAL HOTELS*(Same Store)
On-The-Book ("OTB") Room Revenue



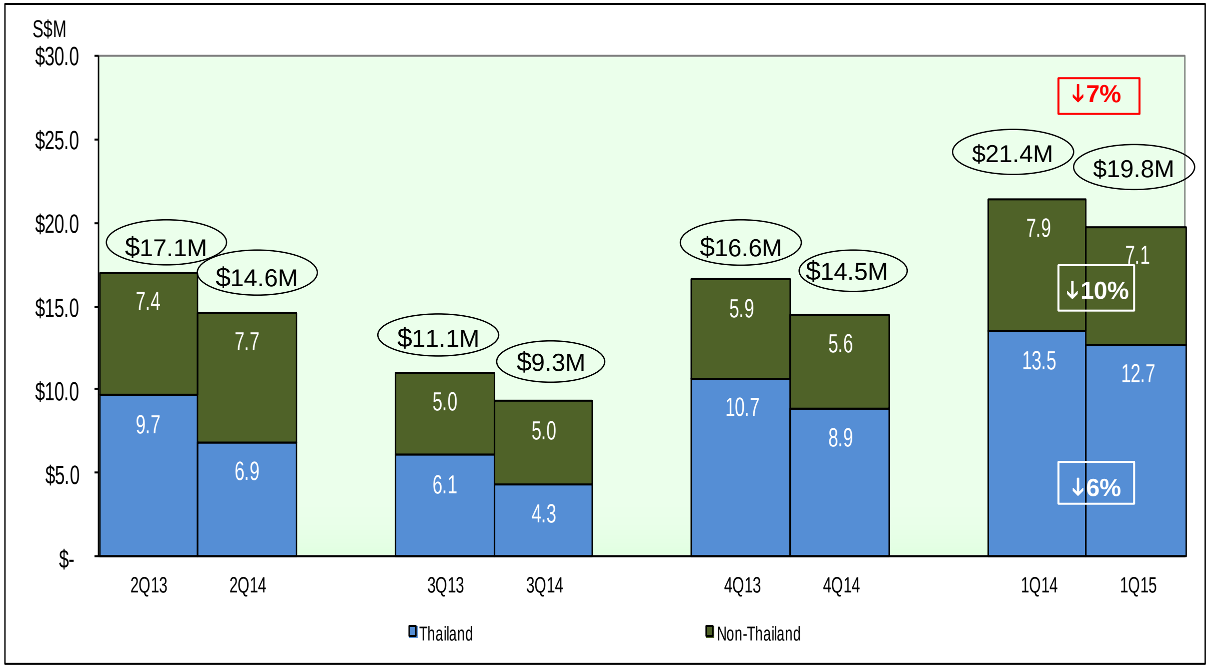
* Total Hotels refer to company total including hotels in Laguna Phuket, Banyan Tree & Angsana Resorts.
** Based on OTB in end January 2015.

Highlights

- **Overall On-the-book ("OTB") room revenue for 1Q15 vs 1Q14 :**
  - **Thailand OTB ↓ 5%.**
  - **Non-Thailand OTB ↓ 4%.**
  - **Overall OTB ↓4%.**

Hotel Business – Outlook

OWNED HOTELS* (Same Store)
On-The-Book ("OTB") Room Revenue



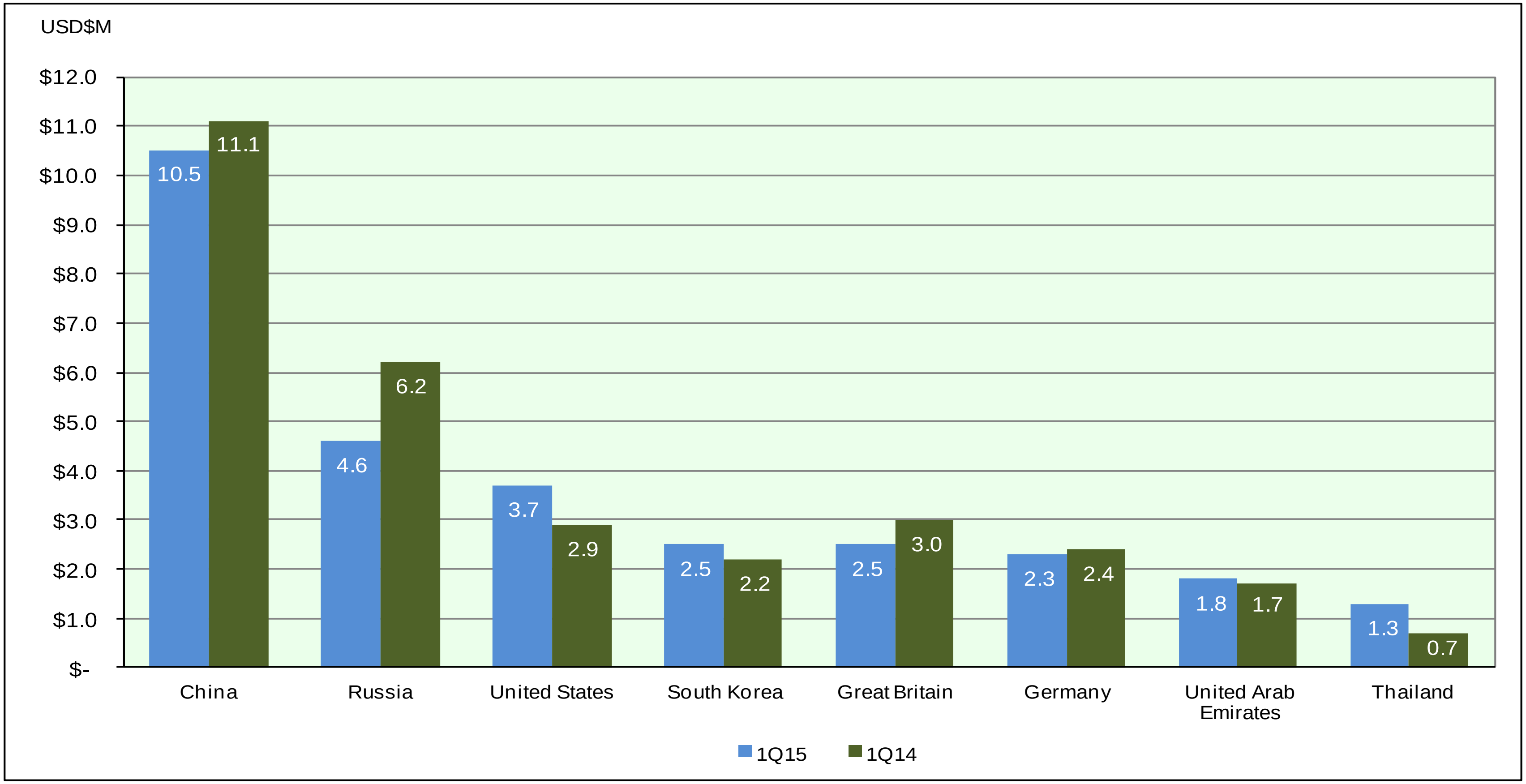
* Hotel Investments refers to hotels we have ownership interest in.
** Based on OTB in end January 2015.

Highlights

- For those hotels we owned, OTB room revenue for 1Q15 vs 1Q14 :
  - Thailand OTB ↓ 6%.
  - Non-Thailand OTB ↓ 10%.
  - Overall OTB ↓ 7%.

Hotel Business – Outlook

On-The-Books by COR* by Room Revenue
(1Q15 vs 1Q14)

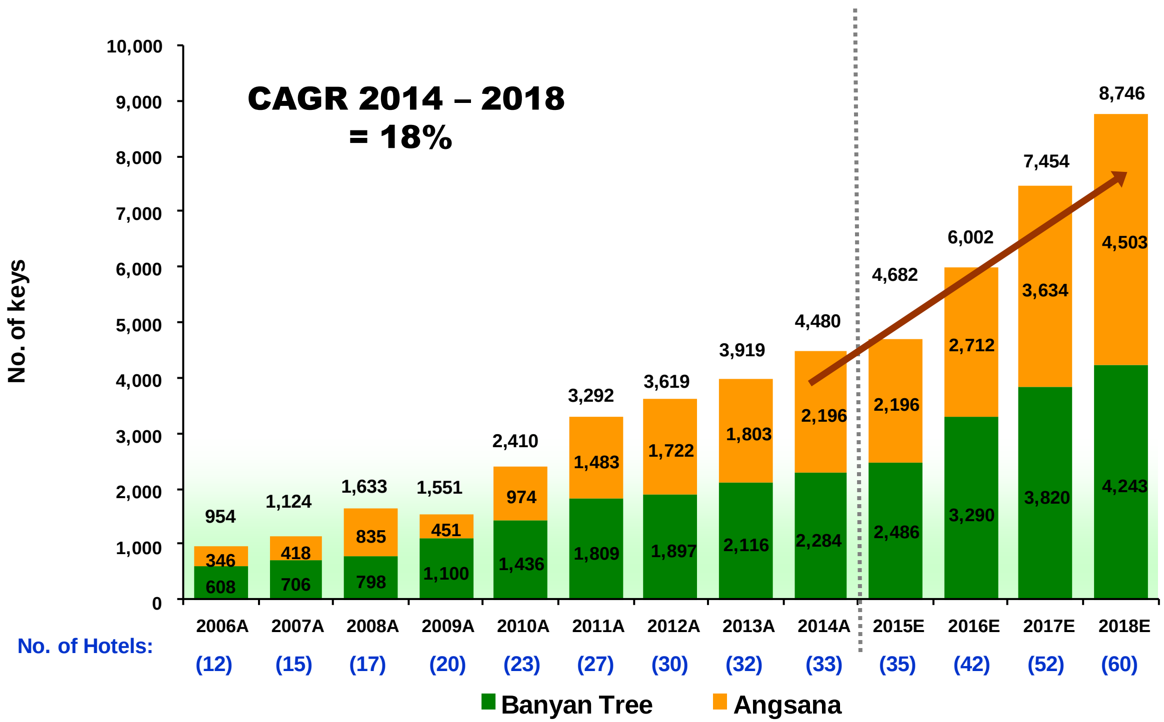


* COR represents country of residence

** Based on OTB in end January 2015.

Hotel Business – Outlook

STEADY PIPELINE GROWTH
No. of keys – Banyan Tree and Angsana hotels[1]



1. Based on contracts that are already signed

Highlights

- CAGR of 18% based on contracts completion dates.
- Room keys to grow almost 2 folds to over 8,000.
- More than 90% of additional keys is managed only with no equity.

Mission Statement

BANYAN TREE

" We want to build globally recognised brands which by inspiring exceptional experiences among our guests, instilling pride and integrity in our associates and enhancing both the physical and human environment in which we operate, will deliver attractive returns to our shareholders. "