



**BANYAN TREE HOLDINGS LIMITED**

**PRESS RELEASE**

**Healthy FY2019 Core Operating Profit prepares Banyan Tree for an Uncertain 2020**

**Executive Summary FY2019**

- Core Operating Profit<sup>1</sup> rose by 43% to S\$65.1 million due to contribution from its Branded Residences and Extended Stay segment<sup>2</sup>
- Revenue grew 5% to S\$347.0 million
- Net Asset Value increase by 4% (S\$27.7 million) to S\$747.4 million
- Eight new hotels/spas opening in next 12 months; 46 more in three-year pipeline
- Cash-preservation measures in place to mitigate business impact of COVID-19

**Key Financial Highlights**

**FY2019 Results (in S\$' million):**

	<b>FY19</b>	<b>FY18</b>
<b>Core Operating Profit<sup>1</sup></b>	<b>65.1</b>	<b>45.5</b>
Revenue	347.0	329.0
Operating Profit	56.2	83.1
Cash Profit <sup>3</sup>	22.5	44.1
Net Asset Value	747.4	719.8

**Singapore, 28 February 2020** – Banyan Tree Holdings Limited's ("Banyan Tree") core operating profit for the financial year ended 31 December 2019 ("FY2019") increased by 43%, from S\$45.5 million to S\$ 65.1 million. The main contributor was the strong performance of its Branded Residences and Extended Stay segment, which comprises holiday homes bearing the Group's Banyan Tree, Angsana, Cassia and Dhawa brands.

Net Asset Value for the financial year ended FY2019 increased by 4%, or S\$27.7 million, to a total of S\$747.4 million in FY2019. This is boosted by net revaluation gains (S\$35.6 million) from Thailand properties.

<sup>1</sup> Core Operating Profit = Operating Profit excluding one-off gains or losses. (Operating Profit = EBITDA (Earnings before interests, taxes, depreciation & amortisation))

<sup>2</sup> Branded Residences and Extended Stay Segment = Property Sales segment

<sup>3</sup> Cash Profit = Profit after taxation and minority interests adjusted for non-cash items, i.e. depreciation, amortisation, fair value adjustments and write-off on assets, and effective interest adjustment on receivables. Adjustments are net of MI.

*\*Variances are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet.*



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*"We are highly encouraged by the 43% growth in core operating profit, the most critical metric of corporate performance", said Executive Chairman Mr Ho KwonPing. "Because it excludes non-recurring, one-off gains or losses, core operating profit shows the underlying health of any business. Since we continually rebalance our asset ownership and strategic interests to leverage our key competencies for growth – for example last year we sold our China and Seychelles properties and enjoyed a gain but also had a one-off impairment of our Morocco assets – we believe that core operating profit is the best metric for evaluating our core business."*

#### **Portfolio Review**

Banyan Tree Holdings' operations are broadly organised into three business segments – Branded Residences and Extended Stay, Hotel Investments and Fee-based. These segments, collectively, form an operating portfolio of diversified offerings aimed at capturing distinct market segments while leveraging operational and distribution synergy. Mr Ho said, *"In our evolution over the last 25 years, we have built an established multi-branded business that keeps customers at our core, with the strategic intent of building brand loyalty across our myriad offerings and thus, business resilience."*

#### **Review of business segments**

- **Residences and Extended Stay segment**

Revenue from the Residences and Extended Stay segment increased by S\$37.2 million or 48% from S\$77.0 million in FY2018 to S\$114.2 million in FY2019, mainly due to greater revenue from the Group's hotel branded residences (S\$56.4 million). This is a result of close to 100 more units sold across Cassia, Banyan Tree and Laguna branded residences as compared to FY2018 in Bintan and Phuket. Revenue recognition into 2020 to 2022 remains robust with S\$178.2 million already committed.

- **Hotel Investments segment**

The Hotel Investments segment registered a 10% dip in revenue to S\$173.7 million from its operations in FY2019, compared to S\$192.5 million in FY2018. The decrease in revenue was mainly from an absence of Seychelles contribution (S\$18.3 million), and lower performance in Thailand (S\$2.5 million) which was partially cushioned by increase in revenue from Maldives (S\$0.5 million) and Indonesia (S\$1.0 million).

- **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 FY2019, total revenue from the segment maintained fairly even performance at 1% point lower than FY2018, representing a drop of \$0.5 million. Notwithstanding lower revenue for FY2019, operating profit increased by S\$2.1 million to S\$15.7 million mainly due to lower expenses.

Mr Eddy See, President and Group Managing Director of Banyan Tree, commented, *"We intend to grow meaningfully, with a regional strategy for our different business segments. We will continue to maintain hotel investments in what we see as stronghold markets in Asia-Pacific, and continue unlocking value from our landbanks through our branded hotel-residences model. At the same time, strategic partnerships in target growth markets continue to bolster our Fee-based hospitality segment."*



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#### **Pipeline and Outlook**

The recent COVID-19 outbreak is expected to weigh on the Group's hotel- and resort-related businesses in the near- to mid-term as international tourism is expected to shrink with cancellations and a slowdown in forward bookings.

Mr See said, *"We have prepared for this outbreak with the same prudent cash-preservation measures used in the face of other unforeseen global events such as SARS. Our first priority is the health and safety of our associates and guests, along with business continuity and forward planning to ensure we have our best foot forward when business rebounds."*

The Group's brands continue to show optimism with notable achievements and a pipeline gaining momentum, completing 27 deals in 2019. It is on track to securing 30 deals annually as it seeks to double its operating footprint by 2025 with strong traction showing across all brands.

In the next 12 months, the Group expects to open 8 new resorts across the 7 geographies of Thailand, Malaysia, Indonesia, China, Cambodia, Qatar and Greece, of which the latter 3 represent new markets. *"We always love doing something for the first time, and so we are very excited to welcome these new hubs into our Banyan Tree ecosystem"*, Mr Ho said.

End –

#### **About Banyan Tree Holdings Limited**

Banyan Tree Holdings Limited ("Banyan Tree" or the "Group") is a leading independent hospitality company with 47 hotels and resorts, 64 signature spas, 72 galleries and three golf courses across 24 countries as at 31 December 2019.

The Group's primary business is centered on four brands: the award-winning ***Banyan Tree*** and ***Angsana***, as well as newly established ***Cassia*** and ***Dhawa***. Banyan Tree also operates the largest integrated resort brand in Asia through Laguna Resorts & Hotels Public Company Limited.

Since its inception in 1994, Banyan Tree has received over 2,611 awards and accolades for the resorts, hotels and spas. The Group has also received recognition for its commitment to environmental protection and emphasis on corporate social responsibility through its Global Foundation.

The Group currently has 21 hotels and resorts under construction, and another 25 under design development.

[www.banyantree.com](http://www.banyantree.com) [www.angsana.com](http://www.angsana.com) [www.cassia.com](http://www.cassia.com) [www.dhawa.com](http://www.dhawa.com)