BANYAN TREE HOLDINGS LIMITED

PRESS RELEASE

Banyan Tree FY2020 Core Operating Profit drops 93% to S$4.3 Million

Executive Summary FY2020

- **Excluding one offs, S$4.3 million of core operating profit achieved for the full year**
- **Operating costs reduced by 59% in 2H20 vs 2H19 and 46% in FY2020 vs FY2019**
- **Hotel revenue per occupied room increased by 11% in 2H20 vs 1H20, with continuing momentum**
- **Resilience strategy in place in anticipation of extended recovery and border reopening**
- **8 new hotels opening in next 12 months; 35 more in 3 year pipeline, 20 new contracts signed in 2020**

Key Financial Highlights
FY2020 Results (in S$' million):

	1H20	2H20	FY20	FY19
Core Operating Profit[1]	**(4.9)**	**9.2**	**4.3**	**65.1**
Cashflow from Operating Activities[2]	3.4	4.8	8.2	29.6
Revenue	75.3	82.5	157.8	347.0
Operating Profit	(26.1)	(9.0)	(35.1)	56.2

Singapore, 26 February 2021 – Banyan Tree Holdings Limited's ("Banyan Tree") records a core operating profit of S$4.3 million, a drop of 93% as compared to FY2019. Near break-even core operating profit was achieved through effective cost containment measures that reduced operating costs by 46% as compared to last year, as well as a 11% upward trend in hotel revenue per occupied room in 2H20 as compared to 1H20. 2020's reorganisation exercises are expected to yield S$15 million of annualised recurring cost savings, representing about 20% of operating costs. On a business operating level, Group generated cash from operations of S$8.2 million in FY2020. Maintaining a healthy growth pipeline, the Group signed 20 hotel management agreements in 2020, and expects to open 8 new properties in the next 12 months, with 35 more in the next 3 years.

"It has not been an easy year but we are determined to build back better," said Executive Chairman Mr Ho Kwon Ping. *"We have taken the opportunity to lay the foundations of a more agile, resilient and*

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[1] Core Operating Profit = Operating Profit excluding one-off gains or losses. (Operating Profit = EBITDA (Earnings before interests, taxes, depreciation & amortisation)
@Variances are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet
[2] Cashflow from Operating Activities = Profit/(Loss) before taxation and finance costs after adjusting for non-cash items and working capital changes as reported in the statement of cashflows
@Variances are computed based on figures to the nearest thousands to be in line with announcement in the SGXnet

responsive organisation, while re-centering on our core purpose of wellbeing and sustainability which, fortunately for us, has become even more relevant post-Covid."

Upward trends in revenue and occupancy in 2H20

International travel restrictions remain but increased regional airlift and conditional border openings have increased business demand. The Group has seen varying, region dependent recovery but with an overall upward trend in occupancy of 29% in 2H20, as compared to 26% in 1H20. In 2H20, the Group's overall revenue per occupied room improved by 11% as compared to 1H20 but lower by 40% as compared to 2H19.

In China, demand was less impacted due to a surge in domestic tourism. In the Asia Pacific region and specifically Thailand, where the majority of the Group's owned hotels and thus main profit drivers are located, international travel remains predominantly closed. Hotels have pivoted to domestic business to drive occupancy.

In Maldives, demand picked up in 4Q when borders re-opened in July, with increased airlift from Europe and the Middle East. The improvement is evident of the pent-up demand of leisure travel, especially in nature-based resort environments with quarantine free travel requirements.

Effective cost containment and cash management

The Group exceeded its 2020 cash conservation target as previously disclosed, and continues to adopt prudence in its capital and cashflow management. The company is managing liability to term out loan maturities and convert short to longer term loans, and is strengthening its liquidity position through receivable collections, access to new credit lines, and selective asset sales. Subsequent to FY20, the above measures have provided additional liquidity of approximately S$40 million in addition to Group cash balance of S$51 million as at 31 December 2020. In addition Group is actively pursuing the settlement in 2021 of amounts due of approximately S$50 million.

Moving forward, further value will be unlocked through prioritising greater agility to shift resources as market dynamic changes, enabling the Group's hotel and property development businesses a greater line of sight to drive profitability.

Healthy growth momentum

Strengthening its positioning amidst Covid, the Group has continued to receive notable industry recognitions built upon the central value propositions of its brands. 3 new properties opened in Hacienda (Mexico), Krabi (Thailand) and Penang (Malaysia). It had signed 20 hotel management agreements in 2020, adding to its pipeline of 35 properties opening over the next 3 years.

In the next 12 months, the Group expects to open 8 new resorts, representing a 16% increase in total room key count. It will be entering new forays in 3 regions across 8 destinations globally. In addition to openings in Asia (Cambodia, Indonesia and China), the Group will fly its first flags in the Middle East (Qatar), Europe (Greece) and Africa (Mozambique). It also expects to launch 7 spas with 6 under management.

– End –

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 9,000 associates across 22 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 2730 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 35 new hotels and resorts under design and construction in the pipeline, in addition to 48 operating hotels in 13 countries as of 31 December 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.

www.banyantree.com **www.angsana.com** **www.cassia.com** **www.dhawa.com** **www.lagunaphuket.com**

Appendix - Portfolio Review

Banyan Tree Holdings' operations are organised in 3 business segments – Branded Residences and Extended Stay[3], Hotel Investments and Fee-based. These segments form an operating portfolio of diversified offerings capturing distinct segments while leveraging operational and distribution synergy.

Branded Residences and Extended Stay (Property Sales) segment

Revenue from this segment contributed a record 44% of Group revenue in FY20, 11 points higher than the previous year given this segment was the least affected by the pandemic. Overall unrecognised revenue as at 31 December 2020 was S$108.8 million which represents committed sales to be recognised progressively over the next two to three years.

Hotel Investments segment

The segment recorded S$62.6 million or 39% of Group Revenue in FY20, a drop of 64% as compared to previous year. The majority of this is attributed to Thailand given continued border closures and limited international travel. Nevertheless, positive occupancy trends in the Maldives and domestic business in Thailand and Indonesia continue to build momentum.

[3] Branded Residences and Extended Stay Segment = Property Sales segment

Fee-based segment

Revenue from this segment contributed 17% to Group Revenue in FY20, largely in line with FY19. Overall revenue recorded a 56% decrease as compared to FY19. However, buffered by stronger demand in China and Americas, this is a 8 points improvement as compared to the Hotel Investments segment.