

2023 INTERIM RESULTS ANALYST BRIEFING

10TH AUGUST 2023 | HONG KONG



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References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.

AGENDA

- ▶ FINANCIAL HIGHLIGHTS AND GROUP CORPORATE STRATEGY
- ▶ 1H2023 FINANCIAL PERFORMANCE
- ▶ BUSINESS REVIEW
- ▶ SUSTAINABILITY AND ESG UPDATE
- ▶ OUTLOOK
- ▶ SALE OF SWIRE COCA-COLA, USA
- ▶ Q&A



FINANCIAL HIGHLIGHTS AND GROUP CORPORATE STRATEGY

GUY BRADLEY, CHAIRMAN

SWIRE PACIFIC – 2023 FIRST HALF PERFORMANCE

- ▶ Rebound from all core divisions in the first half, the main driver is Aviation.
- ▶ Strong profits reported by Cathay Pacific at the airline and subsidiary level, partially offset by results from its associates.
- ▶ Announcement of the proposed sale of Swire Coca-Cola, USA for HK\$30.4Bn, realising a gain of over HK\$22Bn, if approved.
- ▶ Announcement of a proposed special dividend of HK\$11.7Bn, and also a 4% increase in interim dividends.
- ▶ Committed to executing the strategic plans in the core markets of Hong Kong, the Chinese Mainland and South East Asia.

PROPERTY



- ▶ Continued improvement reflects a robust recovery in the performance of retail and hotels in Hong Kong and the Chinese Mainland
- ▶ Increased our interests in Sino-Ocean Taikoo Li Chengdu to 100%

BEVERAGES



- ▶ A marked increase in profits
- ▶ Our latest acquisitions in Vietnam and Cambodia started to contribute full-period revenue

AVIATION



- ▶ Strong results at airline level of Cathay Pacific reflecting strong demand after the removal of quarantine requirements, but partially offset by losses from associates
- ▶ Concentrated on adding more flights and destinations

FINANCIAL HEALTH

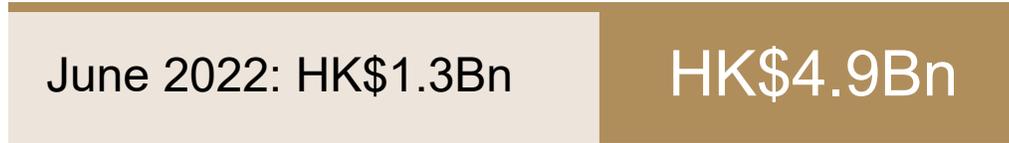
- ▶ Financial position remains solid with gearing at 21.4%
- ▶ HK\$35.9Bn of available liquidity

DIVIDENDS AND SHARE BUY-BACK

- ▶ 4% increase of 1st interim dividend to HK\$1.20 per 'A' share
- ▶ Completion of share buy-back scheme
- ▶ Proposed special dividend of HK\$8.120 per 'A' share and HK\$1.624 per 'B' share from the disposal of the USA bottling businesses, if approved

1H2023 HIGHLIGHTS

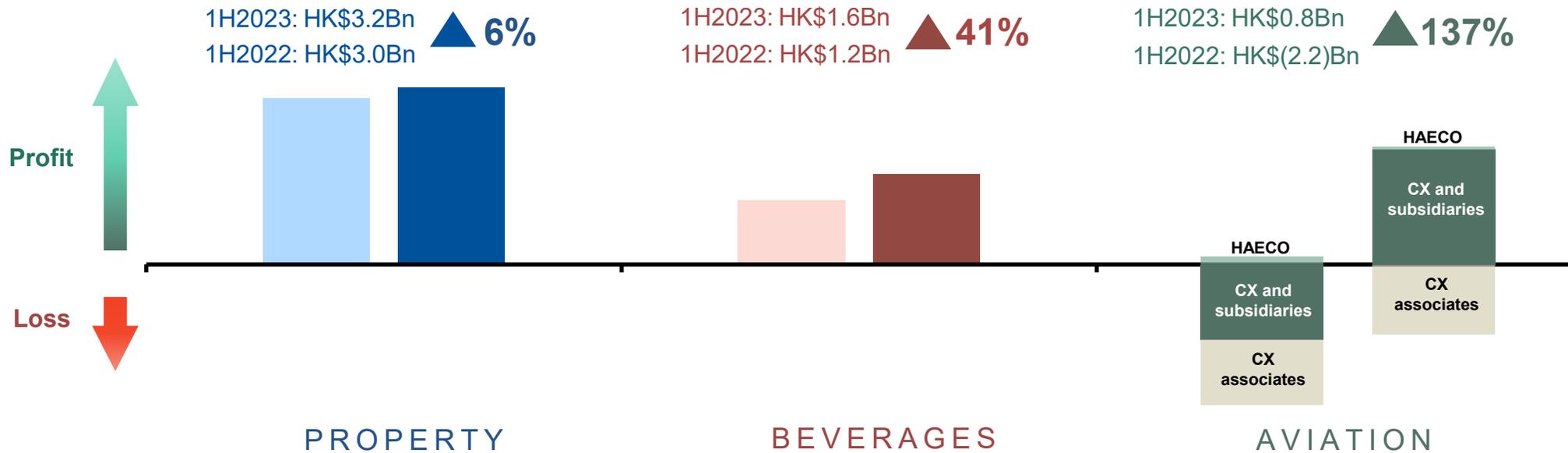
Recurring Underlying Profit  **284%**



Dividend per 'A' Share  **4%**



Recurring Underlying Profit



SALE OF SWIRE COCA-COLA, USA

Benefits of the transaction:

- ▶ Crystallises value at an attractive valuation whilst preserving franchise strength
 - *The management services agreement will enable the Beverages Division to continue to strengthen its global franchise relationship with The Coca-Cola Company, while providing an additional fee income stream*
- ▶ Returns substantial and immediate cash to the shareholders
- ▶ Strengthens the Company's balance sheet
- ▶ Consistent with the Company's strategic focus on Greater China and South East Asia

Consideration

US\$**3.9Bn** (equivalent to approximately HK\$**30.4Bn**)

Estimated Gain

Over HK\$**22Bn**

Proposed Special Dividends

Total amount of approximately HK\$**11.7Bn**, equivalent to:

Dividend per 'A' Share: HK\$**8.120**

Dividend per 'B' Share: HK\$**1.624**

Expected to complete in **2H2023**

Note: Please refer to slides 33 – 37 for details of the transaction.



1H2023 FINANCIAL PERFORMANCE

MARTIN MURRAY, FINANCE DIRECTOR

1H 2023 FINANCIAL SUMMARY

Statutory Profit

June 2022: HK\$1,914m
June 2023: HK\$4,221m  **121%**

Revenue

June 2022: HK\$44,808m

June 2023: HK\$51,544m **+15%**

Cash Generated from Operations

June 2022: HK\$6,147m

June 2023: HK\$7,206m **+17%**

Underlying Profit

June 2022: HK\$1,752m
June 2023: HK\$5,594m  **219%**

Equity Attributable to the Company's Shareholders

December 2022: HK\$258,456m

June 2023: HK\$256,386m **-1%**

Recurring Underlying Profit

June 2022: HK\$1,272m
June 2023: HK\$4,879m  **284%**

Dividends per Share

June 2022:

HK\$1.15 per 'A' share

HK\$0.23 per 'B' share

+4%

June 2023:

HK\$1.20 per 'A' share

HK\$0.24 per 'B' share

Proposed Special Dividends

HK\$8.120 per 'A' share

HK\$1.624 per 'B' share

Note: All figures include continuing and discontinued operations.

1H2023 FINANCIAL SUMMARY – PROFIT/(LOSS) BY DIVISION

	UNDERLYING PROFIT/(LOSS)		RECURRING UNDERLYING PROFIT/(LOSS)	
	JUNE 2023 HK\$M	JUNE 2022 HK\$M	JUNE 2023 HK\$M	JUNE 2022 HK\$M
Property	3,195	3,401	3,188	2,994
Beverages	1,423	1,152	1,627	1,152
Aviation				
- Cathay group ⁽¹⁾	1,744	(2,385)	782	(2,385)
- HAECO group and others ⁽¹⁾	52	149	52	149
Trading & Industrial	185	(311)	185	113
Marine Services ⁽²⁾	-	442	-	17
Head Office, Healthcare and others	(1,005)	(696)	(955)	(768)
Total (including discontinued operations)	5,594	1,752	4,879	1,272

Notes: (1) Including consolidation adjustments.

(2) Including the net gain on the disposal of SPO in 2022.

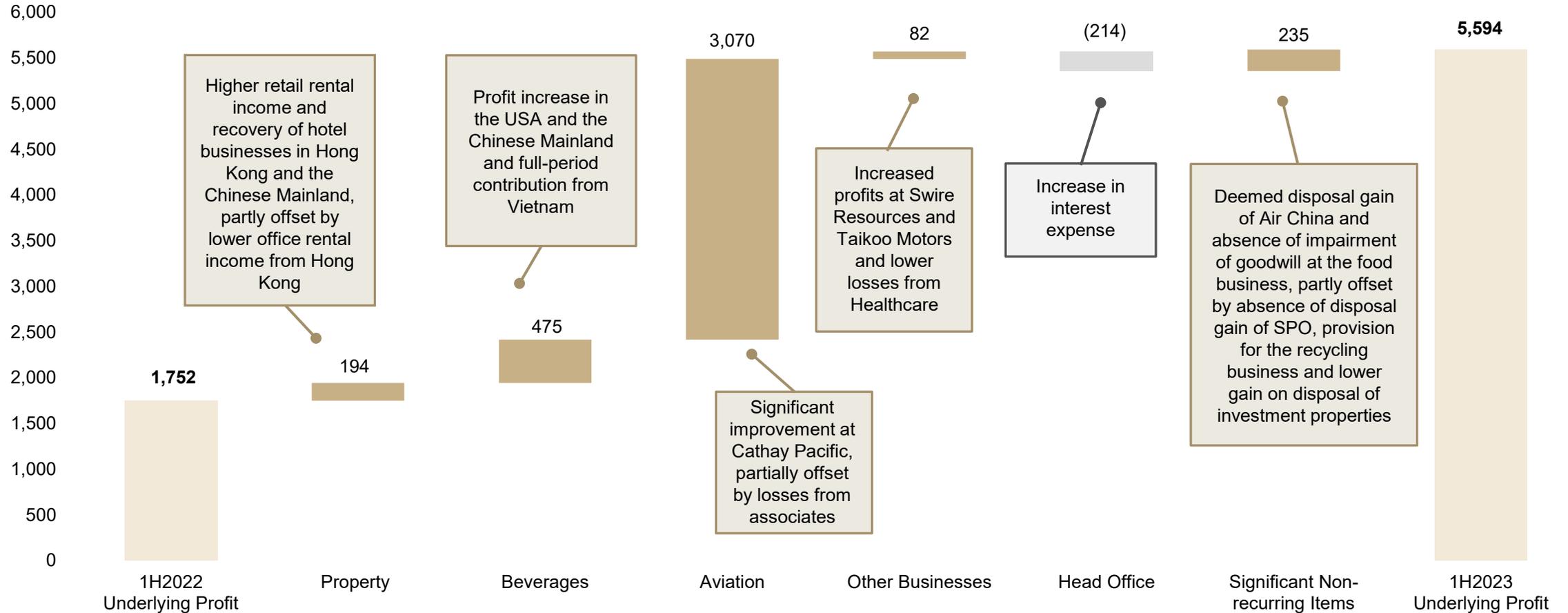
1H2023 FINANCIAL SUMMARY – RECONCILIATION OF PROFITS

	JUNE 2023 HK\$M	JUNE 2022 HK\$M	
STATUTORY PROFIT	4,221	1,914	
Adjustments in respect of investment properties	1,373	(162)	
UNDERLYING PROFIT ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS	5,594	1,752	
Significant non-recurring items:			
Gain on disposal of interests in investment properties and properties for sale	(7)	(407)	Gains on disposal of Taikoo Shing car parks and Fort Lauderdale site in 1H2022
Gain on disposal of property, plant and equipment, intangible assets and other investments	(853)	(79)	Principally deemed disposal gain of Air China ⁽¹⁾
Impairment of property, plant and equipment, right-of-use assets, intangible assets and investments	145	424	Asset impairments at Qinyuan Bakery in 1H2022
Remeasurement gain on disposal of SPO	-	(418)	Provision for recycling business, partly offset by reversal of impairment on aircraft
RECURRING UNDERLYING PROFIT	4,879	1,272	

Note: (1) Cathay Pacific did not participate in the issuance of new shares by Air China in January 2023 and its equity interest in Air China was diluted from 18.13% to 16.26% after the share issuance, resulting in a deemed gain on disposal.

1H2023 SUBSTANTIAL INCREASE IN UNDERLYING PROFIT

HK\$M



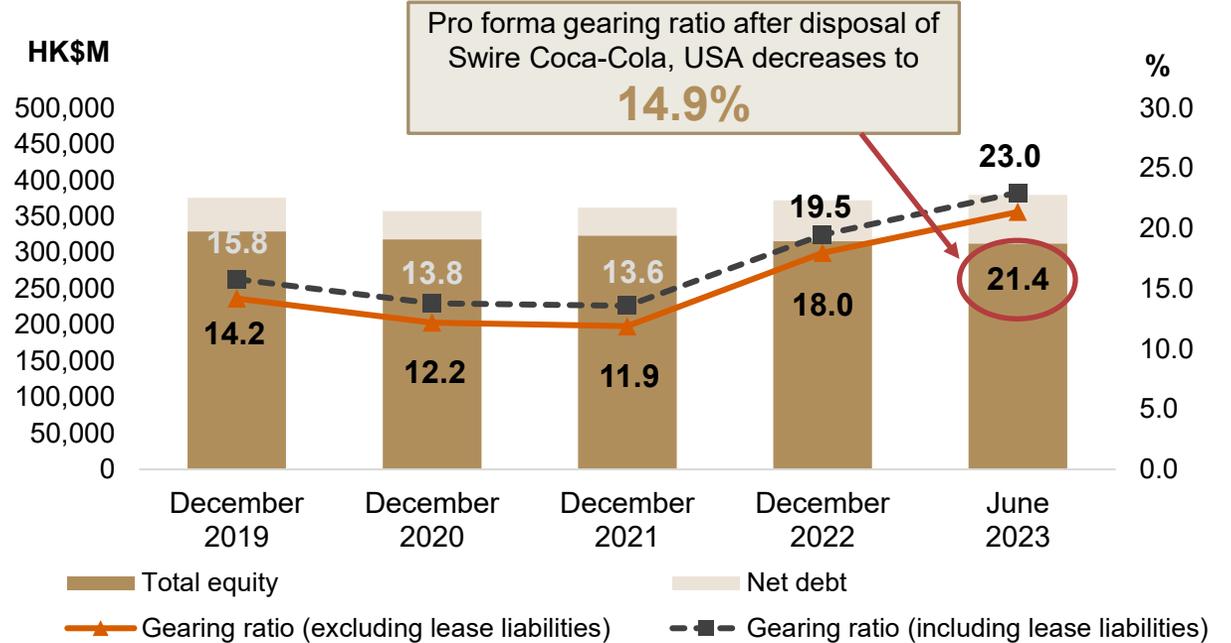
1H2023 FINANCIAL SUMMARY – SOLID FINANCIAL POSITION

Net Debt Movements (HK\$Bn)

Net debt at 1st January 2023	56.8
Cash from operations	(7.2)
Disposal proceeds	(0.3)
Capex and investments	9.9
Net dividends paid	3.5
Net interest paid	1.3
Tax paid	0.9
Share buy-back	0.7
Others	1.3
Net debt at 30th June 2023	66.9

HK\$Bn	JUNE 2023	DECEMBER 2022	CHANGE %
Net debt	66.9	56.8	+18%
Net debt (including lease liabilities)	71.9	61.7	+17%

Gearing Ratio



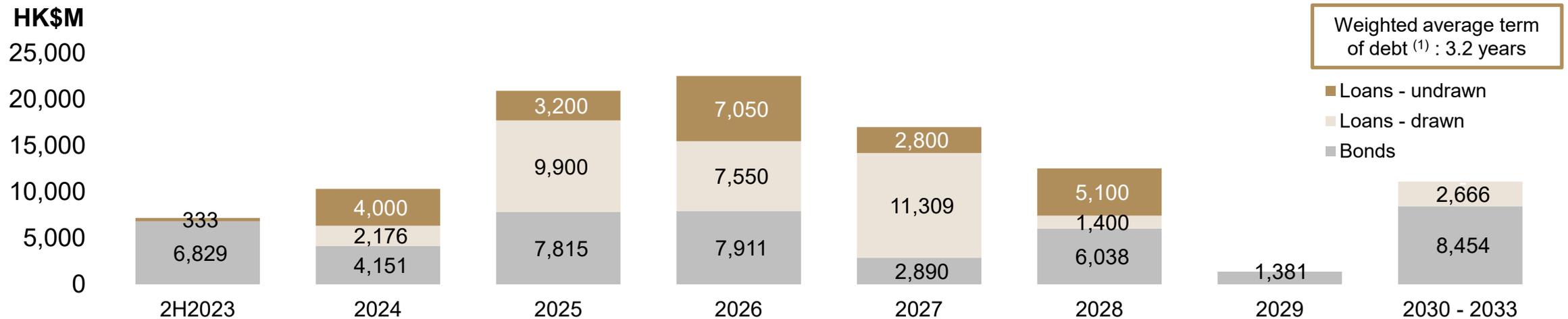
	JUNE 2023	DECEMBER 2022
Underlying cash interest cover – times	4.7	6.1
Weighted average cost of debt (%) ⁽¹⁾	3.8%	3.2%
Gross borrowings on fixed rate basis (%) ⁽¹⁾	64%	59%

Note: (1) Excluding lease liabilities.

1H2023 FINANCIAL SUMMARY – HEALTHY LIQUIDITY

	DECEMBER 2020 HK\$M	DECEMBER 2021 HK\$M	DECEMBER 2022 HK\$M	JUNE 2023 HK\$M	CHANGE % (JUNE 23 VS DECEMBER 22)
Bank balances and short-term deposits	29,264	22,894	11,614	13,440	+16%
Total undrawn facilities					
- Committed	32,971	24,219	21,510	22,483	+5%
Group committed liquidity	62,235	47,113	33,124	35,923	+8%
- Uncommitted	7,743	8,296	7,659	8,747	+14%
Group total liquidity	69,978	55,409	40,783	44,670	+10%

Financing Maturity Profile at 30th June 2023 ⁽¹⁾



Note: ⁽¹⁾ Excluding lease liabilities.



BUSINESS REVIEW

GUY BRADLEY, CHAIRMAN

KAREN SO, MANAGING DIRECTOR, SWIRE COCA-COLA

PROPERTY – 1H2023 OVERVIEW

Robust recovery in the performance of retail and hotels in Hong Kong and the Chinese Mainland, while office market remains soft in Hong Kong

- ▶ Recurring underlying profit of HK\$3,888m, compared with HK\$3,652m in 1H2022

Reflecting recovery of hotel businesses and higher retail rental income from Hong Kong and the Chinese Mainland, partly offset by lower office rental income from Hong Kong

- ▶ Making good progress in all strategic areas

Hong Kong



◀ Wah Ha Factory Building and Zung Fu Industrial Building

Obtained 100% ownership for potential office redevelopment.

EIGHT STAR STREET ▶

33 out of 37 units sold ⁽¹⁾.



◀ LA MONTAGNE ⁽²⁾

48 out of 432 units pre-sold of Phase 4A ⁽¹⁾.

Chinese Mainland



▲ Taikoo Li Chengdu ⁽³⁾

Completed acquisition of remaining 35% interest.

South East Asia

Wireless Road, Bangkok ▶

Acquired 40% interest of a residential site.



Divestment

▲ Taikoo Shing carparks, HK

Sales of 8 car parking spaces at Taikoo Shing in HK recognised in 1H2023.

Sales of 654 car parking spaces are expected to be recognised in 2H2023.

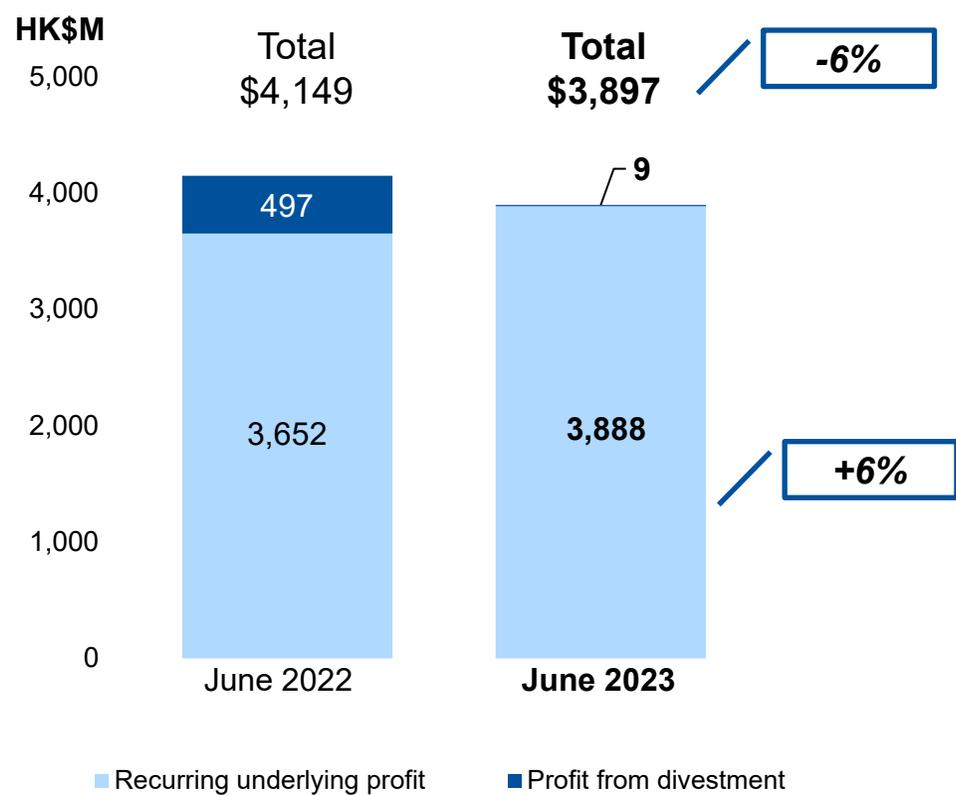
Notes: (1) As of 4th August 2023.

(2) Formerly known as Wong Chuk Hang Station Package Four Property Development. Comprise two residential towers (Phases 4A and 4B) with about 800 residential units.

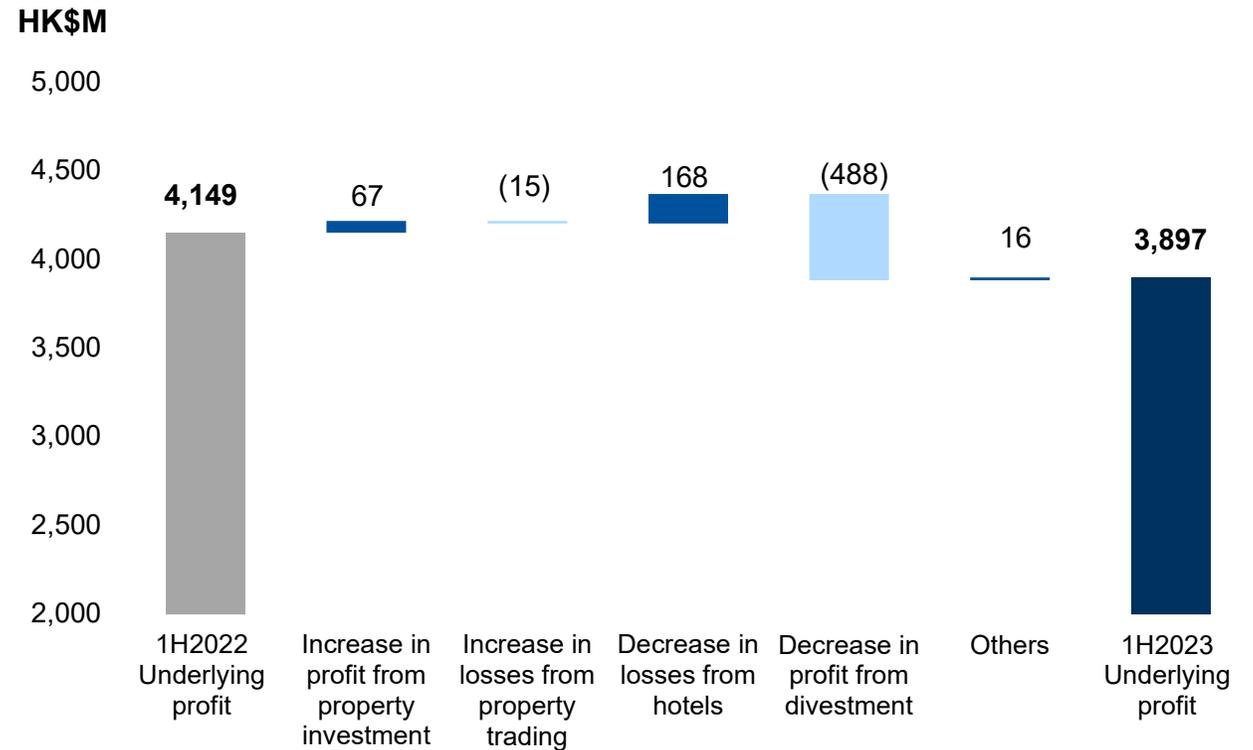
(3) To be renamed from Sino-Ocean Taikoo Li Chengdu with effect from 23rd August 2023.

PROPERTY – 1H2023 OVERVIEW

UNDERLYING PROFIT (100% BASIS)



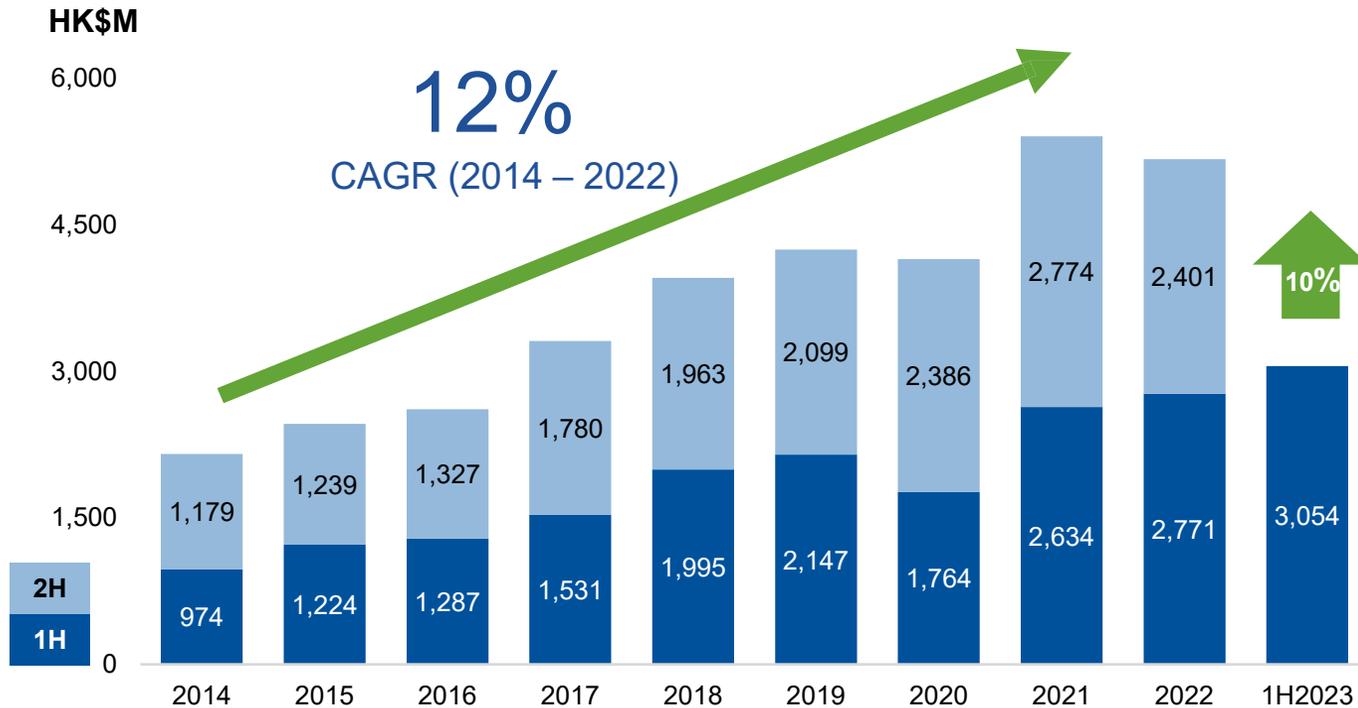
MOVEMENT IN UNDERLYING PROFIT (100% BASIS)



PROPERTY – CHINESE MAINLAND PORTFOLIO

- ▶ A key contributor to revenue growth.
- ▶ Chinese Mainland overall portfolio contributed **40%** attributable gross rental income in 1H2023. ⁽¹⁾
- ▶ Chinese Mainland **retail** is the **second largest** rental contributor.
- ▶ Chinese Mainland retail is further enlarged after **100% ownership** of Taikoo Li Chengdu ⁽³⁾.

ATTRIBUTABLE GROSS RENTAL INCOME ^{(1) (2)}

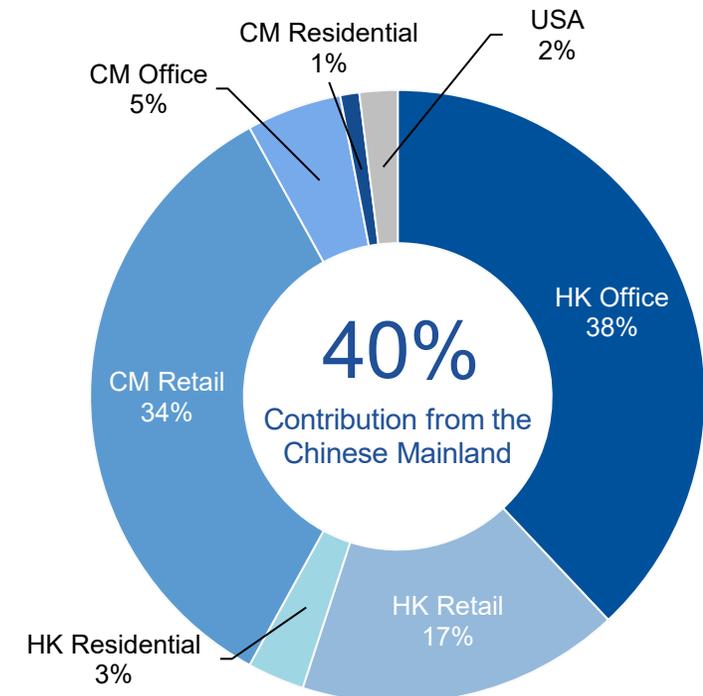


Notes: (1) After deducting rental concessions.

(2) 2020, 2021 and 1H2022 comparative figures restated due to a change in accounting policy.

(3) To be renamed from Sino-Ocean Taikoo Li Chengdu with effect from 23rd August 2023.

ATTRIBUTABLE GROSS RENTAL INCOME BY REGION ⁽¹⁾



PROPERTY – INVESTING IN LONG-TERM GROWTH

Good progress on HK\$100Bn investment plan



> HK\$ **50** Bn **Chinese Mainland**

> HK\$ **30** Bn **Hong Kong**

> HK\$ **20** Bn **Trading / South East Asia**

- Taikoo Li Xi'an
 - Sanya Retail Project
 - Increased stake at Taikoo Li Chengdu ⁽¹⁾
-
- Increased stake at Citygate
 - 100% ownership at Zung Fu and Wah Ha
 - Compulsory sale applications at Quarry Bay
-
- Chai Wan Lot 178, Hong Kong
 - 269 Queen's Road East, Hong Kong
 - Quarry Bay residential, Hong Kong
 - Bangkok residential, Thailand

Chinese Mainland

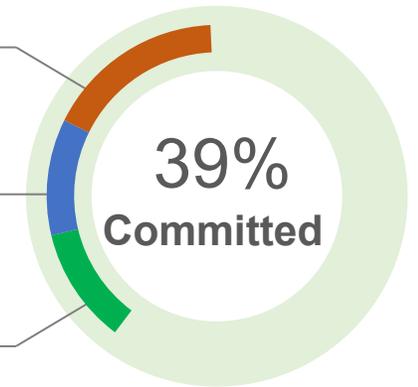
HK\$ **17** Bn

Hong Kong

HK\$ **11** Bn

Trading /
South East Asia

HK\$ **11** Bn



- **Chinese Mainland** - Retail-led mixed-use projects.

Doubling GFA

Julong Wan
project ⁽²⁾

太古汇
TAIKOO HUI

BPTC depot
transformation ⁽²⁾

GBA / Tier-1 /
emerging Tier-1
cities

太古里
TAIKOO LI

Pudong
project ⁽²⁾

- **Hong Kong** - Acquisition/bidding, site amalgamation and JV opportunities.

Greater
Pacific Place

Taikoo Place
expansion

PACIFIC PLACE

TAIKOO PLACE

- **Trading** - Residential opportunities in Hong Kong, the Chinese Mainland and Miami.
- **South East Asia** - Building presence in Vietnam, Indonesia, Singapore and Thailand.

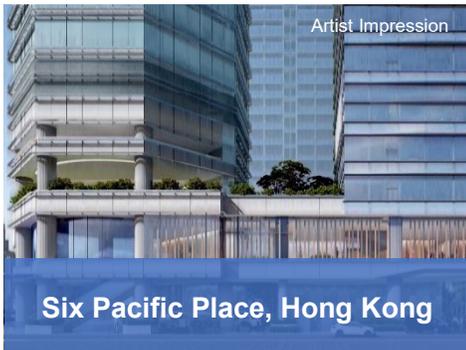
Notes: (1) To be renamed from Sino-Ocean Taikoo Li Chengdu with effect from 23rd August 2023.

(2) Under letter of intent or framework agreement.

PROPERTY – UPCOMING PROJECTS

Strong pipelines supporting continuous growth

↑ 8.2 M sq ft
Expected Attri. GFA to be Completed from 2023



Notes: (1) Formerly known as Wong Chuk Hang Station Package Four Property Development.

(2) Representing Chai Wan Inland Lot No. 178 and 269 Queen's Road East.

(3) Representing 983-987A King's Road and 16-94 Pan Hoi Street, 9-39 Hoi Wan Street and 33-41 Tong Chong Street, and Wah Ha Factory Building and Zung Fu Industrial Building.

(4) Open in phases.

(5) To be completed in phases up to 2028.

(6) Completion date to be determined.

(7) Excluding 9-39 Hoi Wan Street and 33-41 Tong Chong Street in Quarry Bay.

(8) Expected years of completion are shown above.

BEVERAGES – 1H2023 OVERVIEW



CHINESE MAINLAND

- ▶ Accelerating portfolio expansion with steady growth in high-value categories.
- ▶ Completion of the restructuring of non-sparkling beverage production facilities.
- ▶ Continuous efficiency improvement in production facilities and energy use.
- ▶ Driving the end-to-end digitalisation process to facilitate the business growth.



VIETNAM & CAMBODIA

- ▶ Swire franchise territory population increased to 877 million after the acquisition of Vietnam and Cambodia bottling businesses.
- ▶ Meaningful full-period contributions to the Group in 1H2023.
- ▶ Deploying expertise and capabilities to drive further growth.

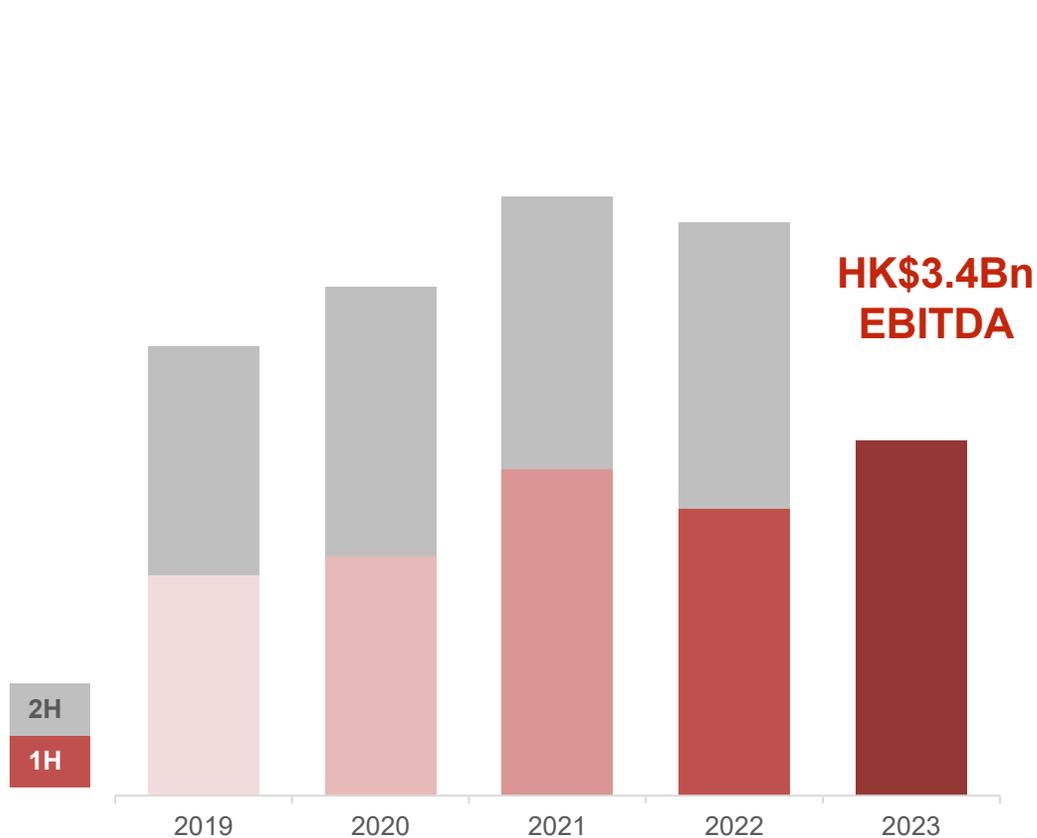


USA

- ▶ Continued to perform well though volume declined.
- ▶ Announced disposal for a consideration of approximately HK\$30.4Bn, which will crystallise substantial value at an attractive valuation, if approved. This transaction is expected to complete in 2H2023.

BEVERAGES – 1H2023 OVERVIEW

EBITDA increased by 24% to HK\$3,429m



Note: EBITDA is on statutory basis.

Chinese Mainland – EBITDA, excluding non-recurring item, increased by 2%. The increase in revenue was partly offset by higher raw material costs and operating expenses.

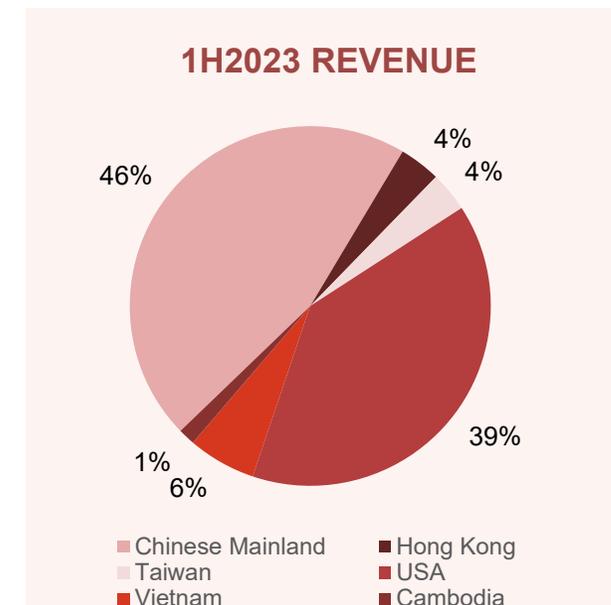
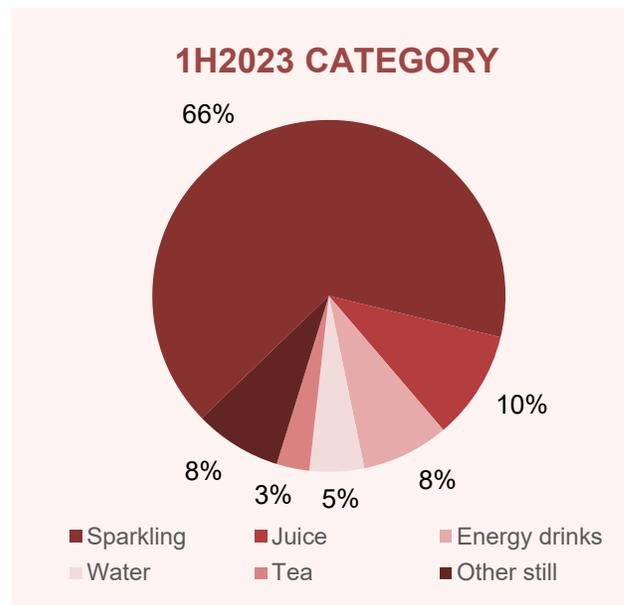
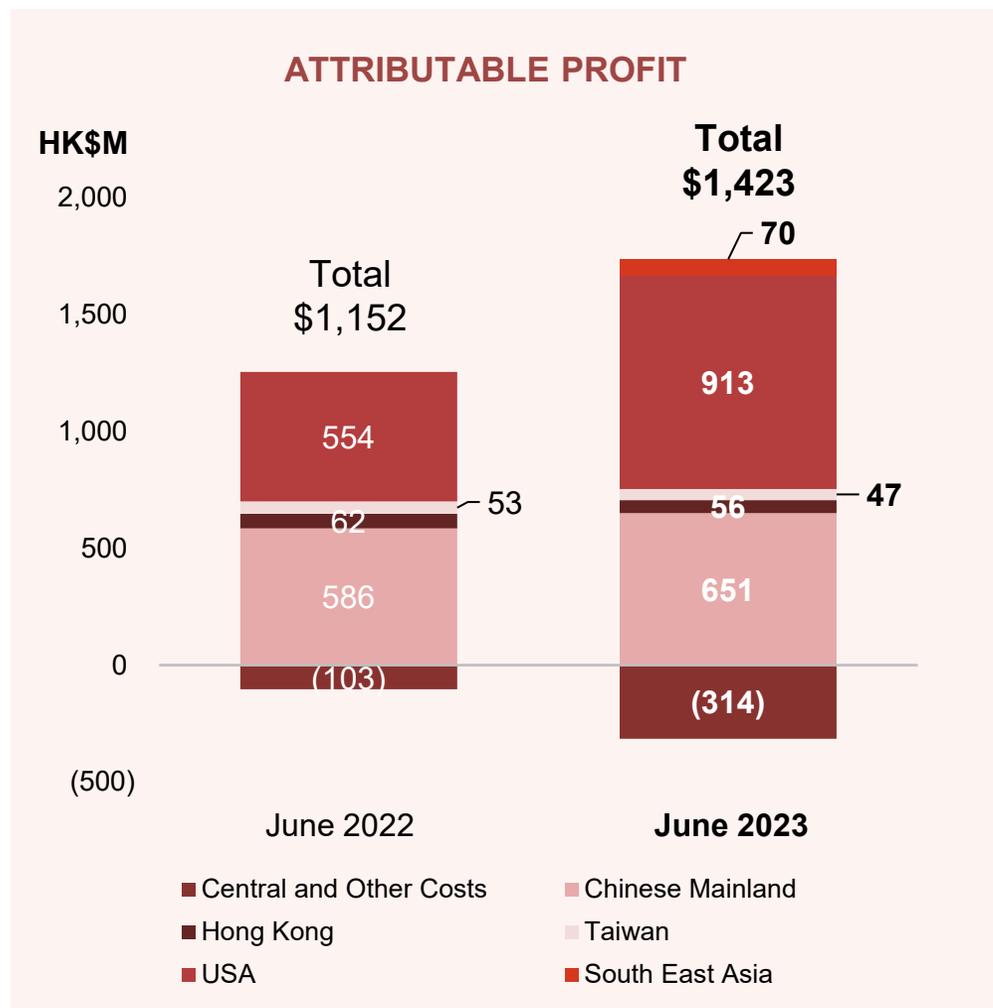
USA – EBITDA increased by 45%. The increase in revenue, driven by price increases, was partly offset by higher cost of goods sold and operating expenses.

Hong Kong – EBITDA was on par with higher revenue offset by higher raw material costs and operating expenses.

Taiwan – EBITDA decreased by 1% due to unfavourable exchange rate movements. The increase in revenue was partly offset by higher raw material costs and operating expenses.

Vietnam had strong performance, while **Cambodia** faced challenging conditions.

BEVERAGES – GEOGRAPHIC DIVERSITY



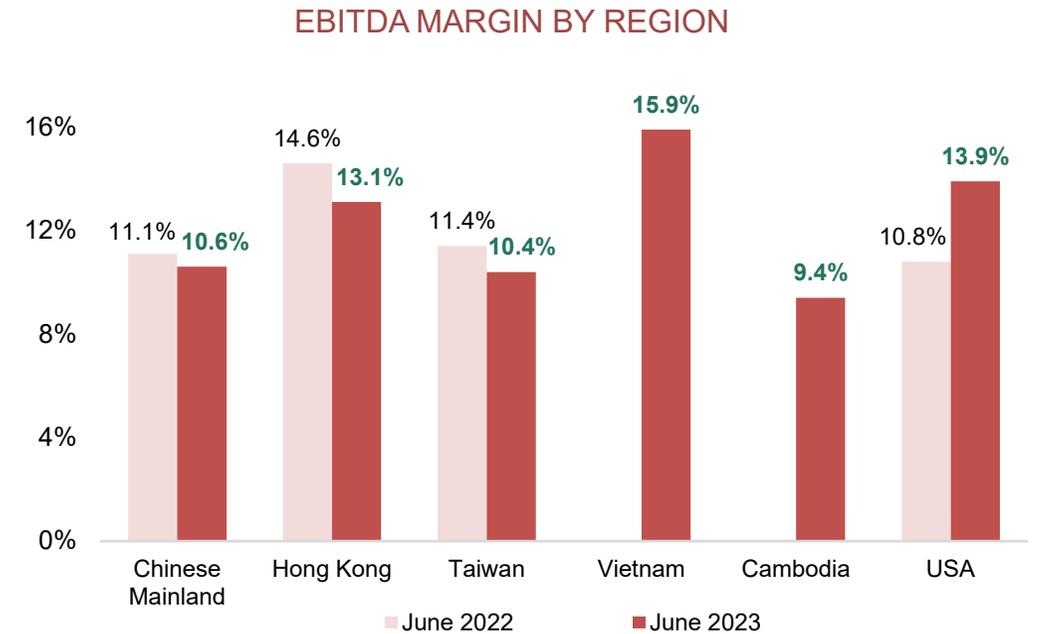
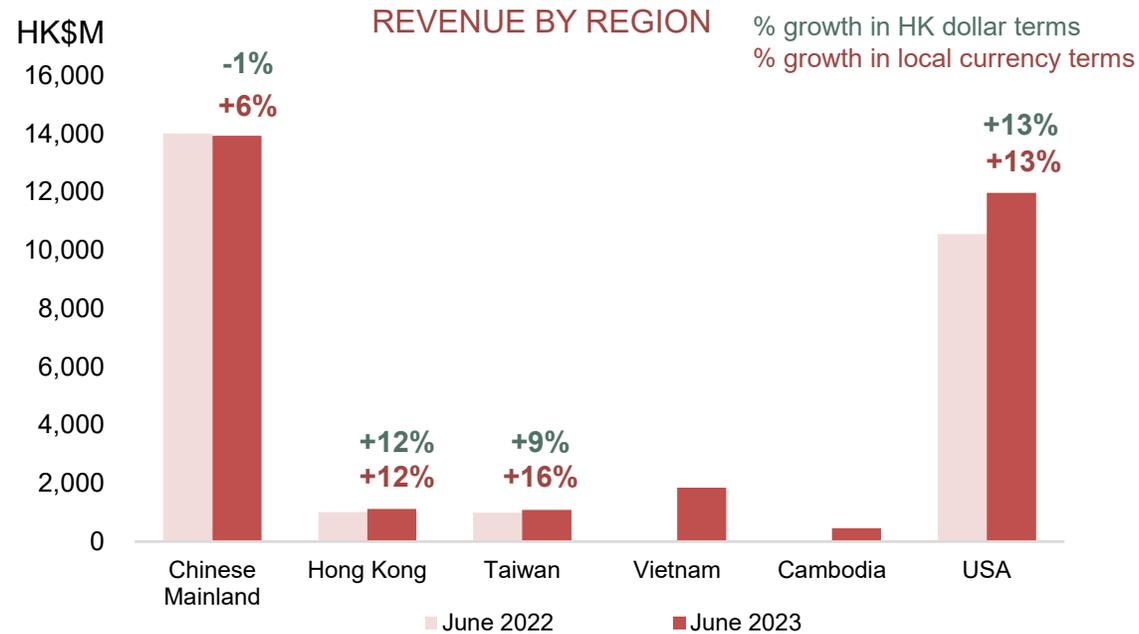
KEY FINANCIAL DATA		
HK\$M	JUNE 2023	CHANGE %
Revenue ⁽¹⁾	30,442	+14%
Attributable profit	1,423	+24%
Recurring profit	1,627	+41%
EBITDA margin ⁽²⁾	12.3%	+1.2%pt

Notes: (1) Revenue includes that of Shanghai Shen-Mei and excludes sales to other bottlers.

(2) Including that of Shanghai Shen-Mei and excluding non-recurring items and central and other costs.

BEVERAGES – STRONG GROWTH IN 1H2023

► Revenue increased by **14%** and volume increased by **18%**. EBITDA margin increased to **12.3%** from 11.1% in 1H2022.

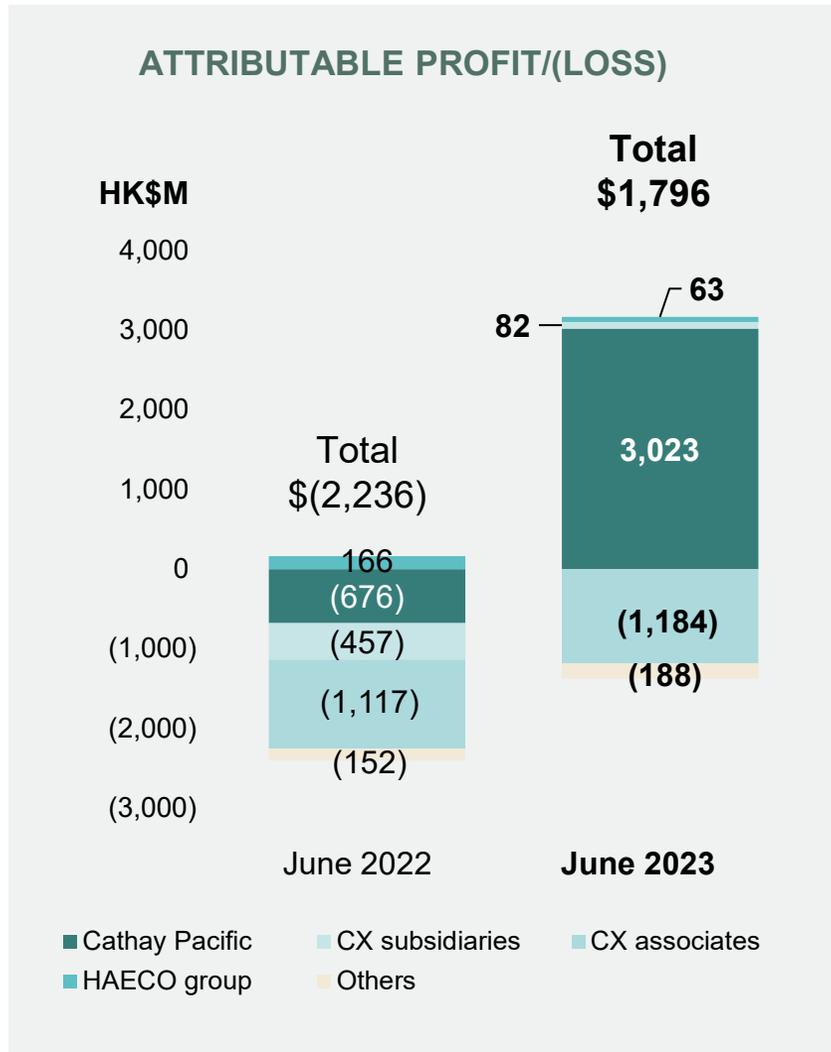


Volume growth	+9%	+12%	+11%	n.a.	n.a.	-2%

Note: Revenues and volumes include those of Shanghai Shen-Mei and exclude sales to other bottlers. EBITDA margin includes that of Shanghai Shen-Mei and excludes non-recurring items and central and other costs.

AVIATION – 1H2023 OVERVIEW

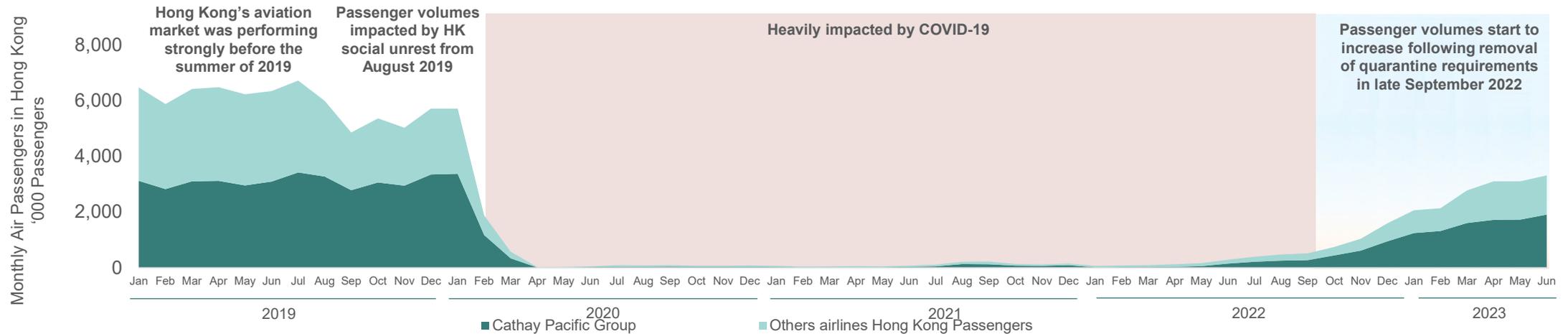
Significant improvement from Cathay group at airline level, partially offset by losses from associates



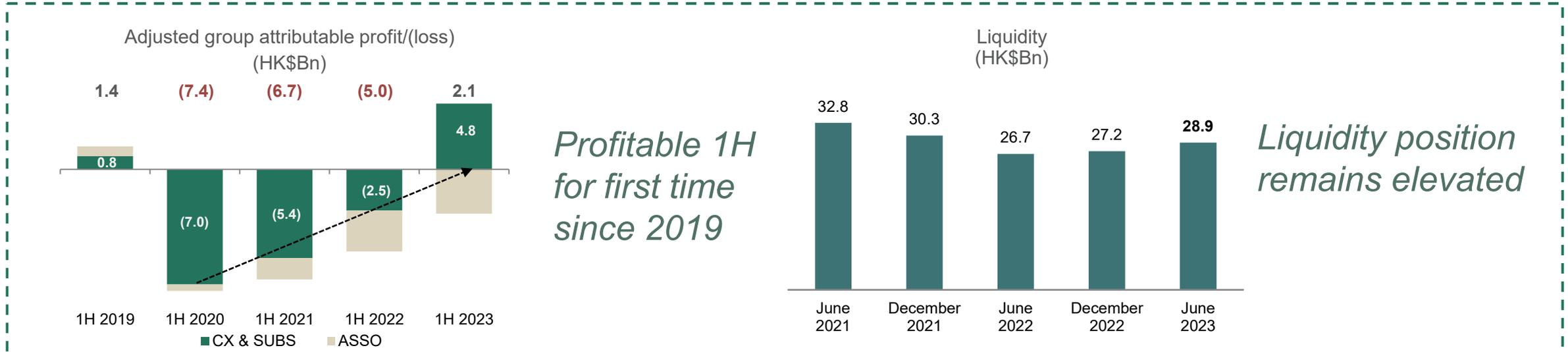
KEY FINANCIAL DATA			
HK\$M	June 2023	June 2022	Change %
HAECO group			
Revenue	8,464	6,557	+29%
Attributable/Recurring profit	63	166	-62%
Share of post-tax profit/(loss) from an associated company			
Cathay group	1,921	(2,250)	+185%
- Cathay Pacific	3,023	(676)	+547%
- CX subsidiaries	82	(457)	+118%
- CX associates	(1,184)	(1,117)	-6%

CATHAY PACIFIC – 1H2023 OVERVIEW

Passenger numbers continue to increase at the Hong Kong international aviation hub



Sources: Hong Kong International Airport, Cathay Investor Relations



CATHAY PACIFIC – 1H2023 OVERVIEW



Travel

- ▶ On track with training and recruitment.
- ▶ Announced intention to purchase up to 32 aircrafts for delivery by 2029.
- ▶ On track to achieve target of 70% pre-pandemic passenger flight capacity levels covering 80 destinations by the end of 2023 and expect to reach 100% by the end of 2024.



Cargo

- ▶ Capacity will be further supplemented by increased passenger flight frequencies and destinations.
- ▶ Targeting 85% of pre-pandemic cargo capacity by the end of the year 2023.

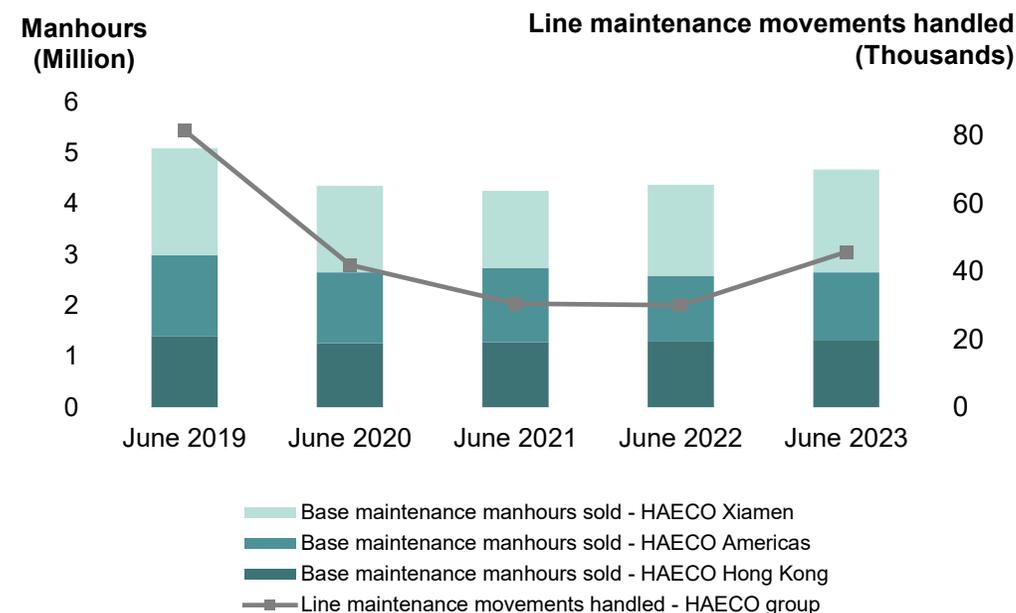
HAECO – 1H2023 OVERVIEW

- ▶ HAECO profit decreased due to a higher loss in the cabin solutions business and lower unrealised foreign exchange gains.
- ▶ Loss in cabin solutions business was mainly due to supply chain difficulties, higher cost of sales and freight costs and a higher provision for stock obsolescence, despite doubling its revenue.
- ▶ Disregarding cabin solutions business, other businesses performed better than 1H2022, benefitted from the workload recovery of line maintenance in Hong Kong and the component segment and strong demand for engine overhaul.

KEY FINANCIAL DATA

RECURRING PROFIT/(LOSS)			
HK\$M	June 2023	June 2022	Change %
Airframe	(1)	(18)	+94%
Cabin	(214)	(49)	-337%
Components	81	23	+252%
Engine	263	250	+5%
Others	(66)	(40)	-65%
Total	63	166	-62%

KEY OPERATING STATISTICS



HEALTHCARE

Growth and recovery from the impact of COVID-19 in the Chinese Mainland and Hong Kong

Revenue YoY Growth
1H2023

122% ↑

1,500+

Registered beds

5

Hospitals

5

Senior living facilities

5

Clinics

Number of Outpatients

Number of Inpatients

+126% ↑
c.179k



June 2022 June 2023

+145% ↑
c.10k



June 2022 June 2023

Note: All figures shown are aggregate number for associated companies.



- ▶ **Columbia China:** Total inpatient volume more than doubled year-on-year due to continued increase in surgical volumes.
- ▶ **DeltaHealth:** Received official accreditation as a Chest Pain Center (CPC) in April 2023, the only CPC in a private hospital in Shanghai.
- ▶ **New Frontier GBA Healthcare:** Shenzhen New Frontier United Family Hospital received Class 2A accreditation in March 2023. HEAL Medical opened HEAL Fertility (a clinic offering in vitro fertilisation services) in Hong Kong in May 2023.

SUSTAINABILITY AND ESG UPDATE

TARGETS



50% reduction in greenhouse gas emissions ⁽¹⁾ by 2030, and Net-Zero by 2050



65% waste diversion from landfill ⁽²⁾ by 2030, and Zero Waste to landfill by 2050



30% reduction in water withdrawal ⁽³⁾ by 2030, and Water Neutrality by 2050



30% women on Board and in senior management roles by 2024



Supporting communities through TrustTomorrow

PROGRESS

- ▶ Climate: We are on track to cut our emissions by half by 2030 with emissions in the first six months of 2023 being similar to the same period last year.
- ▶ Waste: We increased our waste-to-landfill diversion rate to 62.7% compared with 61.2% recorded in the first half of 2022.
- ▶ Water: Strong past progress means we can reach our 30% water use reduction target by 2030, despite a 9% increase in water usage driven by new product trials at Swire Coca-Cola.
- ▶ Diversity & Inclusion: Achieved our target of 30% women on board.
- ▶ Internal Carbon Pricing: Began piloting our ICP with our three largest operating companies.
- ▶ Ratings: Recognised in the S&P Global Sustainability Yearbook 2023 and included in the first S&P Global Sustainability (China) Yearbook 2023. Included in the FTSE4Good Index Series as recognition of our improved ESG scoring.

Sustainability Yearbook Member 2023
S&P Global ESG Score

Sustainability Yearbook (China) Member 2023
S&P Global ESG Score

Notes: (1) Scope 1 + Scope 2 emissions only. 2018 base year.
 (2) Includes non-hazardous waste (where we exercise operational control). 2018 base year.
 (3) Compared to a 2018 frozen efficiency baseline. Excluding bottling volume from Swire Coca-Cola.

OUTLOOK

- ▶ Rebound seen in 1H2023 is expected to continue through 2H driven by Aviation.
- ▶ Subject to the approval of the independent shareholders, the disposal of Swire Coca-Cola, USA is expected to be completed in 2H2023, with an EGM expected in August/September.
- ▶ Remain confident on our long-term investment strategy, despite the uncertain economic outlook.

PROPERTY



Hong Kong

- Footfall and tenants' sales are expected to continue to improve.
- Office market remains weak in 2H2023.

Chinese Mainland

- Overall demand for retail space is expected to recover steadily.

Hotel businesses

- Further recover in Hong Kong and grow throughout the year in the Chinese Mainland.

BEVERAGES



- The performance in the Chinese Mainland is expected to continue performing steadily despite potential economic slowdown in 2H2023.
- The newly acquired franchise business in Vietnam is expected to be stable and make meaningful full-year contributions, while business in Cambodia is expected to improve in 2H2023.

AVIATION – Cathay Pacific



- Continue to recover.
- Expect to achieve the target of 70% pre-pandemic passenger flight capacity levels covering 80 destinations by the end of 2023, and 100% of pre-pandemic levels by the end of 2024.

AVIATION – HAECO



- Expect a stable demand for base maintenance work and an increase in line maintenance and engine overhaul work in 2H2023.
- Construction of hangar facilities at new Xiamen airport is underway.

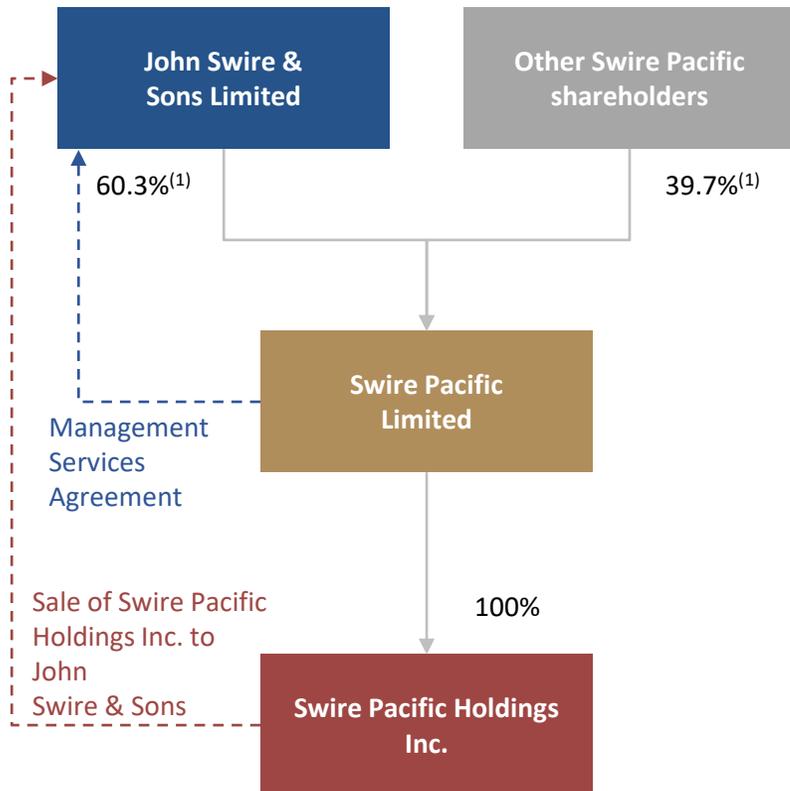


SALE OF SWIRE COCA-COLA, USA

GUY BRADLEY, CHAIRMAN

TRANSACTION HIGHLIGHTS

Illustrative Transaction Structure



1 Crystallises Value at an Attractive Valuation Whilst Preserving Franchise Strength

- Attractive transaction multiple of 12.4x EV/ 2022 Adjusted EBITDA⁽²⁾
- Gain on disposal of approximately US\$2.9Bn (HK\$22.6Bn equivalent)⁽³⁾
- Management services agreement maintains Swire Coca-Cola's scale of operations

2 Returns Substantial and Immediate Cash to Shareholders of the Company

- Substantial and immediate return of cash to shareholders via special dividend⁽⁴⁾ - **HK\$8.120 per 'A' share and HK\$1.624 per 'B' share**
- Special dividend higher than cumulative dividends paid over the last 3 years

3 Strengthens the Company's Balance Sheet

- Pro forma gearing ratio as of 30th June 2023 to reduce from 21.4% to 14.9%

4 Consistent with the Company's strategic focus on Greater China and South East Asia

- Consistent with Swire Pacific's geographical focus and provides us with capital to fund long-term investments

Notes: (1) Represents economic interest in Swire Pacific.

(2) Swire Coca-Cola, USA's earnings before interest, tax, depreciation and amortisation, in respect of any financial year, adjusted to reflect payment of management fee that the USA Beverage business would have made had the Management Services Agreement been in place in that financial year.

(3) By reference to the Swire Pacific Holdings' carrying value as of 30th June 2023.

(4) Conditional upon Completion of the Transaction, based on Swire Pacific shares outstanding as at the date of the Announcement.

KEY TERMS OF THE TRANSACTION

<p>Key Terms</p>	<ul style="list-style-type: none"> • Sale of 100% interest in Swire Pacific Holdings Inc. to John Swire & Sons for an enterprise value of US\$3.9Bn (HK\$30.4Bn equivalent) in cash • Swire Coca-Cola Limited, a wholly-owned subsidiary of the Company, to enter into a management services agreement with John Swire & Sons and Swire Pacific Holdings Inc. for the provision of management and administrative support services in relation to Swire Pacific Holdings Inc.
<p>Swire Coca-Cola, USA Adjusted EBITDA⁽²⁾</p>	<p>2022: US\$316m (HK\$2.5Bn equivalent)</p>
<p>Management Services Agreement</p>	<ul style="list-style-type: none"> • Provision of management and administrative support services in relation to Swire Pacific Holdings Inc. for an annual service fee equal to the greater of: <ol style="list-style-type: none"> i. HK\$117m plus 5% margin (subject to an annual upward adjustment in line with the prevailing consumer price inflation rate in Hong Kong each year); and ii. 6% of Swire Coca-Cola, USA's recurring EBIT⁽³⁾
<p>Special Dividend⁽⁴⁾</p>	<ul style="list-style-type: none"> • HK\$8.120 per 'A' share and HK\$1.624 per 'B' share
<p>Condition Precedent to Closing</p>	<ul style="list-style-type: none"> • Completion is conditional upon the Independent Shareholders having approved the resolutions to be considered at a general meeting of the Company necessary to implement the terms of the Share Purchase Agreement
<p>Timetable</p>	<ul style="list-style-type: none"> • Circular despatch expected on or before 18th August • EGM expected in August/September • Completion will take place on the 5th business day following the satisfaction of the condition precedent (or, if that 5th business day does not fall within 15 days after the preceding month-end date, the first business day after the next month-end date), or such other date as the Seller and the Purchaser may agree

Notes: (1) USD:HKD = 7.80

(2) Swire Coca-Cola, USA's earnings before interest, tax, depreciation and amortisation, in respect of any financial year, adjusted to reflect payment of management fee that the USA Beverage business would have made had the Management Services Agreement been in place in that financial year.

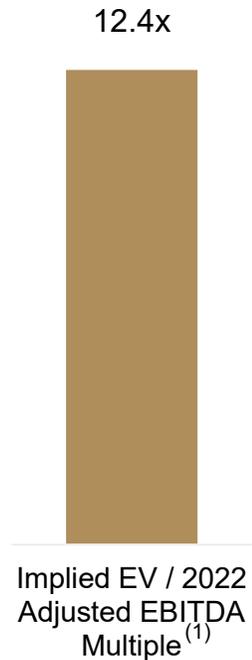
(3) Recurring earnings before interest and tax.

(4) Conditional upon Completion of the Transaction, based on Swire Pacific shares outstanding as at the date of the Announcement.

REALISES VALUE AT AN ATTRACTIVE VALUATION AND RETURNS SUBSTANTIAL AND IMMEDIATE CASH TO SHAREHOLDERS

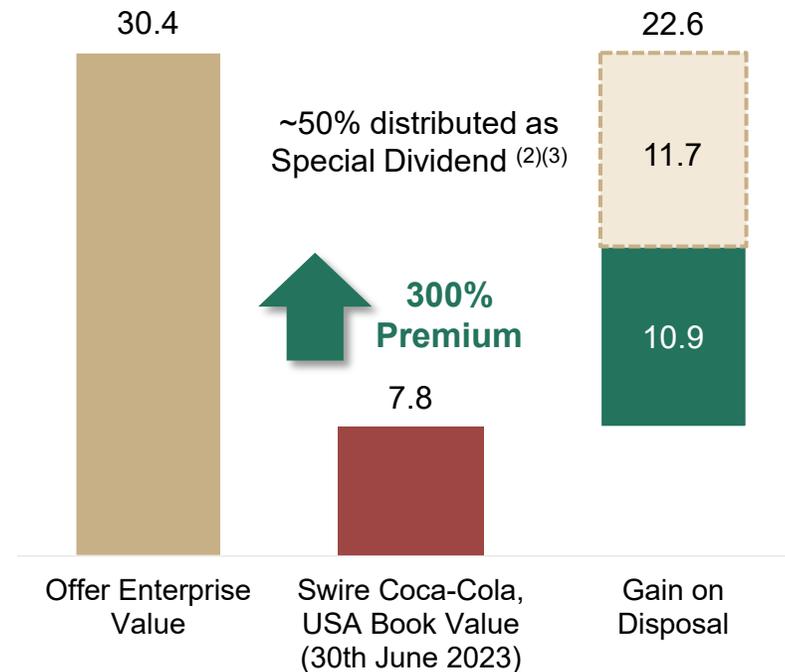
EV/ EBITDA Multiple

x



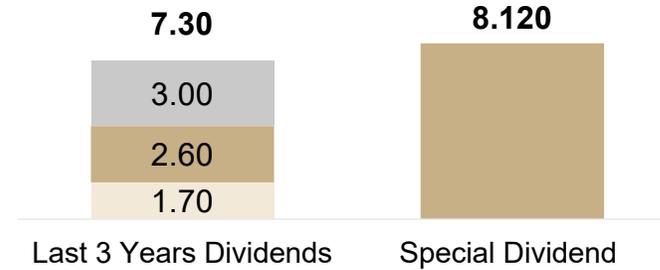
Offer Value vs. Swire Coca-Cola, USA Book Value

HK\$Bn

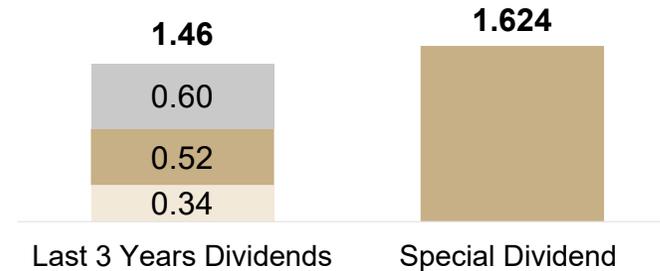


Special Dividend⁽³⁾

Class A Special Dividend Per Share – HK\$



Class B Special Dividend Per Share – HK\$



2020 2021 2022

Notes: (1) Swire Coca-Cola, USA's earnings before interest, tax, depreciation and amortisation, in respect of any financial year, adjusted to reflect payment of management fee that the USA Beverage business would have made had the Management Services Agreement been in place in that financial year.

(2) In line with dividend policy.

(3) Conditional upon Completion of the Transaction.

(4) USD:HKD = 7.80

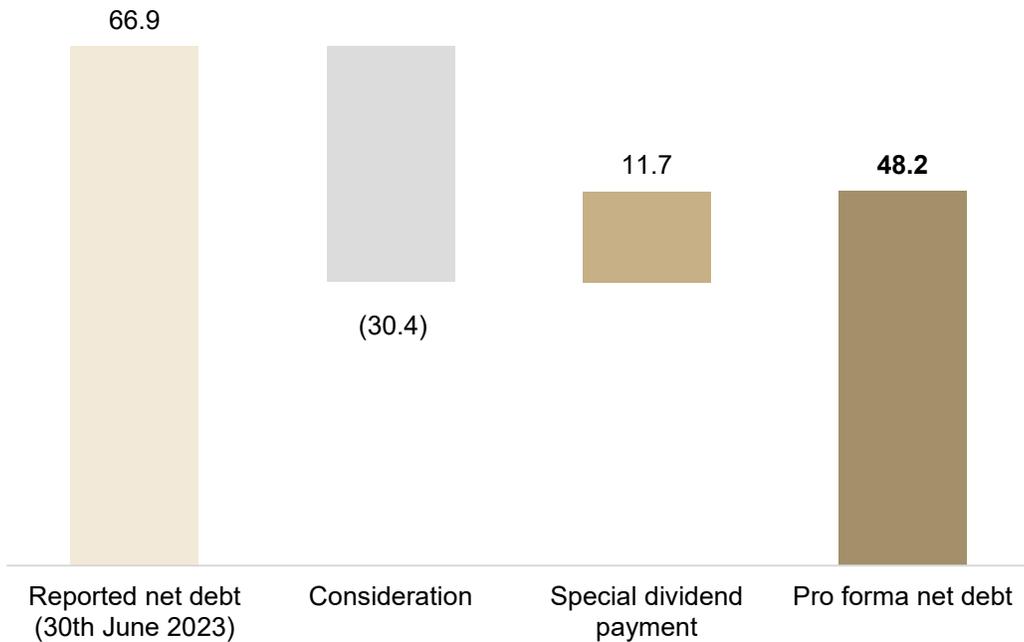
STRENGTHENS SWIRE PACIFIC'S BALANCE SHEET

Gearing Ratio



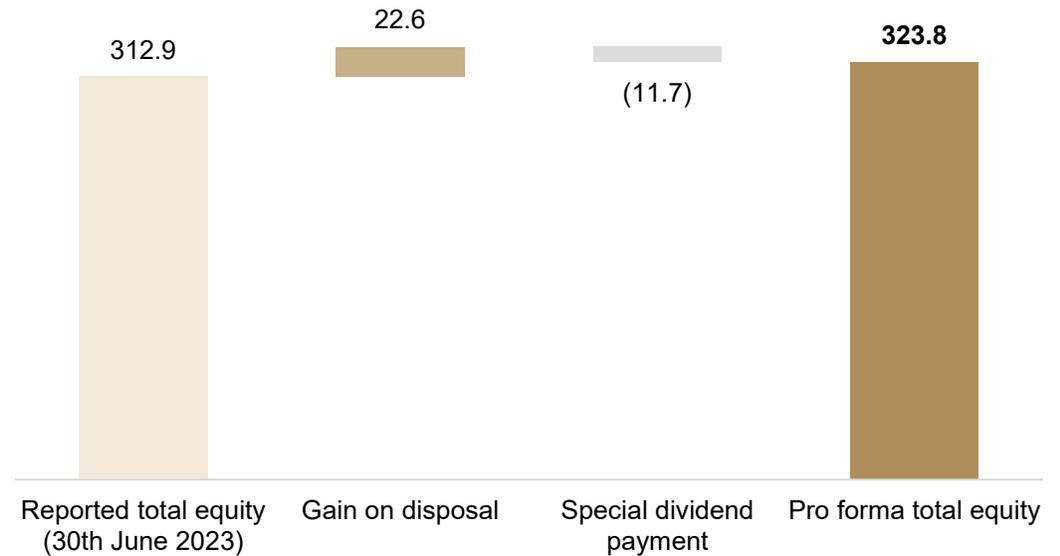
Net Debt

HK\$Bn



Total Equity

HK\$Bn



Note: USD:HKD = 7.80

PRESERVE FRANCHISE STRENGTH THROUGH MANAGEMENT SERVICES AGREEMENT



John Swire & Sons, Swire Coca-Cola Limited and Swire Pacific Holdings Inc. (Swire Coca-Cola, USA) will enter into the Management Services Agreement for an annual management fee

Scope of Service

- ▶ Swire Coca-Cola Limited will provide management and administrative support services in respect of Swire Coca-Cola, USA, including:
 - Strategy development and implementation
 - Relationship management
 - Business review
 - Finance and reporting matters
 - Digital and information technology matters
 - Risk management and sustainable development
 - Corporate development
 - Supply chain management
 - Human resources matters
 - Public affairs and communications

Management Fee

- ▶ Management fee to Swire Coca-Cola Limited will be the greater of:
 - HK\$117m plus 5% margin (subject to an annual upward adjustment in line with the prevailing consumer price inflation rate in Hong Kong each year); and
 - 6% of Swire Coca-Cola, USA recurring EBIT⁽¹⁾

Term

- ▶ Initial term of 13 years from the date of Completion

Note: (1) Recurring earnings before interest and tax.



Q & A

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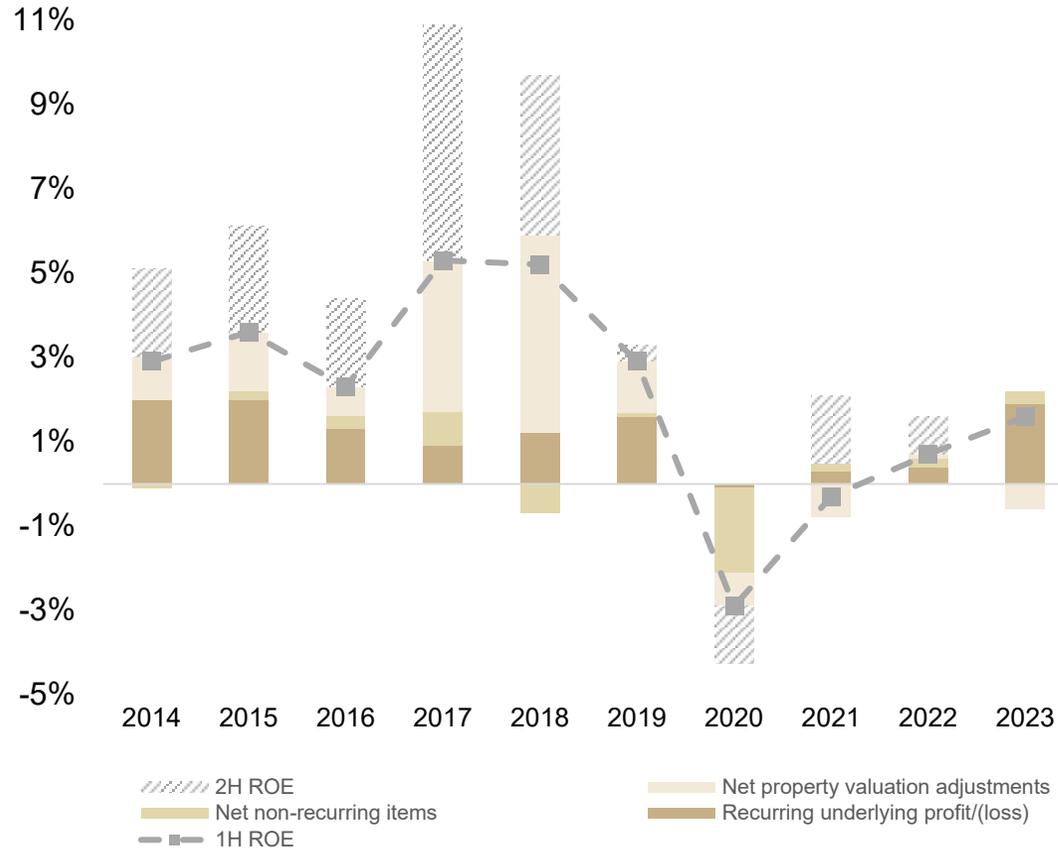


APPENDIX

10TH AUGUST 2023 | HONG KONG

1H2023 FINANCIAL SUMMARY – RETURN ON EQUITY

Return on Equity



Return on Equity

Derived from:

Recurring underlying profit

Net non-recurring items

Net property valuation adjustments

	1H2023	5-year 1H average
Return on Equity	1.6%	0.4%

1.9%

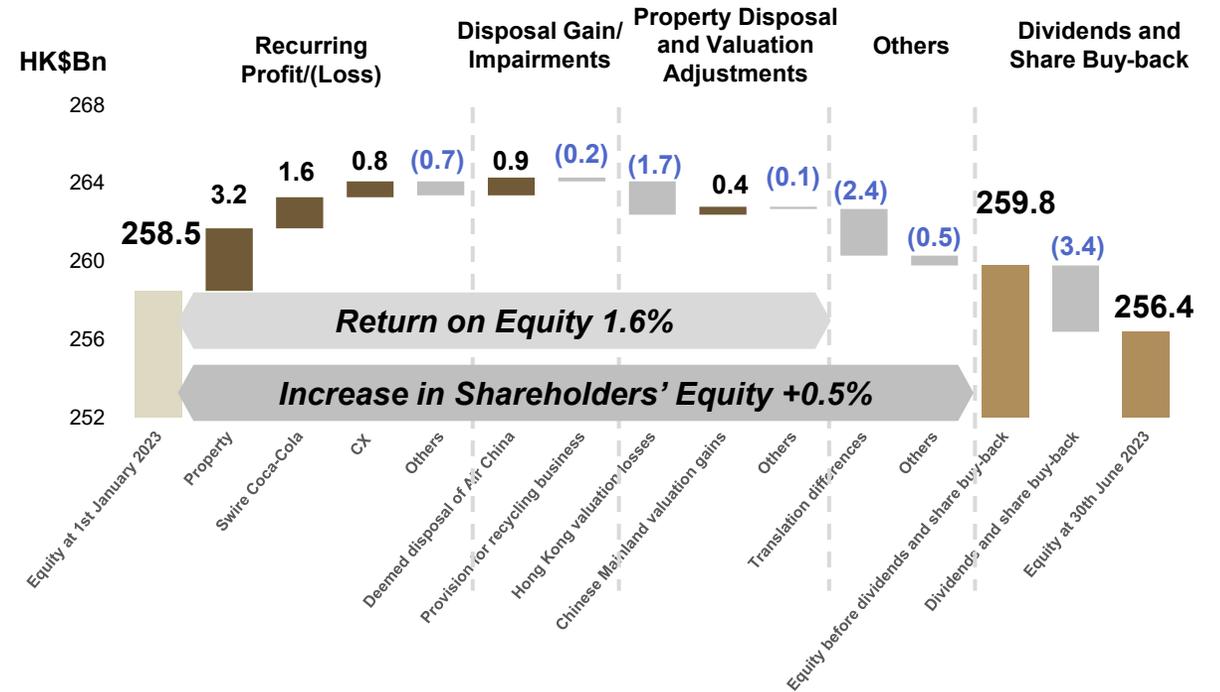
0.8%

0.3%

-0.2%

-0.6%

-0.2%



2023 INTERIM RESULTS ANALYST BRIEFING

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