



ARA US HOSPITALITY TRUST

FY 2022 FINANCIAL RESULTS

23 FEBRUARY 2023



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Key Financial Highlights for FY 2022

DPS
+760%

- DPS of 3.054 US cents for FY 2022 compared to 0.355 US cents in FY 2021, yielding over 8%

Valuation
+9%

- Portfolio Valuation of US\$747.8m for 36 hotels, up over 9% year-on-year on comparable¹ basis

NPI
+66%

- Portfolio NPI of US\$41.4m for FY 2022, up 66% year-on-year

RevPAR
+34%

- Portfolio RevPAR of US\$85 for FY 2022, up 34% year-on-year

ALR
< 40%

- Aggregate Leverage Ratio at 39.4% with healthy cash balance of ~US\$20m (net of US\$30m for Home2 Suites by Hilton Colorado Springs South acquisition)

% Hedged
~80%

- ~80% of loan portfolio hedged on interest rate movement as at 31 December 2022, mitigating rising interest rates. No refinancing due in FY 2023

¹ Excluding five disposed hotels in 2022

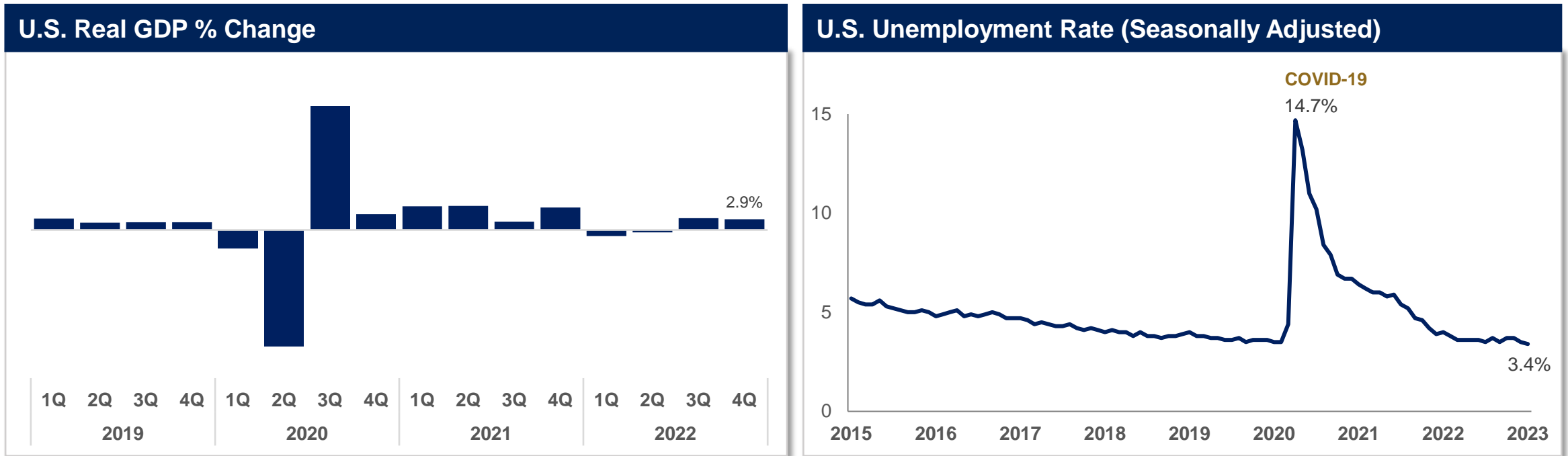


U.S. MARKET UPDATE

Macro Market Uncertainty Due To Mixed U.S. Economic Indicators



Slowdown in global economic activity expected in 2023



- Stronger than expected 4Q22 GDP growth of 2.9%, resulting from increases in private inventory investment, consumer and government spending and non-residential fixed investment. Full year 2022 GDP growth estimate of 2.1%.
- Inflation at 6.4% as at end January 2023 compared to June 2022 peak of over 9% post Federal Reserve's successive interest rate hikes over ten months from 0-0.25% to 4.5-4.75% as at January 2023, at an unprecedented rate of increase.
- Historic low unemployment rate of 3.4% since March 2022, wage growth and savings support continued spending but also contributes to ongoing cost pressures.

Corporate Travel Rebuild And Leisure Travel To Underpin Market



Double-digit growth in RevPAR vs 2019 levels expected for 2023-2025

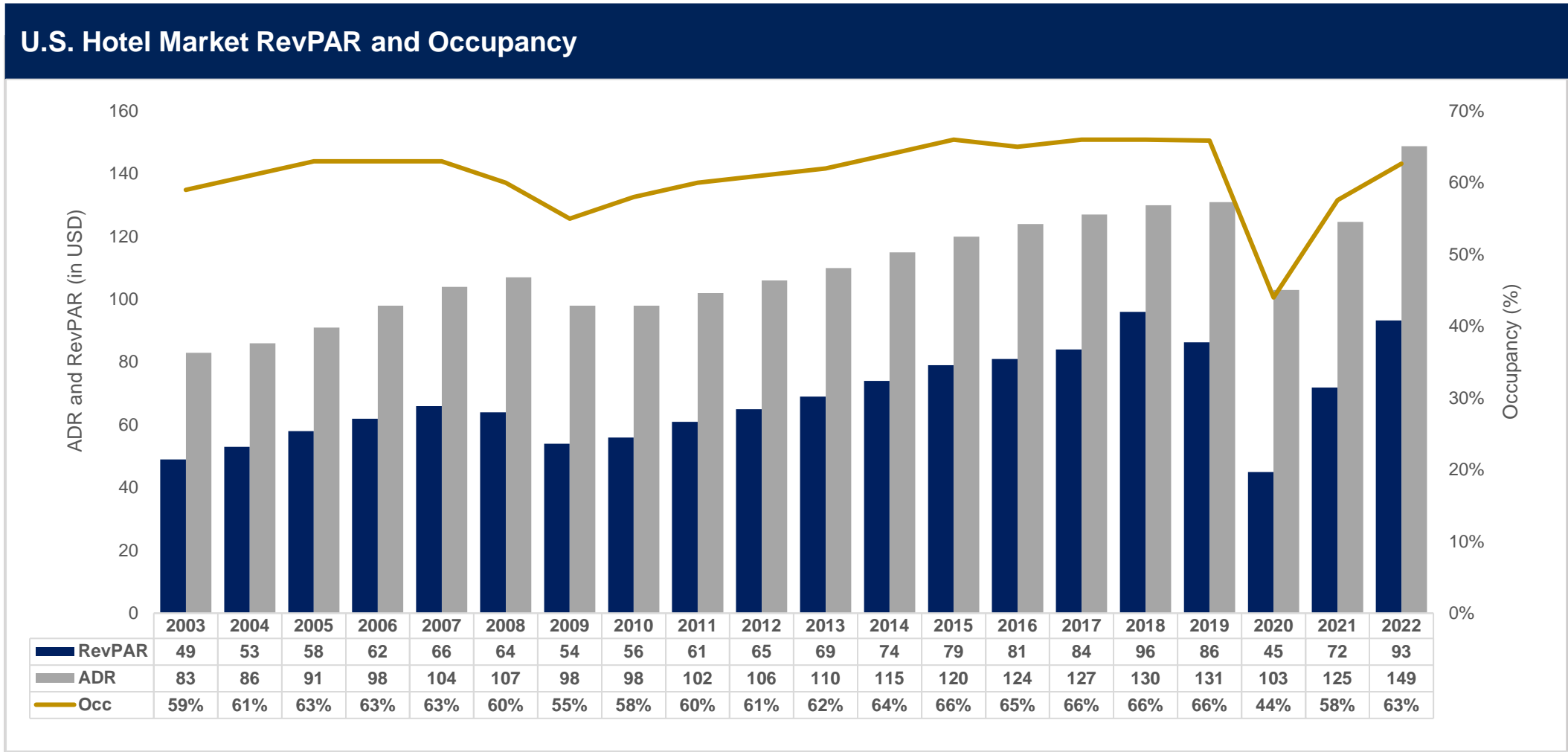
Year	2019	2020	2021	2022	2023F	2024F	2025F
Occupancy	66%	44%	58%	63%	64%	65%	66%
ADR	\$131	\$103	\$125	\$148	\$152	\$158	\$164
ADR Y-o-Y Change		-21%	+21%	+19%	+2%	+4%	+4%
RevPAR	\$87	\$45	\$72	\$93	\$97	\$103	\$108
RevPAR Y-o-Y Change		-48%	+60%	+29%	+5%	+7%	+5%
RevPAR compared w/ 2019	-	-50%	-17%	+8%	+12%	+19%	+25%

- Recovery outlook for U.S. hotel market remains intact despite economic uncertainty and geopolitical risks.
- Projected U.S. hotel market RevPAR growth to slow in 2023 but positive year-on-year for the next three years.

Positive U.S. Hotel Market Recovery In 2022

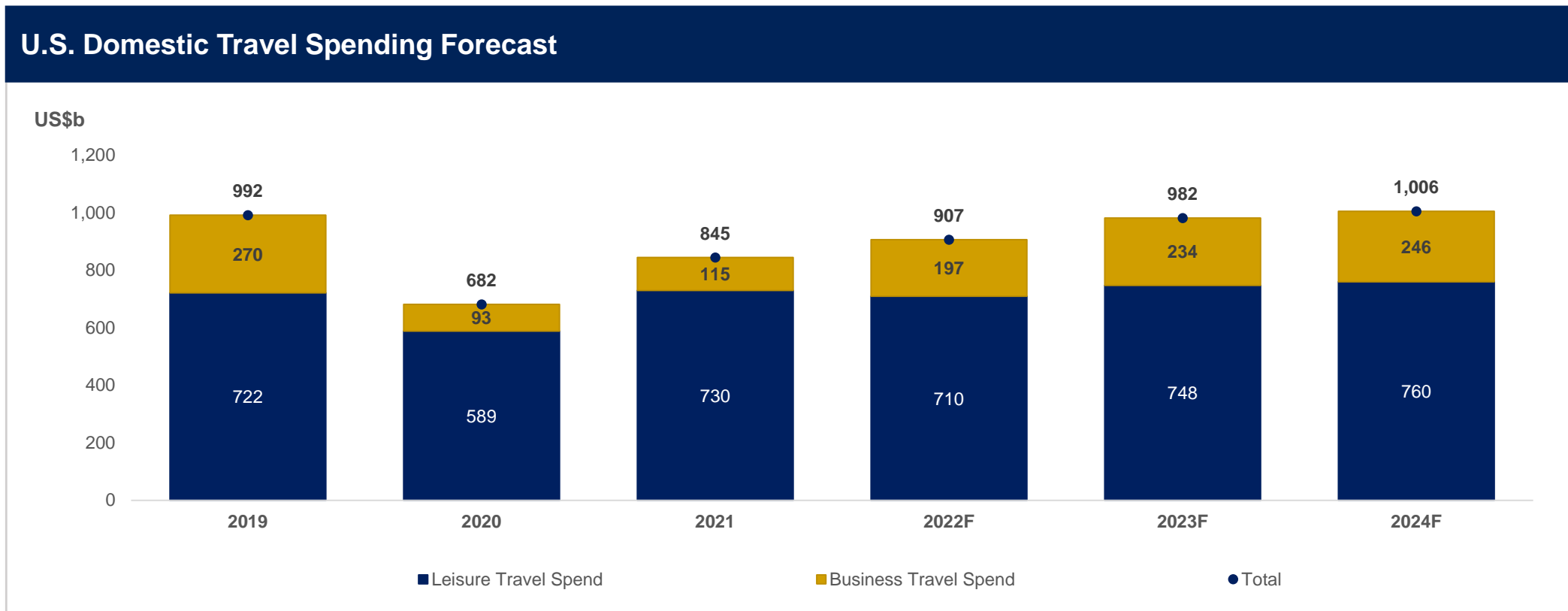


U.S. hotel market RevPAR above 2019 levels despite muted corporate travel demand



Ongoing Prioritisation Of Travel

Upward projections for leisure and business travel volumes and spend



- Domestic travel is expected to drive the recovery in the U.S. travel industry.
- Leisure travel and business travel spending projected to reach 105% and 91%, respectively, of 2019 levels by 2024.

PORTFOLIO PERFORMANCE



AC Hotel Marriott Raleigh North Hills

Upswing In FY 2022 Year-on-Year Performance

Return of corporate travel needed for full recovery



65.3%
Occupancy ↑ 8.2 pp y-o-y



US\$131
ADR ↑ 17.2% y-o-y

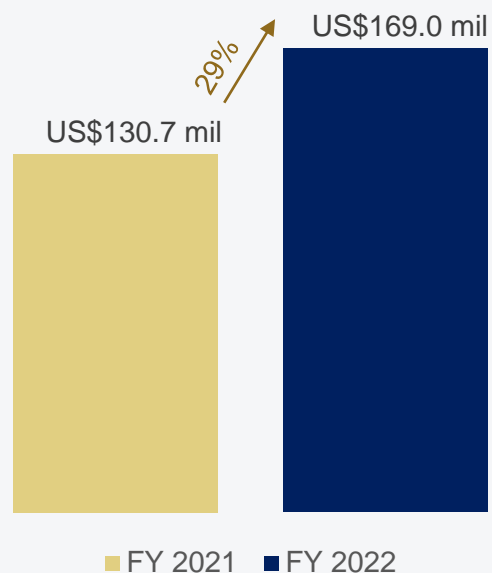


US\$85
RevPAR ↑ 33.9% y-o-y

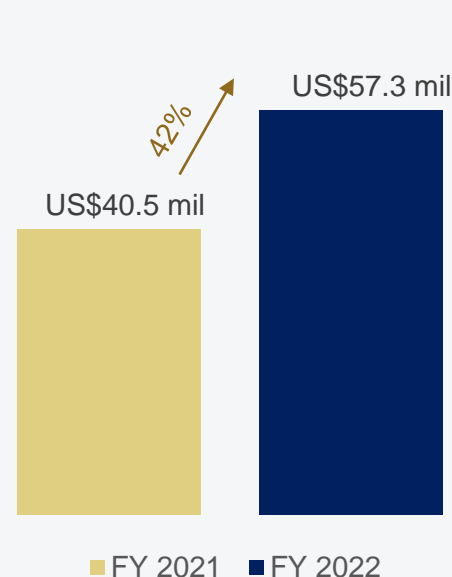


33.9%
GOP Margin ↑ 2.9 pp y-o-y

Gross Revenue
US\$169.0 mil



Gross Operating Profit
US\$57.3 mil

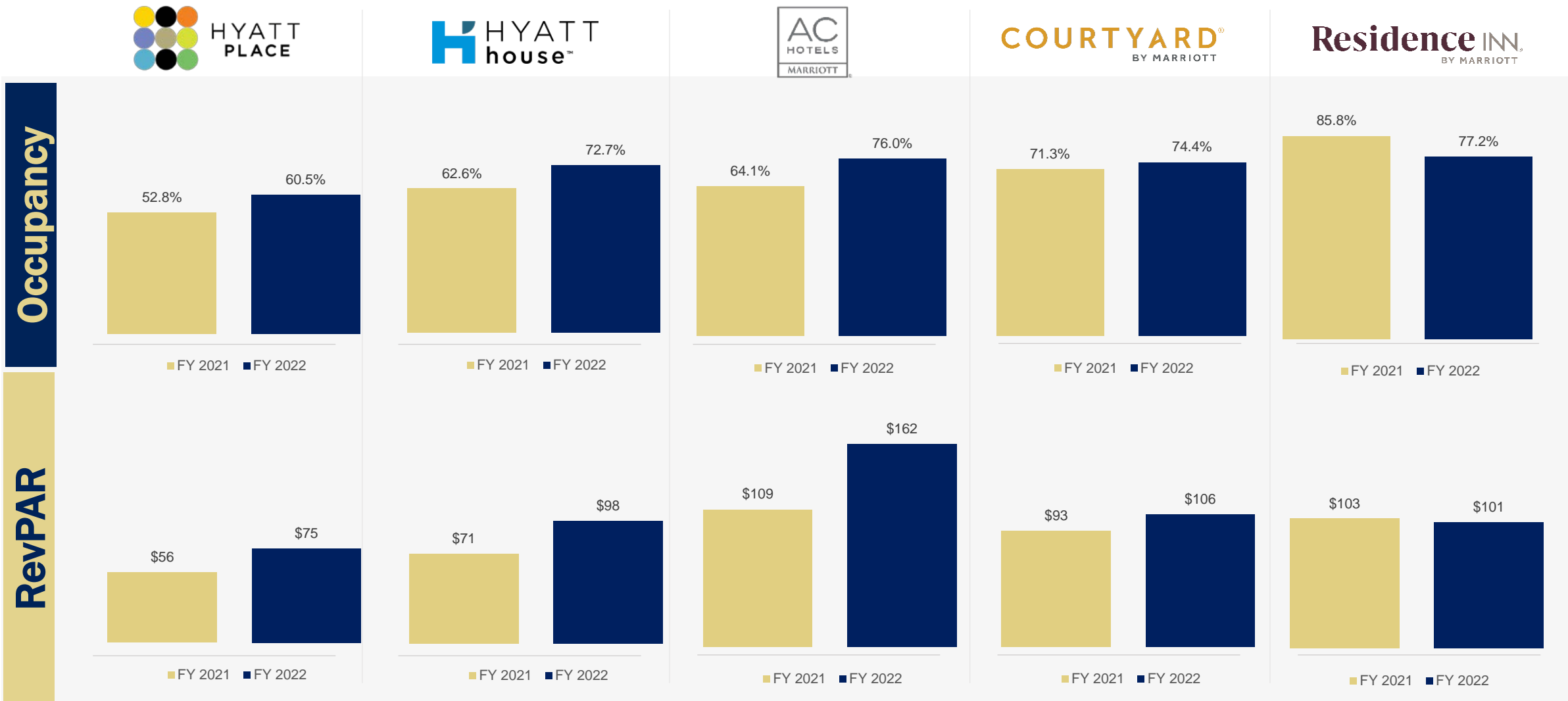


Net Property Income
US\$41.4 mil



Portfolio Performance By Brands

Higher RevPAR resulting from ADR increases across the portfolio and occupancy



FY 2022 Financial Performance

Distribution income of US\$17.5m in first post-COVID year

	FY 2021	FY 2022	Change
Portfolio Indicators			
Occupancy	57.1%	65.3%	8.2 pp
RevPAR (US\$)	64	85	33.9%
Financial Indicators (US\$m)			
Revenue	130.7	169.0	29.3%
Gross Operating Profit (GOP)	40.5	57.3	41.6%
<i>GOP Margin</i>	31.0%	33.9%	2.9 pp
Net Property Income	24.9	41.4	66.4%
Distributable Income	2.0	17.5	767.6%
Distribution per Stapled Security (US cents)	0.355	3.054	760.3%

FY 2022 Financial Performance

Positive year-on-year growth in every quarter

	1Q 2022	2Q 2022	3Q 2022	4Q 2022	FY 2022
Portfolio Indicators					
Occupancy	54.6%	70.7%	71.0%	64.7%	65.3%
RevPAR (US\$)	65	95	97	85	85
Financial Indicators (US\$m)					
Revenue	32.8	48.5	48.7	39.0	169.0
Gross Operating Profit (GOP)	8.7	18.9	17.3	12.4	57.3
<i>GOP Margin</i>	26.6%	38.9%	35.6%	31.8%	33.9%
Net Property Income (NPI)	5.3	15.8	11.9	8.4	41.4
NPI growth year-on-year	+1,187.5%	+80.8%	+29.8%	+27.5%	+66.4%

- Peak seasons being 2Q and 3Q; low seasons being 1Q and 4Q

Increase in Portfolio Value As At 31 December 2022

Valuation uplift of over 9% for 36 hotels on comparable¹ basis

	As at 31 Dec 2021	As at 31 Dec 2022
Hyatt Portfolio (33 hotels)	US\$592.5 mil	US\$ 643.1 mil
Marriott Portfolio (3 hotels)	US\$90.8 mil	US\$104.7 mil
Disposed Portfolio (5 hotels)	US\$39.3 mil	-
Portfolio Value	US\$722.6 mil	US\$747.8 mil
Portfolio Value (36 hotels)	US\$683.3 mil	US\$747.8 mil



9.4%

¹ Excluding five disposed hotels in 2022

Improved Financial Position Over The Course Of FY 2022



Aggregate Leverage Ratio below 40% mark

	As at 31 Dec 2021	As at 30 Jun 2022	As at 31 Dec 2022
NAV per Stapled Security	US\$0.71	US\$0.72	US\$0.80
Cash Balance	US\$19.2 mil	US\$19.8 mil	US\$50.6 mil
Total Debt Outstanding	US\$338.1 mil	US\$330.9 mil	US\$325.9 mil
Aggregate Leverage Ratio	44.3%	43.5%	39.4%
Net Gearing	42.8%	42.0%	35.4%
Interest Coverage Ratio*	2.0x	2.8x	2.6x
Weighted Average Debt Maturity	2.0 years	2.1 years	1.5 years
Average Cost of Debt (p.a.)	3.4%	3.6%	3.8%
% of Debt Hedged to Fixed Rates	79.1%	80.8%	82.0%

- Cash balance included ~US\$32m of net proceeds received from the sale of four Hyatt Place hotels completed on 30 September 2022.
- No refinancing requirement for FY 2023.

* Computation excluded interest expense on lease liabilities. It is regarded as a component of finance cost under SFRS(I)16 which is an accounting classification and does not have a bearing on debt servicing ability.

Distribution Schedule (Semi-annual)

Amount per Stapled Security	1.627 US cents
Ex-Distribution Date	Thursday, 2 March 2023 at 9.00 a.m.
Record Date	Friday, 3 March 2023 at 5.00 p.m.
Distribution Currency Election Notice to CDP	By Monday, 20 March 2023 at 5.30 p.m.
Payment of Distribution	Thursday, 30 March 2023

- Distribution of **1.627 US cents** per Stapled Security to be paid on **30 March 2023**.
- Stapled Securityholders NOT required to submit W-8Ben or W-9 Forms.

BUILDING A RESILIENT PORTFOLIO



Acquisition of Home2Suites By Hilton Colorado Springs South

Property would be the second asset in Colorado market for ARA H-Trust



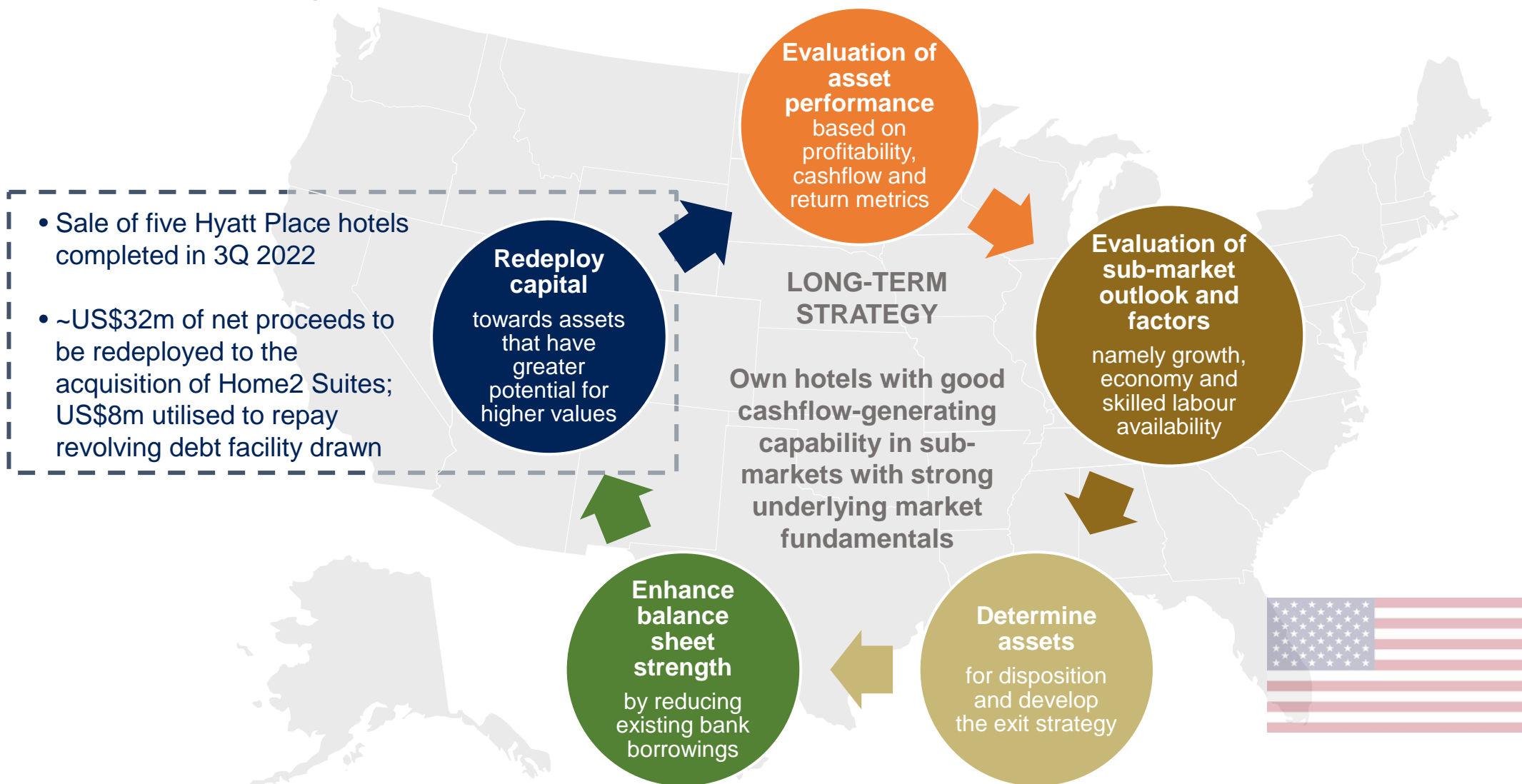
- ✓ Proposed acquisition is expected to be immediately yield accretive
- ✓ Strong performing asset that is well-located in a growing sub-market

- ✓ Expand global brand affiliation to include Hilton, in addition to Hyatt and Marriott

Expected Completion: 1Q 2023

Portfolio Optimisation And Rebalancing

To build a stronger and more resilient portfolio



Key Takeaways

1

U.S. travel and hotel markets are continuing countercyclical recoveries amid the uncertain economic outlook

2

Continue to pursue a steady and consecutive improvement in portfolio RevPAR year-on-year; business and group travel growth needed for full recovery

3

ADR strength partly mitigates operating cost increases

4

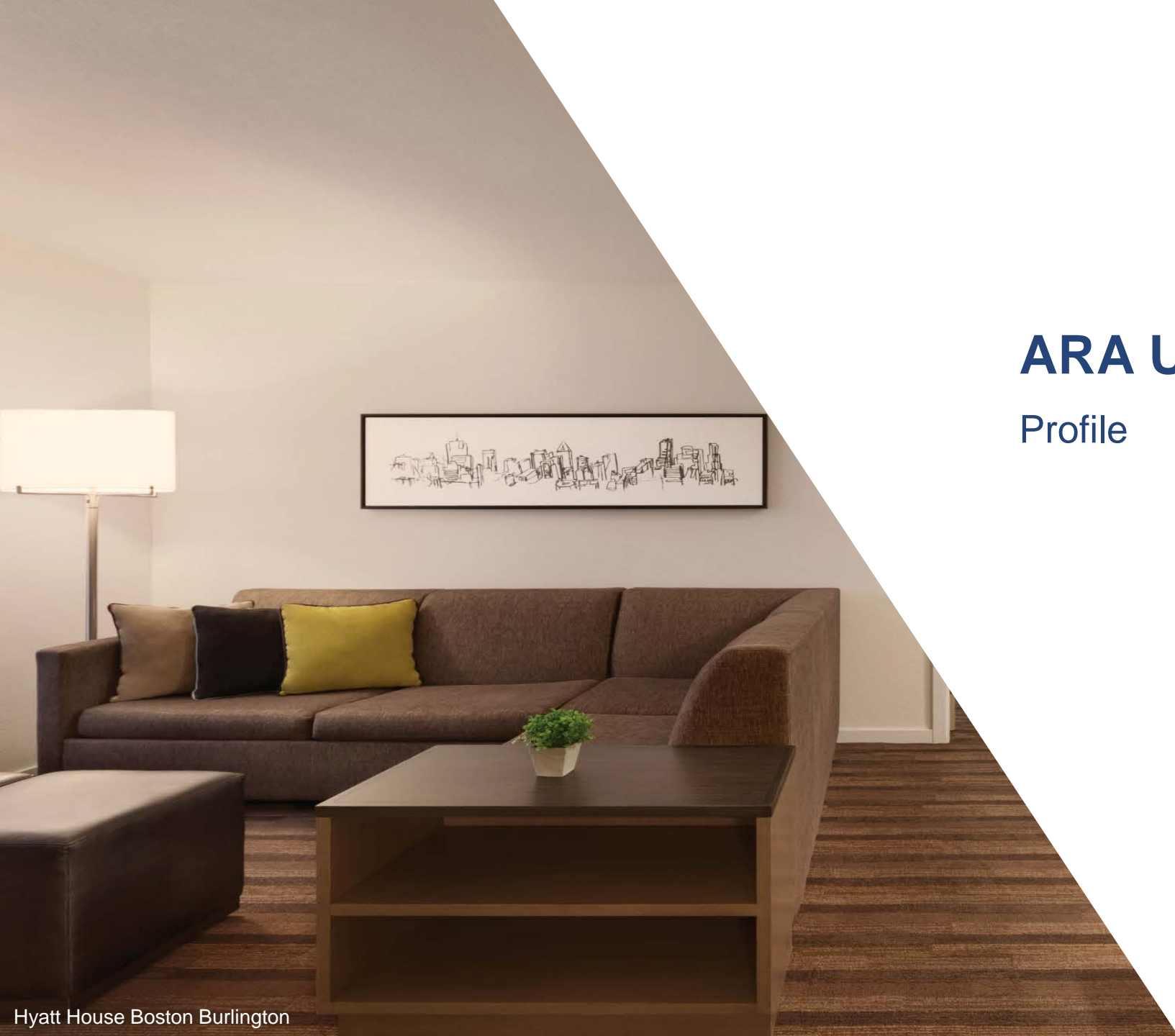
Proactive capital management to maximise cashflow, distributions and yield to Stapled Securityholders as interest rates stay elevated

5

Focused on building a resilient U.S. hotel portfolio for ARA H-Trust over the long term through portfolio optimisation, growth and asset management strategies

ARA US Hospitality Trust

Profile



ARA US Hospitality Trust – An Overview

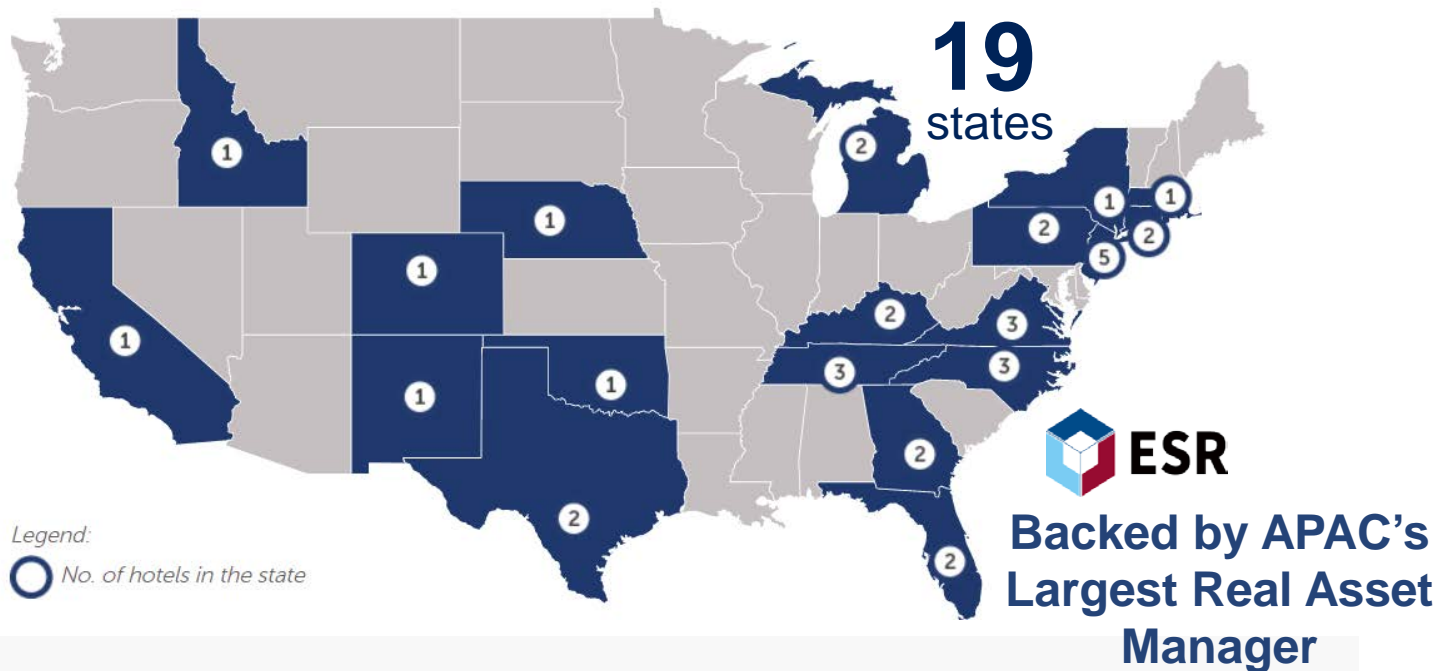
First pure-play U.S. upscale select-service hospitality portfolio listed on the SGX-ST



36
upscale
hotels



4,707
rooms




>90%
Freehold
Title



>90%
rooms-
focused
revenue



5
hotel
brands



2
hotel
operators

Tax Efficient Structure
Attractive REIT platform to invest in U.S. hotels for non-U.S. investors

Key Investment Strategies of ARA US Hospitality Trust

In pursuit of long-term income growth in U.S. real estate



Efficient Investment Structure

Attractive platform to invest for non-U.S. investors

All-USD FX

Cashflows, assets and liabilities are denominated in USD

U.S. Withholding Tax-exempt

Distributions repatriated from U.S. to Singapore are not subject to withholding tax under applicable US laws

SG Tax Exempt

Distributions to Stapled Securityholders are tax-exempted

Alignment of Interest

Management fee structure pegged to distributable income and growth in DPS

Semi-annual distribution; at least 90% of distributable income

ESG Initiatives for ARA US Hospitality Trust

Move towards sustainable hospitality



Environmental



Social



Governance



Sustainability practices incorporated into asset management



Contribute to the social and environmental well-being of stakeholders over the long term



Developed strong framework to engage, report and review ESG-driven policies



Close collaboration with Brand Partners and Hotel Managers to drive sustainability programs and initiatives

Thank You

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