



# ARA US HOSPITALITY TRUST

## ACQUISITION OF HOME2 SUITES BY HILTON COLORADO SPRINGS SOUTH

19 April 2023



# Important Notice

---



This presentation is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of ARA US Hospitality Trust in Singapore under the Securities and Futures Act 2001 of Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. The value of stapled securities in ARA US Hospitality Trust (“**Stapled Securities**”) and the income derived from them may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by the ARA Trust Management (USH) Pte. Ltd., as manager (the “**REIT Manager**”) of ARA US Hospitality Property Trust and ARA Business Trust Management (USH) Pte. Ltd., as trustee-manager (the “**Trustee-Manager**”) of ARA US Hospitality Management Trust, DBS Trustee Limited (as trustee of ARA US Hospitality Property Trust) or any of their respective affiliates. The past performance of ARA US Hospitality Trust is not indicative of the future performance of ARA US Hospitality Trust, the REIT Manager and the Trustee-Manager.

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of the presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry, hospitality outlook and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy, average daily rate (“**ADR**”) and revenue per available room (“**RevPAR**”), changes in operating expenses, government and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of ARA US Hospitality Trust. The forecast financial performance of ARA US Hospitality Trust is not guaranteed.

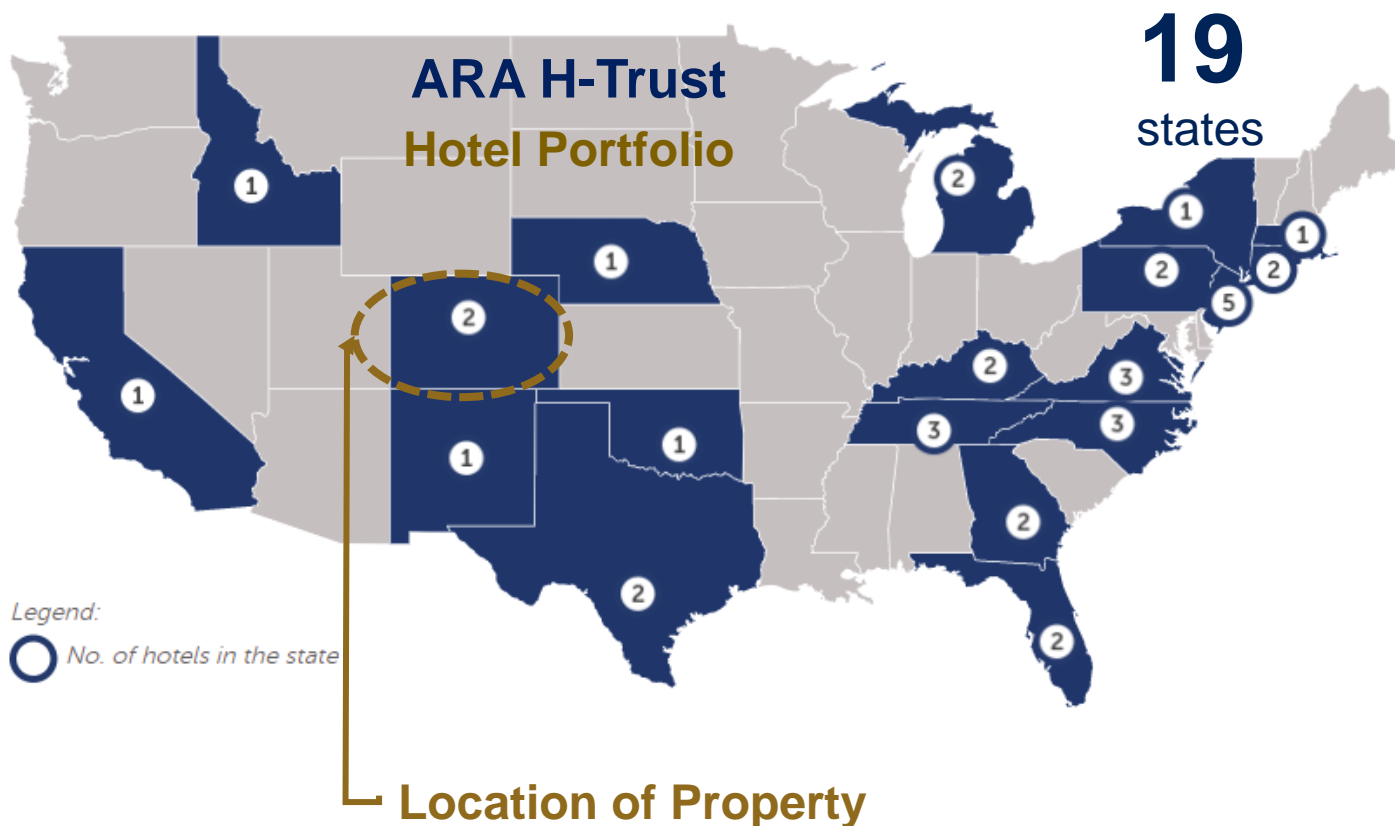
The value of the Stapled Securities and the income derived from them, if any, may fall or rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by the REIT Manager, Trustee-Manager, DBS Trustee Limited or any of their respective affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Holder of Stapled Securities (“**Stapled Securityholders**”) have no right to request that the REIT Manager or Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Stapled Securities does not guarantee a liquid market for the Stapled Securities.

Any forwarding, distribution or reproduction of this Presentation electronically or otherwise, in whole or in part, to any other person is unauthorised. Failure to comply with this paragraph may result in a violation of applicable laws of other jurisdictions. If this Presentation has been received in error, it must be deleted immediately.

# Acquisition In Colorado Springs

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



Home2 Suites By Hilton Colorado Springs South	
Property Location	1235 Tenderfoot Hill Road, Colorado Springs, Colorado 80906
Type of Hotel	Upscale, extended-stay select-service
Land Title	Freehold
Number of Keys	119
Franchisor	Hilton
Opening Date	October 2019
Purchase Consideration	US\$29.0m (4% discount to valuation)
Valuation	US\$30.2m (8 April 2023)
NPI Yield <sup>1</sup>	9%

1. Based on NPI for FY 2022

# Home2 Suites By Hilton Colorado Springs South

Yield accretive asset in Colorado market for ARA H-Trust



**US\$131**  
RevPAR<sup>1</sup>

**82.3%**  
Occupancy<sup>1</sup>

**139.5%**  
RPI<sup>1</sup>

1. Based on performance for FY2022

# Rationale For The Acquisition

Key benefits include:

- ✓ **Proposed acquisition is expected to be yield accretive**

  - Positive pro Forma DPS accretion<sup>1</sup> to Stapled Securityholders.
  - Attractive NPI yield of approximately 9.0% based on FY2022 NPI<sup>2</sup>, higher than the NPI yield of the five Hyatt Place properties which were disposed in 3Q 2022.
  
- ✓ **Strong performing asset that is well-located in a growing sub-market**

  - Consistent demand base well-supported by a dominant military and aerospace presence, nationally recognised universities, popular leisure attractions, premier Olympic training facilities, and high-tech corporations.
  - Outperformance in market RevPAR vs 2019 levels; Property RevPAR outperformed Colorado Springs market, sub-market and competitive set.
  
- ✓ **Expand global brand affiliation to include Hilton Worldwide, in addition to Hyatt and Marriott**

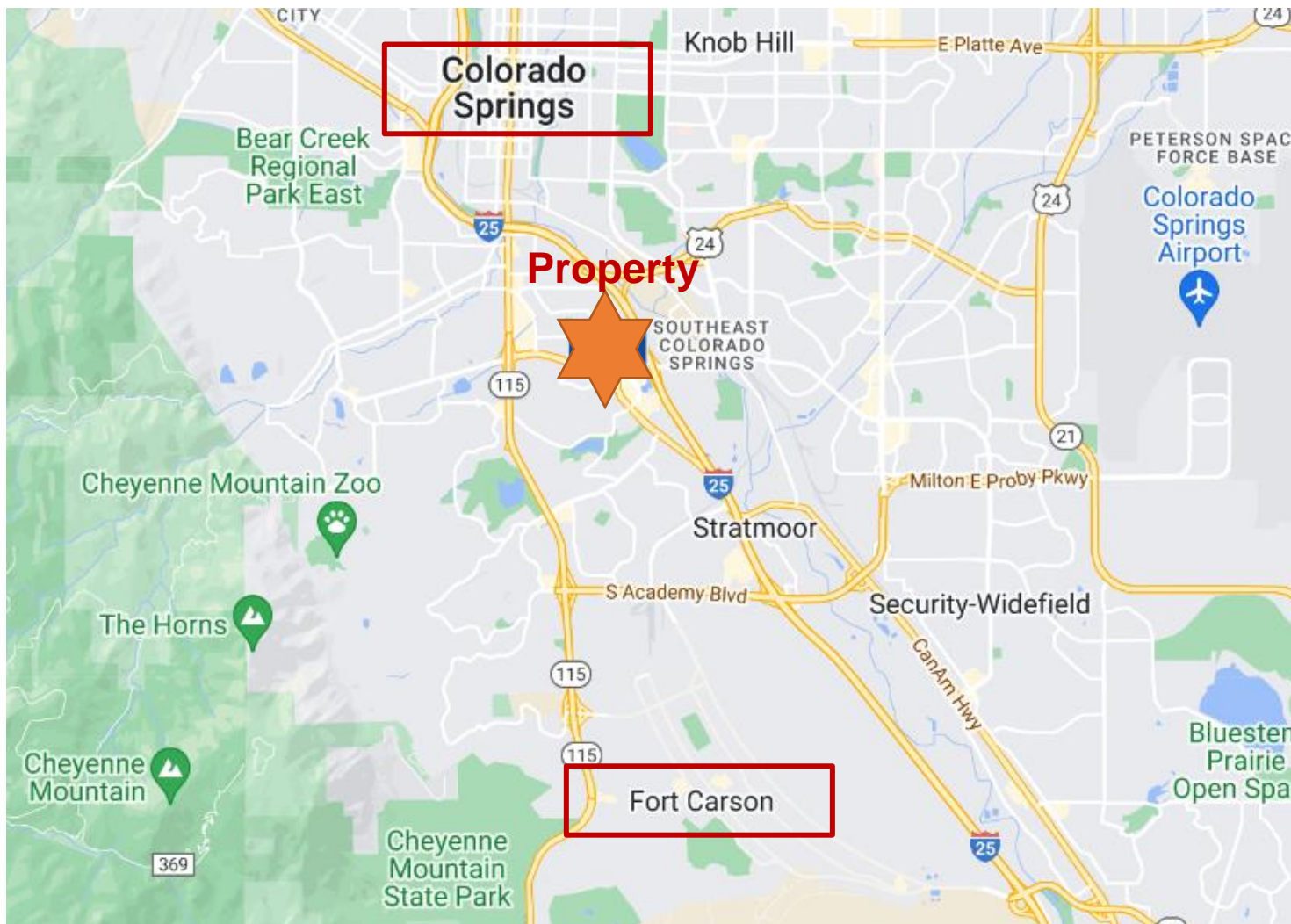


1. Refer to the announcement of ARA US Hospitality Trust dated 4 January 2023 titled “Proposed Acquisition Of Home2 Suites By Hilton Colorado Springs South”

2. Based on NPI for FY 2022

# Strong Performing Asset Well-located In A Growing Sub-market

Consistent demand base underpins market resilience



- Strategically located in the south end of Colorado Springs.
- Situated in a multi-family, high-end residential enclave, the Property benefits from a consistent demand base well-supported by a dominant military and aerospace presence, nationally recognised universities, popular leisure attractions, premier Olympic training facilities, and high-tech corporations that are significant economic contributors to the local economy.
- RevPAR for the Colorado Springs market has shown resilience during the COVID-19 pandemic and has exceeded 2019 levels by 5.6% for FY 2022.

# Strong Performing Asset Well-located In A Growing Sub-market

Newly-built in 2019; outperformed the sub-market and its competitive set year-to-date



USHT Portfolio (FY 2022)		Property (FY 2022)	
	<b>65.3%</b> Occupancy		<b>82.3%</b> Occupancy
	<b>US\$131</b> ADR		<b>US\$159</b> ADR
	<b>US\$85</b> RevPAR		<b>US\$131</b> RevPAR
	<b>33.9%</b> GOP Margin		<b>58.3%</b> GOP Margin

# Expand Brand Affiliation To Include Hilton Worldwide

A global hospitality company with award-winning loyalty program Hilton Honors



- The Property is branded under Hilton, a global hospitality company with a portfolio of 18 world-class brands comprising more than 7,000 properties and more than 1.1 million rooms in 123 countries and territories.
- Its award-winning loyalty program Hilton Honors has grown to over 150 million members worldwide to date.
- The addition of a Hilton-branded hotel improves the diversity of the existing portfolio of ARA H-Trust.



# Key Takeaways

---

1

Acquisition is immediately yield accretive

2

Strong performing asset - Property RevPAR outperformed Colorado Springs market and sub-market, as well as competitive set for FY 2022

3

Well-located asset in a growing and resilient sub-market with consistent demand base; expand global brand affiliation to Hilton in addition to Hyatt and Marriott

4

High entry NPI yield of approximately 9.0% for FY 2022, higher than the NPI yield of the Disposed Hotels

5

Ongoing portfolio optimisation and rebalancing strategy to re-deploy capital into core assets to increase returns, profits and distributions for ARA H-Trust and its Stapled Securityholders

# Thank You

For enquiries, please contact:  
Investor Relations  
[usht\\_ir@esr.com](mailto:usht_ir@esr.com)

[www.araushotels.com](http://www.araushotels.com)

