



ARA US HOSPITALITY TRUST

1Q 2023 BUSINESS & OPERATIONAL UPDATE

4 MAY 2023



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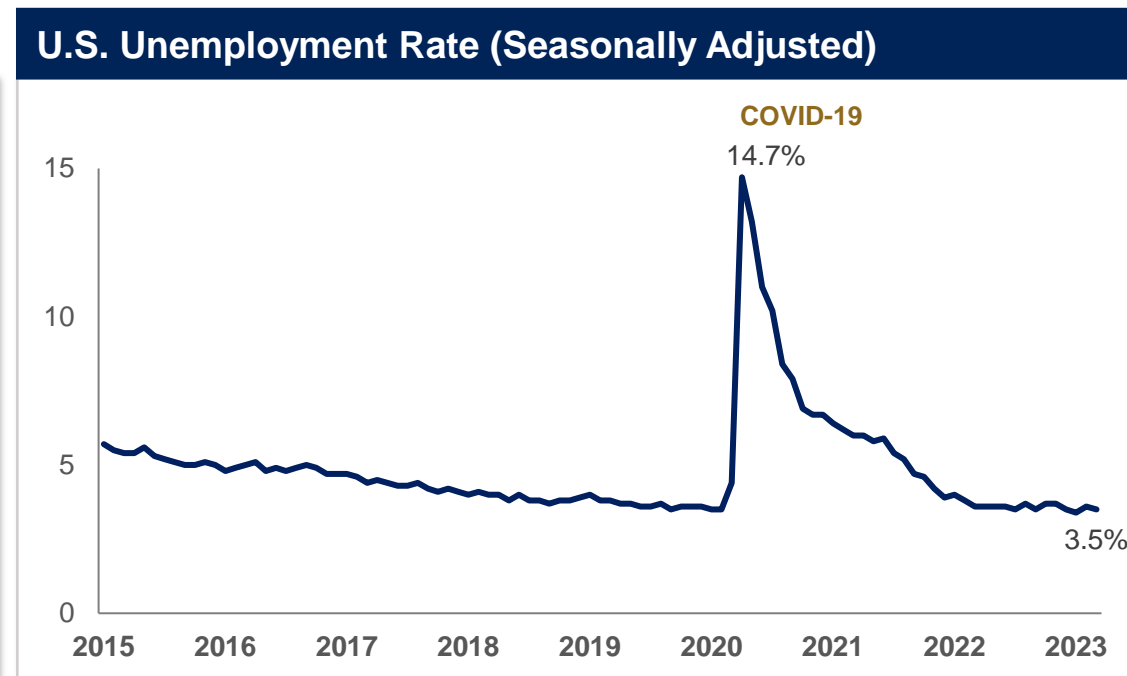
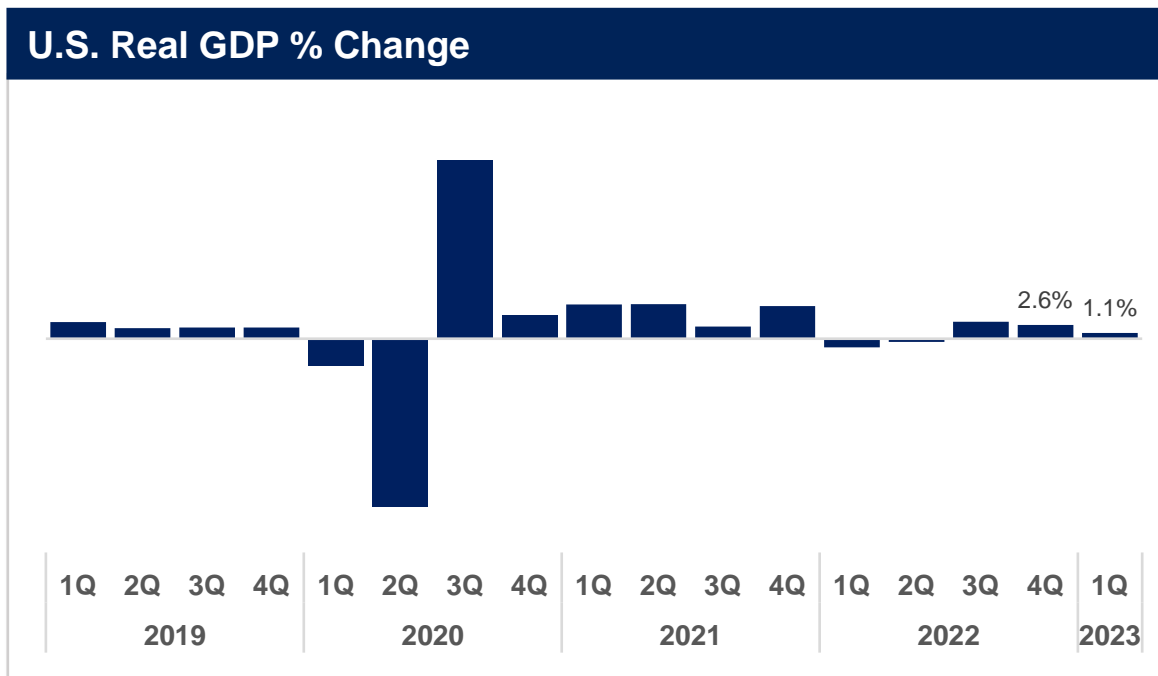
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A large American flag waving on a tall pole against a blue sky with white clouds. The flag is positioned on the left side of the image, and the background is split diagonally from the top right corner, with the top right portion being white and the bottom left portion being the sky and clouds.

U.S. MARKET UPDATE

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

U.S. economy growth slowed amidst ongoing interest rate hikes



- 1Q23 GDP growth of 1.1% reflected the Fed's efforts to tame inflation by hiking interest rates in order to cool the economy.
- Inflation at 5.0% as at end March 2023 compared to June 2022 peak of over 9% as rising interest rates taking effect.
- The unemployment rate of 3.5% in March 2023 is at an historic low; tight labor market conditions add wage pressures but also support consumer consumption, a main driver of the U.S. economy.
- U.S. Federal Funds Rate increased by 25 bps to 4.75% - 5% in March 2023

U.S. Lodging Market Continues its Recovery from Covid-19

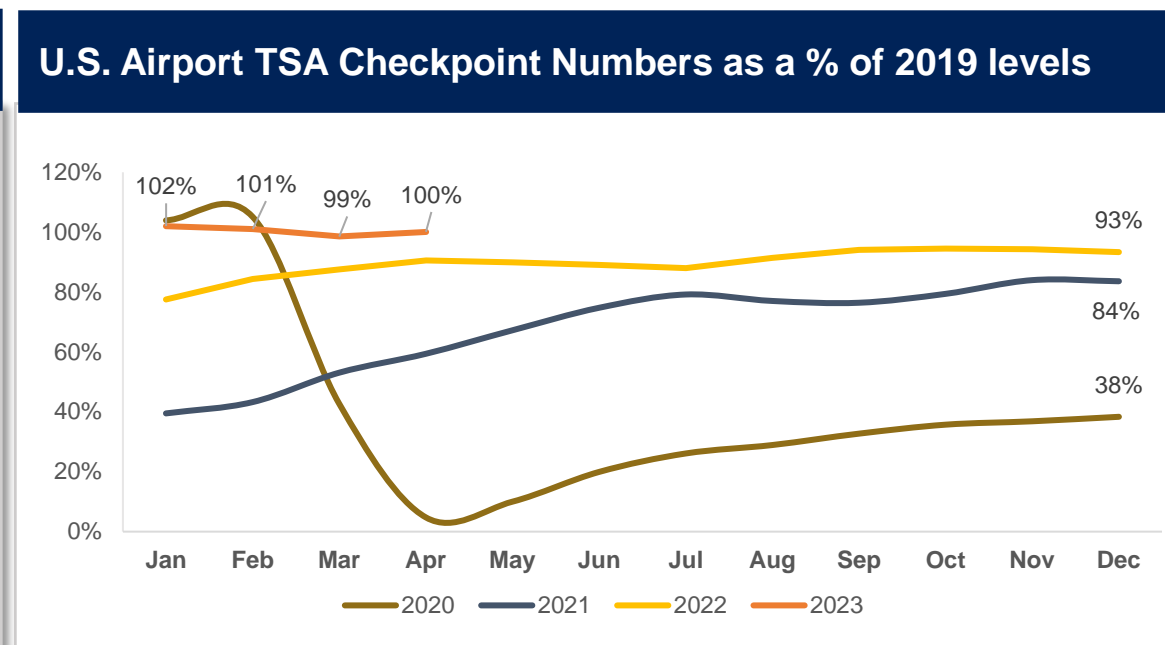
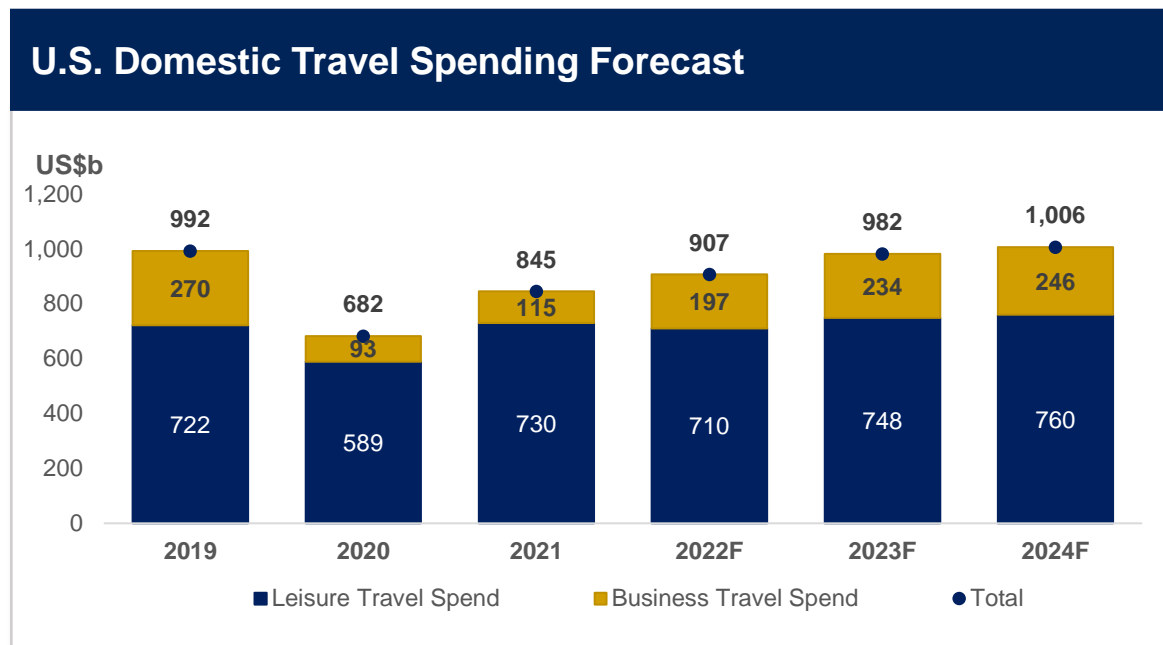
Double-digit growth in RevPAR vs 2019 levels expected for 2023-2025

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.

Travel Demand remains Strong

Upward projections for leisure and business travel volumes and spend

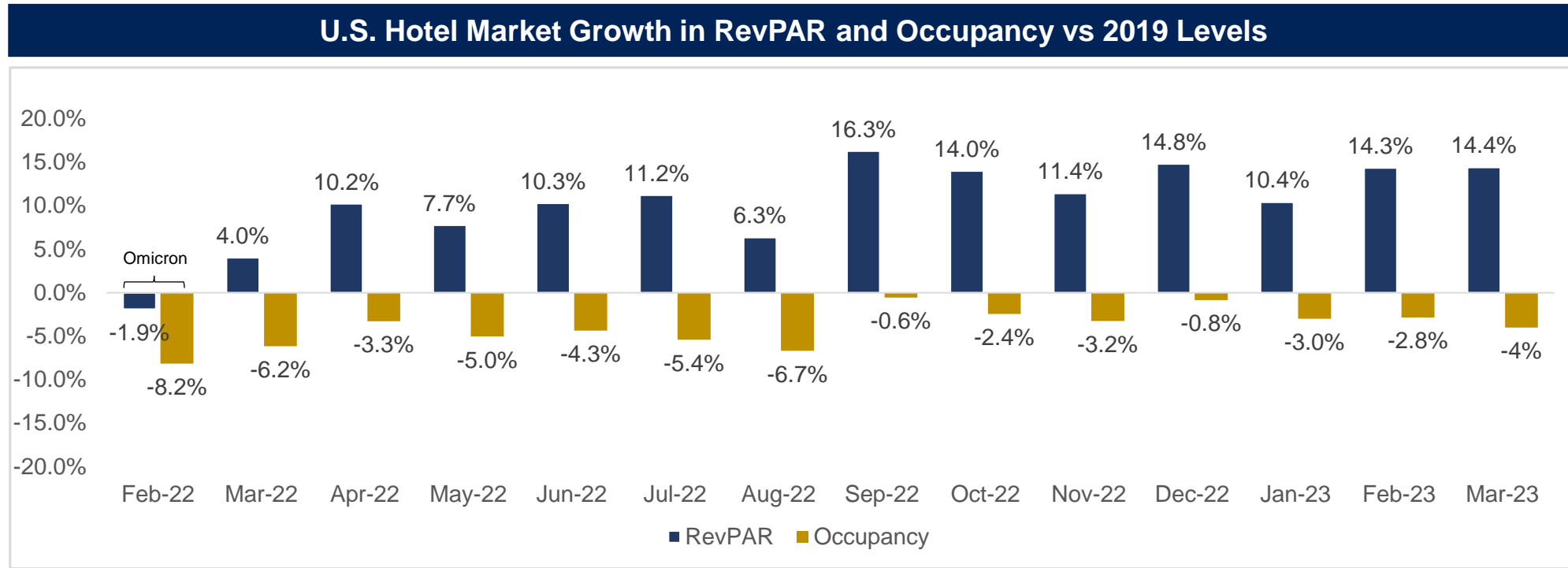


- Domestic travel is expected to drive the recovery in the U.S. travel industry.
- Leisure travel and business travel spending projected to reach 105% and 91%, respectively, of 2019 levels by 2024.
- Airline travel demand recovered to pre-COVID volumes in 2023.

Positive U.S. Hotel Market Recovery since 2022



U.S. hotel market RevPAR above 2019 levels driven by ADR growth



- ADR growth mitigates ongoing inflationary cost pressures to protect GOP and NPI margins
- Occupancy nearing 2019 levels as business and group demand segments recover

PORTFOLIO PERFORMANCE



AC Hotel Marriott Raleigh North Hills

Key Highlights for 1Q 2023

ADR
+10%

Occupancy
+7.1 pp

RevPAR
+24%

GOP
+20%

NPI
+ 19%

% Debt
Hedged
~73%

- Total Revenue of US\$36.2 mil, up 10% year-on-year
 - Driven by robust ADR and occupancy growth
 - RevPAR up 24% year-on-year
- Portfolio GOP of US\$10.5 mil, up 20% year-on-year
 - Revenues growth outpaced expense increases preserving profit margins
- Portfolio NPI of US\$6.4 mil, up 19% year-on-year
- Total cash balance of ~US\$48m (of which US\$29m earmarked for Home2 Suites by Hilton Colorado Springs South acquisition in April 2023)
- ALR at healthy 40.9%, ICR at 2.6x
- ~73% of debt hedged to fixed interest rates
 - Average cost of debt 4.5%

1Q 2023 Key Performance Indicators

Continued improvement across all performance indicators



61.7%
Occupancy ↑ 7.1 pp y-o-y



US\$130
ADR ↑ 10.0% y-o-y



US\$80
RevPAR ↑ 24.4% y-o-y

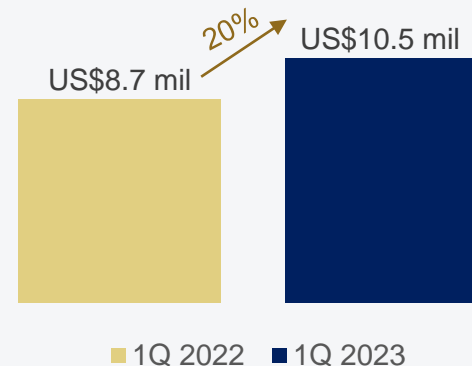


29.0%
GOP Margin ↑ 2.4 pp y-o-y

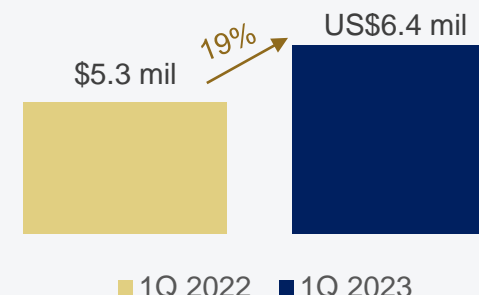
Gross Revenue
US\$36.2 mil



Gross Operating Profit
US\$10.5 mil

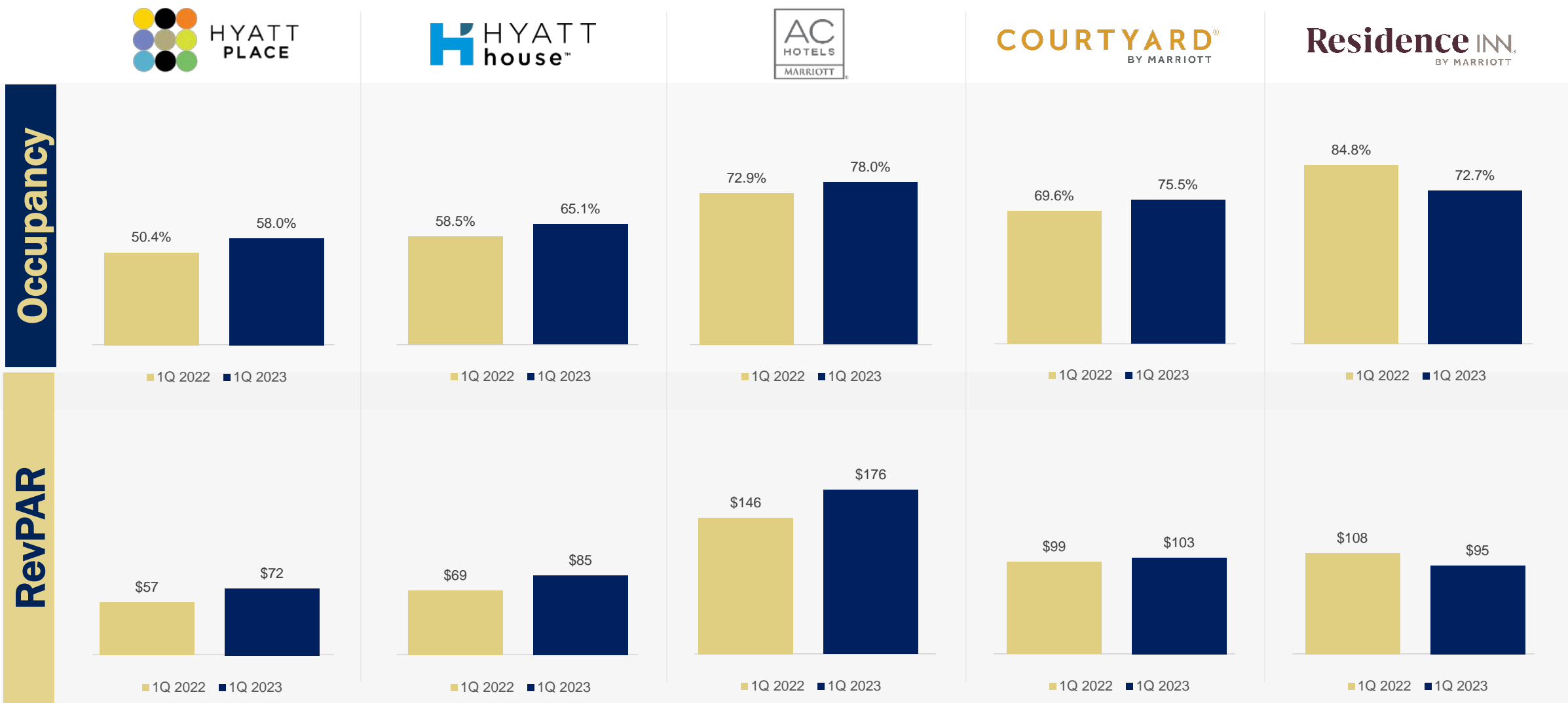


Net Property Income
US\$6.4 mil



Portfolio Performance by Brands

Continued recovery across the portfolio



* Residence Inn San Antonio 1Q 2023 decline in occupancy due to National Guard group contract during 2021-2022 (COVID-19 pandemic) that was no longer required in 2023.

Sound Financial and Liquidity Position



Debt Headroom of US\$148 mil based on 50% ALR limit

	As at 31 Dec 2022	As at 31 Mar 2023
NAV per Stapled Security	US\$0.80	US\$0.77
Cash Balance	US\$50.6 mil	US\$48.3 mil
Total Debt Outstanding	US\$325.9 mil	US\$334.7 mil
Aggregate Leverage Ratio	39.4%	40.9%
Interest Coverage Ratio	2.6x	2.6x
Weighted Average Debt Maturity	1.5 years	1.3 years [*]
Average Cost of Debt (p.a.)	3.8%	4.5%
% of Fixed Debt	82.0%	73.2%

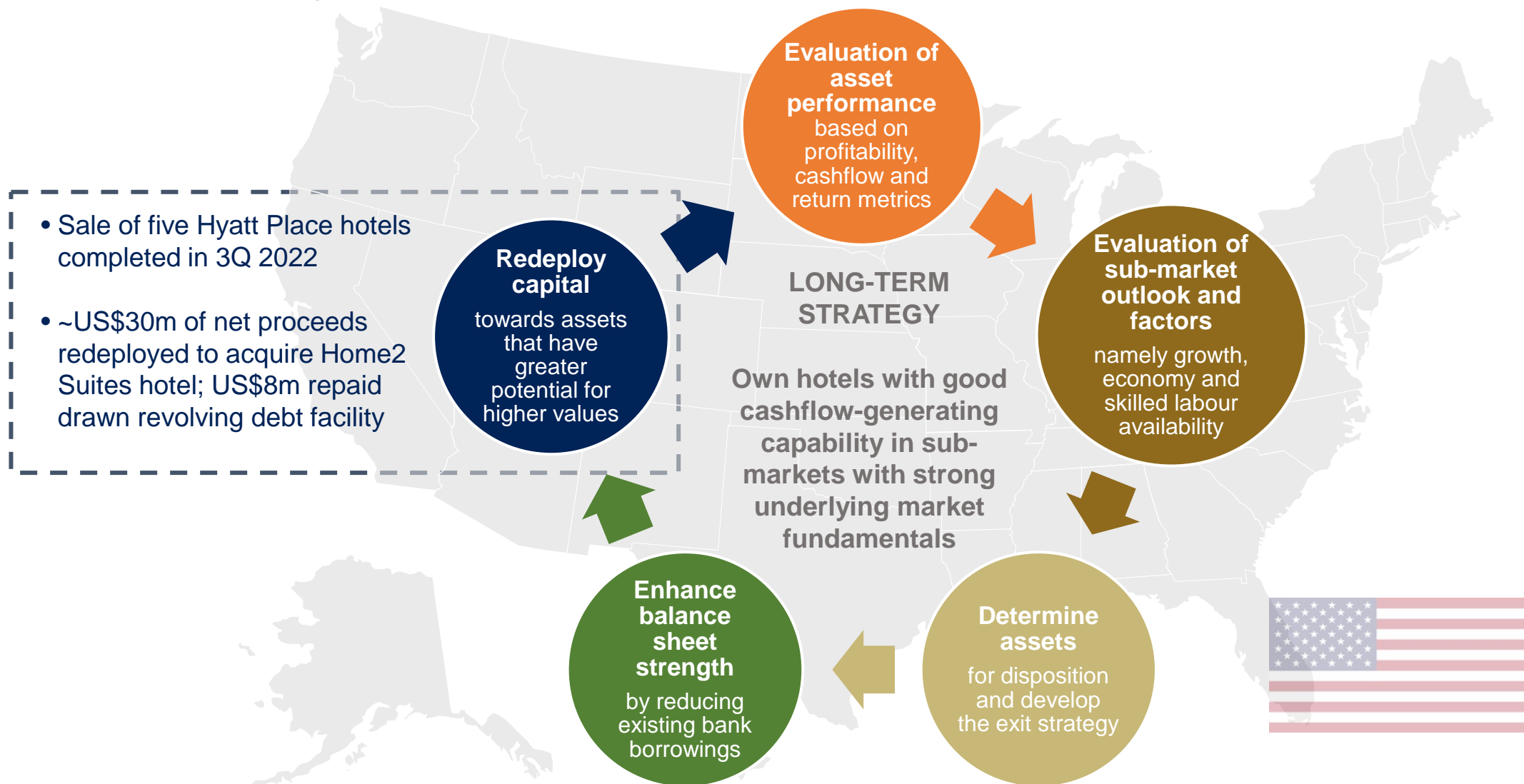
* Commenced discussions with SG-based relationship banks on refinancing maturing loans.

BUILDING A RESILIENT PORTFOLIO



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 despite the uncertain economic outlook

2

Continuing recovery in U.S. hotel market RevPAR; business and group travel continues to show improvement

3

Revenue growth, driven by robust ADR increases, outpacing 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



37
upscale
hotels



4,826
rooms



>90%
Freehold
Title



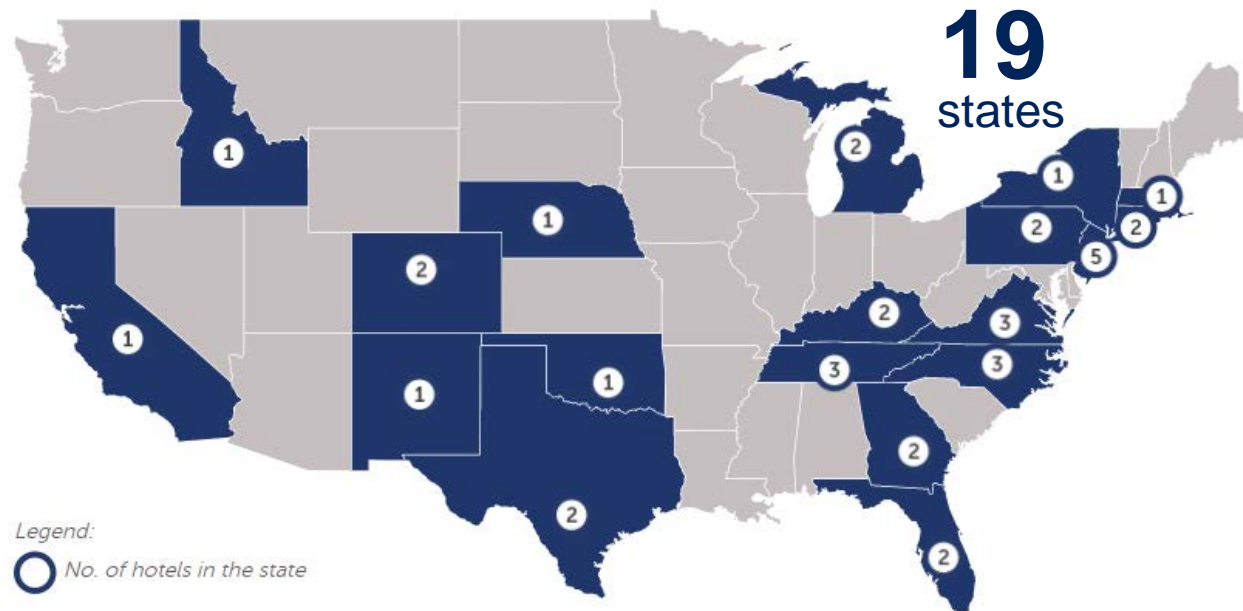
>90%
rooms-
focused
revenue



6
hotel
brands



4
hotel
operators



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



**Backed by APAC's
Largest Real Asset
Manager**

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

AII-USD FX

Cashflows, Assets and Liabilities denominated in USD

U.S. Withholding Tax-exempt

Profits repatriated from U.S. to Singapore are exempted from 30% Withholding Tax under applicable US laws

SG Tax Exempt

Distributions to Stapled Securityholders are SG tax-exempted

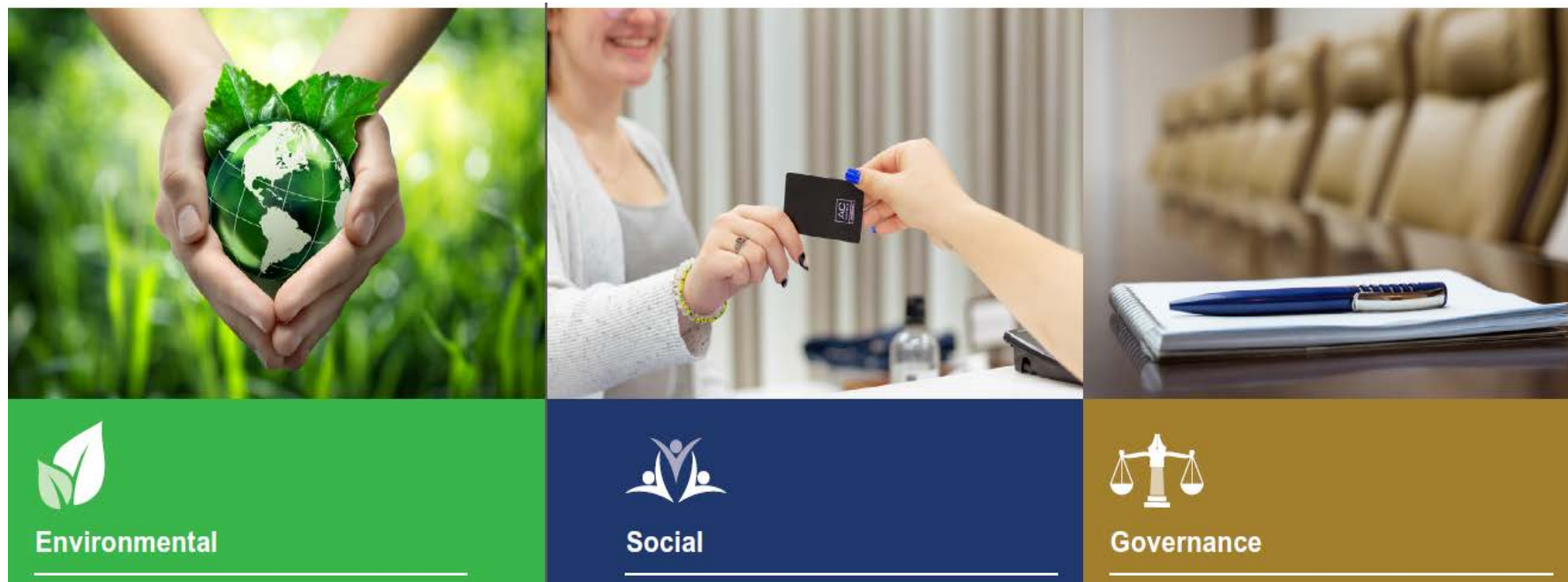
Alignment of Interest

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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