



ARA US HOSPITALITY TRUST

A stapled group comprising:

ARA US HOSPITALITY PROPERTY TRUST

(a real estate investment trust constituted on 24 September 2018 under the laws of the Republic of Singapore) managed by ARA Trust Management (USH) Pte. Ltd.

ARA US HOSPITALITY MANAGEMENT TRUST

(a business trust constituted on 29 October 2018 under the laws of the Republic of Singapore) managed by ARA Business Trust Management (USH) Pte. Ltd.

PRESS RELEASE

ARA US HOSPITALITY TRUST'S 1Q 2023 NPI UP 19% TO US\$6.4 MILLION

Key Highlights

- *RevPAR of US\$80, up 24% year-on-year*
- *Revenue of US\$36.2m, up 10% year-on-year*
- *Gross Operating Profit ("GOP") of US\$10.5m, up 20% year-on-year*
- *Net Property Income ("NPI") of US\$6.4m, up 19% year-on-year*
- *~73% of loan portfolio hedged to fixed interest rates as at 31 March 2023, mitigating rising interest rates. No refinancing due in FY 2023*

(US\$m)	1Q 2023	1Q 2022	Change (%)
RevPAR	US\$80	US\$65	24.4%
Revenue	US\$36.2m	US\$32.8m	10.2%
Gross Operating Profit (GOP)	US\$10.5m	US\$8.7m	20.1%
<i>GOP Margin</i>	29.0%	26.6%	2.4pp
Net Property Income (NPI)	US\$6.4m	US\$5.3m	19.0%
<i>NPI Margin</i>	17.6%	16.3%	1.3pp

Singapore, 4 May 2023 – ARA Trust Management (USH) Pte. Ltd., as manager of ARA US Hospitality Property Trust ("**ARA H-REIT**"), and ARA Business Trust Management (USH) Pte. Ltd., as trustee-manager of ARA US Hospitality Management Trust ("**ARA H-BT**") (collectively known as the "**Managers**"), today reported the business and operational update of ARA US Hospitality Trust ("**ARA H-Trust**") for the first quarter ended 31 March 2023 ("**1Q 2023**").

Continued Improvement in Financial and Portfolio Performance

ARA H-Trust achieved higher Revenue of US\$36.2 million in 1Q 2023, up 10.2% year-on-year. Gross Operating Profit (“**GOP**”) and Net Property Income rose to US\$10.5 million and US\$6.4 million for the same period, respectively, an increase of 20.1% and 19.0% compared to 1Q 2022. GOP margin for the portfolio was also higher at 29% from 27% the year before.

The United States (“**U.S.**”) lodging market continued its recovery in 1Q 2023 and the outlook for 2023 remains positive. Although economic sentiment turned increasingly bearish amid inflationary concerns and risks of economic slowdown, lodging demand stayed resilient and continues to recover. The business and group demand segments are now continuing the recovery. The growing trend of hybrid work practices also contributed to an expansion of “**bleisure**” demand, where guests combine travel days beyond weekdays to combine business and leisure travel. Large scale conventions, which take longer lead times to plan, have yet to regain their past momentum and represent a potential pool of additional hotel guests.

While occupancy rates remain slightly below pre-pandemic levels as corporate and group travel continue their recovery post-COVID-19, strong increases in average daily rates (“**ADR**”) have boosted revenue per available room (“**RevPAR**”).

Mr. Lee Jin Yong, CEO of the Managers said, “We are pleased to report that our portfolio continued to show improvements across all performance indicators in 1Q 2023 as travel demand remains strong in the U.S. Our well-diversified portfolio of upscale, select-service hotels have been able to benefit from the robust ADR and occupancy growth in U.S. year-on-year, which outpaced the inflationary expense increases to preserve profit margins for our Stapled Securityholders.”

Portfolio Optimisation Strategy Update

Further to the improving operational performance in 1Q 2023, ARA H-Trust also completed the acquisition of Home2 Suites by Hilton Colorado Springs South hotel (the “**Home2 Suites**”) on 18 April 2023 (U.S. time) using net cash proceeds from prior divestments of non-core hotels. The Home2 Suites hotel was acquired at a FY2022 NPI yield of approximately 9.0% and will be immediately accretive to the portfolio.

Mr. Lee concluded, “The lodging sector, emerging from COVID-19, continues to be resilient in the current period of volatility. The sector’s recovery, which began with leisure guests hungry to travel after Covid lockdowns, has continued with business and group travelers. We are also seeing guests booking more extended stays as virtual working allows them to combine business and leisure. We believe that the outlook for the U.S. lodging market remains optimistic, outweighing economic uncertainty and geopolitical risks. With U.S. hotel RevPAR now above pre-COVID-19 levels, the continued recovery of business and group travel represents further upside. We are cautiously optimistic that the operating metrics for our portfolio will further strengthen, barring any unforeseen circumstances.”

Lee Jin Yong
Chief Executive Officer
4 May 2023

For enquiries, please contact:

Investor Relations
Email: usht_ir@esr.com

ABOUT ARA US HOSPITALITY TRUST

Listed on the Singapore Exchange on 9 May 2019, ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust (“**ARA H-REIT**”) and ARA US Hospitality Management Trust (“**ARA H-BT**”). ARA US Hospitality Trust invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. ARA US Hospitality Trust’s portfolio currently comprises 37 select-service hotels with a total of 4,826 rooms across 19 states in the United States.

ARA US Hospitality Trust is managed by ARA Trust Management (USH) Pte. Ltd. and ARA Business Trust Management (USH) Pte. Ltd. (collectively known as the “**Managers**”). The Managers are indirect wholly-owned subsidiaries of ARA Asset Management Limited.

For more information, please visit www.araushotels.com.

ABOUT THE SPONSOR

The Sponsor, ARA Real Estate Investors 23 Pte. Ltd., is an indirect wholly-owned subsidiary of ARA Asset Management Limited.

ARA Asset Management is part of the ESR Group (the “Group”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$156 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.esr.com.

IMPORTANT NOTICE

The value of the stapled securities in ARA US Hospitality Trust ("**Stapled Securities**") (where each Stapled Security comprises 1 unit in ARA H-REIT stapled to 1 unit in ARA H-BT), and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, DBS Trustee Limited, in its capacity as trustee of ARA H-REIT, 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. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that 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 on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, 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. 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. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.