



ARA US HOSPITALITY TRUST

3Q 2023 BUSINESS & OPERATIONAL UPDATES

10 NOVEMBER 2023



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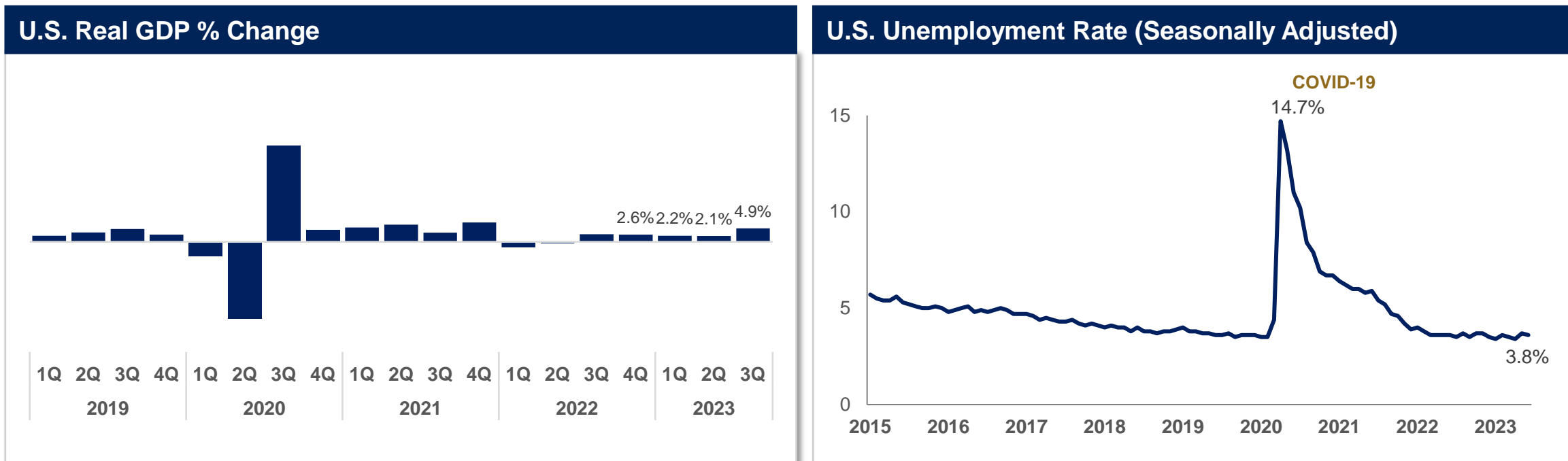
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U.S. MARKET UPDATE

U.S. Economy Healthy Despite Elevated Interest Rates

3Q 2023 U.S. GDP growth accelerated on the back of strong consumer spending



- US GDP growth surged to 4.9% in 3Q 2023, fueled by robust consumer spending. Probability of recession diminishing.
- Inflation remained elevated yet steady at 3.7% in September 2023.
- Low unemployment rate of 3.8% in September 2023. Strong labor market conditions provide confidence and support consumer consumption, a main driver of the U.S. economy.
- U.S. Federal Funds Rate maintained at 5.25% - 5.50% in November 2023.

U.S. Lodging Market Outlook Remains Healthy

Positive year-on-year growth expected for 2023-2025, albeit at a slower pace

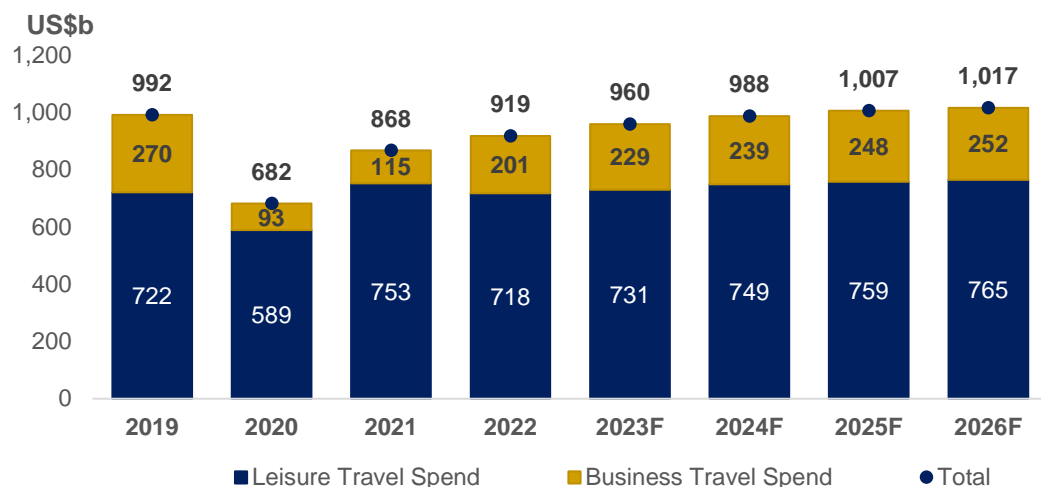
Year	2019	2020	2021	2022	2023F	2024F	2025F	9M22	9M23
Occupancy	66%	44%	58%	63%	63%	64%	65%	64%	64%
ADR	\$131	\$103	\$125	\$148	\$154	\$159	\$163	\$149	\$156
ADR Y-o-Y Change		-21%	+21%	+19%	+4%	+3%	+3%		+5%
RevPAR	\$87	\$45	\$72	\$93	\$97	\$101	\$105	\$94	\$100
RevPAR Y-o-Y Change		-48%	+60%	+29%	+4%	+4%	+4%		+6%

- Potential upside in occupancy rates supported by a steady uptick in business and group travel, in addition to continued improvements in major markets.
- Projected U.S. hotel market RevPAR growth to moderate over the next three years.

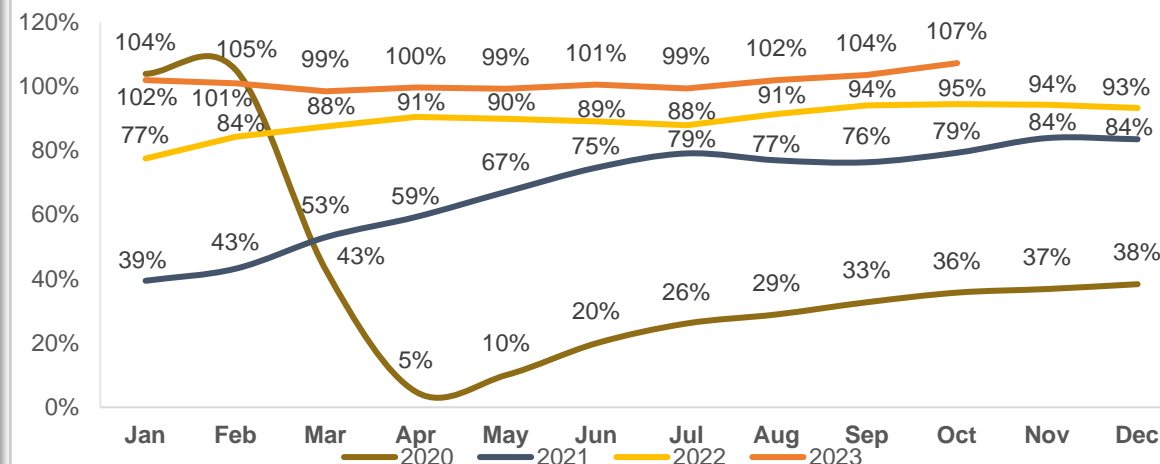
Travel Demand Remains Robust

Leisure and business travel volumes and spend continue to project upward trajectory

U.S. Domestic Travel Spending Forecast



U.S. Airport TSA Checkpoint Numbers as a % of 2019 levels

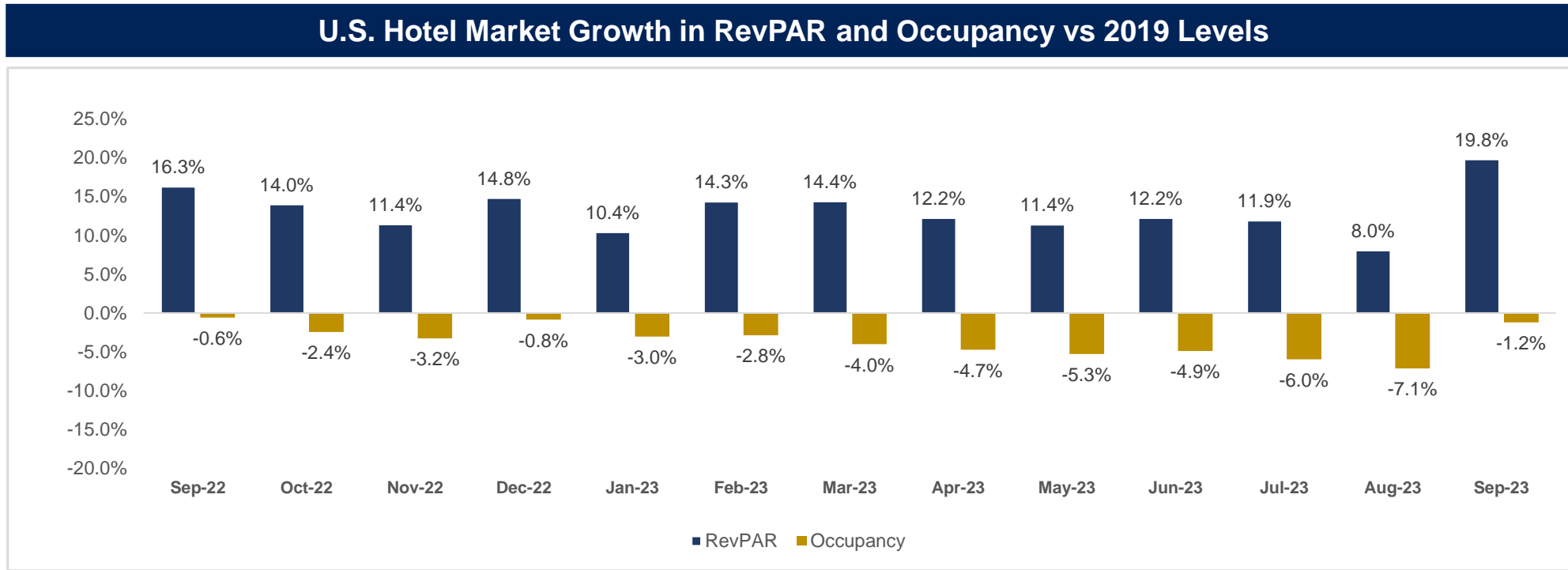


- Group and business travel activity rebuilds; leisure travel steadily normalizing.
- Leisure travel spending expected to exceed 2019 level in 2023, reaching 106% by 2026.
- Airline travel demand consistently near or above pre-COVID volumes in 2023.

Consistent U.S. Hotel Market Recovery in 2023



U.S. hotel market RevPAR exceeds 2019 levels, primarily driven by ADR growth



- ADR growth outpacing ongoing inflationary cost pressures.
- Potential upside to occupancy levels as business and group demand segments recover.

PORTFOLIO PERFORMANCE



AC Hotel Marriott Raleigh North Hills

Key Highlights for 9M 2023

ADR
+7%

Occupancy
+5.1 pp

RevPAR
+15%

GOP
+9%

NPI
+ 7%

% Debt
Hedged
~73%

- Total Revenue of US\$134.6 mil, up 4% year-on-year
 - Driven by continued ADR and occupancy growth
 - RevPAR up 15% year-on-year
- Portfolio GOP of US\$48.7 mil, up 9% year-on-year
 - Revenue growth together with proactive costs management improved profit margins to 36.2%, up 1.7pp year-on-year
- Portfolio NPI of US\$35.2 mil, up 7% year-on-year
- ALR remained healthy at 40.9%, ICR at 2.6x
- ~73% of debt hedged to fixed interest rates
 - Average cost of debt at 4.7%

9M 2023 Key Performance Indicators

Portfolio remains healthy and continues to outperform Y-o-Y, demonstrating assets' strength



70.6%
Occupancy ↑ 5.1 pp y-o-y



US\$139
ADR ↑ 6.5% y-o-y

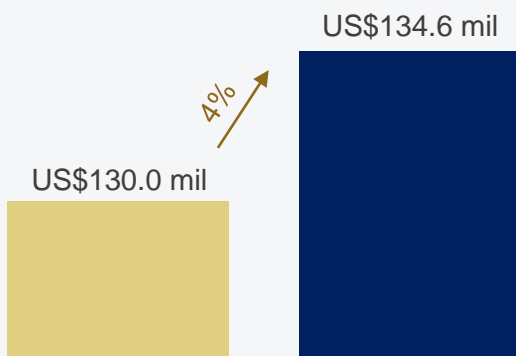


US\$98
RevPAR ↑ 14.8% y-o-y



36.2%
GOP Margin ↑ 1.7 pp y-o-y

Gross Revenue
US\$134.6 mil



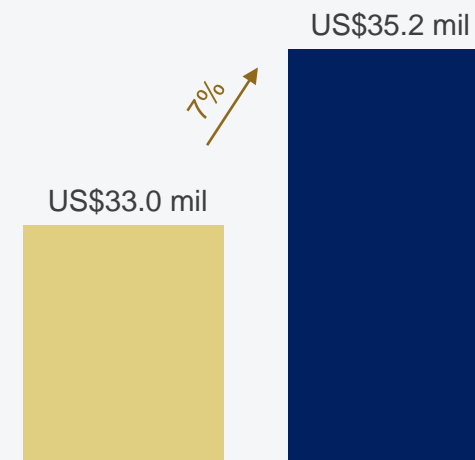
■ 9M 2022 ■ 9M 2023

Gross Operating Profit
US\$48.7 mil



■ 9M 2022 ■ 9M 2023

Net Property Income
US\$35.2 mil



■ 9M 2022 ■ 9M 2023

Sound Financial and Liquidity Position



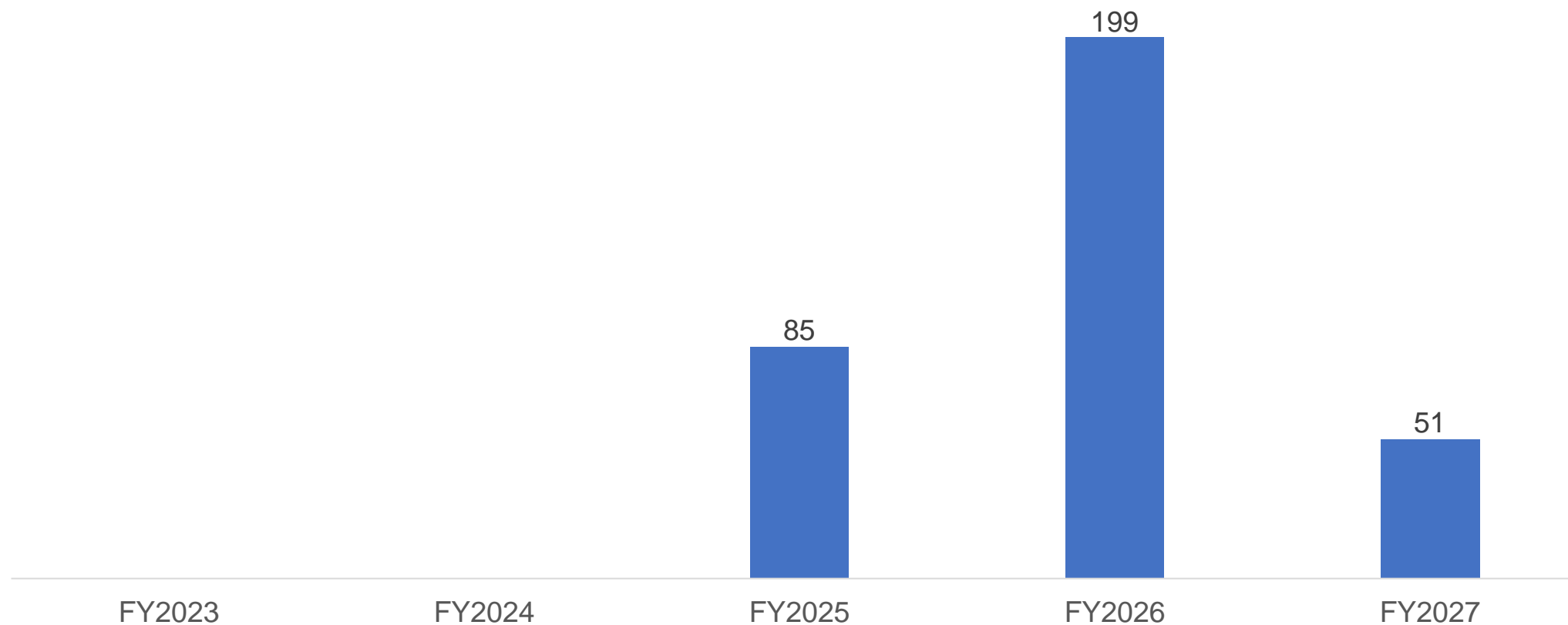
Recent Refinancing Extends Debt Maturity

	As at 31 Dec 2022	As at 30 Sep 2023
NAV per Stapled Security	US\$0.80	US\$0.77
Cash Balance	US\$50.6 mil	US\$30.2 mil
Total Debt Outstanding	US\$325.9 mil	US\$331.4 mil
Aggregate Leverage Ratio	39.4%	40.9%
Interest Coverage Ratio	2.6x	2.6x
Weighted Average Debt Maturity	1.5 years	2.7 years
Average Cost of Debt (p.a.)	3.8%	4.7%
% of Fixed Debt	82.0%	73.2%

Loans Maturity Profile

Improved debt profile with staggered maturities post refinancing

USD'mil



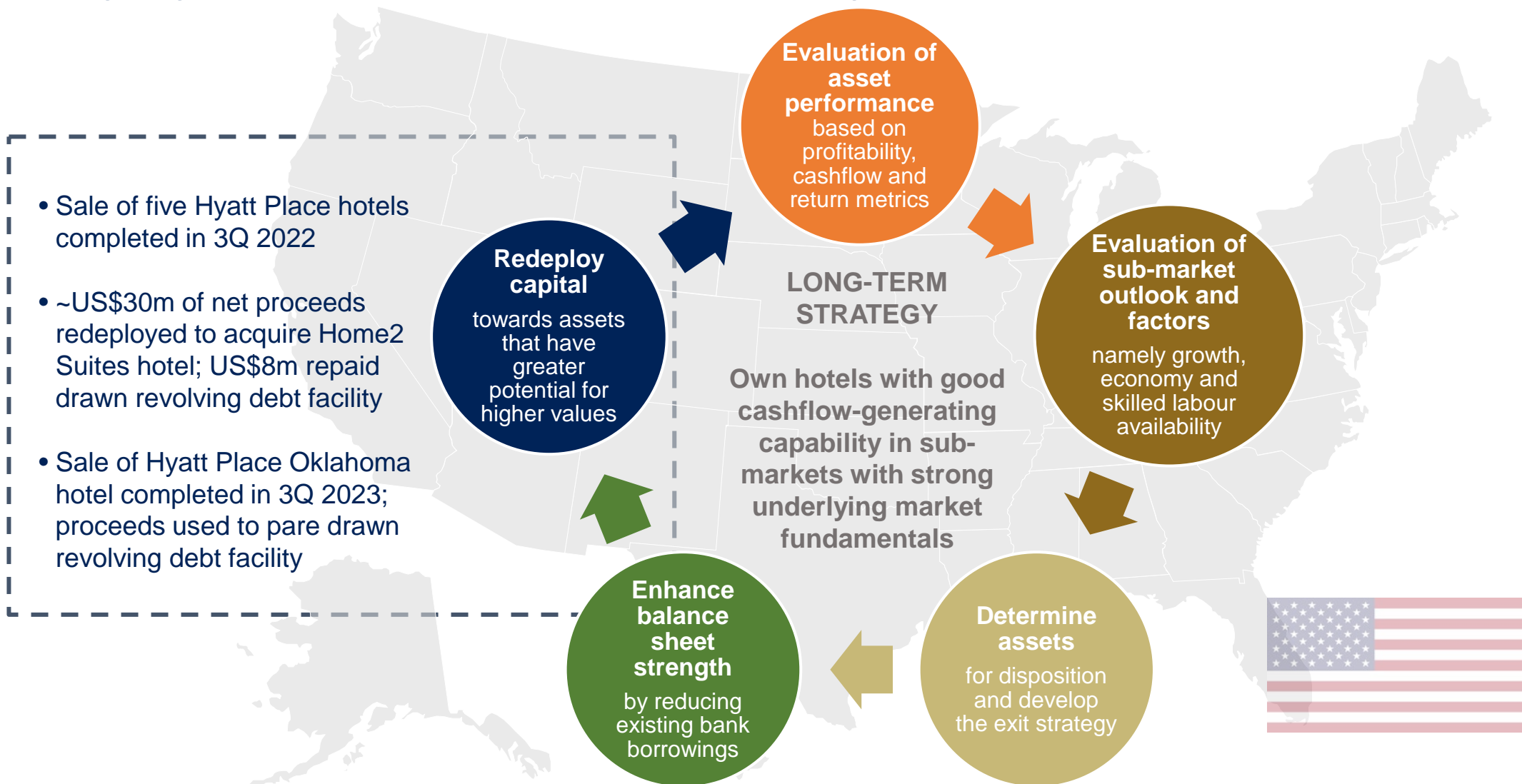
- Weighted average debt maturity of 2.7 years as at 30 September 2023.

BUILDING A RESILIENT PORTFOLIO



Portfolio Optimisation And Rebalancing

Ongoing commitment and focus to build a stronger and more resilient portfolio



Key Takeaways

1 U.S. economy remains healthy and resilient despite elevated interest rates

2 U.S. lodging market continues to recover and is expected to stabilize over the next few years

3 Proactive capital management improved debt profile post refinancing; 70% of debt hedged to fixed interest rates

4 Hands-on asset management focusing on increasing revenue and managing expenses, improving NPI and enhancing portfolio value

5 Committed and 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



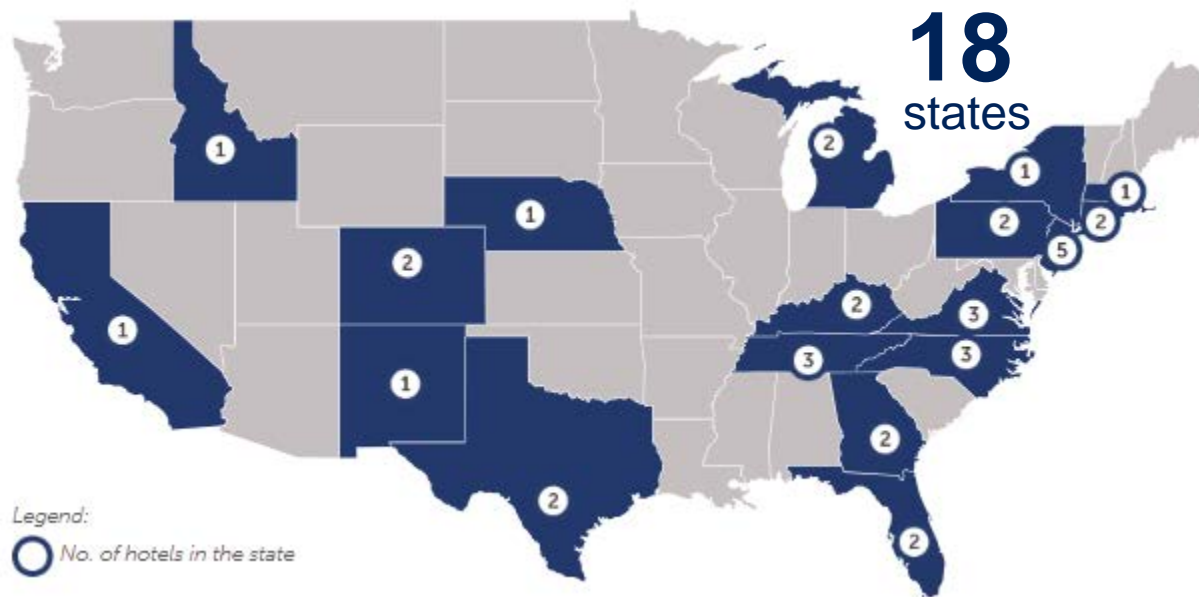
4,700
rooms



>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

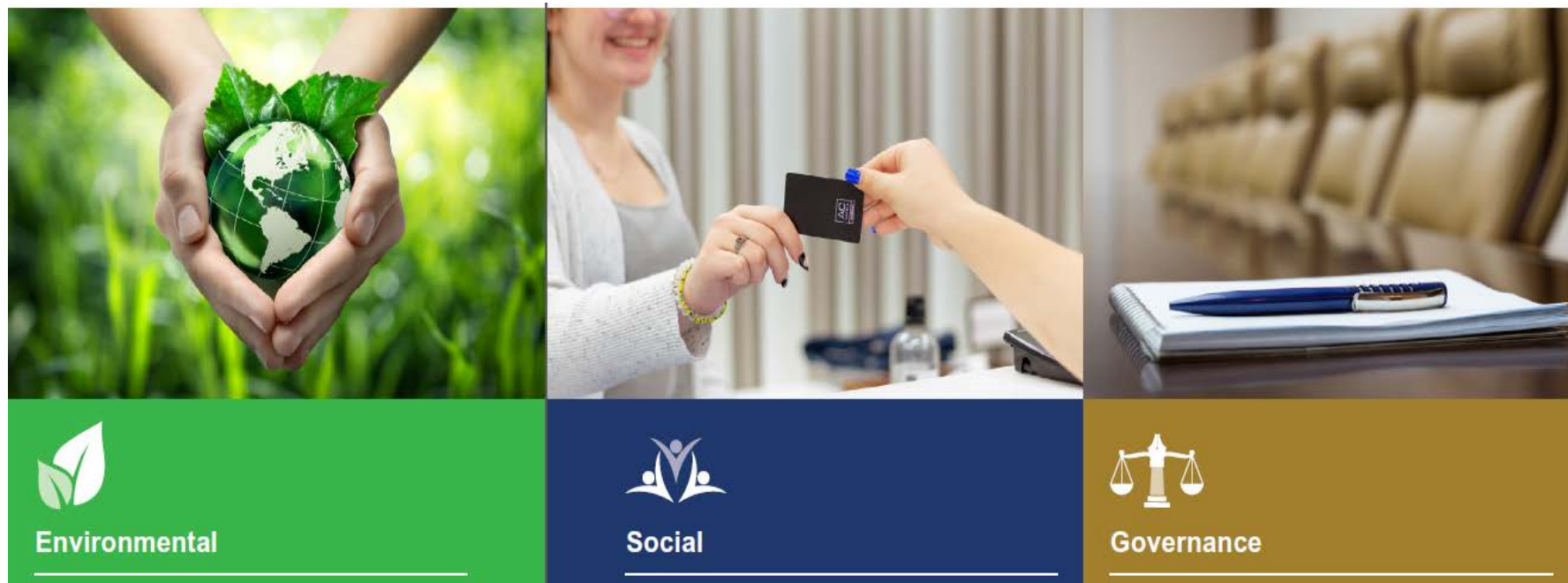
Alignment of Interest

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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