

Fraser's Hospitality Trust achieves DPS of 2.4426 cents in FY2023

- GR and NPI grew around 30% YoY on the back of sustained recovery in global tourism and improved operating environment
- Portfolio value increased 1.7% to S\$1.93 billion while NAV per Stapled Security increased 2.6% to S\$0.664

SINGAPORE, 7 NOVEMBER 2023 – Fraser's Hospitality Asset Management Pte. Ltd., as manager of Fraser's Hospitality Real Estate Investment Trust (“**FH-REIT**” and in such capacity, the “**REIT Manager**”) and Fraser's Hospitality Trust Management Pte. Ltd., as the trustee-manager of Fraser's Hospitality Business Trust (“**FH-BT**” and together with the REIT Manager, the “**Managers**”), today announced the financial results of Fraser's Hospitality Trust (“**FHT**”), a stapled group comprising FH-REIT and FH-BT, for the second half financial year (“**2H FY2023**”) and financial year ended 30 September 2023 (“**FY2023**”).

Financial Highlights

S\$ million	2H FY2023	2H FY2022	YoY Variance	FY2023	FY2022	YoY Variance
Gross revenue (“ GR ”)	61.0	51.8	▲ 17.8%	123.2	95.9	▲ 28.5%
Net property income (“ NPI ”)	45.3	37.9	▲ 19.5%	90.5	69.6	▲ 30.1%
Income available for distribution (“ DI ”)	25.2	19.9	▲ 26.6%	52.3	35.0	▲ 49.4%
Distribution to Stapled Securityholders	22.7 ¹	17.9 ¹	▲ 26.4%	47.0 ¹	31.5 ¹	▲ 49.3%
Distribution per Stapled Security (“ DPS ”) (cents)	1.1777	0.9316	▲ 26.4%	2.4426	1.6355	▲ 49.3%
Net asset value per Stapled Security (“ NAV ”) (S\$)				0.664	0.647	▲ 2.6%

Financial Performance

Continued recovery in global tourism and the growing events and MICE (meetings, incentives, conferences and exhibitions) segments in various cities saw FHT's GR increase by 17.8% year-on-year (“**YoY**”) to S\$61.0 million in 2H FY2023. Rising in tandem with the GR, NPI improved 19.5% YoY to S\$45.3 million. Consequently, FHT achieved a higher DI of S\$25.2 million, up 26.6% YoY, and higher DPS of 1.1777 cents, up 26.4% YoY.

¹ Distribution to Stapled Securityholders of FHT (“**Stapled Securityholders**”) is based on 90% payout of the income available for distribution

Excluding contribution from Sofitel Sydney Wentworth (“SSW”) which was divested in April 2022, the same-store GR and NPI were 25.3% and 29.4% higher YoY and they reached 88.9% and 90.5% of the pre-COVID levels respectively.

In FY2023, FHT’s GR and NPI increased 28.5% and 30.1% YoY to S\$123.2 million and S\$90.5 million respectively due to the sustained recovery in global tourism and improved operating environment as all countries where it has presence in have successfully transitioned to the endemic phase. With the better performance, DI and DPS increased 49.4% and 49.3% YoY to S\$52.3 million and 2.4426 cents respectively.

Excluding the contribution from SSW, the same-store GR and NPI were 43.8% and 49.8% higher YoY and they reached 90.4% and 91.1% of the pre-COVID levels respectively.

Mr Eric Gan, Chief Executive Officer of the Managers said, “The continued resurgence in demand for global travel has led to a notable improvement in our FY2023 results. Strong leisure demand, the resumption of MICE, sporting events and concerts as well as increased flight capacity have been key growth drivers across most of our markets. As such, RevPAR growth was achieved across all country portfolios in FY2023. In addition, RevPAR of all country portfolios have surpassed pre-COVID levels since 9M FY2023, except Japan. It is gratifying to see that our improved performance has led to a healthy uplift in both DPS and NAV per Stapled Security. Nonetheless, we remain cautious with ongoing uncertainties arising from among other things, global economic outlook, geopolitical tensions, volatility in foreign exchange and higher-for-longer interest rate environment.”

2H FY2023 Portfolio Update

Singapore

The revenue per available room (“RevPAR”) of FHT’s Singapore portfolio increased 35.0% YoY in 2H FY2023 and surpassed pre-COVID levels by 18.7% due mainly to strong growth in average daily rate (“ADR”). ADR and Occupancy (“Occ”) improved 25.5% and 5.4 percentage points (“pp”) YoY respectively as Singapore’s tourism sector continued its recovery, further supported by the return of marquee events such as FHA-Food & Beverage, IMDEX Asia, F1 Grand Prix and Forbes Global CEO Conference. Consequently, the portfolio’s gross operating revenue (“GOR”) and gross operating profit (“GOP”) improved YoY by 34.7% and 21.8% respectively in 2H FY2023.

Singapore recorded 10.1 million visitor arrivals between January 2023 and September 2023, reaching 71% of pre-COVID levels. The Singapore Tourism Board expects visitor arrivals to hit 12 million to 14 million for the full year.

Australia

In 2H FY2023, Australia portfolio’s RevPAR grew 22.5% YoY, boosted by robust growth in Occ. It also exceeded pre-COVID levels by 8.5%. ADR and Occ increased YoY by 0.7% and 14.4 pp respectively on the back of recovery from corporate and group segments, and strong events calendar in Sydney and Melbourne. Despite that demand from domestic transient segment has turned soft as inflation and rising interest rates saw consumption growth moderate, the portfolio’s GOR and GOP improved by 22.6% and 26.5% YoY respectively.

Tourism Australia reported that the country received approximately 4.5 million international visitors between January 2023 to August 2023, reaching 73% of pre-COVID levels.

United Kingdom ("UK")

The UK portfolio's RevPAR grew 15.7% YoY in 2H FY2023 and exceeded pre-COVID levels by 12.6% on the back of ADR growth. ADR and Occ increased 11.6% and 2.9 pp YoY respectively, boosted by domestic leisure demand. On the other hand, demand for business travel continued to recover gradually amidst challenging market and economic conditions. As energy, food and payroll costs remained high, further recovery of the portfolio performance was impeded. As such, the portfolio's GOR increased 15.8% YoY but GOP declined 6.4% YoY.

From January 2023 to July 2023, the UK welcomed 21.5 million inbound visitors, 42% higher YoY but down 6% over pre-pandemic levels. For 2023, Visit Britain's inbound visitor forecast is 37.5 million, 92% of the 2019 levels.

Japan

ANA Crowne Plaza Kobe's RevPAR increased 76.7% YoY in 2H FY2023 and almost reached pre-COVID levels. ADR and Occ improved 34.8% and 17.2 pp YoY respectively as Japan's hospitality market continued to improve following the reopening of borders since October 2022. However, shortage of labour in the tourism industry and inflationary pressures have impeded the hotel's pace of recovery. In 2H FY2023, the hotel reported YoY growth of 32.0% and 50.7% in GOR and GOP respectively. However, its performance still lagged behind pre-COVID, with GOR and GOP reaching 66.7% and 50.7% of the pre-pandemic levels respectively.

Japan National Tourism Organization reported 17.4 million visitor arrivals from January 2023 to September 2023, hitting 71% of pre-pandemic levels. International travellers exceeded 2 million for 4 consecutive months from June to September 2023.

Malaysia

The Westin Kuala Lumpur's RevPAR rose 72.8% YoY in 2H FY2023 and exceeded pre-COVID levels by 12.5%, boosted by ADR growth. ADR and Occ grew YoY by 14.0% and 27.7 pp respectively, with corporate and leisure demand improving significantly compared to last year after re-opened borders. Consequently, the hotel's GOR rose 64.2% YoY while its GOP increased more than 100% YoY.

According to Tourism Malaysia, the country is targeting 16.1 million foreign tourists in 2023, 60% more than a year ago, with 5 million arrivals expected to come from the Chinese market. As of June 2023, Malaysia recorded 9.2 million international tourist arrivals. Its authorities continue to focus on improving flight connectivity to boost arrivals.

Germany

Maritim Hotel Dresden's performance further improved YoY in 2H FY2023, supported by the recovery in domestic travel and the return of MICE business. Its performance also surpassed pre-COVID levels, driven by stronger ADR growth. In 2H FY2023, the hotel reported YoY growth of 20.6% and 16.6% in GOR and GOP respectively.

Portfolio Valuation

FHT's investment portfolio was valued at S\$1.93 billion by independent valuers as at 30 September 2023, up 1.7% YoY. The improvement was primarily due to valuation gains in all country portfolios, except Germany. These valuation gains were partially offset by foreign currency translation losses arising from the strengthening of the Singapore dollar against most of the operational currencies, excluding Euro and the British pound.

Financial Position

As at 30 September 2023, FHT's gearing improved 2.4 pp to 34.0% and weighted average debt to maturity was 2.32 years. Effective cost of borrowing increased from 2.3% per annum in September 2022 to 3.1% per annum in September 2023 due to refinancing in a rising interest rate environment. However, interest cover improved from 2.6 times a year ago to 3.6 times, attributable to FHT's stronger financial performance. The proportion of fixed-rate borrowings to total borrowings was 75.5%. Net asset value per stapled security was S\$0.66, up 2.6% YoY. FHT continues to have ample headroom and adequate liquidity to meet its operational needs and financial commitments.

Market Outlook

According to the International Monetary Fund's ("IMF") October projections², global economic growth is expected to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the historical average of 3.8%, as the global economy continues to recover from COVID-19, the conflict in Ukraine and higher cost of living.

Global inflation is forecast to decline steadily, from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024 while core inflation, excluding food and energy, is projected to decline more gradually, from 6.4% in 2022 to 6.3% in 2023 and 5.3% in 2024. With core inflation still high and declining slowly in many advanced economies, central banks are expected to keep monetary policy tighter for longer than is currently priced in markets.

The IMF remains concerned about risks related to China's property crisis, volatile commodity prices, increasing geopolitical fragmentation and resurgence in inflation. It has cut its growth forecasts for China to 5.0% in 2023 and 4.2% in 2024, 0.2 and 0.3 percentage points less than previously expected, amid weakness in the property sector, rising debt and weak external demand.

The World Tourism Organization ("UNWTO") reported that international tourism recovered to 84% of pre-pandemic levels in the period January-July 2023, backed by continued pent-up demand. International arrivals for 2023 remain well on track to reach 80% to 95% of pre-pandemic levels as projected. Prospects for September-December point to continued recovery, though at a more moderate pace following the peak travel season of June-August. The results are expected to be driven by the still pent-up demand, increased air connectivity and reopening of China. However, UNWTO warns that the challenging economic environment could weigh on spending patterns over the remainder of 2023, with tourists increasingly seeking value for money, travelling closer to home and making shorter trips³.

² Source: IMF, World Economic Outlook, October 2023

³ Source: UNWTO, World Tourism Barometer, September 2023

2H FY2023 Distribution

Distribution period	1 April 2023 to 30 September 2023
DPS	1.1777 cents
Last day of trading on “cum” basis	14 November 2023
First date of trading on “ex” basis	15 November 2023
Record date	16 November 2023
Distribution payment date	29 December 2023

END

About Frasers Hospitality Trust

FHT is a global hotel and serviced residence trust that is listed on the SGX-ST and is a stapled group comprising FH-REIT and FH-BT. FHT invests globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. FHT’s portfolio includes 14 quality assets in prime locations in nine key cities in Asia, Australia and Europe, with a combined appraised value of approximately S\$1.93 billion as at 30 September 2023.

For more information on FHT, please visit www.frasershospitalitytrust.com.

About Frasers Property Limited

Frasers Property Limited (“**Frasers Property**” and together with its subsidiaries, the “**Frasers Property Group**” or the “**Group**”), is a multinational developer-manager-investor of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and headquartered in Singapore, the Group has total assets of approximately S\$40.2 billion as at 30 September 2022.

Frasers Property’s multinational businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels which span 70 cities in over 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts (“**REITs**”) and one stapled trust listed on the SGX-ST. Frasers Centrepont Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

As a purpose-led organisation, the Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and is invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit www.frasersproperty.com or follow us on LinkedIn.

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This advertisement has not been reviewed by the Monetary Authority of Singapore.

Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.

FOR MORE INFORMATION, PLEASE CONTACT:

Frasers Hospitality Trust

Sandy Leng

Head, Investor Relations

E sandy.leng@frasershospitality.com