



**ahtrust**  
ascendas hospitality trust

**3Q FY2015/16**  
**Financial Results Presentation**  
**28 January 2016**

SYDNEY • MELBOURNE • BRISBANE • BEIJING • TOKYO • OSAKA • SINGAPORE

# Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Unaudited Financial Results for the Third Quarter ended 31 December 2015 ("3Q FY2015/16"), a copy of which is available on [www.sgx.com](http://www.sgx.com) or [www.a-htrust.com](http://www.a-htrust.com).

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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends and foreign exchange rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental 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 the Managers' current view of future events.

**The Australian Dollar, Chinese Renminbi, Japanese Yen and Singapore Dollar are defined herein as "AUD", "RMB", JPY" and "SGD" or "S\$", respectively.**

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





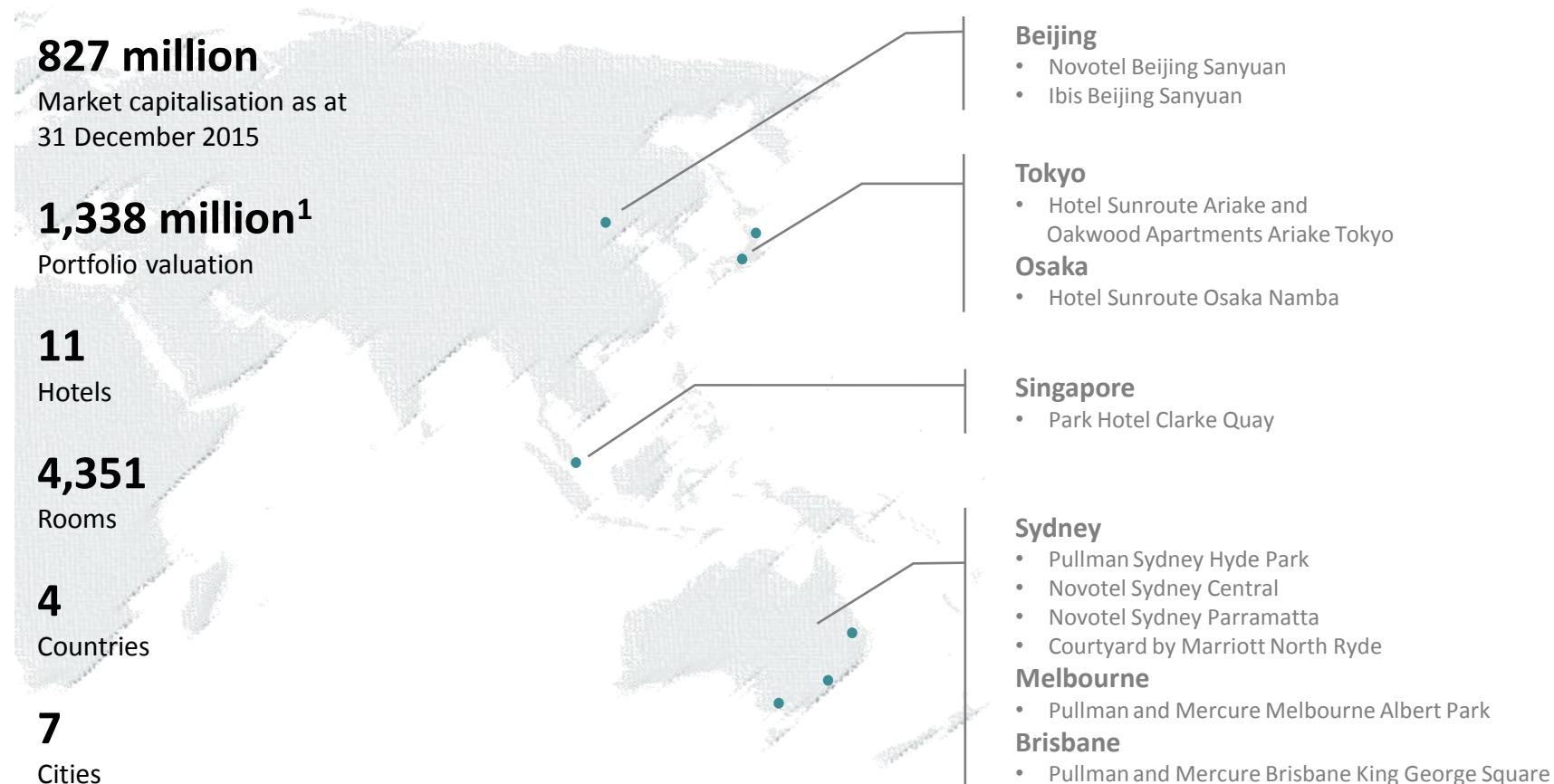
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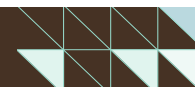
# Overview of Ascendas Hospitality Trust

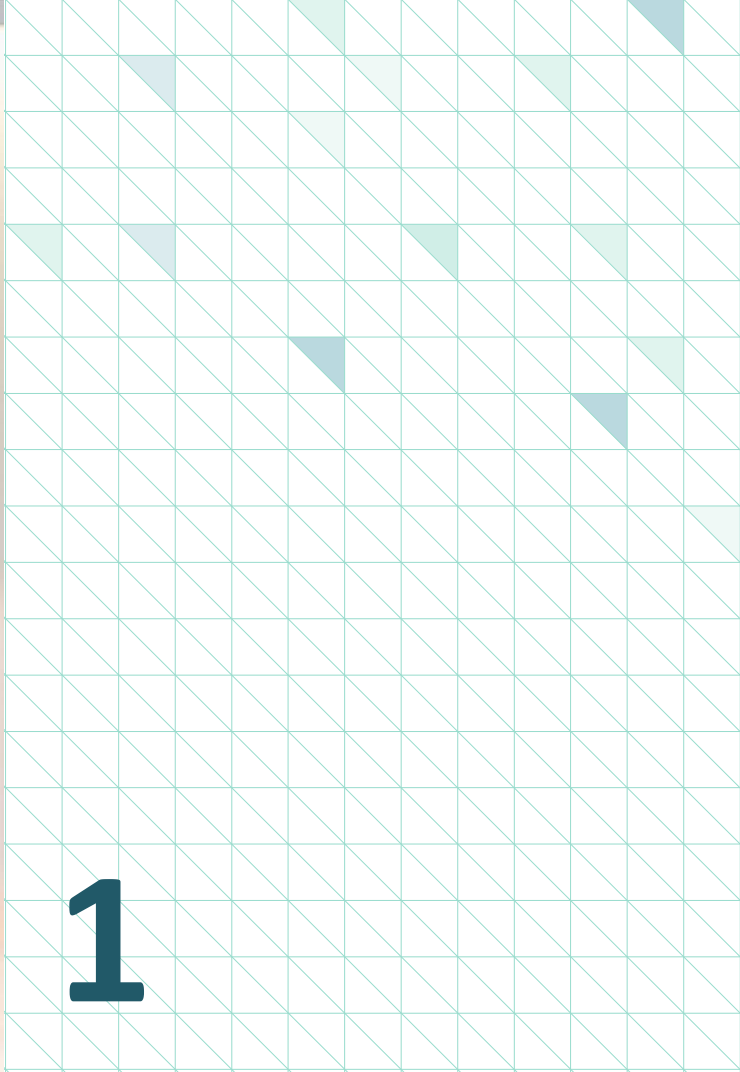
A hospitality trust with a focus on pan-Asian region



**Note:**

1. As at 31 March 2015 and excluded valuation of Pullman Cairns International which was divested in June 2015





**1**

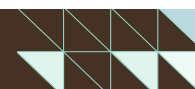
Key Highlights

# 3Q FY2015/16 Financial Highlights

	3Q FY2015/16			3Q YTD FY2015/16		
Gross Revenue	<b>S\$54.9m</b>	9.5% y-o-y	▼	<b>S\$162.2m</b>	6.3% y-o-y	▼
Net Property Income ("NPI")	<b>S\$23.4m</b>	9.3% y-o-y	▼	<b>S\$67.5m</b>	4.6% y-o-y	▼
Income available for distribution	<b>S\$17.0m</b>	17.6% y-o-y	▲	<b>S\$48.3m</b>	14.1% y-o-y	▲
Adjusted Income available for distribution <sup>1</sup>	<b>S\$16.2m</b>	12.0% y-o-y	▲	<b>S\$46.0m</b>	8.6% y-o-y	▲
Distribution per Stapled Security ("DPS")	<b>1.45 cents</b>	11.5% y-o-y	▲	<b>4.11 cents</b>	7.9% y-o-y	▲

**Note:**

1. After retaining 5% of distributable income for working capital purposes. There was no retention in FY2014/15

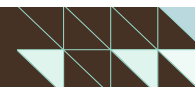


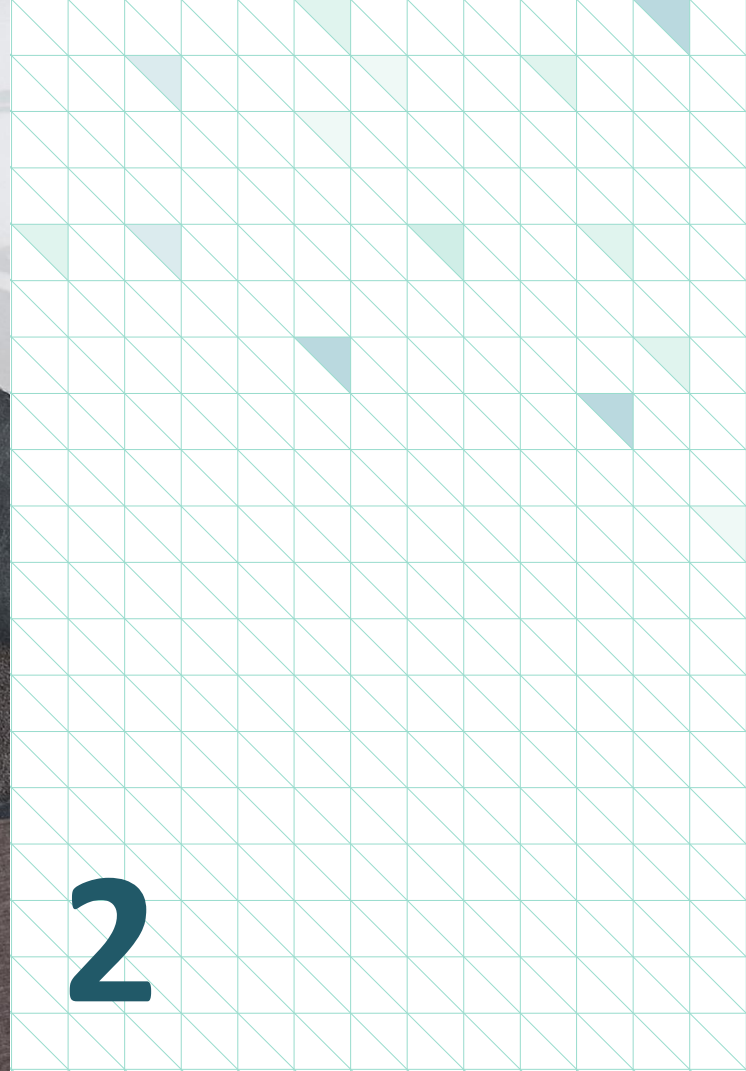
# 3Q FY2015/16 Portfolio Highlights

	AOR <sup>1</sup>	ADR <sup>1</sup>	RevPAR <sup>1</sup>
Australia <sup>2</sup>	84.4% 2.9pp y-o-y ▼	AUD 182 1.1% y-o-y ▼	AUD 153 5.0% y-o-y ▼
China	82.0% 2.2pp y-o-y ▲	RMB 411 1.2% y-o-y ▲	RMB 337 4.0% y-o-y ▲
Japan	<ul style="list-style-type: none"> <li>Applies to Oakwood Apartments only</li> <li>Improvement in occupancy and ADR</li> </ul>		JPY 10,687 24.7% y-o-y ▲
Singapore	<ul style="list-style-type: none"> <li>Steady rental income contribution from Park Hotel Clarke Quay</li> </ul>		

**Note:**

1. AOR: Average Occupancy Rate; ADR: Average Daily Rate; RevPAR: Revenue per Available Room
2. Excludes Pullman Cairns International which was divested in June 2015





2

Financial Review



# Results Summary – 3Q FY2015/16

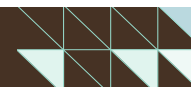
S\$' million	3 <sup>rd</sup> Quarter		Change
	FY2014/15	FY2015/16	
Gross Revenue	60.7	54.9	(9.5)%
Net Property Income	25.8	23.4	(9.3)%
NPI Margin	42.5	42.6	0.1pp
Income available for distribution	14.5	17.0	17.6%
- Operation	14.5	16.3	12.7%
- Proceeds from Divestment	-	0.7	-
Adjusted Income available for distribution <sup>1</sup>	14.5	16.2	12.0%
DPS (cents)	1.30	1.45	11.5%

- Loss of income from Pullman Cairns International (“Cairns Hotel”) due to sale in June 2015
- Lower contribution from hotel in Brisbane
- Compounded by weaker AUD against SGD by 9%

- Absence of costs of S\$2.9m related to unwinding of AUDSGD cross currency swap (“AUDSGD CCS”)
- Distribution of proportion of net proceeds from the sale of the Cairns Hotel

**Note:.**

1. After retaining 5% of distributable income for working capital purposes. There was no retention in 3Q FY2014/15



# Results Summary – 3Q YTD FY2015/16

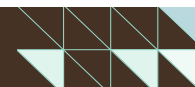
S\$' million	3Q YTD		Change
	FY2014/15	FY2015/16	
Gross Revenue	173.1	162.2	(6.3)%
Net Property Income	70.7	67.5	(4.6)%
NPI Margin	40.8	41.6	0.8pp
Income available for distribution	42.3	48.3	14.1%
- Operation	42.3	47.0	11.0%
- Proceeds from Divestment	-	1.3	-
Adjusted Income available for distribution <sup>1</sup>	42.3	46.0	8.6%
DPS (cents)	3.81	4.11	7.9%

- Overall improvement in the performance of the portfolio by S\$2.7m
- Offset by weaker AUD and JPY against SGD by 11% and 5%, respectively

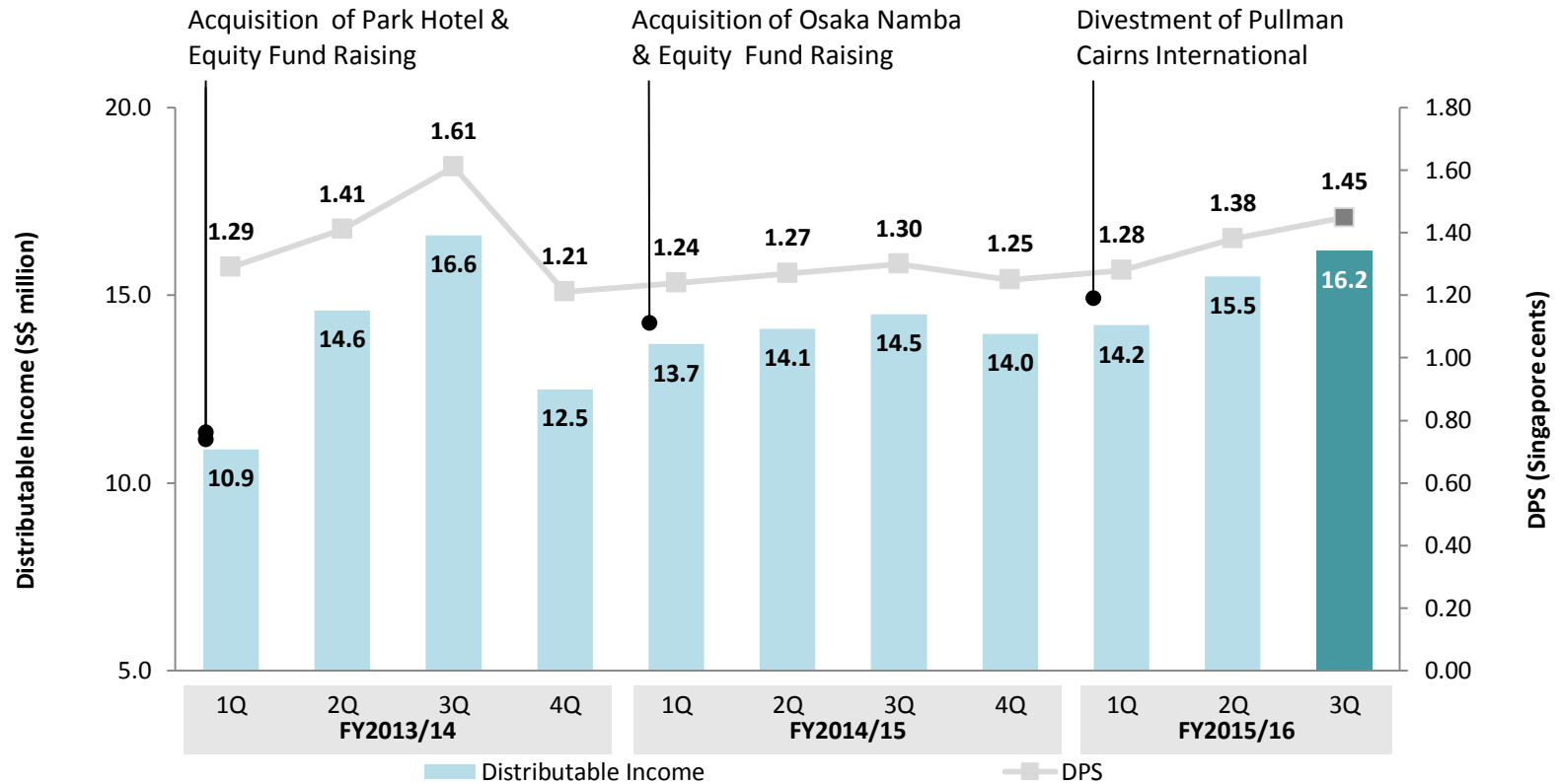
- Absence of costs of S\$6.9m related to unwinding of AUDSGD CCS
- Loss of distribution from sale of the Cairns Hotel offset by distribution of the sale proceeds

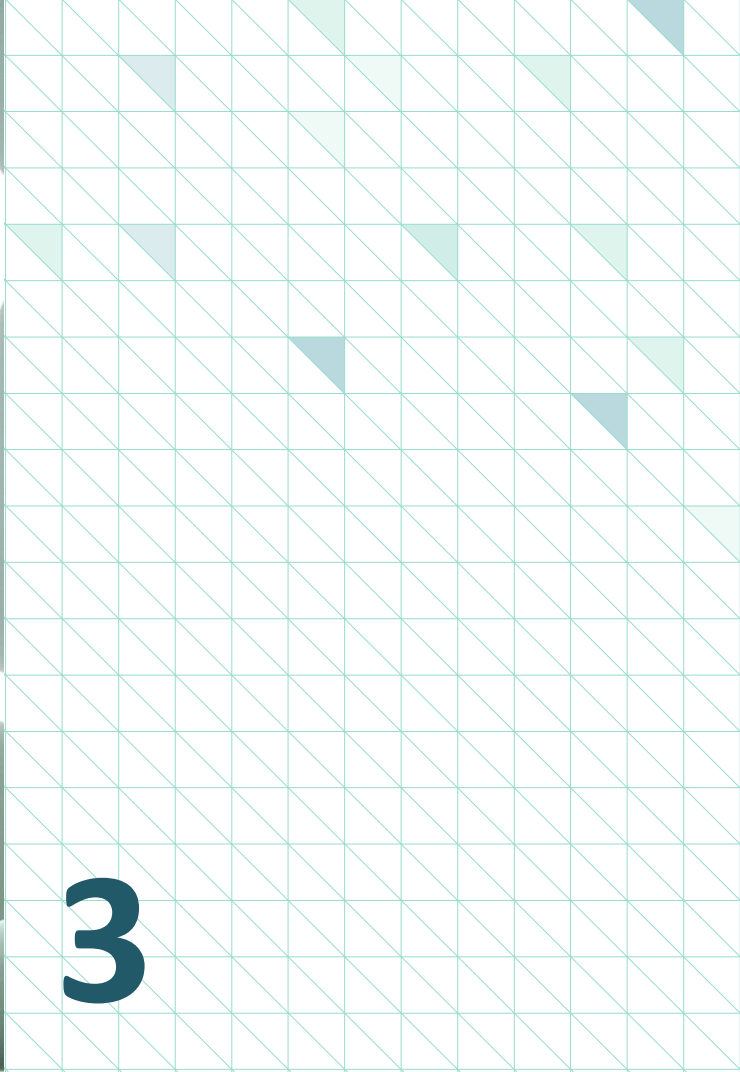
**Note:.**

1. After retaining 5% of distributable income for working capital purposes. There was no retention in 3Q YTD FY2014/15



# Distribution History





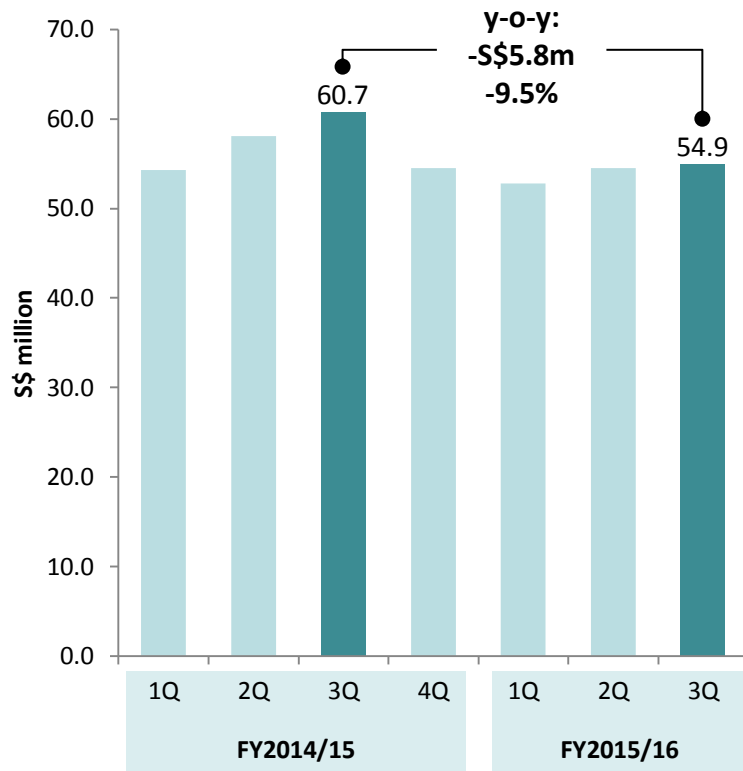
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Portfolio Performance

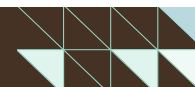
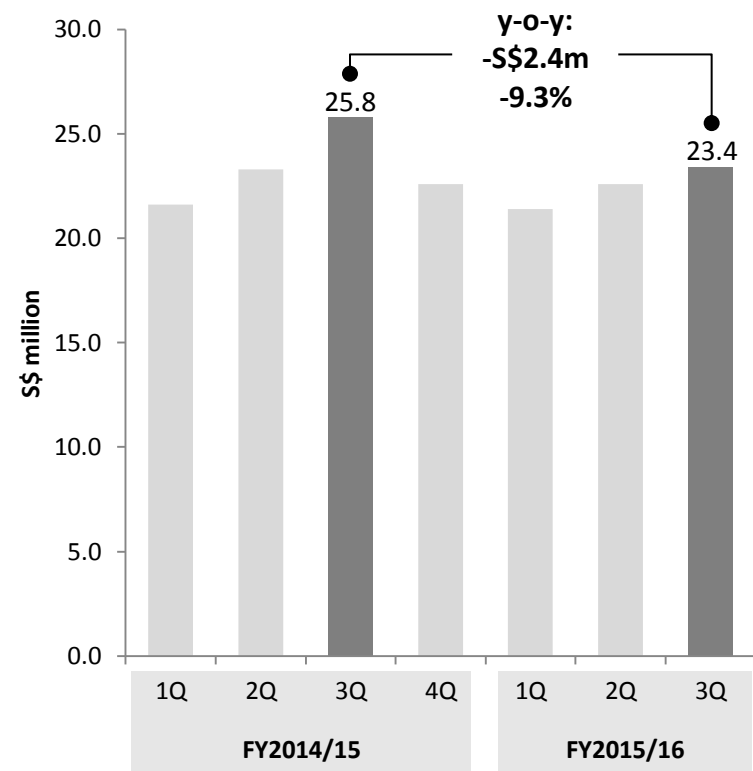
# Soft Brisbane Market and Forex Impact Results

- Gross revenue and NPI mainly affected by loss of income from sale of the Cairns Hotel, subdued performance of Pullman & Mercure Brisbane King George Square and weaker AUD against SGD

## Gross Revenue



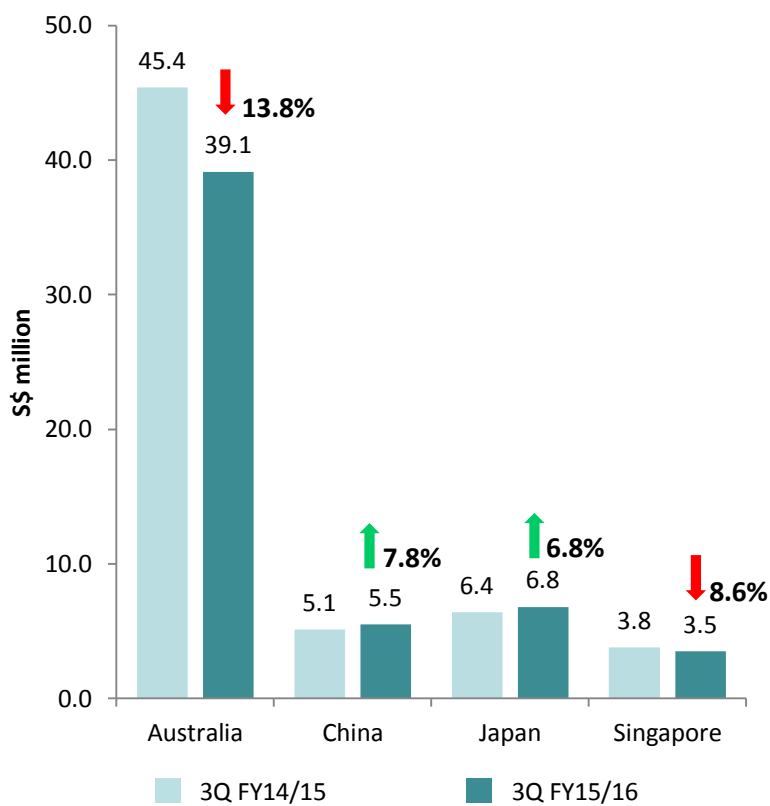
## Net Property Income



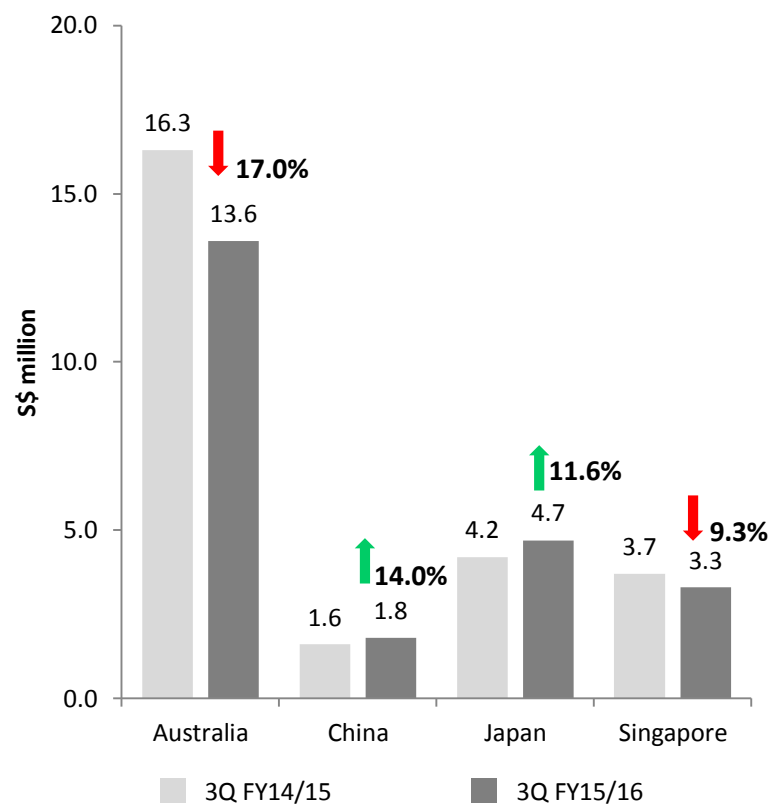
# Performance by Country

- ✦ Japan and China portfolios continue to improve, while Singapore portfolio performance declined amidst challenging conditions

## Gross Revenue



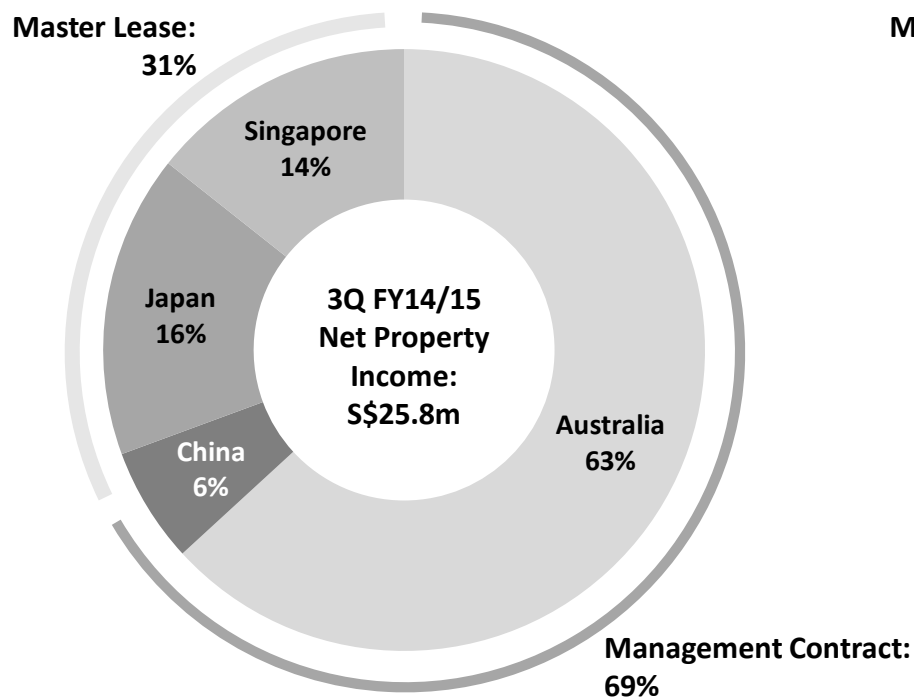
## Net Property Income



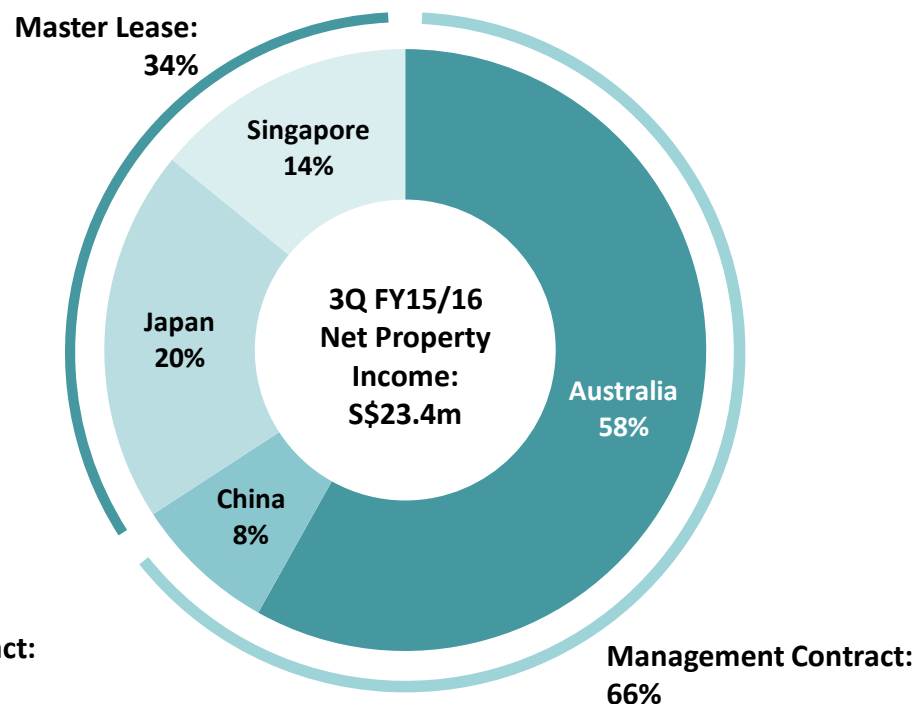
# NPI Breakdown by Country and Contract Type

- ✦ Well diversified portfolio with good mix of master lease arrangements and management contracts

3Q FY14/15 Net Property Income



3Q FY15/16 Net Property Income

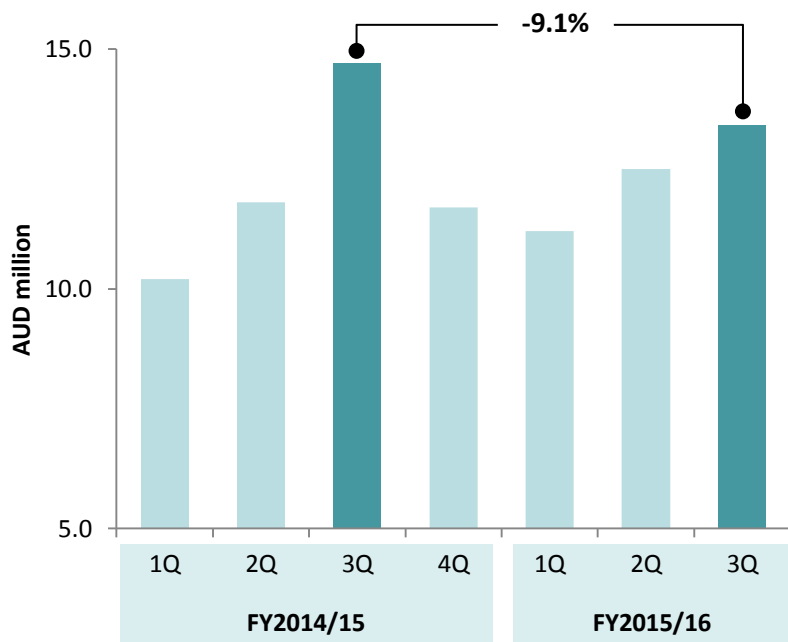


# Australia Portfolio Affected by Soft Brisbane Market

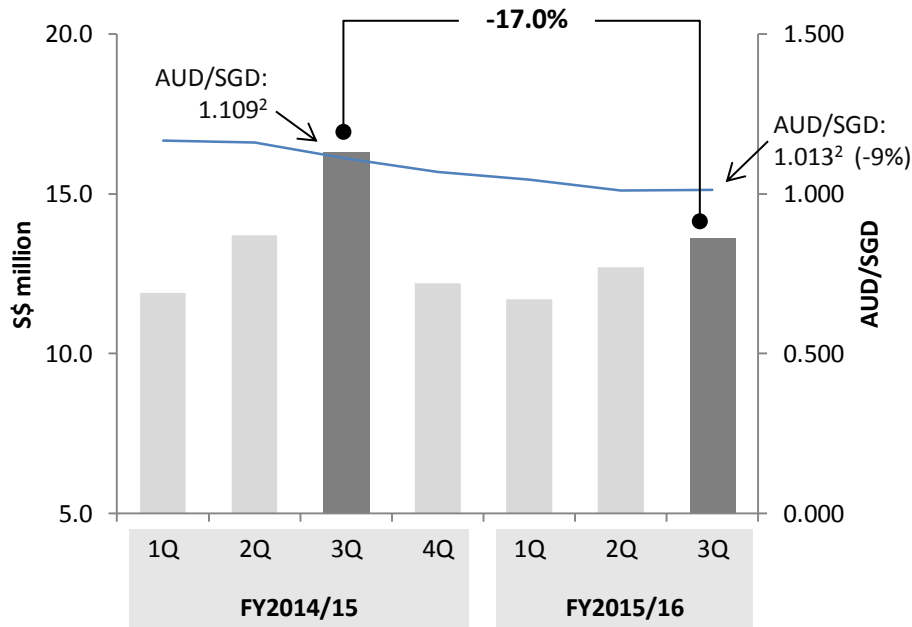
AUD	3 <sup>rd</sup> Quarter		Change
	FY14/15	FY15/16	
AOR	87.3%	84.4%	↓ 2.9pp
ADR	184	182	↓ 1.1%
RevPAR	161	153	↓ 5.0%

- Apart from hotel in Brisbane, all other hotels recorded improved performances
- Brisbane hotel affected by competition from additional rooms and also had better performance in 3QFY2014/15 due to G20 Summit
- Loss of income from sale of Cairns Hotel
- Compounded by weaker AUD against SGD

## Net Property Income in AUD



## Net Property Income in S\$



Note:

2. Based on average rate used for the respective quarter

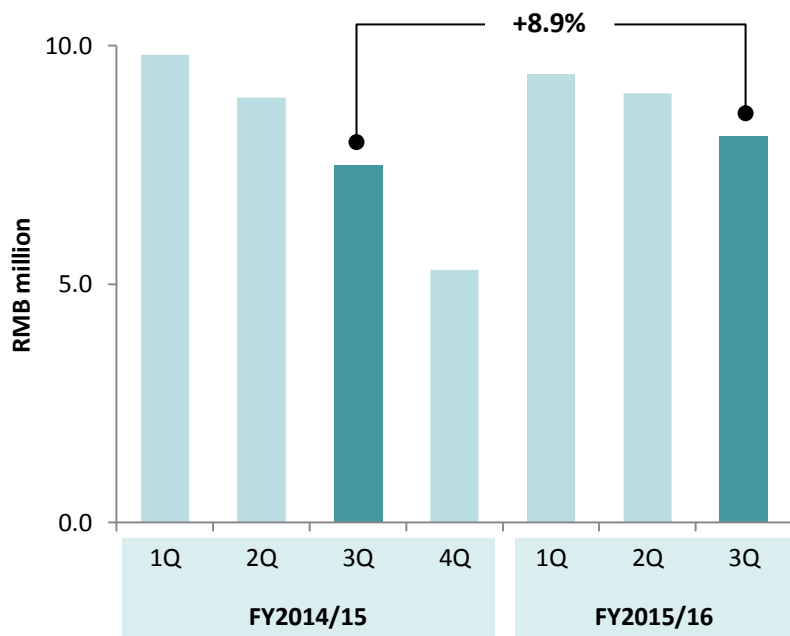


# China Portfolio Continued to Improve

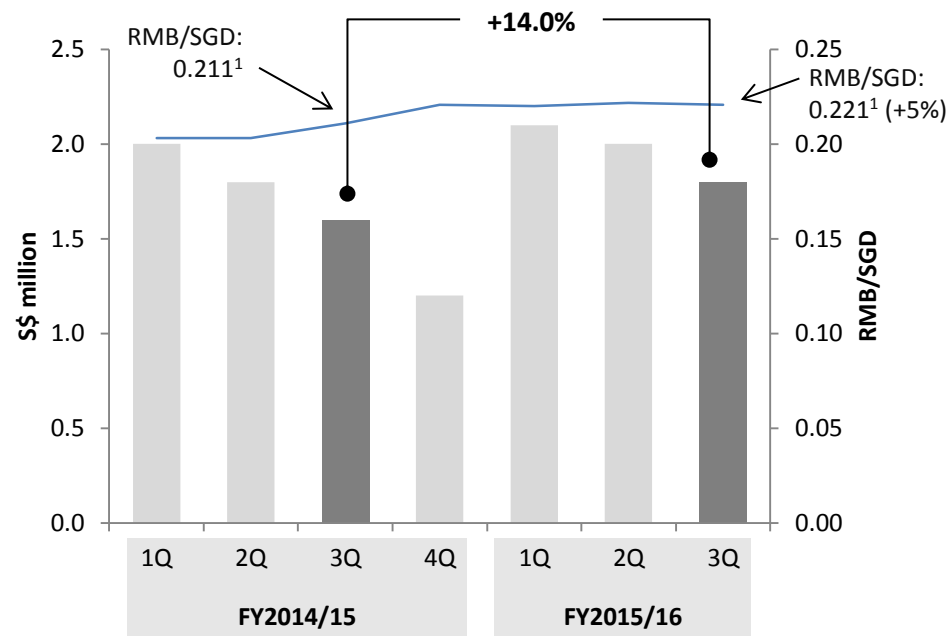
RMB	3 <sup>rd</sup> Quarter		Change
	FY14/15	FY15/16	
AOR	79.8%	82.0%	↑ 2.2pp
ADR	406	411	↑ 1.2%
RevPAR	324	337	↑ 4.0%

- China portfolio continued to show encouraging results despite a challenging market
- Growth through focus on development of new corporate accounts and other differentiated promotions with travel agents
- Effective cost control measures improved NPI

## Net Property Income in RMB



## Net Property Income in S\$



**Note:**

1. Based on average rate used for the respective quarter

# Japan Portfolio Well Positioned in Buoyant Market

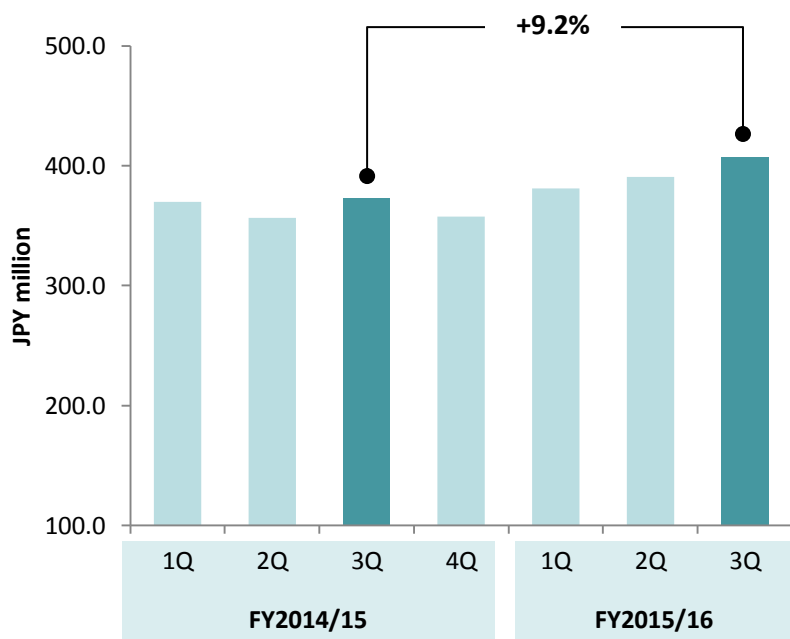
JPY	3 <sup>rd</sup> Quarter		Change
	FY14/15	FY15/16	
RevPAR <sup>1</sup>	8,569	10,687	↑ 24.7%

**Note:**

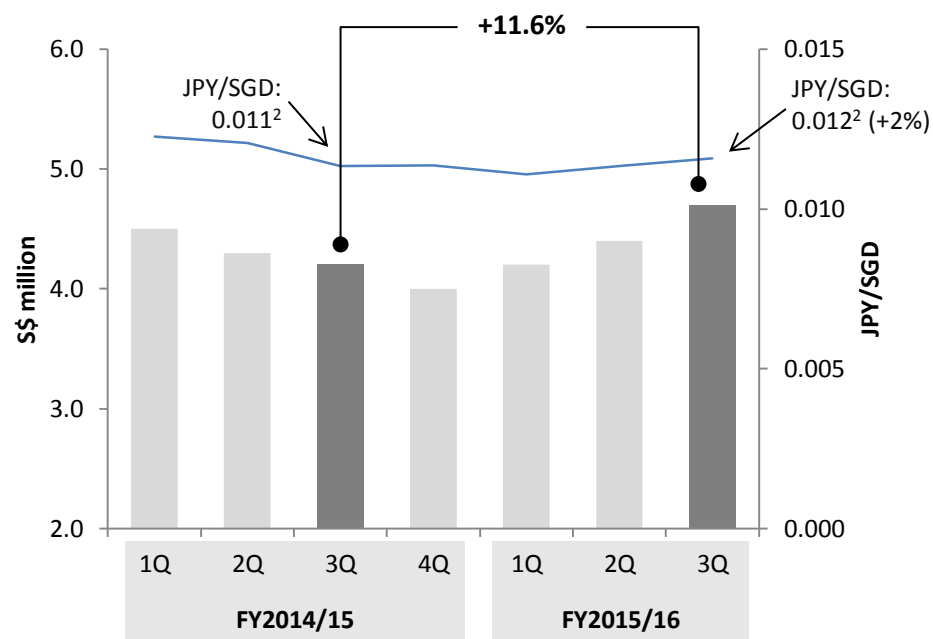
1. Applies to Oakwood Apartments only

- Strong performance driven mainly by Oakwood Apartments Ariake Tokyo
- Backed by buoyant sector, Oakwood Apartments able to achieve substantial improvement in occupancy and ADR
- Aided by stronger JPY against SGD

## Net Property Income in JPY



## Net Property Income in S\$

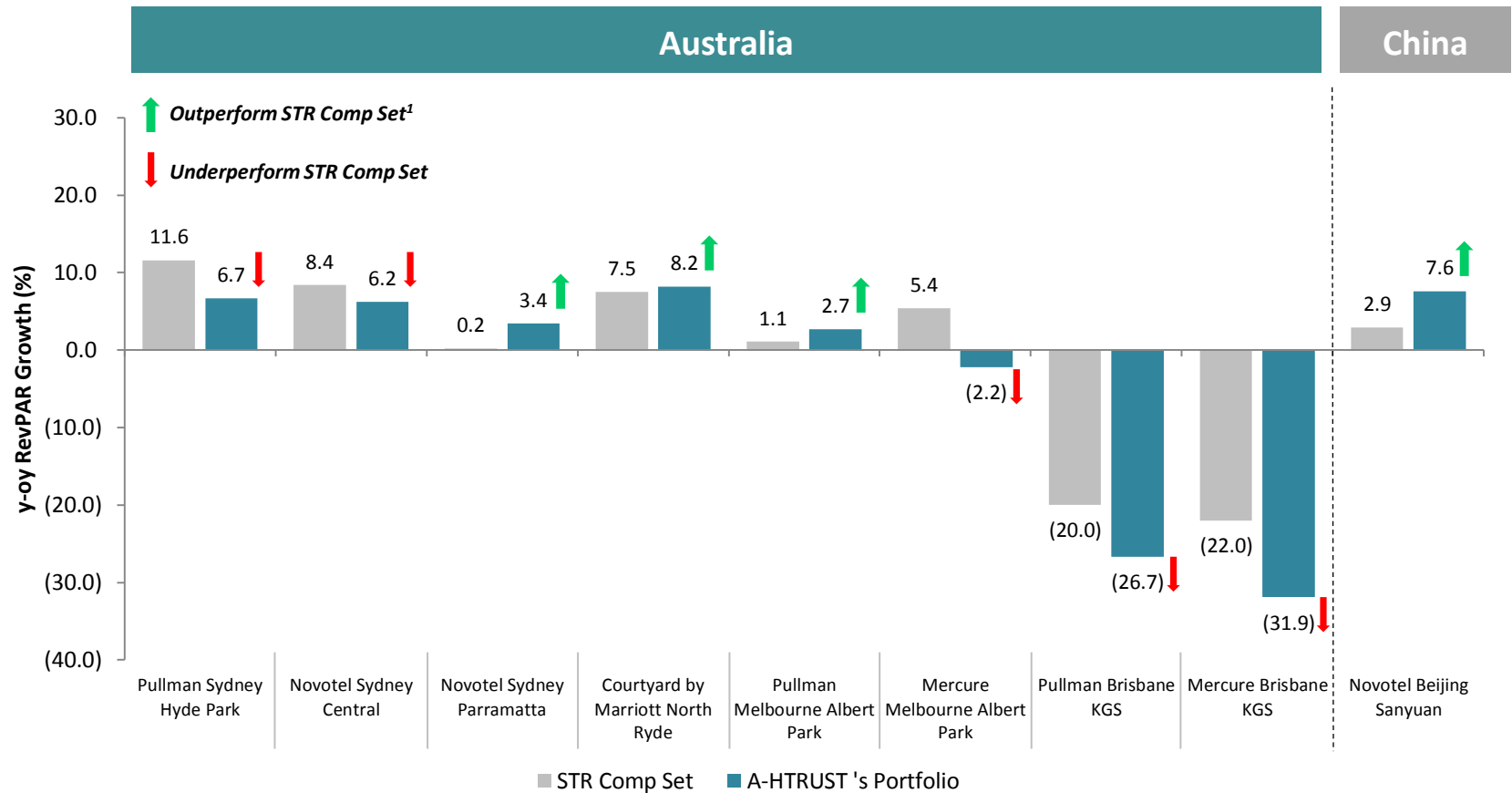


**Note:**

2. Based on average rate used for the respective quarter

# Quality Portfolio

✦ Majority of hotels post RevPAR growth, underpinned by the quality of the assets



**Note:**

1. STR (Smith Travel Research) Global Report tracks a hotel's occupancy, ADR and RevPAR performance against its selected comparable competitors. STR Competitive Set ("STR Comp Set") refers to the average performance of the hotel and its competitors.

# Active Asset Management – Ongoing Refurbishment



*Restaurant*



*Guest Room*

## Hotel Sunroute Osaka Namba

### Scope

- Overall refurbishment of the hotel, which will include guest rooms, lobby, restaurant and façade

### Estimated Timing

- Expected to complete in 4QFY15/16

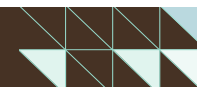
### Estimated Costs

- JPY1,135 million (total of both A-HTRUST's and Sunroute's portions)



*Lobby*

*Note: The above images are artist's impressions and may be subject to change*



# Active Asset Management – Upcoming Refurbishments

## Courtyard by Marriott North Ryde

### Scope

- Refurbishment of all 196 guest rooms, which will include flooring and painting works, replacement of certain furniture, fixtures & equipment (“FF&E”)

### Estimated Timing

- From to 4QFY15/16 to 2QFY16/17

### Estimated Costs

- AUD 2.2 million



*Mock-up Guest Room*



*Mock-up Guest Room*

## Pullman & Mercure Brisbane King George Square

### Scope

- Refurbishment of 114 Mercure rooms, which will include painting works, minor works in bathrooms and replacement of certain FF&E

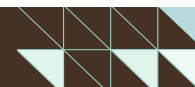
### Estimated Timing

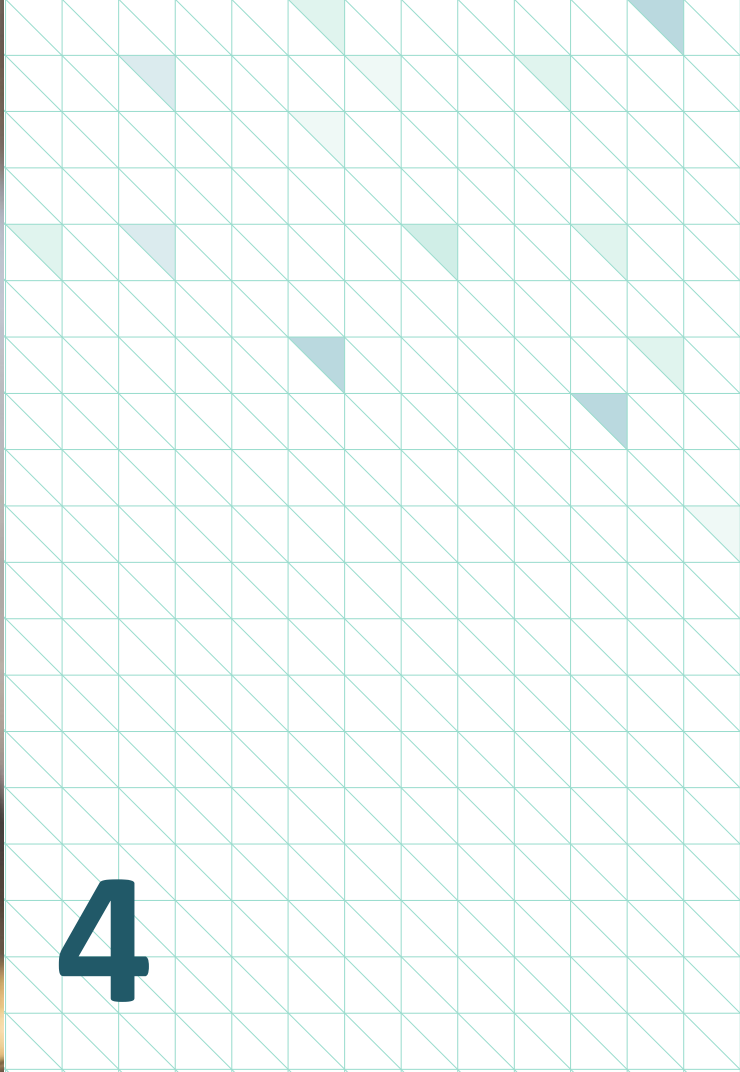
- From 4QFY15/16 to 2QFY16/17

### Estimated Costs

- AUD 1.2 million

*Note: The above images are photos of mock-up rooms and may be subject to change*





# 4

## Capital Management

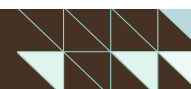
# Healthy Balance Sheet

✦ Total assets of S\$1,407.5 million as at 31 December 2015

	As at 30 September 2015	As at 31 December 2015
Borrowings	S\$536.8 million	S\$538.1 million
Total Assets	S\$1,431.6 million	S\$1,407.5 million
A-HTRUST Gearing <sup>1</sup>	37.5%	38.2%
- A-HREIT Gearing	28.5%	28.8%
- A-HBT Gearing	42.7%	43.8%
Weighted average interest rate	3.3%	3.4%
Weighted average debt to maturity	2.5 years	2.3 years
Net asset value per stapled security	S\$0.72	S\$0.70

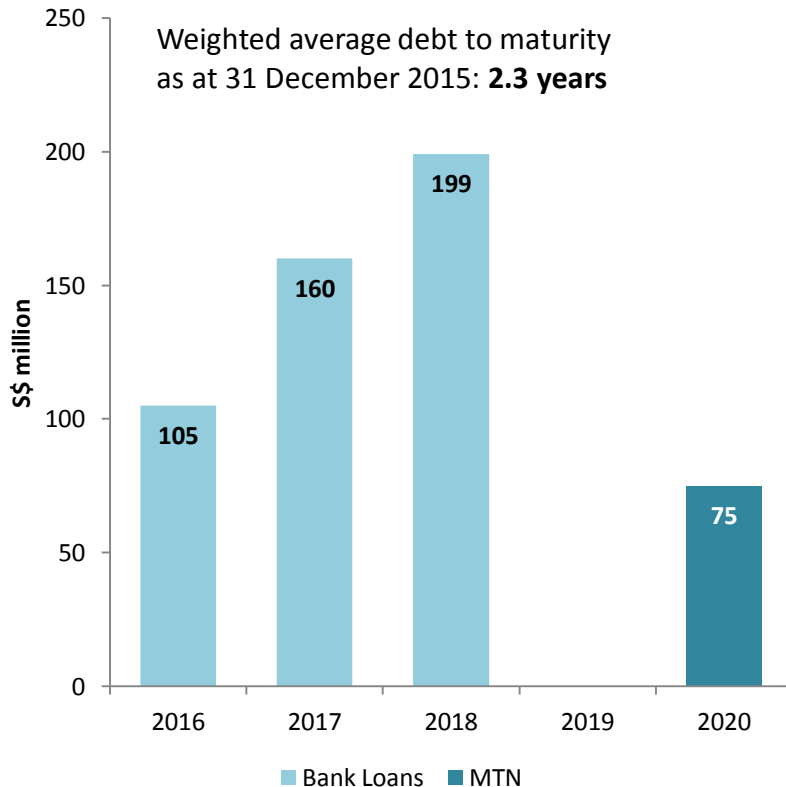
**Note:**

1. Gearing is computed based on total debt over total assets



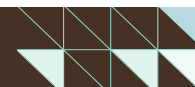
# Balanced Debt Profile

## Debt Maturity Profile



## Debt Facilities

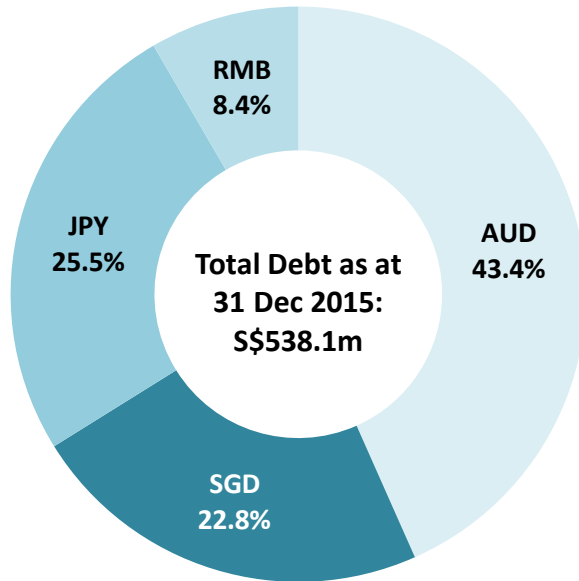
- **Term loan facilities:**  
*3 to 5-year term loan facilities*
- **Revolving credit facility (“RCF”):**  
*3-year S\$60 million RCF*
- **Medium term notes (“MTN”):**  
*S\$1 billion Multicurrency Stapled MTN programme established in October 2014*
- **Managers are currently in negotiations with banks to refinance the loans due in 2016**



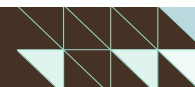
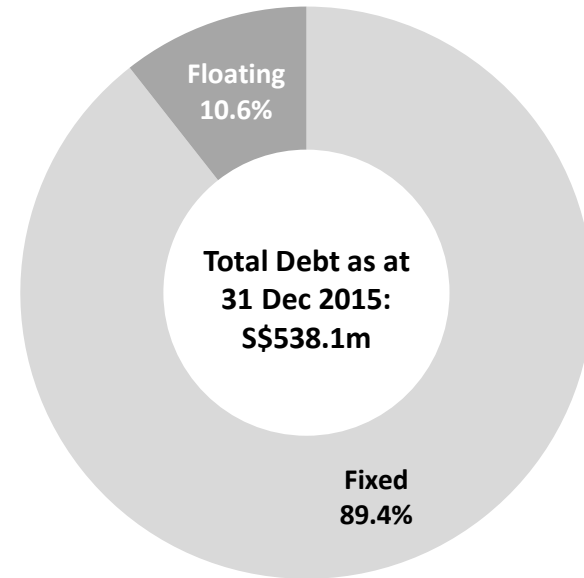


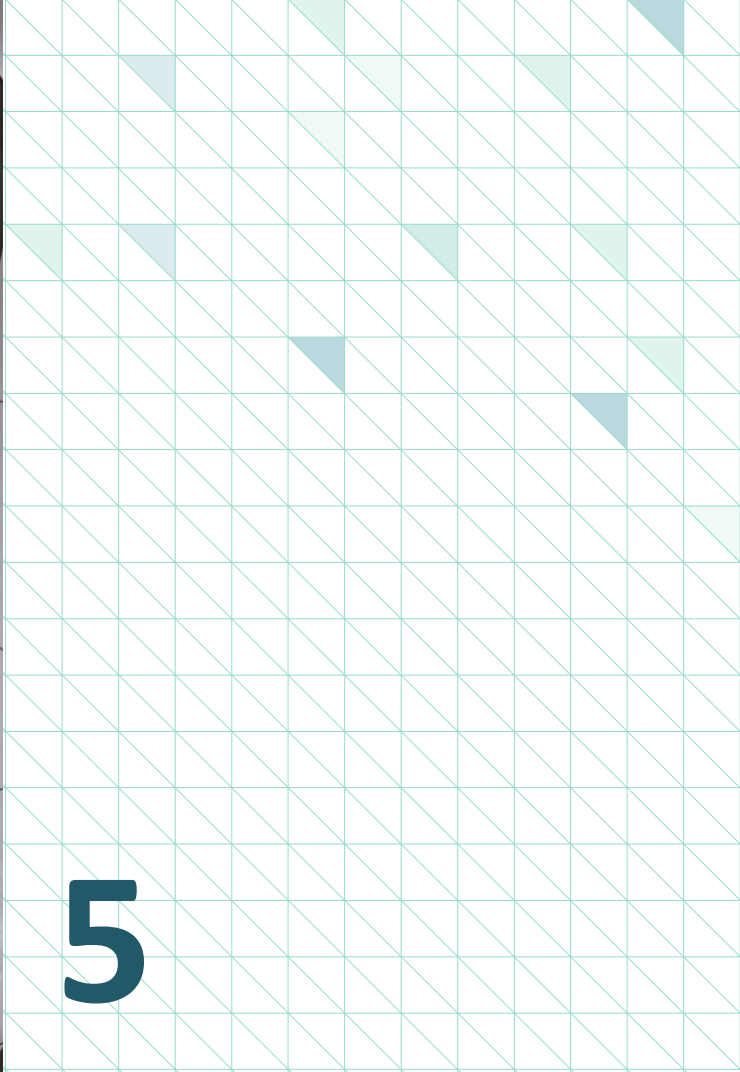
# Prudent Capital Management

## Debt Currency Profile



## Interest Rate Profile

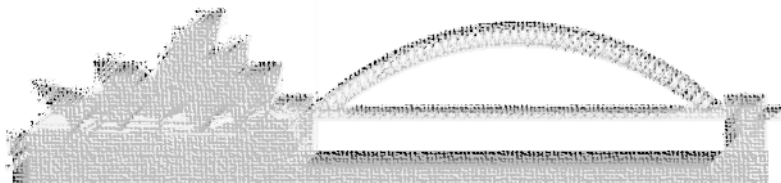




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Looking Ahead

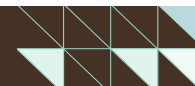
# Australia – Generally Healthy



- Both international arrivals and domestic overnight trips improved by 7% y-o-y for 12 months ended September 2015<sup>1</sup>
- The uptrend is expected to continue with international arrivals and domestic overnight trips forecasted to grow at an average annual growth rate of 4.1% and 3.7%, respectively, to year ending June 2025<sup>1</sup>
- Against this backdrop, the near term outlook for the hotel market in Australia is expected to be positive in general
- However, market conditions in Brisbane are expected to remain soft in the short term

**Note:**

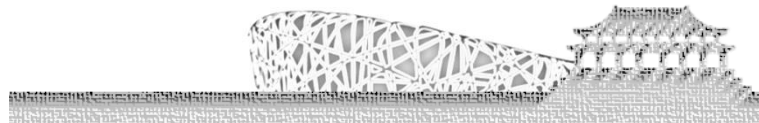
1. Source: Tourism Research Australia



# China – Challenging Landscape

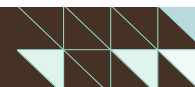


- The number of international visitors to China's capital city in 2015 was down by 1.8% y-o-y to 4.2 million compared to 2014<sup>1</sup>
- Beijing market affected by slowing economy and the pollution issue
- These factors coupled with an oversupply of hotel rooms may continue to hamper the hotel market sector



**Note:**

1. Source: Beijing Municipal Commission of Tourism Development



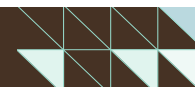
# Japan – Government Continue to Drive



- The growing trend of foreign visitors to Japan continued with 19.7 million foreign visitors last year, an increase of 47.1% compared to 2014<sup>1</sup>
- To further improve the number of arrivals, the government launched a key advisory panel to draw up a mid-term program<sup>2</sup>
- For fiscal year 2016, Japan also intends to double the budget for the Japan Tourism Agency to JPY20 billion to step up efforts to achieve the goal of increasing the number of foreign tourists<sup>3</sup>

**Note:**

1. Source: Japan National Tourism Organisation
2. Source: Article from [www.japantimes.co.jp](http://www.japantimes.co.jp) dated 9 November 2015 – “Abe launches tourism panel; inbound target may be raised”
3. Source: Article from [www.japantimes.co.jp](http://www.japantimes.co.jp) dated 24 December 2015 – “Cabinet approves record ¥96.7 trillion budget for fiscal 2016”



# Singapore – International Arrivals Up

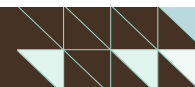


- The hospitality sector in Singapore saw y-o-y growth in international arrivals for the seventh consecutive month since May 2015<sup>1</sup>
- This resulted in 13.8 million international arrivals YTD November 2015, representing a 0.4% y-o-y growth<sup>1</sup>
- However, the increase in the supply of hotel rooms may moderate the sector's performance



**Note:**

1. Source: Singapore Tourism Board





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ascendas hospitality trust