

Frasers Hospitality Trust

Investor Presentation

August 2021

InterContinental Singapore

Important notice

Certain statements in this presentation constitute "forward-looking statements", including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Frasers Hospitality Trust (**FHT**), Frasers Hospitality Asset Management Pte. Ltd. (as the manager of Frasers Hospitality Real Estate Investment Trust (**FH-REIT**)) or Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of Frasers Hospitality Business Trust) (collectively, the **Managers**), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Managers' present and future business strategies and the environment in which FHT or the Managers will operate in the future. Because these statements and financial information reflect the Managers' current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

The Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this presentation to reflect any change in the Managers' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the Singapore Exchange Securities Trading Limited (**SGX-ST**) and/or any other regulatory or supervisory body or agency. The value of stapled securities in FHT (**Stapled Securities**) and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of FHT and the Managers is not necessarily indicative of the future performance of FHT and the Managers.

This presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

This advertisement has not been reviewed by the Monetary Authority of Singapore (**MAS**).

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

Contents



Fraser Suites Singapore

Contents

- Overview of FHT
- Market updates
- Portfolio performance
- Risk & capital management
- Looking forward

Overview of FHT



Fraser Suites Edinburgh

Global hotel and serviced residence trust

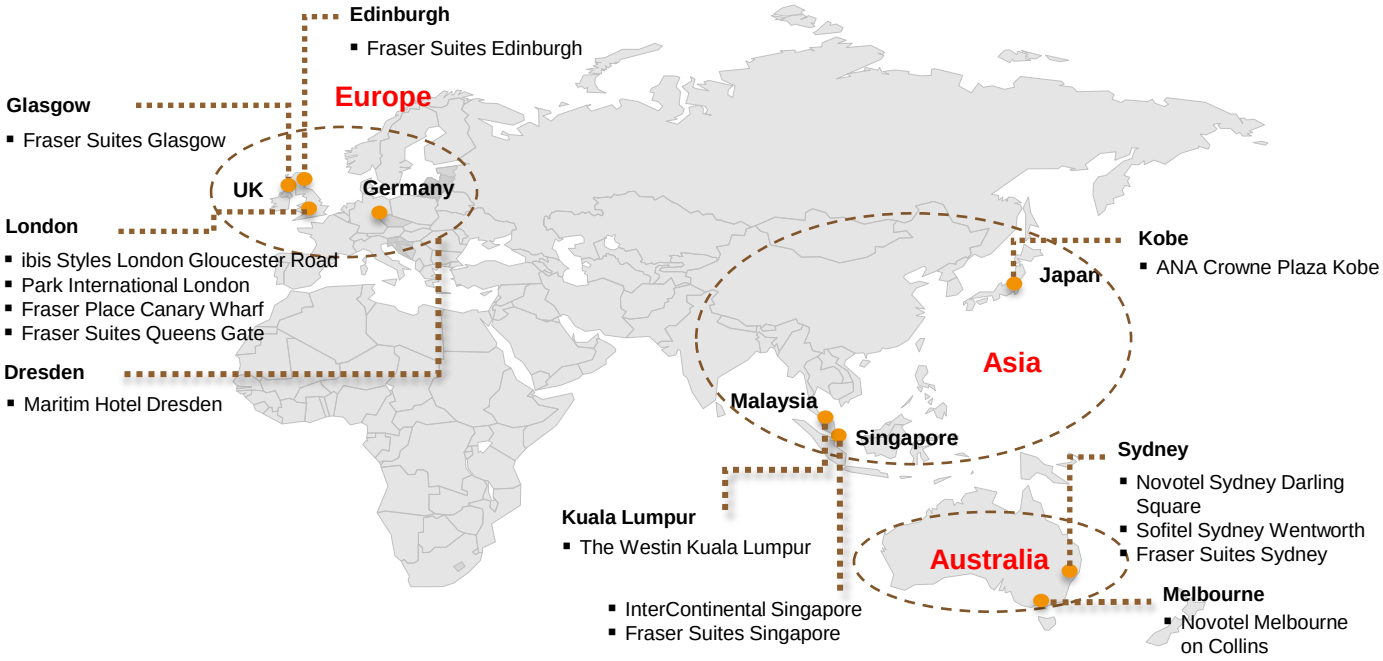
9
Cities

15
Properties

3,913
Keys

SGD 2.25 b
Appraised portfolio value[1]

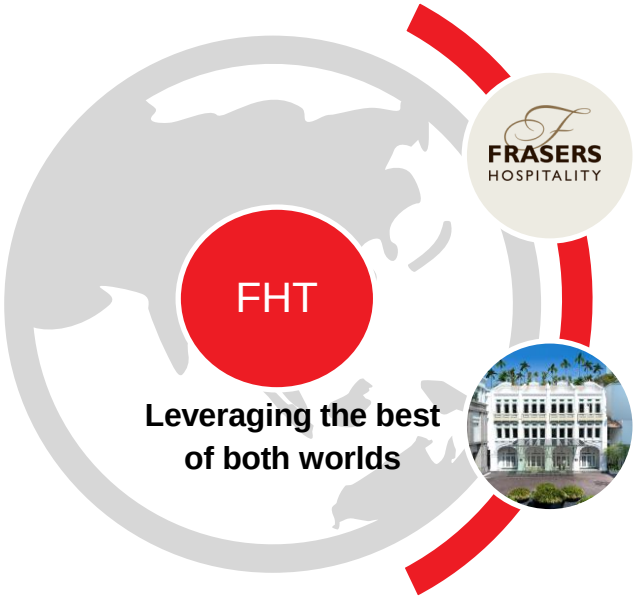
15
Master leases[1,2]



1. As at 30 Sep 2020
2. This includes a retail master lease for the retail space in ANA Crowne Plaza Kobe while the master lease for Novotel Melbourne on Collins is excluded as it is an internal master lease arrangement between Frasers Hospitality Real Estate Investment Trust (FH-REIT) and Frasers Hospitality Business Trust (FH-BT).

Independent platform providing flexibility and access

- FHT's investment mandate
  - > Hospitality and hospitality-related assets located globally, excluding Thailand
- Strong developer-sponsor in **Frasers Property** (25.8%[1] stake in FHT)
  - > Robust pipeline of "rights of first refusal" assets from the Sponsor through Frasers Hospitality
  - > Full flexibility to acquire third-party assets



Present in **over 70 cities**[1]
~16,300 units in operation, including properties under management[2]
~3,200 units in the pipeline, including properties under management[2]

Access to networks and distribution channels of **international chain operators**

1. Figures as at 31 Mar 2021
2. Figures as at 30 Jun 2021

Market updates



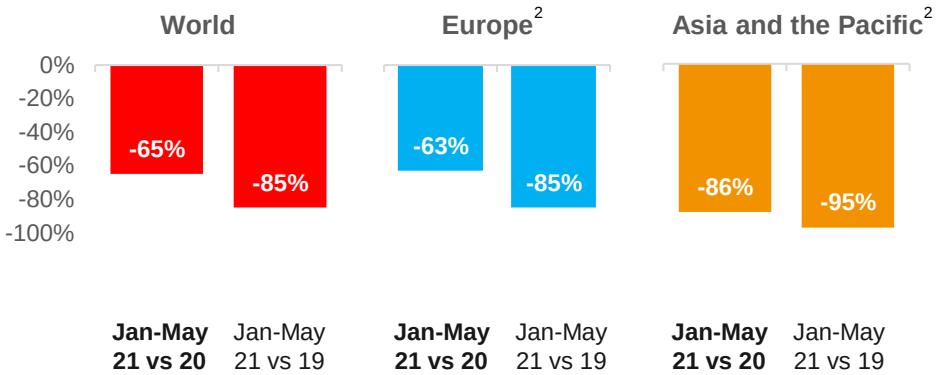
ANA Crowne Plaza Kobe

Industry uncertainties remain high

- International tourist arrivals: -65% year-on-year[1] (YoY) in Jan-May 2021, due to surge of new COVID-19 pandemic variants, widespread travel restrictions and uneven rollout of vaccines

- Despite uncertainties,
  - > International tourism inched up in May 2021 with easing of travel restrictions in some destinations
    - > Arrivals: -82% in May 2021 vs May 2019, compared to -86% in Apr 2021 vs Apr 2019[1]
  - > Signs of slow uptick in traveler confidence, based on UNWTO's Confidence Index[3], backed by pace of vaccination rollout in some key source markets and policies to restart tourism safely

International tourist arrivals, % change



1. Source: World Tourism Barometer by UNWTO, Jul 2021
2. APAC (Asia and the Pacific) - includes countries such as Australia, China, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Thailand and Vietnam. Europe – includes countries such as Austria, Belgium, Croatia, Czech Republic, France, Germany, Italy, Monaco, Netherlands, Spain, Switzerland, Turkey and the UK.
3. Source: World Tourism Barometer by UNWTO, May 2021

Portfolio performance



InterContinental Singapore

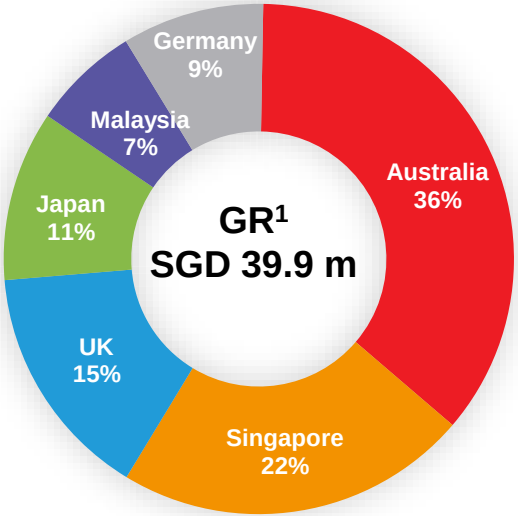
Financial review for 1H FY2021

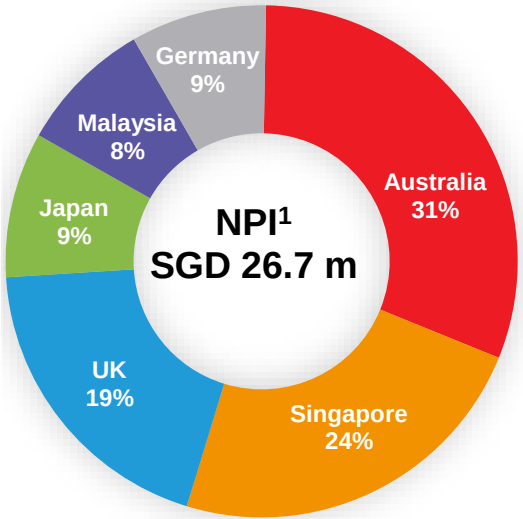
SGD m	1H FY2021	1H FY2020	YoY Change	2H FY2020	HoH Change
Gross revenue (GR)	39.9	62.6	▼ **36.2%**	26.0	▲ **53.8%**
Net property income (NPI)	26.7	45.3	▼ **40.9%**	14.6	▲ **83.5 %**
Income available for distribution (DI)	8.6	31.6	▼ **72.7%**	-1.7	**NM**[1]
Distribution to stapled securityholders	3.4	6.3[2]	▼ **45.4%**	20.6[3]	▼ **83.3%**
Distribution per stapled security	0.1790 cents	0.3287 cents	▼ **45.5%**	1.0695 cents	▼ **83.9%**

- FHT's first half (1H) FY2021 performance remained adversely affected by the COVID-19 pandemic.
- GR and NPI declined 36.2% and 40.9% YoY respectively as 1H FY2020 results were partially mitigated by a good first quarter performance before the COVID-19 pandemic hit.
- DI declined 72.7% yoy due mainly to the lower NPI and payment of management fees in cash.
- For prudence, FHT has retained SGD 5.2 m or 60.0% of DI to conserve cash.
- Comparing against second half (2H) FY2020, GR and NPI improved 53.8% and 83.5% respectively half-on-half (HoH) due mainly to better performance of the Australia portfolio.

1. Not meaningful.
2. Approximately SGD 25.3m or 80% of DI was retained in 1H FY2020.
3. Distribution to stapled securityholders for 2H FY2020 included approximately SGD 22.3m of the SGD 25.3m DI retained in 1H FY2020.

Contributions from geographically diversified portfolio

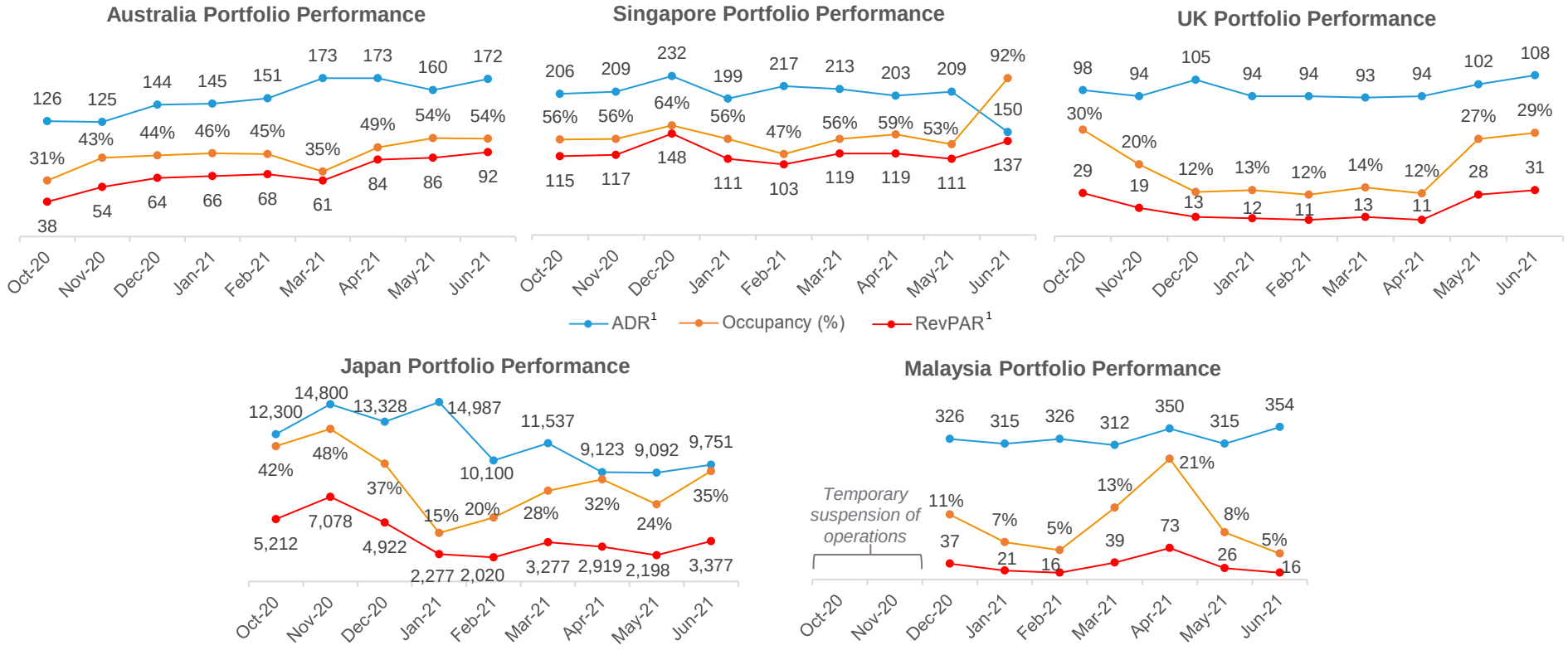




1. Figures for 1H FY2021 (1 Oct 2020 to 31 Mar 2021)

Operating metrics showing some signs of improvement

FHT's portfolio performance by country for 9 months ended 30 Jun 2021 (**9M FY2021**)



1. All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies.

Australia

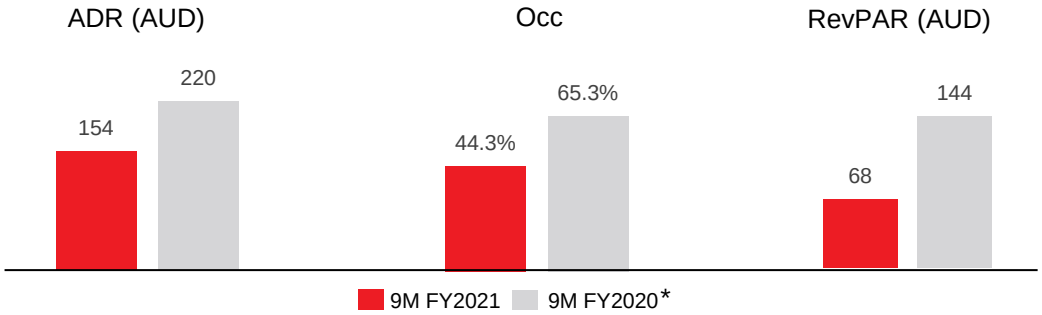
- **Sofitel Sydney Wentworth (SSW)**
- **Novotel Sydney Darling Square (NSDS)**
- **Fraser Suites Sydney (FSS)**
- **Novotel Melbourne on Collins (NMOC)**

> International tourist arrivals[1]: 81,460 (-95.4% YoY) in Jan-May 2021; 1.8m (-80.7% YoY) in 2020

> Australia portfolio's revenue per available room (**RevPAR**): -52.3% YoY in 9M FY2021 as 9M FY2020 RevPAR was partially mitigated by pre-COVID performance during the first 5 months of the financial year.

> 3Q FY2021 RevPAR was higher YoY, driven by improving portfolio occupancy and average daily rate (**ADR**). The improvement was mainly contributed by NMOC and SSW which continued to secure further contracts for the isolation business for 3Q FY2021.

> Due to a resurgence of pandemic cases, Sydney went into a lockdown from 26 Jun to 9 Jul 2021, and the government subsequently extended it further till late Aug 2021. Melbourne also went into a lockdown on 16 Jul 2021.



2021	ADR (AUD)	OCC (%)	RevPAR (AUD)
Apr	173	48.7%	84
May	160	53.7%	86
Jun	172	53.5%	92

*9M FY2020 performance inclusive of pre-COVID period from Oct 2020 – Feb 2021

1. Source: Tourism Australia

Singapore

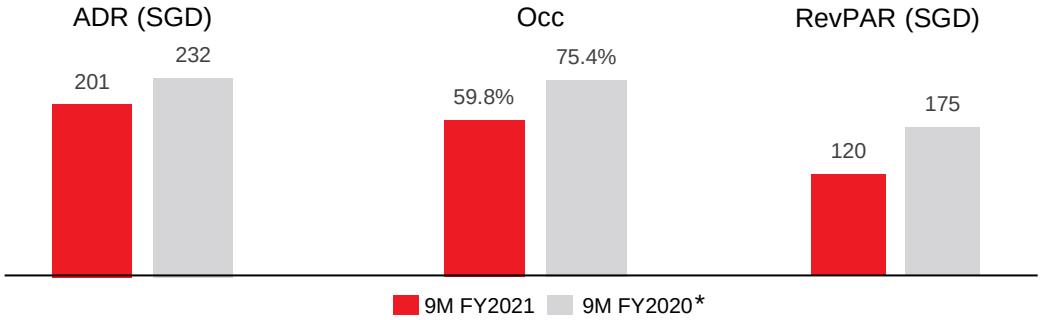
- **InterContinental Singapore (ICSG)**
- **Fraser Suites Singapore (FSSG)**

> International visitor arrivals[1]: 118,660 (-95.5% YoY) in Jan-Jun 2021; 2.7m (-85.7% YoY) in 2020

> Singapore portfolio's RevPAR: -31.4% YoY in 9M FY2021. RevPAR for 9M FY2020 had benefitted from ICSG's deal to be Stay-Home facility from Mar-Sep 2020. ICSG has re-secured the Stay-Home business for a short-term period starting in Jun 2021, helping to boost RevPAR for the month of Jun 2021.

> Singapore started on Phase 2 "heightened alert" (HA) measures on 16 May 2021 and moved to Phase 3 HA on 14 Jun 2021 but reverted to Phase 2 HA from 22 Jul to 18 Aug 2021. Singapore targets to have 80% of population vaccinated by Sep 2021. Currently, Singapore allows business and short-term social visits from Brunei, New Zealand and Mainland China (selected cities) via Air Travel Pass and Reciprocal Green Lane arrangements.

> The government's Job Support Scheme (till 30 Sep 2021) has helped preserve jobs and conserve the properties' cashflow.



2021	ADR (SGD)	OCC (%)	RevPAR (SGD)
Apr	203	58.7%	119
May	209	53.0%	111
Jun	150	91.5%	137

*9M FY2020 performance inclusive of pre-COVID period from Oct 2020 – Feb 2021

1. Source: Singapore Tourism Board

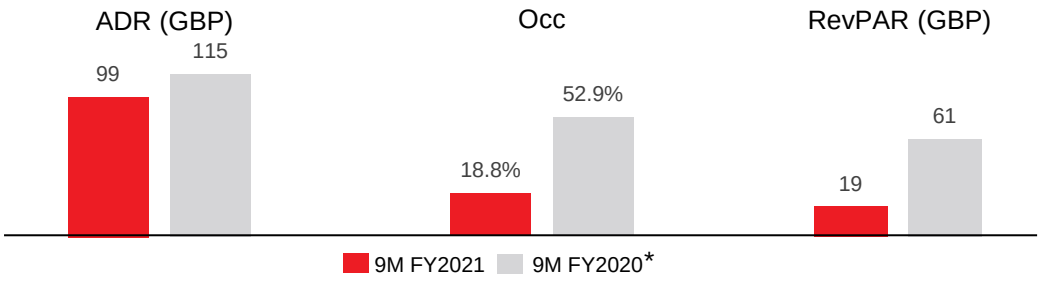
UK

- **Fraser Suites Queens Gate (FSQG)**
- **Fraser Place Canary Wharf (FPCW)**
- **Fraser Suites Edinburgh (FSE)**
- **Park International London (PIL)**
- **ibis Styles London Gloucester Road (ISLG)**
- **Fraser Suites Glasgow (FSG)**

> Hotels in UK were permitted to re-open on 17 May 2021, after more than 4 months of lockdown. Since re-opening, the UK has led the hospitality recovery in Europe, with 7-day occupancy for open hotels reaching 60%-65% within 3 weeks[1]. However, World Health Organization has warned in Jul 2021 of a third COVID-19 wave in Europe, with emergence of Delta variant[2].

> UK portfolio's RevPAR: -68.9% YoY in 9M FY2021; RevPAR has improved in May-Jun 2021 with all FHT's properties back to operation. All properties continue to benefit from the government's furlough scheme (extended till end-Sep 2021).

> As at end-Jun 2021, 48.7%[3] of UK's population was fully vaccinated – one of the world's highest. The government has, on 19 Jul 2021, begun to lift its COVID-19 restrictions.



*9M FY2020 performance inclusive of pre-COVID period from Oct 2020 – Feb 2021

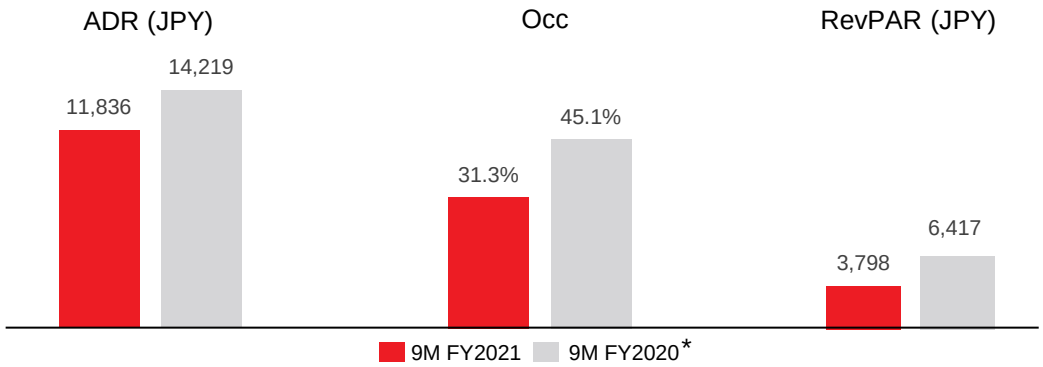
2021	ADR (GBP)	OCC (%)	RevPAR (GBP)
Apr	94	12.0%	11
May	102	27.2%	28
Jun	108	28.9%	31

1. Source: Travel Weekly, "Hospitality data shows 'unbelievable' recovery in UK", 11 Jun 2021
2. Source: Straits Times, "WHO warns of third coronavirus wave in Europe; Delta virus dampens tourism hopes", 1 Jul 2021
3. Source: Our World in Data, "Share of people vaccinated against COVID-19", 30 Jun 2021

Japan

ANA Crowne Plaza Kobe (CPK)

- International visitor arrivals[1]: 87,053 (-97.8% YoY) in Jan-May 2021; 4.1m (-87.1% YoY) in 2020
- CPK's RevPAR: -40.8% YoY in 9M FY2021 as Japan had to weather second and third state of emergency within the first 6 months of 2021. The third state of emergency which started on 25 Apr 2021, was lifted on 20 Jun 2021.
- However, a further fourth state of emergency was declared in Tokyo from 12 Jul - 22 Aug 2021, throughout the entire Tokyo Olympics period to reduce the impact of the more infectious pandemic variant.



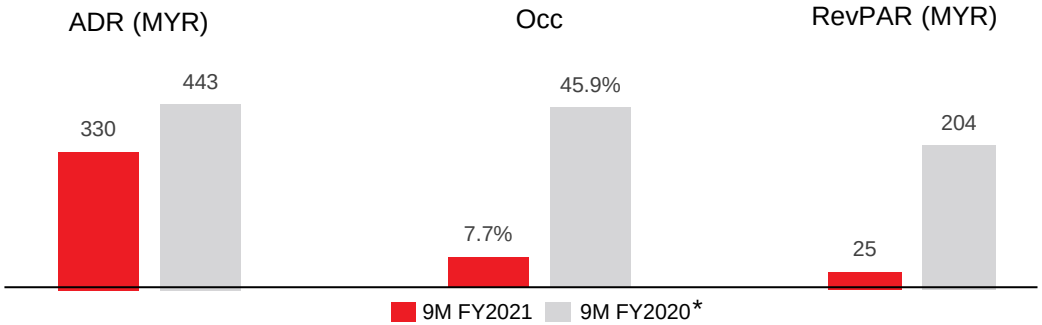
*9M FY2020 performance inclusive of pre-COVID period from Oct 2020 – Feb 2021

2021	ADR (JPY)	OCC (%)	RevPAR (JPY)
Apr	9,123	32.0%	2,919
May	9,092	24.2%	2,198
Jun	9,751	34.6%	3,377

1. Source: Japan National Tourism Organization

Malaysia

- **The Westin Kuala Lumpur (TWKL)**
  - International tourist arrivals: 25,256 (-99.4% YoY) in Jan-Mar 2021; 4.3m (-83.4% YoY) in 2020
  - TWKL's RevPAR for 9M FY2021 was adversely affected by repeated lockdowns in the country and a temporary suspension of operations for close to 5 months in 2020.
  - TWKL had resumed operations since 18 Dec 2020 and the temporary suspension has helped to conserve cashflow for the property. The hotel also underwent cost restructuring during the temporary suspension period. The leaner operating structure has enabled the hotel to narrow its operating losses since re-opening, despite the lower occupancies recorded.
  - With resurgence of COVID-19 cases in Malaysia, a lockdown was declared from 1 Jun 2021 onwards. The government has stated that the lockdown restrictions will not be eased until the number of daily cases in the country falls below 4,000.



*9M FY2020 performance inclusive of pre-COVID period from Oct 2020 – Feb 2021

1. Source: Tourism Malaysia

2021	ADR (MYR)	OCC (%)	RevPAR (MYR)
Apr	350	21.0%	73
May	315	8.2%	26
Jun	354	4.5%	16

Germany

- **Maritim Hotel Dresden (MHD)[1]**
  - Number of overnight stays by domestic and foreign visitors[2]:
    - Germany: 46m (-48.4% YoY) in Jan-May 2021; 302m (-39.0% YoY) in 2020
  - For 9M FY2021, MHD's performance continued to be affected by the temporary closure of the adjoining International Congress Centre which has been extended with no fixed re-opening date.
  - Germany launched a nationwide 5-step plan, which started on 1 Mar 2021, to relax restrictions on a regional or state level. The government has gradually lifted lockdown measures and mandatory rules on working from home were lifted in July 2021.
  - As at 30 Jun 2021, 37.1%[3] of the country's population was fully vaccinated.

1. Maritim Hotel Dresden has been excluded from reporting of ADR, occupancy and RevPAR due to limitations imposed by the master lease agreement.
2. Source: Federal Statistical Office of Germany
3. Source: Our World in Data, "Share of people vaccinated against COVID-19", 30 Jun 2021

Risk & capital management



Park International London

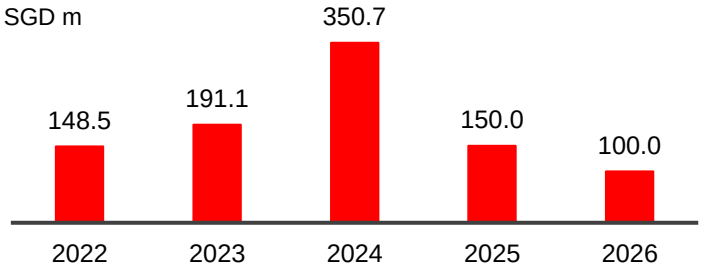
Proactive capital management

- Redemption of SGD 100.0m perpetual securities in May 2021 was funded by debt
  - > Gearing increased from 37.7% to 42.1%
  - > Approximately SGD 3.0m interest cost savings per year

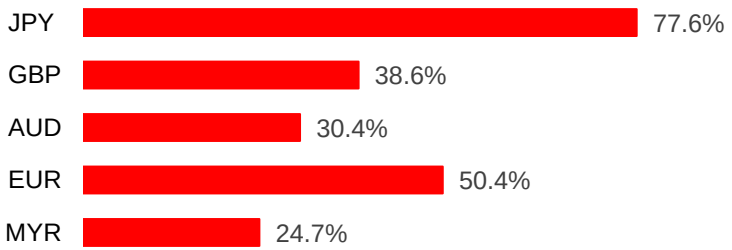
As at 30 Jun 2021

Gearing[1,2]	42.1%
Weighted average debt to maturity	2.86 years
Unsecured debt	96.7%
Effective cost of borrowing[2]	2.0%
Borrowings on fixed rates	77.0%
Interest cover[3,4]	2.0 times

Debt maturity profile (excludes short-term loans)



Balance sheet hedging



1. MAS' leverage limit for S-REITs has been set at 50% since Apr 2020.
2. The impact of FRS 116 Leases has been excluded for the purpose of computing gearing and effective cost of borrowing.
3. Interest coverage ratio is as prescribed under the MAS' Property Funds Appendix (last revised on 16 Apr 2020).
4. For the purpose of computing interest coverage ratio, interest expense excludes the unwinding of discounting effect on present value of lease liability and long-term security deposits payable.

Looking forward



The Westin Kuala Lumpur

Market outlook

- Near-term outlook remains challenging and fluid, given rise of Delta variant in recent months:
  - According to latest May 2021 survey of the UNWTO Panel of Experts[1], 60% of the respondents (up from 50% in Jan 2021 survey) expect rebound in international tourism in 2022. Nearly half of all the experts see a return to 2019 levels in 2024 or later.
- Nonetheless, G20 countries' recent agreement[2] to combine efforts to share information and implement data-driven policies will help governments to eventually safely re-open borders



- Uncertain outlook as Australia tightens borders further on 2 Jul 2021; the country continues to see repeated snap lockdowns for a few major cities, including Sydney[3]



- Staycation and quarantine demand to continue to support the Singapore market since borders still mostly closed[4]
- Singapore may allow leisure travel by end-2021; currently still exploring air travel corridors with selected countries[5]



- Stronger interest in staycations is expected in 2021 across the UK due to ongoing international travel restrictions and successful rollout of domestic vaccine programme[6]



- More optimism as Japan accelerates vaccine rollout. A successful Olympics 2021 event will be positive for Japan's tourism in long run[7]
- Tokyo's hospitality sector is likely to improve gradually when domestic travel demand resumes along with vaccination rollout[4]



- Challenging climate for Malaysia with repeated movement control orders and ongoing travel restrictions
- Luxury RevPAR likely to remain subdued in near term with rising pressure on ADR amidst limited demand[4]



- Dampened tourism expectations after Germany further restricted foreign arrivals from countries on its "variant countries" list[8]
- Vaccine rollout in Germany picking up pace but still slower than UK and US as at end-June 2021[9]

1. Source: World Tourism Barometer by UNWTO, May 2021
2. Source: IATA, "IATA welcomes G20 push to restart tourism", 5 May 2021
3. Source: CNA, "Australia tightens border further to curb COVID-19 outbreak", 2 Jul 2021
4. Source: JLL, Asia Pacific Property Digest, Q1 2021
5. Source: Straits Times, "S'pore may allow leisure travel by year end", 2 Jul 2021
6. Source: Colliers, "UK Staycations 2021: A year of opportunities", 24 May 2021
7. Source: CNBC, "Japan's vaccination drive is picking up steam", 5 Jul 2021
8. Source: Euronews, "Delta variant prompts new travel restrictions across Europe", 29 Jun 2021
9. Source: CNN, "Tracking Covid-19 vaccinations worldwide", 4 Jul 2021

Staying agile in an uncertain operating environment

Capitalising on strengths of portfolio



Quality assets in prime locations

- A rebound in domestic tourism will benefit assets in Australia, Japan and the UK which have sizeable domestic tourism markets
- Access to renowned global hotel operators with strong management expertise
- Portfolio rebalancing if opportunities arise

Maintaining financial flexibility



Key priority:
Sufficient liquidity

- Long-term master lease contracts provide downside protection
- No master leases due for renewal till 2024
- Long weighted average lease expiry of 12.2 years as at 30 Jun 2021
- Large pool of unencumbered assets

Enhancing asset values



Key priority:
Cost-containment measures

- Collaborating with hotel and serviced residence operators to improve operational efficiencies
- Pursuing new revenue opportunities

FRASERS HOSPITALITY TRUST



Experience matters.

Hotels managed by third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2020
	Novotel Melbourne on Collins	Australia	Strategically located within Melbourne's core CBD area along Collins Street	Freehold	Upscale	380	AUD 226.0m (AUD0.6m/key)
	Novotel Sydney Darling Square	Australia	4.5-star hotel located within close proximity of Sydney's Darling Harbour and Chinatown	84 years[1]	Mid-scale	230	AUD108.0m (AUD0.5m/key)
	Sofitel Sydney Wentworth	Australia	Iconic 5-star hotel in Sydney's core CBD; within a short walk to major office buildings, tourist attractions and transport hubs	75 years[2]	Luxury	436	AUD270.0 (AUD0.6m/key)
	InterContinental Singapore	Singapore	Only 5-star luxury hotel in Singapore to preserve Peranakan heritage in a shop house style setting	75 years[1]	Luxury	406	SGD506.0m (SGD1.2m/key)
	ibis Styles London Gloucester Road	United Kingdom	Distinctive white Victorian facade located in the heart of London	75 years[1]	Mid-scale	84	GBP19.2m (GBP0.2m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)
2. Commencing from 5 Jul 2015

Hotels managed by Frasers Hospitality and third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2020
	Park International London	UK	Elegant hotel ideally located in the heart of Kensington and Chelsea	75 years[1]	Mid-scale	171	GBP38.6m (GBP0.2m/key)
	ANA Crowne Plaza Kobe	Japan	Unique panoramic view of Kobe city from Rokko mountain	Freehold	Upper Upscale	593	JPY15,900.0 (JPY26.8m/key)
	The Westin Kuala Lumpur	Malaysia	5-star luxury hotel located in the centre of Kuala Lumpur's bustling Golden Triangle area	Freehold	Upper Upscale	443	MYR385.0m (MYR0.9m/key)
	Maritim Hotel Dresden	Germany	Heritage-listed and located in the historical city centre of Dresden, the capital city of the eastern German state of Saxony	Freehold	Upscale	328	EUR61.7m (EUR0.2m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)

Serviced residences managed by Frasers Hospitality

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2020
	Fraser Suites Sydney	Australia	First luxury apartments in Sydney designed by internationally renowned architects	75 years[1]	Upper Upscale	201	AUD122.0m (AUD0.6m/key)
	Fraser Suites Singapore	Singapore	Luxurious serviced residences in the prime residential district of River Valley	75 years[1]	Upper Upscale	255	SGD292.0m (SGD1.1m/key)
	Fraser Suites Edinburgh	UK	Rustic 1750s sandstone building located in the heart of Edinburgh's Old Town	75 years[1]	Upper Upscale	75	GBP14.0m (GBP0.2m/key)
	Fraser Suites Glasgow	UK	Stunningly restored 1850s building which was formerly the city bank of Glasgow	75 years[1]	Upper Upscale	98	GBP9.2m (GBP0.1m/key)
	Fraser Suites Queens Gate	UK	Beautiful Victorian apartment hotel in Kensington	75 years[1]	Upper Upscale	105	GBP54.3m (GBP0.5m/key)
	Fraser Place Canary Wharf	UK	Stunning apartments located by the River Thames, showcasing chic contemporary design	75 years[1]	Upper Upscale	108	GBP38.3m (GBP0.4m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)