



# ASCENDAS HOSPITALITY TRUST

2Q FY2019 Financial Results Presentation

29 October 2019

# Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Unaudited Financial Results for the Second Quarter ended 30 September 2019 ("2Q FY2019"), copies of which are 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, Japanese Yen, Korean Won and Singapore Dollar are defined herein as "AUD", "JPY", "KRW" and "SGD" or "\$", respectively.**

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

# Content

1. Financial Review
2. Portfolio Performance
3. Capital Management
4. Looking Ahead

# 1. Financial Review



# Results Summary – 2Q FY2019

S\$' million	2 <sup>nd</sup> Quarter		Change <sup>2</sup>
	FY2019 <sup>1</sup>	FY2018/19	
Gross Revenue	47.5	46.4	2.4%
Net Property Income	21.2	20.5	3.5%
NPI Margin (%)	44.6	44.1	0.5pp
Income available for distribution	17.0	17.8	(4.8)%
Income available for distribution net of retention <sup>3</sup>	15.7	16.6	(5.1)%
- Operations	15.7	14.9	5.4%
- Partial Proceeds from Divestment	-	1.7	-
DPS (cents) <sup>3</sup>	1.38	1.46	(5.5)%
Adjusted DPS (cents)	1.38	1.32 <sup>4</sup>	4.5%

- Increase mainly due to contribution from the three WBF-branded hotels and ibis Ambassador Seoul Insadong that were acquired between September and December 2018
- Partially offset by weaker performance from Australia portfolio which was further impacted by weaker AUD against SGD and renovation works

1. The current financial year end will be a 9-month period from 1 April 2019 to 31 December 2019 following the change of financial year end to 31 December.  
 2. Save for DPS, percentage changes are based on figures rounded to nearest thousands.  
 3. Retention of distributable income for 2Q FY2019 and 2Q FY2018/19 were based on 7.3% and 7.0% of distributable income, respectively.  
 4. Excluding the partial distribution of proceeds from the sale hotels in China.

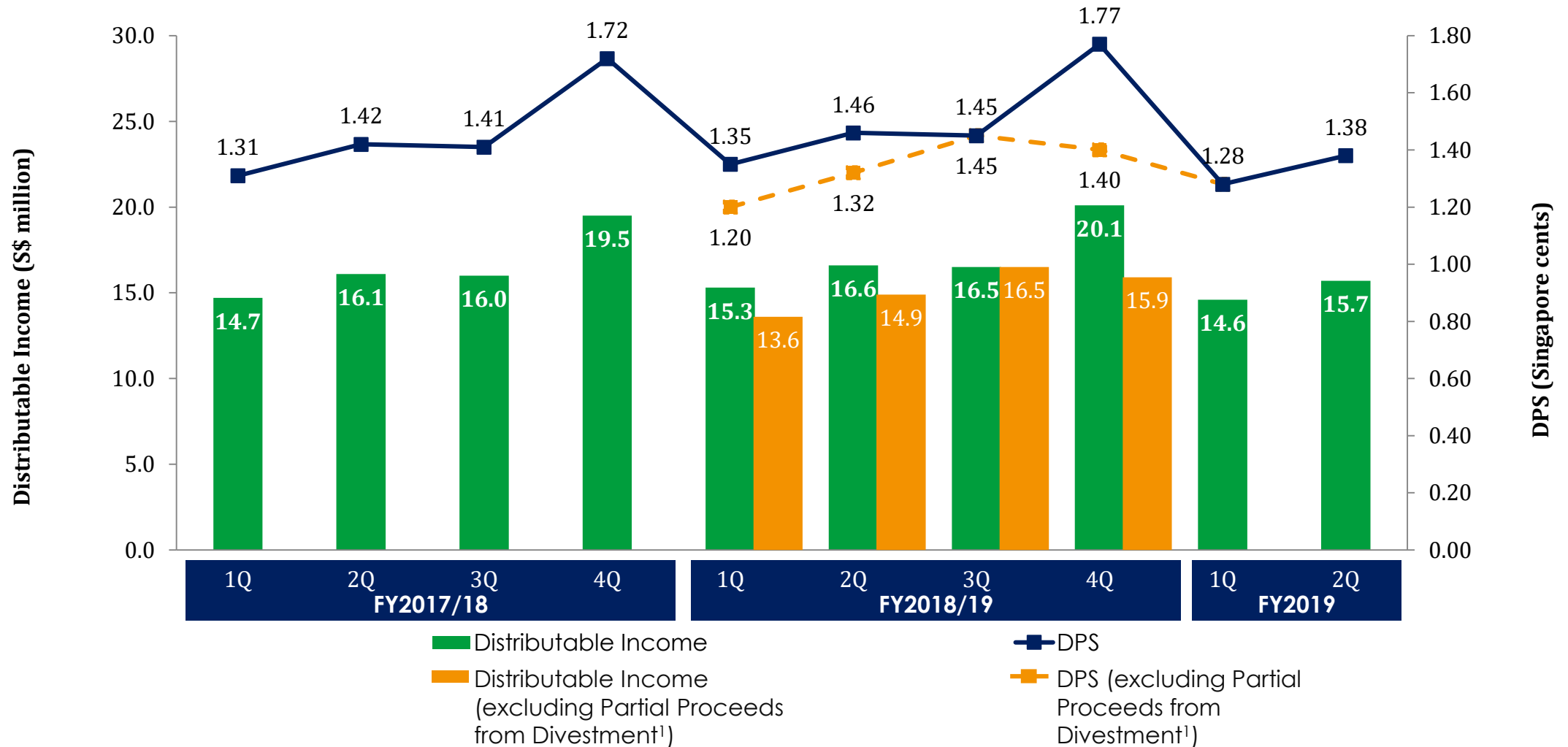
# Results Summary – 6M FY2019

S\$' million	6-Month Period (6M)		Change <sup>2</sup>
	FY2019 <sup>1</sup>	FY2018/19	
Gross Revenue <sup>3</sup>	94.0	91.3	2.9%
Net Property Income <sup>3</sup>	42.4	39.2	8.3%
NPI Margin (%)	45.1	42.9	2.2pp
Income available for distribution	32.6	34.3	(4.9)%
Income available for distribution net of retention <sup>4</sup>	30.3	31.9	(4.9)%
- Operations	30.3	28.6	6.1%
- Partial Proceeds from Divestment	-	3.3	-
DPS (cents) <sup>4</sup>	2.66	2.81	(5.3)%
Adjusted DPS (cents)	2.66	2.52 <sup>5</sup>	5.6%

- Full six-month contribution from all five hotels acquired during FY2018/19
- Partially offset by lower contribution from Australia portfolio and weaker AUD and KRW against SGD

1. The current financial year end will be a 9-month period from 1 April 2019 to 31 December 2019 following the change of financial year end to 31 December.  
 2. Save for DPS, percentage changes are based on figures rounded to nearest thousands.  
 3. Gross revenue and net property income for the corresponding period last year excluded contribution from the China portfolio, which was divested on 18 May 2018. Including contribution from the China portfolio, gross revenue and NPI for 6M FY2018/19 were S\$94.6 million and S\$40.7 million, respectively.  
 4. Retention of distributable income for 6M FY2019 and 6M FY2018/19 were based on 7.0% of distributable income, respectively.  
 5. Excluding the partial distribution of proceeds from the sale hotels in China.

# Distribution History



1. Excluding the partial distribution of proceeds from the divestment of Novotel Beijing Sanyuan and ibis Beijing Sanyuan.

# Distribution Details

Distribution for the period 1 April 2019 to 30 September 2019:

**2.66** Singapore cents per stapled security

<b>Notice of Books Closure Date</b>	<b>29 October 2019</b>
<b>Ex-Distribution Date</b>	<b>5 November 2019, 9.00 am</b>
<b>Books Closure Date</b>	<b>6 November 2019, 5.00 pm</b>
<b>Distribution Date</b>	<b>4 December 2019</b>

October 2019						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2019						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

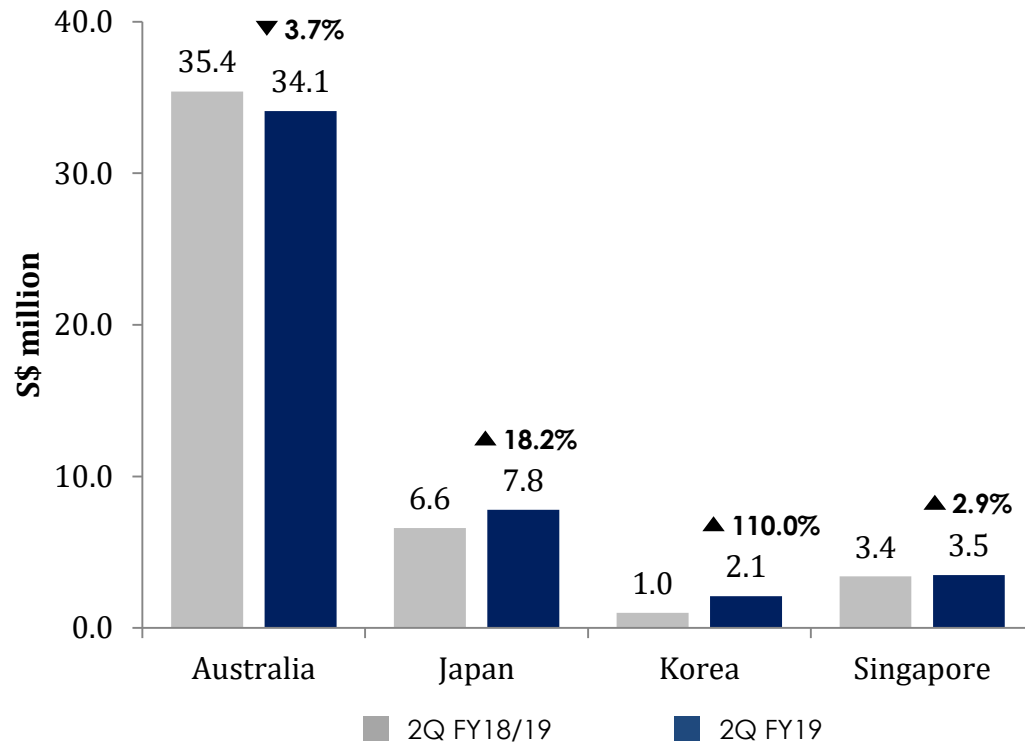


## 2. Portfolio Performance

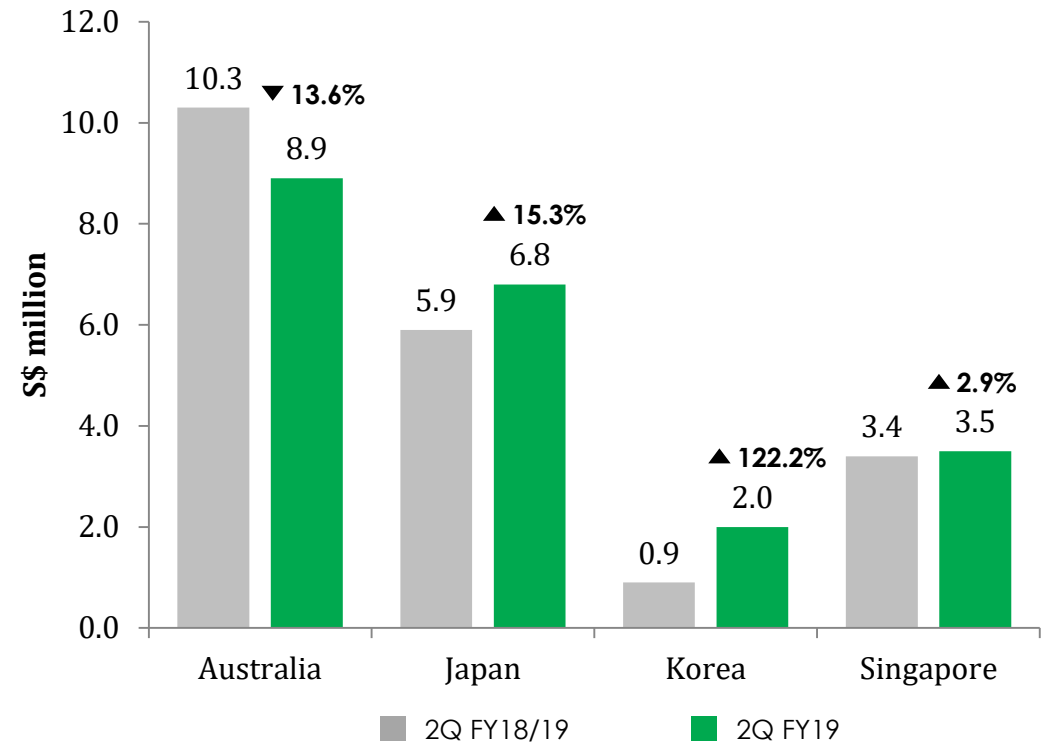


# Performance by Country

## Gross Revenue



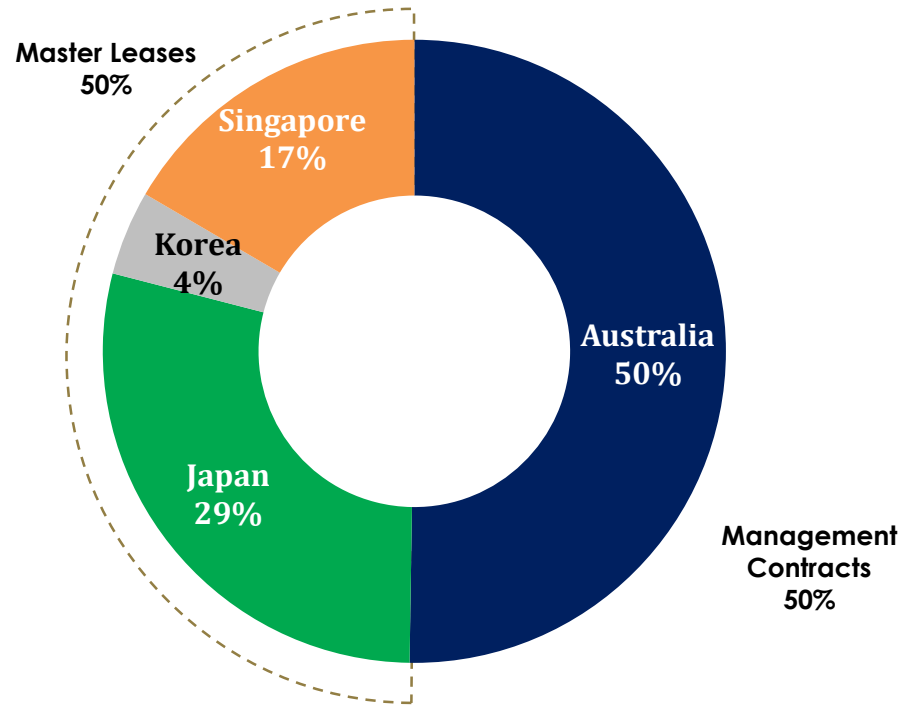
## Net Property Income



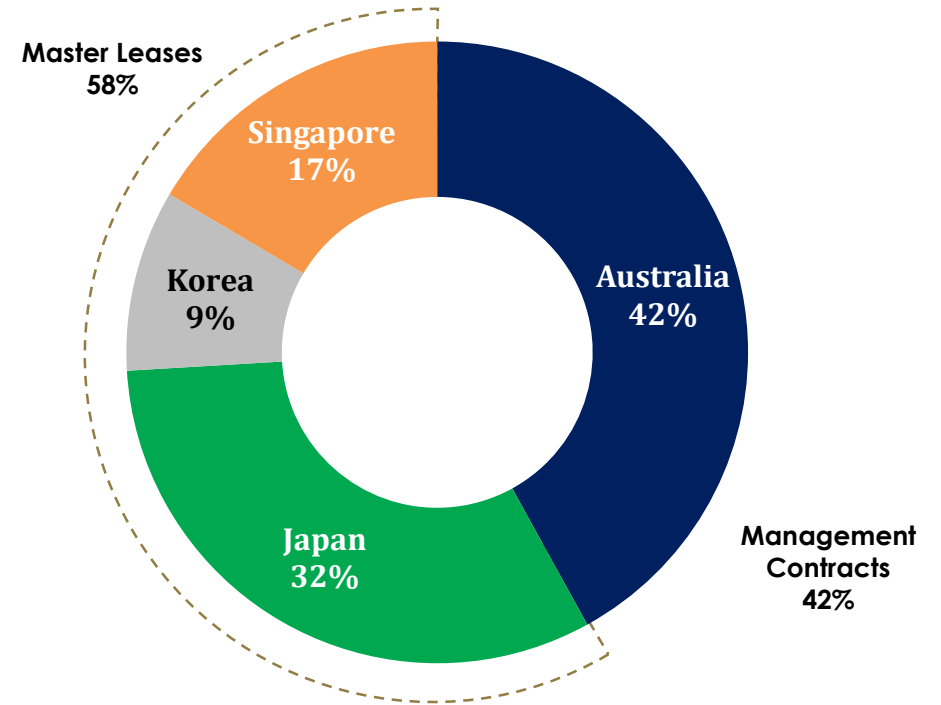
- Overall portfolio as the three WBF-branded hotels and ibis Ambassador Seoul Insadong that were acquired between September 2018 and December 2018 contributed positively and made up for weaker performance from Australia portfolio.

# Added income stability

2Q FY2018/19 Net Property Income



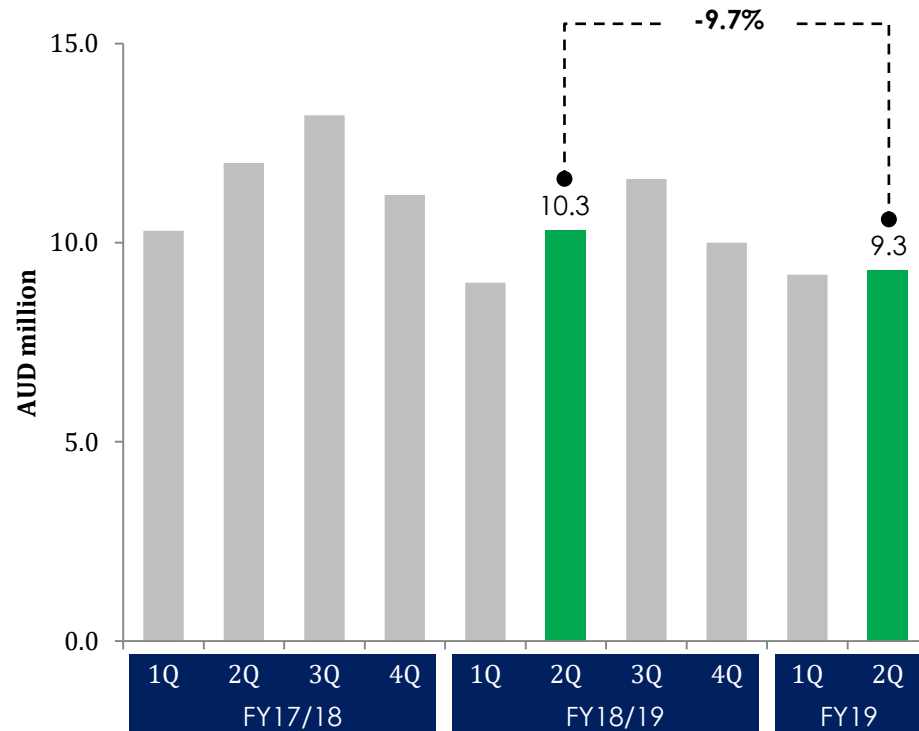
2Q FY2019 Net Property Income



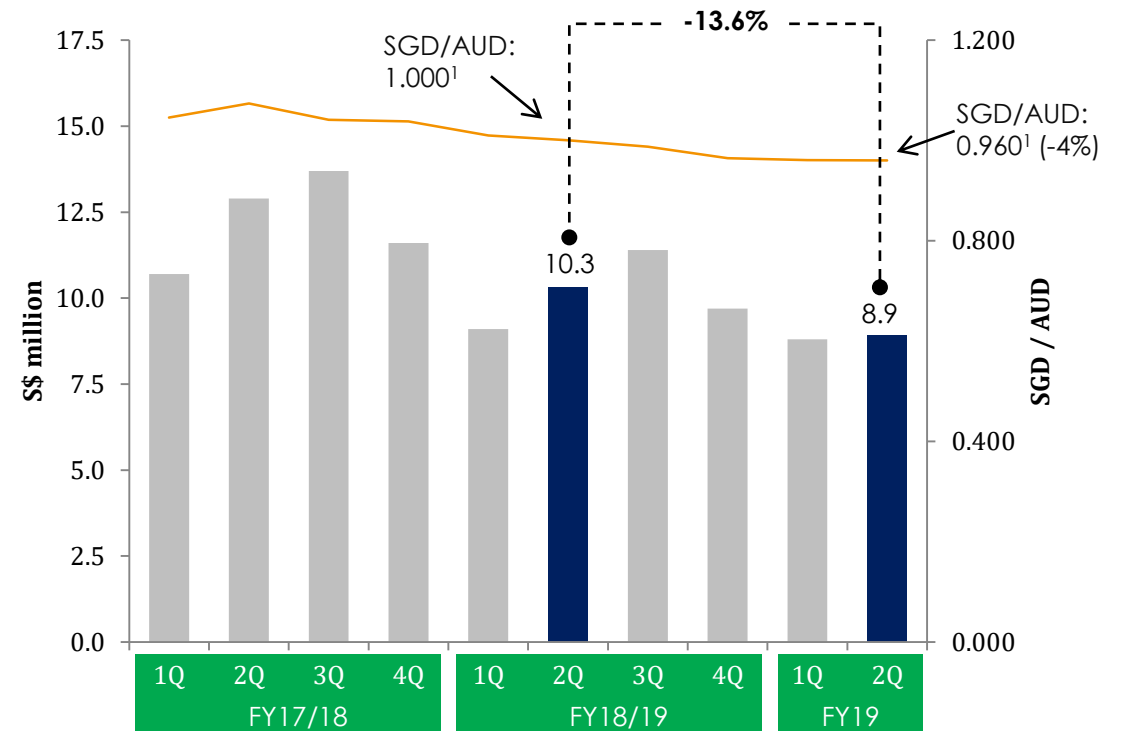
- The three WBF-branded hotels and ibis Ambassador Seoul Insadong, which were all hotels on master leases, helped to improve the overall income stability of the portfolio.

# Australia – Softer performance

Net Property Income in AUD



Net Property Income in SGD

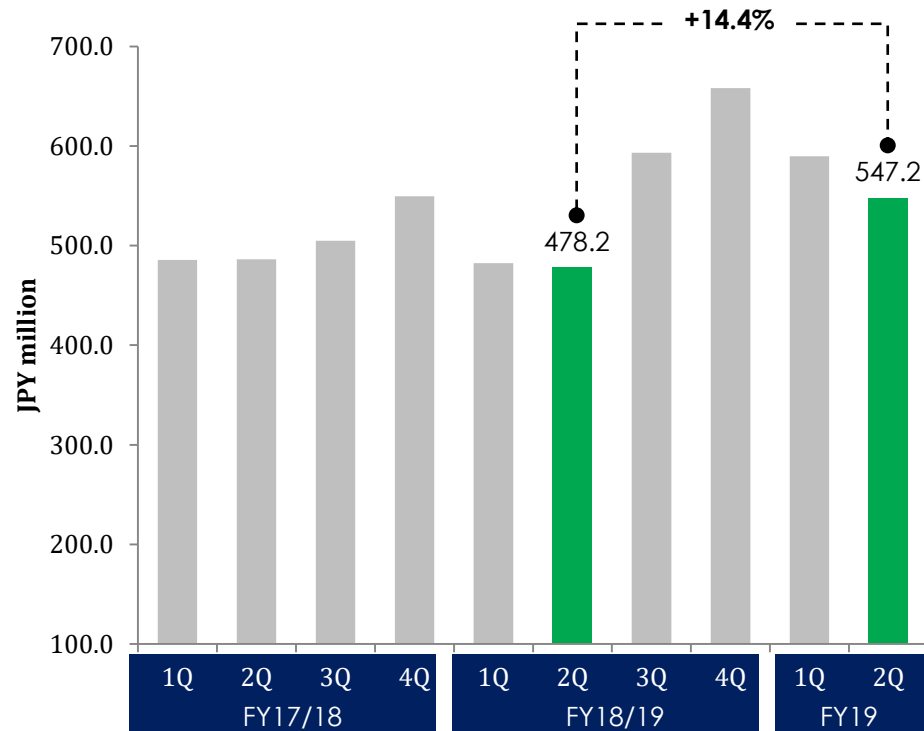


- Despite the challenges in the Sydney market, Pullman Sydney Hyde Park posted better y-o-y results for the quarter as a result of stronger C&E business. Rooms refurbishment is ongoing for Novotel Sydney Parramatta which is expected to be completed in December 2019.
- The hotel in Melbourne experienced improved C&E business during the quarter, but overall performance was affected by the new supply in the city.
- The performance of the hotel in Brisbane continued to improve, and its earnings were further lifted by higher contribution from F&B business.

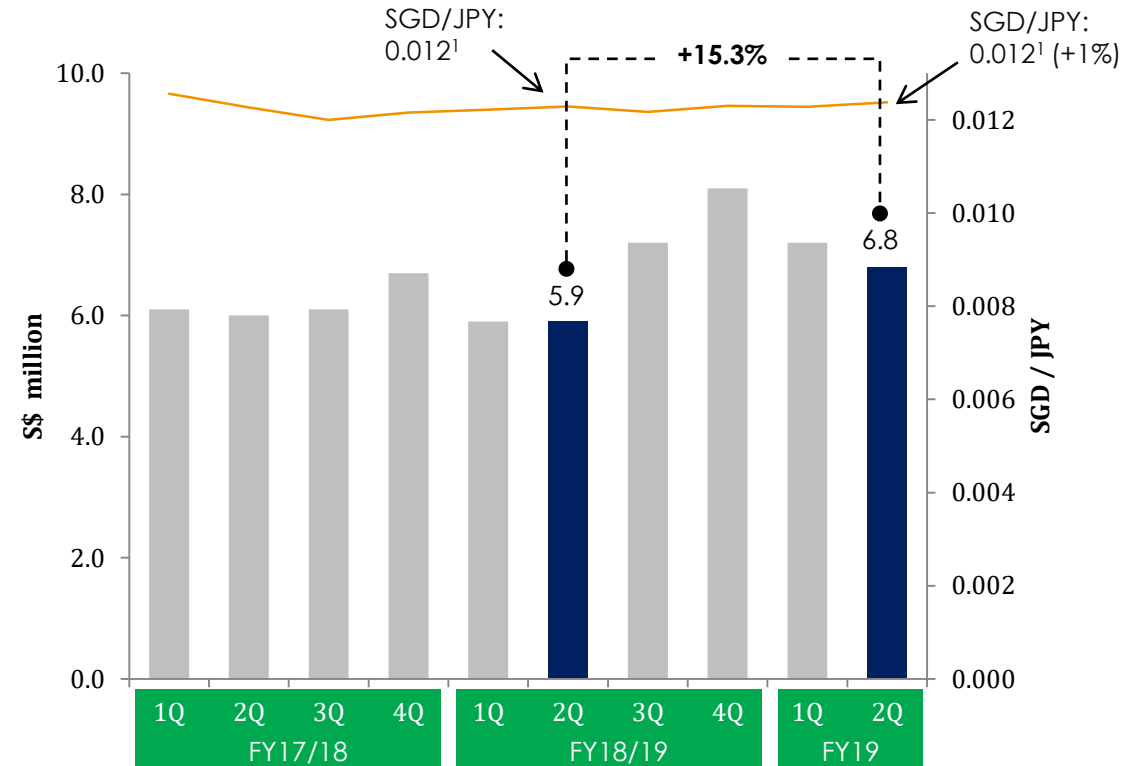
1. Based on average rate used for the respective quarter.

# Japan – Positive contribution from portfolio

Net Property Income in JPY



Net Property Income in SGD

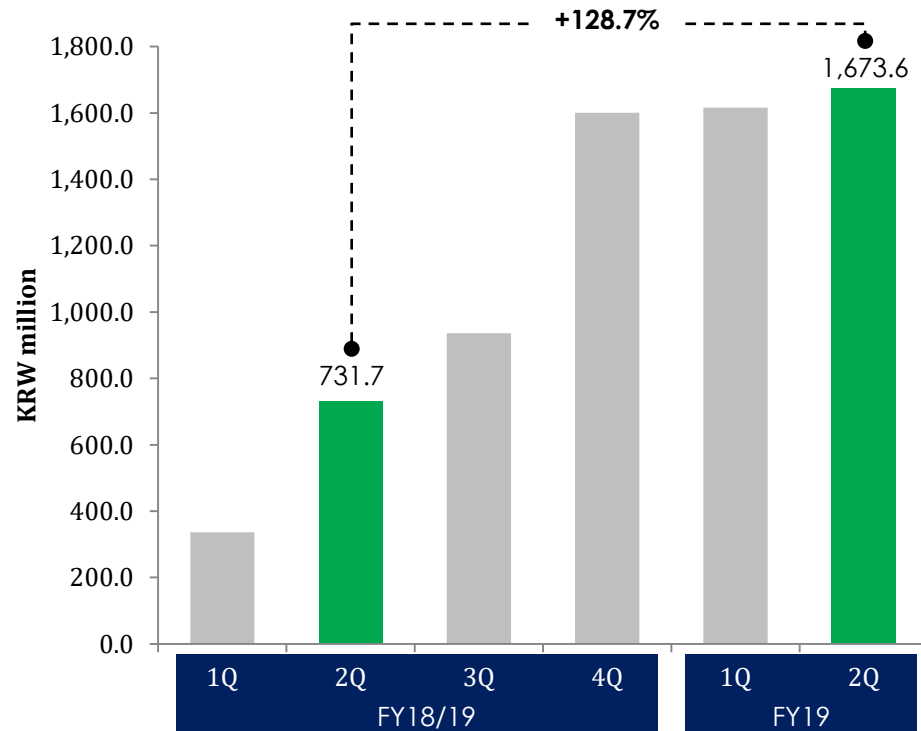


- The contribution from Japan portfolio in 2Q FY2019 was boosted by contribution from the three WBF-branded hotels acquired between September 2018 and December 2018, although the hotel in Namba was affected by the reduced number of South Korean tourists visiting.
- During the quarter, Hotel Sunroute Ariake was rebranded as Sotetsu Grand Fresa Tokyo-Bay Ariake as the operator seeks to differentiate the hotel, and there was no change to the terms of the master lease.

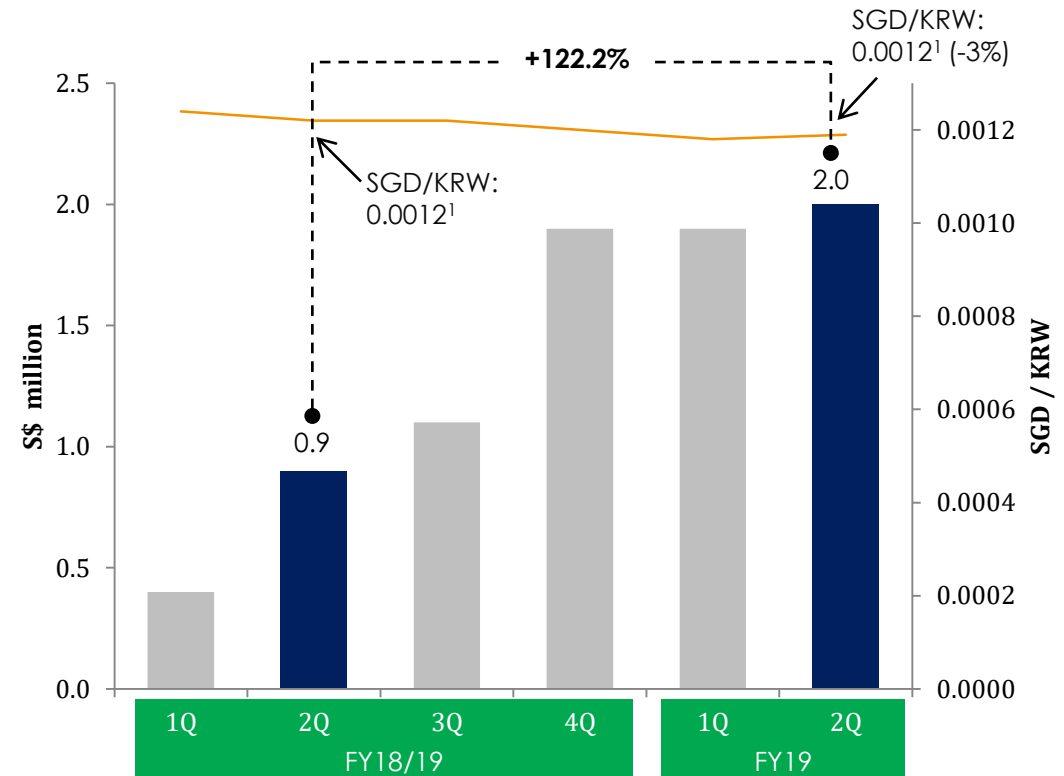
1. Based on average rate used for the respective quarter.

# South Korea – Portfolio delivers growth

Net Property Income in KRW



Net Property Income in SGD

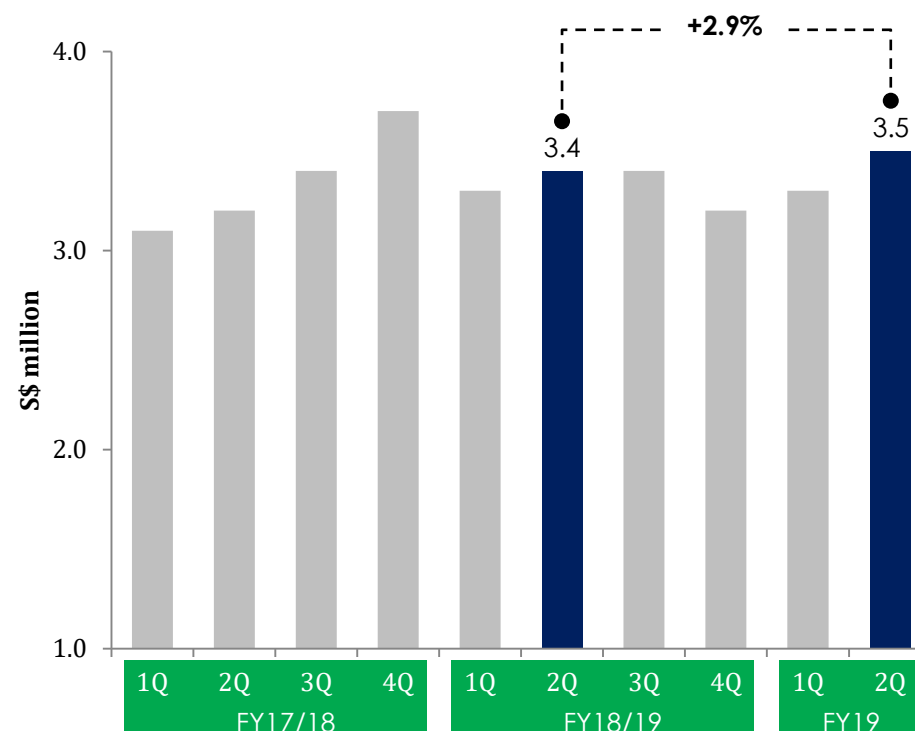


- The performance of the South Korea portfolio for the quarter improved y-o-y due to the contribution from ibis Ambassador Seoul Insadong which was acquired in December 2018.
- Underlying performance of both hotels continued to improve with y-o-y RevPAR growth.

1. Based on average rate used for the respective quarter.

# Singapore – Income remains stable

Net Property Income in SGD



- While the underlying performance of the Park Hotel Clarke Quay was affected by weaker transient demand during the quarter, the master lease arrangement for the hotel mitigated the impact to A-HTRUST.

# 3. Capital Management





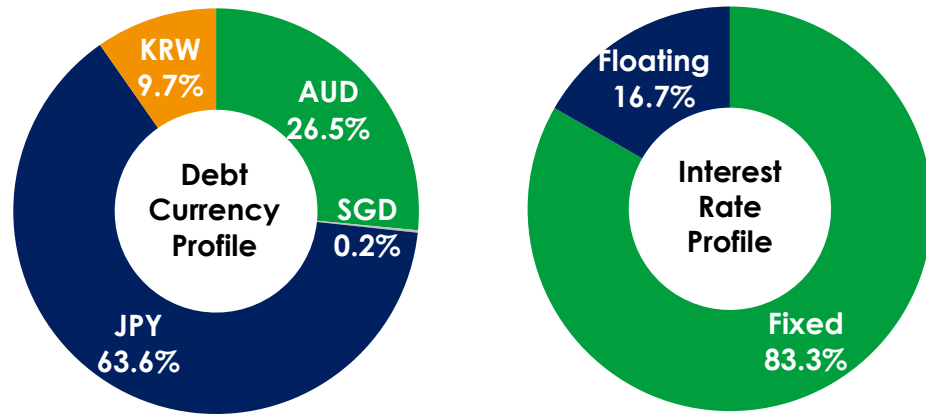
# Prudent capital management

	As at 30 September 2019	As at 30 June 2019
<b>Borrowings (\$\$ m)</b>	655.7	646.8
<b>Total Assets (\$\$ m)</b>	1,953.3	1,909.6
<b>A-HTRUST Gearing (%)</b>	33.8	34.1
- A-HREIT Gearing (%)	35.7	35.6
- A-HBT Gearing (%) <sup>1</sup>	32.1	32.6
<b>A-HTRUST Interest Cover (times)<sup>2</sup></b>	11.9	12.8
<b>Average interest rate (%)</b>	1.8	1.9
<b>Weighted average debt to maturity (years)</b>	3.3	3.5
<b>Net asset value per stapled security (\$\$)</b>	1.01	0.99

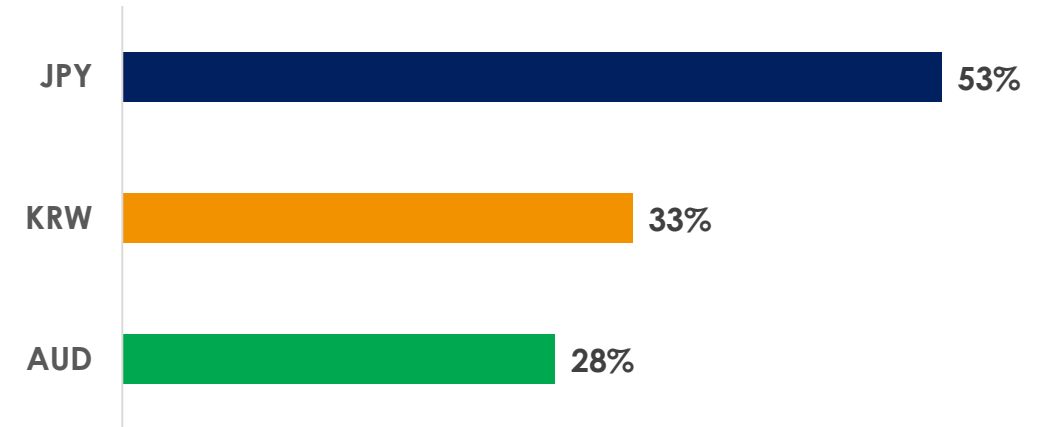
1. Does not include SFRS(I) 16 Leases accounting adjustments recorded in A-HBT's financial statements.
2. Blended basis, computed based on earnings before interest, tax, depreciation and amortisation over interest expenses.

# Balanced debt profile

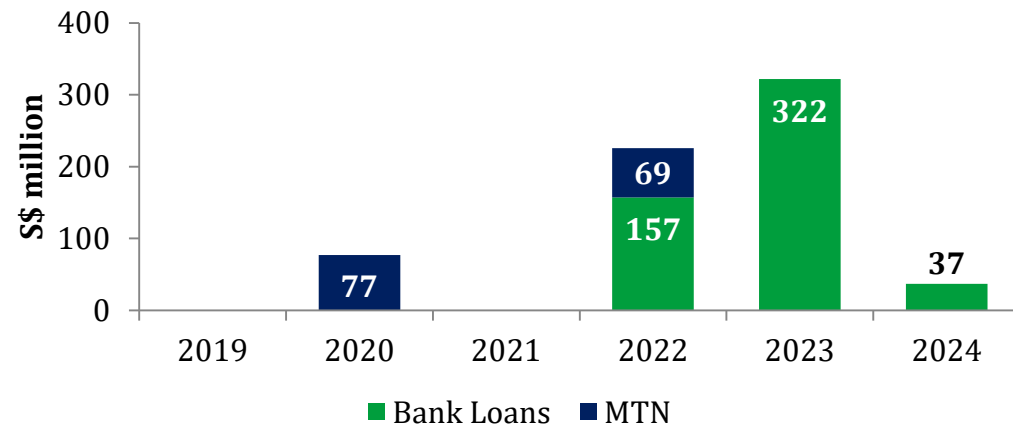
## Debt Profile



## Balance Sheet Hedging



## Debt Maturity Profile



- High proportion of borrowings in fixed rates.
- Well spread out maturity profile of borrowings.

## 4. Looking Ahead

# Australia



## Outlook

- The demand for hotel accommodation in Australia is expected to grow as both international arrivals and domestic overnight trips continued to improve for the year ended 30 June 2019<sup>1</sup>.
- However, the hotel market conditions in Sydney and Melbourne are expected to remain competitive in the near term due to increase in supply of hotel rooms.
- The hotel market in Brisbane is expected to continue its recovery, further buoyed by upcoming attractions in the city over the next few years, including the on-going development of an integrated resort in Queen's Wharf and the proposed 'Brisbane Live' entertainment precinct.

### AUSTRALIA PORTFOLIO

Properties: 6

Land Tenure: All freehold

Number of Rooms: 1,702

Valuation: AUD638.0 million<sup>2</sup>

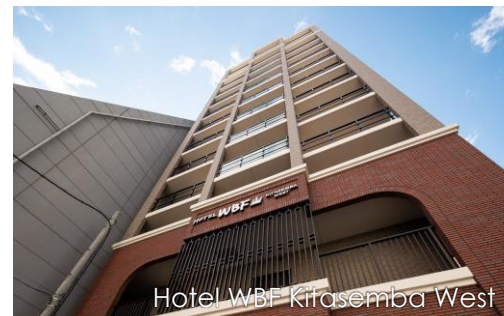


1. Source: Tourism Research Australia.  
2. As at 31 March 2019.

# Japan

## Outlook

- The Tokyo hotel market is expected to benefit from major international events held in the city such as the 2020 Tokyo Olympics.
- The hotel market in Osaka is expected to experience weaker market conditions due to a decrease in South Korean visitors against the backdrop of ongoing tension between the two countries, compounded by increase in supply of hotel rooms.
- However, the new attraction at Universal Studios Japan and hosting of the 2025 World Expo will provide a boost for the Osaka hotel market in the medium term.
- The proposed development of two integrated resorts in Japan will also benefit the tourism sector of the country in the longer term.



## JAPAN PORTFOLIO

Properties: 5

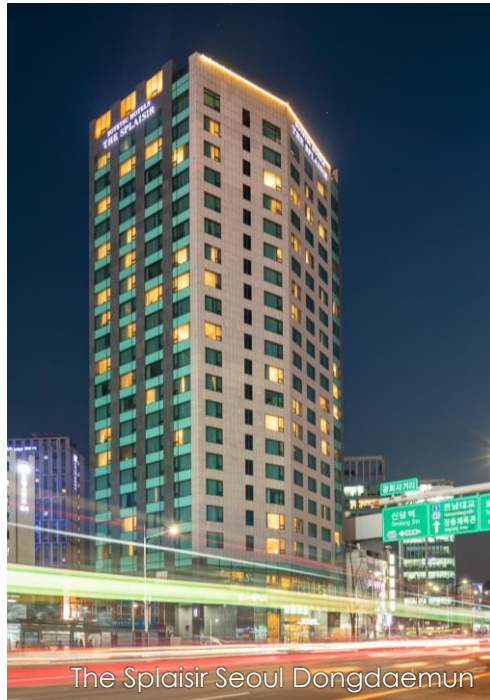
Land Tenure: All freehold

Number of Rooms: 2,128

Valuation: JPY57,050.0 million<sup>3</sup>

1. Formerly known as Hotel Sunroute Ariake.  
2. Formerly known as Hotel Sunroute Osaka Namba.  
3. As at 31 March 2019.

# South Korea



The Splaisir Seoul Dongdaemun



The Splaisir Seoul Dongdaemun



The Splaisir Seoul Dongdaemun

## SOUTH KOREA PORTFOLIO

Properties: 2

Land Tenure: All freehold

Number of Rooms: 578

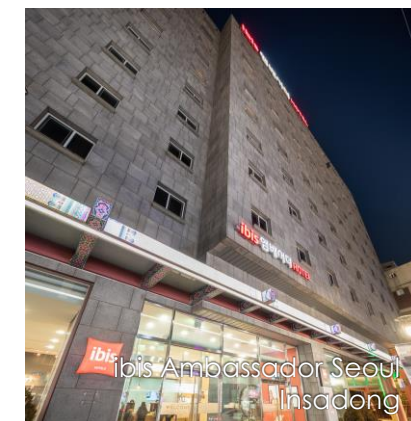
Valuation: KRW161,500.0 million<sup>2</sup>

## Outlook

- International arrivals into South Korea continued to be robust with a y-o-y growth of 16.1% to 12.9 million visitors YTD September 2019<sup>1</sup>.
- Its top three source markets posted strong growth, with the number of Chinese visitors increasing by 27.1% y-o-y for the period YTD September 2019<sup>1</sup>.
- With upcoming supply of hotel rooms expected to be relatively moderate, the general performance hotel market is expected to improve as inbound arrivals continue to grow.



ibis Ambassador Seoul Insadong



ibis Ambassador Seoul Insadong

1. Source: Korea Tourism Organization.

2. As at 31 March 2019 and based on 100% interest in the hotels. A-HTRUST holds 98.7% and 98.8% interest in The Splaisir Seoul Dongdaemun and ibis Ambassador Seoul Insadong, respectively. The remaining interest in the hotels are held by a sponsor-related entity.

# Singapore



## SINGAPORE PORTFOLIO

Properties: 1

Land Tenure: 99 years expiring 2105

Number of Rooms: 336

Valuation: S\$325.0 million<sup>2</sup>



## Outlook

- The growth trend in international arrivals continued as Singapore welcomed 12.9 million international visitors during the first eight months of 2019, an increase of 1.9% y-o-y<sup>1</sup>, and the new developments such as expansion of the two integrated resorts are expected to continue driving inbound over the longer term.
- Singapore was also recently ranked as world's most competitive economy, reinforcing its position as a key global economic centre which is expected to drive corporate demand. As inbound arrivals continue to grow, this will support the hotel market amidst the expected modest increase in supply.

1. Source: Singapore Tourism Board.  
2. As at 31 March 2019.



# Thank you

**Ascendas Hospitality Fund Management Pte. Ltd.**

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