



ARA US HOSPITALITY TRUST FINANCIAL RESULTS

For the second half and financial year ended
31 December 2021

23 February 2022



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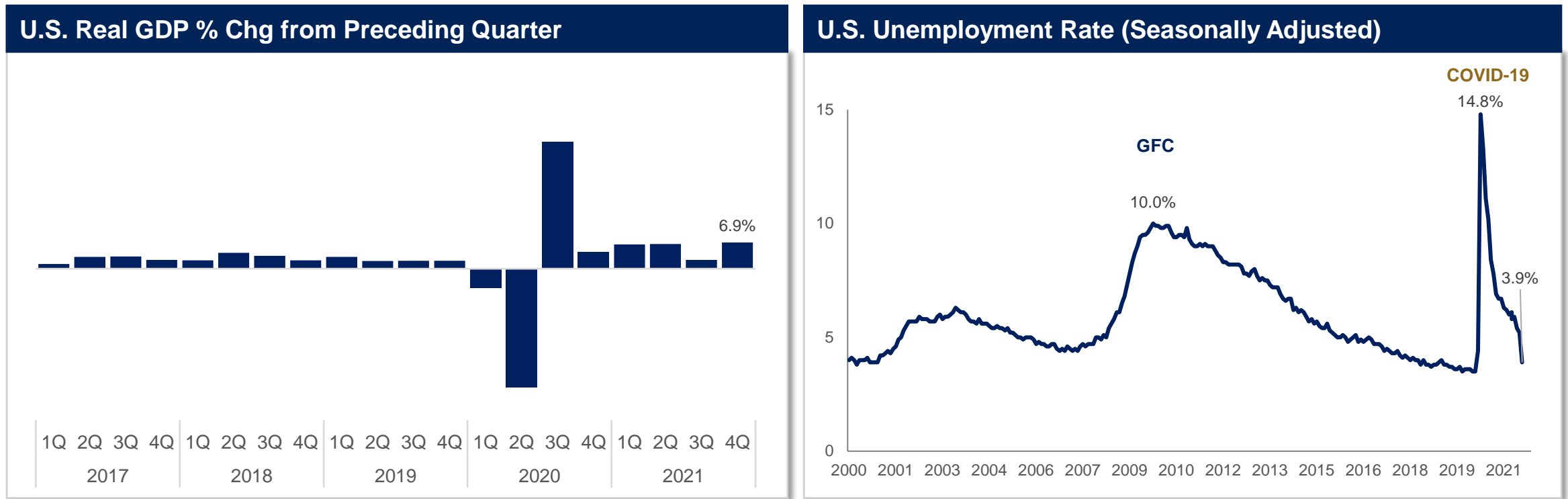
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A large American flag is shown waving on a tall pole against a clear blue sky with scattered white clouds. The flag is positioned on the left side of the frame, and a diagonal white line separates the sky image from the white background on the right.

U.S. MARKET UPDATE

U.S. Economic recovery continued in 2021

Near-term economic indicators continue to be robust



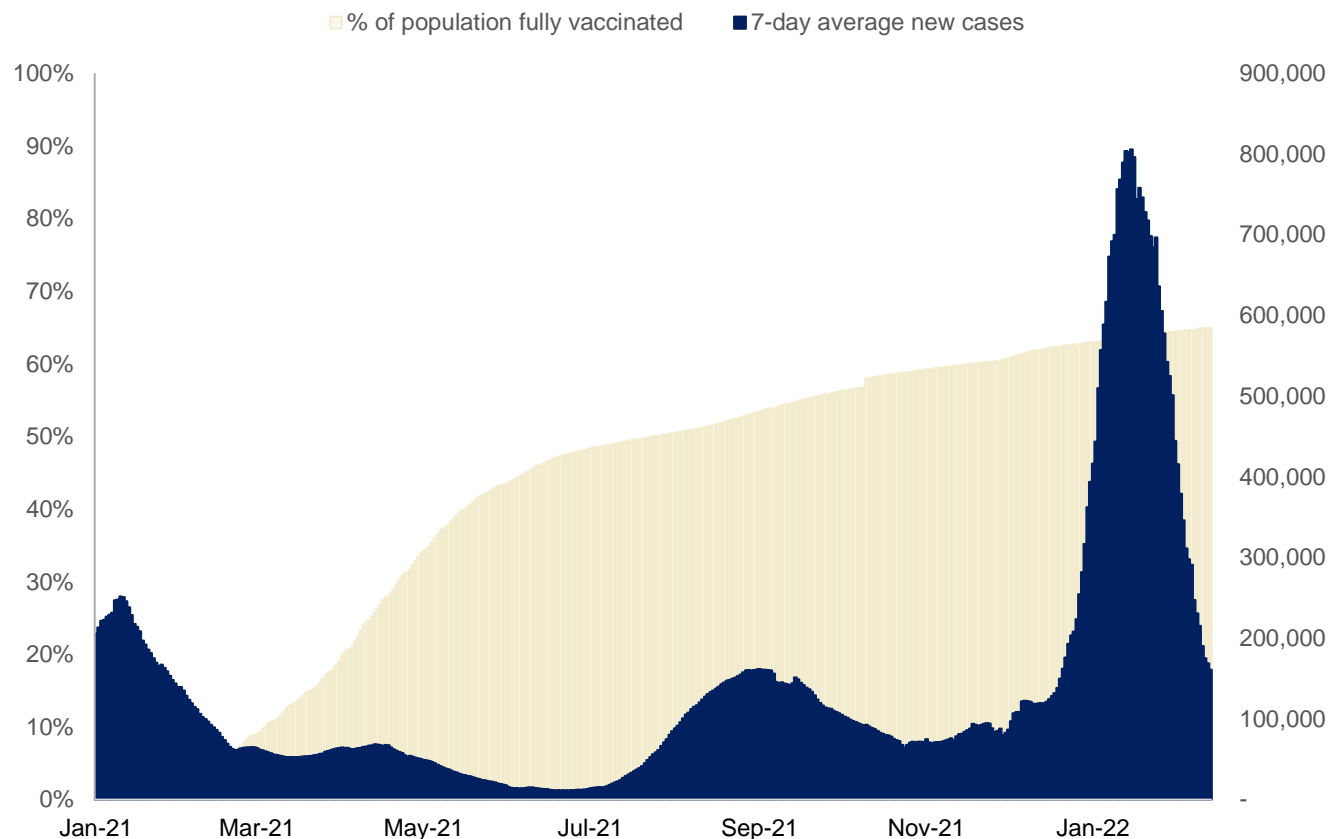
- Real gross domestic product (GDP) increased 6.9% in 4Q 2021, after increasing 2.3% in 3Q 2021
- U.S. CPI rose 7.0% for 2021, the largest 12-month increase since the period ending June 1982
- Unemployment rate improved to 3.9% in Dec 2021, closer to pre-COVID-19 levels
- Federal fund rates continue to anchor near 0% in the near term, with the first rate hike anticipated in March 2022

COVID-19 Cases Surged in Jan 2022 driven by Omicron variant



U.S. economic growth accelerated late 2021 but lost momentum at the end due to Omicron wave

COVID-19 Cases in the U.S. vs. % of Population Fully Vaccinated



- 7-day moving average peaked at ~800k cases mid-Jan, down 80% to ~160k cases by mid Feb
- Omicron variant was more contagious than the Delta variant, but is fading quickly as it is milder

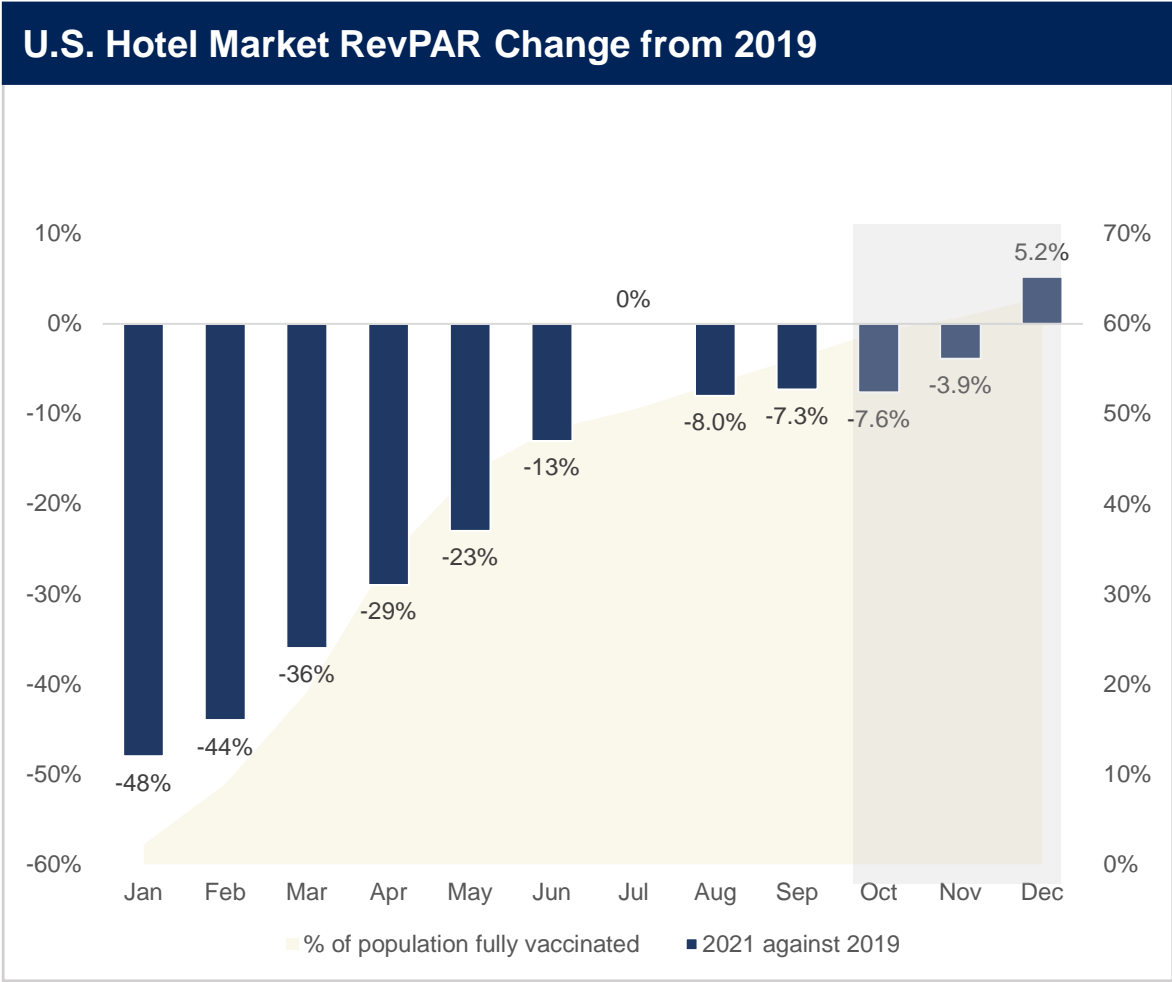
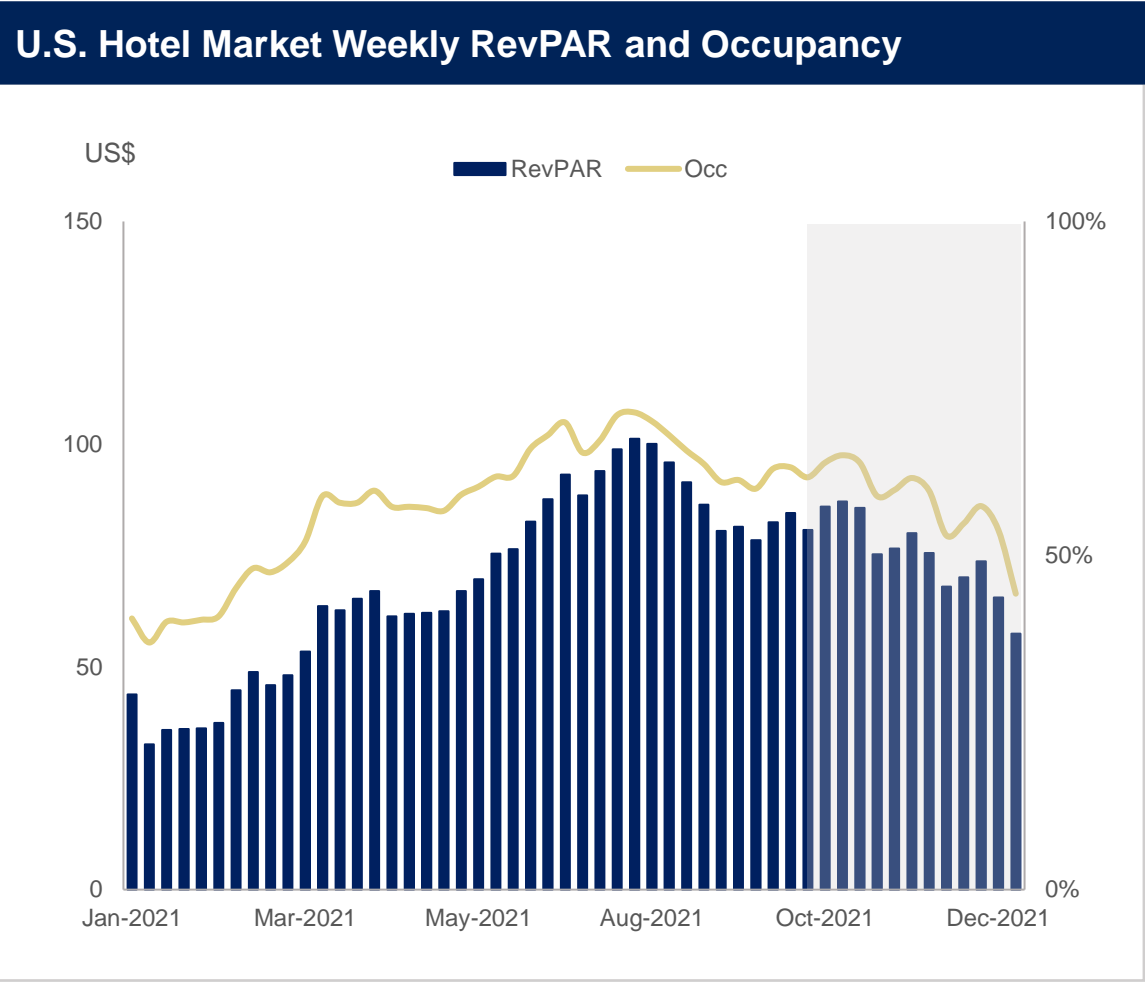
U.S. vaccination statistics

Vaccination status	Count (mil)	% of Population
One Dose	251	76%
Fully vaccinated	213	64%
Fully vaccinated with booster dose	90	42%

U.S. Hotel Market Recovery Supported by Strong Leisure Demand



Vaccination availability and uptake improved confidence in travel





FY2021 FINANCIAL & OPERATIONAL HIGHLIGHTS

FY2021 Key Highlights

Recovery on Track



Gross Revenue
US\$ 130.7 mil
 (FY2020: US\$78.1 mil)

RevPAR
US\$64
 (FY2020: US\$42)

Net Property Income
US\$24.9 mil
 (FY2020: US\$5.0 mil loss)

Distributable Income
US\$ 2.0 mil¹
 (FY2020: NIL)

Portfolio Valuation
US\$722.6 mil
 (FY2020: US\$686.9 mil)

Aggregate leverage ratio
44.3%
 (FY2020: 48.2%)

New Loan Facility
US\$95 mil
 Refinancing existing loans to extend maturity to 2.6 years

Portfolio Optimization
 Selective potential divestment of non-core assets

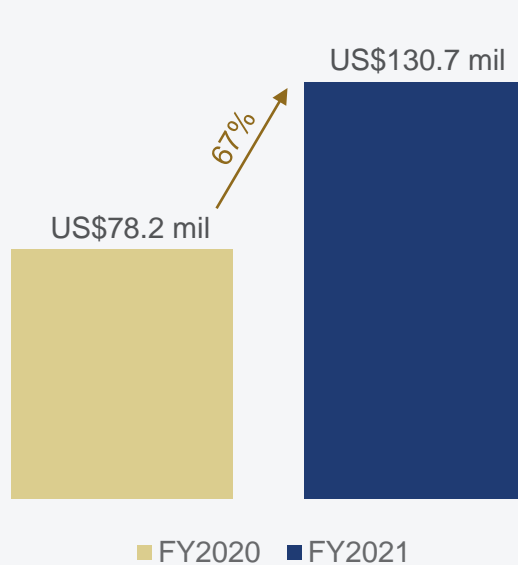
¹ After setting aside US\$11.2 million reserve for capital expenditure in FY2021. Reserve for capital expenditure will be utilized for long-term capital asset improvements and refurbishment investments for the hotels.

FY2021 Key Performance Indicators

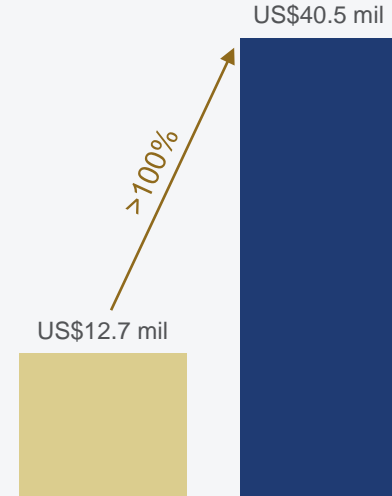
Improvement across all performance indicators



Gross Revenue
US\$130.7 mil



Gross Operating Profit
US\$40.5 mil



Net Property Income
US\$24.9 mil



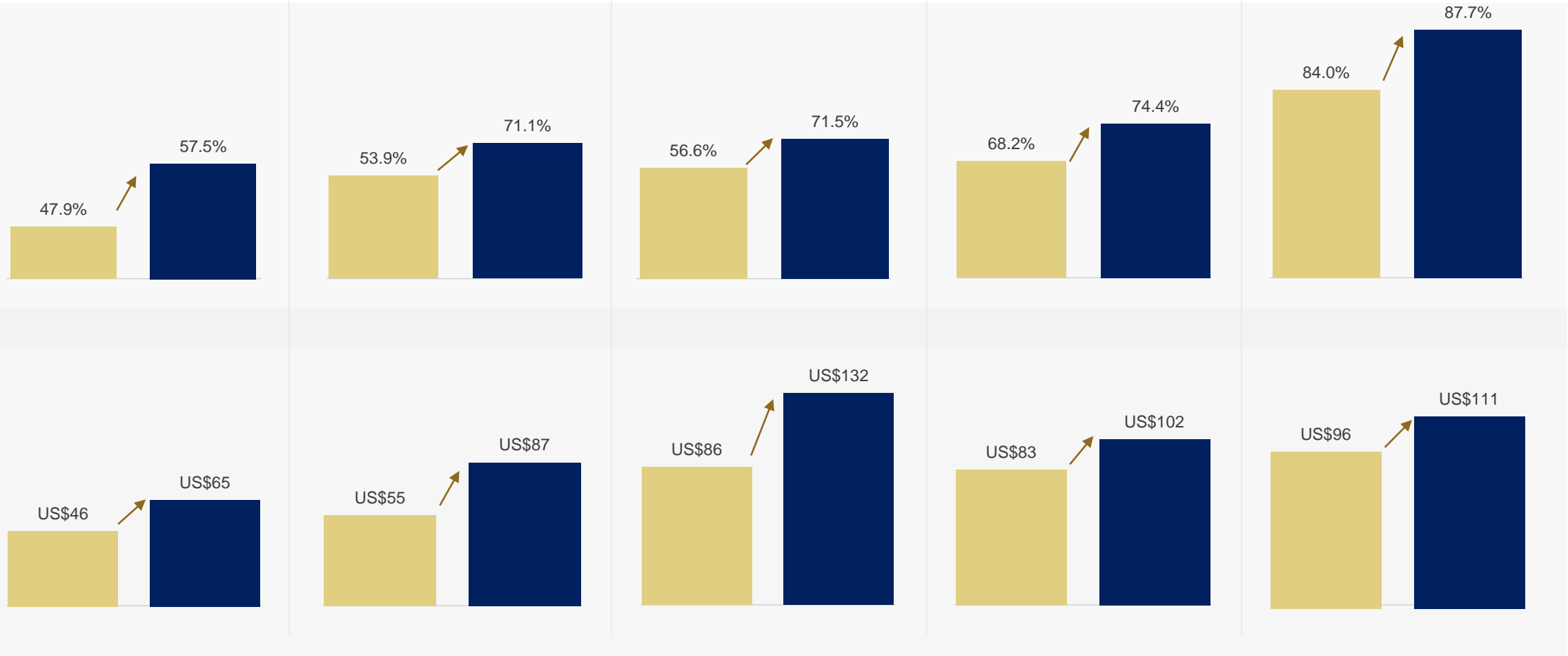
Portfolio Performance by Brands

Sustained recovery in occupancy and RevPAR across the portfolio



Occupancy

RevPAR



■ 1H 2021 ■ 2H 2021

2H 2021 Key Performance Indicators

Continuous Improvement in Portfolio Performance

	1H 2021	2H 2021	Change
Portfolio Indicators			
Occupancy	51.2%	62.9%	11.7 pp
RevPAR	US\$52	US\$75	44.2%
RevPAR Index (RPI)	106.1%	104.6%	-1.5 pp
Financial Indicators			
Gross Revenue	US\$52.8 mil	US\$77.8 mil	47.3%
Gross Operating Profit (GOP)	US\$14.1 mil	US\$26.3 mil	86.5%
<i>GOP Margin</i>	26.7%	33.8%	7.1 pp
Net Property Income (NPI)	US\$9.1 mil	US\$15.8 mil	73.6%
<i>NPI Margin</i>	17.3%	20.3%	3.0 pp
Distributable Income	-	US\$2.0 mil ¹	N.M.
Distribution per Stapled Security (US cents)	-	0.355	N.M.

¹ After setting aside US\$11.2 million reserve for capital expenditure in FY2021. Reserve for capital expenditure will be utilized for long-term capital asset improvements and refurbishment investments for the hotels.

Distribution Schedule



- Distribution of 0.355 US cents per Stapled Security to be paid on 30 March 2022
- Stapled Securityholders NOT required to submit W-8Ben or W-9 Forms
- Distributions are semi-annual

Distribution Schedule

Ex-Distribution Date

2 March 2022 at 9.00 a.m.

Books Closure Date

3 March 2022 at 5.00 p.m

Payment Date

30 March 2022

Valuation uplifted with recovery underway

Increase in portfolio valuation as underlying fundamentals improve

2020 Valuation

As at 31 Dec 2020

US\$ 686.9 mil

2021 Valuation

As at 31 Dec 2021

US\$722.6 mil

▲ 5.2%

- 5.2% increase in total portfolio value as at 31 Dec 2021 compared to 31 Dec 2020
- Valuation uplift in line with market and recovery trajectory
- U.S. hotel transaction volume in 2021 up 395% yoy, exceed pre-pandemic levels by 43%¹

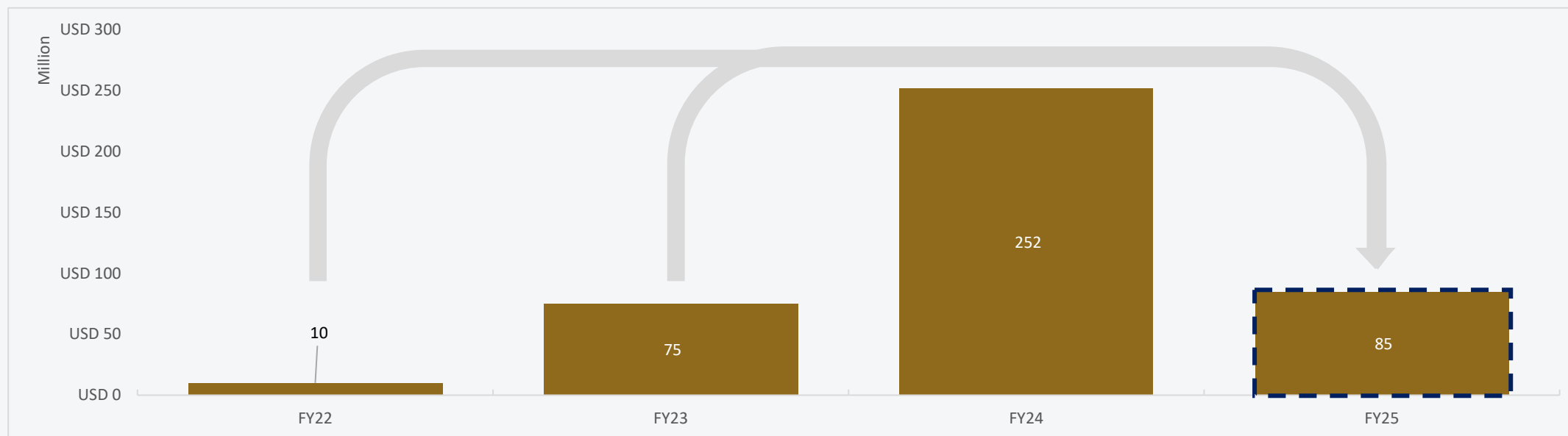
Sound Financial and Liquidity Position

	As at 30 Sep 2021	As at 31 Dec 2021
NAV per Stapled Security	US\$0.61	US\$0.70
Cash Balance	US\$28.5 mil	US\$19.2 mil
Total Debt Outstanding	US\$350.3 mil	US\$338.1 mil
Aggregate Leverage Ratio	48.4%	44.3%
Interest Cover Ratio	2.0x	2.0x
Weighted Average Debt Maturity	2.2 years	2.0 years
Average Cost of Debt (p.a.)	3.4%	3.4%
% of Fixed Debt	76.6%	79.1%

Proactive Capital Management

SG lender banks continue to be supportive

Debt Maturity Profile (Dec 2021)



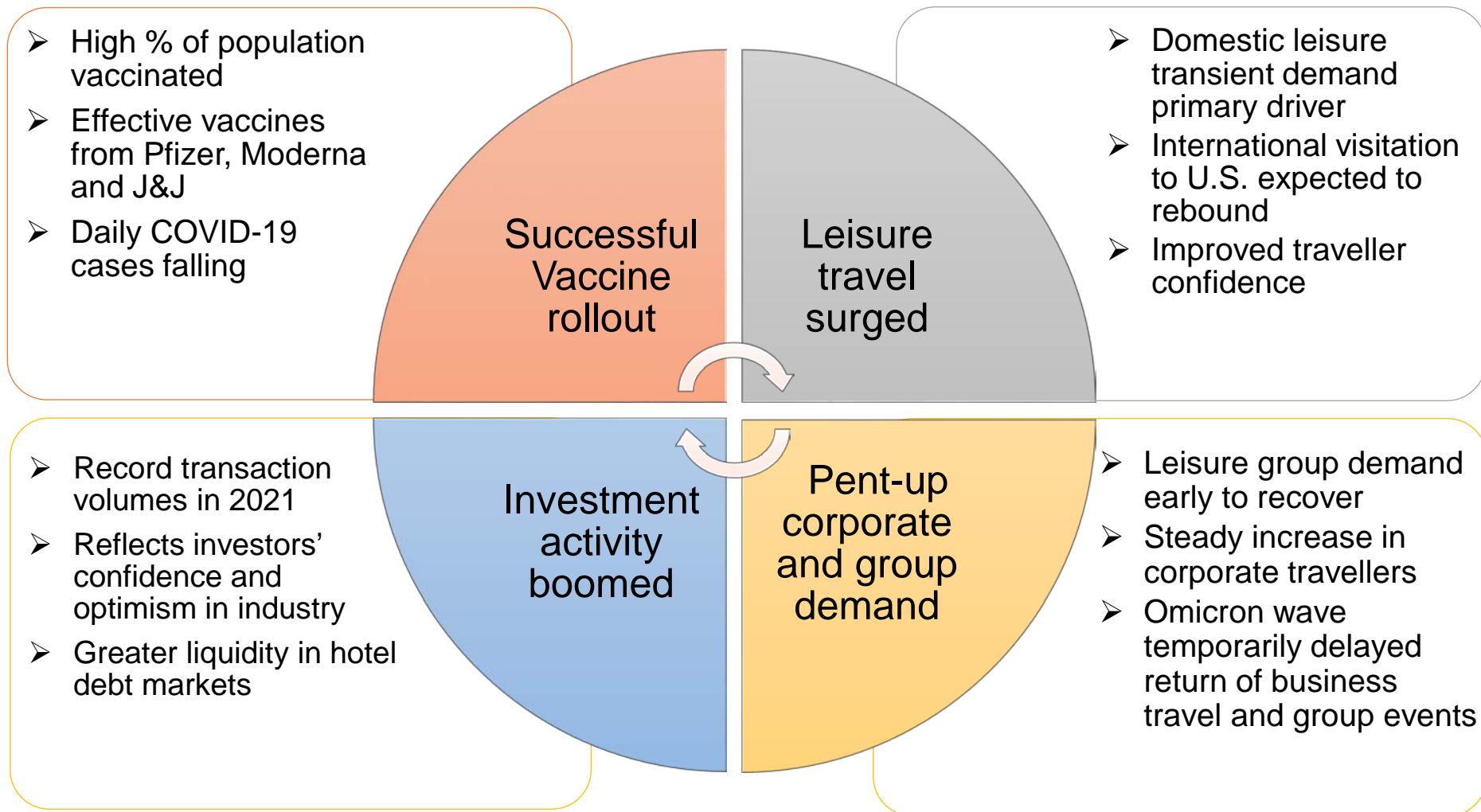
- Proactively started early refinancing for short-term loans
 - New US\$95 mil 3-year unsecured facility in place to refinance existing loans maturing in FY2022 & FY2023
- Extended overall debt maturity profile from 2.0 years to 2.6 years
- US\$19 mil committed undrawn facilities¹ available

¹ Include US\$10 mil undrawn revolving facility maturing in FY2025

LOOKING AHEAD

Going Forward

Fundamentals bode well for 2022 and beyond



Recovery to Pre-pandemic levels continue to advance

Hotel industry fundamentals are poised for continued recovery

Year	2018	2019	2020	2021	2022F	2023F	2024F
Occupancy	66%	66%	44%	58%	64%	66%	67%
ADR	\$130	\$131	\$103	\$125	\$134	\$140	\$145
RevPAR	\$86	\$87	\$45	\$72	\$86	\$92	\$97
RevPAR compared w/ 2019	N.A.	-	-50%	-17%	-1%	+7%	+12%

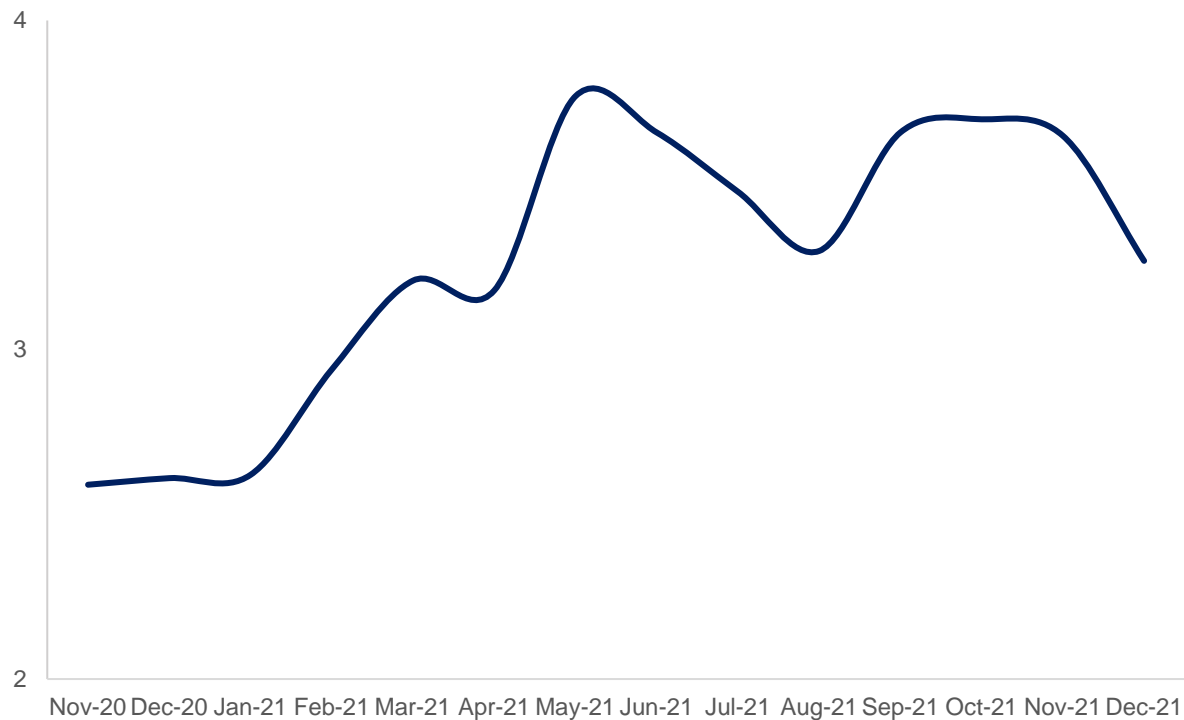
Road to Recovery for Domestic Business Travel



Omicron effect moderated travel confidence and delayed business travel return

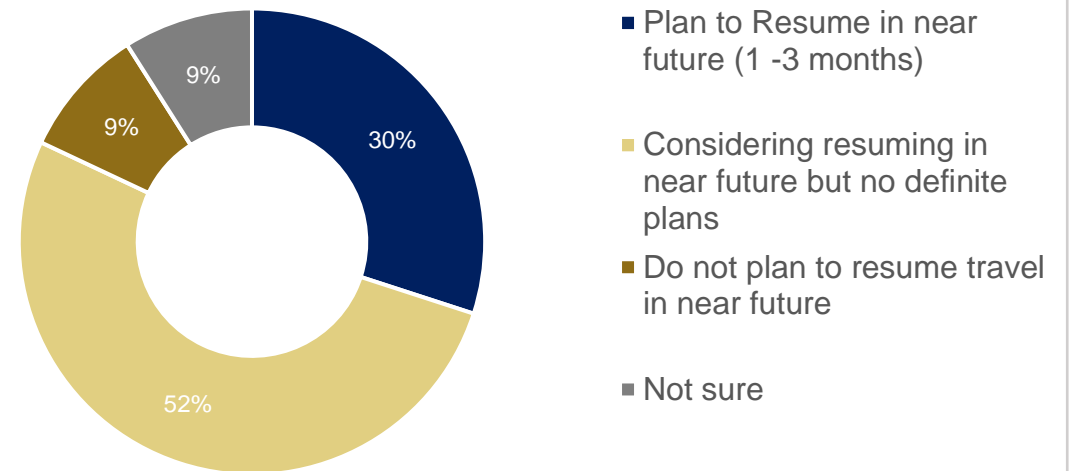
U.S. Traveler Confidence Index (Business Travel)

Based on score of 1 – 5 (1 = No confidence in traveling; 5 = Ready to travel now)



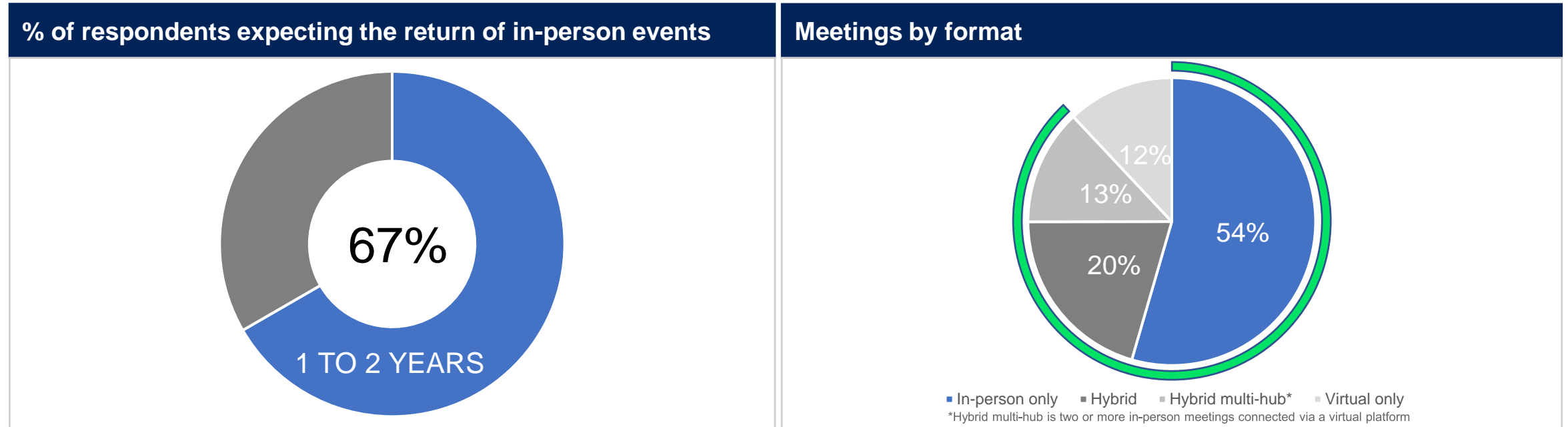
U.S. GBTA Survey – Resumption of Business Travel

As of 20 Jan 2022



Rebound of Group and Convention Demand on the Horizon

Return of In-Person Gatherings and Events starting in 2022



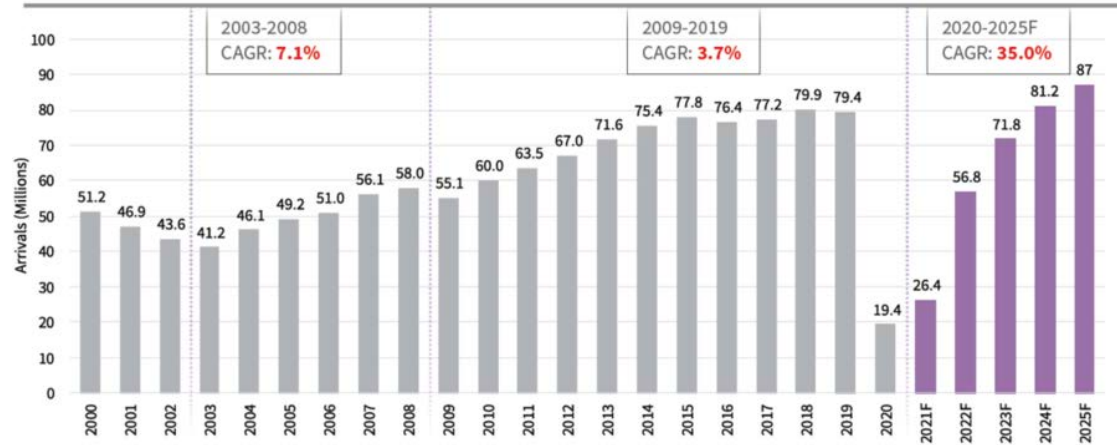
- Pre-pandemic activity levels in sight
- Two-thirds expect in-person meeting levels to return to pre-pandemic levels
- More than 80% of meetings will have an in-person component

Renewed optimism for the U.S. Lodging Industry

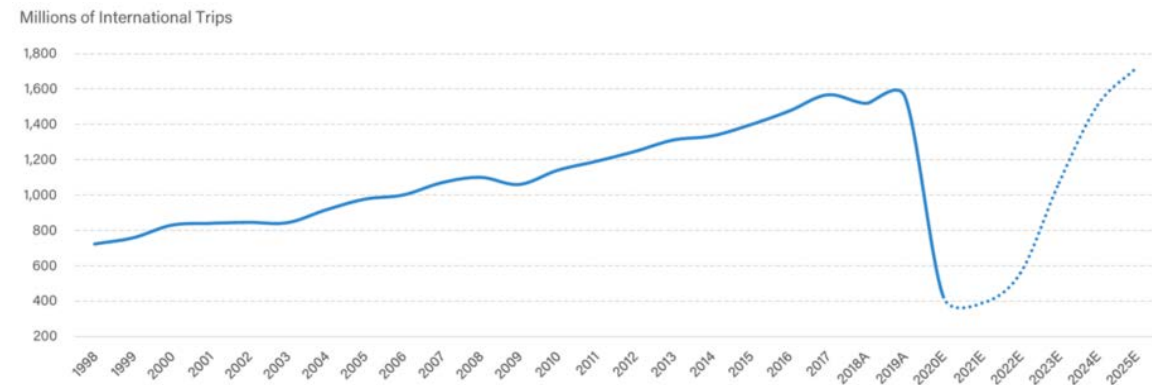


Return of International travel

International Visitor Arrivals into the U.S.



International Travel to return and exceed 2019 Levels



- U.S. opened its borders to vaccinated international travelers in November 2021
- Relaxation of restrictions, pent-up demand and higher vaccination rates are anticipated to fuel 2022 international visitation

Positive Factors With Challenges Ahead

Hotel industry fundamentals are poised for continued recovery

- + Reopening of U.S. borders to vaccinated international travelers
- + Enhanced travel confidence from vaccine rollout with highly effective vaccines
- + Return of corporate, group and international travel

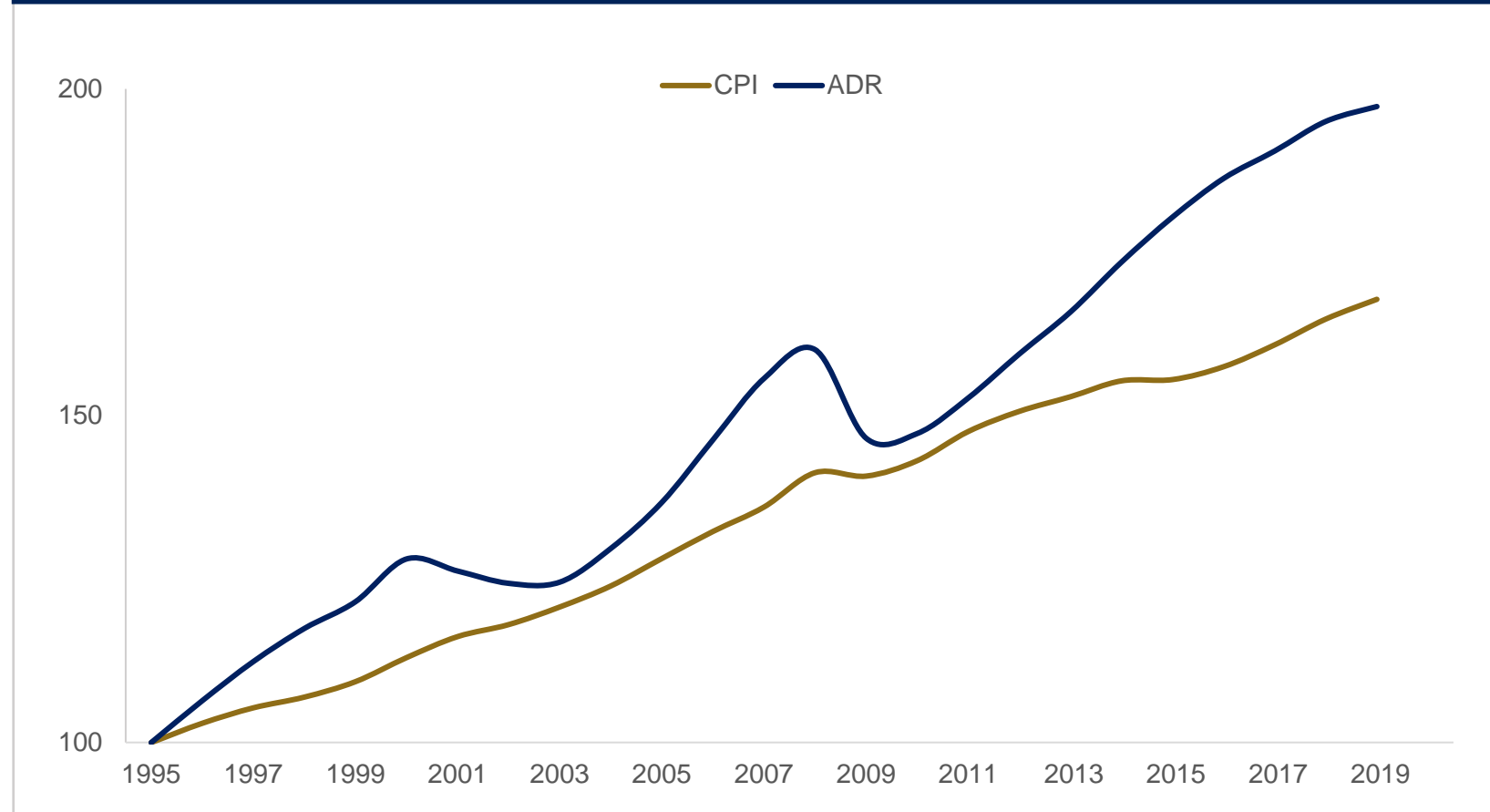


- Labor shortages/turnover
- Wage pressures
- Supply-chain disruptions
- Inflationary pressures

Hotel Industry – A Hedge Against Inflation

Hotels are well-preserved from effects of inflation due to daily rents

U.S. Consumer Price Index for All Urban Consumers vs. U.S. Hotel ADR (1995 = 100)



- Hotels are inflation-proof due to its ability to quickly re-price hotel rents (ADR)
- U.S. hotel rates have outpaced inflation, mitigating cost increases (e.g., labor and other expenses)

Key Takeaways



- U.S. economy has recovered and is booming
- Travel demand recovering quickly as COVID threat fades
- Hotel industry fundamentals continue to strengthen
- Portfolio posted strong performance in 2021
- Sound financial and liquidity position
- Proactive capital management and hands-on asset management
- Hotels are a hedge against inflation

Thank You

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