



ARA US HOSPITALITY TRUST ANNUAL GENERAL MEETING 2022

27 APRIL 2022



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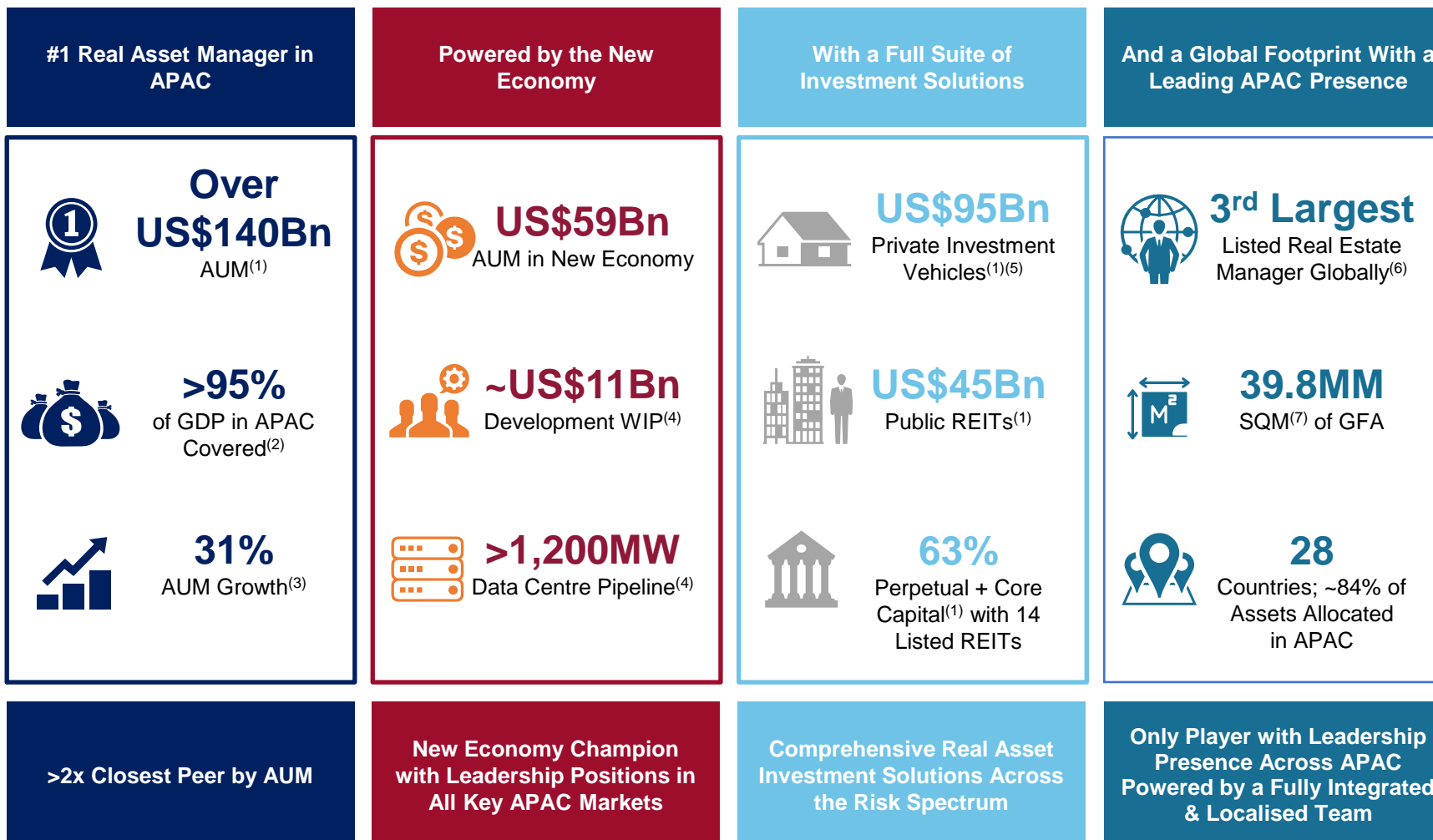
AGENDA

1. Overview of ARA H-Trust
2. 2021: Year In Review
3. On the Road to Recovery



Backed by APAC's Largest Real Asset Manager

ARA Asset Management is part of ESR Group (*wef 20 January 2022*)



Notes:

- (1) Including the AUM of associates (Cromwell and Kenedix) as of 31 December 2021.
- (2) Based on 2020 Nominal GDP per Euromonitor
- (3) 2016 – 2021A CAGR for PF ESR Group (incl. ESR, ARA and LOGOS); include AUM of associates
- (4) As of 31 December 2021
- (5) Private Real Estate Vehicles include ESR balance sheet assets and non-REITs AUM of Cromwell & Kenedix; include credit AUM from Venn
- (6) Real estate AUM only; peer data as of 31 December 2020 based on IRE Global Investment Managers 2021 report; ESR data as of 31 December 2021.
- (7) As of 31 December 2021; excluding assets managed by associates

Resilient Portfolio Managed by Experienced Teams

A diversified portfolio anchored by resilient fundamentals



41
upscale
hotels



5,340
rooms

38
sub-
markets



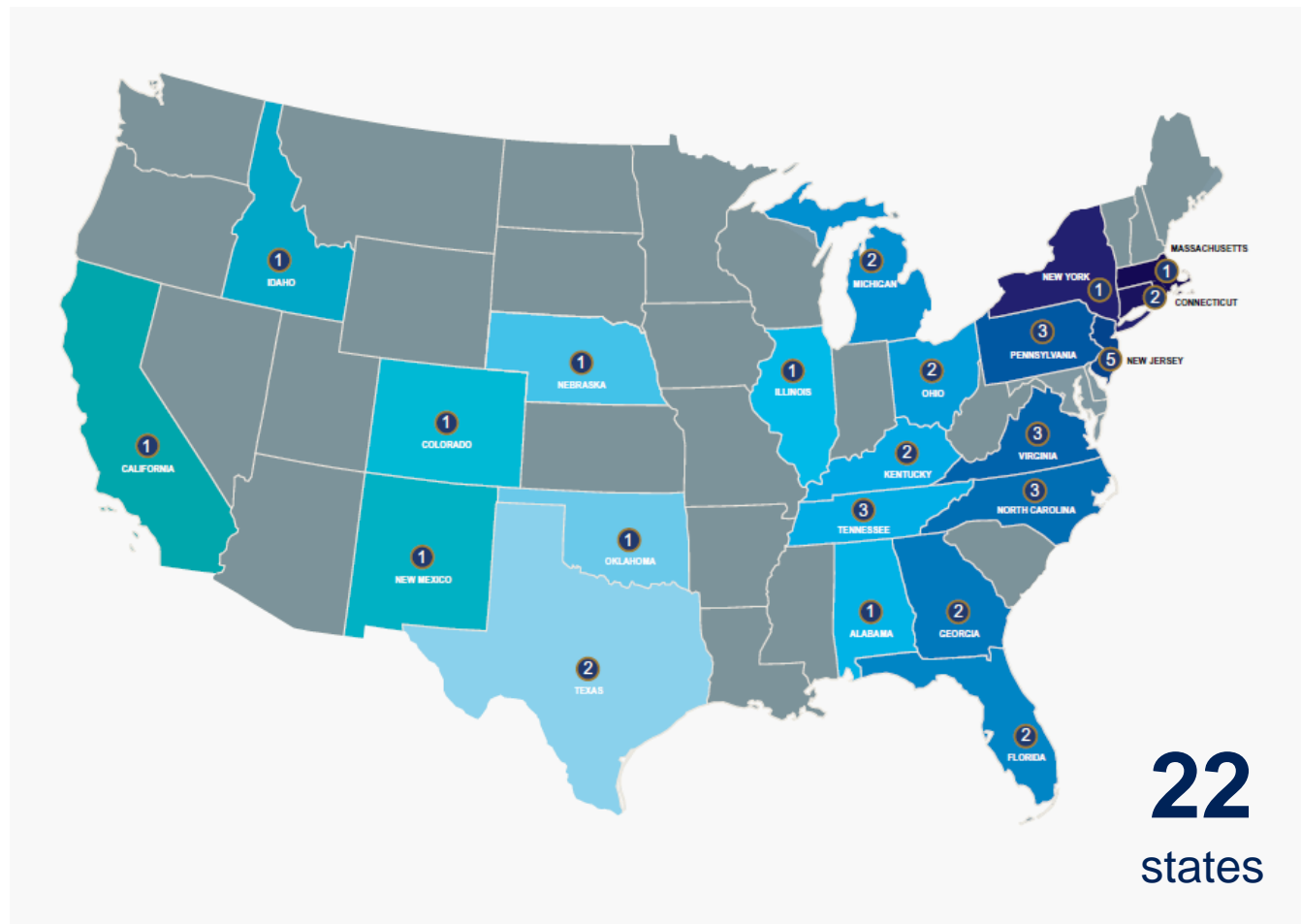
>90%
rooms-
focused
revenue



5
hotel
brands



2
hotel
operators



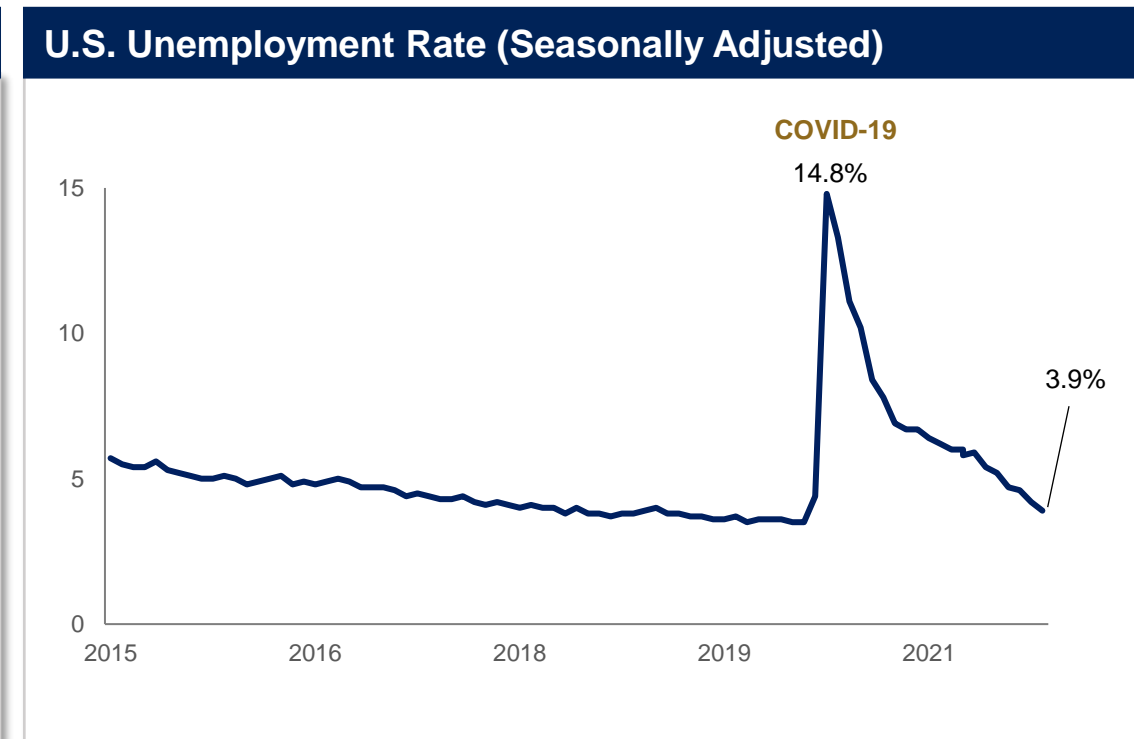
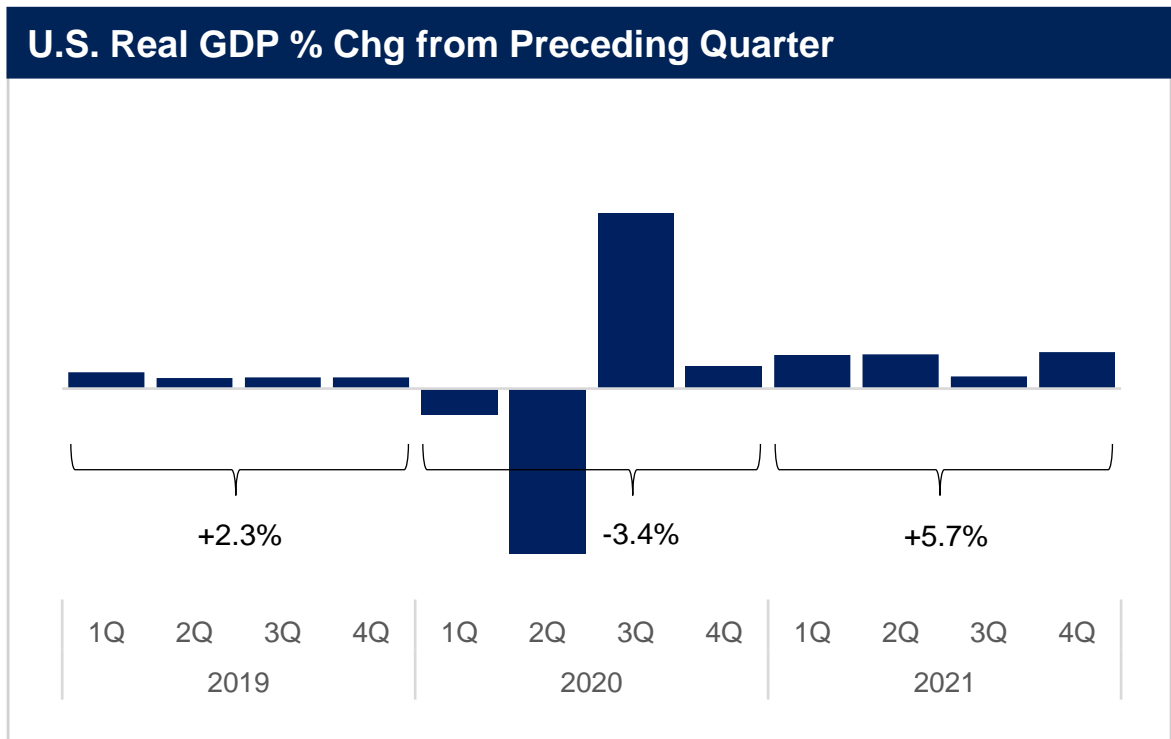
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U.S. Economic Recovery Continued in 2021

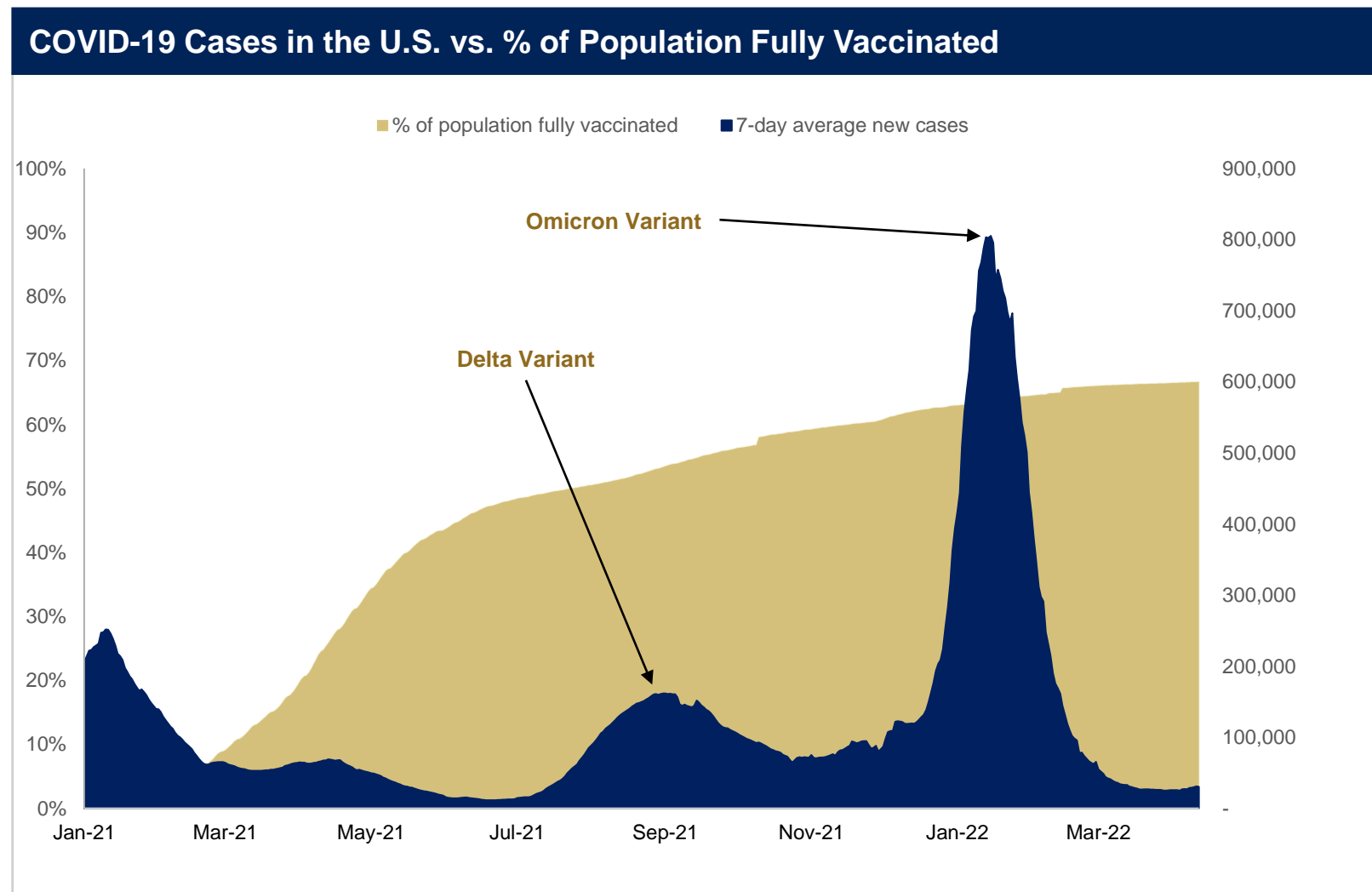
Near-term economic indicators continue to be robust



- Real gross domestic product (GDP) increased 5.7% in 2021, versus a decrease of -3.4% in 2020
- 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

COVID-19 Cases in FY2021

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



- US Covid-19 vaccination campaign began Dec 2020
- Delta variant spread in summer/fall 2021
- Omicron variant spread in winter 2021/2022

U.S. vaccination statistics

As at 12 April 2022

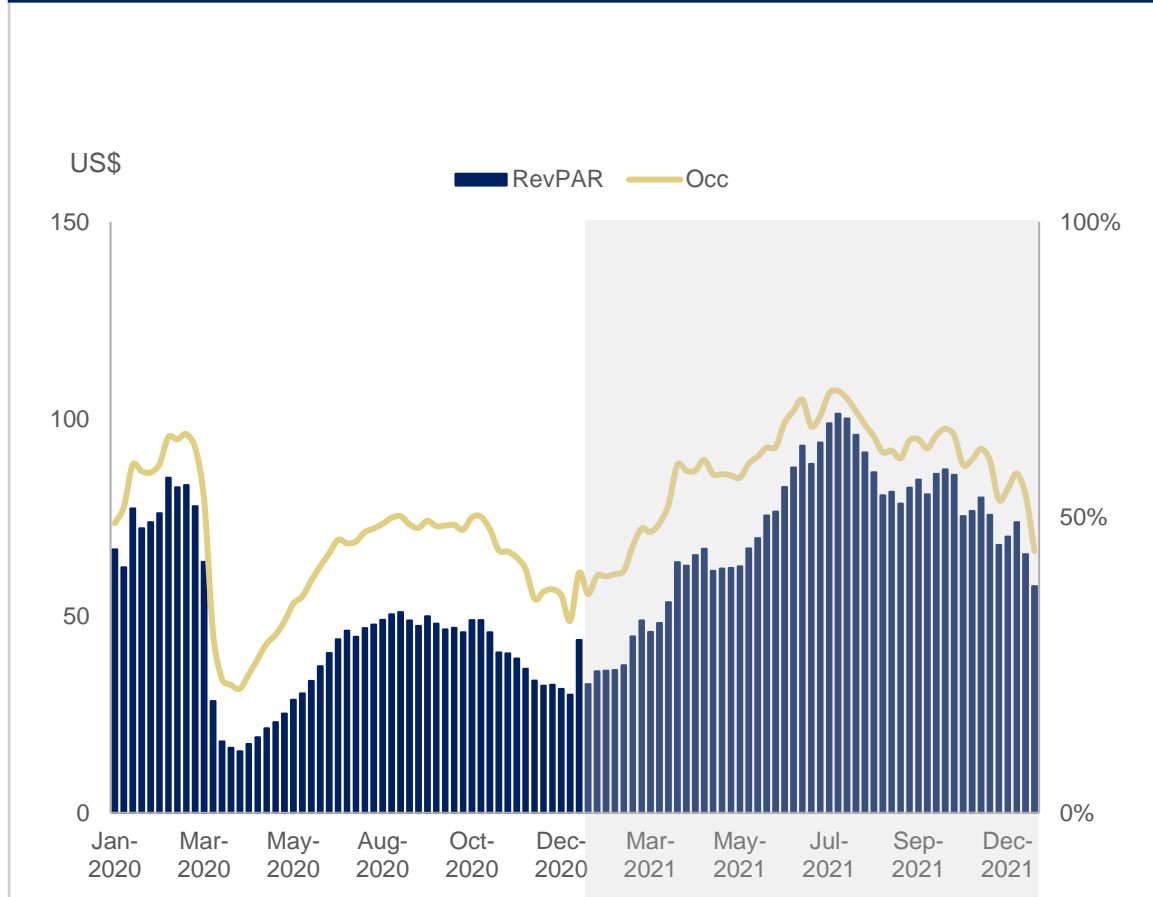
Vaccination status	Count (mil)
Doses administered	567
Fully vaccinated	219
Fully vaccinated with booster dose	99

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

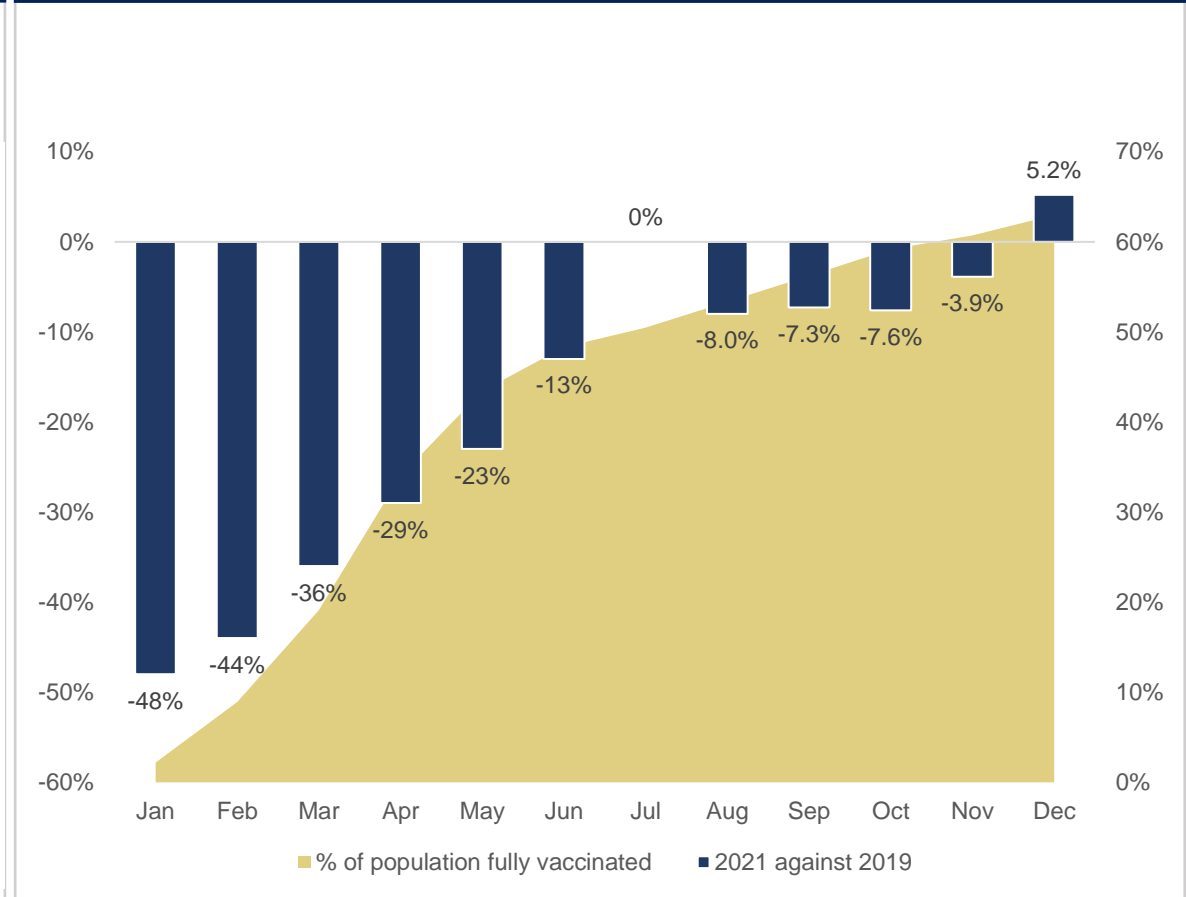


Vaccination availability and uptake improved confidence in travel

U.S. Hotel Market Weekly RevPAR and Occupancy



U.S. Hotel Market RevPAR 2021 vs 2019



FY2021 Key Performance Indicators

Improvement across all performance indicators



57.1%
Occupancy ↑ 16.1 pp y-o-y



US\$112
ADR ↑ 9.0% y-o-y



US\$64
RevPAR ↑ 51.8% y-o-y

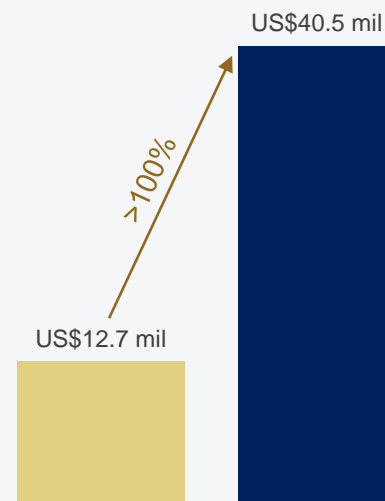


31.0%
GOP Margin ↑ 14.7 pp y-o-y

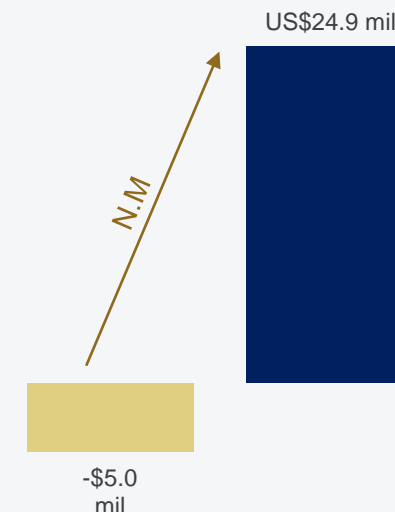
Gross Revenue
US\$130.7 mil



Gross Operating Profit
US\$40.5 mil



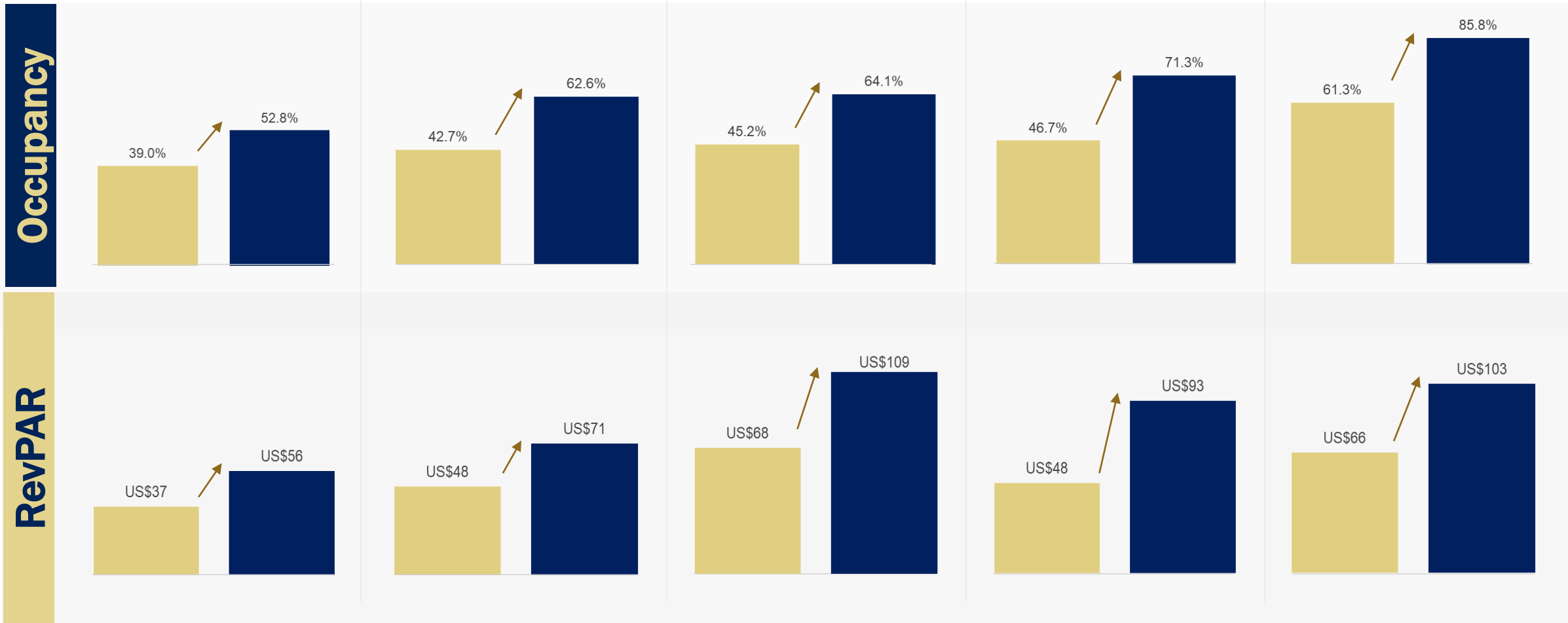
Net Property Income
US\$24.9 mil



■ FY2020 ■ FY2021

Portfolio Performance by Brands

Sustained recovery in occupancy and RevPAR across the portfolio



■ FY2020 ■ FY2021

FY2021 Key Highlights

Recovery on Track



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

**Aggregate
 Leverage Ratio**
44.3%
 (FY2020: 48.2%)

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

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

**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. Distributable Income paid on 30 March 2022.

Sound Financial and Liquidity Position



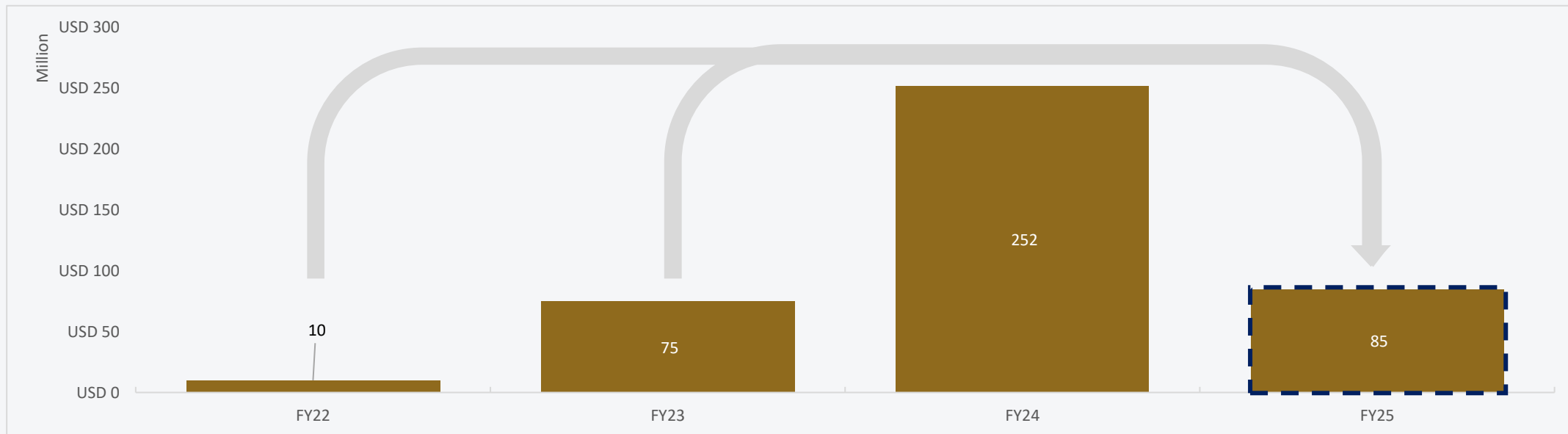
Disciplined and prudent approach in managing capital structure

	As at 31 Dec 2020	As at 31 Dec 2021
NAV per Stapled Security	US\$0.62	US\$0.70
Cash Balance	US\$26.8 mil	US\$19.2 mil
Total Debt Outstanding	US\$354.7 mil	US\$338.1 mil
Aggregate Leverage Ratio	48.2%	44.3%
Interest Cover Ratio	0.1x	2.0x
Weighted Average Debt Maturity	3.0 years	2.0 years
Average Cost of Debt (p.a.)	3.4%	3.4%
% of Fixed Debt	76.6%	79.1%

Proactive Capital Management

Extending maturities and improving drawdown capacity

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

Portfolio Optimization



Proposed sale of Hyatt Place Chicago Itasca (estimated completion in 1H 2022)

Pro Forma Financial Effects ^{1,2}			
FY2021	Before disposition	After disposition	Var (%)
Distributable Income (US\$'000)	2,018	2,104	4.3
DPS (US cents)	0.355	0.371	4.5
NAV per Stapled Security (US\$)	0.70	0.70	-
Gearing (%)	44.3%	43.7%	0.6 pp

- Amongst oldest and smallest hotel within portfolio
 - Sizeable capital expenditure outlay relative to property value
 - Diminished outlook due to economic and demographic trends
- Free up capital for redeployment
 - Pare down existing loans
 - Higher debt headroom for accretive acquisitions
- Increase pro forma DPS¹
 - from 0.355 US cents to 0.371 US cents

Note:

1. Pro forma financial effects for Distributable Income and DPS are purely for illustrative purposes only, and assumes the corresponding reduction in reserves set aside for Hyatt Place Chicago Itasca capital expenditure for FY2021, incurrence of transaction costs payable on disposition, and the repayment of loan and borrowings using the net proceeds from the proposed sale as if it was completed on 1 January 2021.
2. Pro forma financial effects for NAV per Stapled Security and Gearing are purely for illustrative purposes only, and assumes the proposed sale was completed and net proceeds utilized to repay outstanding loan balances on 31 December 2021.

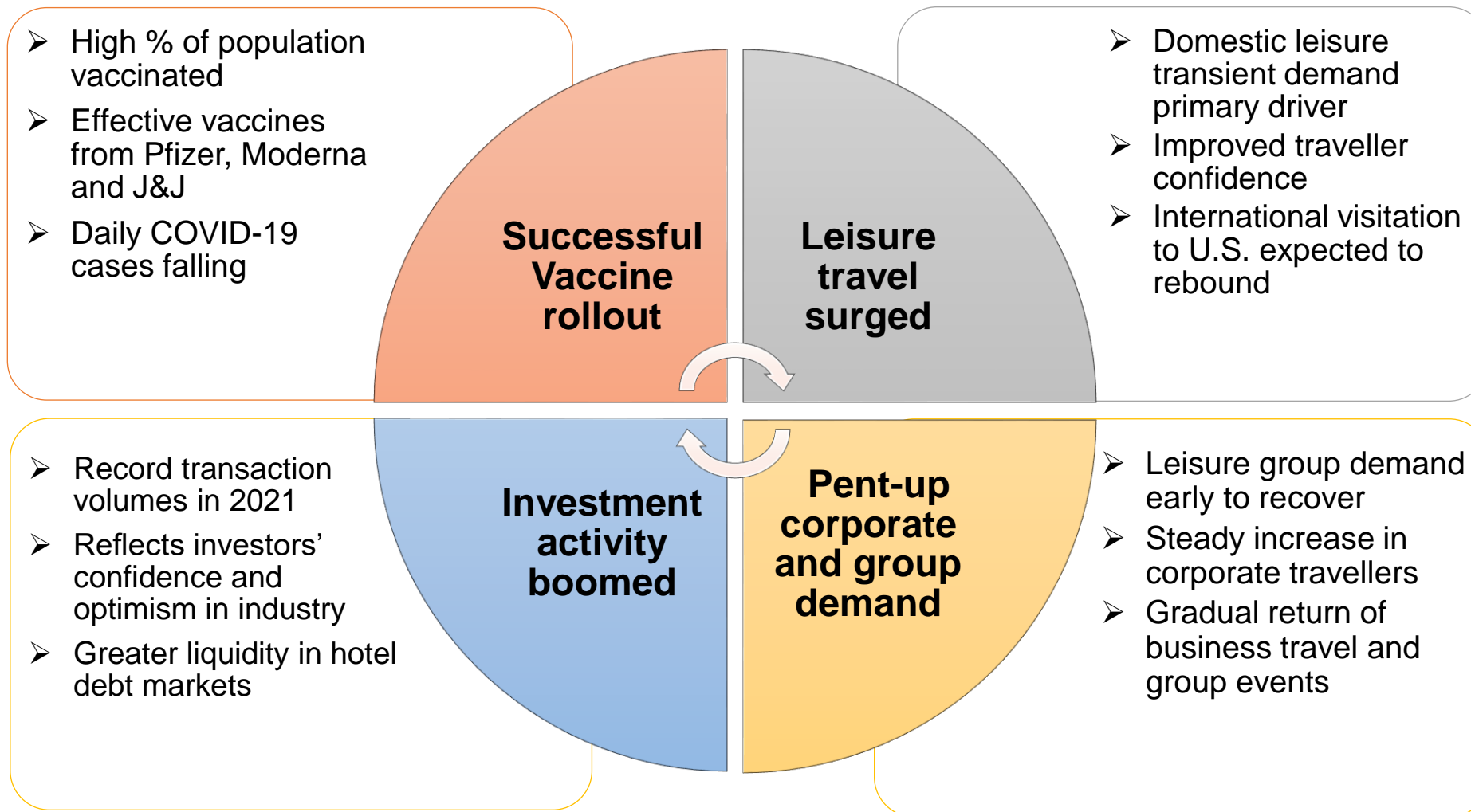
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Going Forward

Fundamentals bode well for 2022 and beyond



Recovery to Pre-pandemic Levels Continues to Advance



Hotel industry fundamentals are poised for continued recovery

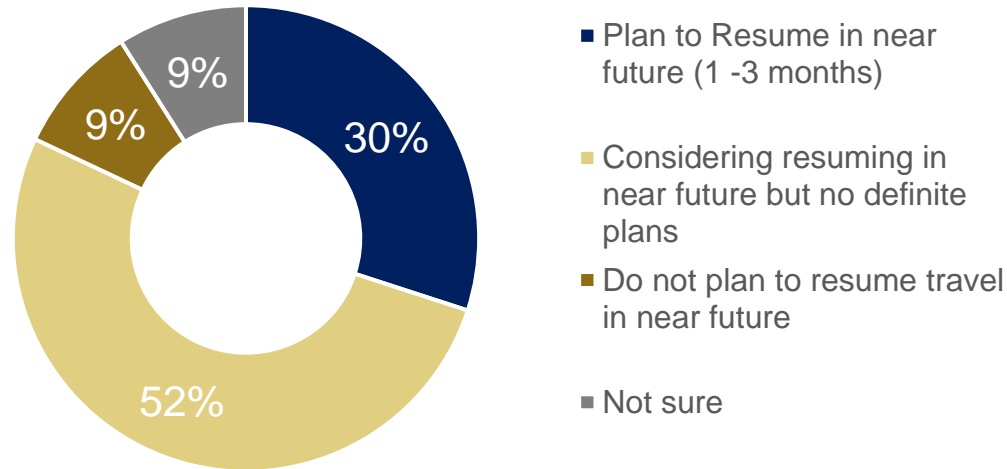
Year	2019	2020	2021	2022F	2023F	2024F
Occupancy	66%	44%	58%	64%	66%	67%
ADR	\$131	\$103	\$125	\$134	\$140	\$145
RevPAR	\$87	\$45	\$72	\$86	\$92	\$97
RevPAR compared w/ 2019	-	-50%	-17%	-1%	+7%	+12%

Lagging Demand Segments to Rebound in 2022 and 2023

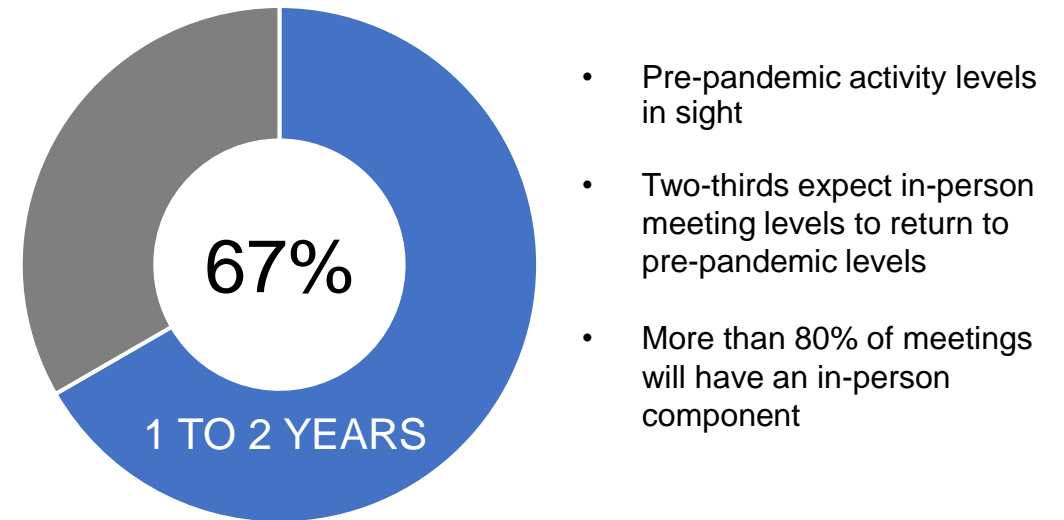
Confidence returning for business travel and group conventions

U.S. GBTA Survey – Resumption of Business Travel

As of 20 Jan 2022



% of respondents expecting the return of in-person events



Positive Factors With Challenges Ahead

Hotel industry fundamentals are poised for continued recovery

- + Covid transition from pandemic to endemic
- + Enhanced travel confidence from vaccine rollout and therapeutics
- + Return of corporate and group travel



- Labor availability
- Wage pressures
- Supply-chain delays
- Rising interest rates

Thank You

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