



## **4Q FY2016/17 Financial Results Presentation**

---

**11 May 2017**

# Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Unaudited Financial Results for the Fourth Quarter ended 31 March 2017 ("4Q FY2016/17") 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.**

# Contents

- 1 Key Highlights
- 2 Financial Review
- 3 Portfolio Performance
- 4 Capital Management
- 5 Portfolio Valuation
- 6 Looking Ahead

# Overview of Ascendas Hospitality Trust

**S\$877 million**

Market capitalisation  
as at 31 March 2017

**S\$1,624 million**

Portfolio valuation as at 31 March 2017

**11**

Hotels

**4,351**

Rooms

**4**

Countries

**7**

Cities

## Beijing

- Novotel Beijing Sanyuan
- Ibis Beijing Sanyuan

## Tokyo

- Hotel Sunroute Ariake and  
Oakwood Apartments Ariake Tokyo

## Osaka

- Hotel Sunroute Osaka Namba

## Singapore

- Park Hotel Clarke Quay

## Sydney

- Pullman Sydney Hyde Park
- Novotel Sydney Central
- Novotel Sydney Parramatta
- Courtyard by Marriott Sydney-North Ryde

## Melbourne

- Pullman and Mercure Melbourne Albert Park

## Brisbane

- Pullman and Mercure Brisbane King George Square



1

Key Highlights

# 4Q FY2016/17 Financial Highlights

	4Q FY2016/17 <sup>1</sup>			2016/17 <sup>1</sup>		
Gross Revenue	<b>S\$57.4m</b>	7.5% y-o-y	▲	<b>S\$224.4m</b>	4.3% y-o-y	▲
Net Property Income ("NPI")	<b>S\$25.8m</b>	10.1% y-o-y	▲	<b>S\$99.2m</b>	9.1% y-o-y	▲
Income available for distribution	<b>S\$16.2m</b>	4.9% y-o-y	▲	<b>S\$67.2m</b>	5.5% y-o-y	▲
Adjusted Income available for distribution <sup>2</sup>	<b>S\$15.4m</b>	5.7% y-o-y	▲	<b>S\$63.9m</b>	5.5% y-o-y	▲
Distribution per Stapled Security ("DPS")	<b>1.37 cents</b>	5.4% y-o-y	▲	<b>5.68 cents</b>	5.0% y-o-y	▲

**Notes:**

1. Save for DPS, percentage changes are based on figures rounded to nearest thousands
2. After retaining distributable income for working capital purposes

# 4Q FY2016/17 Portfolio Highlights

	AOR <sup>1</sup>		ADR <sup>1</sup>		RevPAR <sup>1</sup>	
Australia	87.7%	3.9pp y-o-y ▲	AUD 182	1.7% y-o-y ▲	AUD 159	6.0% y-o-y ▲
China	76.1%	2.1pp y-o-y ▲	RMB 388	2.5% y-o-y ▼	RMB 296	0.7% y-o-y ▲
Japan	<ul style="list-style-type: none"> <li>Applies to Oakwood Apartments only</li> <li>Decline in ADR</li> </ul>				JPY 9,377	2.4% y-o-y ▼
Singapore	<ul style="list-style-type: none"> <li>Decline in 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



# Distribution Details

Distribution for the period 1 October 2016 to 31 March 2017: **3.01** Singapore cents per stapled security

11 May 2017	<b>Notice of Books Closure Date</b>
17 May 2017, 9.00 am	<b>Ex-Distribution Date</b>
19 May 2017, 5.00 pm	<b>Books Closure Date</b>
16 June 2017	<b>Date of Distribution</b>

May 2017						
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			

June 2017						
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	





# 2

## Financial Review

# Results Summary – 4Q FY2016/17

S\$' million	4 <sup>th</sup> Quarter		Change <sup>3</sup>
	FY2016/17	FY2015/16	
Gross Revenue	57.4	53.4	7.5%
Net Property Income	25.8	23.4	10.1%
NPI Margin (%)	44.9	43.9	1.0pp
Income available for distribution	16.2	15.4	4.9%
- Operation	16.2	14.7	9.9%
- Proceeds from Divestment <sup>1</sup>	-	0.7	-
Adjusted Income available for distribution <sup>2</sup>	15.4	14.6	5.7%
DPS (cents)	1.37	1.30	5.4%

- Overall improvement in portfolio performance drive topline
- Stronger JPY and AUD against SGD lifted earnings in SGD

- Mainly due to higher NPI and lower net finance cost
- Partially offset by absence of the partial distribution of proceeds from sale of hotel in Cairns (“Proceeds from Divestment”) in 4QFY2015/16
- Excluding Proceeds from Divestment in 4QFY2015/16, DPS would have increased by 9.6%

**Notes:**

1. Partial distribution of proceeds from sale of Pullman Cairns International
2. After retaining distributable income for working capital purposes
3. Save for DPS, percentage changes are based on figures rounded to nearest thousands

# Results Summary – FY2016/17

S\$' million	Full Year		Change <sup>3</sup>
	FY2016/17	FY2015/16	
Gross Revenue	224.4	215.1	4.3%
Net Property Income	99.2	90.9	9.1%
NPI Margin (%)	44.2	42.2	2.0pp
Income available for distribution	67.2	63.7	5.5%
- Operation	67.2	61.7	8.9%
- Proceeds from Divestment <sup>1</sup>	-	2.0	-
Adjusted Income available for distribution <sup>2</sup>	63.9	60.5	5.5%
DPS (cents)	5.68	5.41	5.0%

- Overall improvement in underlying performance of the portfolio
- Results in SGD term augmented by stronger JPY and AUD against SGD

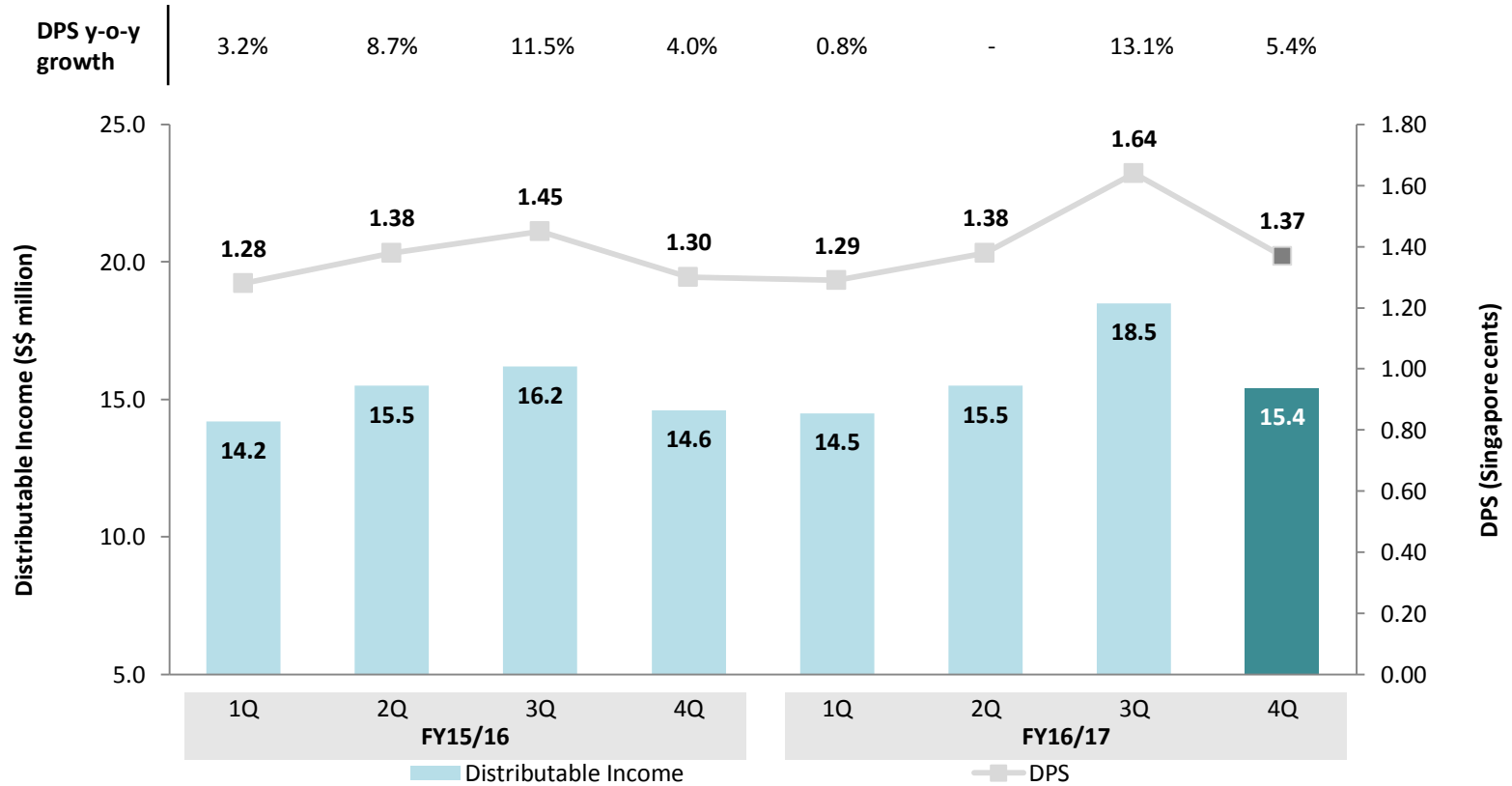
- Mainly due to higher NPI and lower net finance cost
- Partially offset by absence of Proceeds from Divestment in the corresponding quarter last year and higher tax expenses

**Notes:**

1. Partial distribution of proceeds from sale of Pullman Cairns International
2. After retaining distributable income for working capital purposes
3. Save for DPS, percentage changes are based on figures rounded to nearest thousands

# Distribution History

✦ Posted DPS y-o-y growth in 7 of the last 8 quarters





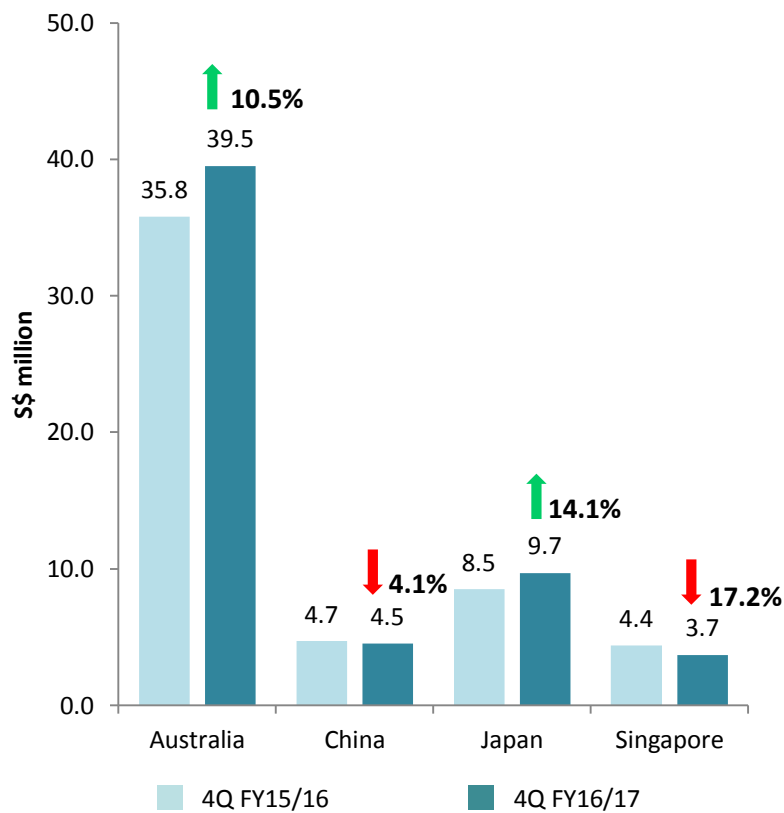
# 3

## Portfolio Performance

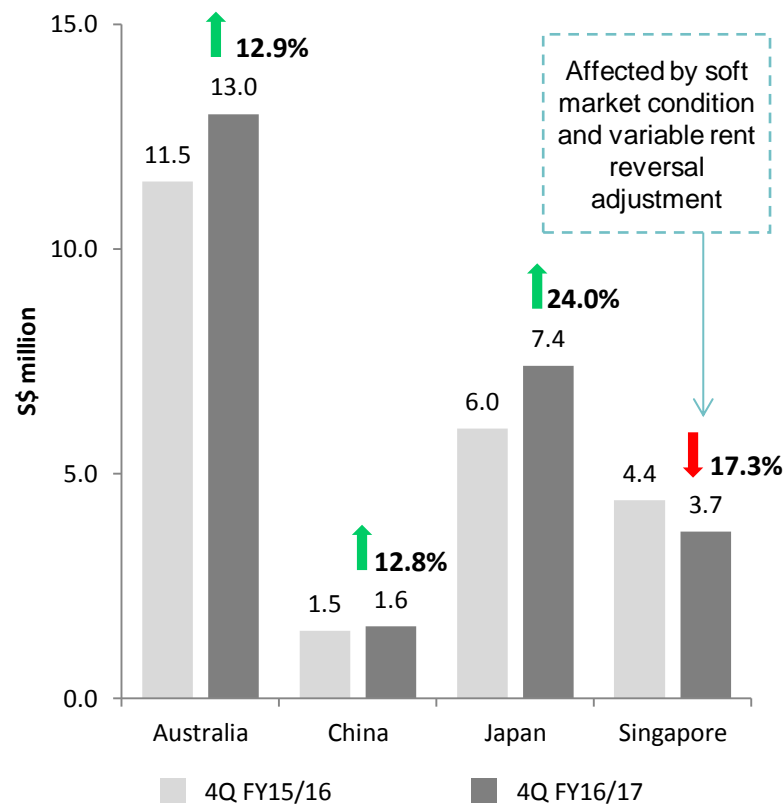
# Performance by Country

- ✦ Overall portfolio performance improved in 4Q FY2016/17 and strengthening of AUD and JPY against SGD lifted earnings in SGD

## Gross Revenue



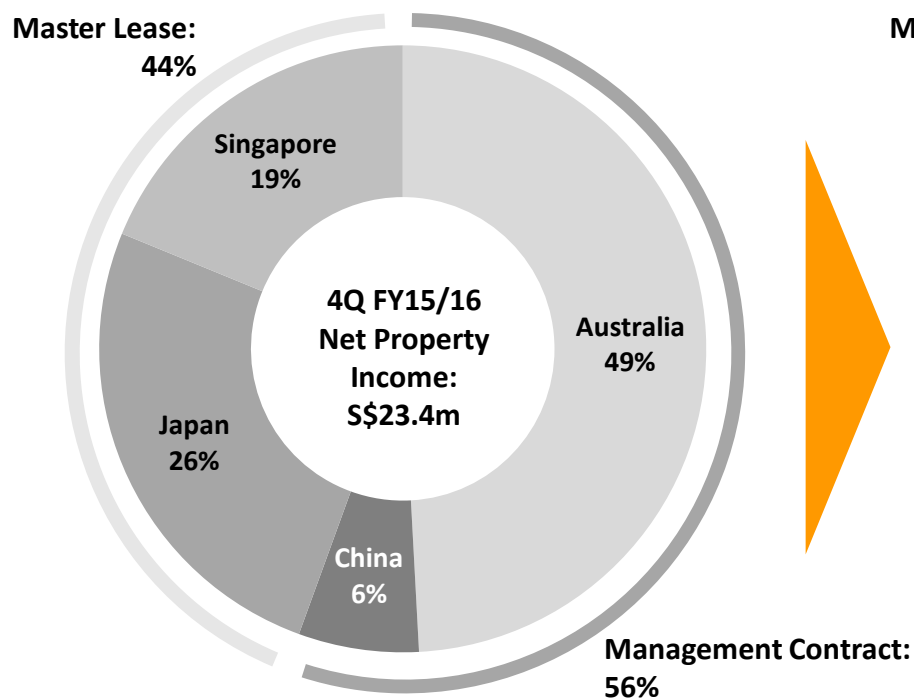
## Net Property Income



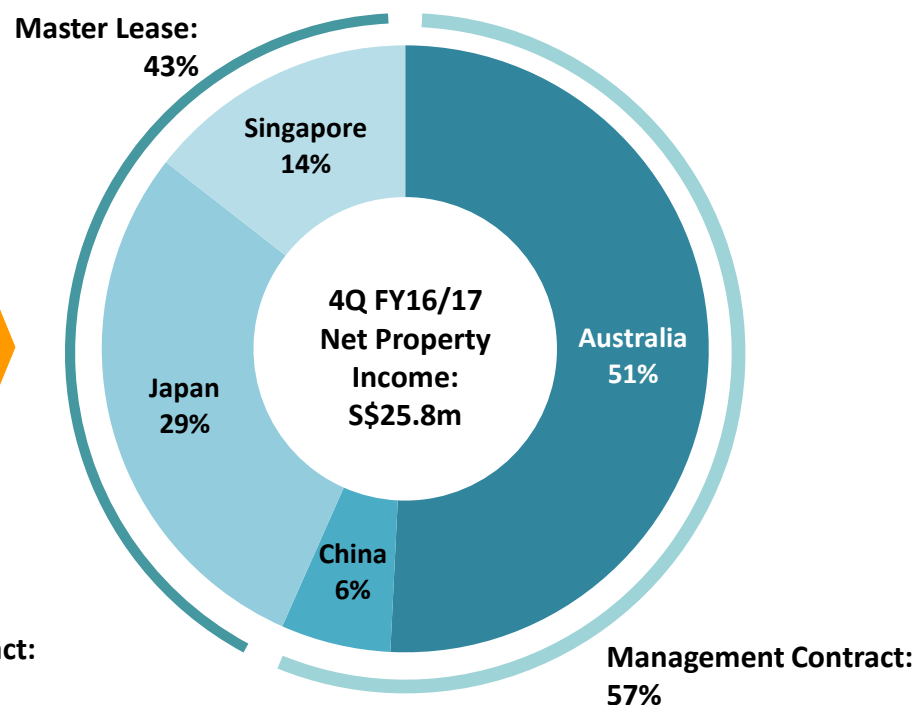
# NPI Breakdown by Country and Contract Type

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

4Q FY15/16 Net Property Income



4Q FY16/17 Net Property Income





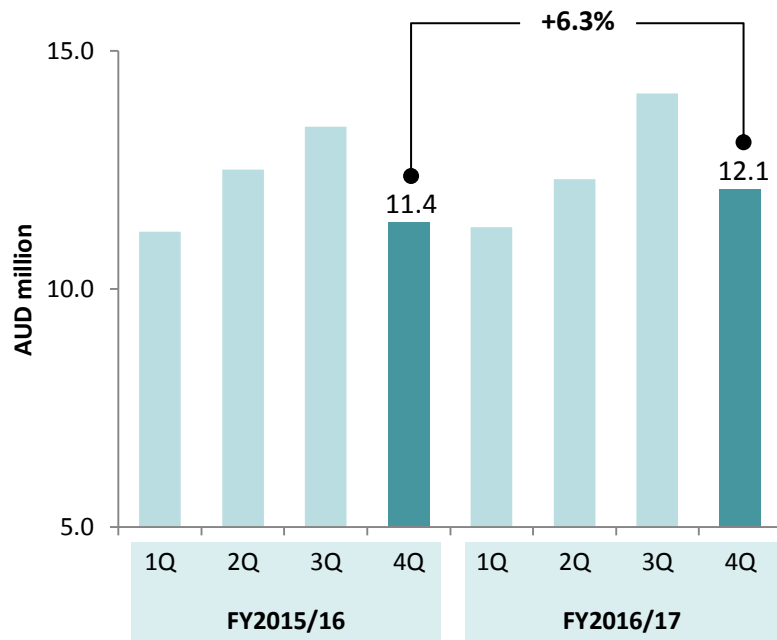
# Another improved quarter from Australia portfolio

AUD	4 <sup>th</sup> Quarter		Change
	FY16/17	FY15/16	
<b>AOR</b>	87.7%	83.8%	↑ 3.9pp
<b>ADR</b>	182	179	↑ 1.7%
<b>RevPAR</b>	159	150	↑ 6.0%

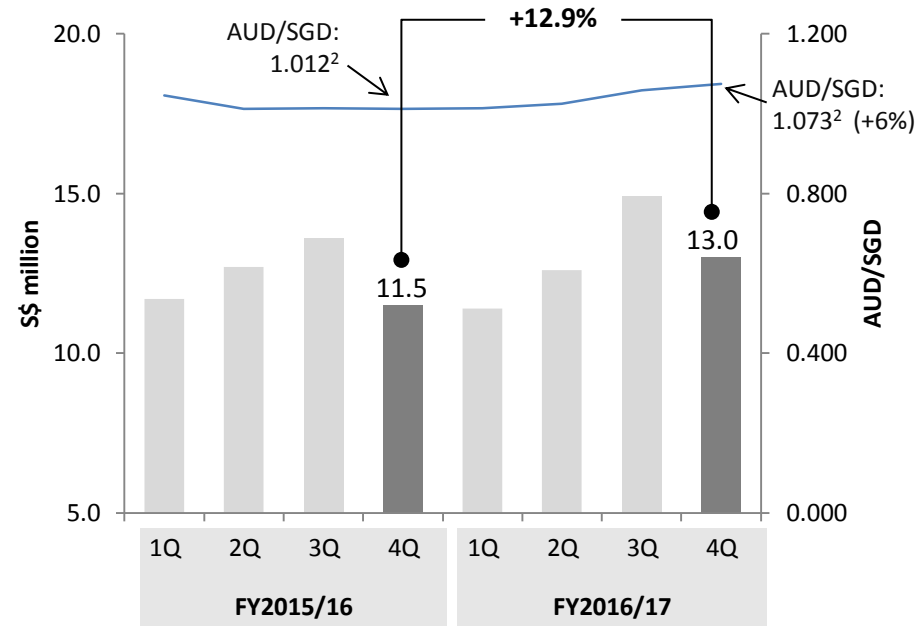
- Improvement driven mainly by:
  - ✓ Pullman Sydney Hyde Park (strong public demand)
  - ✓ Novotel Sydney Central (new aircrew contract)
  - ✓ Brisbane Hotel<sup>1</sup> (strong conferencing business)
- Stronger AUD against SGD boost financials in SGD

1. Pullman and Mercure Brisbane King George Square

## Net Property Income in AUD



## Net Property Income in S\$



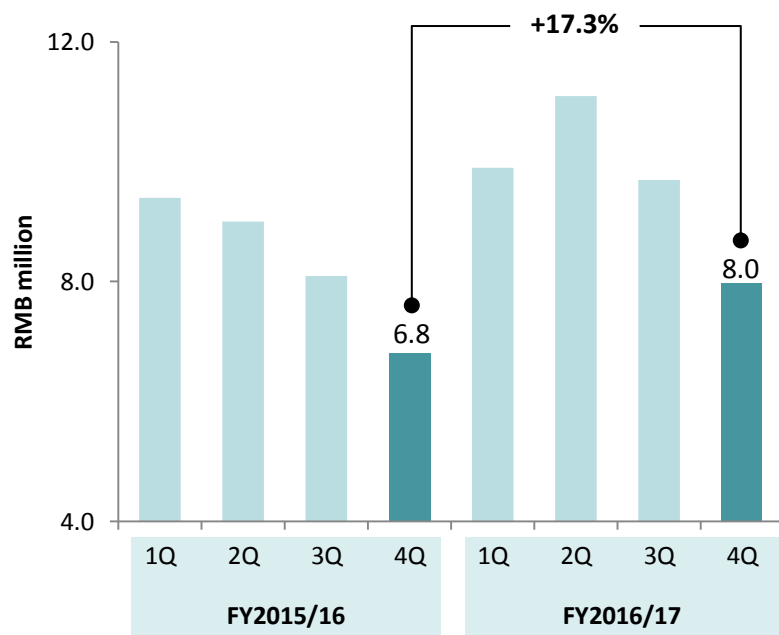
2. Based on average rate used for the respective quarter

# Positive quarter for China portfolio

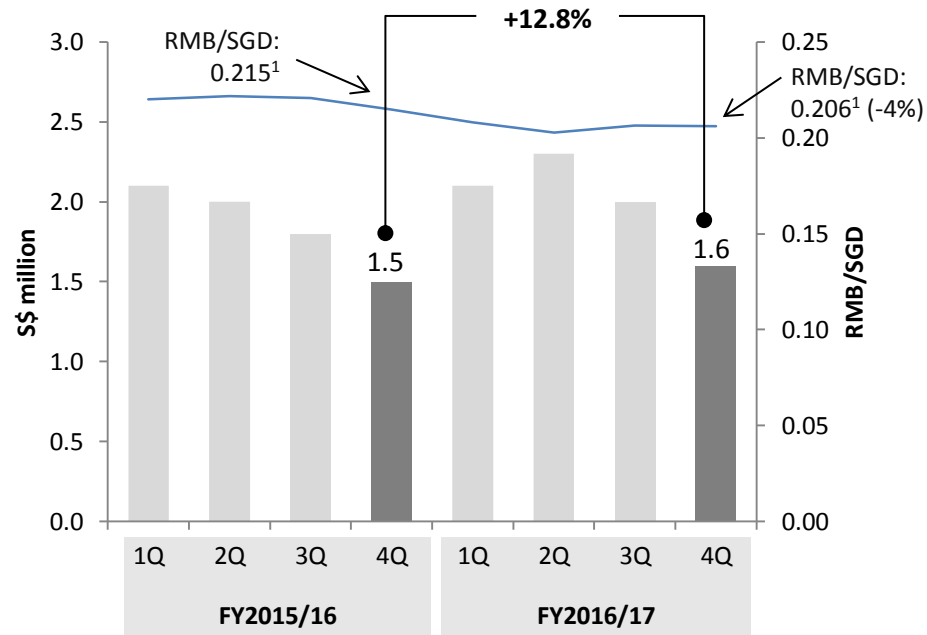
RMB	4 <sup>th</sup> Quarter		Change
	FY16/17	FY15/16	
AOR	76.1%	74.0%	↑ 2.1pp
ADR	388	398	↓ 2.5%
RevPAR	296	294	↑ 0.7%

- Hotels benefitted from favourable market condition
- Ibis also saw strong take-ups from members of China Lodging Group loyalty program
- RMB depreciated against SGD moderated earnings in SGD term

## Net Property Income in RMB



## Net Property Income in S\$



1. Based on average rate used for the respective quarter

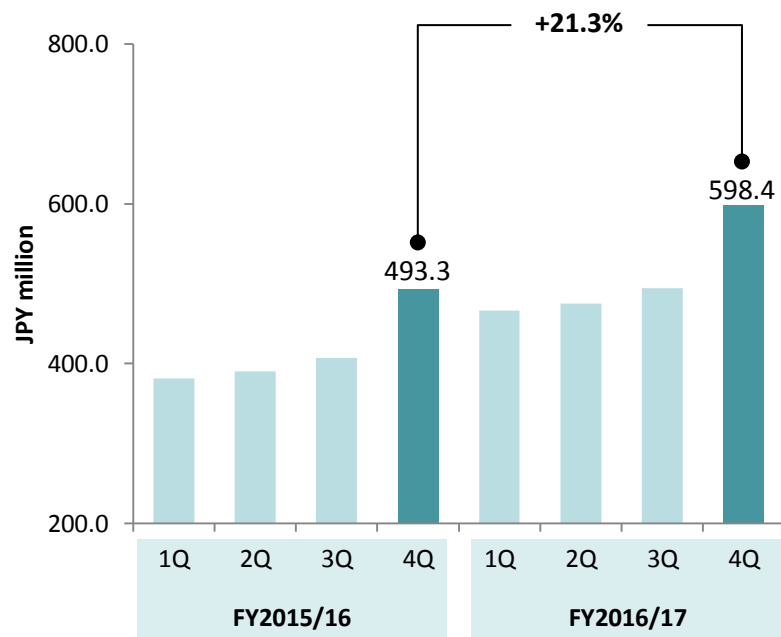
# Japan portfolio performance driven by Osaka hotel

JPY	4 <sup>th</sup> Quarter		Change
	FY16/17	FY15/16	
<b>RevPAR<sup>1</sup></b>	9,377	9,611	↓ 2.4%

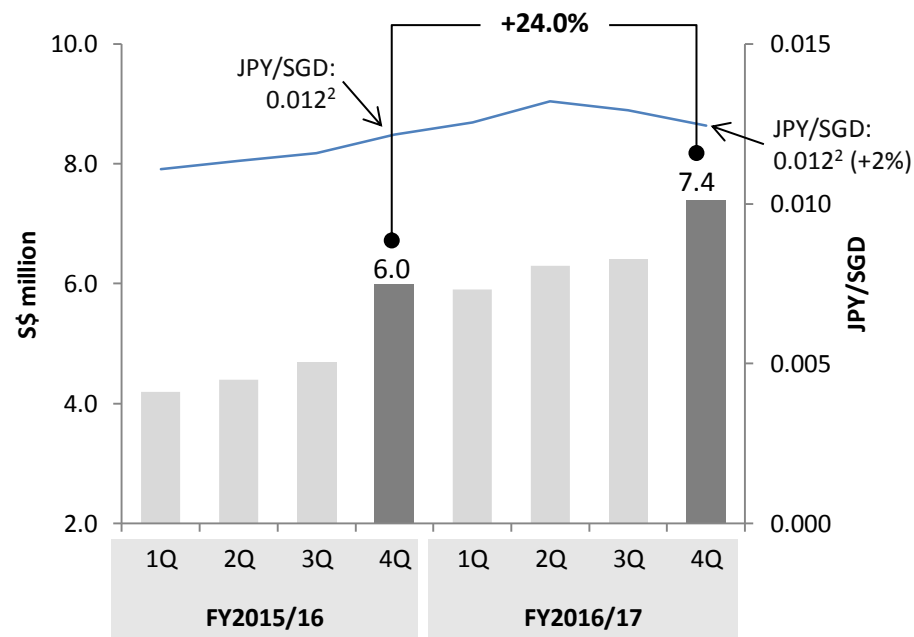
1. Applies to Oakwood Apartments Ariake Tokyo only

- Improved rental structure resulted in NPI increase of 60.3% y-o-y (in JPY term) from Hotel Sunroute Osaka Namba
- Oakwood Apartments Ariake Tokyo was affected by less events at nearby Tokyo Big Sight
- Appreciating JPY boost SGD financials

## Net Property Income in JPY



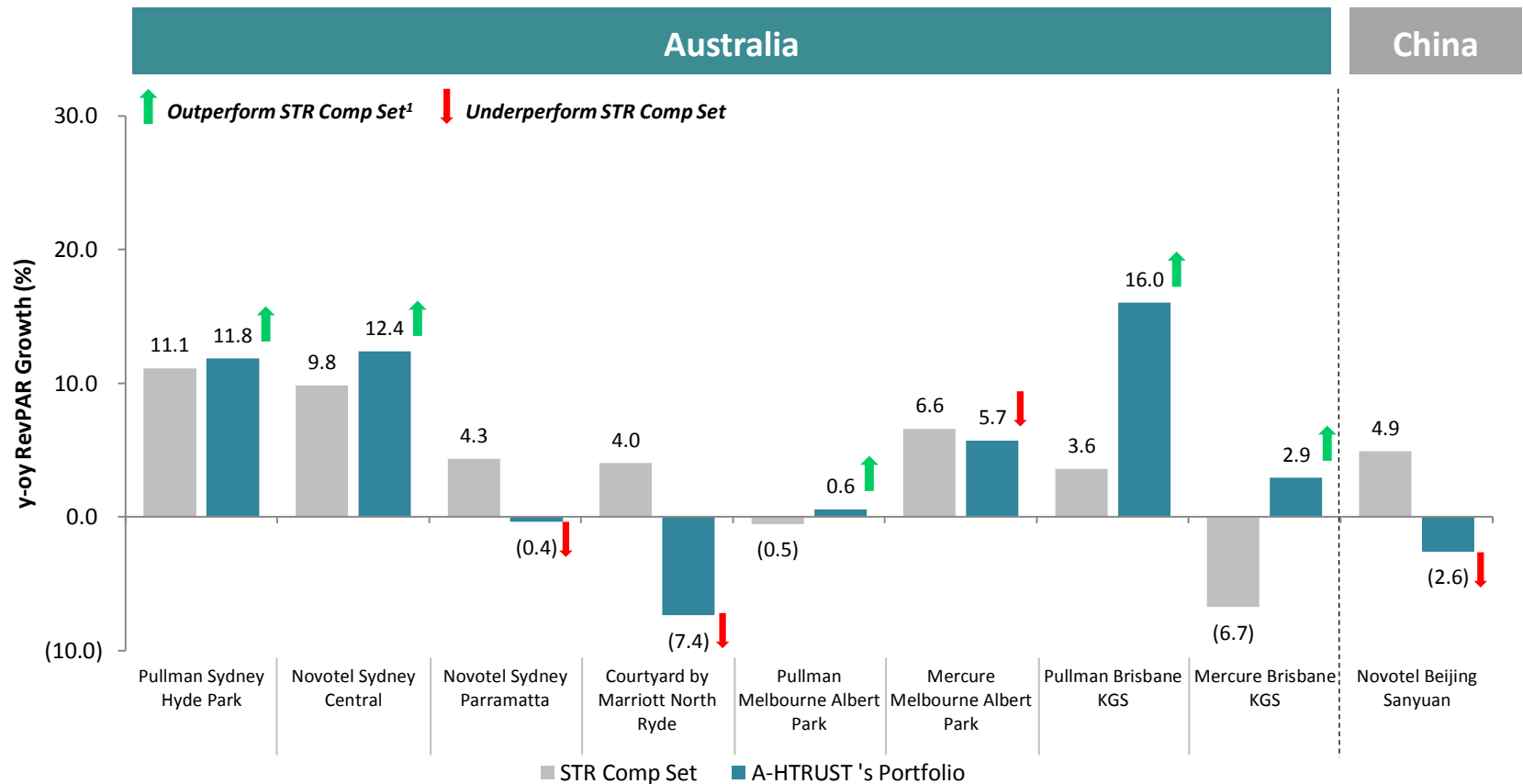
## Net Property Income in S\$



2. Based on average rate used for the respective quarter

# Quality Portfolio

✦ Comparing of A-HTRUST's hotels performance against peers during the quarter



**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.



# 4

## Capital Management

# Healthy Balance Sheet

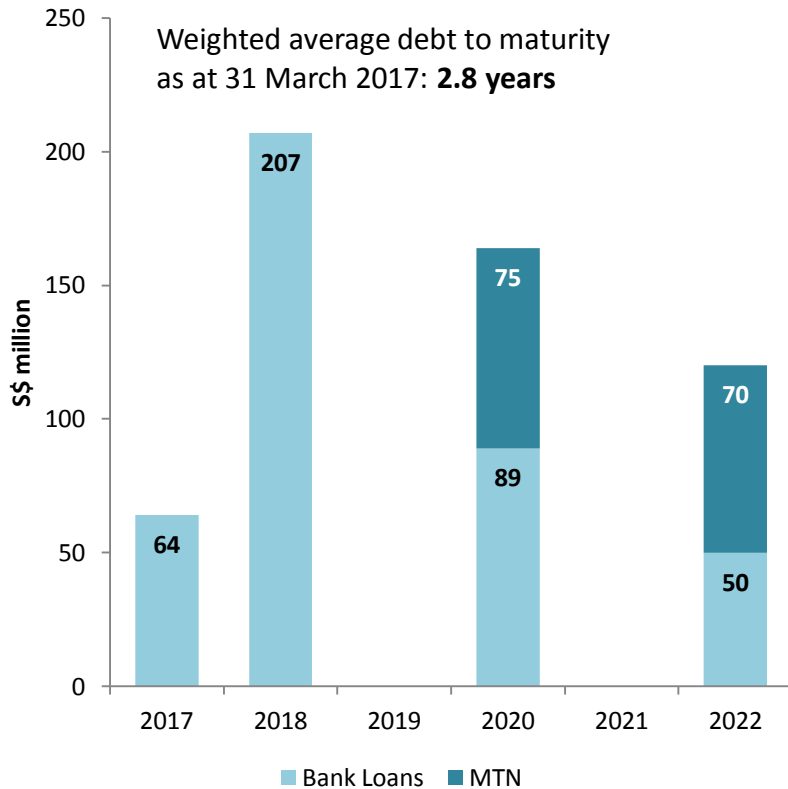
	As at 31 March 2017	As at 31 December 2016
Borrowings	S\$555.2m	S\$537.5m
Total Assets	S\$1,725.9	S\$1,613.9m
A-HTRUST Gearing <sup>1</sup>	32.2%	33.3%
- A-HREIT Gearing	25.6%	26.0%
- A-HBT Gearing	35.7%	37.5%
Weighted average interest rate	2.9%	3.0%
Weighted average debt to maturity	2.8 years	2.6 years
Net asset value per stapled security	S\$0.92	S\$0.85

**Note:**

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

# Balanced Debt Profile

## Debt Maturity Profile



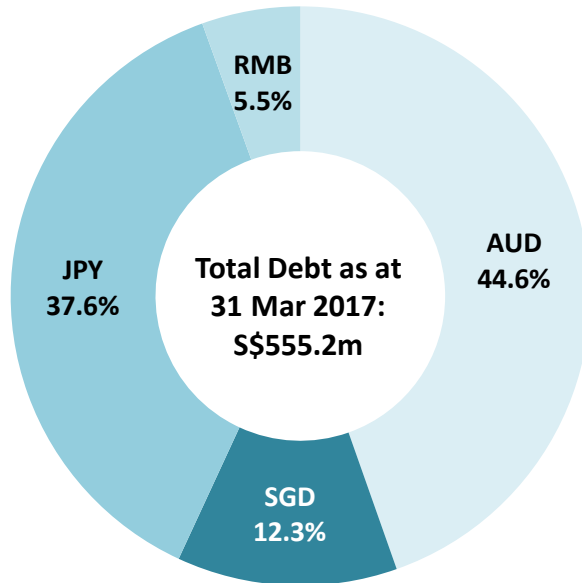
## Debt Facilities

- **Term loan facilities:**  
*3 to 5-year term loan facilities*
- **Revolving credit facility (“RCF”):**  
*3-year S\$30 million RCF*
- **S\$1 billion Debt Issuance Programme (“Programme”):**  
*Programme established in October 2014, and updated in November 2015*

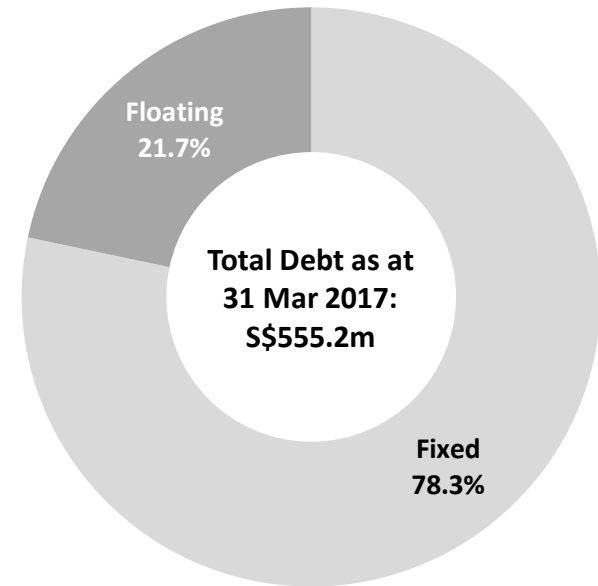


# Prudent Capital Management

## Debt Currency Profile



## Interest Rate Profile





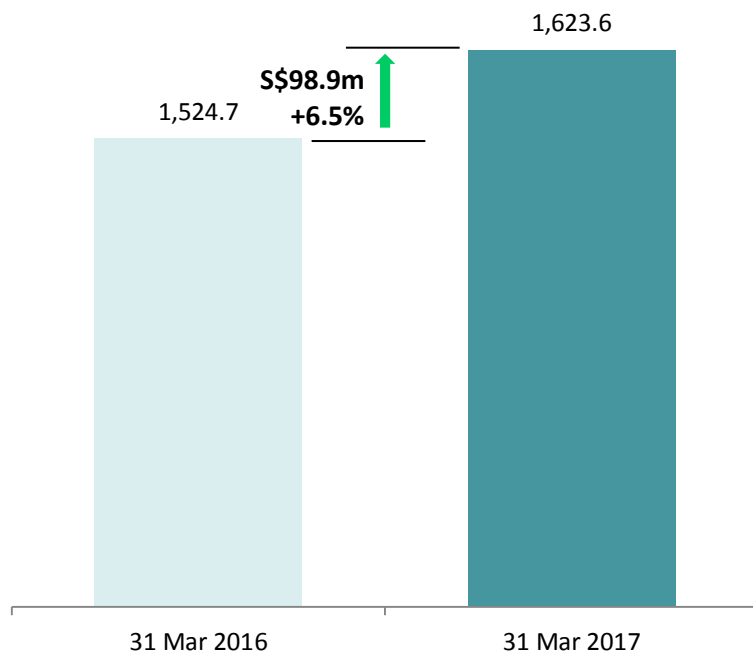
# 5

## Portfolio Valuation

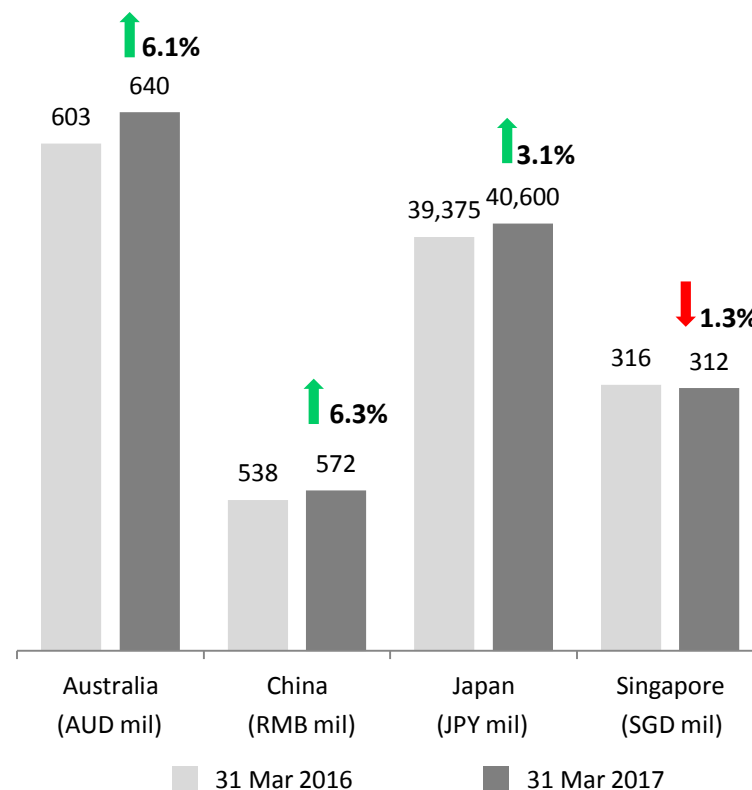
# Portfolio Valuation as at 31 March 2017

✦ Quality of portfolio drive valuation uplift

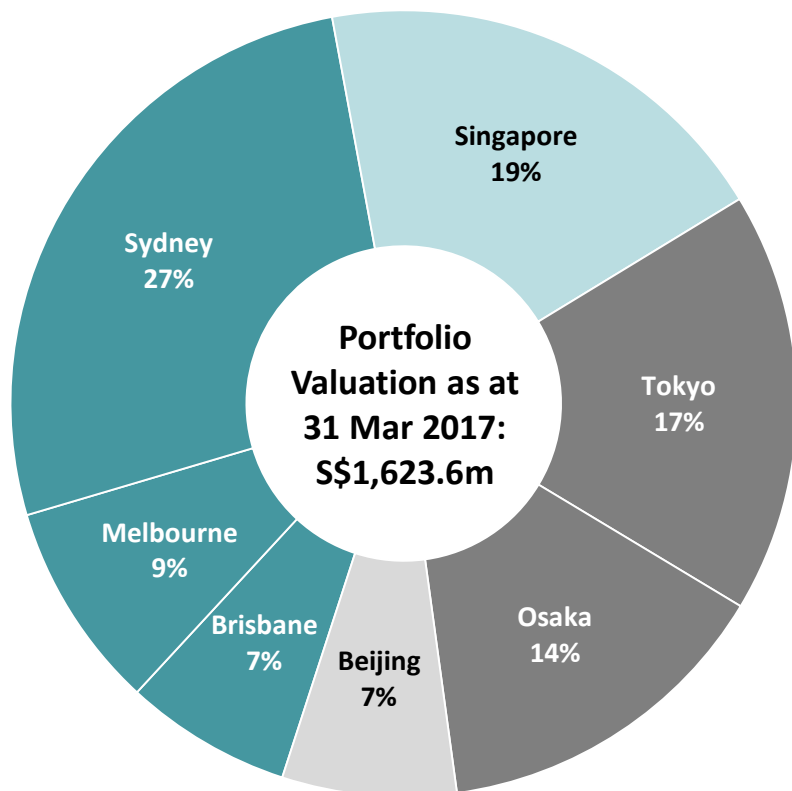
## Portfolio Valuation (S\$m)



## Valuation by Country (Local Currency)



# Portfolio Valuation as at 31 March 2017



Copies of the valuation reports are available for inspection by prior appointment at the Managers' registered office during normal business hours for a period of three months from the date of this document.

AUSTRALIA <sup>1</sup>	AUD mn	SGD mn <sup>5</sup>	42%
Pullman Sydney Hyde Park	154.0	164.4	10%
Novotel Sydney Central	154.5	164.9	10%
Novotel Sydney Parramatta	49.0	52.3	3%
Courtyard by Marriott Sydney-North Ryde	48.0	51.2	3%
Pullman and Mercure Melbourne Albert Park	130.0	138.8	9%
Pullman and Mercure Brisbane King George Square	104.5	111.6	7%

CHINA <sup>2</sup>	RMB mn	SGD mn <sup>6</sup>	7%
Novotel Beijing Sanyuan	254.0	51.6	3%
Ibis Beijing Sanyuan	318.0	64.6	4%

JAPAN <sup>3</sup>	JPY mn	SGD mn <sup>7</sup>	32%
Hotel Sunroute Ariake & Oakwood Apartments Ariake Tokyo	22,300	281.3	17%
Hotel Sunroute Osaka Namba	18,300	230.8	14%

SINGAPORE <sup>4</sup>	SGD mn	19%
Park Hotel Clarke Quay	312.0	19%

**TOTAL 1,623.6 100%**

## Notes:

1. Australia portfolio valued by Jones Lang LaSalle Advisory Services Pty Ltd
  2. China portfolio valued by DTZ Cushman & Wakefield Limited
  3. Japan portfolio valued by Cushman & Wakefield K.K.
  4. Singapore portfolio valued by Cushman & Wakefield VHS Pte Ltd
  5. Based on exchange rate of AUD1.00 : SGD1.0675
  6. Based on exchange rate of RMB1.00: SGD0.2033
  7. Based on exchange rate of JPY1.00 : SGD0.0126
- \* Any discrepancies are due to rounding



# 6

Looking Ahead

# Australia – General landscape healthy



- Inbound arrivals grew by 11% y-o-y in 2016, while domestic travel posted 4% y-o-y growth in overnight trips during the same period<sup>1</sup>.
- As the AUD remained relatively weak, it is expected to continue driving both international arrivals and domestic travelling in Australia, benefitting the hotel market in general.
- Recently added air routes between certain cities in China and Australia<sup>2</sup> can also help to boost further inbound traffic from one of Australia's key growth markets.
- In general, while the hotel markets in Sydney CBD and Melbourne are expected to remain healthy in the near term, the market conditions in Brisbane and Sydney suburban markets are likely to remain challenging as new supply enters the market.

**Note:**

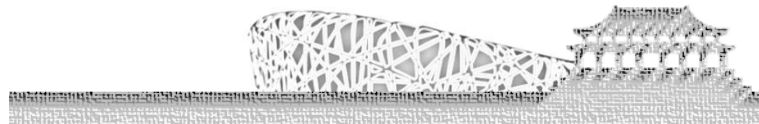
1. Source: Tourism Research Australia
2. Source: Tourism Australia



# China – Domestic travelling benefits sector



- Domestic travelling in Beijing grew by 4.7% to 281 million in 2016<sup>1</sup>.
- Growth in domestic travelling has supported the hospitality sector in Beijing, and will continue to be fundamental to the Beijing hotel market.
- Looking ahead, improved intercity transportation and tourism development in the city is expected to further boost domestic travelling, which will benefit the Beijing hotel market.



**Note:**

1. Source: Beijing Tourism Bureau



# Japan – Outlook stable



- Number of international arrivals to Japan grew by 21.8% y-o-y in 2016 and the growth trend continued in the first three months of 2017 with growth of 13.6% y-o-y<sup>1</sup>.
- Having welcomed a record number of foreign visitors into Japan in 2016, the growth trend is expected to continue in near term, although at a slower pace.
- In general, the hotel markets in Tokyo and Osaka are expected to remain healthy in the near term, although upcoming supply may moderate hotel market performance.

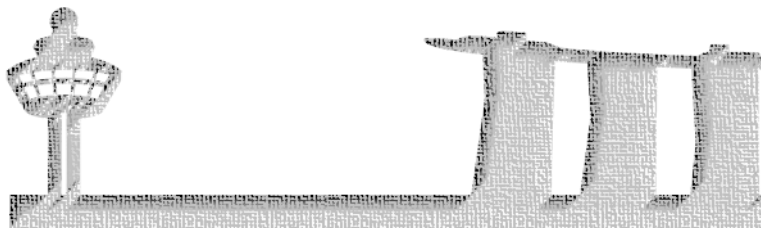
**Note:**

1. Source: Japan National Tourism Organisation

# Singapore – Pressure from increase in room supply



- A modest growth of between 0 to 2% is forecasted for the number of international arrivals into Singapore in 2017<sup>1</sup>, and the year started well with a growth of 3.4% y-o-y in number of inbound for the first two months of 2017 to 2.8 million<sup>1</sup>.
- However in the near term, further increase in the supply of hotel rooms is expected to continue exerting downwards pressure on hotel market performance.



**Note:**

1. Source: Singapore Tourism Board



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

**Managers of A-HTRUST**

**1 Fusionopolis Place**

**#10-10 Galaxis**

**Singapore 138522**

**Tel: +65 6774 1033**

**Email: [info-aht@ascendas-singbridge.com](mailto:info-aht@ascendas-singbridge.com)**

**[www.a-htrust.com](http://www.a-htrust.com)**