



## Q2 FY2019 Results Presentation

(For the period 24 May 2019 – 30 June 2019)

14 August 2019



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DBS Bank Ltd. was the Sole Financial Adviser and Issue Manager for the initial public offering of Eagle Hospitality Trust.





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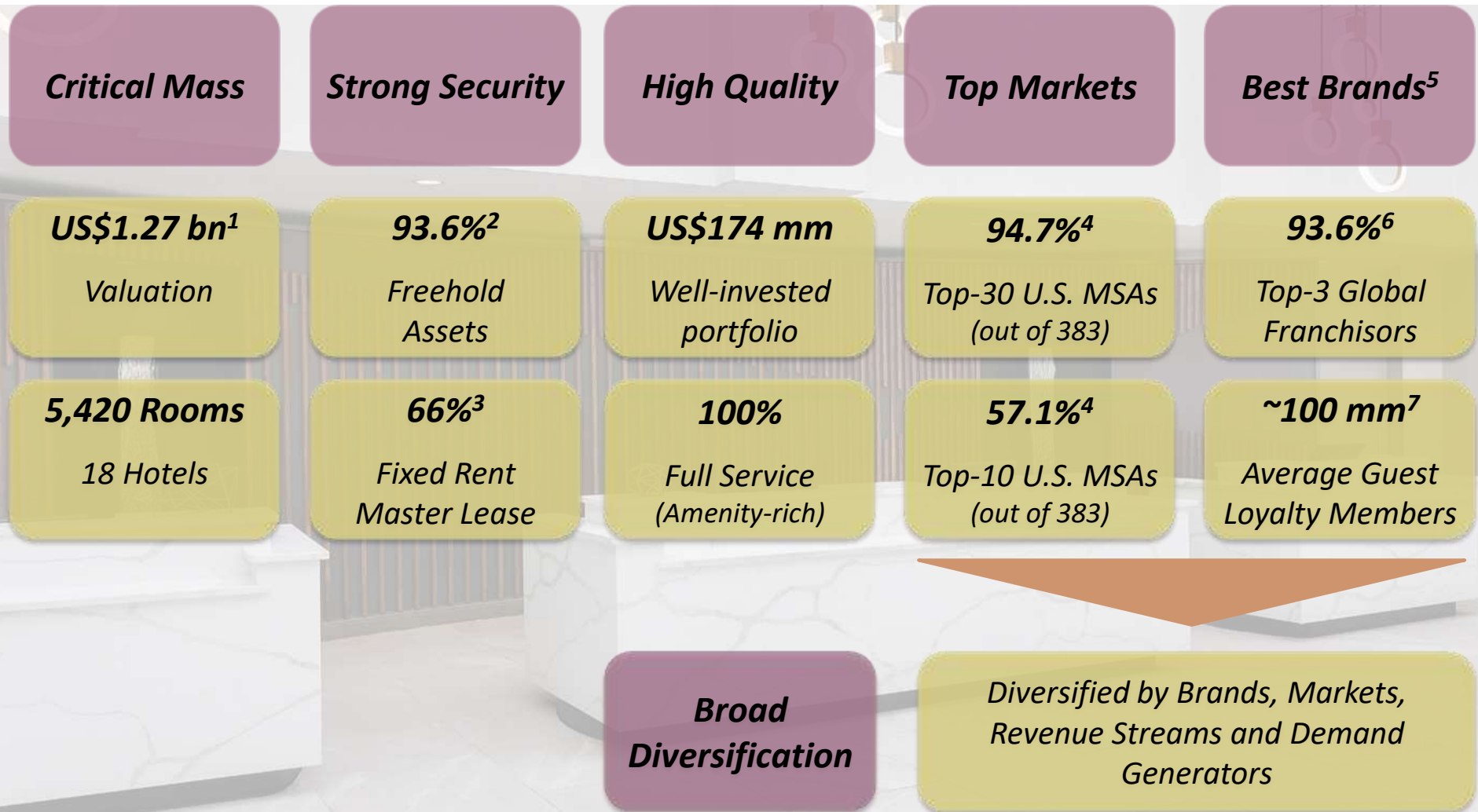
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## A. Overview of EHT



# Company Attributes

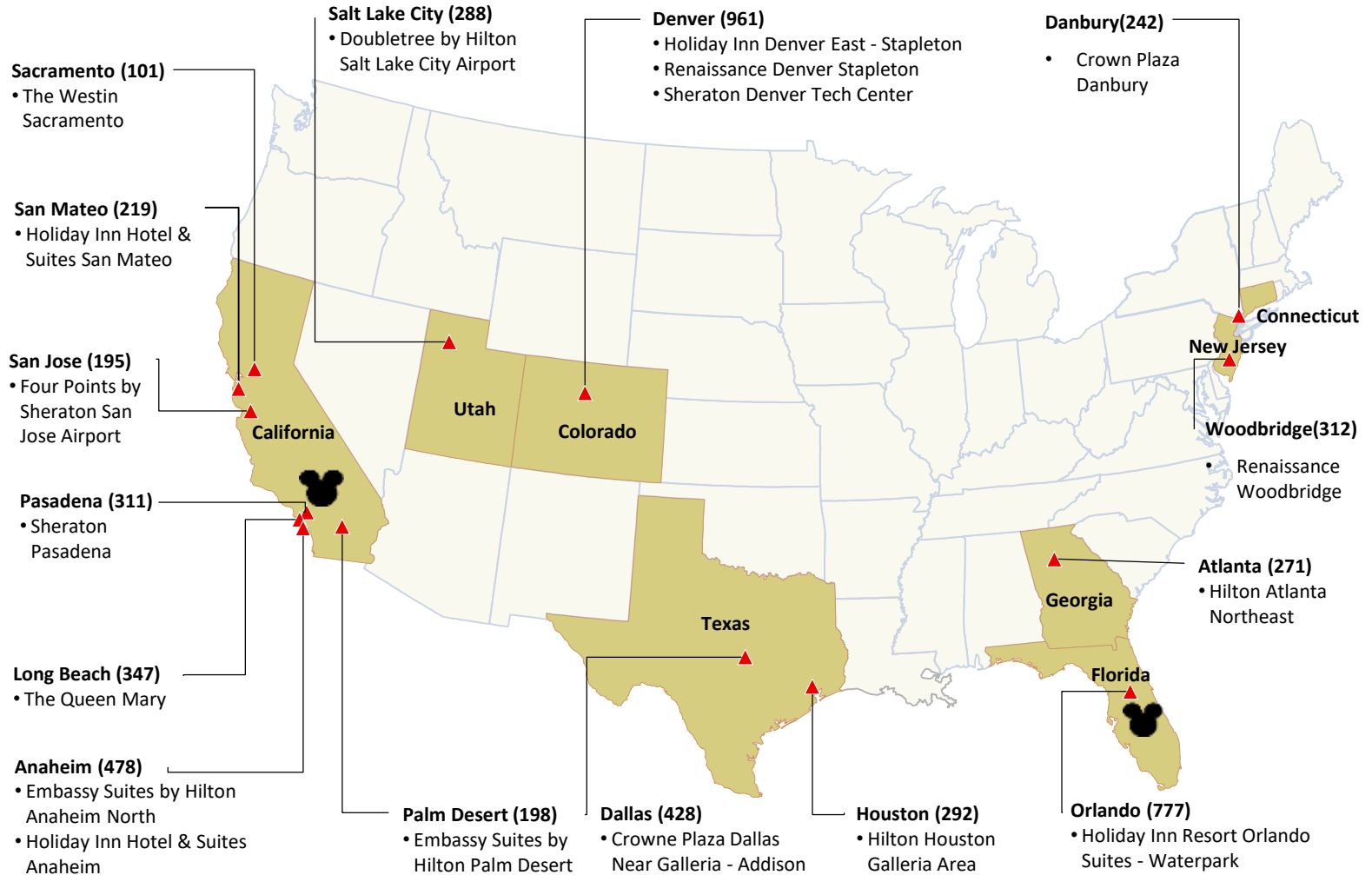
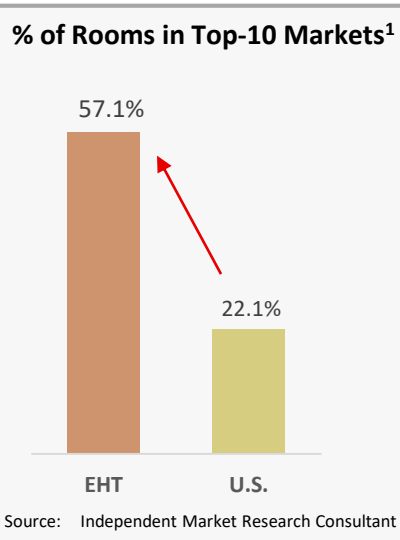
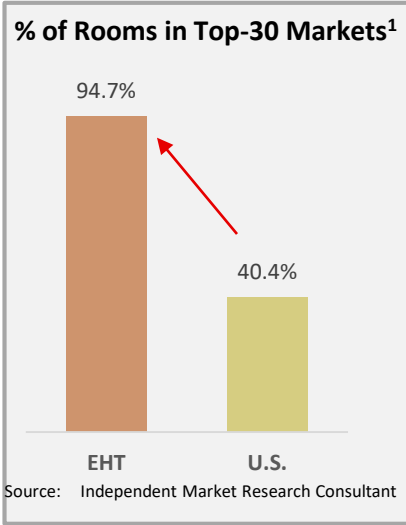


## Notes:

1. Based on Adopted Valuation by HVS dated 31 Dec 2018
2. Based on number of rooms
3. Based on Projection Year 2020
4. Reflects proportion of rooms in top markets; markets reflect Metropolitan Statistical Areas (MSAs); MSAs ranked by GDP
5. Best Brands defined based on size of distribution networks (i.e. number of rooms globally) and size of guest loyalty programme
6. Reflects exposure to Best Brands; i.e. top-3 global franchisors: Marriot/Starwood, Hilton, IHG (represents 93.6% of portfolio, based on number of rooms)
7. Reflects average indicative guest loyalty membership across the top-3 global franchisors (represents 93.6% of portfolio, based on number of rooms)

# Top Markets with Geographical Diversification

**94.7% in the top-30 markets<sup>1</sup>; 57.1% in the top-10 markets<sup>1</sup> (out of 383 markets)**



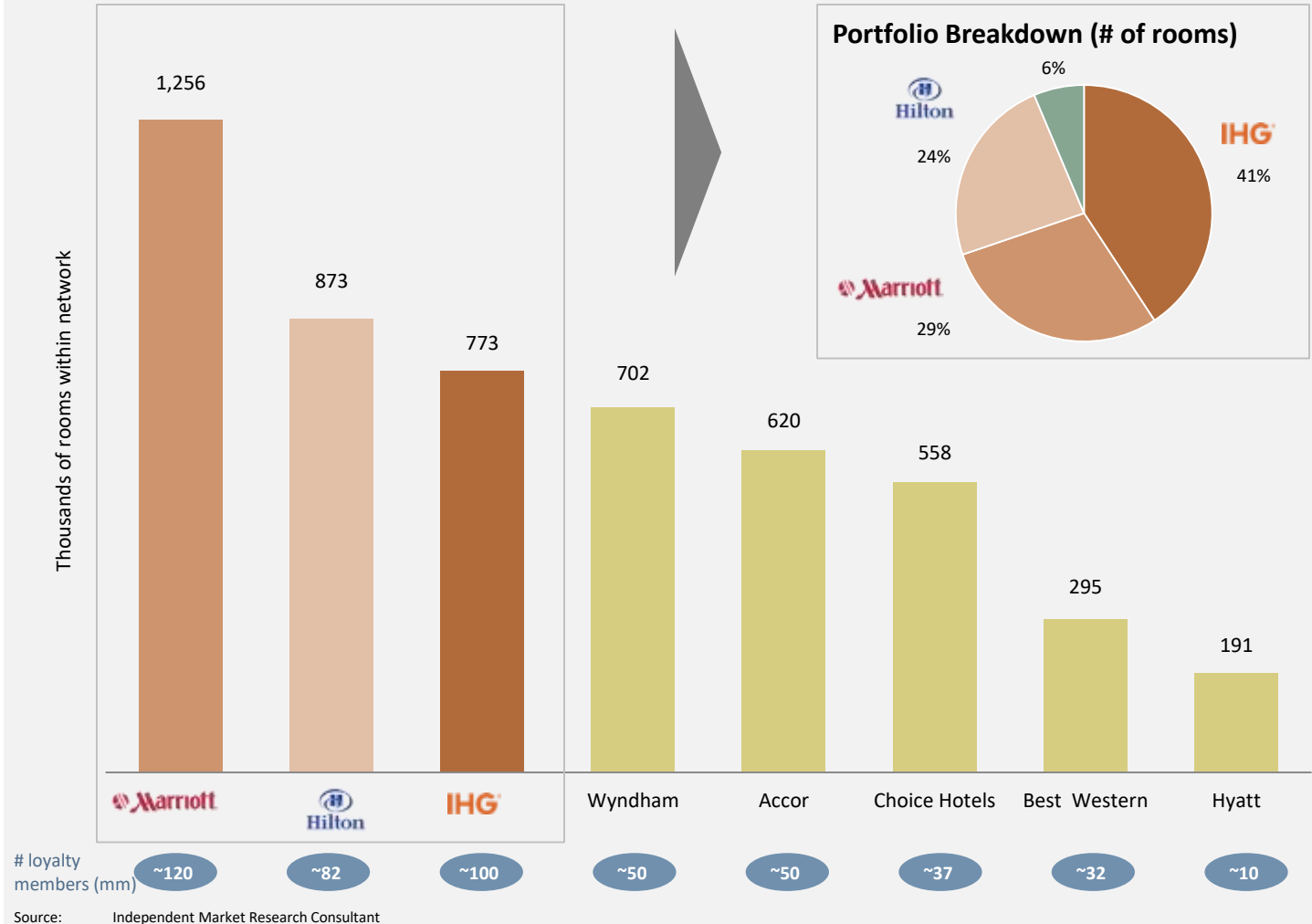
Note:  
1. Reflects proportion of rooms in top markets; markets reflect Metropolitan Statistical Areas (MSAs); MSAs ranked by GDP

# Best Hotel Brands<sup>1</sup>

93.6%<sup>2</sup> branded by the top-3 global hotel franchisors

- ~100 mm average guest loyalty members<sup>3</sup>
  - Powerful guest network
- Extensive distribution channels
- Significant brand awareness and quality standards
- Strong bargaining power; e.g. OTAs and suppliers

Global Hotel Franchisors (# of rooms)



Notes:

1. Best Brands defined based on size of distribution networks (i.e. number of rooms globally) and size of guest loyalty members
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## B. Financial Summary



Four Points by Sheraton San Jose Airport

# Earnings Highlights

	US\$'000s Actual <sup>1</sup>	US\$'000s Projections <sup>1, 2</sup>	Change
<b>Distribution per Unit (DPU) (US cents)</b>	<b>0.650</b>	<b>0.642</b>	 <b>1.2%</b>
<b>Distribution Income</b>	<b>US\$5,647</b>	<b>US\$5,579</b>	 <b>1.2%</b>
<b>Net Income</b>	<b>134,545</b>	<b>134,462</b>	 <b>0.1%</b>
<b>Net Property Income (NPI)</b>	<b>8,046</b>	<b>8,196</b>	 <b>(1.8%)</b>
<b>Total Revenue</b>	<b>9,507</b>	<b>9,632</b>	 <b>(1.3%)</b>

- DPU and Distributable Income outperformed primarily due to administrative cost-savings at the Trust level and lower finance expenses
- Total Revenue and NPI is primarily lower as a result of the short time period for ramp-up following renovations and construction delays at selected properties

**Notes:**

1) For the period 24 May 2019 to 30 June 2019; US\$'000, unless otherwise indicated

2) Projections for the Reporting Period is derived from the portion of property manager estimates related to the Reporting Period taking into account monthly seasonality.

# Balance Sheet Statistics

	As at 30 June 2019 (US\$'000) <sup>1</sup>
Investment Properties	US\$1,274,906
<b>Total Assets</b>	<b>US\$1,353,471</b>
Trade & Payables	71,951
Borrowings	507,178
<b>Total Liabilities</b>	<b>US\$579,129</b>
Net Assets Attributable to Stapled SecurityHolders	774,342
Total issued units <sup>2</sup>	868,695
<b>NAV per Unit (US\$)</b>	<b>US\$0.89</b>
<b>Discount to NAV<sup>3</sup></b>	<b>(20%)</b>

**Fixed Interest Rate**

**93%<sup>4</sup>**

**All-in Cost of Debt**

**3.9%<sup>4, 5</sup>**

**Interest Coverage**

**4.1 times**

**Gearing Ratio**

**37.5%**

**Debt Headroom**

**US\$175mm<sup>6</sup>**

## Notes:

1. Figures in US\$'000, unless otherwise indicated
2. Based on 867,888,000 units in issue and 807,296 units to be issued as of 30 June 2019
3. Based on 8<sup>th</sup> August closing price of US\$0.710
4. Reflects impact of interest rate swap transactions, effective as of 1 July 2019;
5. Includes debt-related transaction costs
6. Based on maximum Aggregate Leverage under the Property Funds Appendix of 45.0%

# Prudent Capital Management

## Zero Currency Exposure

- 100% U.S. dollars denominated loans

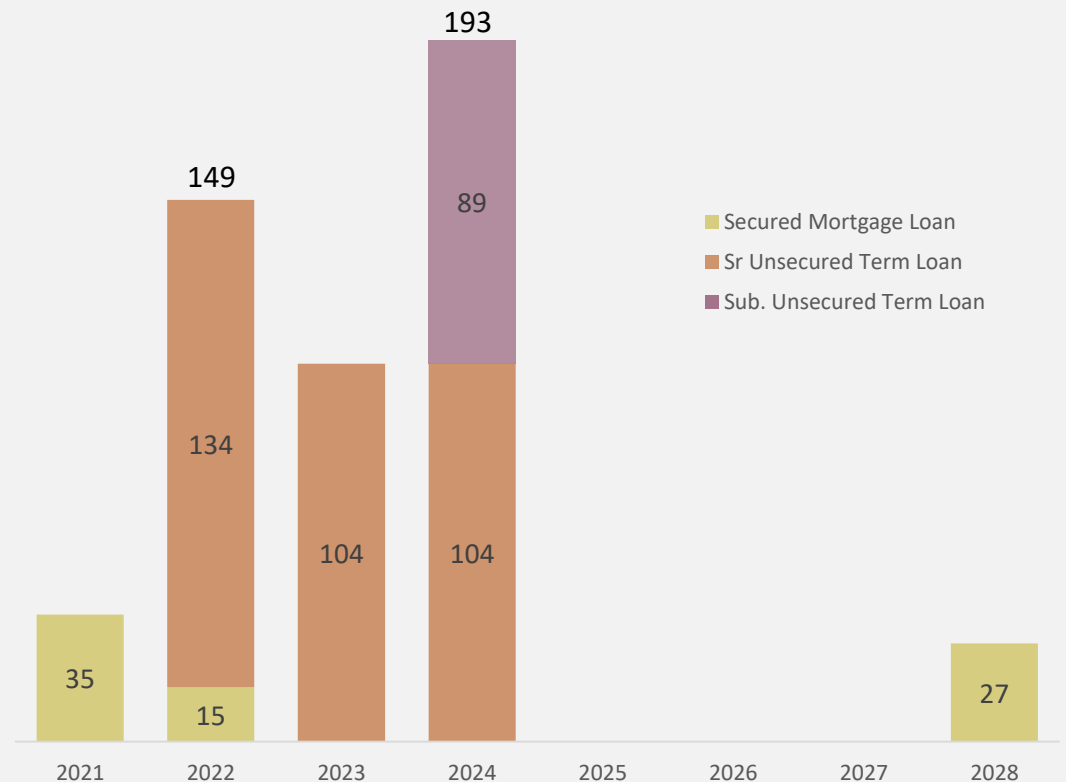
## Staggered Maturity Profile

- 4.2 years average debt maturity

## Interest Rate Insulation

- 93%<sup>1</sup> fixed rate borrowings

Debt Maturity Profile by Year (US\$ mm)




Note:




1. Reflects impact of interest rate swap transactions, effective as of 1 July 2019



# Operational Performance

	At IPO <sup>2</sup>	Q2 <sup>3</sup>	Difference
<b>RevPAR Index<sup>1</sup></b>	<b>97.4%</b>	<b>104.0%</b>	 <b>6.8%</b>

- Reflects progressive increase in market penetration following renovation work

	Portfolio	W-I-P	Upgraded	Difference
<b>ADR (US\$)</b>	<b>128.0</b>	<b>119.6</b>	<b>130.8</b>	 <b>9.4%</b>
<b>Occupancy (%)</b>	<b>76.8%</b>	<b>64.6%</b>	<b>82.0%</b>	 <b>17.4%</b>
<b>RevPAR (US\$)</b>	<b>98.3</b>	<b>77.3</b>	<b>107.3</b>	 <b>38.8%</b>

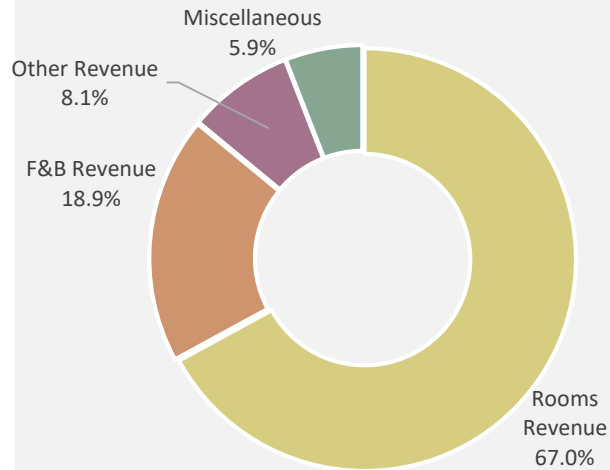
- Reflects potential upside to work-in-progress (“W-I-P”) properties after completion and full ramp-up of renovation works

**Note:**

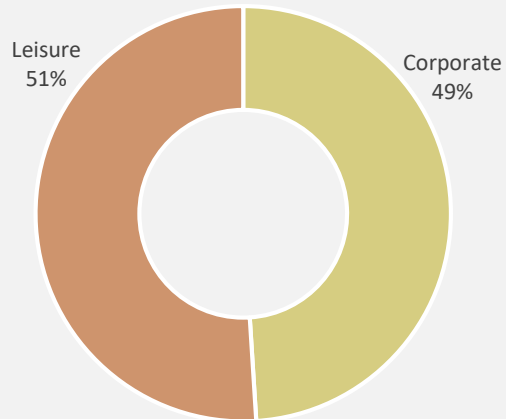
1. Compares EHT’s asset-level RevPAR to the RevPAR average of each asset’s respective competitive set; above 100 indicates greater than average market penetration relative to each asset’s competitive set.
2. Reflects most recently disclosed portfolio RGI per the prospectus; as of FY2018
3. Reflects Q2 2019 (April through June)

# Diverse Revenue Streams

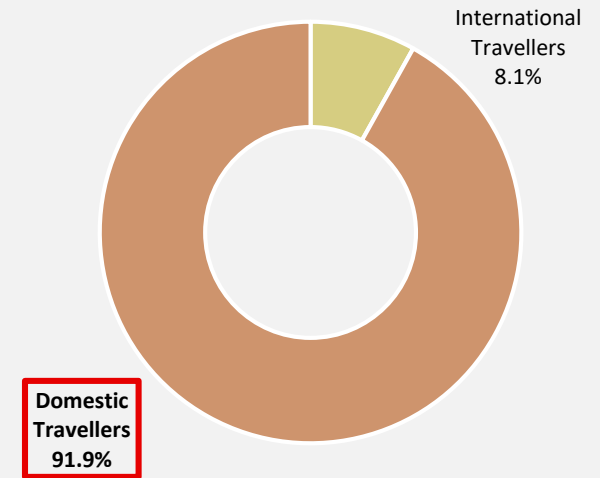
## Q2 Revenue Streams



## Q2 Guest Segmentation



## Guest Origin<sup>1</sup>



- Well-diversified revenue streams
- Driven by amenity-rich assets

- Well-balanced guest profile
- Supported by corporate and leisure demand generators

- Well-shielded against geo-political events (e.g. trade war)
- Backed by dynamic, domestic market

Note:

1. Based on USHI Portfolio guest revenue in FY2018

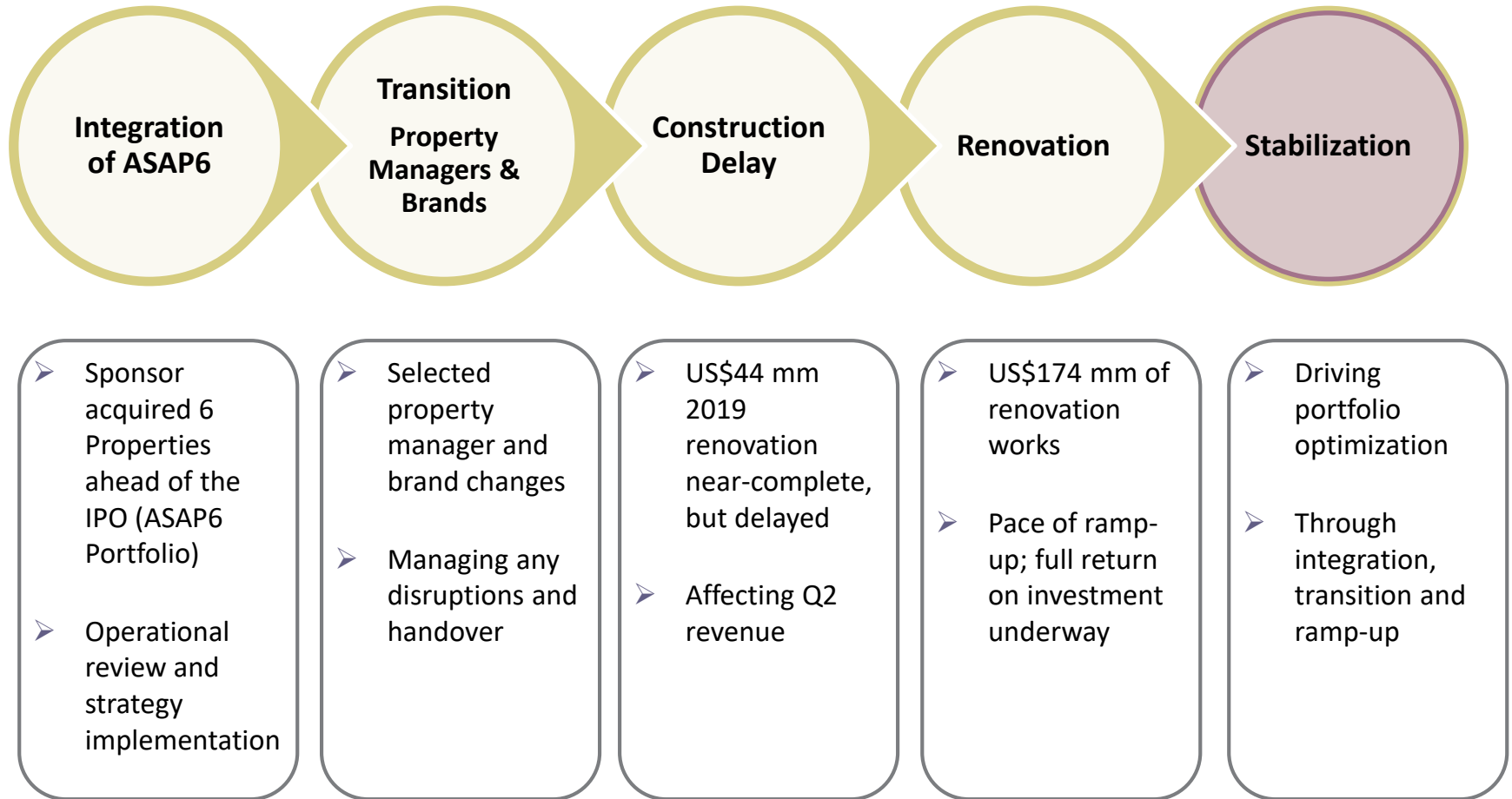
## C. Asset Management



Embassy Suites by Hilton Anaheim North

# Asset Management Progression

## Stabilization Roadmap

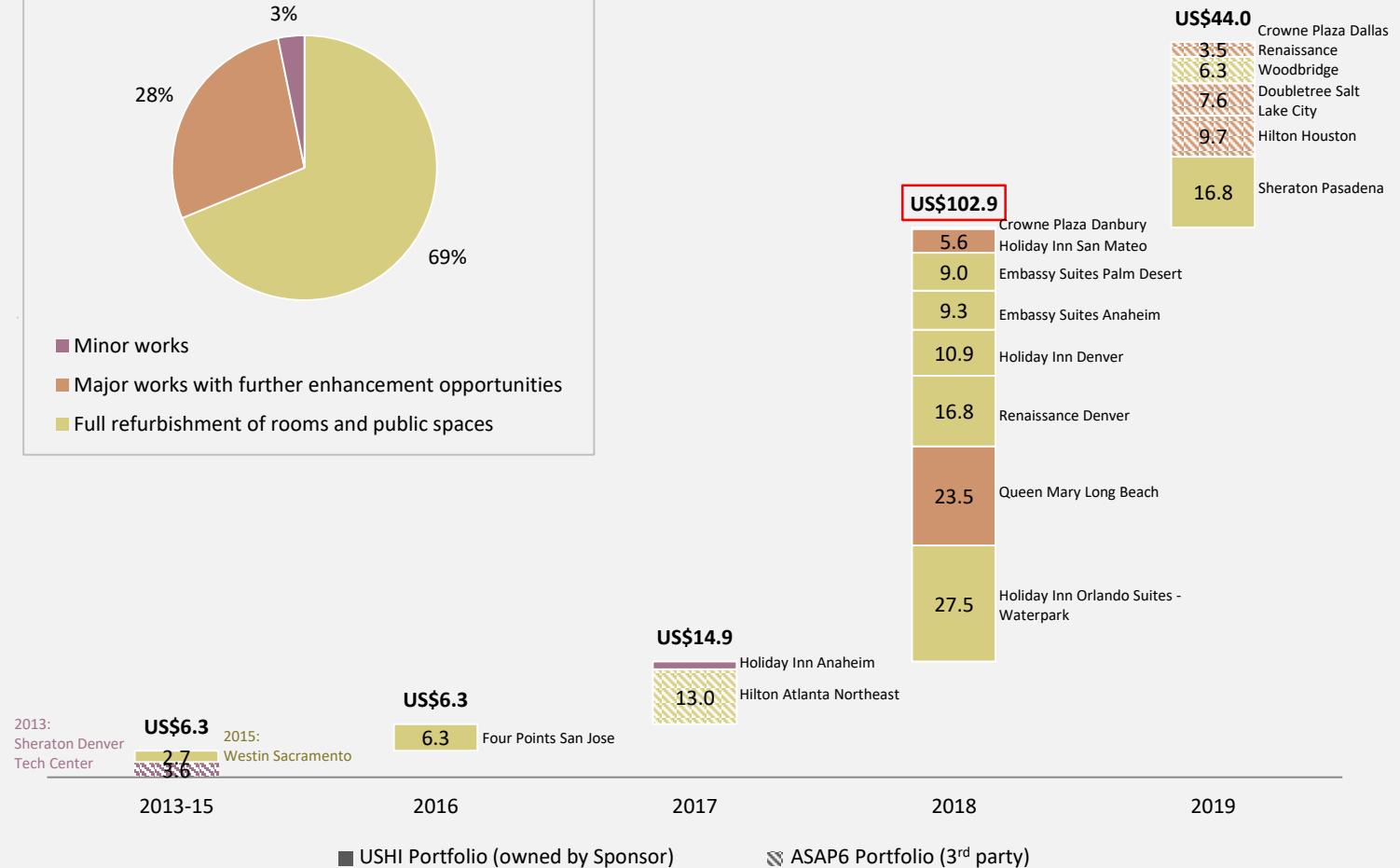
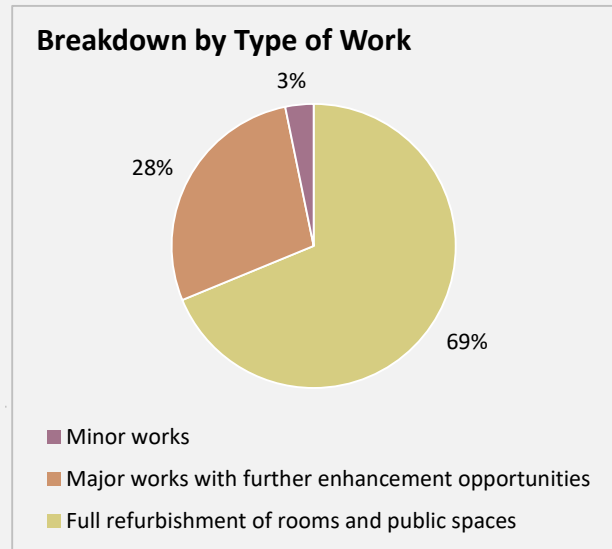




# Capital Expenditures

- US\$174 mm of total capital expenditure
- US\$103 mm recently completed in 2018
- In addition, US\$44 mm of renovation work planned for 1H 2019
  - Primarily focused on the ASAP6 assets

**Capital Expenditure by Property and Completion Date (US\$ mm)**



# US\$44 mm 2019 Capital Expenditures – Status Update

**Sheraton Pasadena**

US\$16.8 mm, Completed end of May '19



**Double-Tree by Hilton Salt Lake City**

US\$7.6 mm, Expected Completion in August '19



**Hilton Houston by Galleria**

US\$9.7 mm, Completed end of May '19



**Crowne Plaza by Galleria Addison**

US\$3.5 mm, Completed March '19



**Renaissance Woodbridge**

US\$6.3 mm, Completed mid-June '19



# Pro-Active Asset Management Initiatives

## Property Manager Enhancement

- Upgraded selected assets' property managers to leverage unique manager expertise by hotel type and geography

## Brand Re-alignment

- Renaissance Woodbridge to Delta by Marriott, Woodbridge
  - Newest Marriott brand with a more modern positioning and efficient cost structure
- Doubletree Salt Lake City to become Hilton Hotel in 2022
  - Up-branded to target higher rated corporate guest with higher rate potential

## Cost-savings Initiatives

- Completing & integrating "cost-yield" analysis done with independent consultant
- In addition, implementing 'Labor Savings' initiatives across portfolio

## Revenue Management

- Supplementing property and regional sales forces to enhance dynamic pricing strategy
- Opted into "Brand" Revenue Management programs
- Added Corporate Revenue Directors to Sponsor's operational team



## D. Investment Pipelines





# Proven “Local” Market Connectivity: Sponsor & Manager

Established sourcing channels for acquisitions

- Public & private hotel owners
- Independent hotel managers
- Hotel franchisors
- Unique investment bank & other financial institution relationships
- Real estate brokers

## Pipeline assets

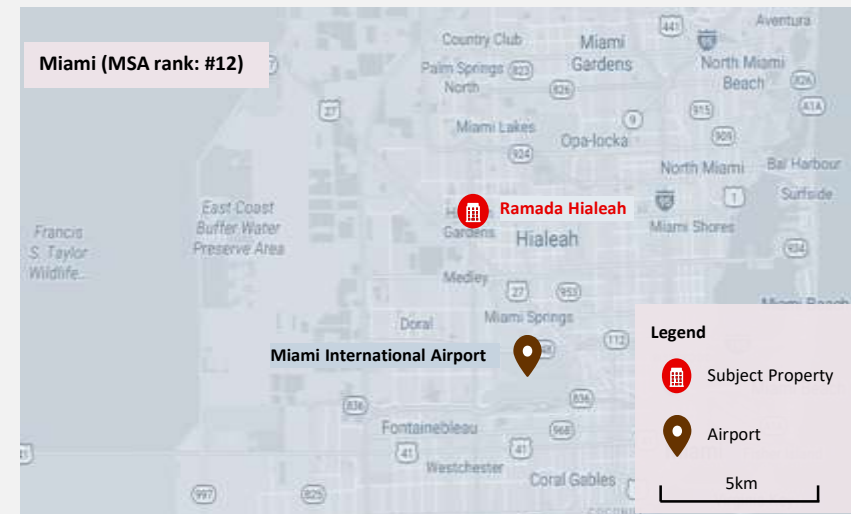
### Wagner at the Battery (Formerly Ritz-Carlton)

- Location: New York, NY
- Class: Upper upscale
- Rooms: 298



### Ramada Hialeah

- Location: Hialeah, FL
- Class: Midscale
- Rooms: 224

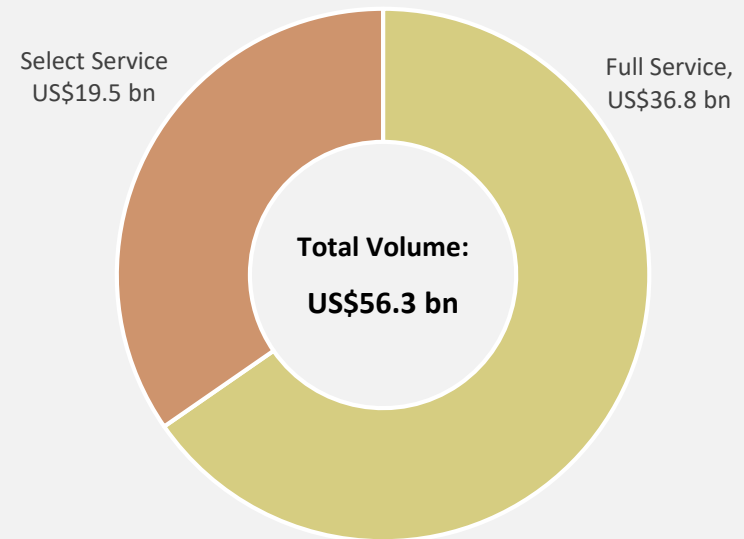


# Robust Market Opportunity Set for Acquisitions

***The Manager will take a disciplined approach toward acquisition, guided by shareholder value creation and improving distributions***

- Total U.S. hotel transaction volume of US\$56.3 bn since 2018
- U.S. lodging market represents a highly liquid property sector
- 65.4% of volume driven by full service hotel transactions

**U.S. Hotel Transaction Volume<sup>1</sup> (FY2018 – 1H2019)**



Source: Real Capital Analytics.

*Note:*

*1. Reflects closed transactions*



**Investor Relations Contact:**

**Ms Amanda Chuah**

**+65 6653 4431**

**[enquiry@eagleht.com](mailto:enquiry@eagleht.com)**

**[www.eagleht.com](http://www.eagleht.com)**

**Holiday Inn Hotel & Suites Anaheim**