



## **2Q FY2016/17 Financial Results Presentation**

---

**9 November 2016**

# Disclaimer

This presentation shall be read in conjunction with A-HTRUST's Unaudited Financial Results for the Second Quarter ended 30 September 2016 ("2Q 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 Looking Ahead

# Overview of Ascendas Hospitality Trust

**S\$824 million**

Market capitalisation  
as at 30 September 2016

**S\$1,525 million**

Portfolio valuation as at 31 March 2016

**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 North Ryde

## Melbourne

- Pullman and Mercure Melbourne Albert Park

## Brisbane

- Pullman and Mercure Brisbane King George Square



# 1

## Key Highlights

## 2Q FY2016/17 Financial Highlights

	2Q FY2016/17 <sup>1</sup>			1H 2016/17 <sup>1</sup>		
Gross Revenue	<b>S\$55.6m</b>	2.5% y-o-y	▲	<b>S\$107.9m</b>	0.9% y-o-y	▲
Net Property Income ("NPI")	<b>S\$24.3m</b>	7.7% y-o-y	▲	<b>S\$46.9m</b>	6.6% y-o-y	▲
Income available for distribution	<b>S\$16.3m</b>	0.3% y-o-y	▲	<b>S\$31.5m</b>	0.8% y-o-y	▲
Adjusted Income available for distribution <sup>2</sup>	<b>S\$15.5m</b>	0.1% y-o-y	▲	<b>S\$30.0m</b>	0.8% y-o-y	▲
Distribution per Stapled Security ("DPS")	<b>1.38 cents</b>	stable	■	<b>2.67 cents</b>	0.4% 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

## 2Q FY2016/17 Portfolio Highlights

	AOR <sup>1</sup>		ADR <sup>1</sup>		RevPAR <sup>1</sup>	
Australia	84.2%	0.8pp y-o-y ▲	AUD 169	0.6% y-o-y ▼	AUD 142	Stable y-o-y ▬
China	91.5%	4.6pp y-o-y ▲	RMB 407	1.2% y-o-y ▼	RMB 372	3.9% y-o-y ▲
Japan	<ul style="list-style-type: none"> <li>Applies to Oakwood Apartments only</li> <li>Decline in both occupancy and ADR</li> </ul>				JPY 9,819	0.4% 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





# 2

## Financial Review



# Results Summary – 2Q FY2016/17

S\$' million	2 <sup>nd</sup> Quarter		Change <sup>3</sup>
	FY2016/17	FY2015/16	
Gross Revenue	55.6	54.2	2.5%
Net Property Income	24.3	22.6	7.7%
NPI Margin	43.8%	41.7%	2.1pp
Income available for distribution	16.3	16.3	0.3%
- Operation	16.3	15.7	4.1%
- Proceeds from Divestment <sup>1</sup>	-	0.6	-
Adjusted Income available for distribution <sup>2</sup>	15.5	15.5	0.1%
DPS (cents)	1.38	1.38	-

- Overall improvement in underlying performance of portfolio driven by Hotel Sunroute Osaka Namba supported by appreciation of JPY and AUD

- Stable distributable income despite absence of distribution from proceeds of divestment
- Higher net property income also offset by higher income tax and lower realised exchange gain

**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 – 1H FY2016/17

S\$' million	1 <sup>st</sup> Half		Change <sup>3</sup>
	FY2016/17	FY2015/16	
Gross Revenue	107.9	107.0	0.9%
Net Property Income	46.9	44.0	6.6%
NPI Margin	43.5%	41.1%	2.4pp
Income available for distribution	31.5	31.3	0.8%
- Operation	31.5	30.7	2.8%
- Proceeds from Divestment <sup>1</sup>	-	0.6	-
Adjusted Income available for distribution <sup>2</sup>	30.0	29.7	0.8%
DPS (cents)	2.67	2.66	0.4%

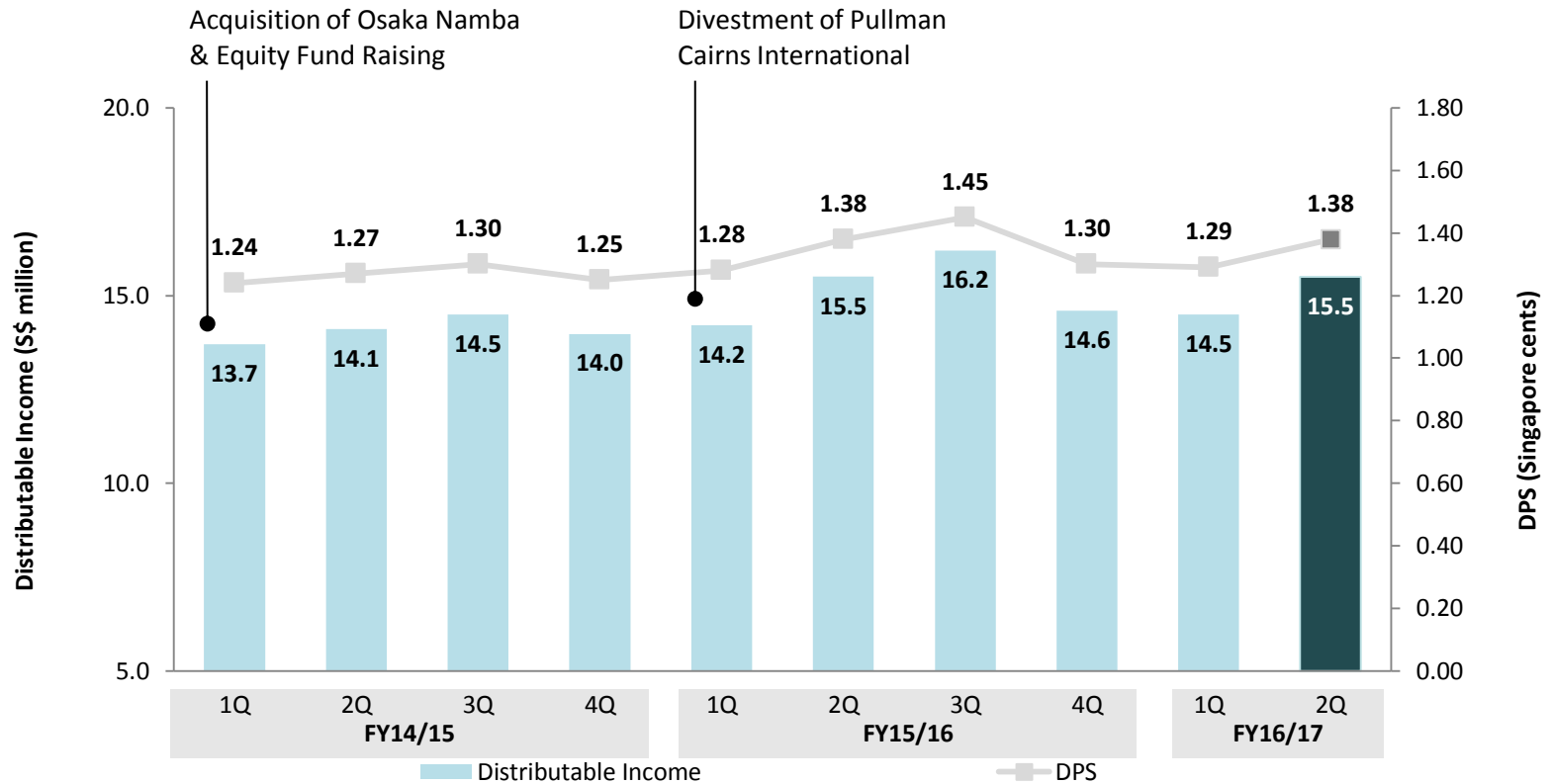
- Mainly due to overall underlying portfolio performance improvement and stronger JPY

- Higher distributable income despite absence of distribution from proceeds of divestment
- Higher net property income also partially offset by higher tax and absence of exchange gain

**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



# Distribution Details

Distribution for the period 1 April 2016 to 30 September 2016: **2.67** Singapore cents per stapled security

9 Nov 2016	<b>Notice of Books Closure Date</b>
15 Nov 2016, 9.00 am	<b>Ex-Distribution Date</b>
17 Nov 2016, 5.00 pm	<b>Books Closure Date</b>
15 Dec 2016	<b>Date of Distribution</b>

November 2016						
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 2016						
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	



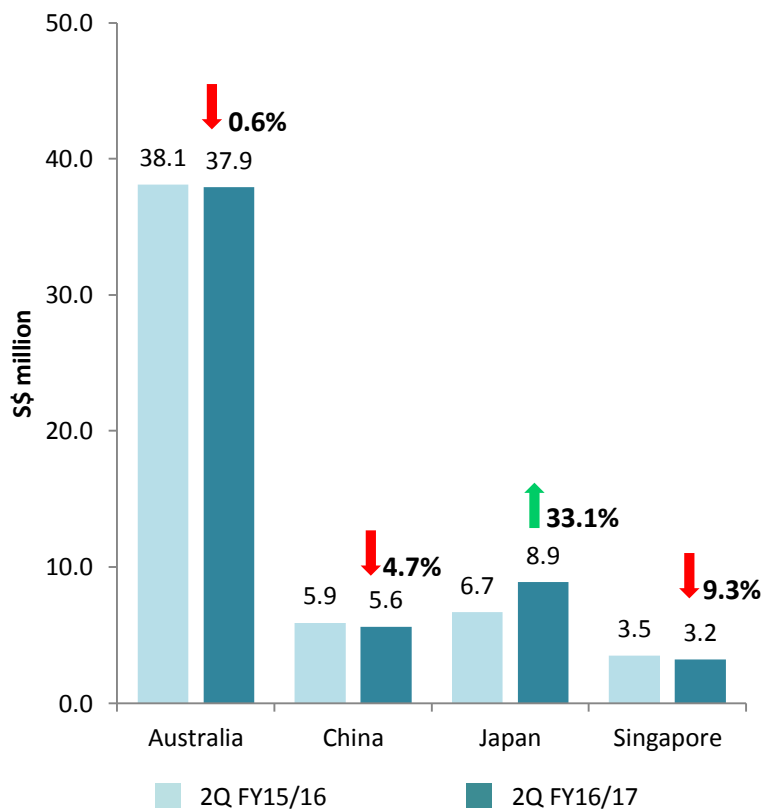
# 3

## Portfolio Performance

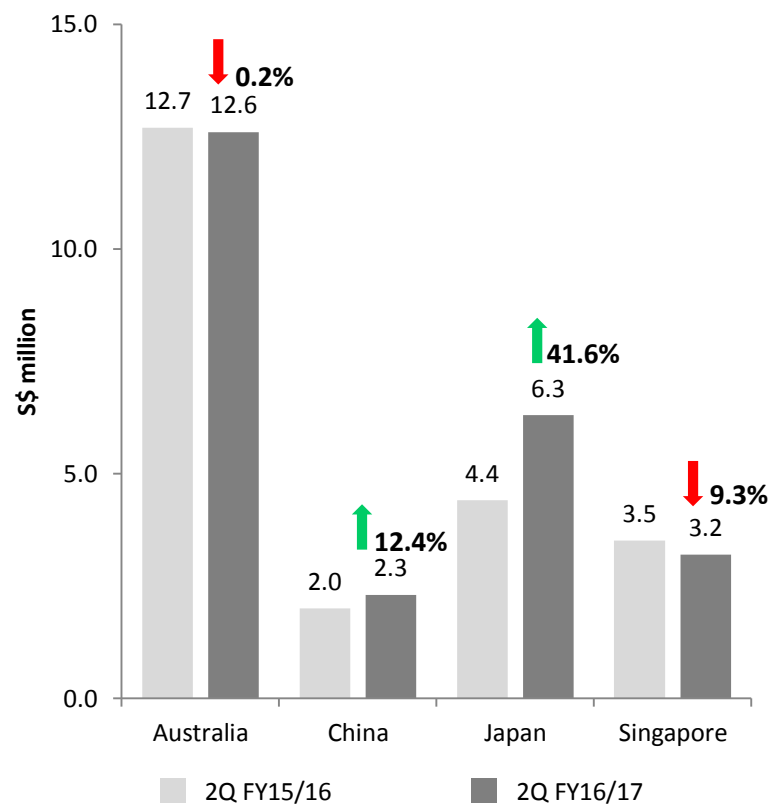
# Performance by Country

- ✦ Improvement in Japan and China portfolios more than compensate for weaker performances from Australia and Singapore

## Gross Revenue



## Net Property Income

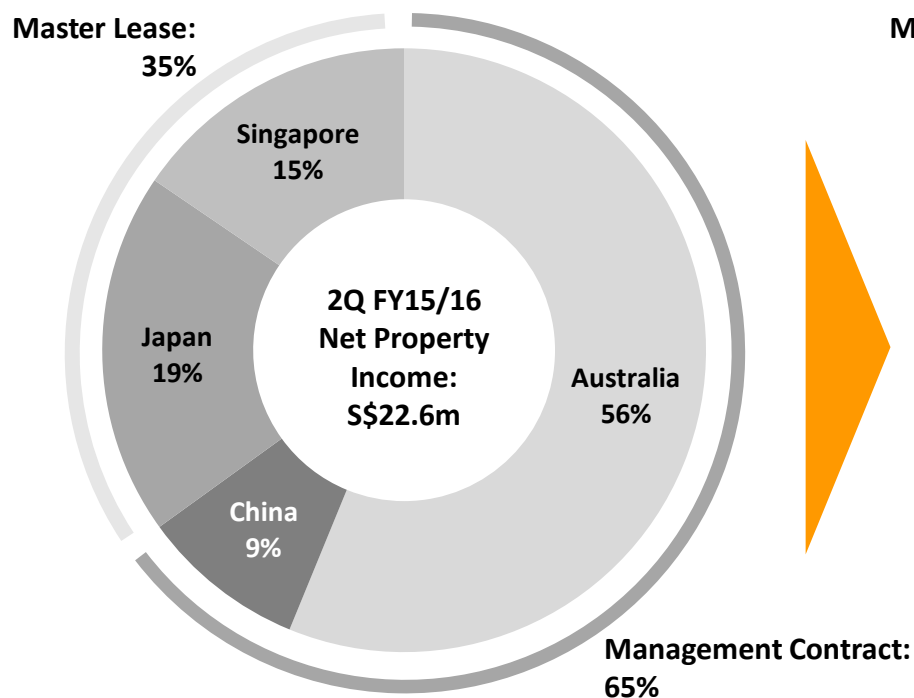




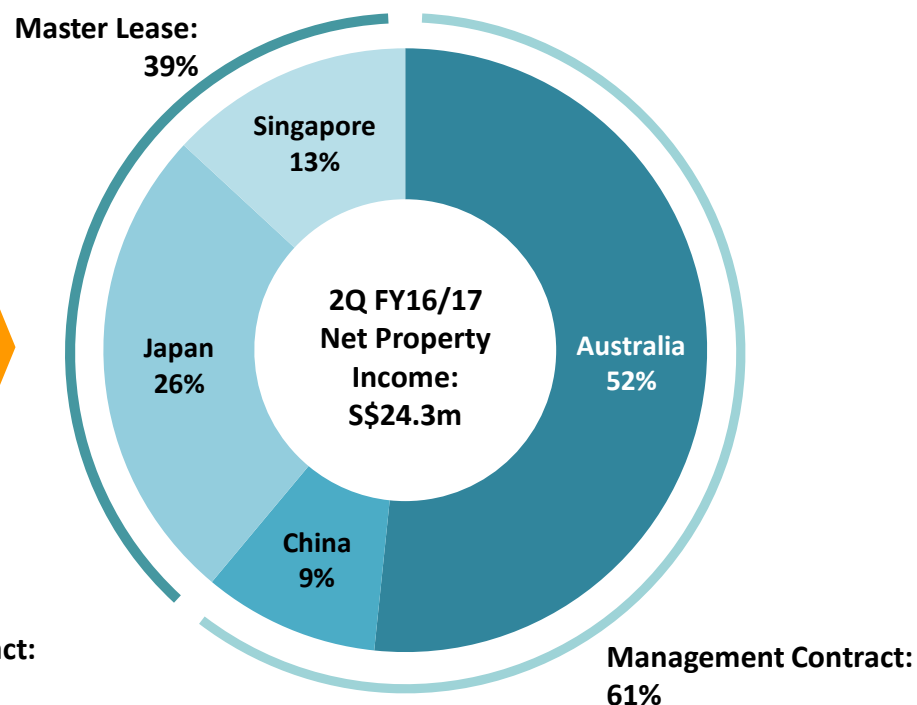
# NPI Breakdown by Country and Contract Type

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

2Q FY15/16 Net Property Income



2Q FY16/17 Net Property Income

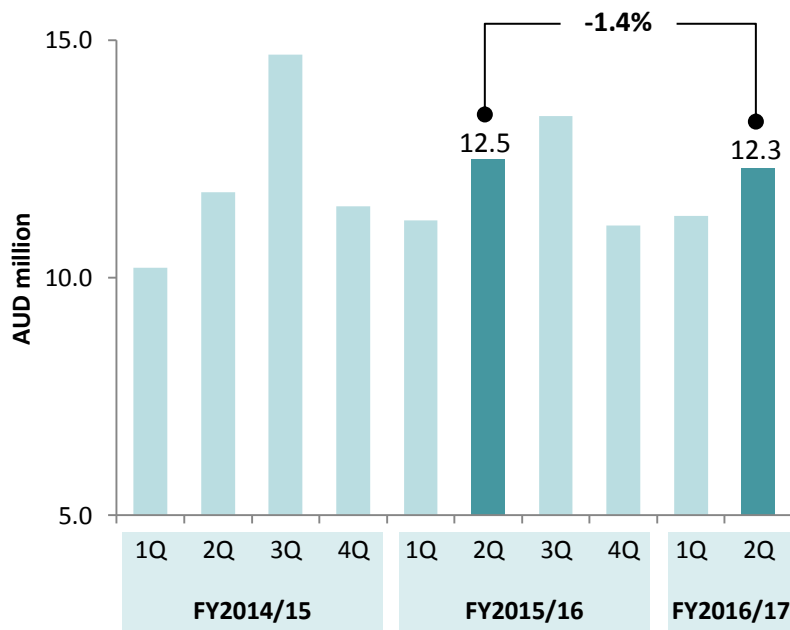


# Stable performance from Australia portfolio

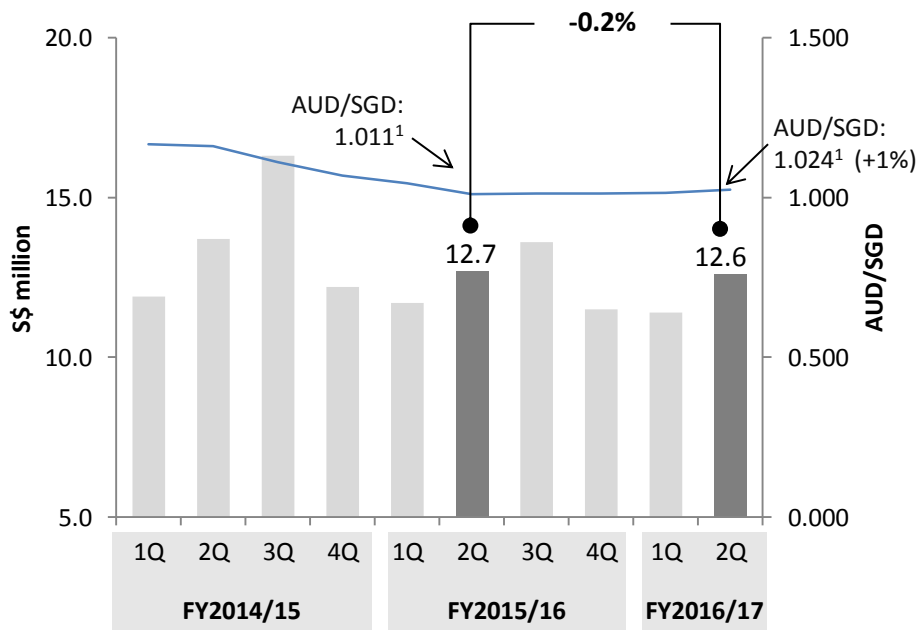
AUD	2 <sup>nd</sup> Quarter		Change
	FY16/17	FY15/16	
<b>AOR</b>	84.2%	83.4%	↑ 0.8pp
<b>ADR</b>	169	170	↓ 0.6%
<b>RevPAR</b>	142	142	—

- New air crew in Novotel Sydney Central and hotel in Melbourne drive earnings, while higher public demand benefitted Pullman Sydney Hyde Park
- Courtyard by Marriott North Ryde was undergoing refurbishment this quarter and saw increased competition from new hotel in the vicinity
- Brisbane hotel affected by oversupply situation

## Net Property Income in AUD



## Net Property Income in S\$

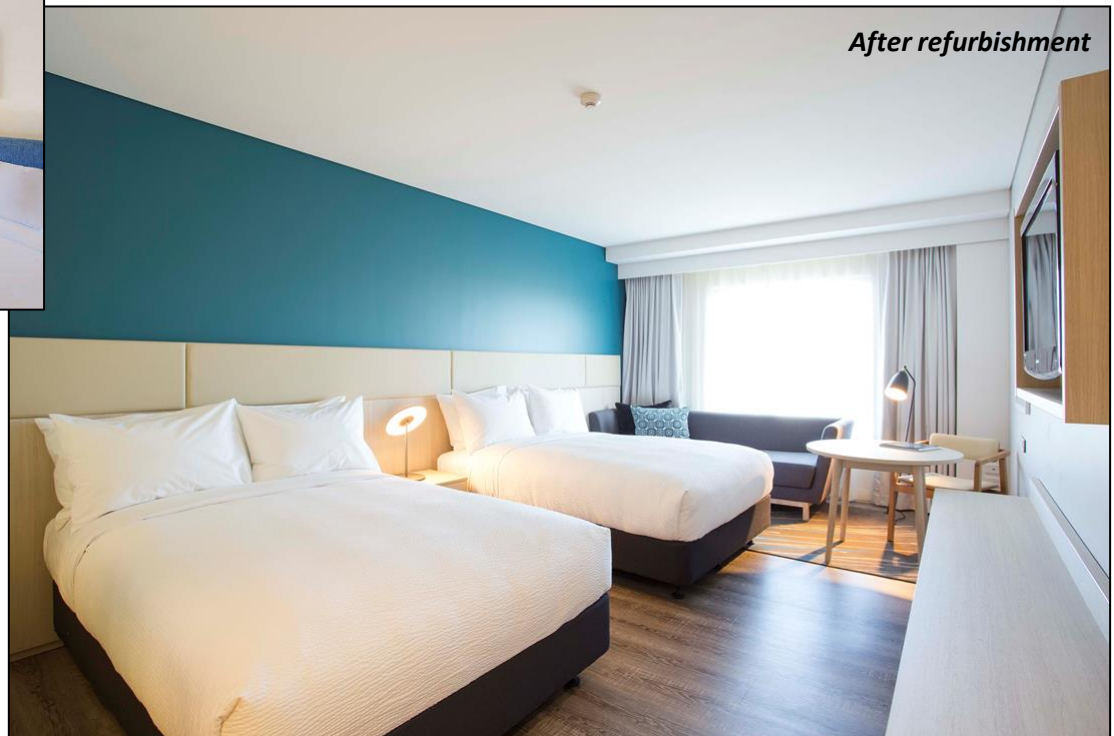


Note:

1. Based on average rate used for the respective quarter

# Courtyard by Marriott North Ryde

- ✦ The rooms in the hotel have all been refurbished to create a modern and cozy feel to improve the experience of guests staying in the hotel
- ✦ The refurbishment is completed in time for peak season and will allow the hotel to compete better amidst increased competition in the vicinity



# Pullman & Mercure Brisbane King George Square

- ✦ Previously only for private events, the rooftop bar of the hotel was recently renovated and is now available daily to public to improve earnings potential
- ✦ “Sixteen Antlers” as the bar is named, spot a trendy setup and is perched atop the 16-storey hotel, offering great views of the City Hall clock tower and the city’s skyline



## Coverage by local media:

*“With a glass roof and balustrades to allow great cityscape vistas as well as protection from the elements, Sixteen Antlers makes a splendid and exclusive place to enjoy a drink and some tapas or bar snacks...”*



*“Taking over the top level at Pullman and Mercure Brisbane on the corner of Ann and Roma streets, it might just boast one of the best inner city views in Brissie.”*



*“Located within the Pullman and Mercure Brisbane King George Square hotel, Sixteen Antlers Rooftop Bar will offer amazing views of Brisbane’s and the City Hall clock tower, and treat guests to a twinkling Brisbane skyline come nightfall.”*

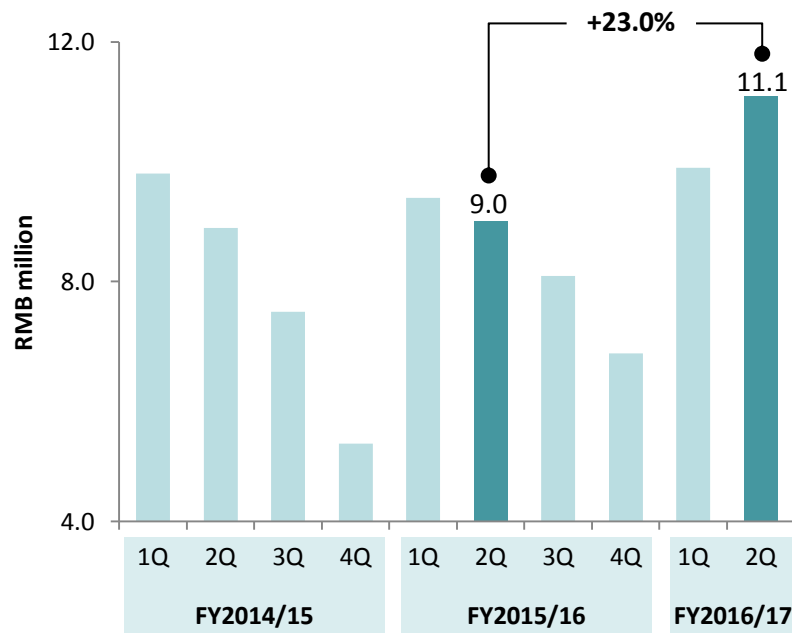


# Encouraging results from China portfolio

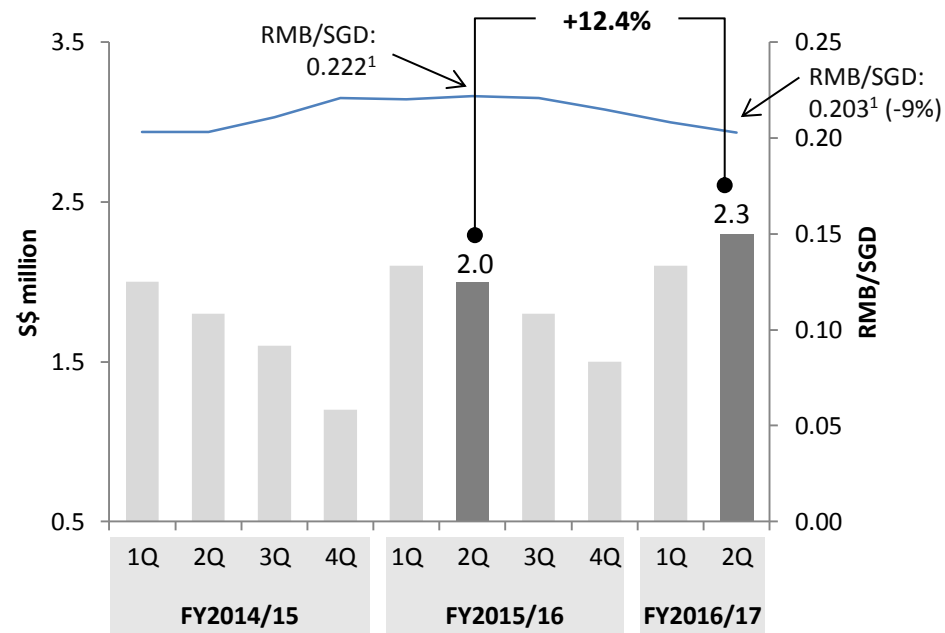
RMB	2 <sup>nd</sup> Quarter		Change
	FY16/17	FY15/16	
AOR	91.5%	86.9%	↑ 4.6pp
ADR	407	412	↓ 1.2%
RevPAR	372	358	↑ 3.9%

- Volume strategy and targeting higher yielding segments benefitted hotels
- Leasing of restaurant in Ibis Beijing Sanyuan and costs containment in both hotels boost NPI
- Depreciation of RMB against SGD moderated financials in SGD terms

## Net Property Income in RMB



## Net Property Income in S\$



Note:

1. Based on average rate used for the respective quarter

# Strong performance for Japan portfolio

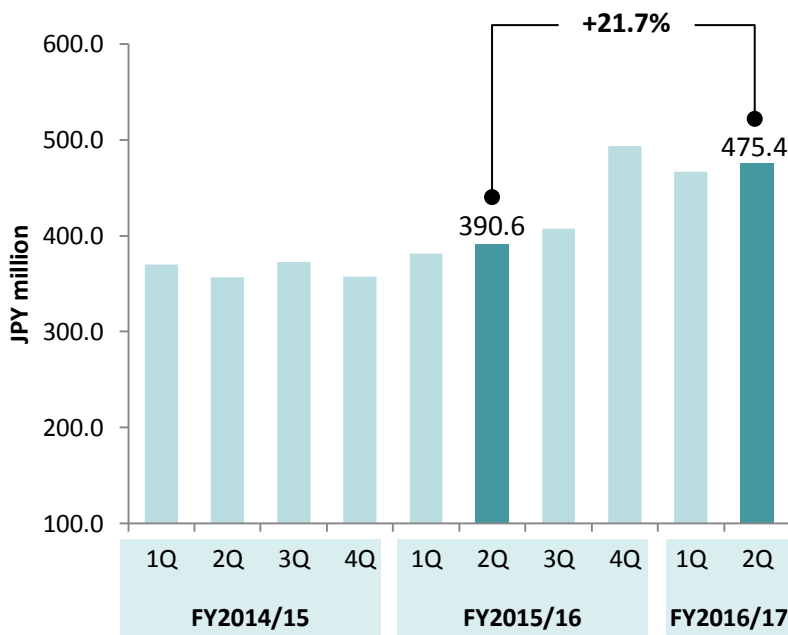
JPY	2 <sup>nd</sup> Quarter		Change
	FY16/17	FY15/16	
<b>RevPAR<sup>1</sup></b>	9,819	9,861	↓ 0.4%

**Note:**

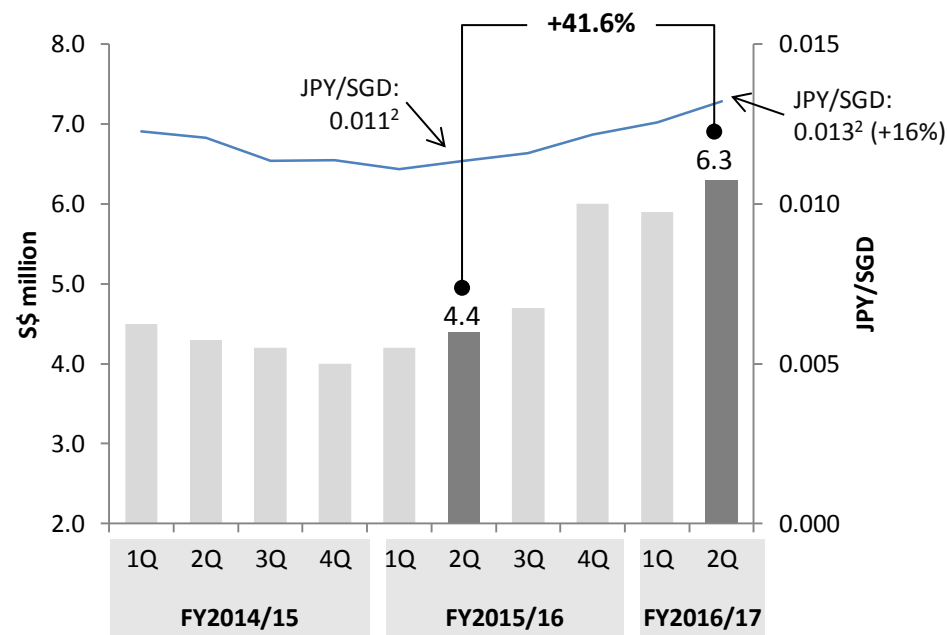
1. Applies to Oakwood Apartments only

- Hotel Sunroute Osaka Namba contributed higher NPI this quarter (up 54% y-o-y in JPY terms ) as a result of improved rent structure
- Performance of Oakwood Apartments Ariake Tokyo was affected by less exhibitions in the nearby Tokyo Big Sight
- Results in SGD boosted by stronger JPY

## Net Property Income in JPY



## Net Property Income in S\$



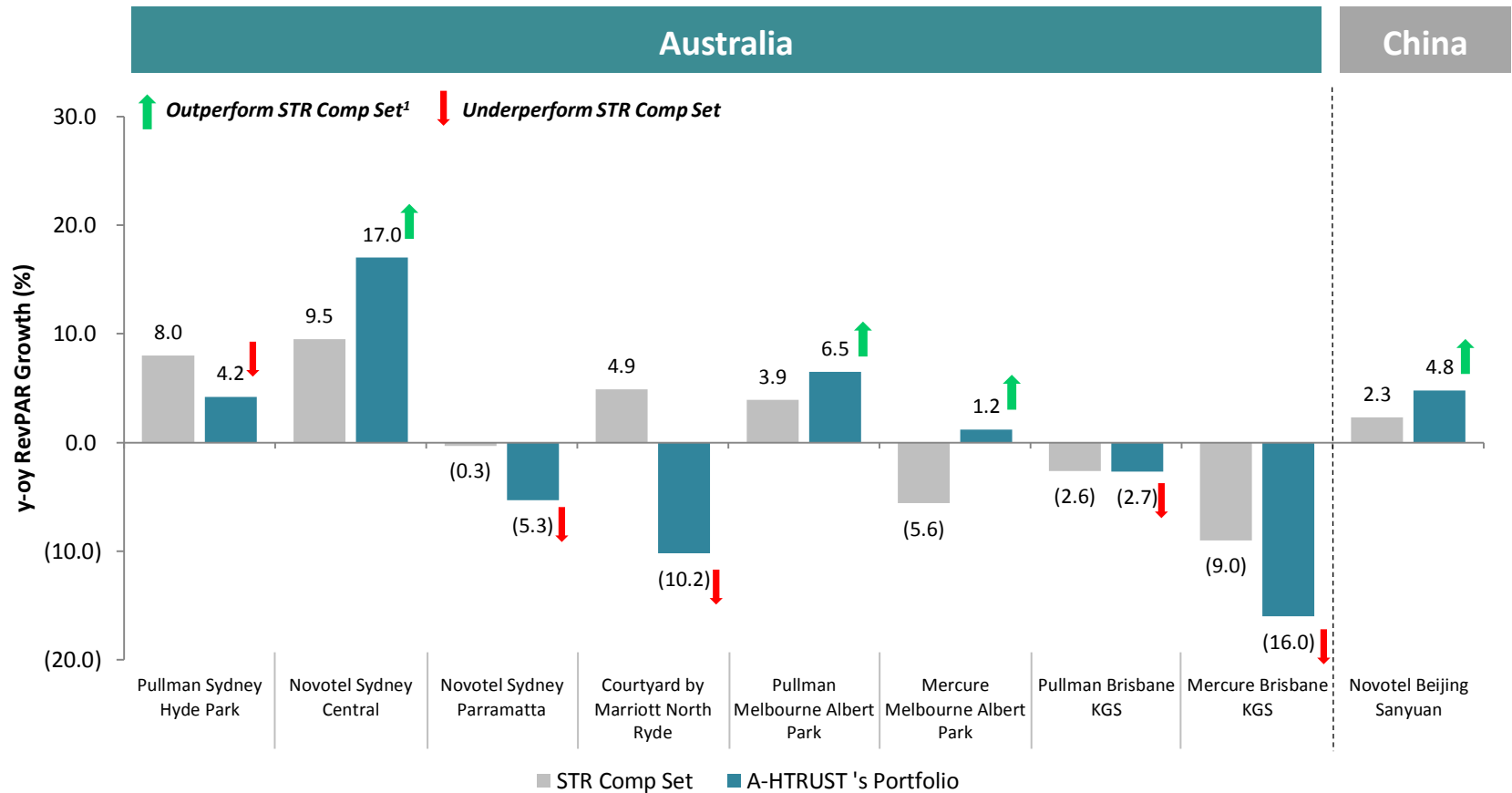
**Note:**

2. Based on average rate used for the respective quarter



# Quality Portfolio

✦ Majority of hotels recorded RevPAR growth



**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

✦ Total assets of S\$1,661.7 million as at 30 September 2016

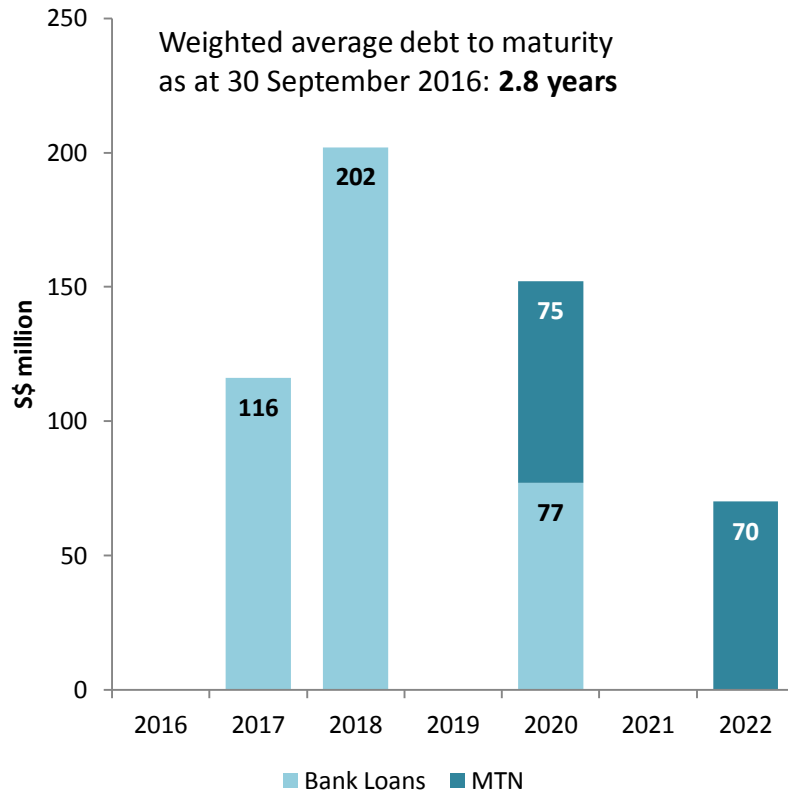
	As at 30 September 2016	As at 30 June 2016
Borrowings	S\$538.6m	S\$535.1m
Total Assets	S\$1,661.7m	S\$1,609.4m
A-HTRUST Gearing <sup>1</sup>	32.4%	33.2%
- A-HREIT Gearing	25.8%	26.0%
- A-HBT Gearing	36.3%	37.5%
Weighted average interest rate	3.3%	3.4%
Weighted average debt to maturity	2.8 years	2.3 years
Net asset value per stapled security	S\$0.88	S\$0.85

**Note:**

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

# Balanced Debt Profile

## Debt Maturity Profile

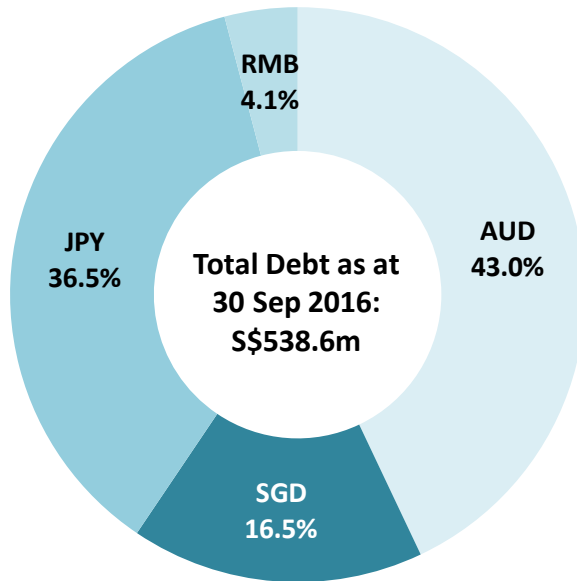


## Debt Facilities

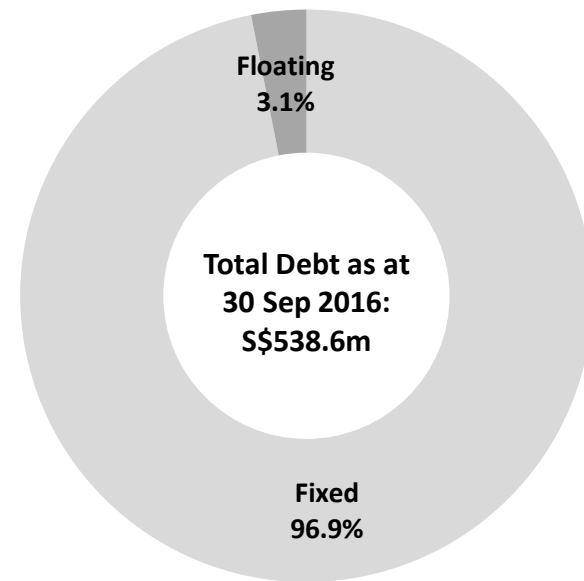
- **Term loan facilities:**  
*3 to 5-year term loan facilities*
- **Revolving credit facility (“RCF”):**  
*3-year S\$60 million RCF*
- **S\$1 billion Debt Issuance Programme (“Programme”):**  
*Programme established in October 2014, and updated in November 2015*

# Prudent Capital Management

## Debt Currency Profile



## Interest Rate Profile





# 5

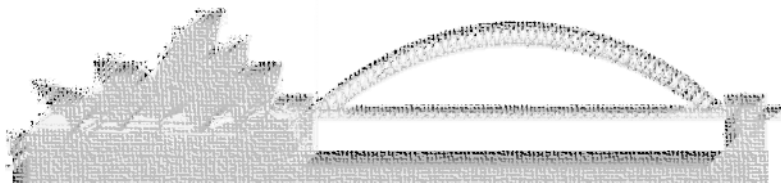
Looking Ahead



# Australia – Strong Inbound Benefits Sydney and Melbourne



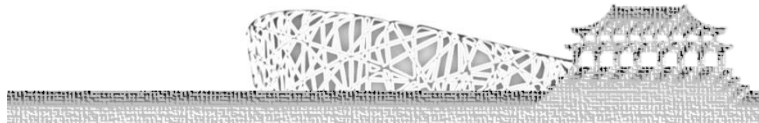
- In Australia, the growth trend in international arrivals is expected to continue in the near term as the AUD remained relatively low compared to recent years
- The hotel markets in Sydney and Melbourne are expected to benefit from the modest increase of hotel rooms, and the Sydney hotel market will also benefit from the reopening of the International Convention Centre in December 2016
- However, the hotel sector in Brisbane continues to be affected by oversupply of rooms.



# China – Domestic Travelling Supports Sector



- Although inbound arrivals growth for Beijing remained subdued, domestic travelling is expected to continue supporting the hotel market in the capital city of China
- However, the Beijing hotel sector in general is expected to remain competitive in the near term due to the existing large room inventory



# Japan – Outlook Remains Healthy



- Inbound arrivals to Japan continued to grow, improving by 24.1% y-o-y for the nine month period ended 30 September 2016<sup>1</sup>
- The construction of a new terminal at Kansai International Airport (Osaka) for international low cost carriers is expected to be completed in March 2017, and this can further drive the arrival of international visitors
- However, continual strengthening of JPY may affect the growth of inbound arrivals to the country, moderating the performance of the Japan hotel market

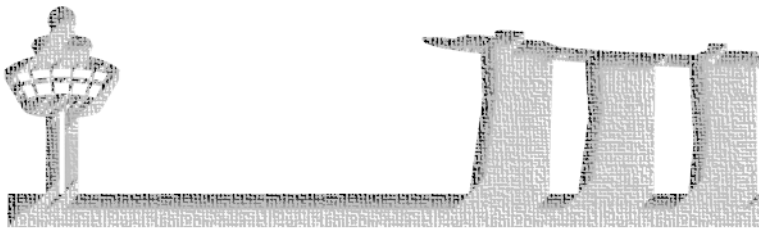
**Note:**

1. Source: Japan National Tourism Organisation

# Singapore – Market Remains Challenging



- In Singapore, the large hotel room supply pipeline as well as weakness in corporate demand is expected to continue exerting downwards pressure on the performances of hotels in Singapore in general
- As such, the hotel sector in Singapore is expected to remain challenging in the near term





**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)**