

CapitaLand Ascott Trust

2H / FY 2022 Financial Results

30 January 2023

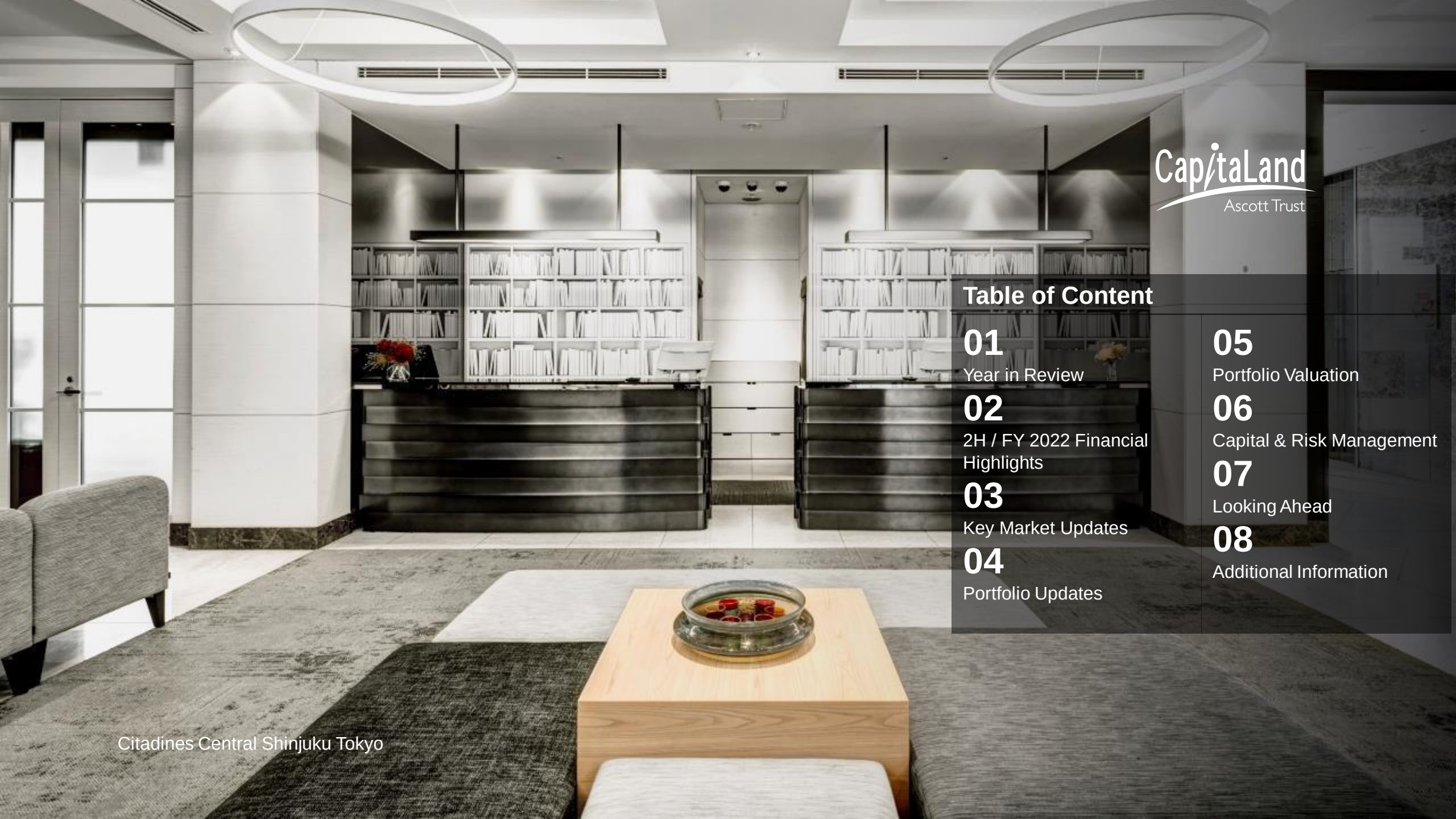
Important Notice

This presentation may contain forward-looking statements. 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, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. ("**Managers**") nor any of their affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of CapitaLand Ascott Trust ("**CLAS**") is not indicative of future performance. The listing of the stapled securities in CLAS ("**Stapled Securities**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities.



CapitaLand Ascott Trust

Table of Content

01 Year in Review

02 2H / FY 2022 Financial Highlights

03 Key Market Updates

04 Portfolio Updates

05 Portfolio Valuation

06 Capital & Risk Management

07 Looking Ahead

08 Additional Information

Citadines Central Shinjuku Tokyo

Year in Review



Ascott Orchard Singapore

CapitaLand Ascott Trust

Largest Lodging Trust in Asia Pacific

Constituent of FTSE EPRA Nareit Global Developed Index

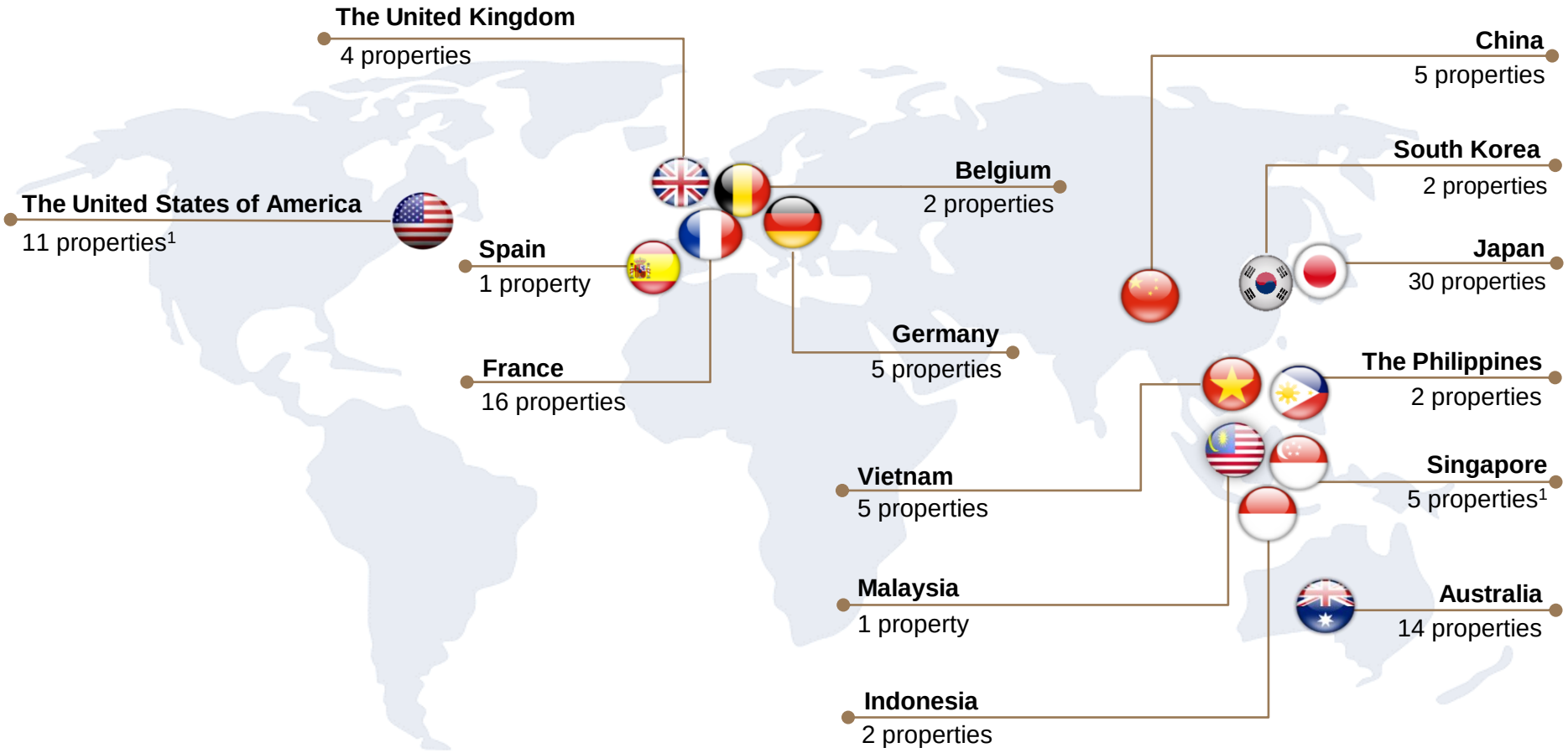
S$8.0b
Total Assets

>18,000[1]
Units

105[1]
Properties

47
Cities in 15 countries

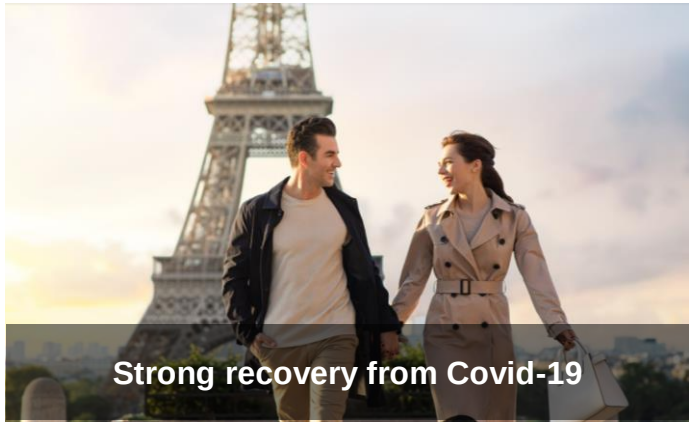
S$3.6b
Market Capitalisation



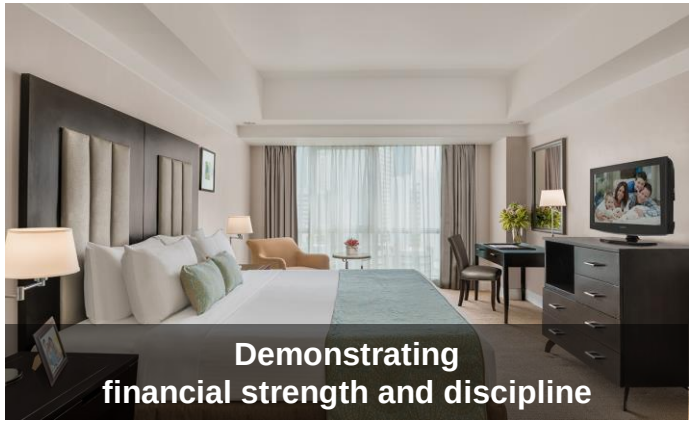
Notes: Above as at/for period ended 31 Dec 2022 unless otherwise stated
1. Including Somerset Liang Court Singapore and Standard at Columbia which are currently under development

FY 2022 Performance and Portfolio Highlights

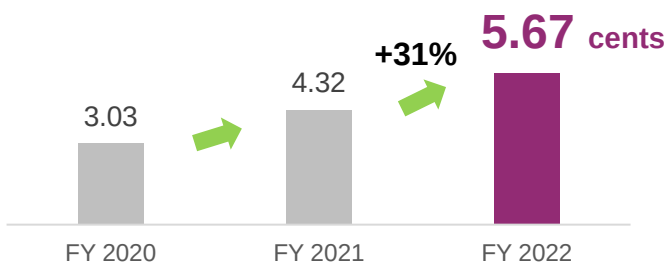
Building a stronger portfolio, delivering higher distributions







Continued recovery in distribution per Stapled Security (DPS)



Augmenting the portfolio with 15 quality, accretive acquisitions

- Investing c.S$420 mil in 12 longer-stay properties[1] and 3 serviced residences
- Increasing longer-stay asset allocation from 16% in 2021 to 19%[2]

>2% increase in portfolio valuation

- c.S$200 mil in fair value gain due to stronger operating performance and outlook

Maintained BBB- (stable outlook) investment grade credit rating

- Healthy gearing of 38.0% and low average cost of debt of 1.8% per annum
- Interest cover of 4.4X

Strong lender and investor support

- Refinanced c.S$740 mil of debt in 2022, of which c.S$420 mil was issued as sustainable financing
- Successfully raised S$170 mil in equity despite challenging market conditions

Notes:
1. Refers to rental housing and student accommodation properties
2. Based on property valuations as at 31 Dec 2022, value of acquisitions announced or completed up to 30 Jan 2023

Commitment to Sustainability & Corporate Governance

Aligned with CapitaLand's 2030 Sustainability Master Plan

Accolades & Awards

Global Sector Leader (Listed – Hotel)
in 2021 and 2022
Only hospitality trust in APAC with 5-star rating
Global Real Estate Sustainability Benchmark (GRESB)

Ranked 1st
in 2021 and 2022
Singapore Governance and Transparency Index
REITs and Business Trusts category

Best Investor Relations – Gold
Singapore Corporate Awards 2022
REITs and Business Trusts category

Best Annual Report
Best ESG Materiality Reporting
IR Magazine Awards – SEA 2022
Mid-cap category

Targets in alignment with CapitaLand's Sustainability Master Plan

	CLAS' performance
Reduce by 2030 *(using 2008 as a base year)*	
▪ **Carbon** emissions intensity by **78%**	40% in FY 2021
▪ **Energy** consumption intensity by **35%**	25% in FY 2021
▪ **Water** consumption intensity by **45%**	45% in FY 2021
Increase proportion of total electricity from **renewable sources** to **35%**	CLAS' Belgium, Germany and UK properties procure 100% of energy from renewable sources
Green certification ▪ **50%** of gross floor area by **2025** ▪ **100%** of gross floor area by **2030**	37% as at Dec 2022, *up from 33% as at Dec 2021*

Sustainable Finance

- **Sustainability-linked Finance Framework published in 2022, with second party opinion by Moody's ESG**
- **c.S$460 mil in sustainable financing to date**
  - First hospitality trust in Singapore to secure a green loan in Jan 2021
  - First hospitality trust globally to issue a sustainability-linked bond (SLB) in Apr 2022
  - Partnered International Finance Corporation to launch its first SLB in the hospitality sector in Nov 2022

Commitment from the Top

- **CLAS Sustainability Committee set up in 2022**
- ESG targets and performance linked to **remuneration of staff and management**

2H / FY 2022
Financial Highlights



CapitaLand Ascott Trust

lyf one-north Singapore

Financial Highlights

Distribution per Stapled Security (DPS) rose 47% y-o-y in 2H 2022, lifting full-year DPS to 5.67 cents

2H 2022

Revenue	Gross Profit	Total Distribution	DPS	Adjusted DPS[1]
▲69%	▲80%	▲54%	▲47%	▲99%
y-o-y to S$353.8 mil	y-o-y to S$164.6 mil	y-o-y to S$113.2 mil	y-o-y to 3.33 cents	y-o-y to 3.00 cents

FY 2022

Revenue	Gross Profit	Total Distribution	DPS	Adjusted DPS[2]
▲58%	▲63%	▲38%	▲31%	▲106%
y-o-y to S$621.2 mil	y-o-y to S$282.8 mil	y-o-y to S$189.8 mil	y-o-y to 5.67 cents	y-o-y to 4.79 cents

Notes:
1. Excluding one-off items comprising (1) divestment gain of S$25.0 mil distributed in 2H 2021 and (2) realised exchange gain in 2H 2022
2. Excluding one-off items comprising (1) divestment gain of S$45.0 mil distributed in FY 2021, (2) realised exchange gain in FY 2021 and FY 2022 and (3) termination fee income of S$9.8 mil received upon termination of the sale of two China properties in FY 2021

2H 2022 Gross Profit Rose 80% Y-o-Y

Growth due to 81% y-o-y increase in portfolio RevPAU[1], boosted by contributions from new properties

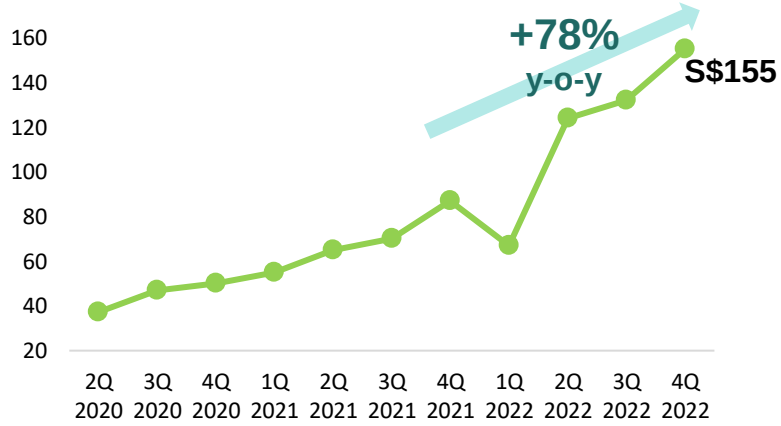
2H 2022 gross profit rose to 95% of 2H 2019 *pro forma* levels[2]

- Revenue and gross profit rose 69% and 80% respectively in 2H 2022 due to stronger operating performance of the existing portfolio and contributions from new properties
- Excluding the contributions from the new properties, on a same-store basis, gross profit was 67% higher y-o-y

Growth income sources contributed 48% of 2H 2022 gross profit (1H 2022: 32%)

- **4Q 2022 RevPAU[1] rose 78% y-o-y and 17% q-o-q to S$155, reaching pre-Covid 4Q 2019 *pro forma* RevPAU[2]** on continued improvement in occupancy (78% in 4Q 2022) and average daily rates (ADR)
- **All of CLAS' key markets registered q-o-q growth in RevPAU[1]**
  - Japan, Australia and USA had the largest sequential improvement of 98%, 29% and 21% respectively
  - Australia, Singapore, UK and USA performed at pre-Covid RevPAU levels

Portfolio RevPAU[1]



2H 2022

▲81%

y-o-y to S$143

FY 2022

▲74%

y-o-y to S$120

Notes:
1. Revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income (MCMGI), excludes master leases, rental housing and student accommodation
2. The combination with Ascendas Hospitality Trust (A-HTRUST) was completed on 31 Dec 2019 and the 2019 pro forma figures include the performance of the A-HTRUST portfolio

Resilience from Stable Income Sources

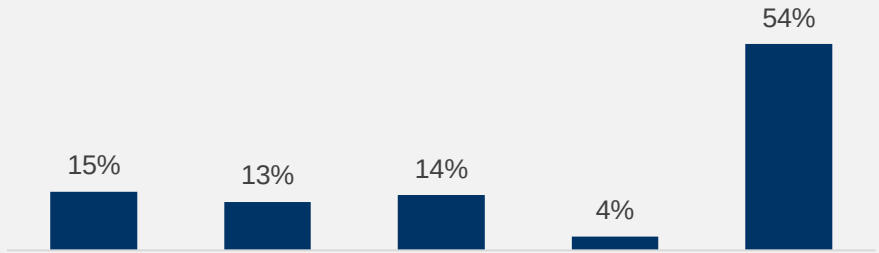
Minimum rents and guaranteed income provide downside protection while variable components offer upside in a recovery

Stable income sources[1] contributed 52% of 2H 2022 gross profit (1H 2022: 68%)

Master leases

- **Master lease gross profit grew 6% y-o-y in 2H 2022 mainly due to higher variable rent;** of CLAS' 33 master leases, 22 have fixed and variable rent components, and 19 have received variable rent
- Master leases due in 2023 are in France and Australia, and negotiations are underway

Lease expiry for master leases[2]
(as at 31 Dec 2022)



Longer-stay properties (rental housing and student accommodation)

- Longer-stay properties contributed c.15% of 2H 2022 gross profit
- **Occupancy of the properties remained stable at >95%**
- **Student accommodation 99% leased** for the academic year (AY) 2022-2023, compared to >95% for the last AY; with **above-market rent growth of c.6% y-o-y**
- Turnkey acquisition of 2 Japan rental housing properties (Eslead Residence Bentencho Grande and Eslead Residence Umeda Grande) completed in 4Q 2022

Management contracts with minimum guaranteed income (MCMGI)

- **Operating performance of MCMGI properties have reached or surpassed pre-Covid 2H 2019 levels on continued recovery in Europe**
- Upon its expiry in Nov 2022, the master lease for Ascott Orchard Singapore was converted to MCMGI, which offers greater upside potential for CLAS

Notes:
1. Stable income sources include master leases, MCMGI, rental housing and student accommodation
2. Percentage of gross rental income for master leases expiring at respective years over the total gross rental income for all master leases

Distribution Details

Excluding one-off items, adjusted DPS[1] for 2H 2022 was 99% higher y-o-y

Higher Total Distribution and DPS for 2H 2022 y-o-y

- Total Distribution and DPS for 2H 2022 **rose 54% and 47% y-o-y** respectively due to stronger performance from existing properties, contribution from new properties and higher realised exchange gain on repayment of foreign currency loans
    - Excluding the one-off items, **adjusted DPS was 99% higher y-o-y** due to stronger operating performance
- The upcoming distribution comprises CLAS' distribution income for the period from **24 Aug 2022 to 31 Dec 2022**; semi-annual distributions will resume thereafter

2H 2022 Distribution per Stapled Security

3.33 cents*

▲ **47% y-o-y**

FY 2022 Distribution per Stapled Security

5.67 cents

▲ **31% y-o-y**

Note:
***The distribution amount for 2H 2022 includes the advanced distribution of 1.078 cents for the period 1 Jul 2022 to 23 Aug 2022, which was paid on 18 Oct 2022.**

Details of Distribution **2.255 cents** **For the period 24 Aug 2022 to 31 Dec 2022**	
Last Day of Trading on "cum" basis	3 Feb 2023
Ex-Date	6 Feb 2023
Books Closure Date	7 Feb 2023
Distribution Payment	1 Mar 2023

Note:
1. Excluding one-off items comprising (1) divestment gain of S$25.0 mil distributed in 2H 2021 and (2) realised exchange gain in 2H 2022

2H 2022 – Financial Performance by Contract Types

Stronger performance across all contract types

	Revenue (S$'mil)			Gross Profit (S$'mil)			RevPAU[1] (S$)		
	2H 2022	2H 2021	% Change	2H 2022	2H 2021	% Change	2H 2022	2H 2021	% Change
Master Leases	47.2	44.8	5%	42.6	40.1	6%	n.a.	n.a.	n.a.
Management Contracts with Minimum Guaranteed Income[2]	45.8	23.6	94%	19.7	9.9	99%	214	116	84%
Management Contracts	260.8	141.0	85%	102.3	41.2	148%	133	73	82%
Total	**353.8**	**209.4**	**69%**	**164.6**	**91.2**	**80%**	**143**	**79**	**81%**

- **Master Leases (26% of total GP) :** Revenue and gross profit increased mainly due to stronger performance from existing properties and new acquisitions.
- **Management Contracts with Minimum Guaranteed Income (12% of total GP):** Revenue and gross profit increased mainly due to the recovery from Covid-19. Higher revenue was partially offset by higher staff costs (due to absence of government grant and wage subsidies), property tax expense (due to lower property tax waiver) and operation and maintenance expenses.
- **Management Contracts (62% of total GP):** Revenue and gross profit were higher due to new acquisitions and stronger performance across most markets. Higher revenue was partially offset by higher staff costs, operation & maintenance expenses, marketing expense and property tax expense.

Notes:
1. Revenue per available unit of properties under management contracts and MCMGI, excludes master leases, rental housing and student accommodation.
2. The management contracts for three of the properties in United Kingdom were converted to MCMGI from May 2022. For comparison purposes, the revenue, gross profit and RevPAU amounts for 2H 2021 were reclassified from Management Contracts to MCMGI.

FY 2022 – Financial Performance by Contract Types

Broad-based improvement in performance across the portfolio

	Revenue (S$'mil)			Gross Profit (S$'mil)			RevPAU[1] (S$)		
	FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change	FY 2022	FY 2021	% Change
Master Leases	96.4	98.4	-2%	86.9	88.3	-2%	n.a.	n.a.	n.a.
Management Contracts with Minimum Guaranteed Income[2]	75.4	34.5	119%	31.8	14.5	119%	179	77	132%
Management Contracts	449.4	261.5	72%	164.1	70.5	133%	111	68	63%
Total	**621.2**	**394.4**	**58%**	**282.8**	**173.3**	**63%**	**120**	**69**	**74%**

- **Master Leases (31% of total GP) :** Revenue and gross profit decreased mainly due to the absence of contribution from Park Hotel Clarke Quay in Singapore[3] and divestment of 2 properties in 2021, partially mitigated by the contribution from 3 new properties acquired in 2022. On a same-store basis[4], master lease revenue was 5% higher y-o-y mainly due to stronger performance in Australia, France and South Korea.
- **Management Contracts with Minimum Guaranteed Income (11% of total GP):** Revenue and gross profit increased mainly due to the recovery from Covid-19. Higher revenue was partially offset by higher staff costs (due to absence of government grant and wage subsidies), property tax expense (due to lower property tax waiver) and operation and maintenance expenses.
- **Management Contracts (58% of total GP):** Revenue and gross profit were higher due to new acquisitions and stronger performance across almost all markets. Higher revenue was partially offset by higher staff costs, operation & maintenance expenses, marketing expense and property tax expense.

Notes:

1. Revenue per available unit of properties under management contracts and MCMGI, excludes master leases, rental housing and student accommodation
2. The management contracts for three of the properties in United Kingdom were converted to MCMGI from May 2022. For comparison purposes, the revenue, gross profit and RevPAU amounts for FY 2021 were reclassified from Management Contracts to MCMGI.
3. Park Hotel Clarke Quay (now known as Riverside Hotel Robertson Quay) was reclassified from master lease to management contract in 2H 2021
4. Excluding the divestments in 2021, acquisitions in 2022 and Park Hotel Clarke Quay

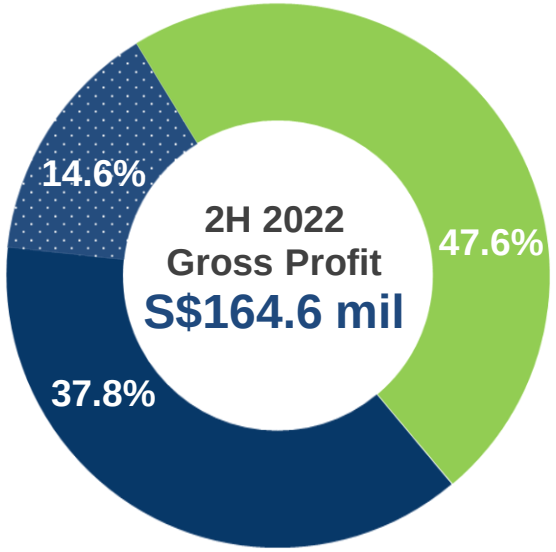
Diversified Portfolio with Mix of Stable and Growth Income Streams

Growth income contribution rose to 48% in 2H 2022 as recovery picked up across markets

Contract types with a fixed/ minimum rent component	
Master leases	**25.8%**
Australia	**3.0%**
France	**7.9%**
Germany	3.2%
Japan[1]	**5.7%**
Singapore	**4.4%**
South Korea	1.6%
MCMGI	**12.0%**
Belgium	1.7%
Singapore	**1.3%**
Spain	1.2%
United Kingdom	**7.8%**

Management contracts of longer-stay assets	
Rental housing	
Japan	**5.0%**
Student accommodation	
United States	**9.6%**

52%
Stable Income



48%
Growth Income

Management contracts of serviced residences and hotels	
Australia	**15.4%**
China	**2.3%**
Indonesia	1.7%
Japan	**0.6%**
Malaysia	0.4%
Philippines	1.8%
Singapore	**5.1%**
United States	**15.5%**
Vietnam	**4.8%**

32 Master Leases

8 MCMGI

63 Management Contracts

Note: Excludes 2 properties which are currently under development

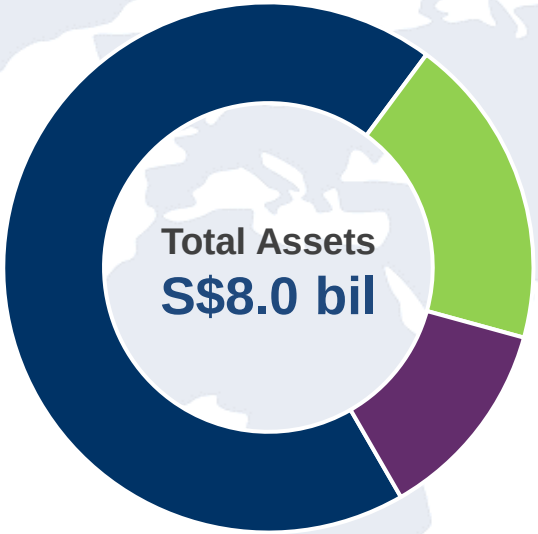
Note: Figures above are as at/for the half year ended 31 Dec 2022; markets in bold are CLAS' 8 key markets

1. Includes Eslead College Gate Kindaimae, a student accommodation in Japan under master lease

Resilience from Stable Income, Capturing Post-Covid-19 Growth

Proxy to recovery of hospitality sector while remaining resilient against downside risks

Asia Pacific	59.6%
Australia	**12.7%**
China	**3.7%**
Indonesia	1.2%
Japan	**17.5%**
Malaysia	0.5%
Philippines	1.9%
Singapore	**17.1%**
South Korea	2.1%
Vietnam	**2.9%**



Europe	18.8%
Belgium	0.8%
France	**7.9%**
Germany	3.0%
Spain	0.7%
United Kingdom	**6.4%**

The Americas	21.6%
USA	**21.6%**

Lodging Asset Classes

57	18	21	9
Serviced Residences	Hotels/ Business Hotels	Rental Housing	Student Accommodation

Note: Above as at 31 Dec 2022. Markets in bold are CLAS' 8 key markets.

Key Market Updates



La Clef Louvre Paris

CapitaLand Ascott Trust

8 Key Markets Performance

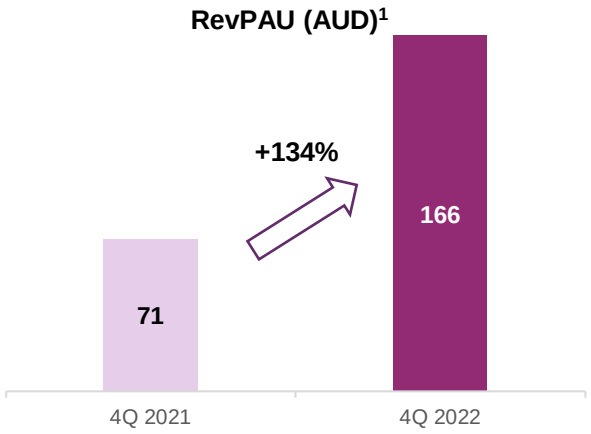
		Revenue (LC 'mil)			Gross Profit (LC 'mil)			RevPAU (LC)		
		2H 2022	2H 2021	% Change	2H 2022	2H 2021	% Change	2H 2022	2H 2021	% Change
Master Leases										
Australia	AUD	5.6	2.2	155%	5.3	2.1	152%	n.a.	n.a.	n.a.
France	EUR	10.0	8.6	16%	9.2	8.1	14%	n.a.	n.a.	n.a.
Japan	JPY	1,041.2	1,028.6	1%	945.3	896.0	6%	n.a.	n.a.	n.a.
Singapore[1]	S$	8.4	6.6	27%	7.2	5.3	36%	n.a.	n.a.	n.a.
Management Contracts with Minimum Guaranteed Income (MCMGI)										
Singapore[1]	S$	3.6	-	n.m.	2.1	-	n.m.	437	-	n.m.
United Kingdom[2]	GBP	18.2	9.1	100%	7.7	4.7	64%	157	79	99%
Management Contracts (MC)										
Australia	AUD	90.8	41.0	121%	26.7	5.2	413%	148	64	131%
China	RMB	63.1	58.2	8%	17.9	11.8	52%	283	265	7%
Japan[3]	JPY	1,837.0	1,545.5	19%	912.2	868.8	5%	6,913	4,117	68%
Singapore	S$	19.5	5.5	255%	8.4	1.5	460%	128	65	97%
USA[4]	USD	63.5	28.8	120%	29.7	9.7	206%	231	117	97%
Vietnam[5]	VND	262.2	169.0	55%	131.8	85.8	54%	1,244	640	94%

Notes:
1. The master lease for Ascott Orchard Singapore was converted to MCMGI from Dec 2022.
2. The management contracts for three of the properties in the United Kingdom were converted to MCMGI from May 2022. For comparison purposes, the revenue, gross profit and RevPAU amounts for 2H 2021 were reclassified from MC to MCMGI.
3. RevPAU for Japan relates to serviced residences and excludes rental housing.
4. RevPAU for USA relates to hotels and excludes student accommodation.
5. Vietnam – Revenue and gross profit figures are stated in billions. RevPAU figures are stated in thousands.

Australia

Strong performance driven by robust domestic demand, large-scale events provide further uplift

13% of total assets, **18%** of 2H 2022 gross profit:
5 serviced residences (SRs) under master leases; **6** hotels and **3** SRs under management contracts



Management Contracts – SRs & Hotels

- 2H 2022 revenue was **121% higher y-o-y** and gross profit was **413% higher y-o-y** due to **stronger performance** from both serviced residences and hotels
- 4Q 2022 RevPAU was **134% higher y-o-y** and **29% higher q-o-q at AUD 166, surpassing 4Q 2019 *pro forma* RevPAU[2] by 14%**, mainly due to strong ADR which exceeded pre-Covid levels
- Demand was primarily led by an **increase in domestic travel, from both leisure and corporate** segments, with conferences and corporate events providing a boost
- More **international demand** was present in 4Q 2022, facilitated by **large-scale sporting and entertainment events** such as the 2022 ICC Men's T20 World Cup, and concerts from large international music acts
- Outlook for 1Q 2023 **remains positive** as **more large-scale events and concerts**, particularly in Feb-Mar, are expected to boost demand further

Master Leases – SRs

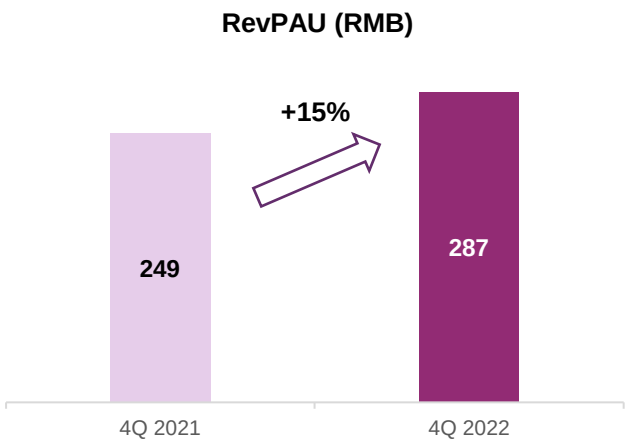
- 2H 2022 revenue and gross profit from master leases were **155% and 152% higher y-o-y** respectively, due to **absence of rent waiver** previously provided to lessees, rental adjustments, and **contribution from Quest Cannon Hill** acquired in Nov 2022
- Properties continue to collect **fixed rent (with annual indexation)**, providing stable income to the portfolio

Notes:
1. Pertains to the hotels and serviced residences under management contracts only
2. The combination with A-HTRUST was completed on 31 Dec 2019 and the 2019 *pro forma* RevPAU includes the performance of the A-HTRUST properties

China

Outlook improves with easing of travel requirements, long stays provide resilience

4% of total assets, **2%** of 2H 2022 gross profit: **5** SRs under management contracts



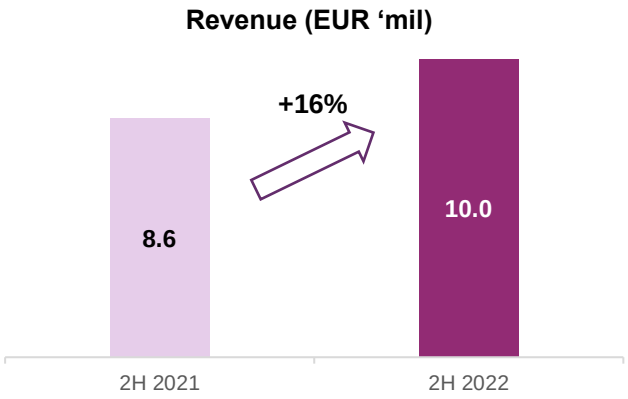
- The Chinese government announced the **lifting of all requirements for domestic travel** from early-Dec 2022; from 8 Jan 2023, inbound travellers (both foreigners and Chinese nationals) are not required to quarantine and only need to present a negative test result within 48 hours of departure
- 2H 2022 revenue and gross profit were **8% and 52% higher y-o-y** respectively, mainly due to **stronger performance** and **higher occupancy** at the properties
- 4Q 2022 RevPAU increased **15% y-o-y** and **3% q-o-q to RMB 287,** which is **80% of 4Q 2019 same-store RevPAU**[1], an improvement from the previous quarter (3Q 2022: 73%)
- The q-o-q improvement in RevPAU was **despite a surge in local infections** towards the end of 4Q 2022, which led to a drop in short stays and transient travel
- Occupancy remained healthy at **above 70%** in 4Q 2022; corporate long stays provided a strong base with an **average length of stay of c.7 months**
- In 1Q 2023, **long stays and project groups** will continue to be the **primary source of business** and **provide resilience** to the properties, even as caseloads in China remain elevated in the near term, post-easing of restrictions
- While the Chinese government had temporarily halted short-term visa approvals to South Korean and Japanese nationals, **no material impact is expected on our business** given the long stay base at the properties

Note:
1. Excluding Somerset Xu Hui Shanghai which was divested in May 2021 and Ascott Guangzhou which was divested in Dec 2020

France

Strong underlying performance boosted rental income, outlook remains positive

8% of total assets, **8%** of 2H 2022 gross profit: **16** SRs under master leases

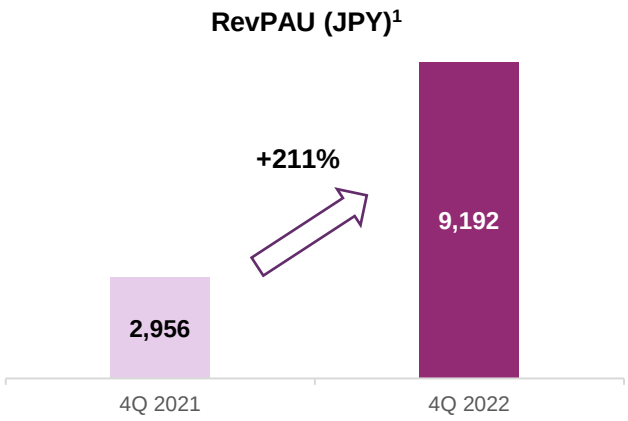


- 2H 2022 revenue and gross profit was **16% and 14% higher** y-o-y respectively mainly due to **stronger underlying performance** resulting in higher rental income, and the **acquisition of La Clef Tour Eiffel Paris in Nov 2022**
- In 4Q 2022, the average occupancy of the France portfolio was healthy at **c.80%**, with **higher ADR** surpassing **pre-Covid levels in 4Q 2019**
- Demand for the quarter reflected a mix of **leisure** and **corporate long-stay and group bookings**; no reduction in corporate travel budgets observed thus far
- Citadines Les Halles Paris will undergo **refurbishment from 2Q 2023**, with the **capex largely borne by the master lessee**; the property will remain operational and continue to receive rent during the refurbishment
- Outlook for 1Q 2023 remains positive despite it being a seasonally quieter period; Paris properties are expected to show **stronger performance** on **leisure demand**, coupled with bookings from **cultural groups** and **corporate long stays**

Japan

Strong recovery in 4Q 2022, with positive outlook following reopening to independent travellers

18% of total assets, **11%** of 2H 2022 gross profit:
3 hotels and **1** student accommodation under master lease; **3** SRs, **2** hotels and **21** rental housing under management contracts



Management Contracts

SRs

- 2H 2022 revenue and gross profit were **50% and 130% higher y-o-y** respectively, due to stronger performance as **all remaining restrictions on arrivals were eased**, permitting visa-free entry to independent travellers from 11 Oct 2022
- 4Q 2022 RevPAU for SRs was **211% higher y-o-y** and **98% higher q-o-q at JPY 9,192**, which is 73% of **4Q 2019 same-store RevPAU[2]**, an improvement from the previous quarter (3Q 2022: 39%)
- Performance was driven by **strong pent-up international leisure** demand, which is expected to carry through to 1Q 2023; **cherry blossom season** is expected to provide **additional uplift from late-Mar to Apr**

Rental Housing

- **Average occupancy of >95%, offering stable income**
- 7 acquisitions were completed in 4Q 2022 and another 2 turnkey properties expected to complete by 1H 2023
- **New turnkey acquisition in Fukuoka for JPY 8.0 bil (S$82.6 mil[3])**
  - Estimated NOI yield[4] of c.4.0%; estimated DPS accretion of c.1.1% on a 2025 stabilised basis[5]
  - To be funded 83% by JPY-denominated debt and remainder by existing onshore deposits
  - No development risk and majority of payment to be made upon deal completion in 2024

Master Leases – Hotels & Student Accommodation

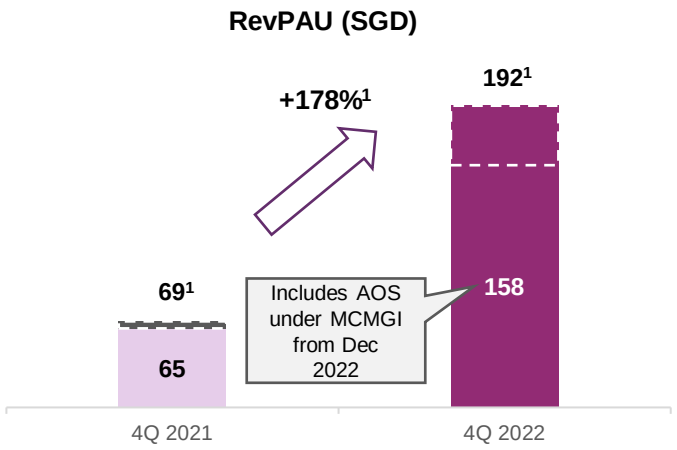
- **Received fixed and variable rent** at the hotels; and **fixed rent from student accommodation**

Notes:
1. Pertains to the serviced residences under management contracts only; excludes rental housing properties and Hotel WBF Kitasemba East and Hotel WBF Kitasemba West which are temporarily closed
2. Excluding Somerset Azabu East which was divested in Dec 2020
3. Based on exchange rate of JPY1 = S$0.01034; the acquisition price of JPY8.0 bil (S$82.6 mil) arrived at on a willing-buyer and willing-seller basis, is based on the agreed value of the property and the independent valuation dated 1 Aug 2022 by Asset Valuation Partners of JPY8.3 bil (equivalent to approximately S$85.8 mil); the acquisition price excludes consumption tax
4. Expected stabilised net operating income yield
5. Assuming the acquisition was completed on 1 Jan 2021

Singapore

Strong performance across all properties, driven by international demand and citywide events

17% of total assets, **11%** of 2H 2022 gross profit: **2** SRs and **1** hotel under management contracts; **1** SR under management contract with minimum guaranteed income (MCMGI); **1** SR under development



Management Contracts – SRs & Hotel

- 2H 2022 revenue and gross profit were **255% and 460% higher y-o-y** respectively, due to contribution from lyf one-north Singapore (LONS) which commenced operations in phases from Nov 2021, and full half-year contribution from Riverside Hotel Robertson Quay (RHRQ) in 2H 2022
- Properties reflected strong performance driven by **international demand** from both **corporate and leisure segments**, with **citywide conferences** and **large-scale events** providing a further boost
- On a same-store basis[1], 4Q 2022 RevPAU for Citadines Mount Sophia Singapore (CMSS) was **178% higher y-o-y** as the property transited out of a block booking from Apr 2022 and **8% higher q-o-q at S$192**, **surpassing 4Q 2019 same-store RevPAU[2] by 13%**
- RHRQ will undergo **renovation and rebranding** to The Robertson House, under The Ascott Limited's (TAL) The Crest Collection brand from **1H 2023**; TAL will bear key money and has undertaken to pay a minimum guaranteed income post-renovation

Ascott Orchard Singapore (AOS)

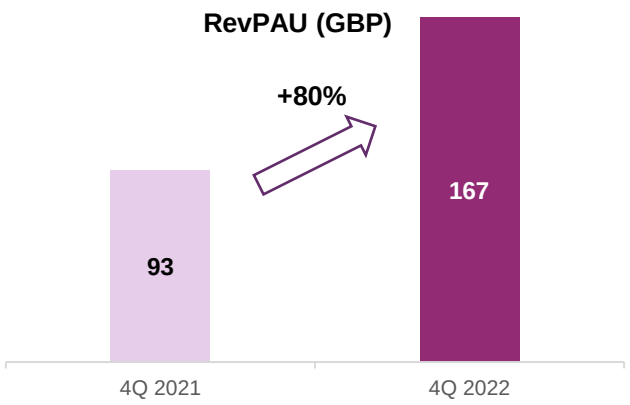
- Under its master lease which expired in Nov 2022, 2H 2022 revenue and gross profit for AOS were **27% and 36% higher y-o-y** respectively, due to stronger performance resulting in the recognition of variable rent in addition to fixed rent
- Upon expiry, the master lease for AOS was **converted to MCMGI**, which offers **greater upside potential** for CLAS

Notes:
1. Pertains to CMSS only
2. Excluding Somerset Liang Court Singapore which was divested in Jul 2020

United Kingdom

Recovery momentum remains strong, demand boosted by leisure travellers in the quarter

6% of total assets, **8%** of 2H 2022 gross profit: **4** SRs under management contracts with minimum guaranteed income (MCMGI)

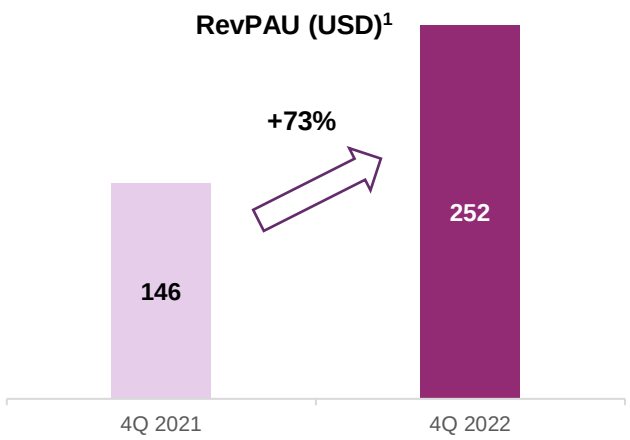


- 2H 2022 revenue and gross profit **rose by 100% and 64% y-o-y** respectively, on the back of **stronger demand with the reopening of borders** and recovery of travel
- 4Q 2022 RevPAU was **80% higher y-o-y and 13% higher q-o-q** at **GBP 167**, which was **22% higher than pre-Covid levels in 4Q 2019**
- Properties reflected **strong leisure demand** from both **international and domestic sources** during the year-end holiday season
- Steady contribution from **corporate and long-stay segments**; no reduction in corporate travel budgets observed thus far
- Outlook for 1Q 2023 reflects a positive momentum with demand expected to come mainly from **corporate travellers** and **cultural groups**, boosted by several small city-wide events
- Citadines Holborn-Covent Garden London will undergo **refurbishment from 2Q 2023**; **property will remain operational** during the refurbishment
- All properties are under MCMGI; variable income will allow CLAS to enjoy the **upside of the strong recovery** while the guaranteed income continues to **offer downside protection**

United States

Hotels reflect sustained strong demand, with student accommodation contributing stable income

22% of total assets, **25%** of 2H 2022 gross profit:
3 hotels and **7** student accommodation under management contracts; **1** student accommodation under development



Management Contracts – Hotels

- 2H 2022 revenue and gross profit was **98% and 236% higher y-o-y** respectively
- 4Q 2022 RevPAU **increased 73% y-o-y** and **21% q-o-q** to **USD 252, exceeding 4Q 2019 RevPAU levels by 3%,** on the back of robust demand from all sources, with bookings coming in from **both corporate and leisure** segments
- Strong contribution from **both international and domestic** guests was reflected; **several events hosted by New York City** in 4Q 2022 provided an additional uplift to the properties

Management Contracts – Student Accommodation

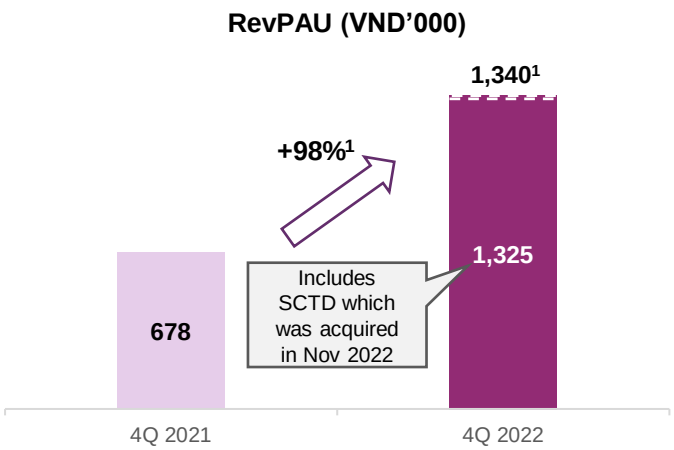
- For the academic year (AY) 2022-2023, properties are **99% leased**, compared to >95% for the last AY, **with above-market rent growth of c.6% y-o-y**
- For the next AY 2023-2024 which begins in Aug 2023, **pre-leasing on a portfolio level continues to be favourable** and pacing ahead of last AY
- Standard at Columbia **on track to complete in 2Q 2023,** ready to receive students for AY 2023-2024

Note:
1. Pertains to the 3 hotels and excludes the student accommodation properties

Vietnam

Steady recovery led to healthy year-end performance, outlook remains positive

3% of total assets, **5%** of 2H 2022 gross profit: **5** SRs under management contracts



- 2H 2022 revenue and gross profit was **55% and 54% higher y-o-y** respectively, mainly due to the **strong recovery following the reopening of borders** and the contribution from **Somerset Central TD Hai Phong City (SCTD)** which was **acquired in Nov 2022**
- On a same-store basis[1], 4Q 2022 RevPAU **increased 98% y-o-y and 16% q-o-q to VND 1,340,000**, which is **78% of 4Q 2019 same-store RevPAU[2]**
- **Long stays** remained the primary source of business in 4Q 2022, and **average length of stay was c.5 months**
- **Ho Chi Minh City properties** registered an average occupancy of **c.90%** in 4Q 2022, boosted by strong demand from travellers who were on trips for **both business and leisure** purposes; **MICE events and tradeshows** led to a rise in **corporate bookings** and the proportion of **short-stay guests** increased
- **Hanoi properties** saw a **steady recovery in 4Q 2022** and whilst the **corporate segment** remained the key income contributor, there was a rise in **international leisure guests** during the year-end holiday season
- **Retail and commercial spaces** in CLAS' Vietnam properties continue to be **well-leased**, offering diversification and a resilient income stream

Notes:
1. Excluding Somerset Central TD Hai Phong City which was acquired in Nov 2022
2. Excluding Somerset West Lake Hanoi which was divested in Oct 2019

Portfolio Updates



CapitaLand Ascott Trust

Paloma Raleigh
(formerly known as Latitude on Hillsborough)

CapitaLand Ascott Trust's Positioning

Committed to delivering sustainable returns to Stapled Securityholders

Geographical Allocation

Global in Presence, Anchored in Asia Pacific



Predominantly in Asia Pacific

Remainder in Europe/USA

- Largest lodging trust in Asia Pacific
- Diversified across 15 countries, Asia Pacific remains core
- Presence in large domestic markets and key gateway cities

Target Asset Allocation

Stable Income Base from Longer-stay Lodging

25-30% in longer-stay accommodation

Resilient and counter-cyclical assets

Capturing Growth as Travel Restarts

70-75% in serviced residences and hotels

Beneficiaries of travel recovery



- Backed by strong sponsor, The Ascott Limited, one of the leading international lodging owner-operators

Investment & Portfolio Reconstitution Strategy

With its healthy financial position, CLAS has the flexibility to reconstitute and enhance its portfolio to drive sustainable returns



- **Stable income base:** Target to increase asset allocation in longer-stay accommodation to **25-30%** in the medium term
  - ➢ Including the acquisitions made in 2022, **c.19%** of CLAS' portfolio value[1] is currently in longer-stay accommodation
- **Capturing growth:** Pursuing suitable acquisition, asset enhancement and development opportunities

Note:
1. Portfolio value is based on property valuations as at 31 Dec 2022, value of acquisitions announced or completed up to 30 Jan 2023

Asset Enhancement Initiatives for FY 2023

Uplifting the value and profitability of CLAS' properties

Riverside Hotel Robertson Quay



To be rebranded as
The Robertson House
by The Crest Collection

Renovation to commence
in 1H 2023, expected to
complete by end-2023

Refurbishment of guest rooms, lobby, restaurant, gym, function rooms and executive lounge, and other M&E works



Artist's impression of lobby



Artist's impression of lounge, The 1823 Reading Room

Asset Enhancement Initiatives for FY 2023

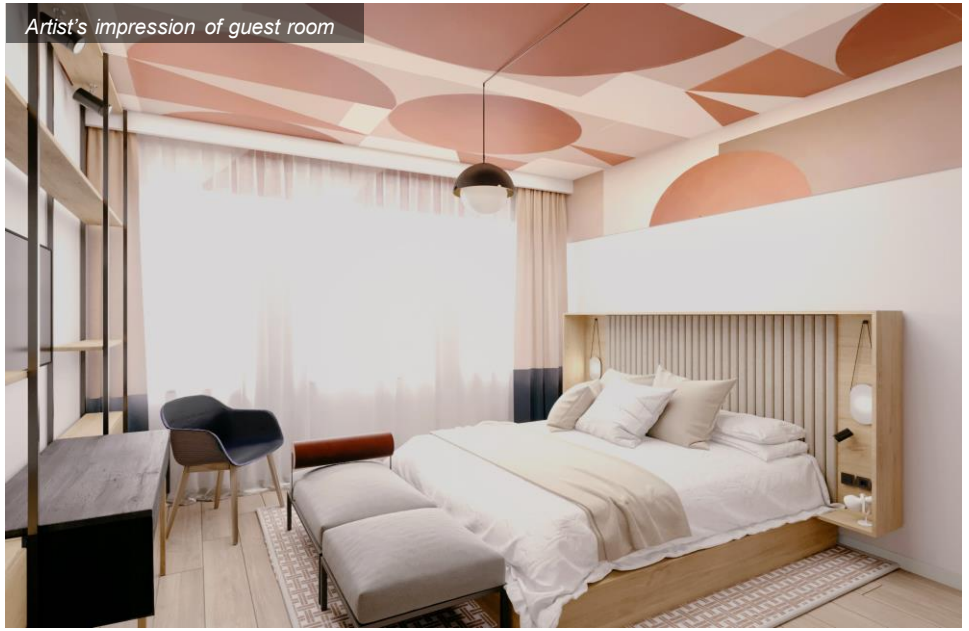
Uplifting the value and profitability of CLAS' properties

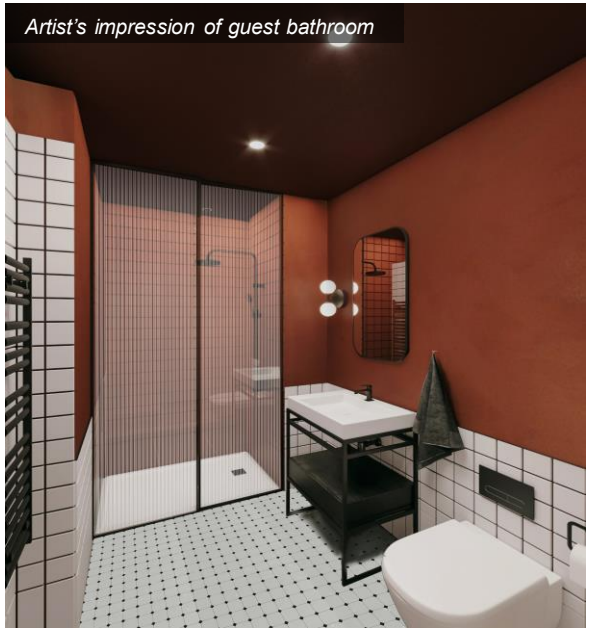
Citadines Holborn-Covent Garden London



Renovation to commence in 2Q 2023, expected to complete in 1Q 2024

Refurbishment of guest rooms, public areas, gym and meeting rooms, and other M&E works





Asset Enhancement Initiatives for FY 2023

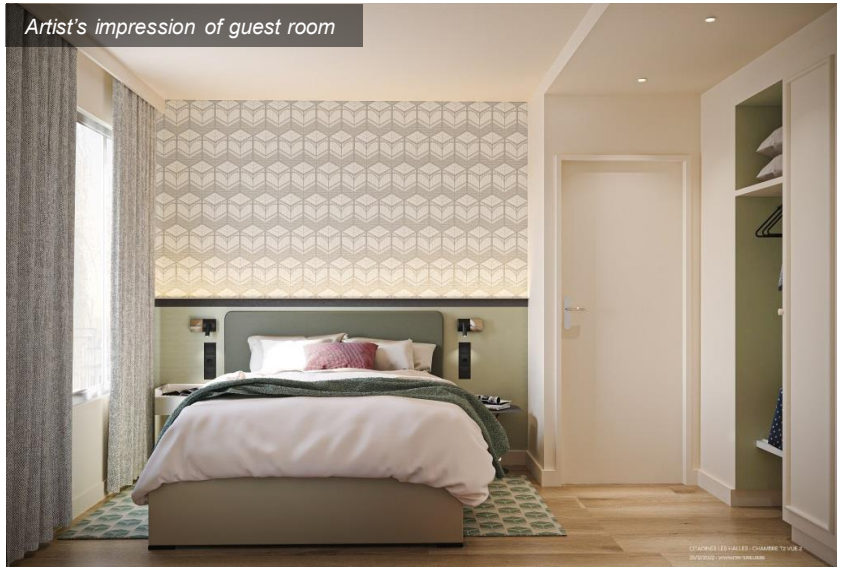
Uplifting the value and profitability of CLAS' properties

Citadines Les Halles Paris



Renovation to commence in 2Q 2023, expected to complete in 1Q 2024

Refurbishment of guest rooms, lobby, breakfast area, mezzanine and other M&E works





Asset Enhancement Initiatives for FY 2023

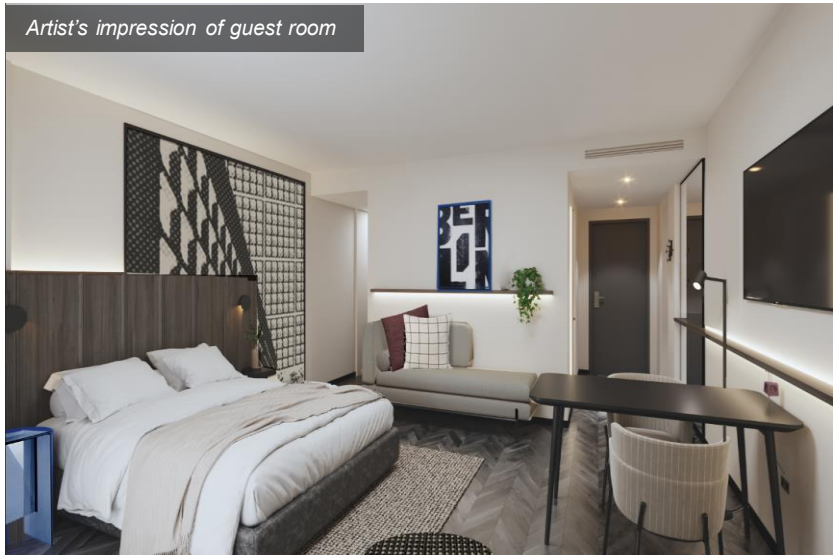
Uplifting the value and profitability of CLAS' properties

Citadines Kurfürstendamm Berlin



Renovation to commence in 2Q 2023, expected to complete in 4Q 2023

Refurbishment of guest rooms, public areas and other M&E works





Rejuvenating the Portfolio with New Developments

New product offerings to cater to the new normal

Redevelopment of Somerset Liang Court Singapore





- 192-unit Somerset serviced residence with hotel licence in the popular riverfront lifestyle and entertainment Clarke Quay precinct
- Development update:
  - Site works commenced in mid-Jul 2021
  - Foundation piling works completed in 4Q 2022
  - Substructure works are ongoing
- Development expected to **complete in 2H 2025**

Development of student accommodation in South Carolina, USA





- **679-bed freehold student accommodation** in South Carolina, USA
- Started as a joint development with Sponsor, The Ascott Limited, and a third-party partner
- CLAS acquired Sponsor's 45% stake in 4Q 2022 and currently owns a 90% stake in the property
- Development **on track to complete in 2Q 2023, ready to receive students for AY 2023-2024** which begins in Aug 2023

Note: Expected opening dates and property details are subject to change

Portfolio Valuation



La Clef Louvre Paris

CapitaLand Ascott Trust

Portfolio Valuation

Notwithstanding higher capitalisation and discount rates, CLAS recorded a gross fair value gain of c.S$200 mil[1] due to stronger operating performance

Country	Currency	Value of Properties[2] as at 31 Dec 2022 (local currency)	Net Book Value as at 31 Dec 2022 (local currency)[3]	Variance (%)
Australia	AUD	1,011.2	942.0	7%
Belgium	EUR	37.5	39.9	-6%
China	RMB	1,347.2	1,415.1	-5%
France	EUR	410.7	412.9	-1%
Germany	EUR	158.2	159.5	-1%
Indonesia	IDR	1,012,356.4	993,268.8	2%
Japan	JPY	127,646.3	127,110.0	-
Malaysia	MYR	133.7	133.6	-
Philippines	PHP	4,587.6	4,534.9	1%
Singapore	SGD	1,249.7	1,163.4	7%
South Korea	KRW	153,000.0	150,250.0	2%
Spain	EUR	37.5	40.0	-6%
United Kingdom	GBP	283.7	274.3	3%
USA	USD	1,005.9	958.2	5%
Vietnam	VND	3,826,695.2	4,013,714.4	-5%

- **>2% surplus over net book value** as at 31 December 2022
- Despite higher capitalisation and discount rates across markets (except for Japan), the **stronger operating performance and improving outlook** of the portfolio led to the higher portfolio valuation
- Key markets with valuation gains include **Australia, Singapore, UK and USA**

Notes:
1. The fair value gain (net of tax and minority interest) is S$166.7 million
2. Value of properties includes investment properties, investment properties under development, assets held for sale and land and buildings (included under property, plant and equipment); values are stated in millions, with the exception of Vietnam, which is stated in billions
3. Includes the capital expenditure in FY 2022

Capital & Risk Management



Somerset Millennium Makati

CapitaLand Ascott Trust

Capital Management

Strong financial capacity and healthy liquidity position

Strong capital management

S$1.15[1]
NAV per Stapled Security

52%
Total assets in foreign currency hedged

2.8% (loss)
Impact of foreign exchange after hedges on gross profit for FY 2022

Robust financing flexibility

38.0%
Gearing
(c. S$1.8 bil debt headroom[2])

Interest cover
4.4X[3]

1.8%
per annum
Low effective borrowing cost

61%
of property value unencumbered

BBB- **(Stable Outlook)**
Fitch Ratings

Fortifying liquidity reserves

c.S$1.43 bil
Total available funds

=

c.S$365 mil
Cash on-hand

+

c.S$1,065 mil
Available credit facilities[4]

Notes: Above as at/for period ended 31 Dec 2022
1. The adjusted NAV per Stapled Security excluding distribution is S$1.13
2. Refers to the amount of additional debt before reaching aggregate leverage of 50%; based on an aggregate leverage limit of 45%, the debt headroom is c.S$1.0 bil
3. The adjusted interest cover ratio, including distributions on perpetual securities, is 3.6X
4. Balances as at 31 Dec 2022; includes committed credit facilities amounting to approximately S$534 mil

Capital Management

Successfully refinanced c.S$740 mil of debt in 2022, of which c.S$420 mil was issued as sustainable financing

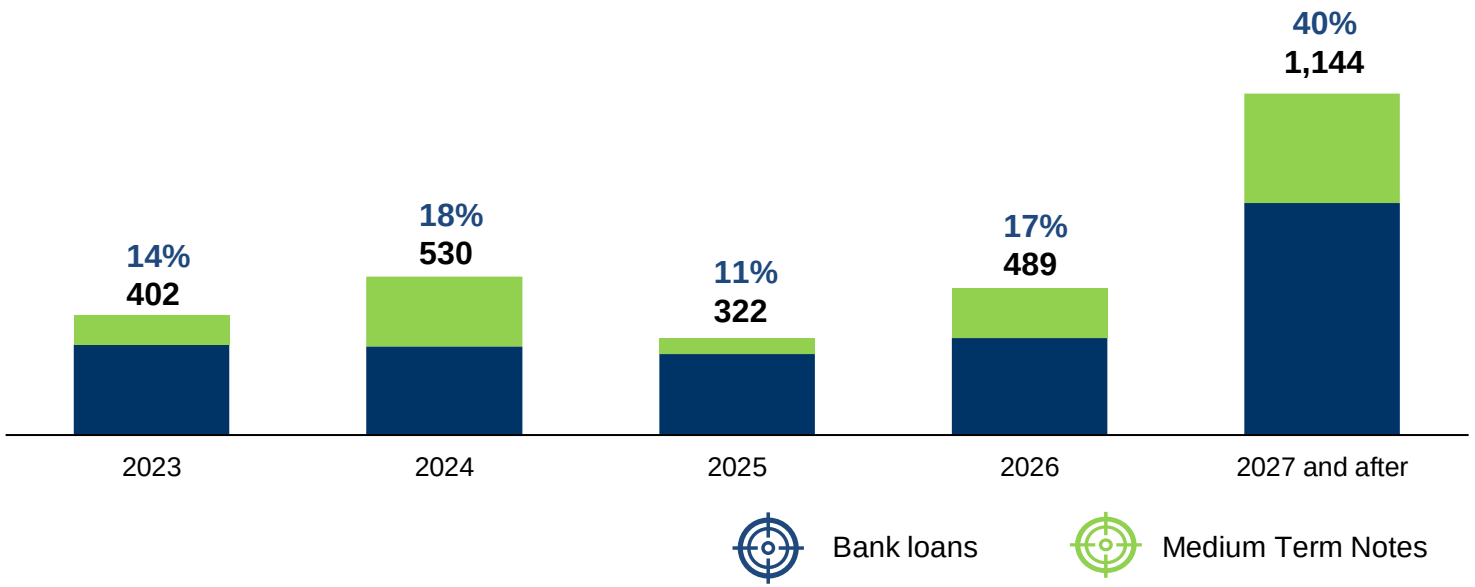
68% : 32%
Bank loans : Medium Term Notes

c.78%
Total debt on fixed rates

4.0 years
Weighted average debt to maturity

S$' mil

Managing liquidity risks through diversified funding sources



Note: Above as at 31 Dec 2022

Key Highlights

- **Partnered International Finance Corporation (IFC) to launch JPY16.5 bil (c.S$168.6 mil) sustainability-linked bond** in Nov 2022, IFC's first in the hospitality sector
- **Effective borrowing cost remained low at c.1.8%**
- **Total debt on fixed rates increased from 76%** as at 30 Sep 2022 **to 78%** as at 31 Dec 2022**; weighted average debt to maturity extended** from 3.5 years to 4.0 years
- **Gearing increased** post-completion of acquisition in Nov 2022 **but remained low** at 38.0%
- **Interest cover improved** from 4.3X as at 30 Sep 2022 to 4.4X as at 31 Dec 2022

Looking Ahead



CapitaLand Ascott Trust

Ascott Jakarta

Managing Macroeconomic and Operational Challenges

Impact from headwinds cushioned by mitigation strategies



- CLAS has built a **strong stable income base** and invested in counter-cyclical lodging types which have proven their resilience through Covid-19
- **Strong pent-up demand** driven by reopening of more borders for international travel

Recession Concerns



- CLAS has a high proportion of debt effectively on **fixed rates**, which are locked in for a weighted average of c.4.0 years
- Relatively **low amount of debt (14%, about S$400 mil) due for refinancing** in 2023

Rising Interest Rates



- CLAS has a **geographically diversified** portfolio with 12 foreign currencies, and the strengthening of some currencies balances out the weakening of others
- CLAS adopts a **natural hedge** wherever possible by borrowing in the currency of the underlying assets
- **Hedging** reduces the impact of foreign exchange on CLAS' gross profit

Volatility in Foreign Exchange



- Electricity costs have increased but remain <10% of CLAS' opex and **mitigated by higher ADR**
- Some properties have **fixed-rate contracts**, while properties under **master leases** receive stable rent and are not directly impacted
- UK government to provide support until 2024
- Long-stay guests have **utility caps**; rental housing and student accommodation tenants **pay for consumption**
- **Go-green initiatives** to reduce consumption

Rising Electricity Costs



- CLAS' predominantly long-stay properties have **lower manning requirements and leaner cost structures** than the typical full-service hospitality property
- Guests are offered the choice to opt out of daily housekeeping, and **technology-enabled features** such as self check-in kiosks have been introduced, to reduce labour requirement

Labour Shortages

Marrying Growth with Resilience

Proxy to recovery of hospitality sector, underpinned by stable income base and strong fundamentals

Continued recovery expected for the sector



2022

63%

of pre-pandemic levels

2023 Forecast

80% - 95%

of pre-pandemic levels

- Despite macroeconomic and geopolitical challenges, UNWTO[1] expects **international arrivals to reach 80% to 95% of pre-pandemic levels in 2023**
  - Supported by pent-up demand, particularly in Asia Pacific, and China's reopening
- **Europe**, which recovered nearly 80% of pre-pandemic levels in 2022, is expected **to reach or exceed pre-pandemic levels** in 2023

Positioned to benefit from recovery while staying resilient

- **Cautiously optimistic of the continued recovery** in the hospitality industry
- CLAS is **well-positioned to capture opportunities** with its geographically diversified portfolio, range of lodging asset classes and balanced mix of stable and growth income streams

Exercising prudence, delivering sustainable returns

- Amid the macroeconomic uncertainties, CLAS will continue to **exercise financial discipline** in its investment and portfolio reconstitution plans
- CLAS will undertake asset enhancement initiatives to uplift the value and profitability of its properties
- **Healthy financial position** and **prudent capital management** enable CLAS to manage rising interest rates and foreign exchange volatility

Note:

1. World Tourism Barometer, World Tourism Organization, Jan 2023

Thank You



Citadines Connect Sydney Airport

CapitaLand Ascott Trust

Additional Information



CapitaLand
Ascott Trust

La Clef Tour Eiffel Paris

Acquisitions Entered Into in FY 2022

c.S$420 mil invested in 15 properties

No.	Property	Lodging Type	Location	No. of units	Purchase price	EBITDA/NOI yield	Acquisition date / target completion date
1	Eslead College Gate Kindaimae	Student Accommodation	Osaka, Japan	112	JPY10.4 bil (S$125.0 mil)	c.4.0%[1]	Mar 2022
2	Eslead Residence Bentencho Grande	Rental Housing	Osaka, Japan	120			Dec 2022
3	Eslead Residence Umeda Grande	Rental Housing	Osaka, Japan	70			Dec 2022
4	Sagisu 5chome	Rental Housing	Osaka, Japan	108			1Q 2023
5	Hakata Property	Rental Housing	Fukuoka, Japan	247			2Q 2023
6	La Clef Tour Eiffel Paris	Serviced Residence	Paris, France	112	S$215.2 mil	3.7%	Nov 2022
7	Quest Cannon Hill	Serviced Residence	Brisbane, Australia	100		6.5%	
8	Somerset Central TD Hai Phong City	Serviced Residence	Hai Phong City, Vietnam	132		3.2% / 9.7%[2]	
9	House Saison Shijo-dori	Rental Housing	Kyoto, Japan	190		4.1% - 5.0%	
10	Marunouchi Central Heights	Rental Housing	Nagoya, Japan	30			
11	S-Residence Gakuenzaka	Rental Housing	Osaka, Japan	58			
12	S-Residence Namba Viale	Rental Housing	Osaka, Japan	116			
13	S-Residence Shukugawa	Rental Housing	Hyogo, Japan	33			
14	Standard at Columbia (additional 45% stake)	Student Accommodation	Columbia, USA	247		5.0%[3]	
15	Rental Housing Property	Rental Housing	Fukuoka, Japan	-	JPY8.0 bil (S$82.6 mil)	c.4.0%[1]	2024

Notes:
1. Expected stabilised NOI yield
2. Based on the historical pre-Covid-19 EBITDA levels in 2019
3. Refers to the stabilised EBITDA yield on cost, based on JLL's valuation report; the cost of development is based on the agreed property value of the property plus outstanding construction cost and capitalised interest expense for the development