



ACROPHYTE HOSPITALITY TRUST

A stapled group comprising:

ACROPHYTE HOSPITALITY PROPERTY TRUST

(a real estate investment trust constituted on 24 September 2018 under the laws of the Republic of Singapore) managed by Acrophyte Hospitality Trust Management Pte. Ltd.

ACROPHYTE HOSPITALITY MANAGEMENT TRUST

(a business trust constituted on 29 October 2018 under the laws of the Republic of Singapore) managed by Acrophyte Hospitality Business Trust Management Pte. Ltd.

PRESS RELEASE

ACROPHYTE HOSPITALITY TRUST INCREASES 2H 2024 DISTRIBUTIONS

Key Highlights

- **2H 2024 DPS of 0.848 US Cents represents an increase over 1H 2024 DPS of 0.747 US Cents**
- **Following the sale of 3 hotels in 2024, the size of the portfolio decreased by 8.3%**
- **Gross revenue remained flat on a same-store basis, despite AEI dislocations**
- **Portfolio valuation on a comparable basis, increased by 2.2% to US\$728 million**

Portfolio Overview	As at 31 Dec 2024	As at 31 Dec 2023	Change (%)
No. of hotels	33	36	-8.3%
No. of rooms	4,315	4,700	-8.2%
	FY2024	FY2023	Change (%)
Rooms Available	1,651,194	1,736,535	-4.9%

(US\$m)	FY2024	FY2023	Change (%)
Revenue	168.8	175.5	-3.8%
Gross Operating Profit (" GOP ")	59.6	62.0	-3.8%
<i>GOP Margin</i>	35.3%	35.3%	-
Net Property Income (" NPI ")	44.3	47.7	-7.0%
Net Finance Costs	22.8	15.8	+44.1%
Distributable Income ¹	9.3	19.8	-53.4%
Distribution per Stapled Security (US cents)	1.595	3.430	-53.4%

¹For 2024, US\$1.03 million, or 10% of the total amount available for distribution, was retained for general corporate and working capital purposes.

Singapore, 27 February 2025– Acrophyte Hospitality Trust Management Pte. Ltd, in its capacity as manager of Acrophyte Hospitality Property Trust (the “**REIT**”), and Acrophyte Hospitality Business Trust Management Pte. Ltd, as trustee-manager of Acrophyte Hospitality Management Trust (the “**BT**”) (collectively known as the “**Managers**”), today announced the financial results of Acrophyte Hospitality Trust (“**ACRO-HT**”) for the full year ended 31 December 2024 (“**FY2024**”).

Financial and Portfolio Performance

Despite the reduction in portfolio size by 8.3%, ACRO-HT achieved a gross revenue of US\$168.8 million in FY2024, reflecting a smaller 3.8% decrease compared to the previous year. GOP and NPI were lower at US\$59.6 million and US\$44.3 million, respectively. In addition to the reduction in portfolio size, the operational performance for FY2024 was interrupted by the dislocation from asset enhancement initiatives (“**AEI**”) at six of our higher performing hotels. Despite this, GOP margin remained stable at 35.3% in FY2024 due to effective cost management measures.

Hyatt Place Mystic, Hyatt Place Rancho Cordova, and Hyatt Place Omaha completed their AEIs in the first half of 2024 (“**1H 2024**”) while Hyatt Place Secaucus, Hyatt Place Lakeland Center and Hyatt Place Tampa Busch Gardens completed their AEIs in the second half of 2024 (“**2H 2024**”).

On a same-store basis, gross revenue increased by 0.2%, while NPI declined by 5.2%, primarily due to increased insurance costs.

For 2H 2024, US\$4.92 million was available for distribution to stapled securityholders, up from US\$4.33 million in 1H 2024. The Distribution Per Stapled Security (“**DPS**”) of 0.848 US cents, payable on 28 March 2025, reflects a 13.5% increase from 1H 2024 DPS of 0.747 US cents. Overall, the FY2024 distributable income was lower than the prior year at US\$9.3 million due to higher finance costs.

The United States (“**U.S.**”) economy remained healthy and stable, expanding at a solid rate of 2.8%². However, inflation saw an uptick, rising to 3.0% as of January 2025³, signaling that inflationary pressures remain a concern. In response, the U.S. Federal Reserve opted to hold interest rates steady in the range of 4.25% to 4.50%, following three consecutive rate cuts in the final months of 2024. Meanwhile, the U.S. lodging market has stabilized, with demand growing at a slower pace than general economic growth due to a stronger U.S. dollar and increased U.S. outbound travel. On a positive note, business and group travel continued to show improvement. New hotel supply growth remains muted, below long-term averages, which allowed existing hotels to maintain and improve pricing power.

Mr. Lee Jin Yong, CEO of the Managers said, “Our FY2024 operational performance was impacted by the sale of three hotels and AEIs at six of our higher performing hotels. We firmly believe that continuously improving the overall portfolio quality is critical to navigating the complexities of today’s business environment, particularly given the elevated interest rates and the more cautious outlook for rate cuts in 2025. We remain committed to strengthening our portfolio by divesting underperforming and non-core assets and re-deploying capital to higher-yielding core assets to build resilience.”

Optimization Strategy Update

The Managers have completed the sale of Hyatt House Shelton (“**HHS**”) for US\$19.7 million on 7 October 2024. The net proceeds of HHS will be used to pare down existing bank borrowings to improve the portfolio’s aggregate leverage ratio and increase debt headroom.

² U.S. Bureau of Economic Analysis, January 2025

³ U.S. Bureau of Labor Statistics, February 2025

Refinancing Maturing Loans

ACRO-HT, through its subsidiaries, has successfully extended the loan facilities, which were originally due to mature in February 2025, by an additional three years, now maturing in February 2028. As a result, the weighted average debt maturity of ACRO-HT has been extended to 2.2 years, as compared to 1.5 years as at 31 December 2024.

Outlook

According to STR⁴, the U.S. hotel market occupancy is forecasted to remain flat at 63.1%, while ADR and RevPAR are projected to grow modestly by 1.6% and 1.8%, respectively. Tourism Economics expects favorable economic conditions to sustain travel activity in 2025, fueled by low unemployment, robust consumer spending, and strong business investments, which will boost demand for business and group travel. However, these forecasts do not factor in the impacts of the upcoming policy changes under the Trump Administration, which could pose risks, particularly to inbound travel.

On the other hand, the U.S. Travel Association's January 2025 forecast⁵ anticipates a 3.9% growth in U.S. travel spending, surpassing \$1 trillion, and aligning closely with 2019 levels (adjusted for inflation). Additionally, inbound international visits are expected to increase by 8.8% in 2025 and 8.9% in 2026, driven by major upcoming sports and entertainment events.

Mr. Lee concluded, "While the U.S. lodging industry is projected to experience modest growth in 2025, business travel, especially meetings and group events, is poised to be a bright spot. Despite the ongoing macroeconomic challenges, geopolitical uncertainties, and widespread cost pressures, we remain cautiously optimistic about the strength and resilience of our operational performance, especially with our newly renovated hotels. Above all, we remain committed to delivering sustainable returns to our stapled securityholders."

The FY2024 financial statement and presentation slides can be downloaded from the ACRO-HT corporate website at www.acrophytetrust.com.

Lee Jin Yong
Chief Executive Officer
27 February 2025

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⁴ STR Press Release, January 2025

⁵ U.S. Travel Association, Travel Forecast, January 2025

ABOUT ACROPHYTE HOSPITALITY TRUST

Listed on the Singapore Exchange on 9 May 2019, Acrophyte Hospitality Trust (“**ACRO-HT**”) is a hospitality stapled group comprising Acrophyte Hospitality Property Trust and Acrophyte Hospitality Management Trust. ACRO-HT invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. As at the date of this announcement, ACRO-HT’s portfolio comprises 33 select-service hotels with a total of 4,315 rooms across 17 states in the United States.

ACRO-HT is managed by Acrophyte Hospitality Trust Management Pte. Ltd. and Acrophyte Hospitality Business Trust Management Pte. Ltd, (“collectively known as the “**Managers**”). The Managers are wholly-owned subsidiaries of Acrophyte Asset Management Pte Ltd (“**Acrophyte AM**”).

ABOUT THE SPONSOR

Acrophyte AM is a wholly-owned subsidiary of Acrophyte Pte. Ltd. (“**Acrophyte**”), the sponsor of ACPH.

Acrophyte (formerly known as Chip Eng Seng Corporation Ltd.) is a multinational conglomerate company with businesses in construction, civil infrastructure, precast technology, environmental, property development and investment, hospitality, as well as education.

Acrophyte established itself as a prominent real estate player in the 1990s and has since grown into a multinational conglomerate that includes capabilities (i) across the real estate value chain, comprising real estate construction, real estate development, property investment and asset management, and (ii) in the hospitality industry. As an established player in the hospitality industry, Acrophyte is an owner of hotels in Singapore, Maldives, and Australia, as well as a hotel and serviced residence operator in Singapore under its own hospitality brand “Momentus”.

For more information, please visit www.singhaiyi.com.

IMPORTANT NOTICE

The value of the stapled securities in Acrophyte Hospitality Trust (“**Stapled Securities**”) (where each Stapled Security comprises 1 unit in the REIT stapled to 1 unit in the BT), 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, DBS Trustee Limited, in its capacity as trustee of the REIT, or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, 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. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Acrophyte Hospitality Trust. The forecast financial performance of Acrophyte Hospitality Trust is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ current view of future events.