



ARA US HOSPITALITY TRUST

3Q 2022 BUSINESS & OPERATIONAL UPDATES

4 NOVEMBER 2022



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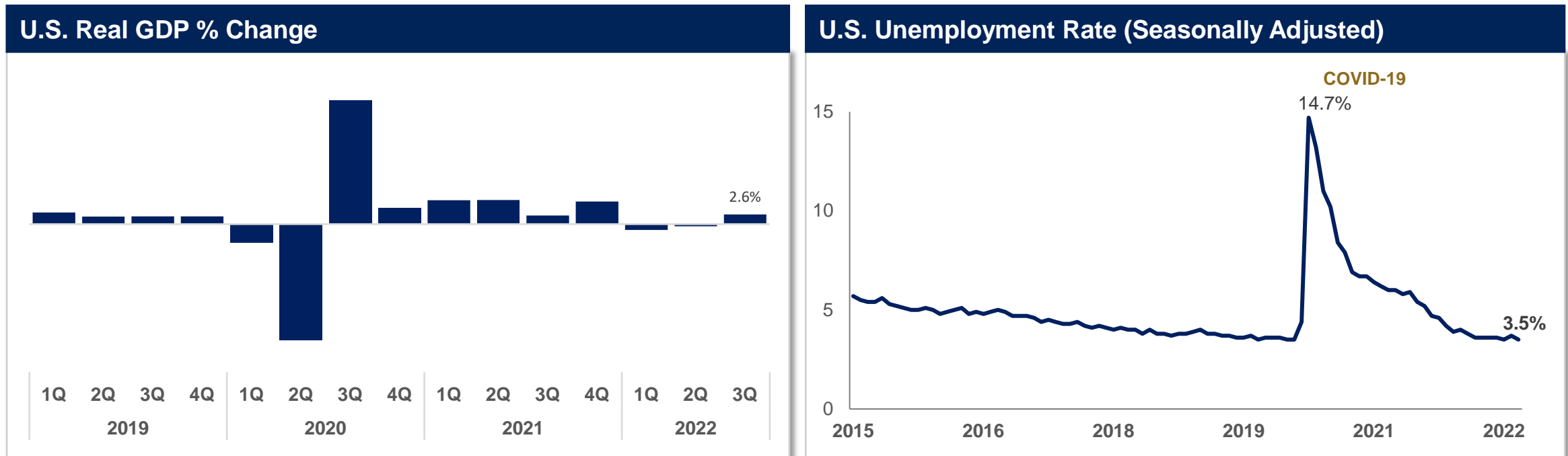
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A large American flag waving on a tall pole against a blue sky with white clouds. The flag is positioned on the left side of the image, and the background is split diagonally into a blue sky and a white area.

U.S. MARKET UPDATE

U.S. Economic Indicators Provide Mixed Signals

Low unemployment is both positive and negative



- 3Q22 GDP growth at 2.6% after two quarters of negative growth, supported by increases in exports, consumer and government spending.
- Inflation which peaked in June 2022, remains elevated and continues to be the predominant concern. In response, the Fed has progressively increased interest rates to 3.75-4.00% in November 2022.
- Rising interest rates, elevated inflation, in addition to geopolitical risks, have created a drag on the economy.
- Unemployment rate at 50-year historic low of 3.5% has led to strong wage growth, supporting higher consumption levels, but raising concerns of an overheating labour market and potential wage spirals.

U.S. Hotel Market Demand Growth Still Positive

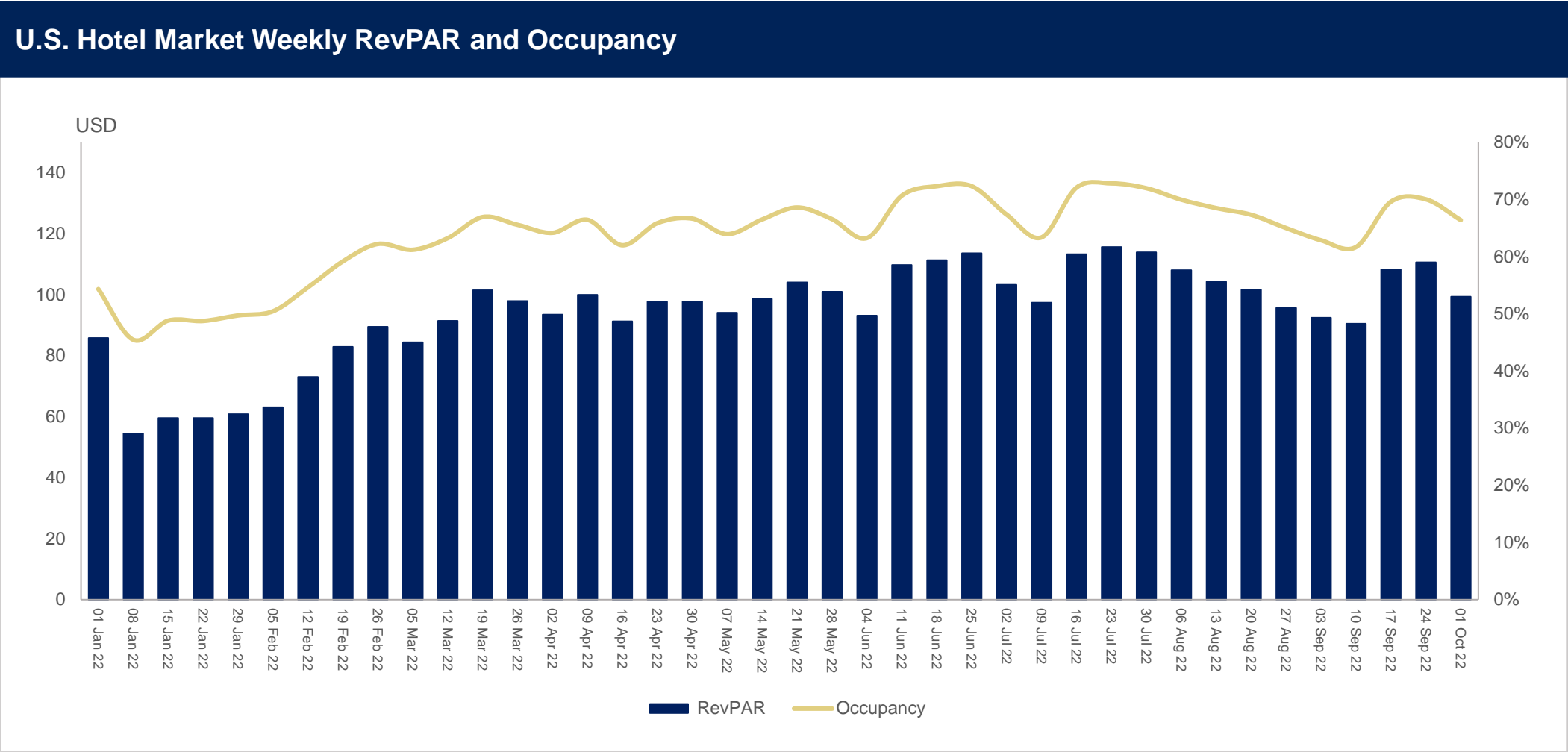
Forecasts for 2022 – 2024 show continued recovery

Year	2019	2020	2021	2022F	2023F	2024F
Occupancy	66%	44%	58%	63%	65%	66%
ADR	\$131	\$103	\$125	\$148	\$152	\$157
ADR Y-o-Y Change		-21%	+21%	+18%	+3%	+3%
RevPAR	\$87	\$45	\$72	\$93	\$98	\$103
RevPAR Y-o-Y Change		-48%	+60%	+29%	+5%	+5%
RevPAR compared w/ 2019	-	-50%	-17%	+8%	+14%	+20%

- Outlook for U.S. hotel market remains optimistic, outweighing economic uncertainty and geopolitical risks.
- U.S. hotel market RevPAR grew 60% in 2021 and is projected to grow 29% in 2022, eclipsing the decline of 48% in 2020 due to COVID-19.

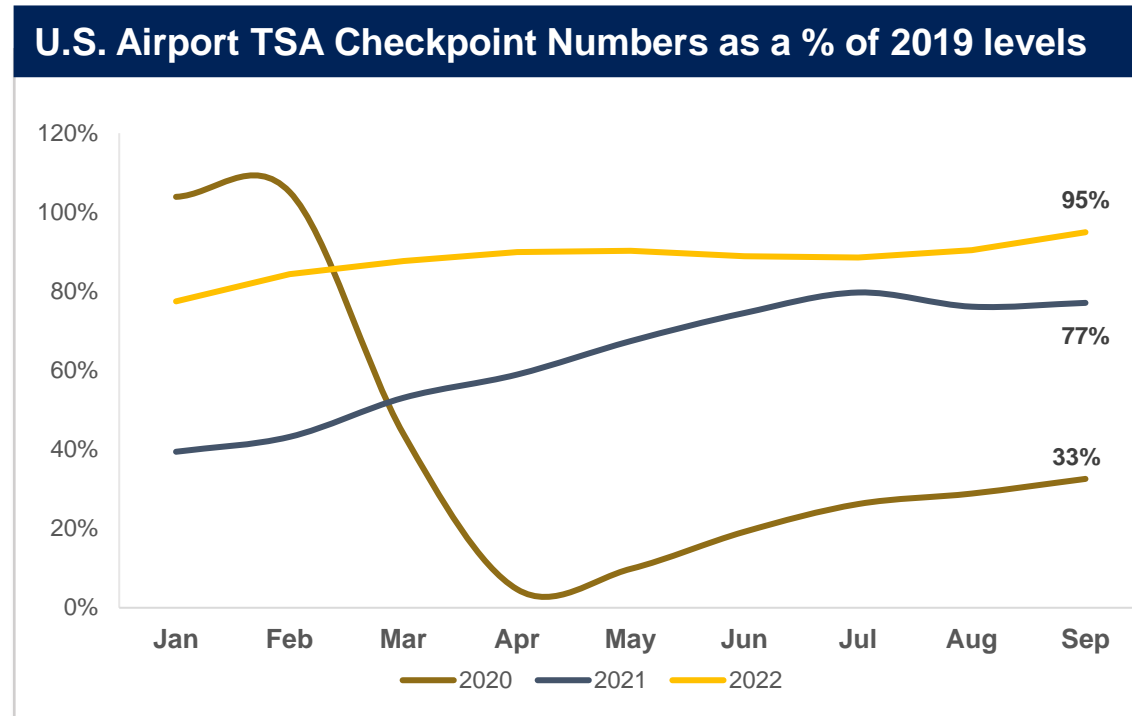
U.S. Hotel Market Recovery Remains On Track

Both demand and revenues are trending above prior year levels



Strong Airline Demand Portends Corporate Travel Recovery

Increasing travel volumes supportive of continuing pricing strength in ADR



- Year-to-date 2022 travel volumes improved to 95% of 2019 levels despite inflation, capacity constraints and higher travel costs in general.
- U.S. airline executives cite strong demand for travel and are upbeat on travel demand staying resilient.
- Growing trend of hybrid work accords flexibility to employees to travel more frequently, for longer periods, and outside of the conventional travel periods.
- Continued improvement expected for business and group travel.

PORTFOLIO PERFORMANCE



AC Hotel Marriott Raleigh North Hills

Outperformance For YTD September 2022

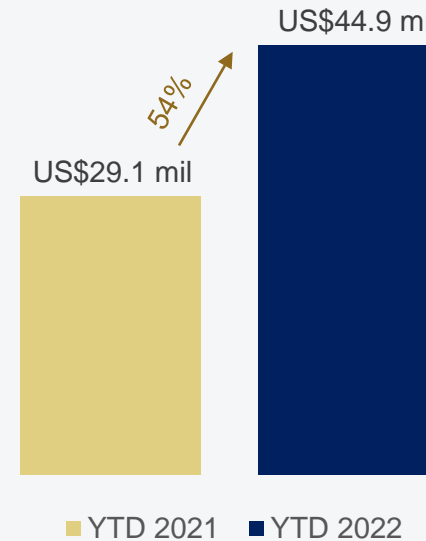
Corporate travel expected to drive the next leg of recovery



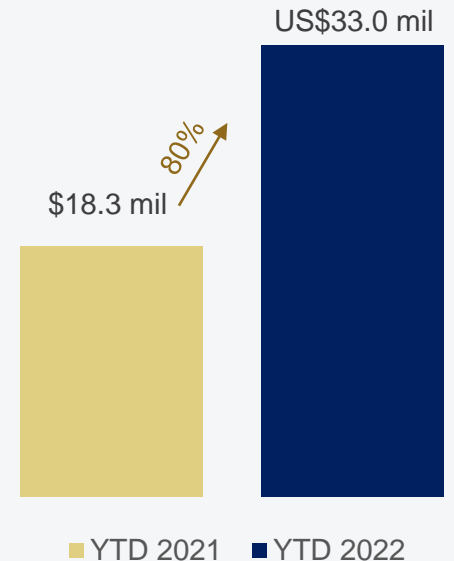
Gross Revenue US\$130.0 mil



Gross Operating Profit US\$44.9 mil



Net Property Income US\$33.0 mil



YTD 2022 Financial Performance

Strong recovery momentum in second and third quarter of the year

	1Q 2022	2Q 2022	3Q 2022	YTD 2022
Portfolio Indicators				
Occupancy	54.6%	70.7%	71.0%	65.4%
RevPAR (US\$)	65	95	97	85
Financial Indicators (US\$m)				
Revenue	32.8	48.5	48.7	130.0
Gross Operating Profit (GOP)	8.7	18.9	17.3	44.9
<i>GOP Margin</i>	26.6%	38.9%	35.6%	34.5%
Net Property Income	5.3	15.8	11.9	33.0

Strengthening Financial And Liquidity Position

Our hedging strategy maintains average cost of debt despite rising interest rates

	As at 31 Dec 2021	As at 30 Jun 2022	As at 30 Sep 2022
NAV per Stapled Security	US\$0.70	US\$0.72	US\$0.71
Cash Balance	US\$19.2 mil	US\$19.8 mil	US\$49.5 mil
Total Debt Outstanding	US\$338.1 mil	US\$330.9 mil	US\$325.9 mil
Aggregate Leverage Ratio	44.3%	43.5%	43.3%
Net Gearing	42.8%	42.0%	39.3%
Interest Coverage Ratio*	2.0x	2.8x	2.7x
Weighted Average Debt Maturity	2.0 years	2.1 years	1.8 years
Average Cost of Debt (p.a.)	3.4%	3.6%	3.7%
% of Debt Hedged to Fixed Rates	79.1%	80.8%	82.0%

- Cash balance included ~US\$32m of net proceeds received from the sale of four Hyatt Place hotels completed on 30 September 2022.
- No refinancing requirement for the remainder of FY 2022 and FY 2023.

* Computation excluded interest expense on lease liabilities. It is regarded as a component of finance cost under SFRS(I)16 which is an accounting classification and does not have a bearing on debt servicing ability.

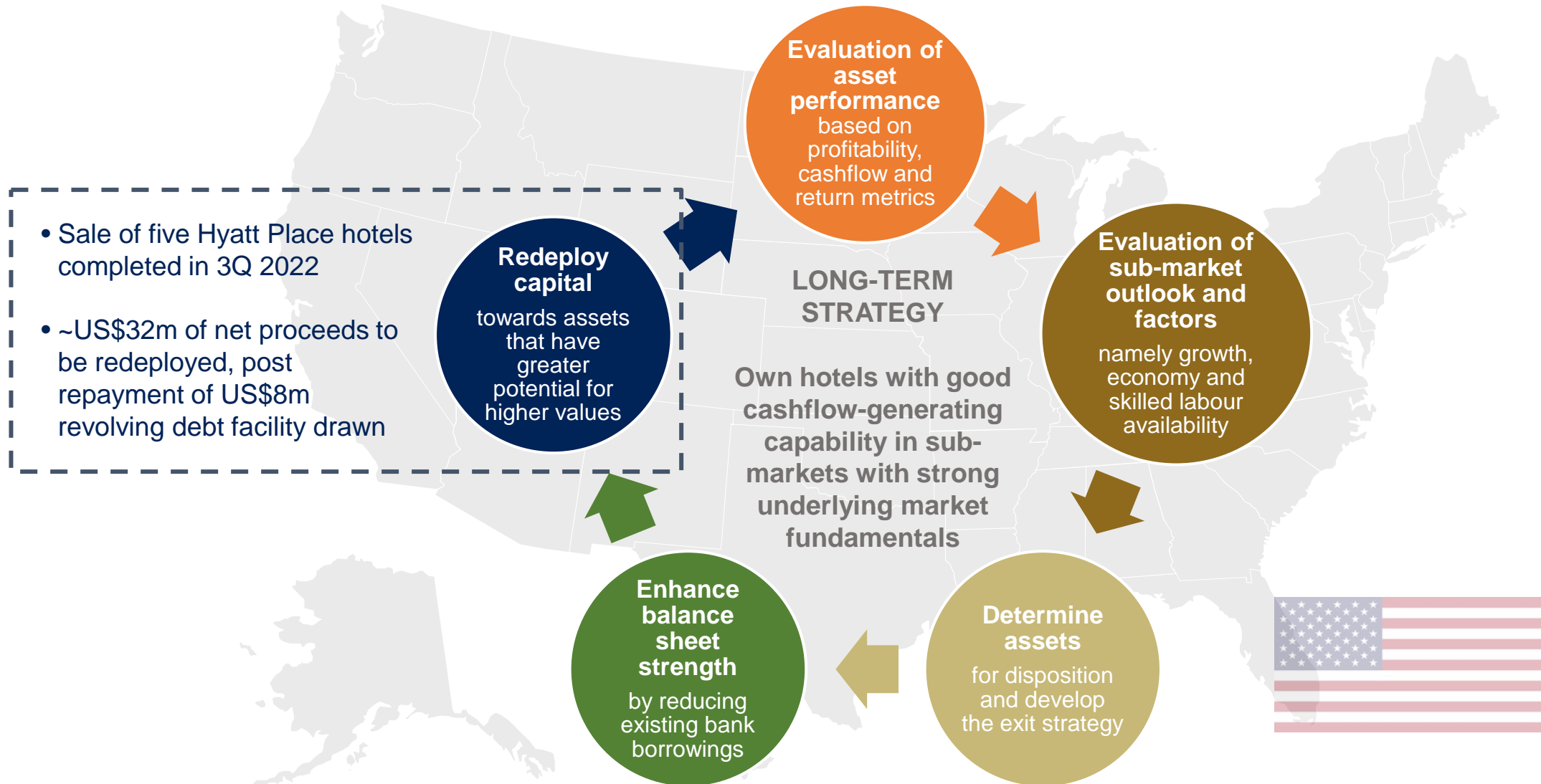
BUILDING A RESILIENT PORTFOLIO



Hyatt House Raleigh Durham

Portfolio Optimisation And Rebalancing

To build a stronger and more resilient portfolio



Key Takeaways

1

Despite mixed macroeconomic signals, U.S. travel and hotel markets are continuing countercyclical recoveries

2

Steady and consecutive improvement in U.S. hotel market RevPAR year-on-year; business and group travel growth represents further upside

3

Inflation is concerning but also supports ADR strength, which mitigates operating cost increases, protecting operating margins

4

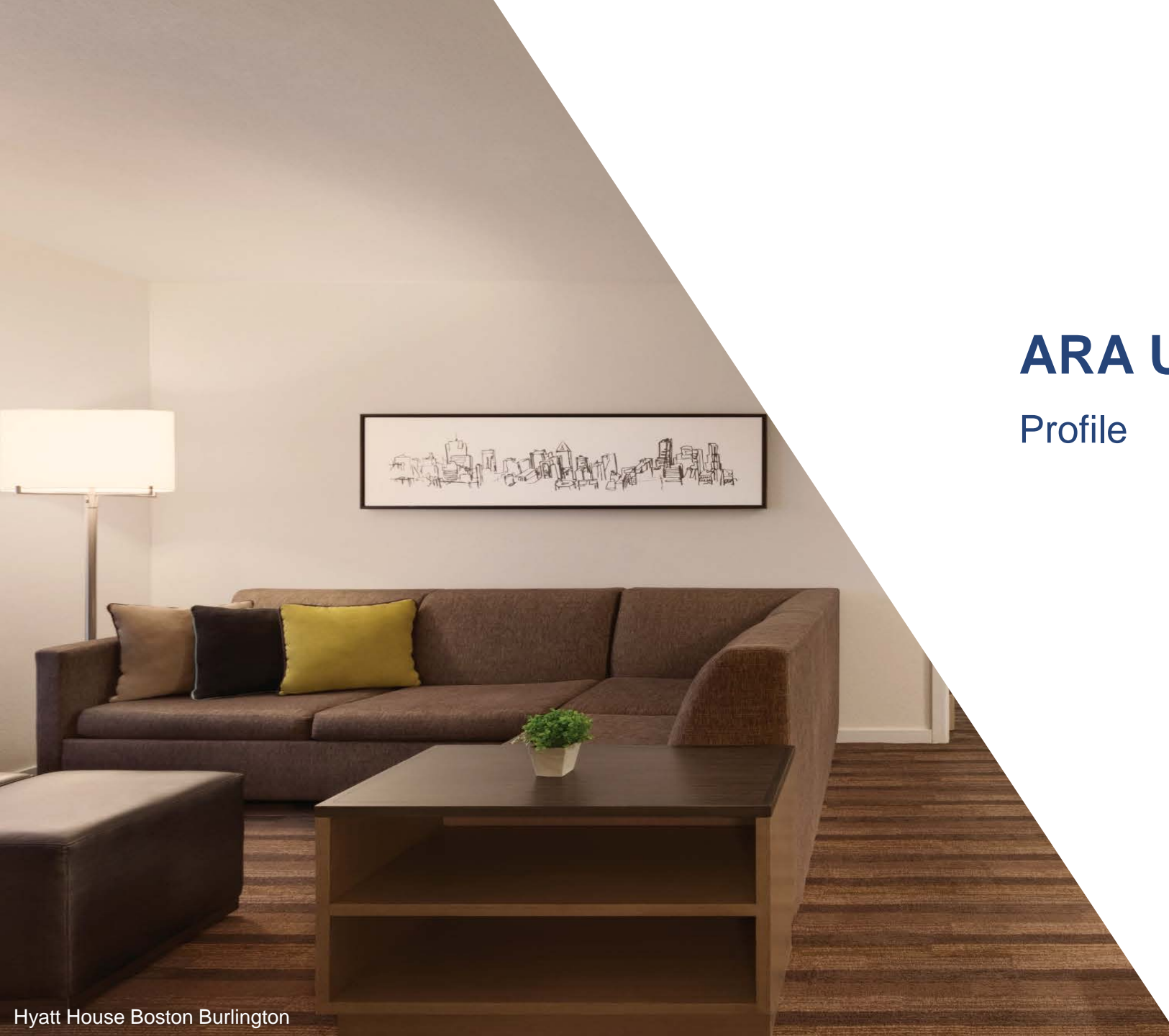
Sound financial management in a rising interest environment as over 80% of loan portfolio interest expense fixed and hedged

5

ARA H-Trust's operating and financial performance recovery, plus pass-through structure supports future DPS increases

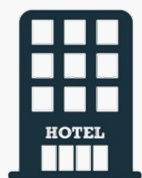
ARA US Hospitality Trust

Profile



ARA US Hospitality Trust – An Overview

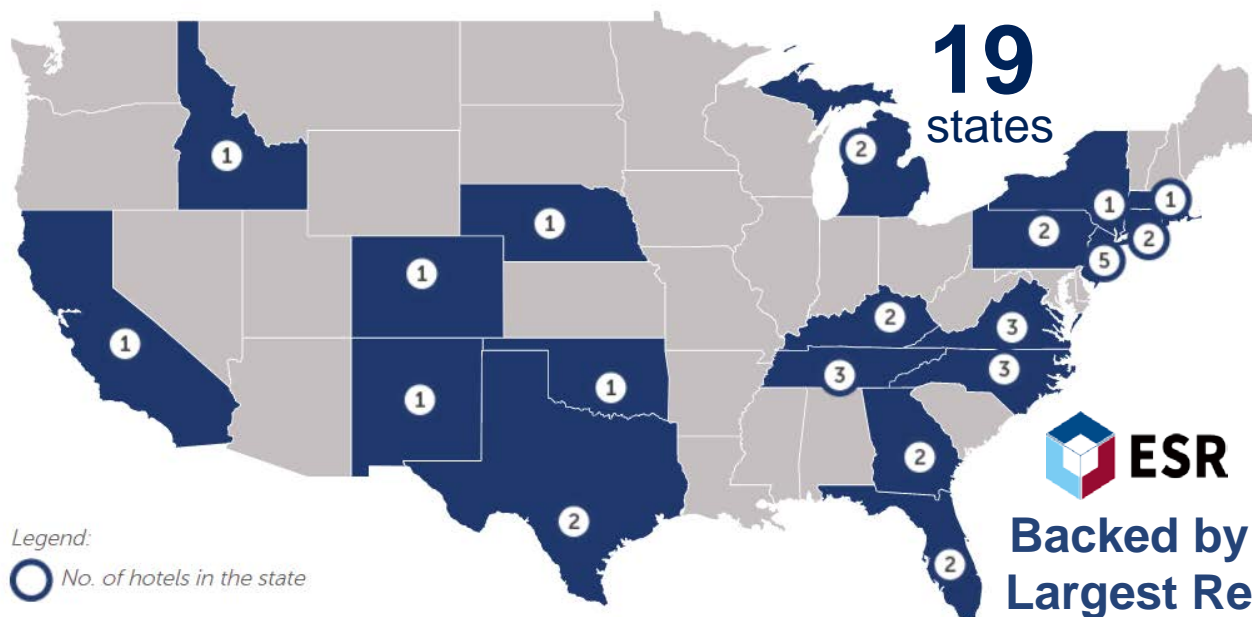
First pure-play U.S. upscale select-service hospitality portfolio listed on the SGX-ST



36
upscale
hotels



4,707
rooms



**Backed by APAC's
Largest Real Asset
Manager**



>90%
Freehold
Title



>90%
rooms-
focused
revenue



5
hotel
brands



2
hotel
operators

Tax Efficient Structure

Attractive REIT platform to invest in U.S. hotels for non-U.S. investors

Key Investment Strategies of ARA US Hospitality Trust

In pursuit of long-term income growth in U.S. real estate



Efficient Investment Structure

Attractive platform to invest for non-U.S. investors

All-USD FX

Cashflows, assets and liabilities are denominated in USD

U.S. Withholding Tax-exempt

Distributions repatriated from U.S. to Singapore via interest on shareholder's loans and qualifies for Portfolio Interest Exemption

SG Tax Exempt

Distributions to Stapled Securityholders are tax-exempted

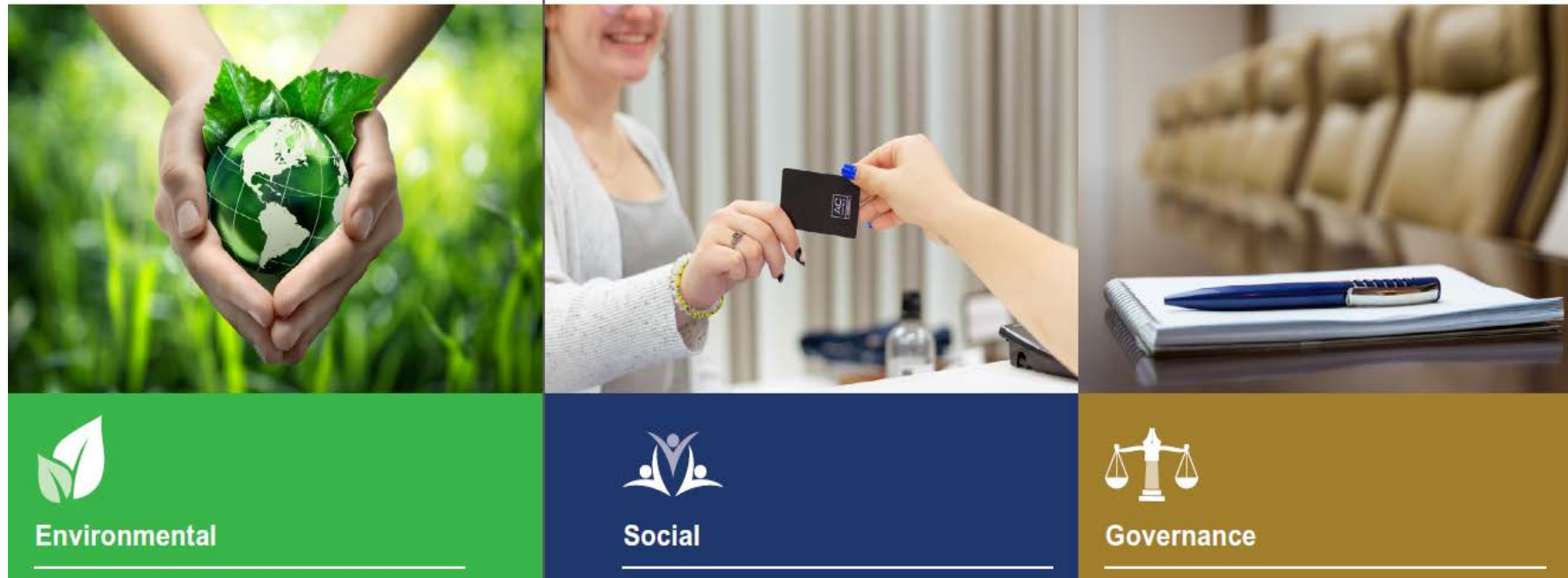
Alignment of Interest

Management fee structure pegged to distributable income and growth in DPS

Semi-annual distribution; at least 90% of distributable income

ESG Initiatives for ARA US Hospitality Trust

Move towards sustainable hospitality



Sustainability practices incorporated into asset management



Contribute to the social and environmental well-being of stakeholders over the long term



Developed strong framework to engage, report and review ESG-driven policies



Close collaboration with Brand Partners and Hotel Managers to drive sustainability programs and initiatives

Thank You

For enquiries, please contact:
Investor Relations

usht_ir@esr.com

www.araushotels.com



AC Hotel Marriott Raleigh North Hills