

Frasers Hospitality Trust

Business Updates for 1Q FY2023

3 February 2023



Intercontinental Singapore

Important Notice

Certain statements in this presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Frasers Hospitality Trust (**FHT**), Frasers Hospitality Asset Management Pte. Ltd. (as the manager of Frasers Hospitality Real Estate Investment Trust (**FH-REIT**) or Frasers Hospitality Trust Management Pte. Ltd. (as trustee-manager of Frasers Hospitality Business Trust) (**FH-BT**) (collectively, **the Managers**), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Managers’ present and future business strategies and the environment in which FHT or the Managers will operate in the future. Because these statements and financial information reflect the Managers’ current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

The Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this presentation to reflect any change in the Managers’ expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the Singapore Exchange Securities Trading Limited (**SGX-ST**) and/or any other regulatory or supervisory body or agency. The value of stapled securities in FHT (**Stapled Securities**) and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Stapled Securities. The past performance of FHT and the Managers is not necessarily indicative of the future performance of FHT and the Managers.

This presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

This advertisement has not been reviewed by the Monetary Authority of Singapore (**MAS**).

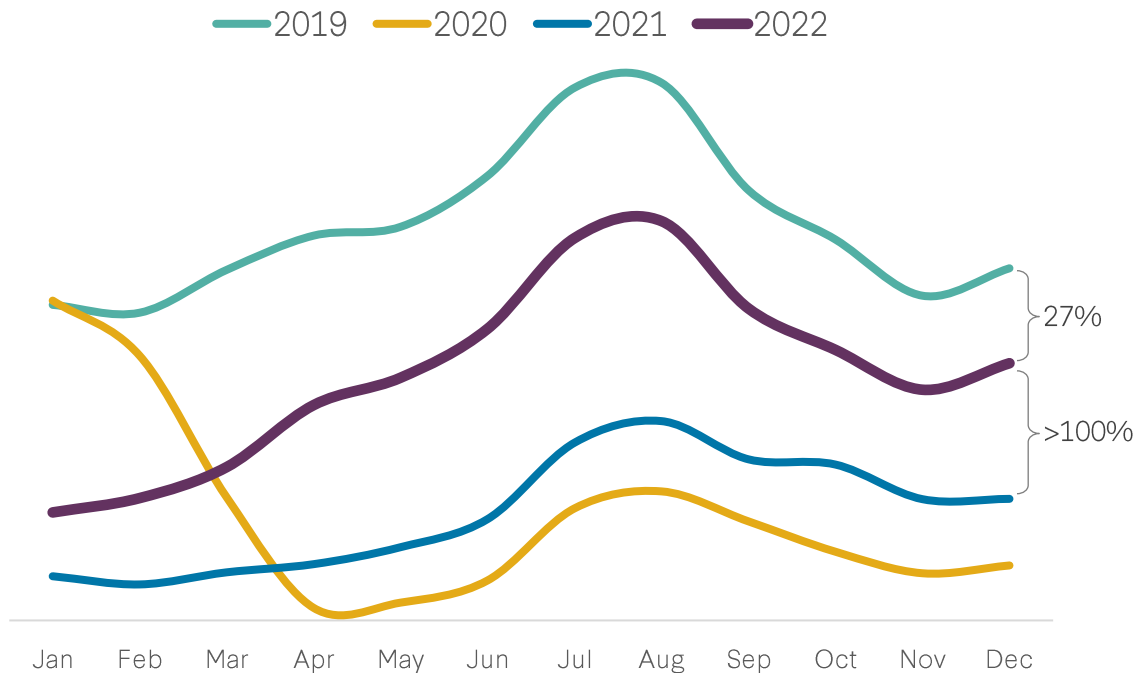
Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.



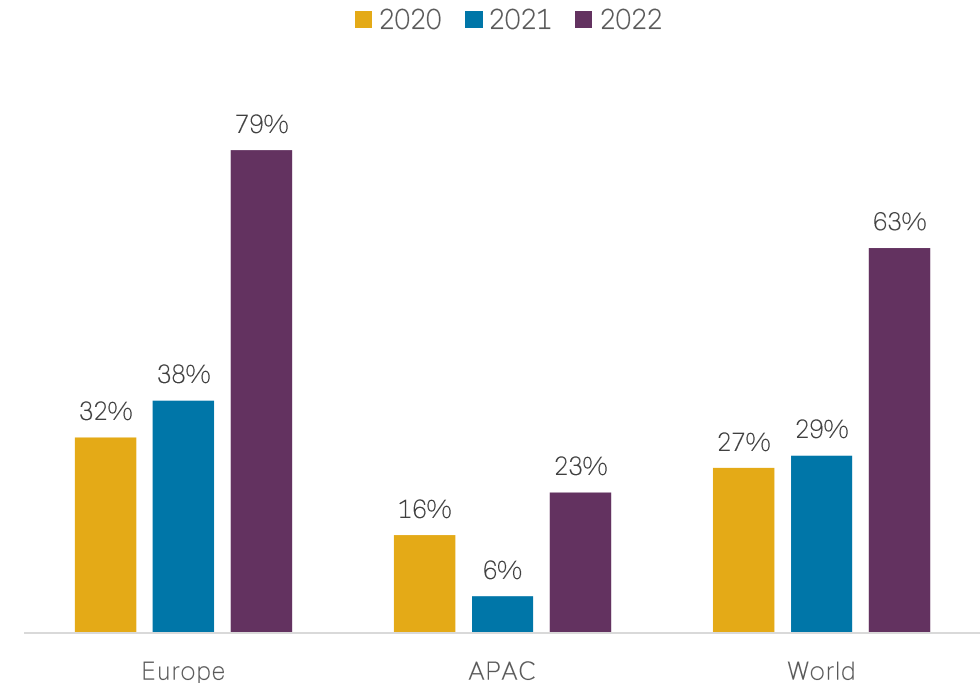
Key Market Updates

International tourism continues to bounce back from the pandemic

International Tourist Arrivals (mil)



International Tourist Arrivals, % of 2019 level



- International arrivals showed strong signs of rebound to pre-pandemic levels in 2022
- Europe continues to lead the rebound in 2022 with arrivals which more than doubled year-on-year (YoY), boosted by intra-regional demand and travel from the United States, reaching 79% of pre-pandemic level
- APAC region's arrivals more than tripled YoY in 2022 but remained at 23% of pre-pandemic level as the reopening of destinations such as China, a key source market for the region, remained closed

China has reopened borders but faces restrictions in some markets



Singapore

- No change in border restrictions for now
- Cautious approach in raising China travel capacity



Australia

- Requires negative COVID-19 test results taken within 48 hours of departure for travellers from China, HK and Macau



United Kingdom

- Requires negative COVID-19 test results within 48 hours of departure for travellers from China
- Sample testing of passengers arriving from China



Japan

- Requires negative COVID-19 test results taken within 72 hours of departure for travellers on direct flights from China
- Limitation on additional flights from China



Malaysia

- Special lanes for inbound travellers from China and symptomatic travellers need to undergo COVID-19 test
- All travellers entering the country will be screened for symptoms and referred for further examinations if symptomatic



Germany

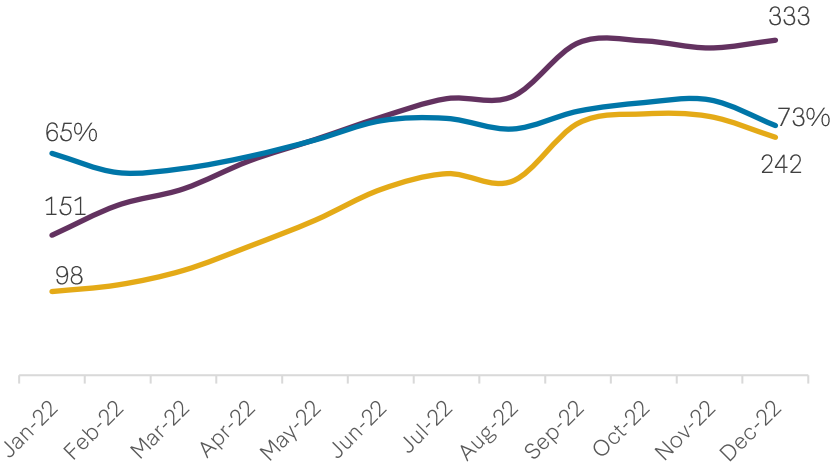
- Requires negative COVID-19 test results within 48 hours of departure for travellers from China (in accordance with European Union countries)

Continued recovery observed in FHT's markets

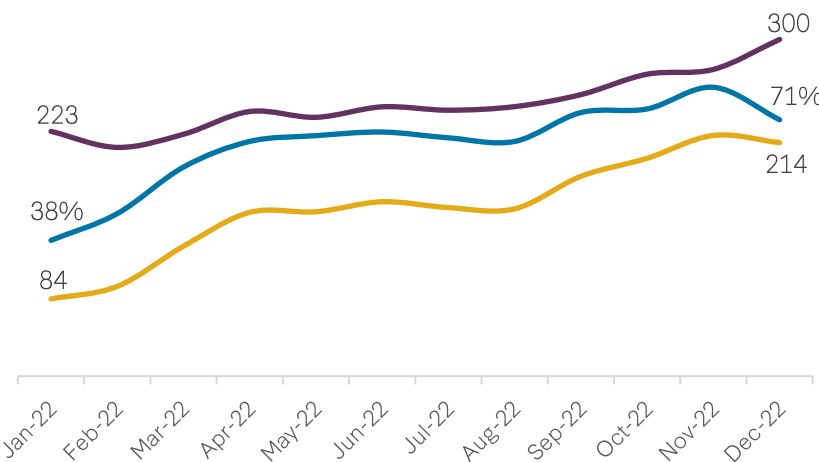
Hospitality market performance by city

— ADR — Occupancy — RevPAR

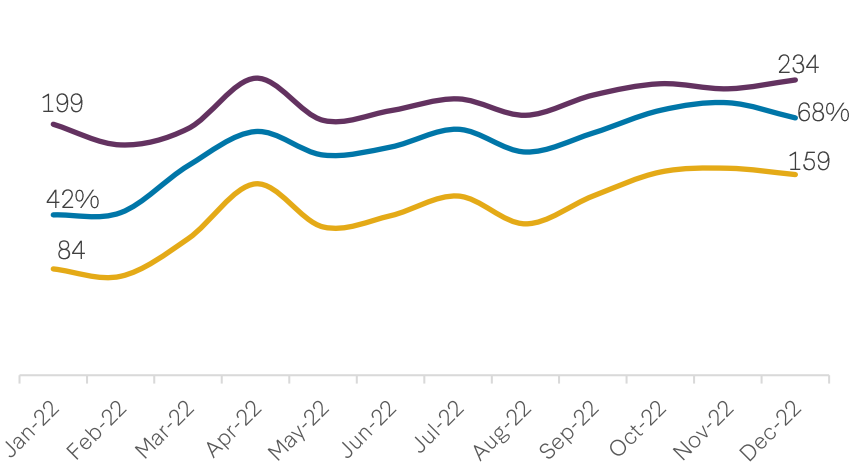
Singapore



Sydney (Upscale & upper-midscale segment)



Melbourne (Upscale & upper-midscale)



Singapore's hotel market performance continued its uptick trend following the recovery of the tourism sector which was supported by the resumption of marquee events

Sydney's hotel market performance showed steady improvement after borders were re-opened in Feb-22 with the highest RevPAR recorded in Nov-22 since the start of the pandemic

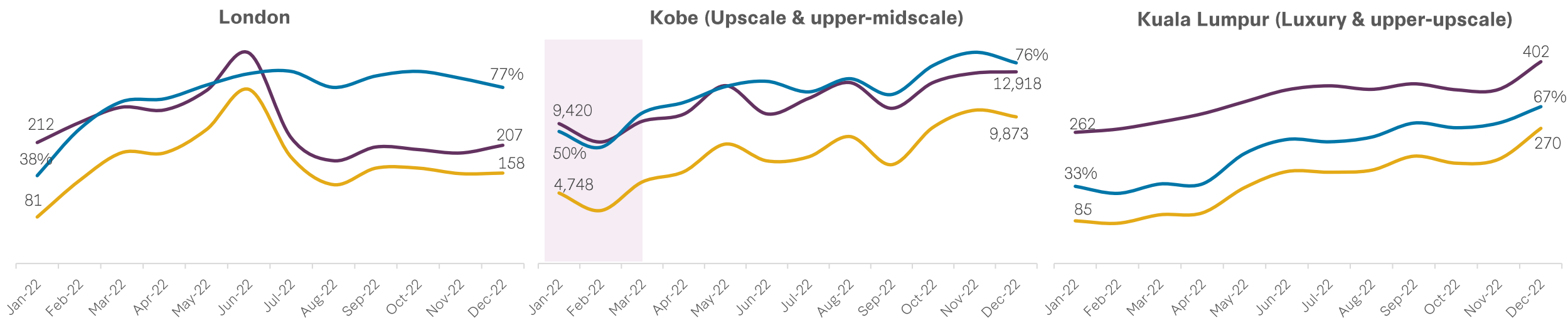
Melbourne's hotel market performance was boosted by the reopening of the borders and resumption of major events. ADR and RevPAR have surpassed pre-COVID levels in Dec-22

*Average daily rate (ADR) and revenue per available room (RevPAR) are in local currencies
Sources: STR; CNA, "Visitor arrivals in Singapore creep back to pre-pandemic levels as tourism sector rebounds", Jan 2023; STR, "Sydney hotels recorded highest performance of pandemic-era in November", Dec 2022; STR, "Melbourne hotels reached record-high room rates in December", Jan 2023

Continued recovery observed in FHT's markets

Hospitality market performance by city

— ADR — Occupancy — RevPAR State of emergency



London's ADR and RevPAR came in higher than pre-pandemic levels for the eighth consecutive months as the hotel market's performance remained steady

Kobe's hotel market performance continued on its gradual upward trend following the end of quasi-emergency measures and re-opened international borders since Oct-22

Kuala Lumpur's hotel market performance continued its gradual recovery trajectory since reopening in Apr-22. ADR, occupancy and RevPAR in Dec-22 has surpassed pre-COVID levels

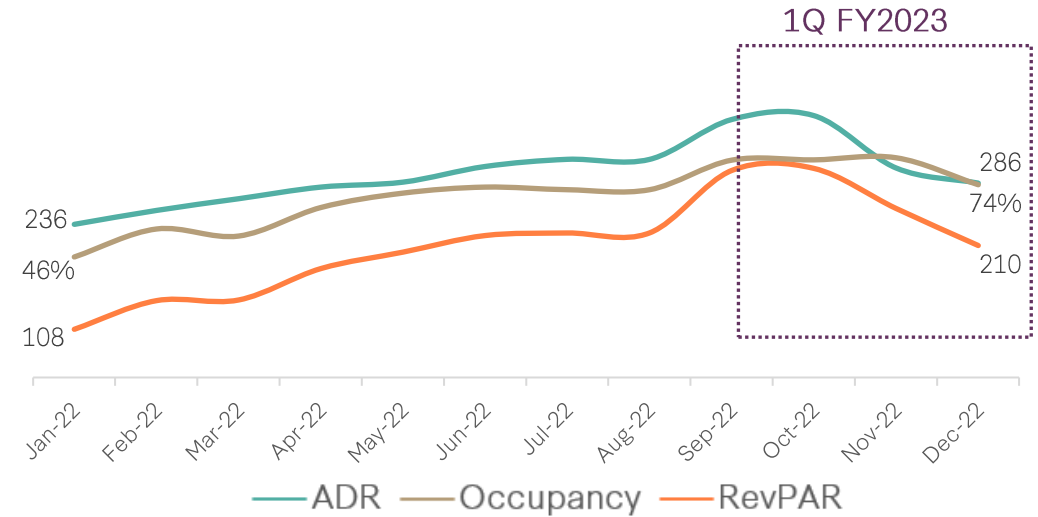
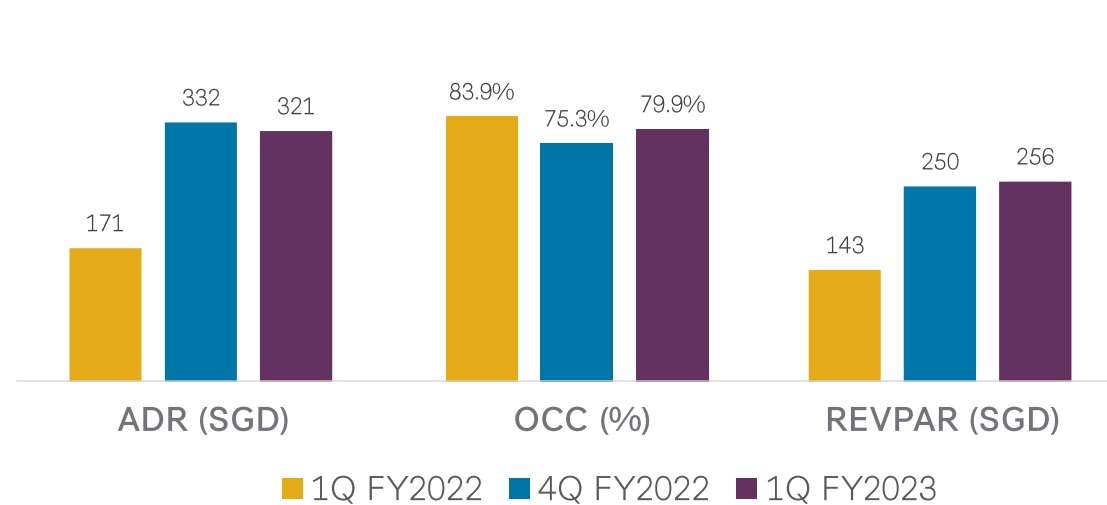


Portfolio Performance

Singapore

InterContinental Singapore (ICSG)

Fraser Suites Singapore (FSSG)



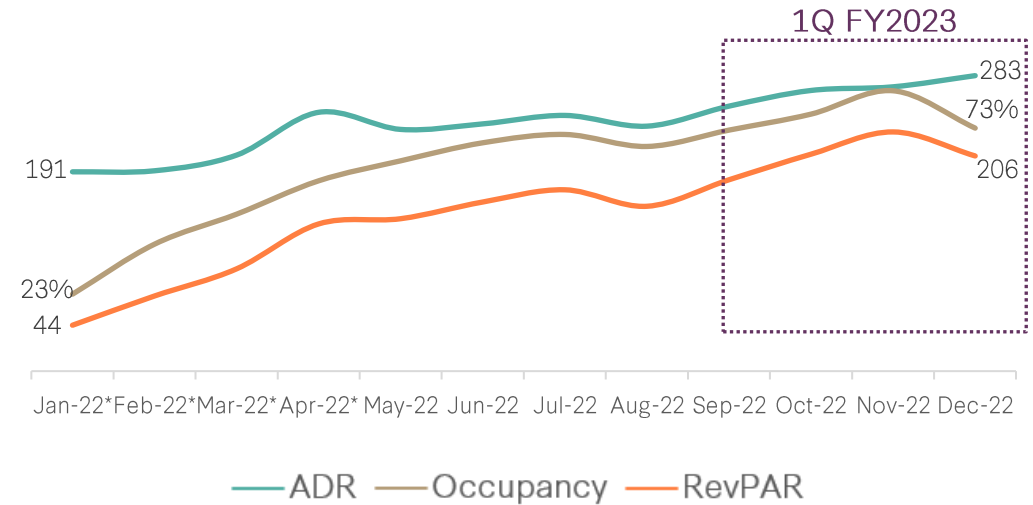
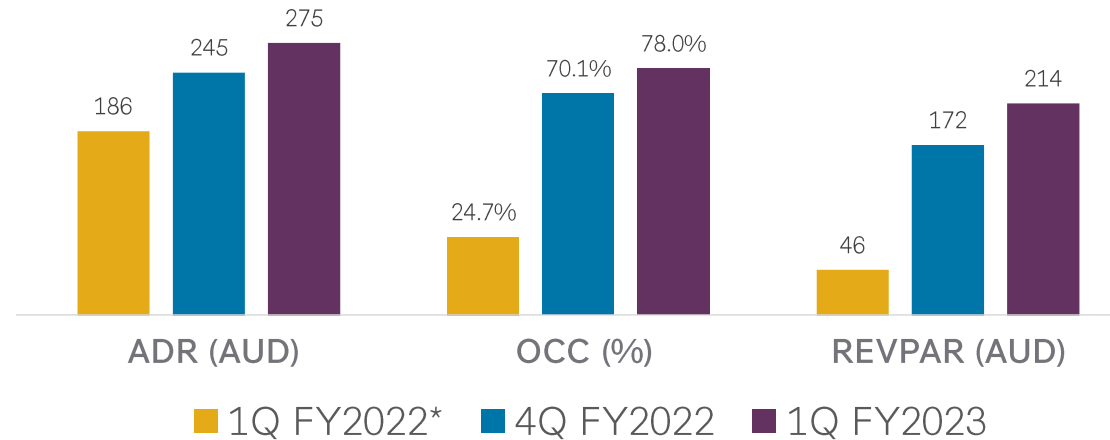
Sustained improvement in RevPAR, supported by gradual occupancy growth on a QoQ basis

- > Singapore portfolio's RevPAR increased 78.9% YoY and 2.5% quarter-on-quarter (QoQ) in 1Q FY2023
- > ADR improved 87.6% YoY in 1Q FY2023 as Singapore re-opened its borders from Apr-22, coupled with the resumption of marquee events
- > Tourist arrivals to Singapore reached 6.3 mil in 2022 which exceeded the Singapore Tourism Board's forecast and reached one-third of 2019 levels
- > ICSG was under government quarantine business in 1Q FY2022 and re-opened to public following a short transition period of deep cleaning. Hence, the occupancy in 1Q FY2022 was higher

Australia

Novotel Melbourne on Collins (NMOC)
Fraser Suites Sydney (FSS)

Novotel Sydney Darling Square (NSDS)



Healthy recovery in RevPAR with sustained improvements in ADR and occupancy

- > Australia portfolio's RevPAR improved >100% YoY and 24.9% QoQ in 1Q FY2023 and hit new-high in Nov-22 since pre-pandemic times, supported by growth in ADR and occupancy
- > Portfolio resumed its recovery trajectory following the retreat from the Omicron surge since Feb-22 and was further supported by the resumption of cultural and sporting events in Sydney and Melbourne
- > Low occupancy in 1Q FY2022 was due to the end of government quarantine business (NMOC ended in Dec-21 and was closed for cleaning in Jan-22)

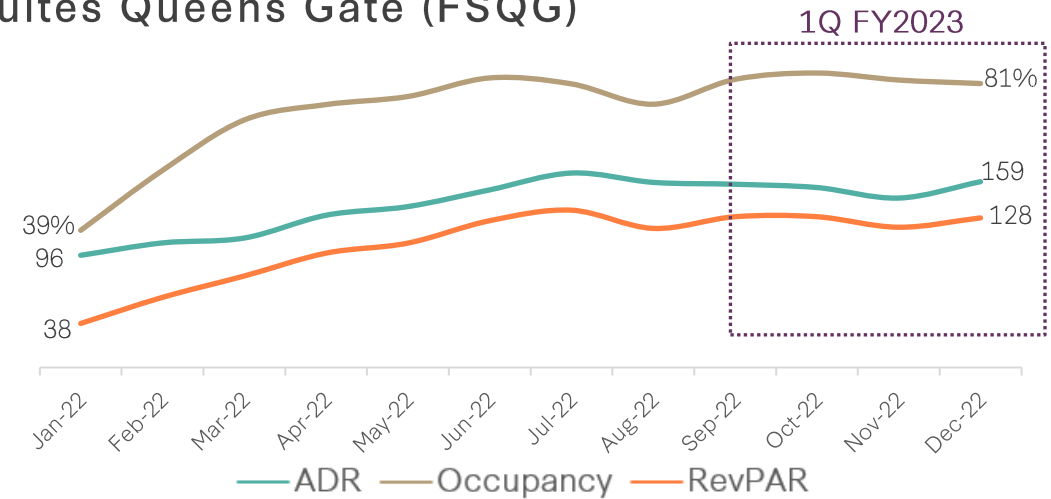
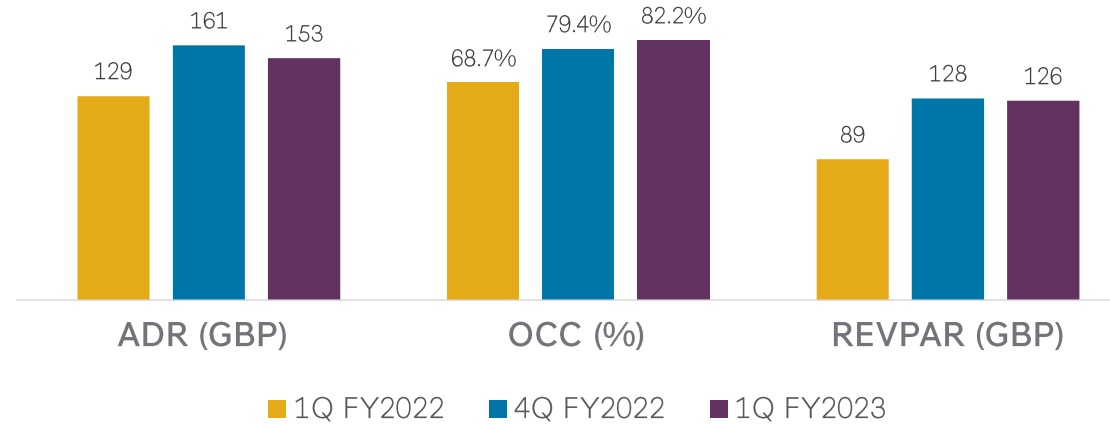
* Excludes Sofitel Sydney Wentworth for meaningful comparison

Sources: STR, "Sydney hotels recorded highest performance of pandemic-era in November", Dec 2022; STR, Melbourne hotels reached record-high room rates in December", Jan 2023

United Kingdom (UK)

ibis Styles London Gloucester Road (ISLG)
Fraser Place Canary Wharf (FPCW)
Fraser Suites Glasgow (FSG)

Park International London (PIL)
Fraser Suites Edinburgh (FSE)
Fraser Suites Queens Gate (FSQG)

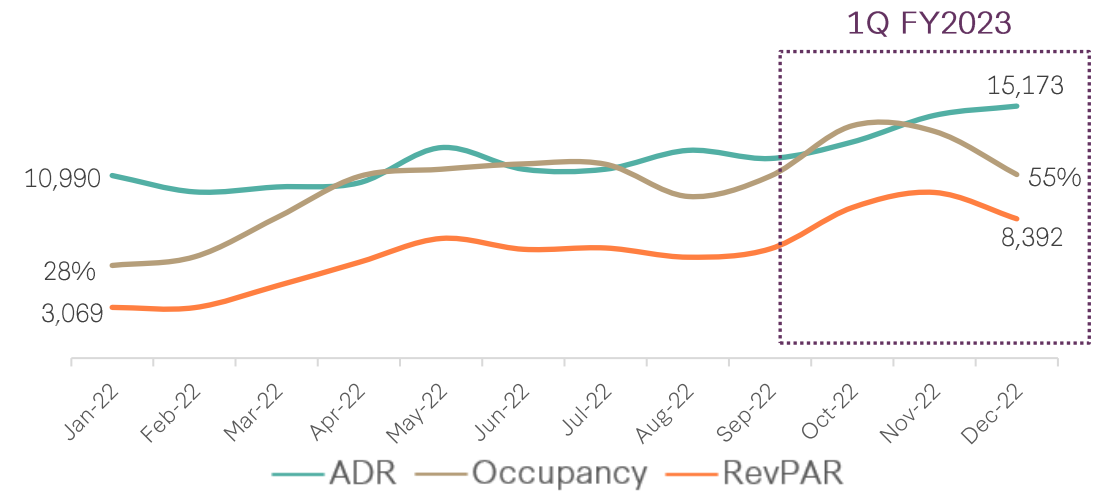
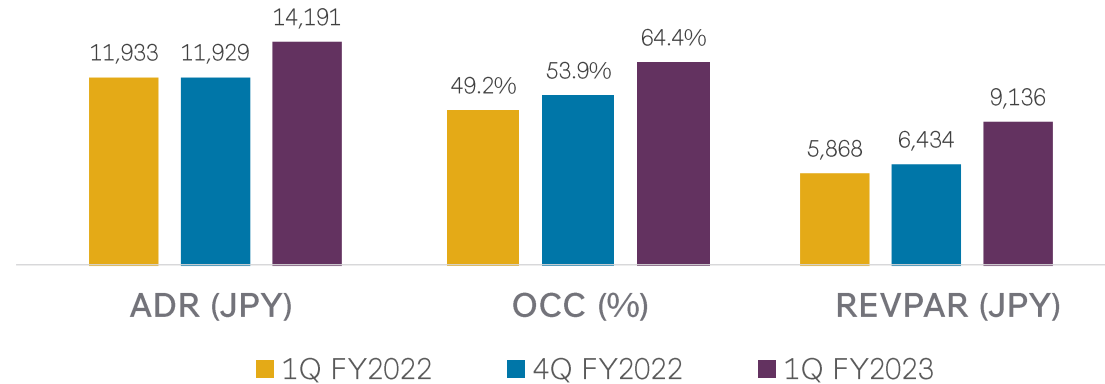


Continued, gradual recovery in occupancy

- > UK portfolio's RevPAR experienced an increase of 41.3% YoY in 1Q FY2023
- > Portfolio's occupancy continued to improve at 13.7 percentage points (pp) YoY and 2.8 pp QoQ
- > Portfolio's ADR is 4.9% lower QoQ in 1Q FY2023 due to seasonal shift from the peak summer period
- > Domestic leisure demand has fuelled the early recovery and subsequently, demand for business travel resumed gradually amidst challenging market conditions
- > However, the recovery pace remains impeded by rising utility expenses, manpower shortage and heightened inflation

Japan

ANA Crowne Plaza Kobe (CPK)

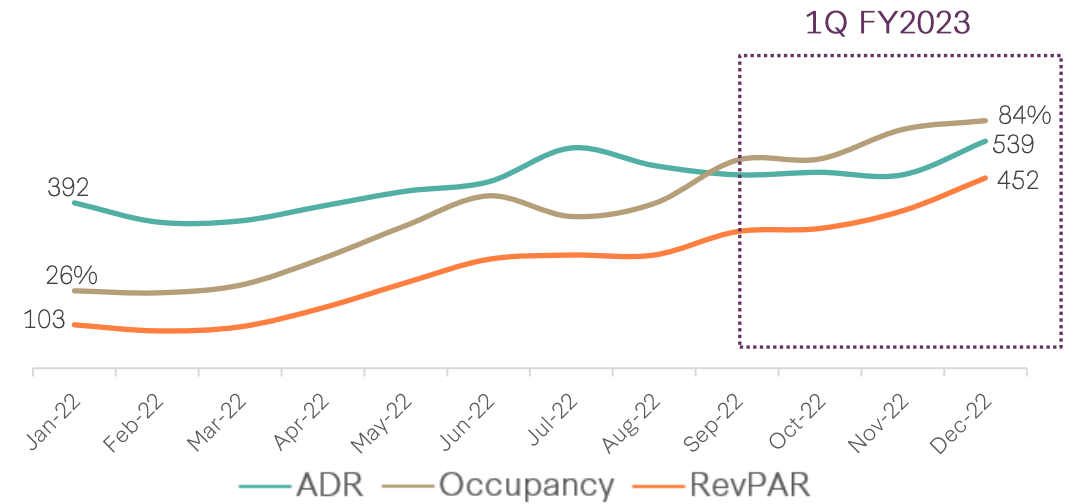
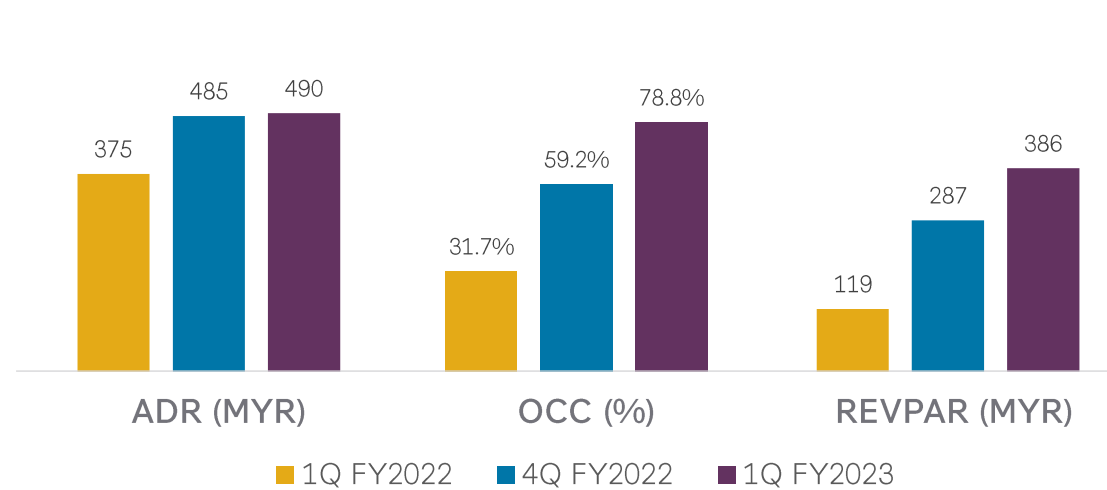


Sustained improvements across all operating metrics following lifted restrictions

- > CPK's RevPAR increased 55.7% YoY and 40.7% QoQ in 1Q FY2023
- > Both ADR and occupancy improved YoY and QoQ in 1Q FY2023 as the Japan's hospitality market is on the cusp of recovery following lifted state of emergencies
- > International borders have re-opened since Oct-22 and Japan's service sector activity rebounded in Dec-22 due to the recovery in international and domestic tourism
- > Government-led National Travel Discount programme was restarted in early Jan-23 to further boost domestic tourism
- > However, inflationary pressures have worsened and may impede the recovery pace

Malaysia

The Westin Kuala Lumpur (TWKL)



Further rebound in all operating metrics

- > TWKL's RevPAR increased >100% YoY and 34.4% QoQ in 1Q FY2023, boosted by strong rebound in occupancy at 47.1 pp YoY and 19.6 pp QoQ
- > Malaysia has fully re-opened international borders since early Apr-22 as part of its transition to endemic phase

Germany

Maritim Hotel Dresden (MHD)



- > MHD's performance showed signs of improvement YoY in 1Q FY2023 which was supported by a recovery in domestic travel after travel restrictions were eased
- > Recovery pace for MHD continues to be very gradual in the absence of MICE events and international arrivals
- > Since early Jun-22, Germany has lifted travel restrictions to allow entry of travellers into the country with no COVID restrictions, and travellers are no longer required to show COVID-19 vaccination certificates



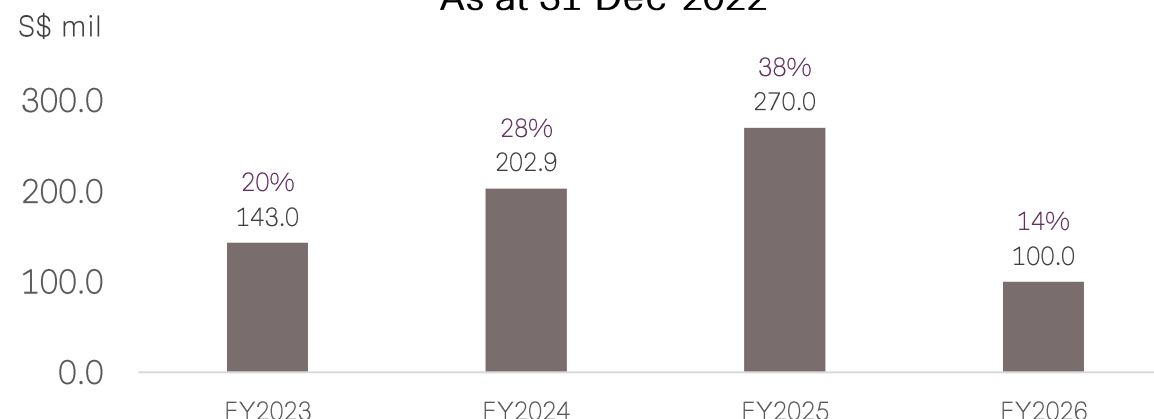
Risk & Capital Management

Proactive capital management

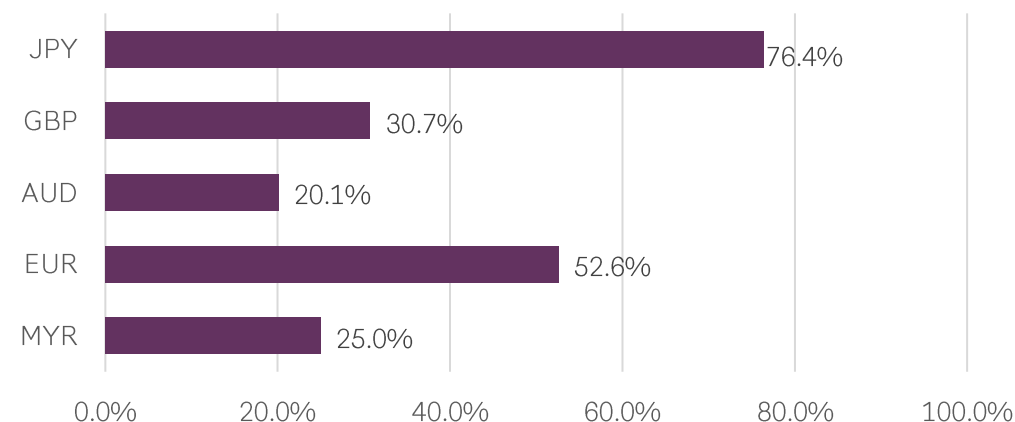
As at 31 Dec 2022

Gearing ^{1,2}	35.2%
Net asset value per Stapled Security	SGD 0.64
Weighted average years to maturity	1.79 years
Unsecured debt	96.0%
Effective cost of borrowing ²	2.7%
Borrowings on fixed rates	86.5%
Interest coverage ratio (ICR) ^{3,4}	3.0 times
Adjusted ICR ^{1,3,4}	3.0 times

Loan maturity profile (Gross borrowings)
(exclude short-term revolving credit facilities)
As at 31 Dec 2022



Balance sheet hedging



1. W.e.f 1 Jan 2022, the leverage ratio could exceed 45% (up to a maximum of 50%) only if the adjusted interest coverage ratio exceeds 2.5 times

2. The impact of FRS 116 Leases has been excluded for the purpose of computing gearing and effective cost of borrowing







3. ICR and Adjusted ICR are as prescribed under the MAS' Property Funds Appendix (last revised on 3 March 2022). The interest coverage ratio computed for loan covenant purpose is 3.1 times (excluding amortisation of upfront costs)

4. For the purpose of computing interest coverage ratio and adjusted interest coverage ratio, interest expense excludes the unwinding of discounting effect on present value of lease liability and long-term security deposits payable.

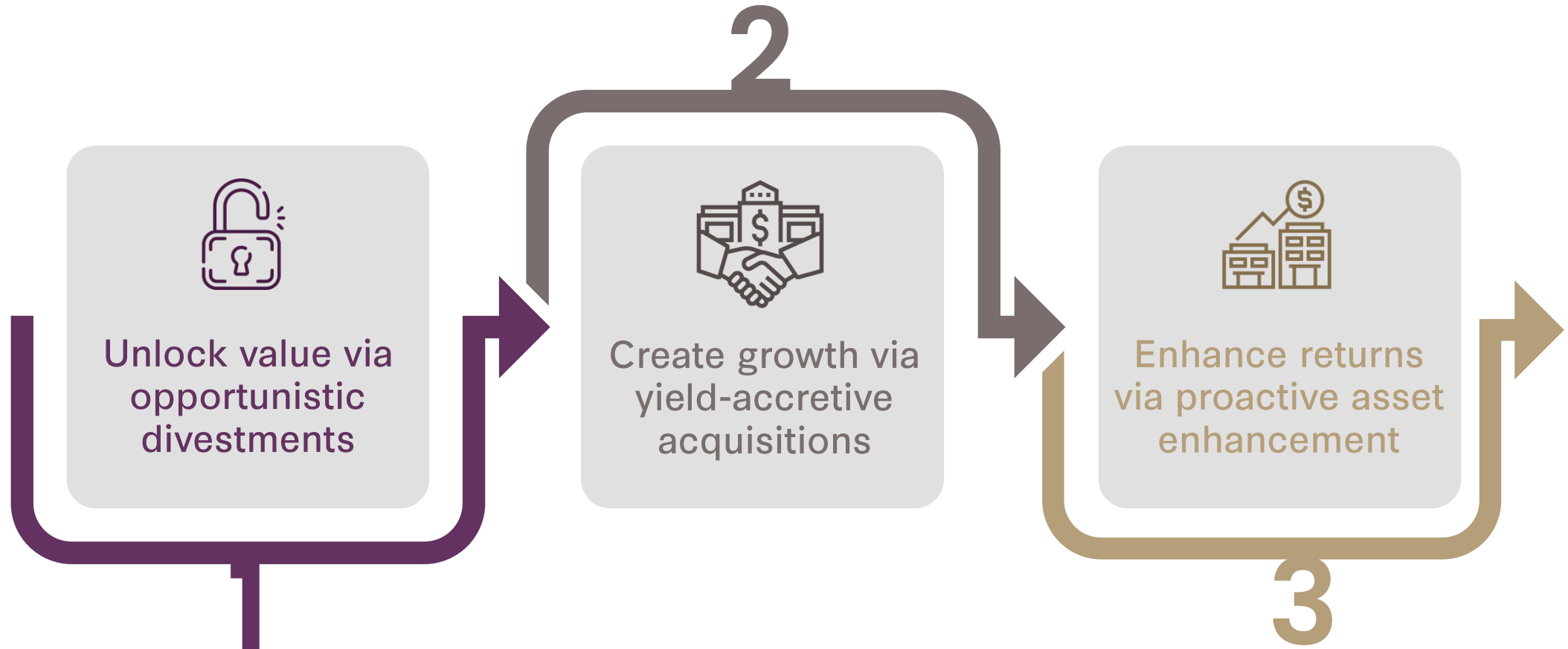


Looking Ahead

Staying cautiously optimistic on the year ahead

					
Potential recession	Ongoing conflict	Inflation	Stable interest rates	Reopening of China	Strong travel demand
<ul style="list-style-type: none">> The International Monetary Fund and the United Nations forecast that global economic growth will fall to 1.9% in 2023	<ul style="list-style-type: none">> Ongoing conflict between Ukraine and Russia could harm global confidence and cause further negative consequences	<ul style="list-style-type: none">> Slowdown in headline inflation to be expected> However, oil and gas prices may rise with China's reopening due to increased demand	<ul style="list-style-type: none">> Central banks around the world may likely hold interest rates steady or raise them gradually to support sustainable economic growth	<ul style="list-style-type: none">> China's reopening could boost global economic growth and promote further recovery of the travel and tourism industry	<ul style="list-style-type: none">> The World Tourism Organization expects demand for domestic and regional travel to remain strong and forecasts continued recovery in 2023





Proactive portfolio reconstitution & asset management strategy



**Inspiring experiences,
creating places for good.**







Hotels managed by third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation as at 30 Sep 2022
	Novotel Melbourne on Collins	Australia	Strategically located within Melbourne's core CBD area along Collins Street	Freehold	Upscale	380	A\$235.0 m (A\$0.6 m/key)
	Novotel Sydney Darling Square	Australia	4.5-star hotel located within close proximity of Sydney's Darling Harbour and Chinatown	84 years ¹	Mid-scale	230	A\$109.0 m (A\$0.5 m/key)
	InterContinental Singapore	Singapore	Only 5-star luxury hotel in Singapore to preserve Peranakan heritage in a shop house style setting	75 years ¹	Luxury	406	S\$509.0 m (S\$1.3 m/key)
	ibis Styles London Gloucester Road	United Kingdom	Distinctive white Victorian facade located in the heart of London	75 years ¹	Mid-scale	84	£19.8 m (£0.2 m/key)

1. Commencing from 14 Jul 2014 (Fraser's Hospitality Trust's listing date)

Hotels managed by Frasers Hospitality and third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation as at 30 Sep 2022
	Park International London	UK	Elegant hotel ideally located in the heart of Kensington and Chelsea	75 years ¹	Mid-scale	171	£41.1 m (£0.2 m/key)
	ANA Crowne Plaza Kobe	Japan	Unique panoramic view of Kobe city from Rokko mountain	Freehold	Upper Upscale	593	¥16,200.0 m (¥27.3 m/key)
	The Westin Kuala Lumpur	Malaysia	5-star luxury hotel located in the centre of Kuala Lumpur's bustling Golden Triangle area	Freehold	Upper Upscale	443	RM380.0 m (RM0.9 m/key)
	Maritim Hotel Dresden	Germany	Heritage-listed and located in the historical city centre of Dresden, capital city of the eastern German state of Saxony	Freehold	Upscale	328	€59.0 m (€0.2 m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)

Serviced residences managed by Frasers Hospitality

	Property	Country	Description	Tenure	Class	Rooms	Valuation as at 30 Sep 2022
	Fraser Suites Sydney	Australia	First luxury apartments in Sydney designed by internationally renowned architects	75 years ¹	Upper Upscale	201	A\$133.0 m (A\$0.7 m/key)
	Fraser Suites Singapore	Singapore	Luxurious serviced residences in the prime residential district of River Valley	75 years ¹	Upper Upscale	255	S\$294.0 m (S\$1.2 m/key)
	Fraser Suites Edinburgh	UK	Rustic 1750s sandstone building located in the heart of Edinburgh's Old Town	75 years ¹	Upper Upscale	75	£16.3 m (£0.2 m/key)
	Fraser Suites Glasgow	UK	Stunningly restored 1850s building which was formerly the city bank of Glasgow	75 years ¹	Upper Upscale	98	£9.6 m (£0.1 m/key)
	Fraser Suites Queens Gate	UK	Beautiful Victorian apartment hotel in Kensington	75 years ¹	Upper Upscale	105	£57.8 m (£0.6 m/key)
	Fraser Place Canary Wharf	UK	Stunning apartments located by the River Thames, showcasing chic contemporary design	75 years ¹	Upper Upscale	108	£37.8 m (£0.4 m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)