



ARA US HOSPITALITY TRUST

1Q 2024 BUSINESS & OPERATIONAL UPDATE

3 May 2024



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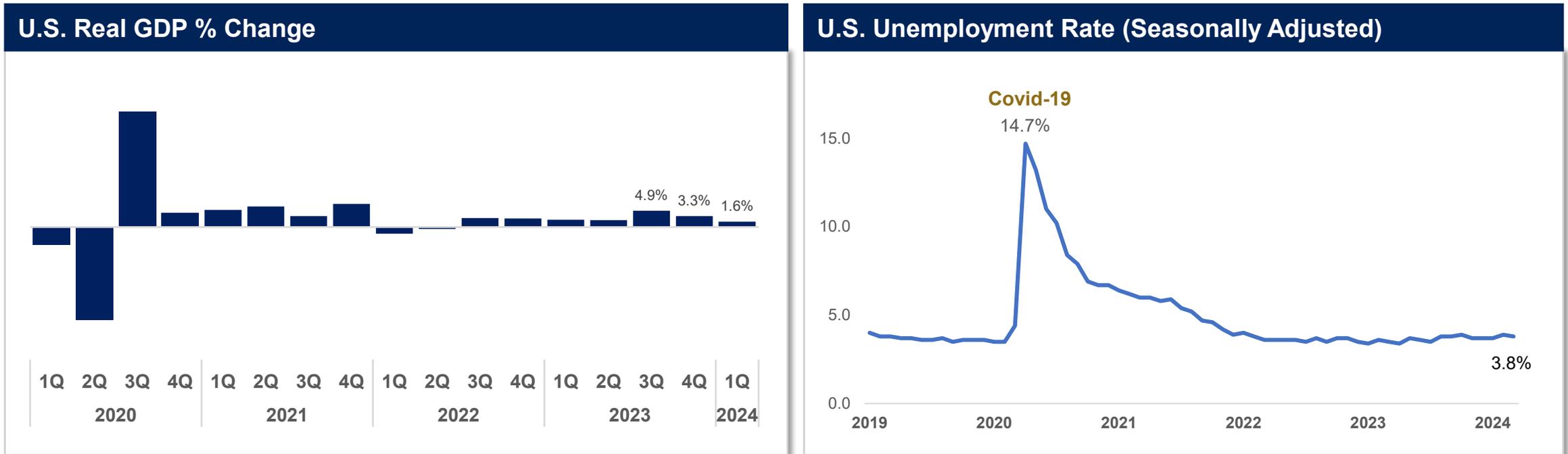
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U.S. MARKET UPDATE

U.S. Economy Remain Resilient Despite Elevated Interest Rates



U.S. economy growth slows in 1Q 2024



- 1Q24 GDP growth of 1.6%, driven by rise in consumer spending was partly offset by decline in inventory investment and weaker exports.
- Inflation at 3.5% as at end March 2024 compared to June 2022 peak of 9.1%, remains stubbornly high and continues to be a predominant concern.
- Unemployment rate increased slightly to 3.8% in March 2024. Nevertheless, the labor market continues to remain tight, supporting consumer consumption.

U.S. Lodging Market Outlook Remains Positive and Stable

Year-on-year growth expected for 2024-2026, albeit at a slower pace

	2019	2020	2021	2022	2023	2024F	2025F	2026F	1Q23	1Q24
Occupancy	65.9%	44.0%	57.6%	62.7%	63.0%	63.6%	64.0%	64.1%	59.4%	58.2%
ADR	\$131	\$103	\$125	\$149	\$155	\$160	\$164	\$169	\$152	\$155
ADR Y-o-Y Change		-21%	+21%	+19%	+4%	+3%	+3%	+3%		+2%
RevPAR	\$87	\$45	\$72	\$93	\$98	\$102	\$106	\$109	\$90	\$90
RevPAR Y-o-Y Change		-48%	+60%	+29%	+5%	+4%	+4%	+3%		+0%

- Recovery outlook for the US lodging market remains positive, albeit slower, reflecting normalizing performance.
- U.S. hotel occupancy forecast to continue growing, driven by continued recovery in business and group travel.
- In 1Q2024, severe weather impacts and the shift of the Easter holiday from April in 2023 to March in 2024 resulted in lower occupancy.

PORTFOLIO PERFORMANCE



AC Hotel Marriott Raleigh North Hills

Key Highlights for 1Q 2024

ADR
+0.4%

Occupancy
-2.2 pp

RevPAR
-3%

GOP
+2%

NPI
+1%

% Debt
Hedged
~34%

- Total Revenue of US\$36.2 mil, up 0.2% year-on-year
 - Marginal increase in ADR offset by lower occupancy
 - RevPAR of US\$78, down 3.1% year-on-year
- Portfolio GOP of US\$10.7 mil, up 2.1% year-on-year
- Portfolio NPI of US\$6.4 mil, up 1.1% year-on-year
 - Proactive cost management preserve profitability
- Total cash balance of US\$33.5mil (included US\$7.7 mil proceeds from the sale of Hyatt Place Pittsburgh Airport)
- ALR within leverage limit at 44.1%, ICR at 2.5x
- ~34% of debt hedged to fixed interest rates
 - Average cost of debt at 5.7%

1Q 2024 Key Performance Indicators

Portfolio demonstrates resilience and stability



59.5%
Occupancy ↓ 2.2 pp y-o-y



US\$131
ADR ↑ 0.4% y-o-y



US\$78
RevPAR ↓ 3.1% y-o-y



29.5%
GOP Margin ↑ 0.5 pp y-o-y

Gross Revenue
US\$36.2 mil

US\$36.2 mil → 0.2% US\$36.2 mil



■ 1Q 2023 ■ 1Q 2024

Gross Operating Profit
US\$10.7 mil

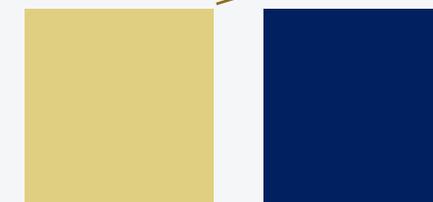
US\$10.5 mil → 2.1% US\$10.7 mil



■ 1Q 2023 ■ 1Q 2024

Net Property Income
US\$6.4 mil

US\$6.4 mil → 1.1% US\$6.4 mil



■ 1Q 2023 ■ 1Q 2024

Proactive Capital Management



Relatively stable net gearing position

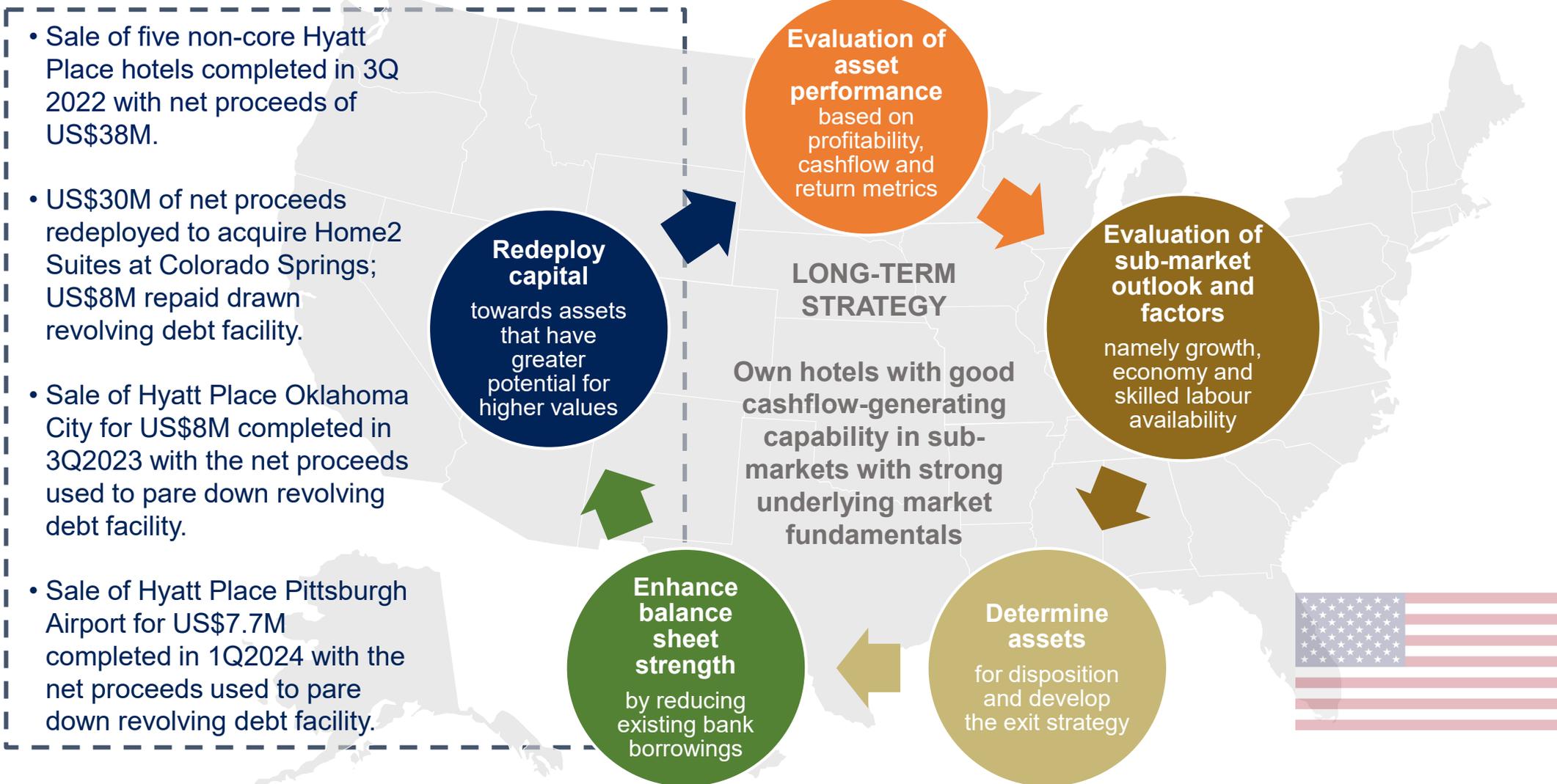
	As at 31 Dec 2023	As at 31 March 2024
NAV per Stapled Security	US\$0.74	US\$0.71
Cash Balance	US\$20.1 mil	US\$33.5 mil
Total Debt Outstanding	US\$325.0 mil	US\$346.4 mil
Aggregate Leverage Ratio	41.5%	44.1%
Net Gearing	40.0%	41.6%
Interest Coverage Ratio*	2.7x	2.5x
Weighted Average Debt Maturity	2.5 years	2.3 years
Average Cost of Debt (p.a.)	4.8%	5.7%
% of Debt Hedged to Fixed Rates	74.5%	34.0%

- Proceeds of \$7.7 mil from the sale of Hyatt Place Pittsburgh Airport was received on 28 March 2024. Assuming that proceeds were used to repay debt, the aggregate leverage ratio would be 43.5% as at 31 March 2024 and the repayment has since been made.
- A portion of the cash is earmarked for upcoming capital expenditures.

* 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.

Portfolio Optimization And Rebalancing

Ongoing commitment and focus to build a stronger and more resilient portfolio



OTHER HIGHLIGHTS



AC Hotel Marriott Raleigh North Hills

Asset Enhancement Initiatives – Pipeline Projects

Uplifting the value and profitability of our higher-performing hotels

Hyatt Place Mystic

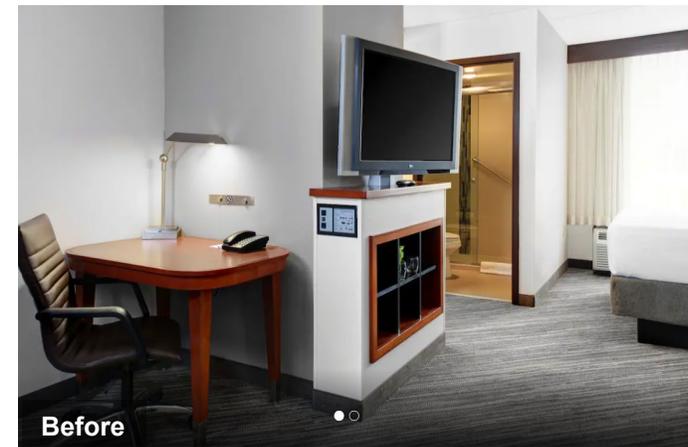
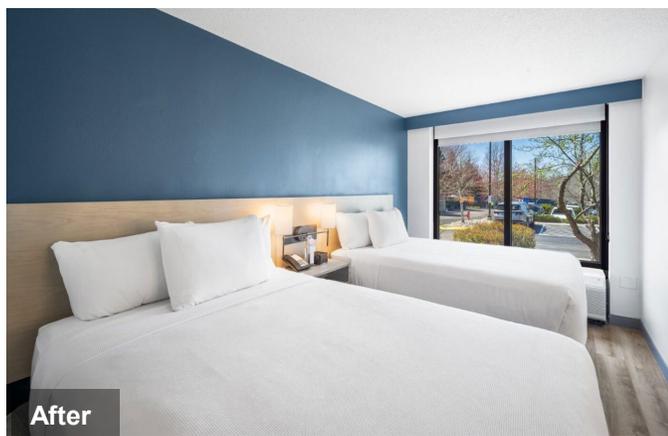
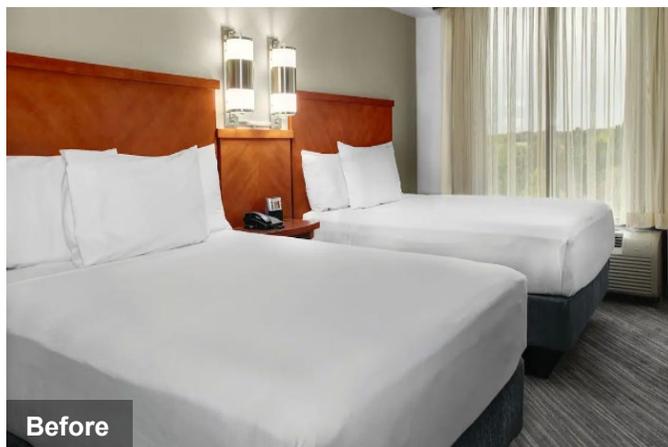


- Our asset enhancement initiatives (“AEI”) for six of our higher-performing hotels began in November 2023 and are expected to be completed by the end of 2024.
- Hyatt Place Mystic is the first of the six Hyatt Place hotels to undergo AEI.
- The other hotels include Hyatt Place Sacramento Rancho Cordova, Hyatt Place Omaha, Hyatt Place Secaucus, Hyatt Place Lakeland Center and Hyatt Place Tampa Busch Garden.
- The uplift in performance post-renovation is expected to enhance the hotels profitability and valuation.

Asset Enhancement Initiatives – Pipeline Projects

Uplifting the value and profitability of our higher performing hotels

Hyatt Place Mystic



Key Takeaways

1

U.S. economy remains healthy and resilient despite elevated interest rates

2

U.S. hotel market is positive and stable; Business and group travel continues to show improvement

3

Proactively manage interest rate risks and maintain stable gearing ratio

4

Keeping our hotels relevant and competitive with our asset enhancement initiatives, thus enhancing the profitability and valuation

5

Our hands-on asset management and portfolio optimization strategy aims towards building a resilient U.S. hotel portfolio over the long term



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



35
upscale
hotels



4,573
rooms



>90%
Freehold
Title



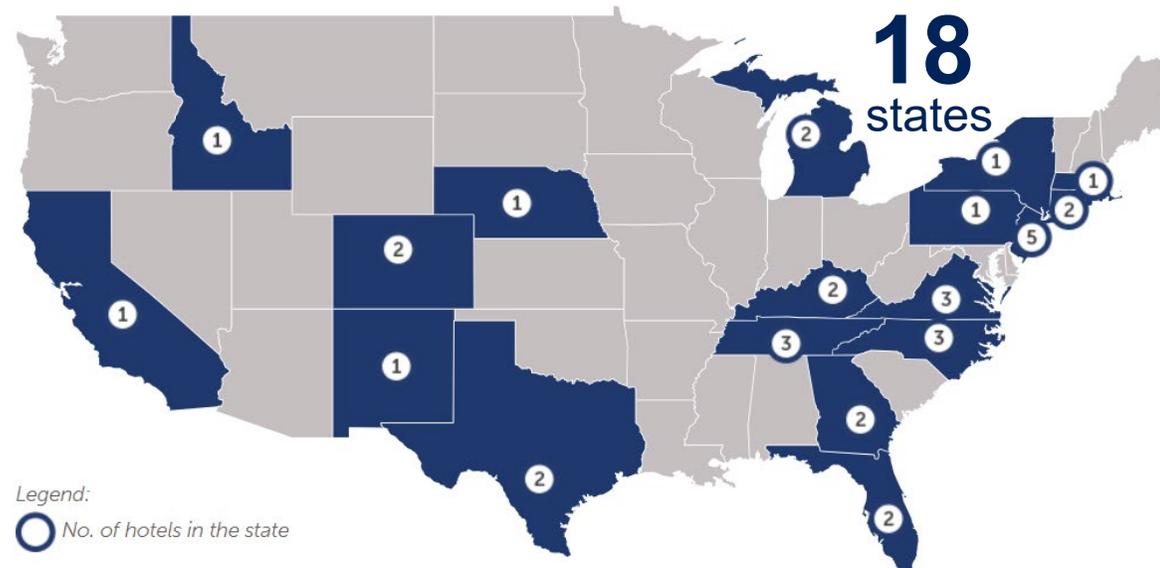
>90%
rooms-
focused
revenue



6
hotel
brands



4
hotel
operators



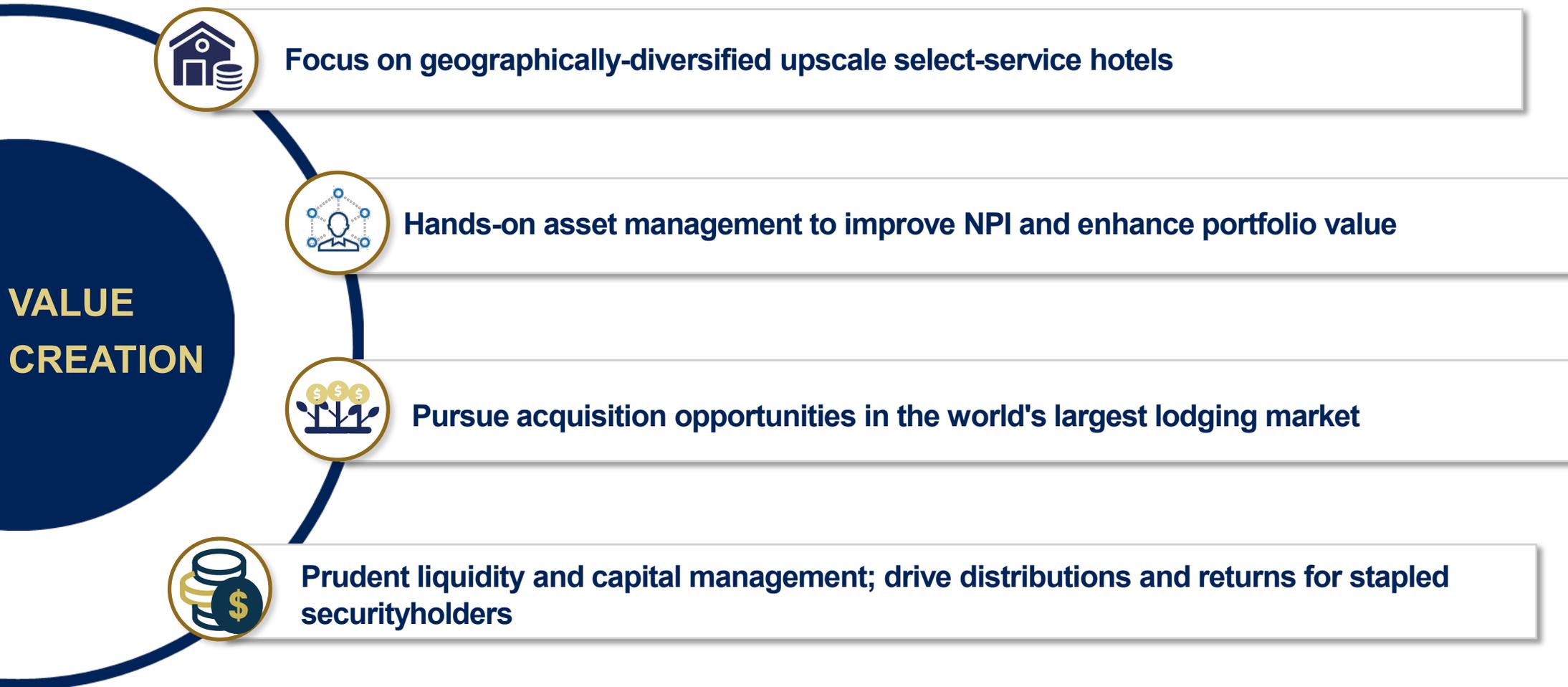
Tax Efficient Structure
Attractive REIT platform to invest in U.S. hotels for non-U.S. investors



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

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 denominated in USD

U.S. Withholding Tax-exempt

Profits repatriated from U.S. to Singapore are exempted from 30% Withholding Tax under applicable US laws

SG Tax Exempt

Distributions to Staped Securityholders are SG 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

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