



# 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 EXPERIENCED REVENUE DIP WHILE ADVANCING ASSET ENHANCEMENT INITIATIVES

#### Key Highlights

- **Gross revenue for the portfolio declined by 3.9% due to dispositions and AEI interruptions in the portfolio**
  - **Disposition of three hotels**
  - **Dislocation from AEI projects at six hotels**
  - **Gross revenues only declined 1% on same-store basis, highlighting AEI dislocation**

Portfolio Overview	As at 30 Sept 2024	As at 30 Sept 2023*	Change (%)
No. of hotels	34	37	-8.1%
No. of rooms	4,442	4,826	-8.0%

\*Note: Includes Hyatt Place Oklahoma City Airport which was sold on 26 September 2023

(US\$m)	9M 2024	9M 2023	Change (%)
Revenue	129.4	134.6	-3.9%
Gross Operating Profit ("GOP")	46.3	48.7	-4.9%
<i>GOP Margin</i>	35.8%	36.2%	-0.4pp
Net Property Income ("NPI")	33.8	35.2	-4.0%
<i>NPI Margin</i>	26.1%	26.2%	-0.1pp

**Singapore, 7 November 2024** – 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 reported the business and operational update of Acrophyte Hospitality Trust (“**ACPH**”) for the third quarter ended 30 September 2024 (“**9M 2024**”).

### **Financial and Portfolio Performance**

ACPH achieved gross revenue of US\$129.4 million in 9M 2024, down 3.9% year-on-year. As compared to the same period last year, GOP and NPI were lower at US\$46.3 million and US\$33.8 million, respectively, for 9M 2024, primarily due to the absence of contribution from three disposed properties and lower revenue contribution from hotels affected by asset enhancement initiatives (“**AEI**”). GOP margin remained relatively constant at 35.8% in 9M 2024 from 36.2% from the year before due to cost containment measures.

During the first nine months of 2024, operating performance was influenced by the dispositions of Hyatt Place Oklahoma City Airport, Hyatt Place Pittsburgh Airport, and Hyatt House Plymouth Meeting in September 2023, March 2023 and July 2024, respectively. Additionally, AEI projects at six hotels interrupted operational performance. Three hotels – Hyatt Place Mystic, Hyatt Place Rancho Cordova, and Hyatt Place Omaha – finished their AEI works in 1H 2024 while Hyatt Place Secaucus completed its AEI in August 2024. Currently, two more hotels, Hyatt Place Lakeland Center and Hyatt Place Tampa Busch Garden are undergoing AEI projects.

On the same-store basis, gross revenue and NPI declined 1% and 3.2%, respectively, underscoring the impact of the AEI projects.

The United States (“**U.S.**”) lodging market has normalized and is stable, with demand closely mirroring general economic growth. The U.S. economy remained robust, with GDP increasing at 2.8% in the third quarter of 2024, and inflation eased to 2.4% as at trailing 12 months ending September 2024. This has allowed the U.S. Fed to reduce interest rates by 50 basis points in September 2024. The outlook for the both the U.S. economy and the U.S. lodging industry remains positive. Lodging demand growth from the leisure segment has tapered, but business travel and group demand continue to recover. Additionally, muted new supply growth is forecast due to high construction costs, limited development financing and elevated interest rates, which are considered a tailwind for the lodging industry.

Mr. Lee Jin Yong, CEO of the Managers said, “Our operational performance in the third quarter of 2024 was affected by dislocation due to the AEI projects at six of our higher- performing hotels and disposition of three hotels. We remain focused on enhancing the quality of our portfolio by reinvesting in our higher-performing assets and strategically disposing of lesser-performing assets. This portfolio optimization strategy ensures that our portfolio of U.S. select-service hotels remain relevant and competitive, thereby enhancing their long-term profitability and value.”

### **Optimization Strategy Update**

On 16 July 2024, the Managers completed the sale of Hyatt House Philadelphia Plymouth Meeting (“**HHPM**”) for US\$11.3 million. The net proceeds received on 16 July 2024 had been used to pare down bank borrowings. Additionally, the sale of Hyatt House Shelton (“**HHS**”) for US\$19.7 million was completed on 7 October 2024. The net proceeds of HHS will be used to either repay debt and fund future acquisitions or accretive asset enhancement initiatives at other hotels in the portfolio.

**Proactive Capital Management**

Following the maturity of interest rate hedges entered during the IPO in February 2024, ACPH has been progressively hedging its outstanding debts. To date, 46.3% of ACPH's loan portfolio is hedged to fixed rates.

Mr. Lee concluded, "The U.S. lodging sector remains positive with stable rent growth anticipated as measured by RevPAR, driven by moderating inflation and expected lower interest rates that will stimulate business investment. We are seeing a steady increase in business travel and strengthening group booking activity, both of which are expected to boost overall lodging demand. Barring any unforeseen circumstances, we are cautiously optimistic that our operating metrics will further strengthen, particularly with the AEI projects we have recently completed."

Lee Jin Yong  
Chief Executive Officer  
7 November 2024

**For enquiries, please contact:**  
Investor Relations  
Email: [ir-enquiry@acrophyte.com](mailto:ir-enquiry@acrophyte.com)

## ABOUT ACROPHYTE HOSPITALITY TRUST

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

ACPH 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](http://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.