

Frasers Hospitality Trust

Business Updates for 1Q FY2022

27 January 2022



Fraser Suites Edinburgh

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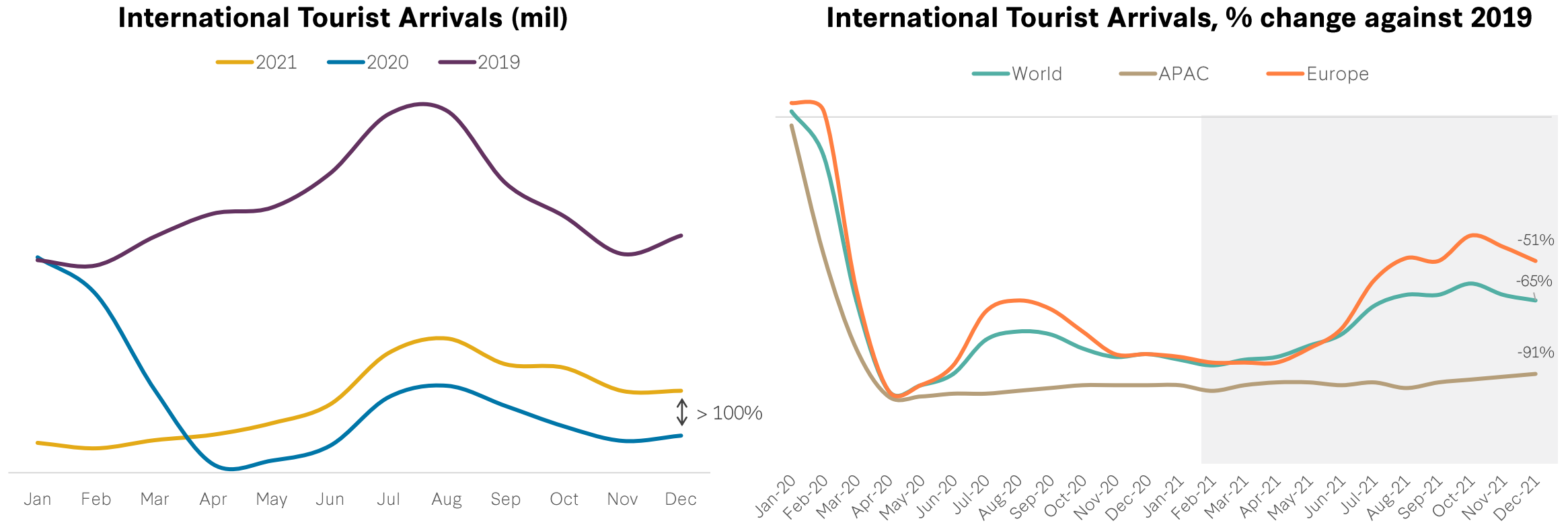
This advertisement has not been reviewed by the Monetary Authority of Singapore (MAS).

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



Key Market Updates

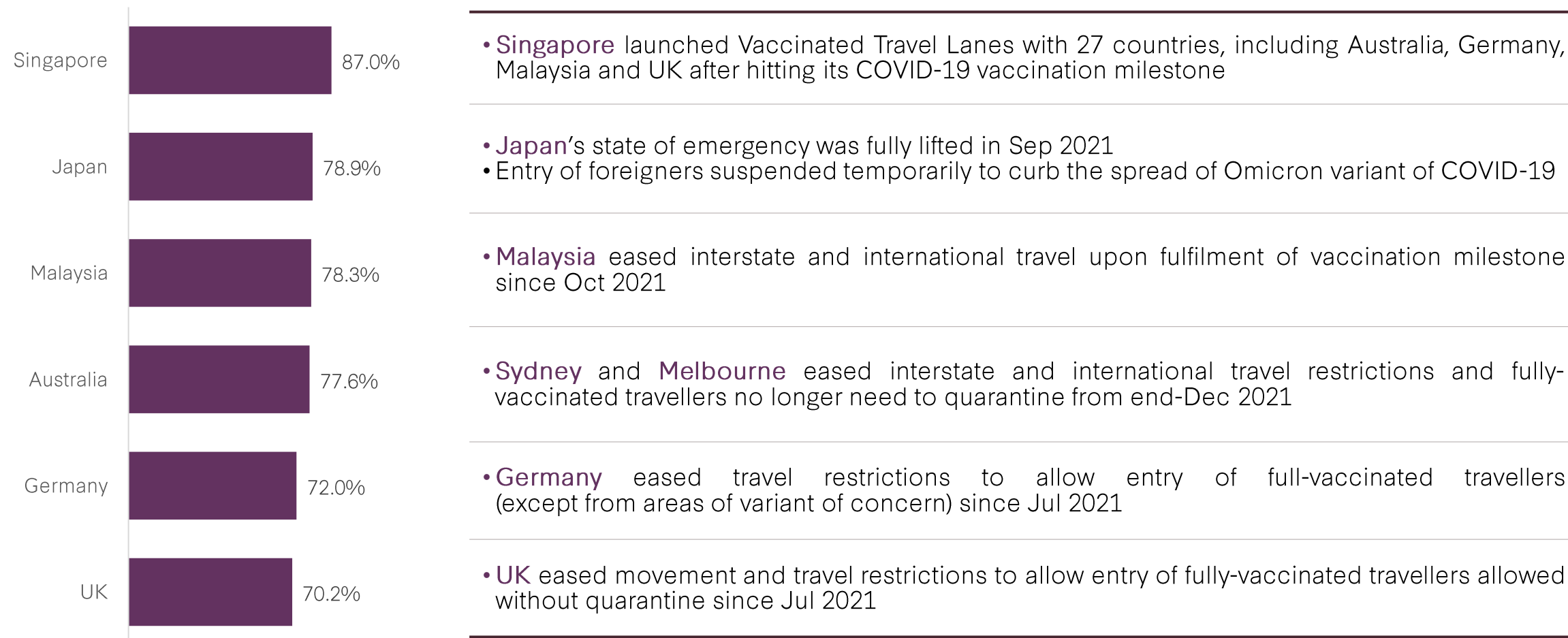
Gradual recovery on the horizon for international travel



- International arrivals rebounded from 2020 level since Apr 2021 while remaining below pre-pandemic levels
- Europe recorded the best relative performance which was driven by pent-up demand, increased traveller confidence and lifted travel restrictions
- APAC continues to be adversely impacted as many destinations remained closed to non-essential travel

Restrictions eased across FHT's key markets

% of population fully vaccinated
as at 15 Jan 2022

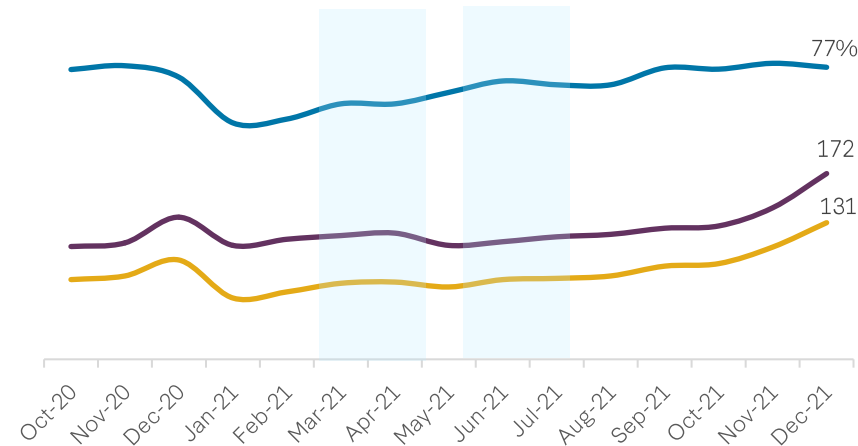


Varied pace of recovery across FHT's key markets

Hospitality market performance by country

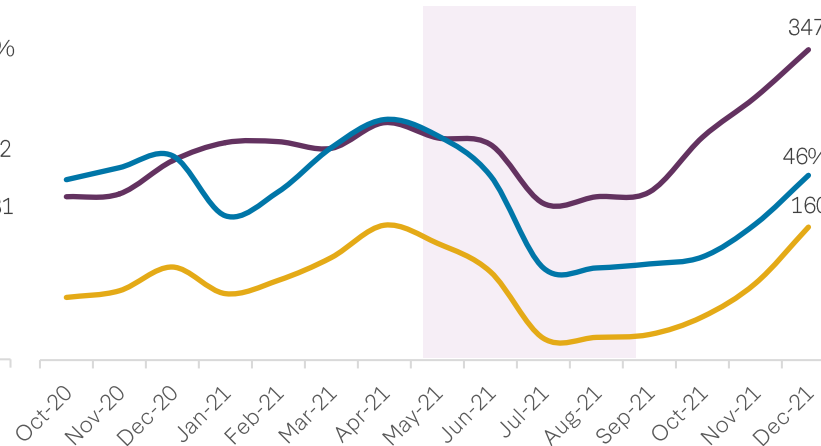
— ADR — Occupancy — RevPAR Heightened alert Lockdown

Singapore



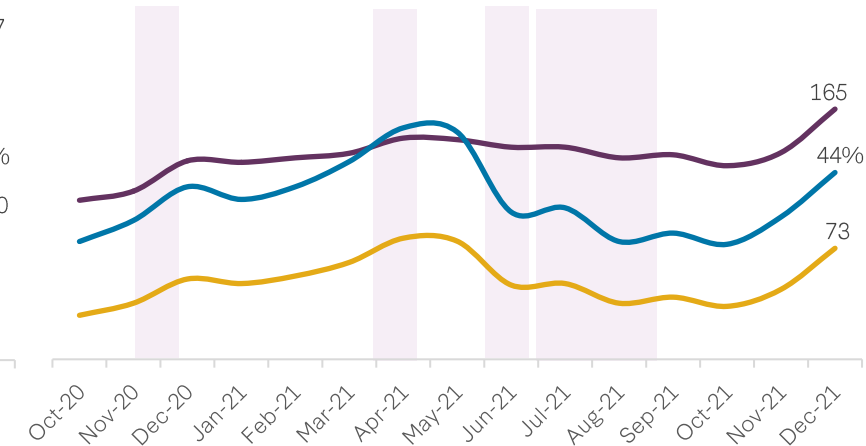
Singapore's hotel market performance remained steady, supported by business generated from the government's quarantine business

Sydney (Luxury & upscale segment)



Sydney's hotel market performance has rebounded sharply, lifted by strong pent-up demand amidst the holiday season following its exit from lockdown

Melbourne (Upscale & upper-midscale)



Reflecting the end of lockdown and eased travel restrictions, Melbourne's hotel market performance showed gradual improvements

*All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies

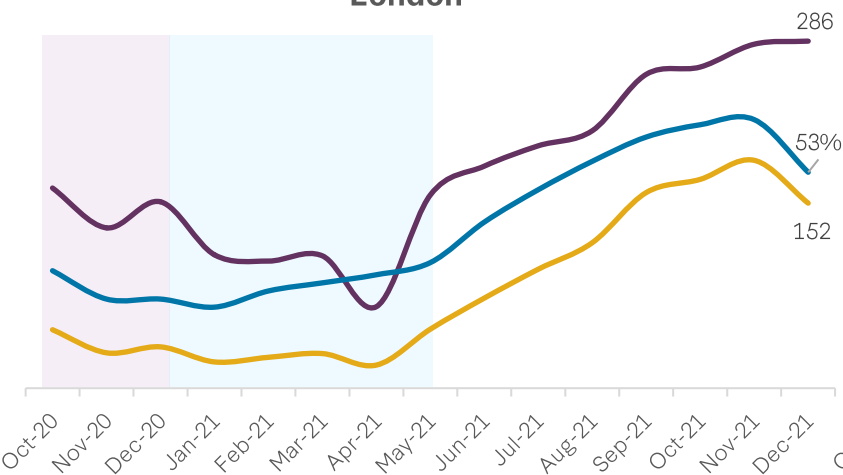
Sources: STR; Business Times, "Hotel occupancy rates remain steady as Singapore visitor arrivals pick up in October", 26 Nov 2021; STR, "Australia hotels show holiday demand lift", 17 Dec 2021 and "Melbourne hotel rates reached pandemic-era highs in November", 14 Dec 2021

Varied pace of recovery across FHT's key markets

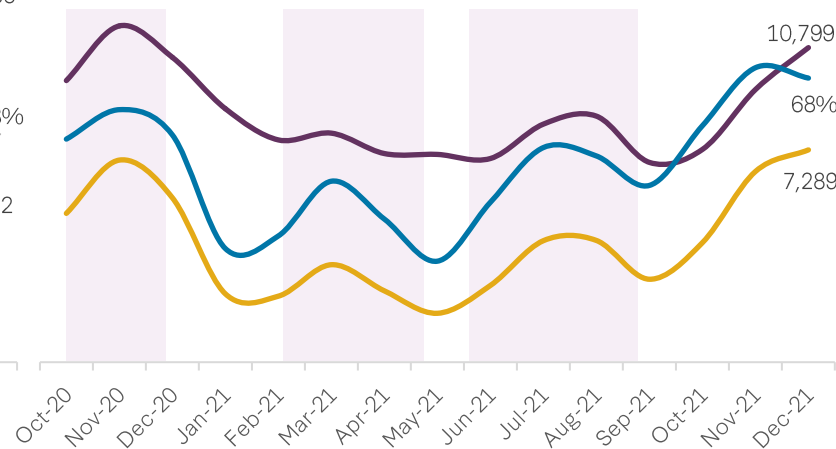
Hospitality market performance by country

— ADR — Occupancy — RevPAR Phased exit Lockdown / state of emergency / movement control orders

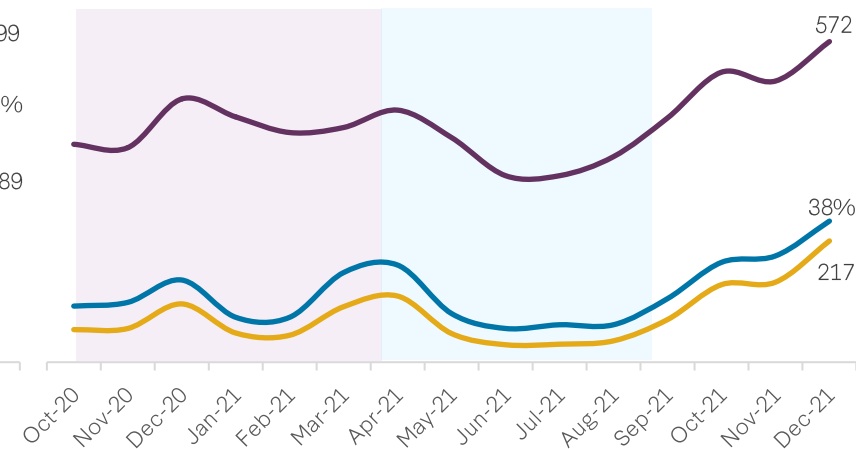
London



Kobe (Upscale & upper-midscale)



Kuala Lumpur (Luxury & upper-upscale)



London's hotel performance rebounded following the relaxation of domestic travel restrictions but was impacted in Dec-21 with the emergence of the Omicron variant

Kobe's hotel market experienced positive signs of recovery, supported by pent-up domestic demand from lifted restrictions and the year-end holiday season

Kuala Lumpur's hotel market's performance trended upwards with the support of pent-up domestic demand from lifted travel restrictions and year-end holiday season

*All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies

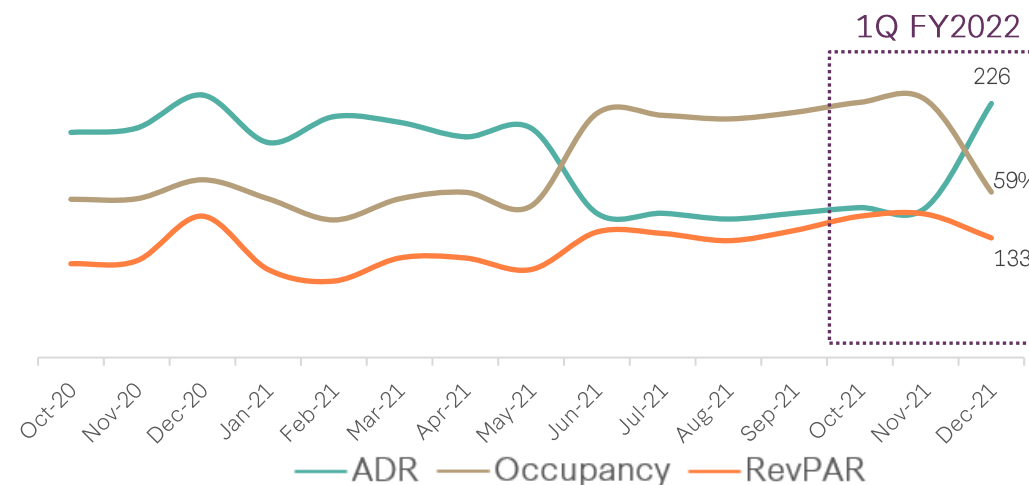
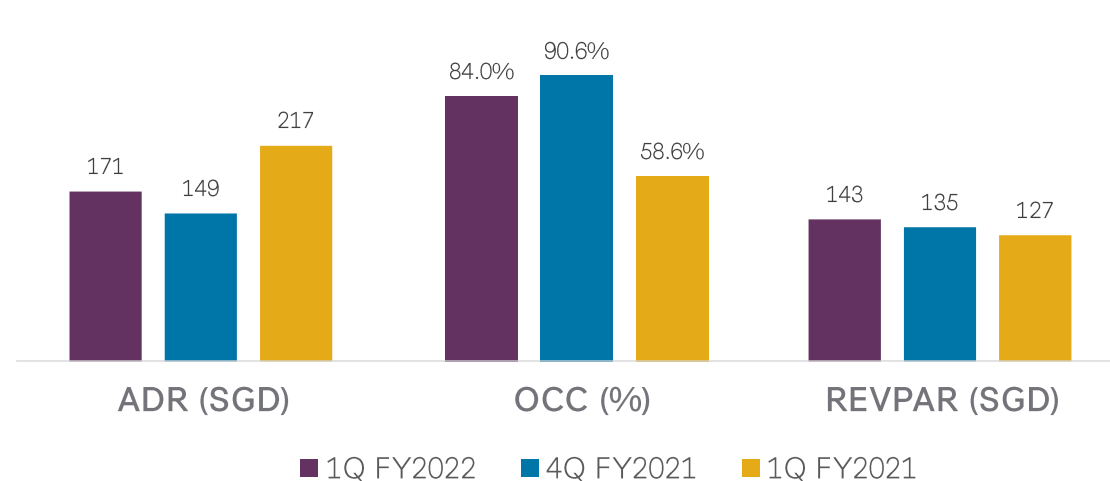
Sources: STR; Knight Frank, "UK hotels rebound with highest levels of profitability since pandemic began", 11 Nov 2021; The Japan News, "Japan lifts COVID-19 emergency, pre-emergency measures", 1 Oct 2021 and The Malaysian Reserve, "Hotels almost fully booked despite Omicron concerns", 14 Dec 2021

Portfolio Performance

Singapore

Intercontinental Singapore (ICSG)

Frasers Suites Singapore (FSSG)



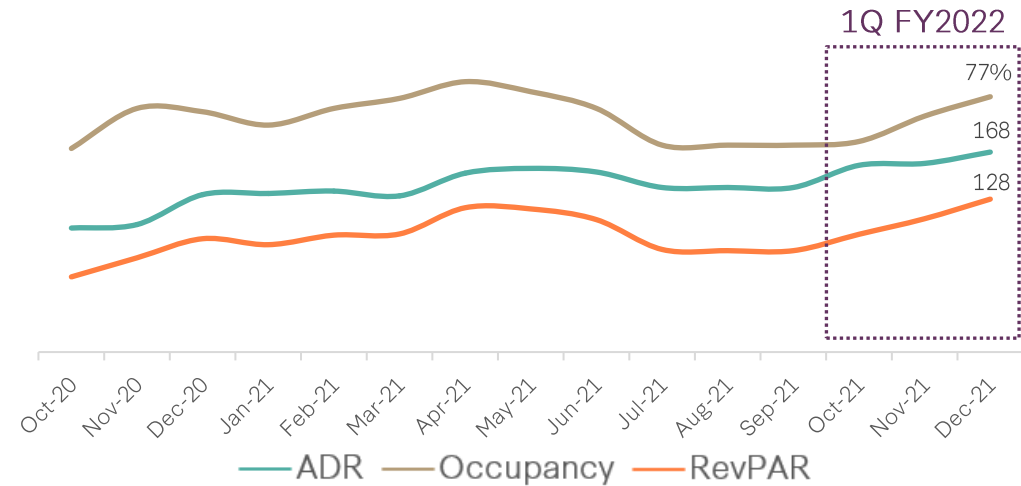
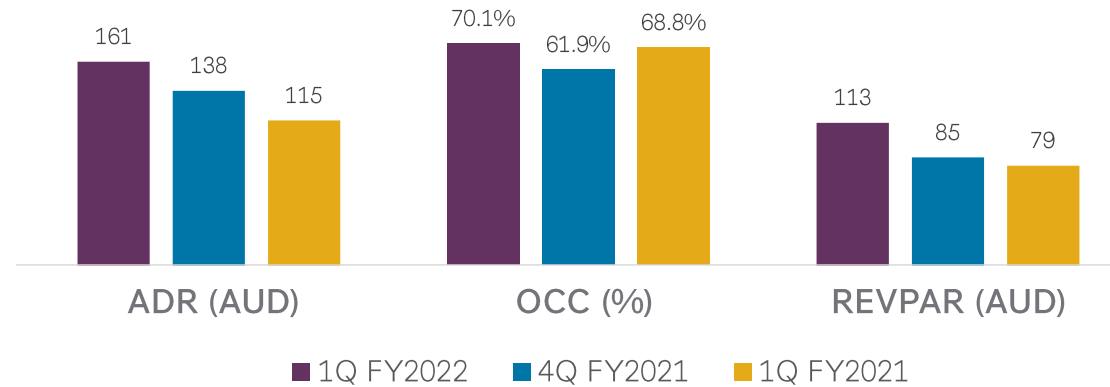
Stable improvement in RevPAR, supported by quarantine and long-stay businesses

- > Singapore portfolio's RevPAR increased 12.9% YoY and 5.9% QoQ in 1Q FY2022
- > ICSG re-secured the government quarantine business in Oct 2021 - early Dec 2021, which further boosted occupancy and RevPAR in 1Q FY2022
- > Singapore has reopened borders progressively with the introduction of Vaccinated Travel Lane (VTL) with 27 countries since mid-Dec 2021
- > New ticket sales of VTL flights were temporarily suspended till end-Jan 2022 in view of the Omicron variant surge globally
- > Singapore government remains committed to further restore global connectivity and allow for quarantine-free travel for all vaccinated travellers

Australia

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

Novotel Sydney Darling Square (NSDS)
Sofitel Sydney Wentworth (SSW)



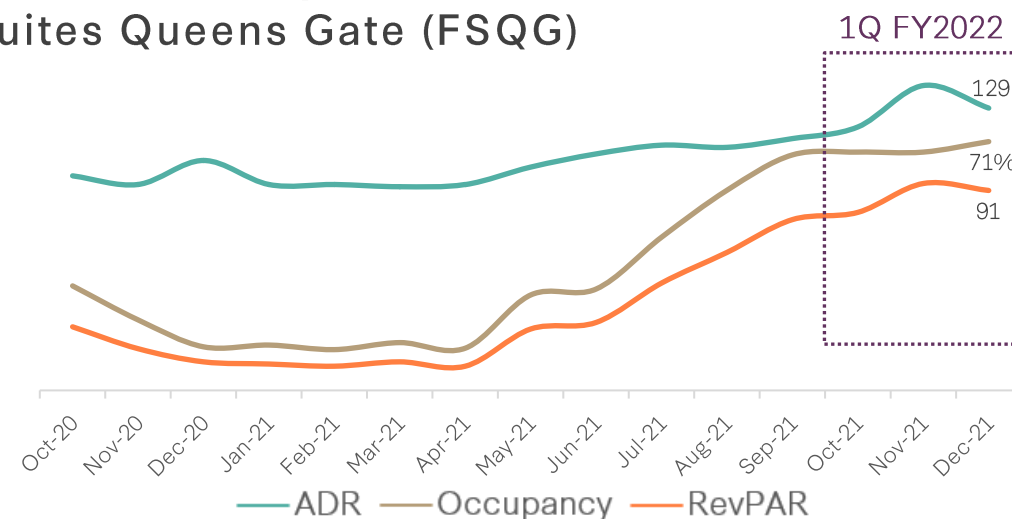
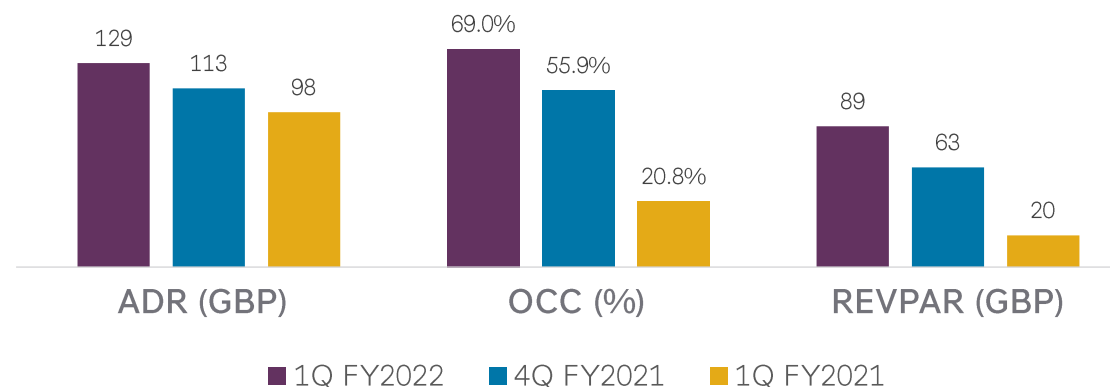
Gradual recovery pace across all operating metrics

- > Australia portfolio's RevPAR increased 43.1% YoY and 32.1% QoQ in 1Q FY2022
- > NMOC and SSW retained government quarantine business throughout 1Q FY2022 which further boosted occupancy and RevPAR
- > All properties ramped up in performance towards mid 1Q FY2022 but the recovery pace was hampered by the Omicron surge in end-Dec 2021
- > Sydney and Melbourne have lifted lockdown restrictions from Nov 2021 and reopened international borders in end-Dec 2021 to vaccinated travellers without quarantine
- > STR anticipates further strengthening in occupancy once the pandemic situation has stabilised

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)

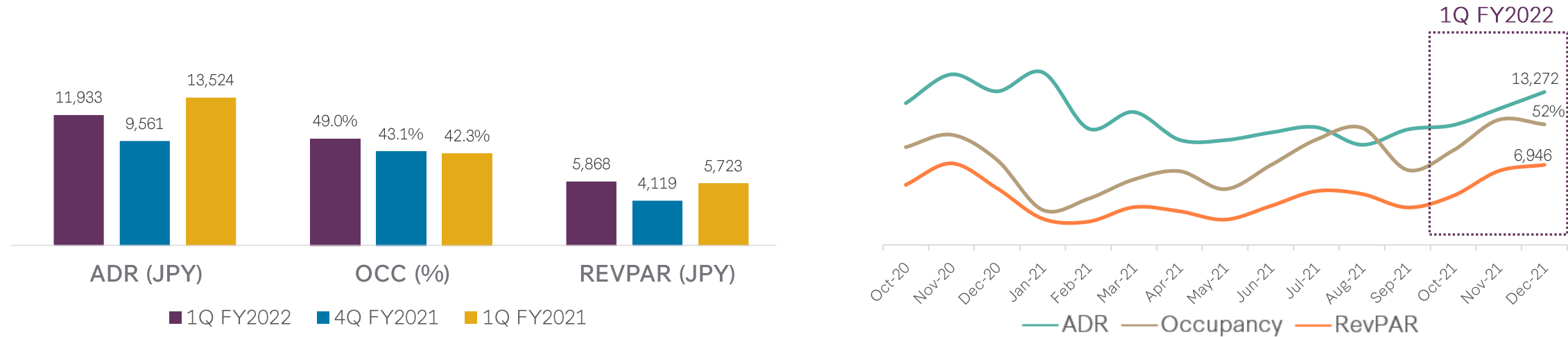


Sustained recovery across all key operating metrics

- > UK portfolio's RevPAR experienced increase of >100% YoY and 41.3% QoQ in 1Q FY2022
- > All FHT's properties in the UK resumed full operations since mid-May 2021 and RevPAR further improved till Dec 2021 with the emergence of the Omicron wave
- > UK narrowed its entry requirements in end Nov 2021 due to the Omicron surge but has since lifted quarantine and testing requirements as fully-vaccinated travellers will no longer need to take any COVID-19 tests from 11 Feb 2022
- > Economists are of the view that tighter restrictions are unlikely to resurface once the Omicron wave has passed

Japan

ANA Crowne Plaza Kobe (CPK)

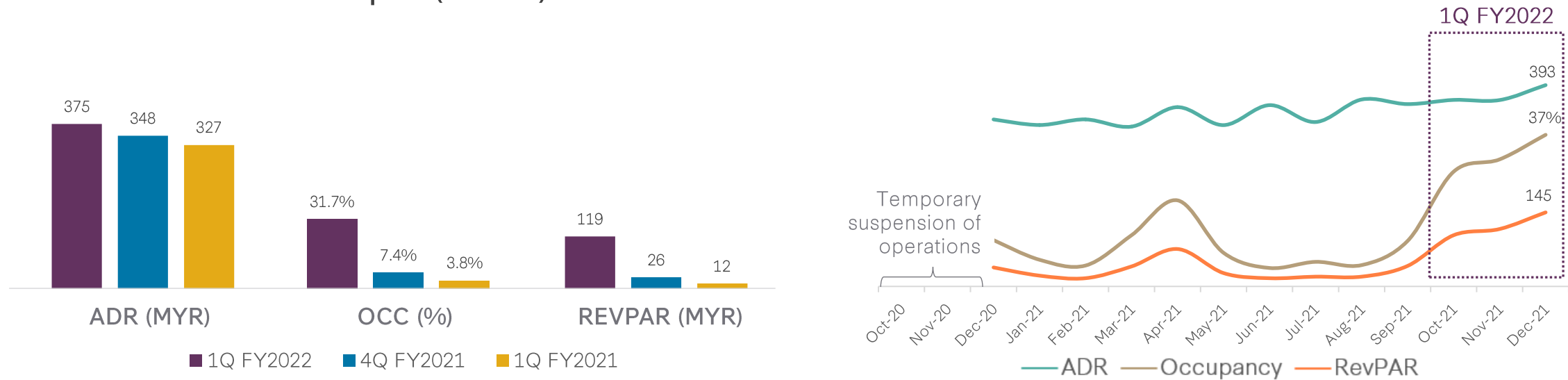


Positive improvements in occupancy and RevPAR after lifted restrictions

- > CPK's RevPAR increased 2.5% YoY and 42.5% QoQ in 1Q FY2022
- > Following the exit from state of emergency in Sep 2021, CPK's occupancy continued to recover but ADR remained compressed despite growth from 4Q FY2021
- > Japanese government has planned to resume the state-sponsored "Go to Travel" campaigns to boost domestic tourism
- > International borders will remain closed at least till end-Feb 2022 due to the emergence of Omicron variant

Malaysia

The Westin Kuala Lumpur (TWKL)



Strong rebound in occupancy, boosted by pent-up domestic demand

- > TWKL's RevPAR increased >100% YoY and QoQ in 1Q FY2022
- > Hotel operations resumed from mid-Dec 2020 which contributed to significant performance improvement YoY
- > Operating performance improved significantly after the Malaysian government lifted travel restrictions in mid-Oct 2021
- > Malaysia currently has a VTL with Singapore and a Langkawi quarantine-free travel bubble to increase international arrivals

Germany

Maritim Hotel Dresden (MHD)



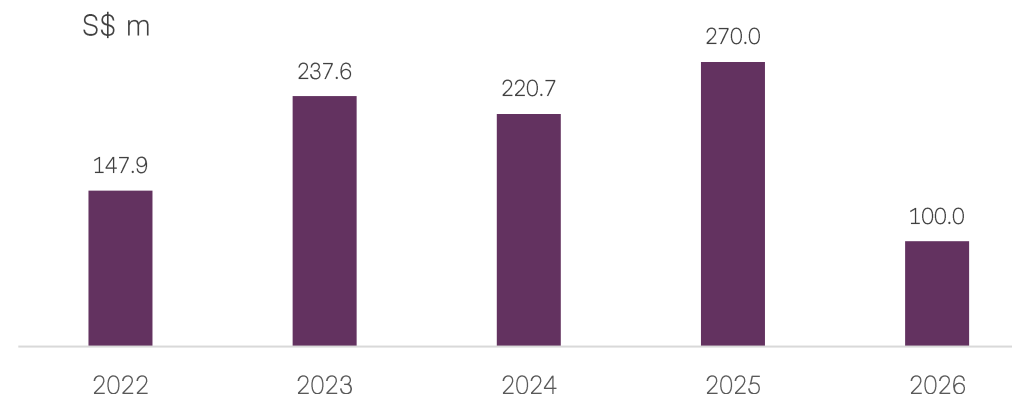
- > MHD's performance showed signs of improvement YoY in 1Q FY2022 which was supported by a recovery in domestic travel after travel restrictions were eased
- > Recovery pace for MHD continues to be very gradual in the absence of MICE events and international arrivals
- > Germany has eased travel restrictions to allow entry of fully-vaccinated travellers without quarantine (except from high-risk areas or areas of variant of concern) since July 2021

Proactive capital management

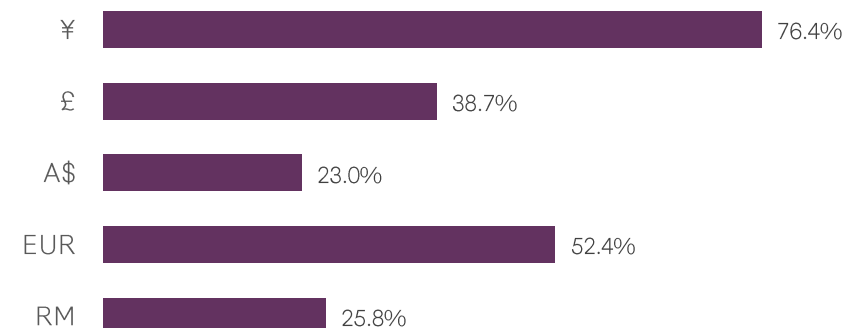
As at 31 Dec 2021

Gearing ^{1,2}	42.5%
Weighted average debt to maturity	2.30 years
Unsecured debt	96.9%
Effective cost of borrowing ²	2.1%
Borrowings on fixed rates	77.3%
Interest coverage ratio ^{3,4}	2.4 times
Adjusted interest coverage ratio ^{3,4}	2.4 times

Debt maturity profile (excludes short-term loans)



Balance sheet hedging



1. MAS' leverage limit for S-REITs has been set at 50% since Apr 2020

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

3. Interest coverage ratio and adjusted interest coverage ratio are as prescribed under the MAS' Property Funds Appendix (last revised on 1 July 2021)

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

Market Outlook

Forging towards an endemic world



- > Transition towards endemic phase planned or in progress in countries with higher vaccination rates and eased travel restrictions
- > Pace of transition may be undermined by Omicron variant¹



- > Recovery in air travel expected to continue in 2022, albeit at an uneven pace across countries and regions²
- > Other downside risks such as new variants and policy changes remain

FHT portfolio well-poised to capture and ride on the recovery wave



Resilient & diversified portfolio across key gateway cities



Well-managed by established international hospitality operators



Strong asset management focus to drive performance



Strong commitment & support from Sponsor



Strong downside protection with long-term master leases



Sound portfolio fundamentals and robust financial position






1. Source: Reuters, "Omicron rewrites the COVID plan for 2022:", 17 Dec 2021

2. Source: Fitch Ratings, "Global Air Traffic Recovery Will Continue in 2022, but Risk Remains", 30 Nov 2021

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







Hotels managed by third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2021
	Novotel Melbourne on Collins	Australia	Strategically located within Melbourne's core CBD area along Collins Street	Freehold	Upscale	380	A\$231.0 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)
	Sofitel Sydney Wentworth	Australia	Iconic 5-star hotel in Sydney's core CBD; within a short walk to major office buildings, tourist attractions and transport hubs	75 years ²	Luxury	436	A\$270.0 m (A\$0.6 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\$506.0 m (S\$1.2 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	£19.2 m (£0.2 m/key)

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







2. Commencing from 5 Jul 2015

Hotels managed by Frasers Hospitality and third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2021
	Park International London	UK	Elegant hotel ideally located in the heart of Kensington and Chelsea	75 years ¹	Mid-scale	171	£38.6 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	RM368.0 m (RM0.8 m/key)
	Maritim Hotel Dresden	Germany	Heritage-listed and located in the historical city centre of Dresden, the capital city of the eastern German state of Saxony	Freehold	Upscale	328	EUR59.3 m (EUR0.2 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, 30 Sep 2021
	Fraser Suites Sydney	Australia	First luxury apartments in Sydney designed by internationally renowned architects	75 years ¹	Upper Upscale	201	A\$127.5 m (A\$0.6 m/key)
	Fraser Suites Singapore	Singapore	Luxurious serviced residences in the prime residential district of River Valley	75 years ¹	Upper Upscale	255	S\$292.0 m (S\$1.1 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	£15.0 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	£9.2 m (£0.1 m/key)
	Fraser Suites Queens Gate	UK	Beautiful Victorian apartment hotel in Kensington	75 years ¹	Upper Upscale	105	£54.3 m (£0.5 m/key)
	Fraser Place Canary Wharf	UK	Stunning apartments located by the River Thames, showcasing chic contemporary design	75 years ¹	Upper Upscale	108	£36.7 m (£0.3 m/key)

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