

Frasers Hospitality Trust

Financial Results for 2H / FY2022

4 Nov 2022



Intercontinental Singapore

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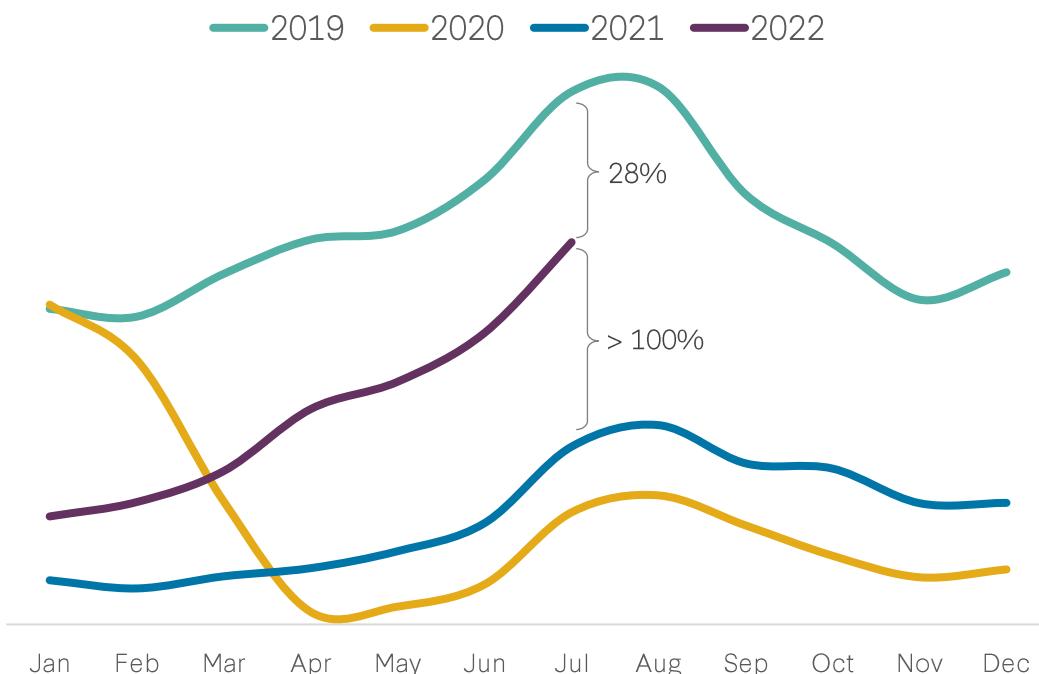
Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.



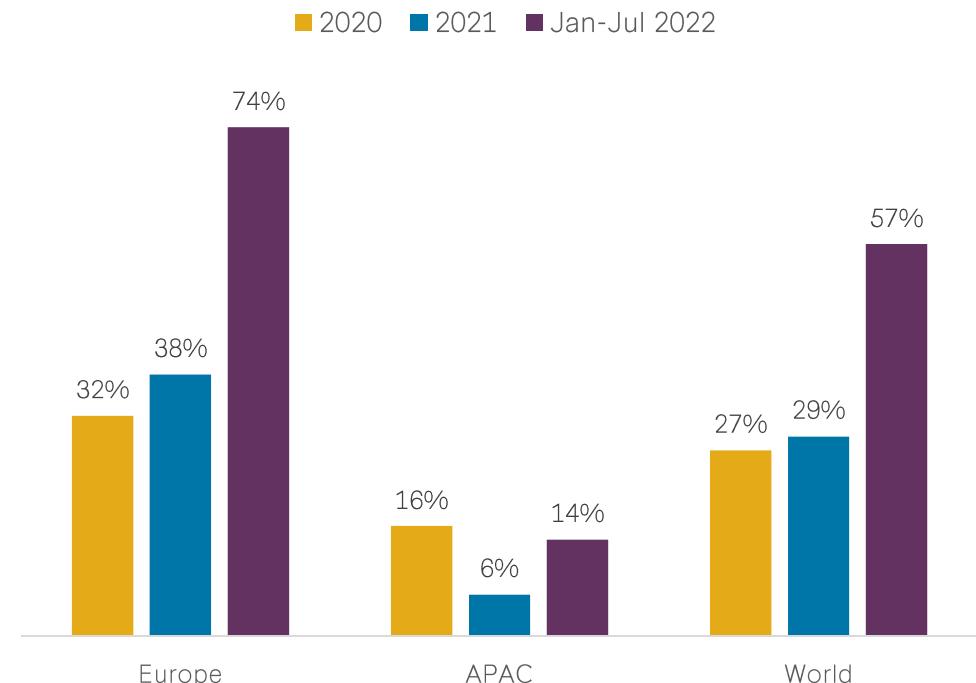
Key Market Updates

Europe experienced fastest recovery while APAC continued to lag

International Tourist Arrivals (mil)



International Tourist Arrivals, % of 2019 level

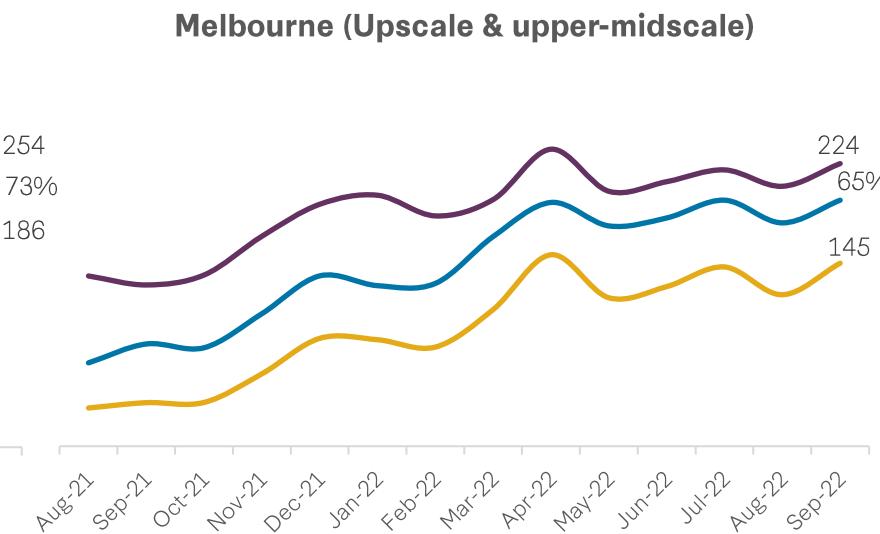
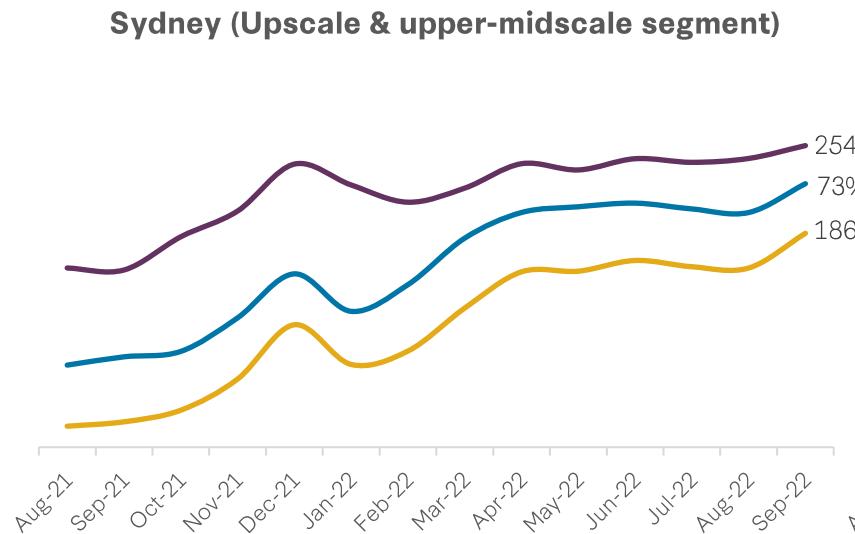
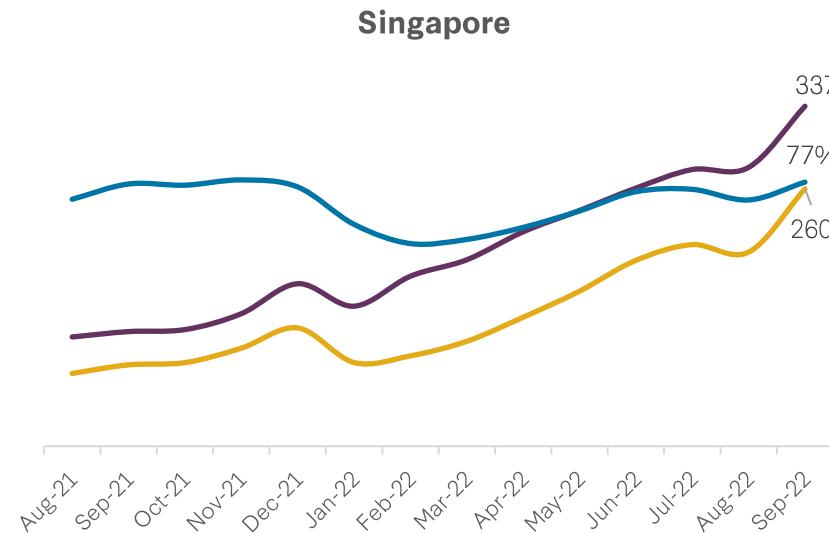


- International arrivals continued to show steady signs of recovery, reaching 72% of pre-pandemic level in Jan - Jul 2022
- Europe showed the fastest recovery in Jan - Jul 2022 with arrivals which almost tripled year-on-year (YoY), boosted by intra-regional demand, reaching 74% of pre-pandemic level
- APAC region's arrivals more than doubled YoY in Jan - Jul 2022 though they remained at 14% of pre-pandemic level as some APAC destinations remain slow to lift travel restrictions

Continued recovery observed in FHT's markets

Hospitality market performance by city

— ADR — Occupancy — RevPAR



Singapore's hotel market performance continued its uptick trend following lifted border measures and COVID-19 restrictions since Apr-22 and the resumption of major events

Sydney's hotel market performance showed a gradual, steady improvement since its recovery from the Omicron surge, coupled with fully re-opened international borders in Feb-22

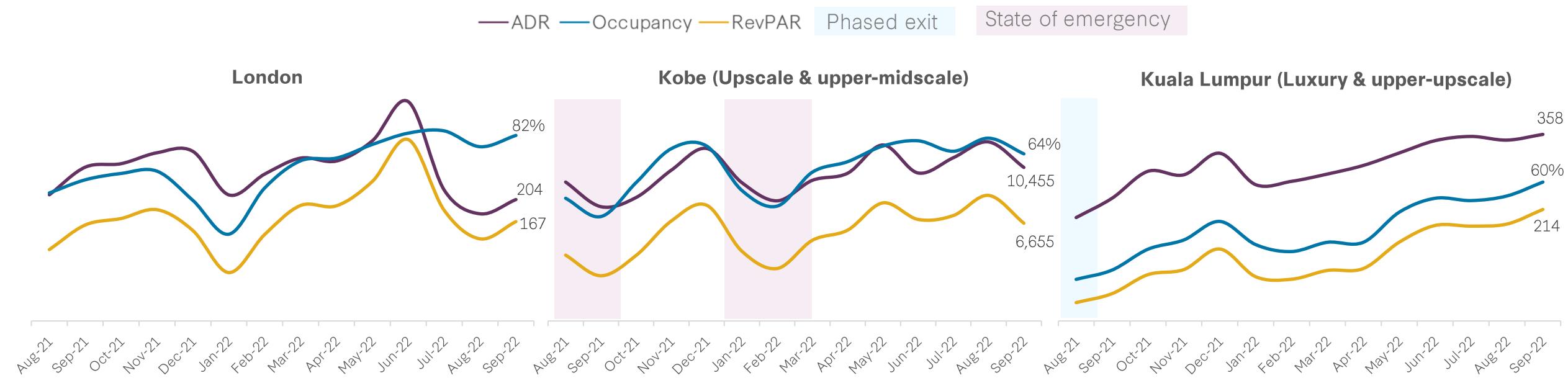
Melbourne's hotel market performance continued its recovery trajectory, boosted by the resumptions of major events (e.g. Australian Grand Prix in Apr-22)

*Average daily rate (ADR) and revenue per available room (RevPAR) are in local currencies

Sources: STR; Business Times, "Singapore hotels remain an attractive asset class for investment as recovery takes hold", Oct 2022; Financial Review, "Major capitals lead a recovery in hotel occupancies, room rates", Jul 2022

Continued recovery observed in FHT's markets

Hospitality market performance by city



Aligned with seasonal patterns, London's hotel market performance in Aug-22 and Sep-22 came in lower than Jun-22 and Jul-22 which was the peak summer months. Despite this, 4Q FY2022's RevPAR remained above pre-pandemic levels

Kobe's hotel market performance remained on a bumpy recovery trend following lifted quasi-emergency measures since Mar-22 as international borders remained largely closed

Kuala Lumpur's hotel market performance continued its steady, gradual recovery trajectory with quarantine-free travel measures in place since Apr-22

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

Sources: STR; Hotel New Resource, "STR Reports London Hotel Performance Dipped in August", Sep 2022; Washington Post, "Japan is reopening. But the effects of its border closure will linger", Sep 2022 and The Edge, "Hospitality industry struggling to cope despite borders reopening, brighter prospects", Jun 2022



Financial Review & Distribution

2H FY2022 Financial Performance

SGD mil	2H FY2022	2H FY2021	YoY Change	1H FY2022	HoH Change
Gross revenue (GR)	51.8	45.6	▲ 13.5%	44.1	▲ 17.3%
Net property income (NPI)	37.9	30.9	▲ 22.7%	31.7	▲ 19.8%
Income available for distribution (DI)	19.9	12.4	▲ 60.2%	15.1	▲ 32.2%
Distribution to Stapled Securityholders	17.9 ¹	15.5 ²	▲ 15.9%	13.6 ¹	▲ 32.2%
Distribution per Stapled Security (DPS)	0.9316 cents	0.8041 cents	▲ 15.9%	0.7039 cents	▲ 32.3%

- GR and NPI improved 13.5% and 22.7% YoY respectively with steady recovery in the operating performance due to relaxed travel restrictions as compared to the same period in FY2021, partially offset by the Omicron surge across FHT's key markets which hampered the portfolio's recovery pace in 2Q FY2022
- NPI and DI increased 19.8% and 32.2% half-on-half (HoH) respectively due to higher gross revenue and recovery of receivables that were previously impaired

¹ Distribution to Stapled Securityholders in 2H FY22 is based on at least 90% payout of the income available for distribution

² Distribution to Stapled Securityholders for 2H FY21 included approximately SGD 4.3m of the SGD 5.2m DI retained in 1H FY2021

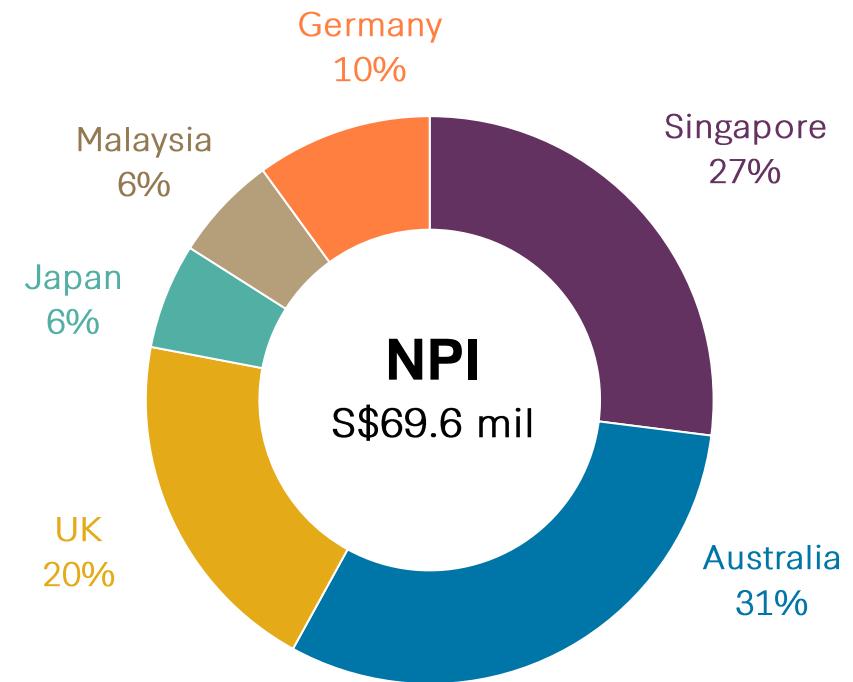
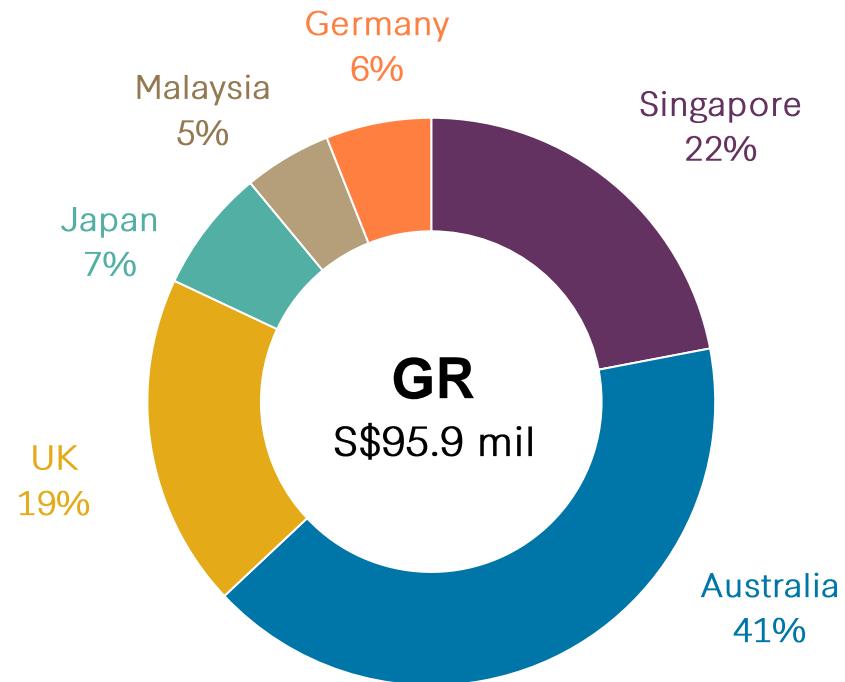
FY2022 Financial Performance

SGD mil	1H FY2022	2H FY2022	FY2022	FY2021	YoY Change
Gross revenue (GR)	44.1	51.8	95.9	85.5	▲ 12.1%
Net property income (NPI)	31.7	37.9	69.6	57.6	▲ 20.7%
Income available for distribution (DI)	15.1	19.9	35.0	21.0	▲ 66.3%
Distribution to Stapled Securityholders	13.6 ¹	17.9 ¹	31.5	18.9	▲ 66.3%
Distribution per Stapled Security (DPS)	0.7039 cents	0.9316 cents	1.6355 cents	0.9831 cents	▲ 66.4%

- GR improved 12.1% YoY due to improved operating environment with relaxed travel restrictions and higher vaccination rates as compared to FY2021, partially offset by the Omicron surge across FHT's key markets which hampered the portfolio's recovery pace in 2Q FY2022
- NPI and DI increased 20.7% and 66.3% YoY respectively due to lower property tax expenses arising from lower assessed annual values of Singapore properties and recovery of receivables that were previously impaired

¹ Distributions to Stapled Securityholders in 1H FY22 and 2H FY22 are based on at least 90% payout of the income available for distribution

Portfolio contribution for FY2022



2H FY2022 Distribution details

1 Apr 2022 - 30 Sep 2022	
Distribution rate	0.9316 cents per stapled security
Last day of trading on "cum" basis	10 Nov 2022
First day of trading on "ex" basis	11 Nov 2022
Record date	14 Nov 2022
Distribution payment date	29 Dec 2022



Portfolio Performance

Improved portfolio contribution YoY for 2H FY2022

Country	Gross Operating Revenue (GOR)			Gross Operating Profit (GOP)		
	Local Currency (LC) (mil)	YoY change	HoH change	LC (mil)	YoY change	HoH change
Singapore	40.7	▲ 90.8%	▲ 76.4%	16.5	▲ 97.9%	▲ 87.6%
Australia ¹	32.7	▲ 1.6%	▲ 7.0%	13.9	▼ 15.3%	▼ 5.6%
UK	14.4	▲ >100.0%	▲ 65.8%	7.2	▲ >100.0%	▲ >100.0%
Japan	1,532.7	▲ 42.6%	▲ 14.2%	339.8	▲ 20.9%	▼ 10.0%
Malaysia	29.7	▲ >100.0%	▲ >100.0%	6.3	N.M	N.M
Germany	6.4	▲ 72.2%	▲ >100.0%	2.7	▲ 83.2%	▲ >100%

¹ Australia portfolio included Sofitel Sydney Wentworth (SSW) from 1 Oct 2021 to 29 Apr 2022. Hence, recovery for the Australia portfolio remained muted with negative GOP movement YoY and HoH due to the absence of SSW contribution following its divestment

Portfolio contribution for FY2022

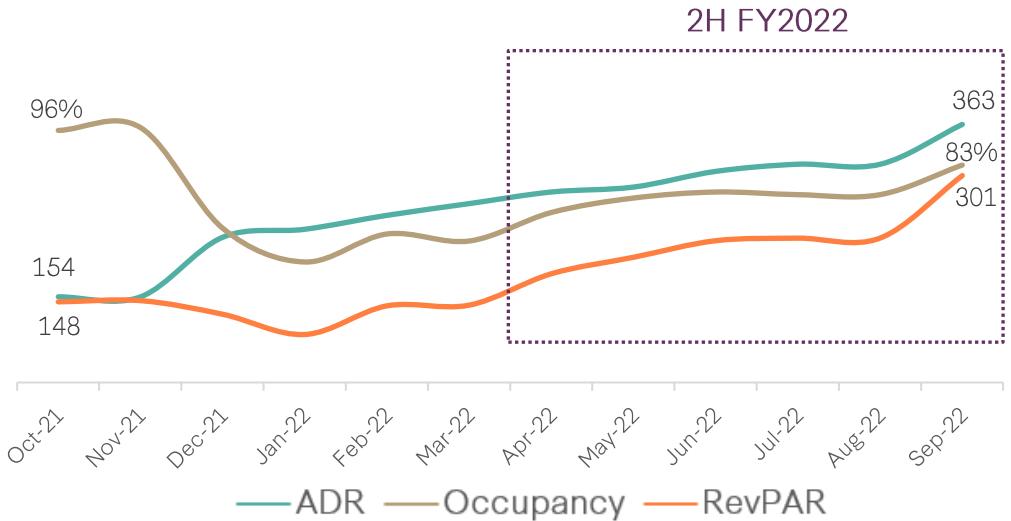
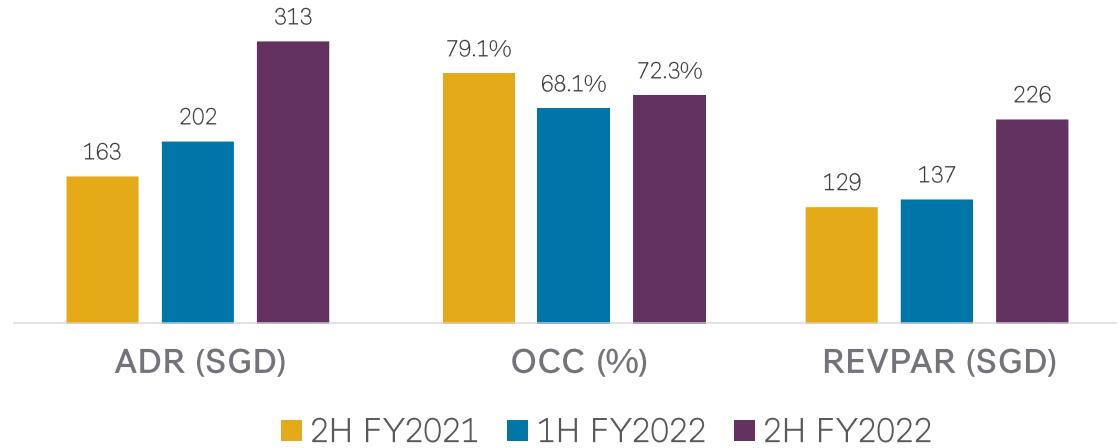
Country	Gross Operating Revenue (GOR)		Gross Operating Profit (GOP)	
	LC (mil)	YoY change	LC (mil)	YoY change
Singapore	63.8	▲ 50.1%	25.3	▲ 63.4%
Australia ¹	63.3	▲ 6.9%	28.6	▼ 5.0%
UK	23.1	▲ >100.0%	10.5	▲ >100.0%
Japan	2,874.7	▲ 35.7%	717.5	▲ 81.6%
Malaysia	43.2	▲ >100.0%	5.9	N.M
Germany	9.3	▲ 81.7%	3.6	▲ >100.0%

¹ Australia portfolio included SSW from 1 Oct 2021 to 29 Apr 2022. Hence, recovery for the Australia portfolio remained muted with negative GOP movement YoY and HoH due to the absence of SSW contribution following its divestment

Singapore

InterContinental Singapore (ICSG)

Fraser Suites Singapore (FSSG)



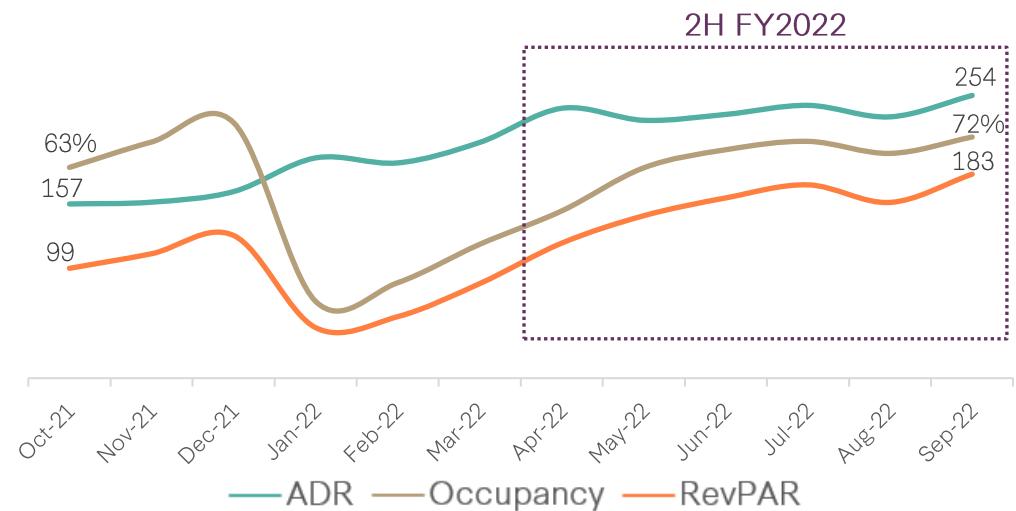
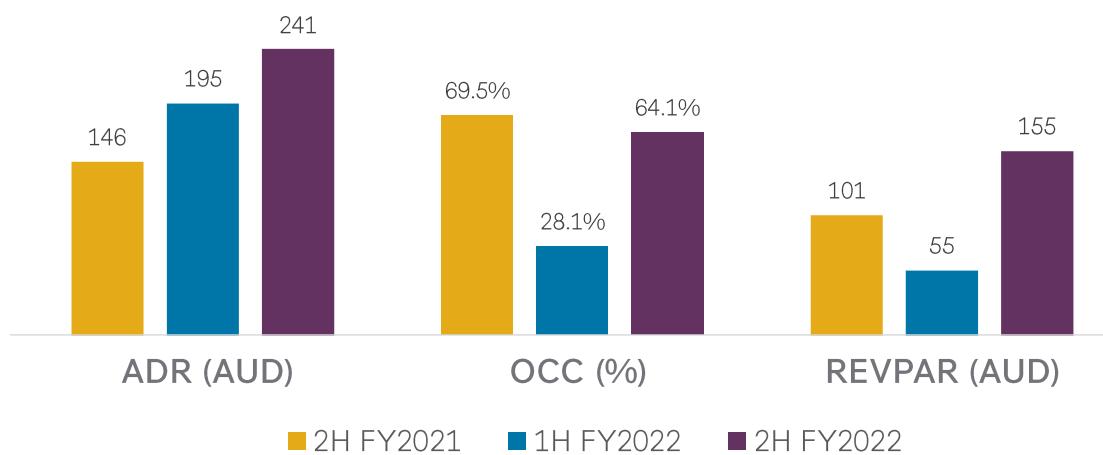
Improvement in RevPAR, supported by growth in ADR

- Singapore portfolio's RevPAR increased 75.7% YoY and 64.5% HoH in 2H FY2022 due to the growth in ADR
- ADR further improved in 2H FY2022 as Singapore re-opened its borders to all vaccinated travellers from Apr-22, coupled with the resumption of events such as the Formula 1 event in end Sep-22 when ADR increased 92.3% YoY and 55.1% HoH
- ICSG was under government quarantine business from Jun 2021 to early Dec-21 and re-opened to public following a short transition period of deep cleaning. Hence, the occupancy in 2H FY2021 was higher

Australia

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

Novotel Sydney Darling Square (NSDS)

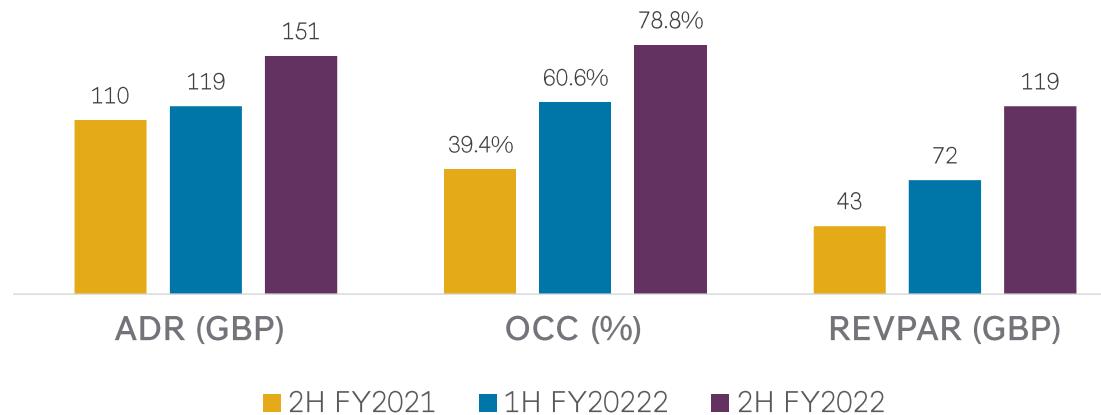


Steady recovery in RevPAR with improvements in ADR and occupancy

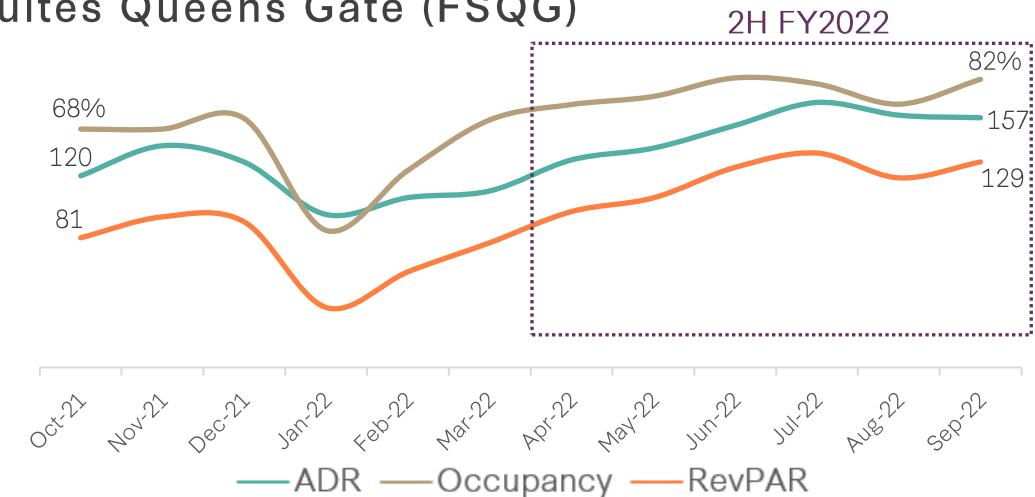
- > Australia portfolio's RevPAR improved by 53.5% YoY and >100% HoH in 2H FY2022
- > End of government quarantine business: NMOC in Dec-21 (closed for cleaning in Jan-22) and SSW in Feb-22 (closed for cleaning in Mar-22)
- > Portfolio resumed its recovery trajectory following the retreat from the Omicron surge since Feb-22 and was further supported by the gradual resumption of cultural and sporting events in Sydney and Melbourne
- > However, the portfolio's recovery speed remained muted due to the absence of SSW contribution following its divestment in Apr-22

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)

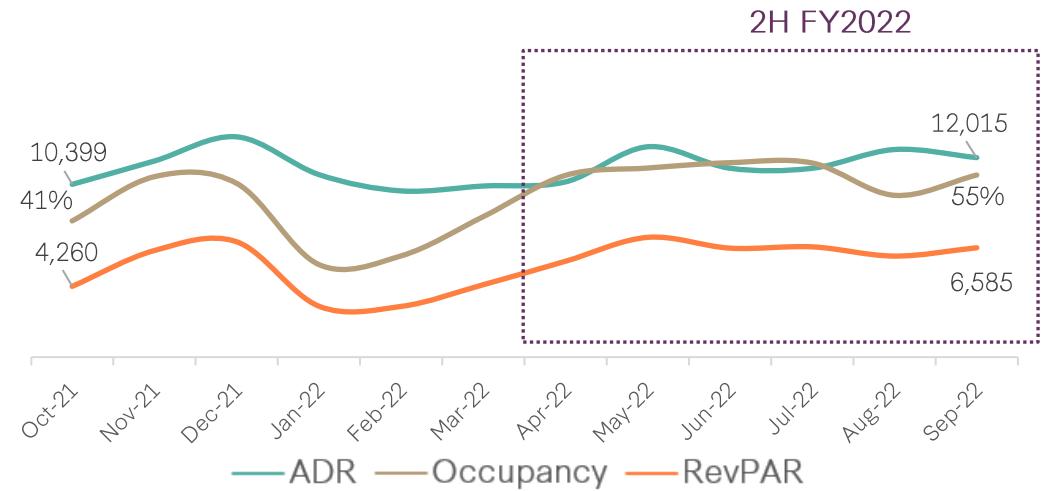
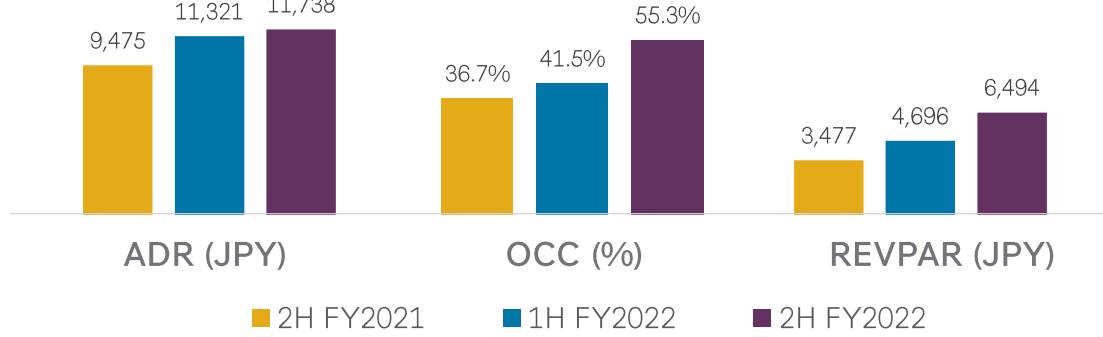


Continued recovery across all key operating metrics

- > UK portfolio's RevPAR experienced an increase of >100% YoY and 65.0% HoH in 2H FY2022
- > ADR and occupancy improved amidst the peak summer season in 2H FY2022; ADR increased 36.9% YoY and 27.1% HoH and occupancy improved 39.4 percentage points (pp) YoY and 18.2 pp HoH
- > UK led Europe into the endemic phase as all COVID-related travel restrictions were lifted since mid Mar-22 for all travellers as part of the government's "Living with Covid" plan
- > However, the recovery pace was impeded by rising utility expenses, manpower shortage and heightened inflation

Japan

ANA Crowne Plaza Kobe (CPK)

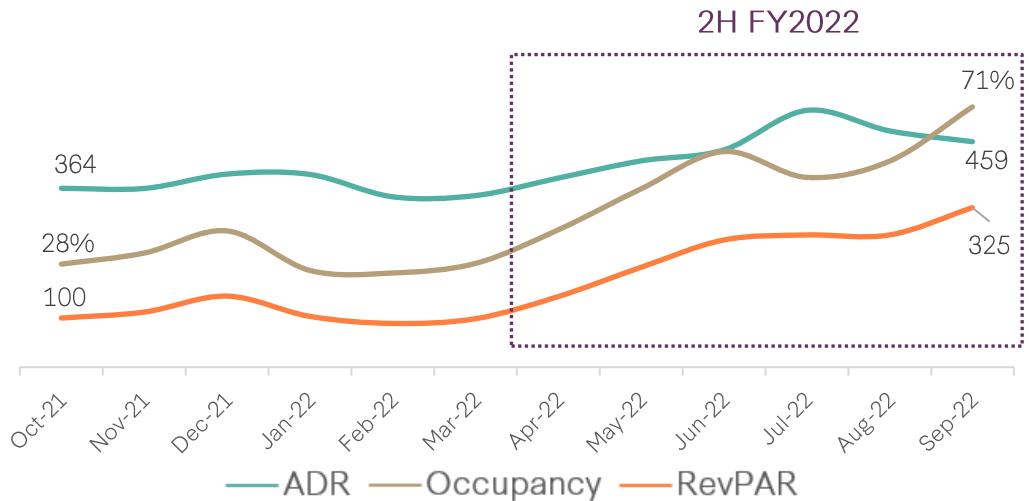
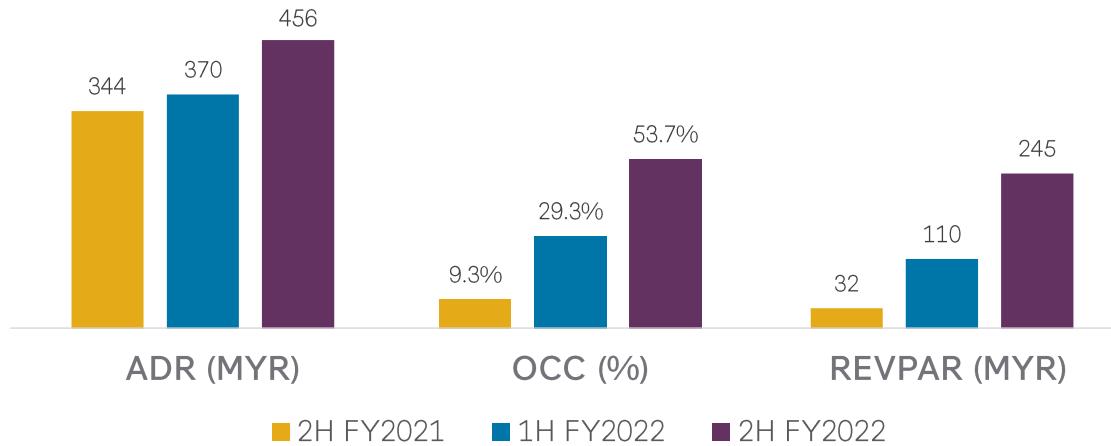


Gradual improvements across all operating metrics after lifted restrictions

- > CPK's RevPAR increased 86.7% YoY and 38.3% HoH in 2H FY2022
- > Both ADR and occupancy improved YoY and HoH in 2H FY2022, mainly due to the lifting of all state of emergencies
- > However, domestic travels and conferences / events remain slow to resume despite lifted state of emergencies

Malaysia

The Westin Kuala Lumpur (TWKL)



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

- › TWKL's RevPAR increased >100% YoY and HoH in 2H FY2022
- › Malaysia has fully re-opened international borders from early Apr-22 as part of its transition to endemic phase
- › Malaysia is targeting tourist arrivals to be 9.2 mil with tourism receipts of RM26.8 bil in 2022, which exceeded 2021's tourist arrivals and tourism receipts of 0.1 mil and RM238.7 mil respectively

Germany

Maritim Hotel Dresden (MHD)



Dresden, Germany

- MHD's performance showed signs of improvement YoY in 2H FY2022 which was supported by a recovery in domestic travel after travel restrictions were eased
- However, Germany was impacted by the Omicron surge since end Nov-21 which impeded MHD's performance
- 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 (except China) into the country with no COVID restrictions, and travellers no longer required to show COVID-19 vaccination certificate



Portfolio Valuation

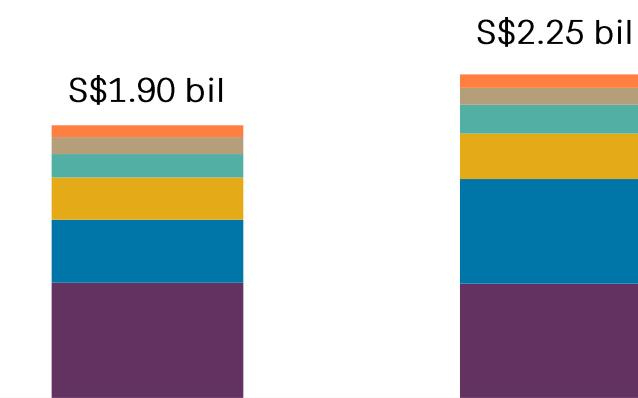
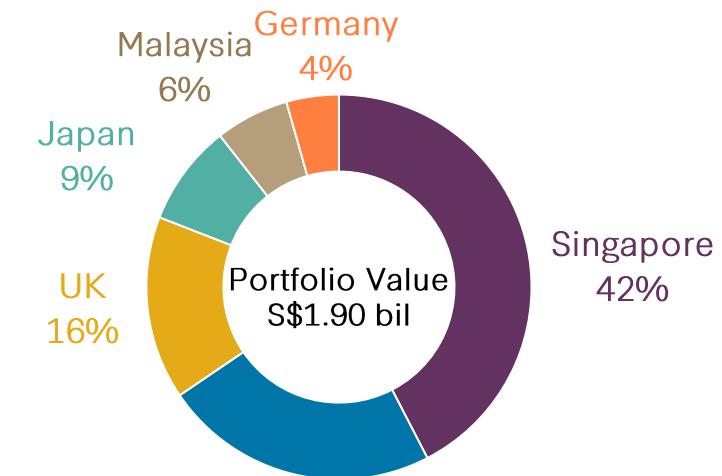
Valuation gains in local currencies offset by strengthening SGD

Country	Valuation as at 30 Sep 2022 ¹ (LC mil)	Valuation as at 30 Sep 2022 ^{1,2} (SGD mil)	Y-o-Y variance in LC (%)	Y-o-Y variance in SGD (%)
Singapore	S\$803.0	S\$803.0	0.6%	0.6%
Australia	A\$477.0	S\$438.3	2.0%	-4.5%
UK	£182.4	S\$292.5	5.4%	-7.6%
Japan	¥16,200.0	S\$161.6	-	-18.4%
Malaysia	RM380.0	S\$117.7	3.3%	-0.9%
Germany	€59.0	S\$83.0	-0.5%	-10.9%
TOTAL	S\$1,896.1			-4.4%

- › Portfolio value declined 4.4% YoY on a same-store basis (excluding Sofitel Sydney Wentworth which was divested in Apr 2022)
- › Decline was primarily due to strengthening of SGD against all operational currencies with foreign currency translation losses exceeding valuation gains

¹Rounding differences apply

²Translated at exchange rates as at 30 Sep 2022 of RM1.00 = S\$0.3097; ¥1.00 = S\$0.009977; A\$1.00 = S\$0.9188; £1.00 = S\$1.6037; €1.00 = S\$1.4074



■ Singapore ■ Australia ■ UK ■ Japan ■ Malaysia ■ Germany



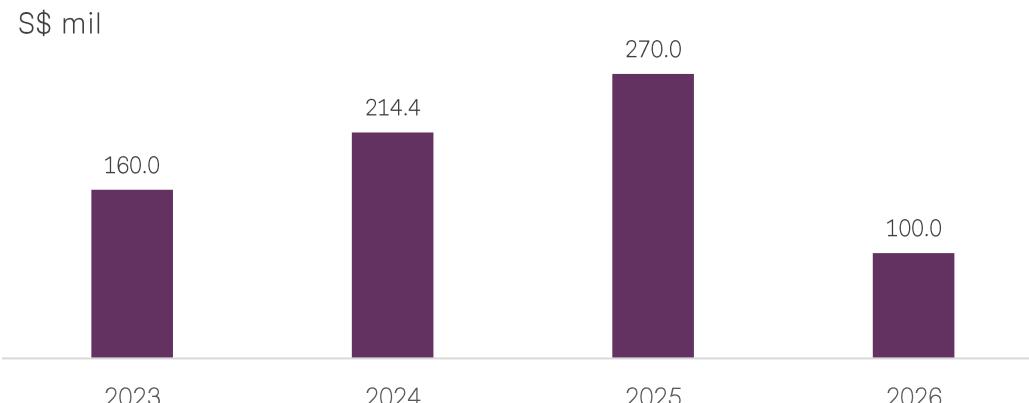
Risk & Capital Management

Proactive capital management

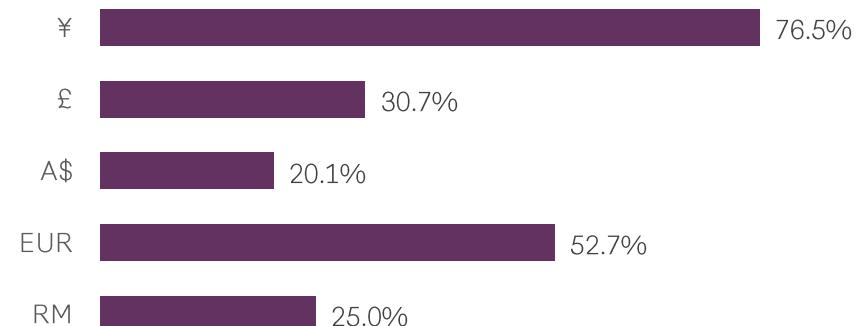
As at 30 Sep 2022

Investment properties	S\$1,683.2 mil
Property, plant and equipment	S\$215.9 mil
Total assets	S\$2,085.6 mil
Total borrowings	S\$756.7 mil
Gearing ^{1,2}	36.4%
Net asset value per stapled security	S\$0.65
Weighted average debt to maturity	2.00 years
Unsecured debt	96.0%
Effective cost of borrowing ²	2.3%
Borrowings on fixed rates	81.7%
Interest coverage ratio ^{3,4}	2.6 times
Adjusted interest coverage ratio ^{1,3,4}	2.6 times

Debt maturity profile
(excludes short-term revolving credit facilities)



Balance sheet hedging



1. With effect from 1 Jan 2022, the gearing 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. Interest coverage ratio and adjusted interest coverage ratio are as prescribed under the MAS' Property Funds Appendix (last revised on 3 March 2022)

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

Managing turbulent challenges amidst darkened outlook



Recessionary risks

- > International Monetary Fund (IMF) cuts its global growth forecasts to 2.7% in 2023 and anticipates a potential recession
- > World Tourism Organization's (UNWTO) latest survey indicated a cautious optimism view due to ongoing downside risks from geopolitical tensions and the uncertain state of the global economy



Rising interest rates

- > Central banks around the world continue to hike interest rates to curb elevating inflation
- > FHT has a high proportion of borrowings on fixed rates which are denominated in various operational foreign currencies



FX volatility

- > SGD is expected to continue to strengthen against foreign currencies as the Monetary Authority of Singapore (MAS) may further tighten its monetary policy to combat rising inflation
- > FHT adopts natural hedging by borrowing in the operational currency of the underlying assets to reduce the impact of foreign exchange volatility



Elevated inflation

- > Rising energy and food prices continue to drive the global inflation surge
- > Utility expenses may continue to rise as the Europe region enters cold winter months
- > FHT proactively rolls out sustainable initiatives to reduce electricity consumption at properties



Labour shortage

- > Labour crunch has been a pressing issue in the hospitality industry which causes imbalances as demand recovers
- > FHT's recovery of the assets' occupancy to pre-pandemic levels may be impacted as demand recovers with fewer rooms made available in time due to persisting labour crunch

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 (Frasers 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)