



# Fraser's Hospitality Trust

## Annual General Meeting

16 January 2023, 10.00 a.m.

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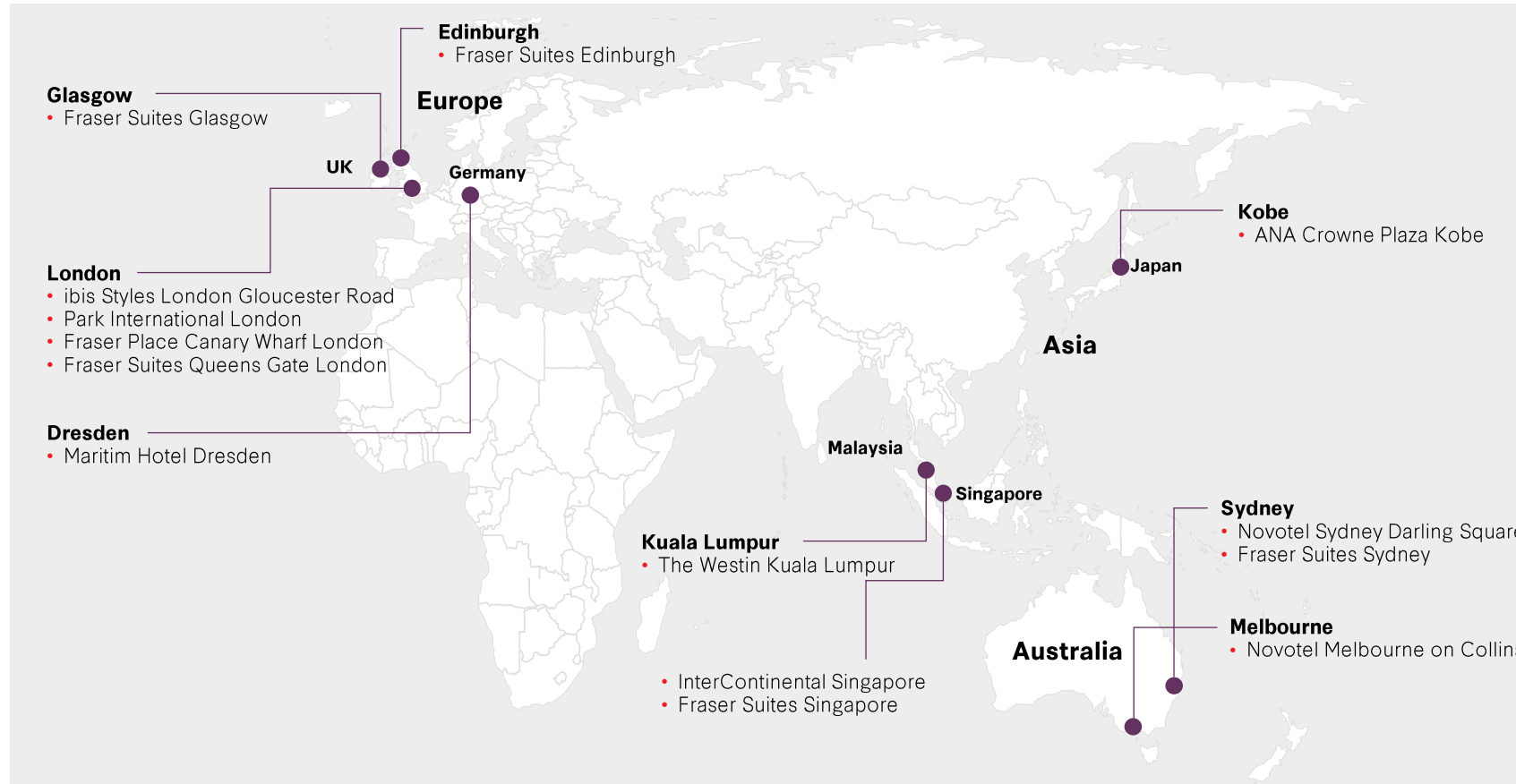
This advertisement has not been reviewed by the Monetary Authority of Singapore (MAS).

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



# FY2022 In Review

# Geographically diversified high-quality hospitality portfolio



	Number of properties <b>14</b>
	Presence <b>9 cities in 6 countries</b>
	Number of keys <b>3,477</b>
	Portfolio value <sup>1</sup> <b>S\$1.9 bil</b>
	Number of master leases <sup>1,2</sup> <b>14</b>

<sup>1</sup> As at 30 September 2022

<sup>2</sup> This includes a retail master lease for the retail space in ANA Crowne Plaza Kobe while the master lease for Novotel Melbourne on Collins is excluded as it is an internal master lease arrangement between FH-REIT and FH-BT

# FY2022 key highlights



Gross revenue

**\$95.9 mil**

▲ 12.1% y-o-y



Net property income

**\$69.6 mil**

▲ 20.7% y-o-y



Income available for distribution

**\$35.0 mil**

▲ 66.3% y-o-y



Distribution to Stapled Securityholders

**\$31.5 mil**

▲ 66.3% y-o-y



Distribution per Stapled Security

**1.64 cents**

▲ 66.4% y-o-y

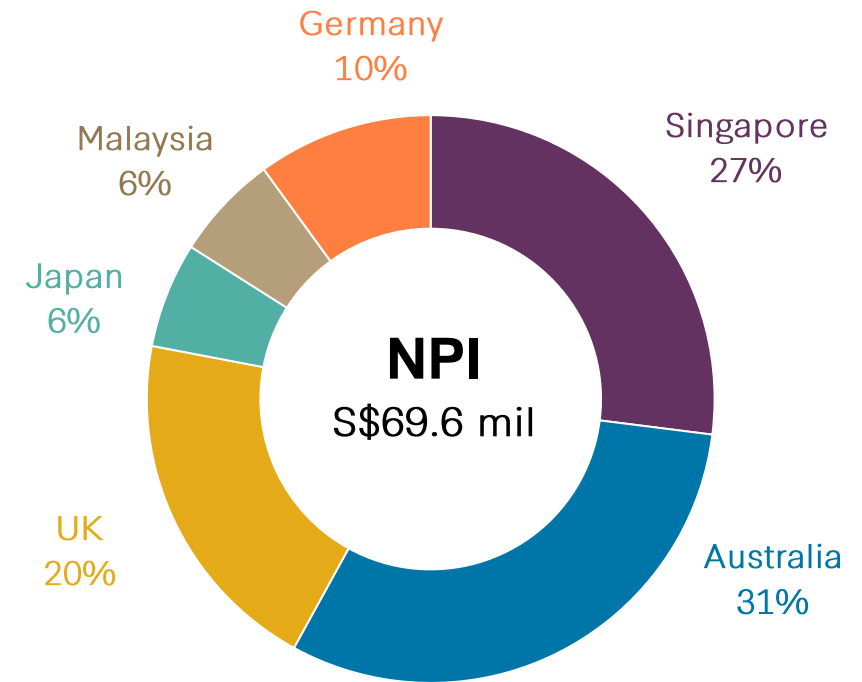
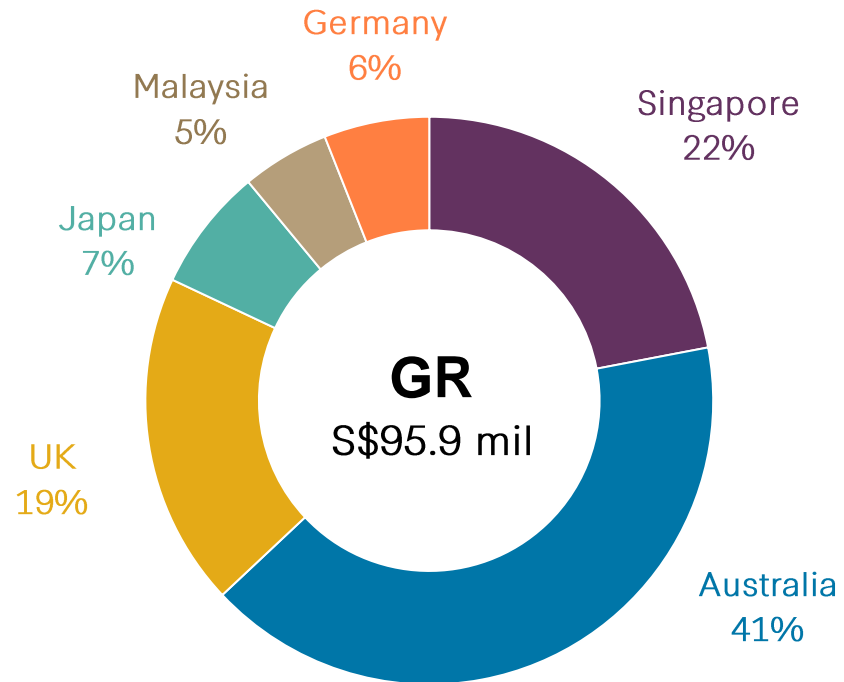


Total assets

**\$1.9 bil**

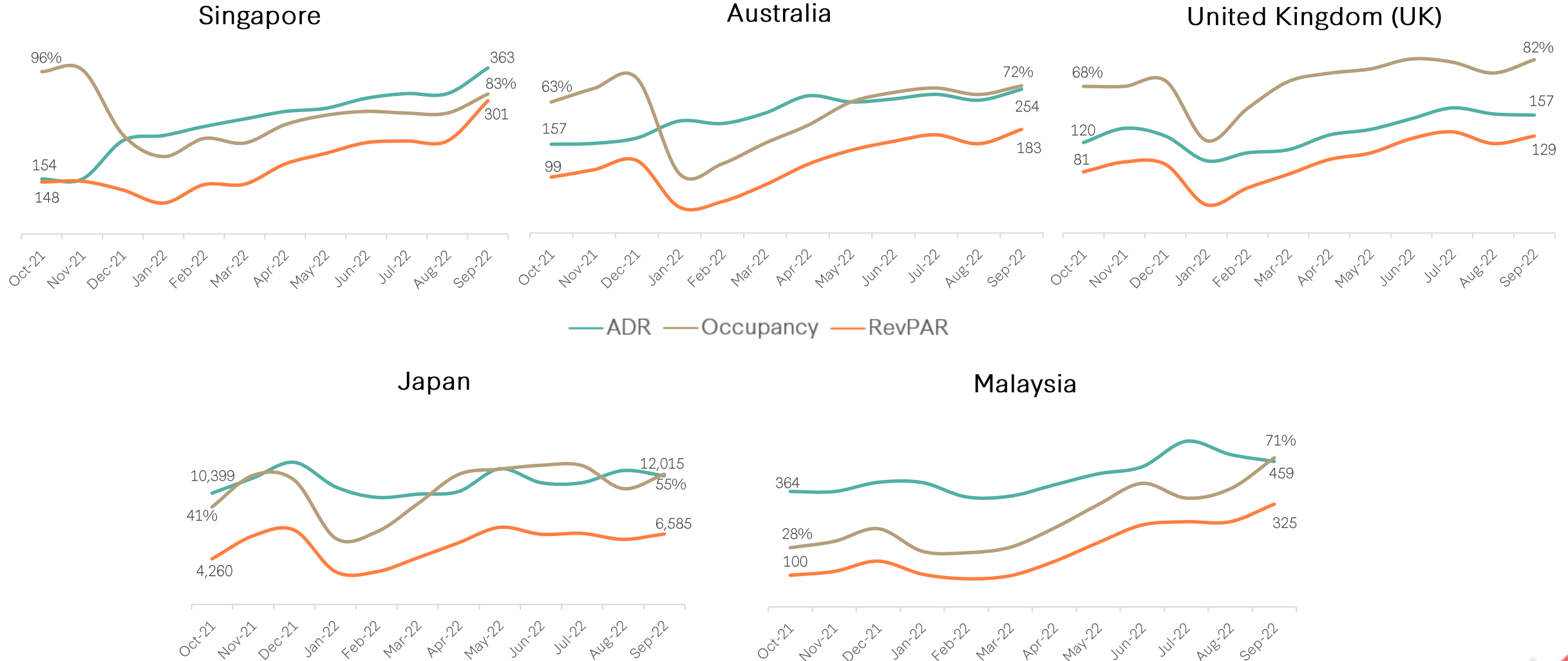
▼ 4.4% y-o-y (same-store basis)

# Portfolio contribution for FY2022



# Moderate levels of recovery in RevPAR observed in FHT's markets

## FY2022 FHT's Portfolio Performance

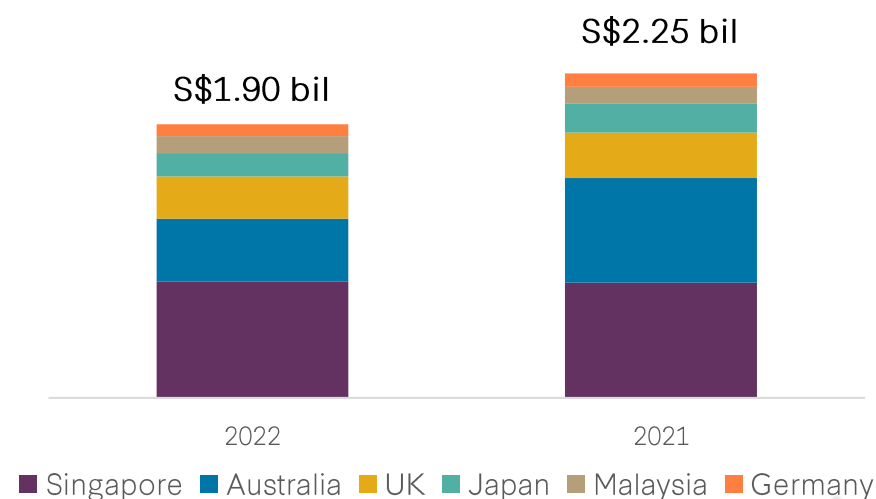
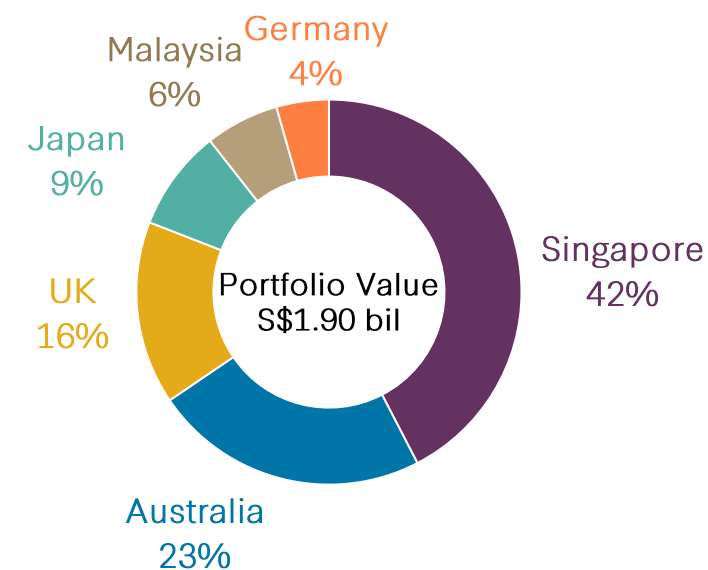


\*All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies.

# Valuation gains in local currencies offset by strengthening SGD

Country	Valuation as at 30 Sep 2022 <sup>1</sup> (LC mil)	Valuation as at 30 Sep 2022 <sup>1,2</sup> (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%
<b>TOTAL</b>		<b>S\$1,896.1</b>		<b>-4.4%</b>

- > 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



<sup>1</sup> Rounding differences apply

<sup>2</sup> Translated 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

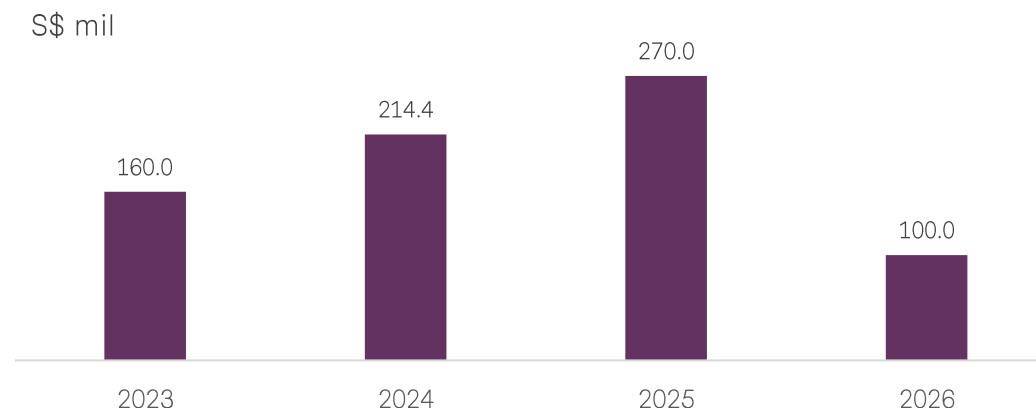


# Proactive capital management

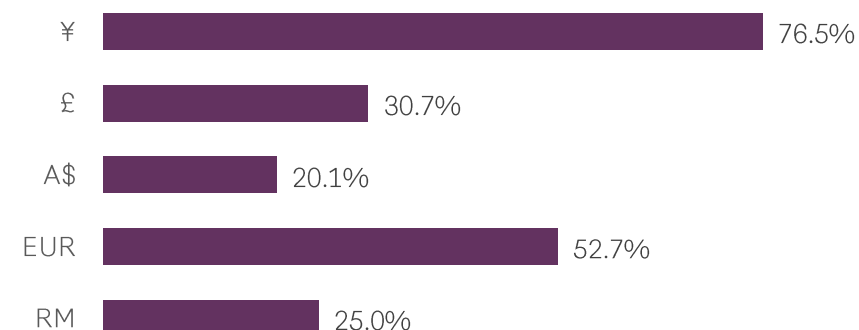
## As at 30 Sep 2022

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

## 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

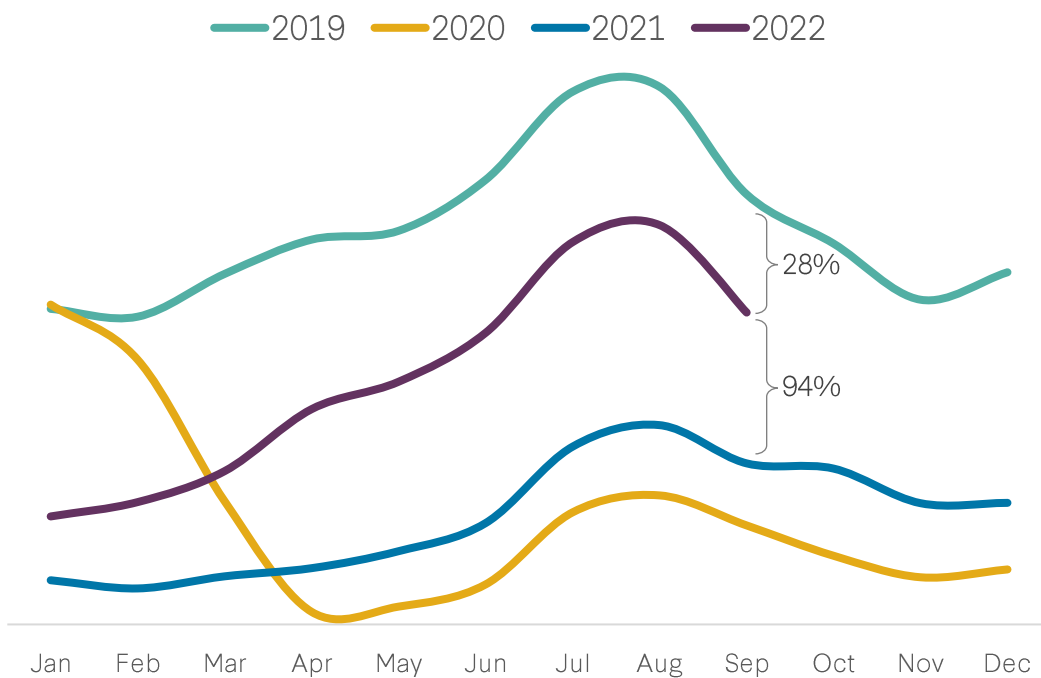
3. Interest coverage ratio and adjusted interest coverage ratio are as prescribed under the MAS' Property Funds Appendix (last revised on 3 March 2022)

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

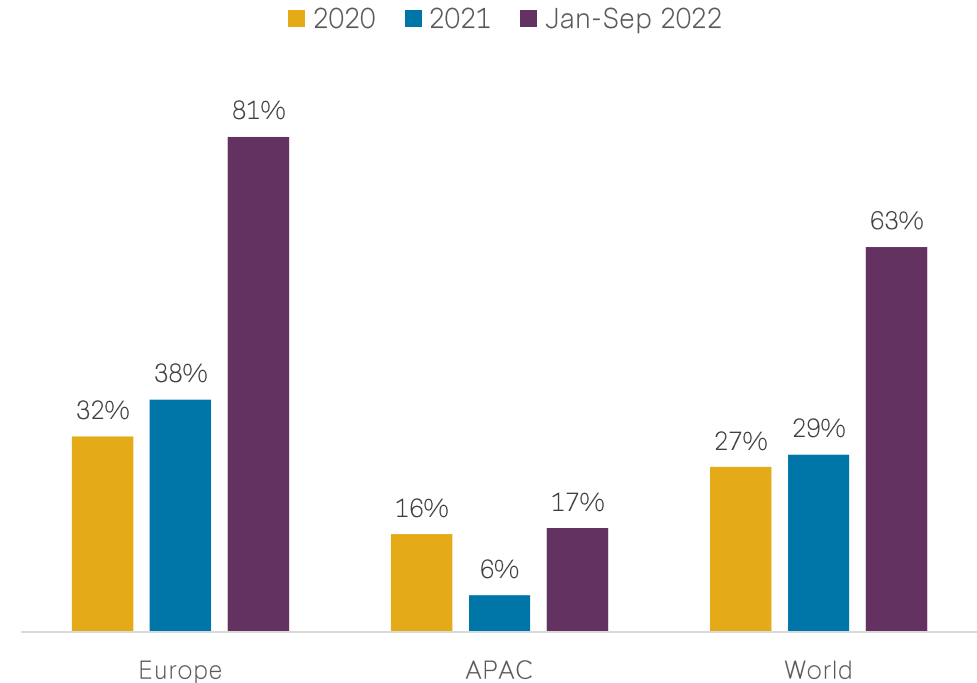
# Market Updates & Outlook

# International tourism continues to bounce back from pandemic

International Tourist Arrivals (mil)



International Tourist Arrivals, % of 2019 level



- International arrivals showed strong signs of rebound to pre-pandemic levels in Jan - Sep 2022
- Europe continues to lead the rebound in Jan - Sep 2022 with arrivals which more than doubled year-on-year (YoY), boosted by intra-regional demand and travel from the United States, reaching 81% of pre-pandemic level
- APAC region's arrivals more than tripled YoY in Jan - Sep 2022 with the reopening of many destinations as China, a key source market for the region remains closed till early Jan 2023

# 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 their departure from 5 Jan 2023 for travellers from China, HK and Macao



UK

- Requires negative pre-departure COVID-19 test results from 5 Jan 2023 for travellers from China
- Sample testing of passengers arriving from China from 8 Jan 2023



Japan

- Requires negative COVID-19 test results taken within 72 hours of departure from 8 Jan 2023 for travellers on direct flights from China
- Limitation on additional flights from China



Malaysia

- Screening of all inbound travellers for fever and symptoms including from China
- Sabah requires vaccination proof and additional COVID-19 test results from 8 Jan 2023 for travellers from China taken within 48 hours of their departure



Germany

- No change in border restrictions for now
- Sought coordination to monitor for variants across European airports

# 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

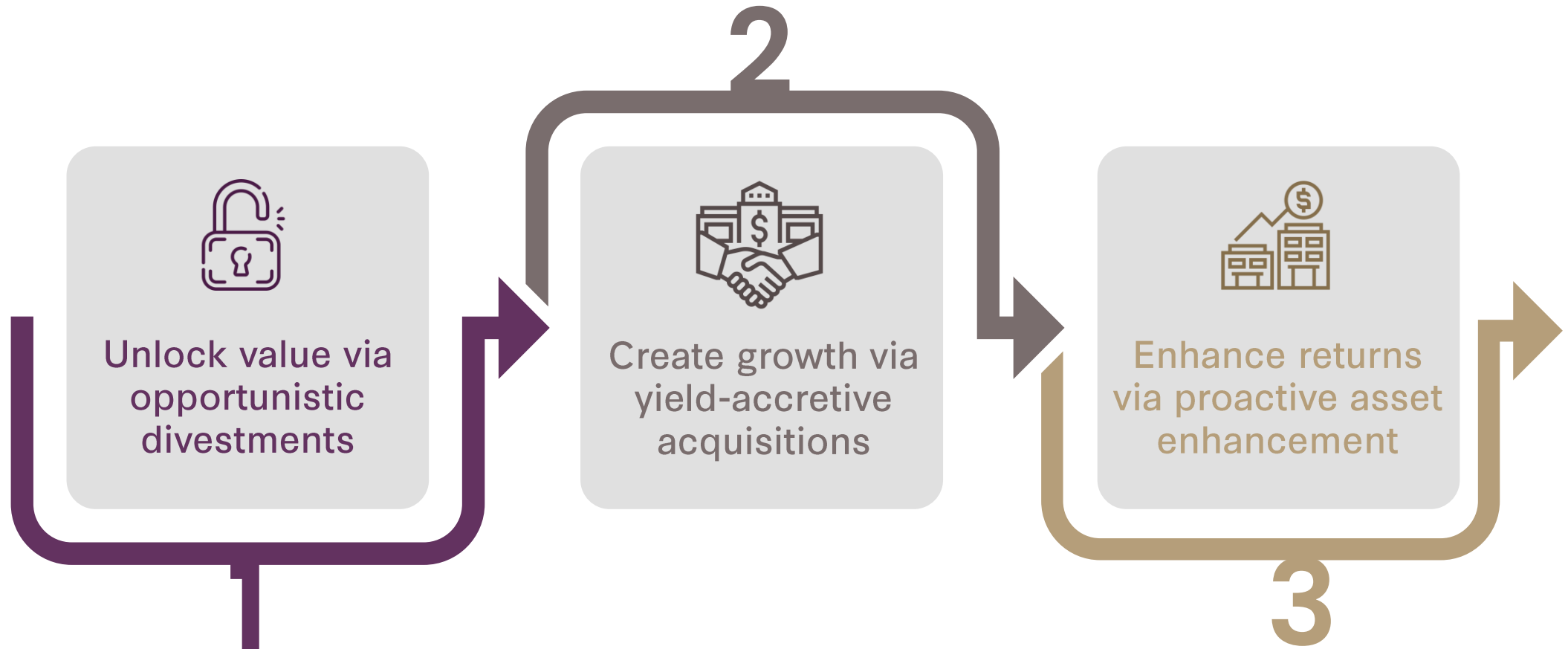
- > Rising energy and food prices continue to drive the global inflation surge
- > Utility expenses may continue to rise as the Europe region enters cold winter months
- > FHT proactively rolls out sustainable initiatives to reduce electricity consumption at properties



## 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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	Upper Upscale	98	£9.6 m (£0.1 m/key)
	Fraser Suites Queens Gate	UK	Beautiful Victorian apartment hotel in Kensington	75 years <sup>1</sup>	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 <sup>1</sup>	Upper Upscale	108	£37.8 m (£0.4 m/key)

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