



CDL HOSPITALITY TRUSTS

# Annual General Meetings 2023

21 April 2023



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# About CDL Hospitality Trusts



CDL HOSPITALITY TRUSTS

CDL Hospitality Trusts (“**CDLHT**”) is one of Asia’s leading hospitality trusts with assets under management of about S\$3.1 billion as at 31 March 2023. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“**H-REIT**”), a real estate investment trust, and CDL Hospitality Business Trust (“**HBT**”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

CDLHT’s principal investment strategy is to invest in a diversified portfolio of real estate which is or will be primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes globally. As at 31 March 2023, CDLHT’s portfolio comprises 19 operational properties (including a total of 4,820 rooms and a retail mall) and one Build-to-Rent project in the pipeline with 352 apartment units. The properties under the portfolio include:

- i. six hotels in the gateway city of Singapore comprising Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Studio M Hotel and W Singapore – Sentosa Cove (the “**W Hotel**” and collectively, the “**Singapore Hotels**”) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- ii. one hotel in New Zealand’s gateway city of Auckland, namely Grand Millennium Auckland (the “**New Zealand Hotel**”);
- iii. two hotels in Perth, Australia comprising Mercure Perth and Ibis Perth (collectively, the “**Perth Hotels**”);
- iv. two hotels in Japan’s gateway city of Tokyo comprising Hotel MyStays Asakusabashi and Hotel MyStays Kamata (collectively, the “**Japan Hotels**”);
- v. two resorts in Maldives comprising Angsana Velavaru and Raffles Maldives Meradhoo (collectively, the “**Maldives Resorts**”);
- vi. three hotels in the United Kingdom comprising Hilton Cambridge City Centre in Cambridge, The Lowry Hotel and Hotel Brooklyn in Manchester (collectively, the “**UK Hotels**”) and one residential Build-to-Rent project in Manchester currently under development through a forward funding scheme (the “**UK BTR**”);
- vii. one hotel in Germany’s gateway city of Munich, namely Pullman Hotel Munich (the “**Germany Hotel**”); and
- viii. one hotel in the historic city centre of Florence, Italy, namely Hotel Cerretani Firenze - MGallery (the “**Italy Hotel**” or “**Hotel Cerretani Firenze**”).

# References Used in this Presentation

**1Q, 2Q, 3Q, 4Q** refers to the period 1 January to 31 March, 1 April to 30 June, 1 July to 30 September and 1 October to 31 December respectively

**1H** and **2H** refers to the period 1 January to 30 June and 1 July to 31 December respectively

**ADR** refers to average daily rate

**AUD** refers to Australian dollar

**CCS** refers to cross currency swap

**DPS** refers to distribution per Stapled Security

**EUR** refers to Euro

**FY** refers to financial year for the period from 1 January to 31 December

**GBP** refers to British pound

**JPY** refers to Japanese yen

**NPI** refers to net property income

**NZD** refers to New Zealand dollar

**pp** refers to percentage points

**QoQ** refers to quarter-on-quarter

**RCF** refers to revolving credit facility

**RevPAR** refers to revenue per available room

**SGD** refers to Singapore dollar

**TMK** refers to Tokutei Mokuteki Kaisha

**USD** refers to US dollar

**YoY** refers to year-on-year

**YTD** refers to year-to-date

All values are expressed in Singapore dollar unless otherwise stated

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# Overview



# Leading Hospitality Trusts with Strong Sponsor



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## City Developments Limited



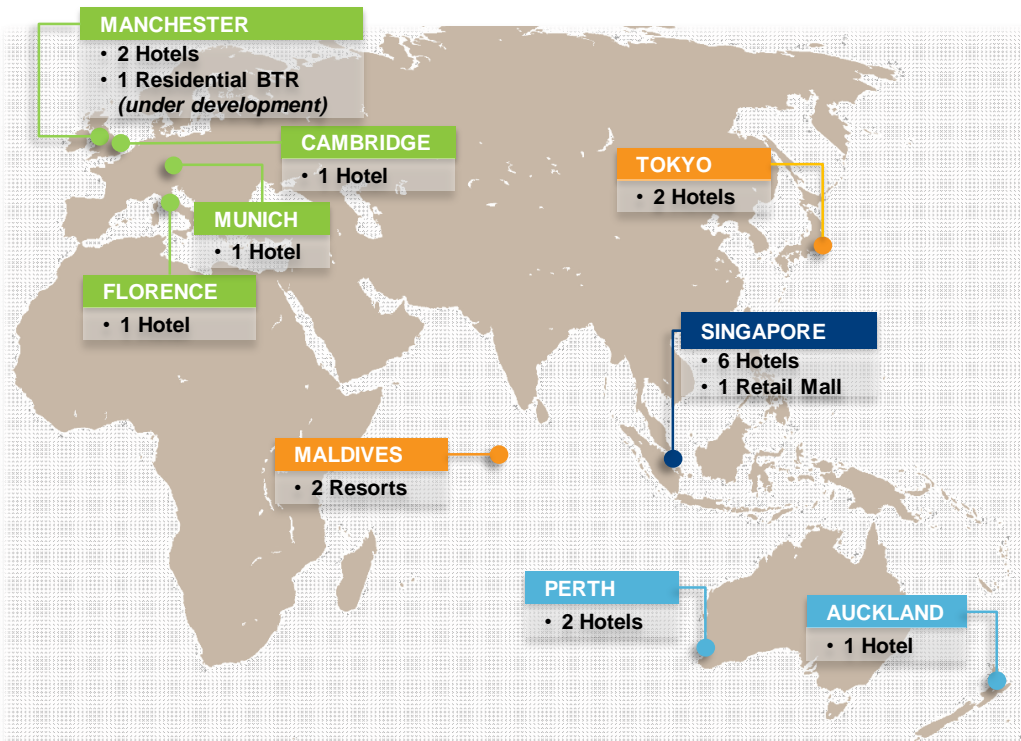
- Leading global real estate company with a network spanning 143 locations in 28 countries and regions
- Proven track record of 60 years in real estate development, investment and management
- Portfolio consists of residences, offices, hotels, serviced apartments, student accommodation, retail malls and integrated developments

## Millennium & Copthorne Hotels Limited



- Wholly-owned subsidiary of the CDL Group
- ~27.4% ownership in CDLHT as at 31 Mar 2023
- One of the largest hotel owners and operators in the world and Singapore's largest international hotel group
- Owns as well as operates, manages or franchises a portfolio of over 130 hotels worldwide, many in key gateway cities

# High Quality Portfolio with Assets Across the World



IPO  
19 Jul 2006

31 Dec 2022



5



19



1,915



4,821 <sup>(1)</sup>



S\$0.8B

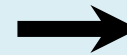


S\$2.8B

+233%



1



9

- In terms of pipeline, the forward purchase of a turnkey lifestyle hotel, Moxy Singapore Clarke Quay (under a development and sale agreement entered into in Nov 2019 with completion expected in 2025), will add 475 keys to the portfolio



# Key Highlights

## Stellar Performance Driven by Recovery in Global Travel

- Continued recovery in global travel following the easing of travel restrictions, with positive momentum in rate growth across virtually all the portfolio markets
- FY 2022 DPS grew 31.9% YoY to 5.63 cents. On a same store basis, adjusted DPS growth was 72.7% YoY <sup>(1)</sup>

## Acquisition of Hotel Brooklyn

- Acquired Hotel Brooklyn, a 189-key, 4-star upscale lifestyle hotel in Manchester, UK on 22 Feb 2022 for £22.8 million
- Inflation-adjusted fixed lease provides stable income to increase portfolio resilience and fixed rental base
- Attractive property yield of 7.4% at entry, which has increased to 7.8% from 7 May 2022 (annual inflation adjustment)

## Build-to-Rent Project in Manchester, UK (under development)

- As of Apr 2023, construction of the superstructure has been completed to 21 of the 24 levels above ground
- Estimated practical completion date: By 3Q 2024

## Optimising Portfolio for the Future

- Studio M Hotel – Refurbishment for all 360 rooms fully completed in May 2022
- Grand Copthorne Waterfront Hotel – Renovation for 549 rooms in phases which is expected to continue through Jun 2023; meeting facilities to undergo extensive rejuvenation from Apr to Jul 2023

(1) For same store comparison, FY 2021 DPS was adjusted to exclude the capital distribution of S\$12.5 million from sales proceeds of past divestments.

# Portfolio Update



# Recovery in Global Travel Accelerated in 2022



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RevPAR	FY 2022	FY 2021	Better / (Worse)
Singapore (S\$)	166	82	104.1% ▲
New Zealand (NZ\$)	128	175	(26.8)% ▼
Australia (A\$)	87	49	75.6% ▲
Japan (¥)	4,393	2,729	61.0% ▲
Maldives (US\$)	322	256	25.9% ▲
United Kingdom (£) <sup>(1)</sup>	123	72	70.2% ▲
Germany (€)	86	28	207.3% ▲
Italy (€)	152	35	339.3% ▲

- Recovery in global travel accelerated in 2022 following the easing of pandemic-related travel restrictions, which led to the release of strong pent-up demand, particularly from the leisure segment
- On the back of positive momentum in rate growth, RevPAR for all portfolio hotels (except Grand Millennium Auckland) recorded a YoY increase in FY 2022
- By 4Q 2022, majority of CDLHT's hotels have achieved RevPAR levels exceeding that of 4Q 2019 pre-pandemic levels

(1) Excludes Hotel Brooklyn which is under a fixed-rent occupational lease.

# NPI Improvement Across Most Geographical Markets



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	FY 2022 S\$ '000	FY 2021 S\$ '000	Change S\$ '000	Better / (Worse)
Singapore	76,668	39,105	37,563	96.1% ▲
New Zealand	10,483	21,640	(11,157)	(51.6)% ▼
Australia <sup>(1)</sup>	2,990	1,869	1,121	60.0% ▲
Japan	1,154	386	768	199.0% ▲
Maldives	8,280	8,084	196	2.4% ▲
United Kingdom <sup>(2)</sup>	13,546	7,733	5,813	75.2% ▲
Germany	7,395	5,786	1,609	27.8% ▲
Italy	3,203	1,507	1,696	112.5% ▲
<b>Total</b>	<b>123,719</b>	<b>86,110</b>	<b>37,609</b>	<b>43.7% ▲</b>

- Strong NPI improvement led by the Singapore portfolio and UK Hotels, which increased collectively by S\$43.4 million YoY (including a S\$3.5 million inorganic contribution from Hotel Brooklyn) for FY 2022

(1) The fixed-rent leases for the Perth Hotels expired on 30 Apr 2021.

(2) Includes inorganic contribution from Hotel Brooklyn which was acquired on 22 Feb 2022.

# Strong Organic Growth in DPS

FY 2022 <sup>(1)</sup>

Net Property Income

**+43.7%**

YoY to S\$123.7M

Total Distribution

**+32.6%**

YoY to S\$69.7M

DPS

**+31.9%**

YoY to 5.63 cents

Adjusted Total  
Distribution Growth <sup>(2)</sup>

**+74.0%**

On same store basis

Adjusted DPS  
Growth <sup>(2)</sup>

**+72.7%**

On same store basis



- FY 2022 total distribution and DPS increased by 32.6% and 31.9% YoY respectively
- On a same store basis, excluding the capital distribution of S\$12.5 million in FY 2021 from sale proceeds of past divestments, the adjusted DPS growth was 72.7% for FY 2022

(1) Total distribution and DPS are shown after retention for working capital.

(2) For same store comparison, FY 2021 total distribution and DPS were adjusted to exclude the capital distribution of S\$12.5 million from sales proceeds of past divestments.

# Update on Singapore Portfolio



*Signature Suite, Orchard Hotel*

**6 Hotels & 1 Retail Mall**

**66.3% of Portfolio Valuation**

**62.0% of FY 2022 NPI**

	FY 2022	FY 2021	Better / (Worse)
<b>Singapore Hotels</b>			
Occupancy <sup>(1)</sup>	76.1%	72.8%	3.3pp
ADR (S\$)	219	112	95.3%
RevPAR (S\$) <sup>(1)</sup>	166	82	104.1%
<b>Singapore Portfolio</b>			
NPI (S\$ '000)	76,668	39,105	96.1%

## Market Update & Outlook

- Robust demand was evident in 2H 2022 with a strong return of citywide events and conventions from Sep 2022
- Supported by solid growth in ADR, all six Singapore Hotels surpassed 4Q 2019 RevPAR levels in 4Q 2022, which demonstrated firm recovery in CDLHT's core market
- Ongoing recovery expected to be supported by a healthy pipeline of MICE events, new tourism offerings, increased flight capacity and the reopening of China's borders
- Committed occupancy of Claymore Connect as at 31 Dec 2022: 95.7%

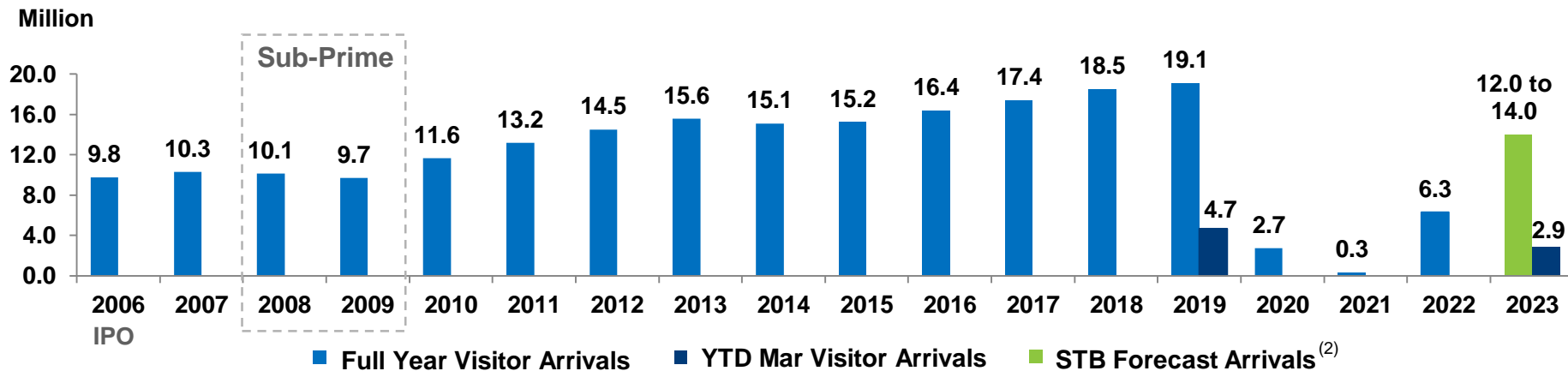
(1) There were 146 rooms taken out of the inventory for Studio M Hotel due to the inability to access the rooms for works to be conducted since May 2020. This increased from 146 rooms to 215 rooms from 7 Feb 2022, as the hotel re-commenced refurbishment works following its exit from the government contract business, with full inventory becoming available from 27 May 2022. A total of 7,666 room nights were taken out of inventory for Grand Copthorne Waterfront Hotel from 24 Oct 2022 to 31 Dec 2022 due to renovation works, which is expected to continue into 1H 2023. Excluding the out-of-order rooms, for FY 2022 and FY 2021 occupancy would be 78.3% and 77.2% respectively while RevPAR would be S\$171 and S\$86 respectively.

# Singapore's Tourism Statistics



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## International Visitor Arrivals to Singapore <sup>(1)</sup>



	Mar 2023	Mar 2019	Variance	YTD Mar 2023	YTD Mar 2019	Variance
<b>Average Length of Stay (days)</b>	3.8	3.1	+0.7 days	4.0	3.3	+0.7 days
	Mar 2023	Mar 2019	% of 2019	YTD Mar 2023	YTD Mar 2019	% of 2019
<b>Visitor Arrivals (million)</b>	1.0	1.6	65.3%	2.9	4.7	62.1%
<b>Visitor Days (million)</b>	3.9	4.9	79.0%	11.6	15.7	73.8%

(1) Singapore Tourism Analytics Network

(2) CNA, "Visitor arrivals in Singapore creep back to pre-pandemic levels as tourism sector rebounds", 17 Jan 2023

# Singapore's Tourism Growth Drivers



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## Infrastructure



### Changi Airport <sup>(1)</sup> <sup>(2)</sup>

- **Most awarded airport in the world:** Total of 655 awards since its inception
- **Terminal 2 (Expansion):** Increase capacity by 5 million to 28 million passenger movements per year when completed in 2024
- **Terminal 5 (New):** 50 million passengers per year, slated to be operational around the mid-2030s (T1 to T4 current capacity: >70 million)

## Tourism Development / Attractions



### New and upcoming offerings

- **Mandai Nature Precinct:** Rejuvenation of Mandai into an integrated nature and wildlife destination, with upcoming Bird Paradise (2Q 2023) and Rainforest Wild
- **Expansion of Resorts World Sentosa:** Multiple new attractions such as Minion Land (2024) and Super Nintendo World in Universal Studios Singapore and expansion of SEA Aquarium by three times (2024)
- **Sentosa-Brani Masterplan:** Redevelopment of the two islands into a choice tourist destination over the next two to three decades
- **Jurong Lake District:** 7-ha site set aside for an integrated tourism development that will include attractions, eateries and retail shops

## MICE / Events



**Marina Bay Sands:** New hotel, entertainment, events and retail offerings, including a state-of-the-art 15,000-seat arena for entertainment events and large conferences, scheduled to open by 2028

**STB:** Recovery will be supplemented by a \$110 million injection, which is part of \$500 million set aside to boost the industry, ramping up business and leisure events over 2023 and 2024 <sup>(3)</sup>

**Events:** Art SG (Jan 2023), South-east Asia's largest art fair as part of the Singapore Art Week and the Asian debut of Sail GP (Jan 2023). New events such as the Olympic Esports Week (June 2023) and Professional Triathletes Organisation Asian Open to take place in Singapore for the first time in 2023 <sup>(3)</sup>

Image Credits: Changi Airport Group, Nayan Bhalotia | Unsplash, Kelvin Zyteng | Unsplash

(1) Changi Airport Group, "Fact Sheet: Changi Airport Terminal 5 – A Resilient and Sustainable Airport", 21 Aug 2022

(2) Changi Airport Group, "Changi Airport Terminal 2 reopens progressively as passenger traffic increases", 22 May 2022

(3) STB, "Singapore's tourism sector recovers strongly in 2022, visitor numbers expected to double in 2023", 17 Jan 2023



# Update on Oceania Portfolio



**Auckland: 1 Hotel**  
**Perth: 2 Hotels**

**9.5% of Portfolio Valuation**

**10.9% of FY 2022 NPI**

New Zealand Hotel	FY 2022	FY 2021	Better / (Worse)
RevPAR (NZ\$)	128	175	(26.8)%
NPI (S\$ '000)	10,483	21,640	(51.6)%
Perth Hotels	FY 2022	FY 2021	Better / (Worse)
RevPAR (A\$)	87	49	75.6%
NPI (S\$ '000) <sup>(1)</sup>	2,990	1,869	60.0%

## Market Update & Outlook

- Recovery in New Zealand was hampered against a backdrop of labour constraints limiting maximum occupancy levels, increase in hotel supply and gradual international flight capacity restoration
- Visitor arrivals into New Zealand are expected to recover progressively in 2023, further boosted by major sports events towards the latter half of the year
- Positive results for the Perth Hotels due to strong shipping and mining activity in Western Australia (“WA”) as compared to 2H 2021, which still had strict travel restrictions into WA
- In 2023, Perth’s hotel demand is expected to be supported by the strength in WA’s resources sector, coupled with the government’s initiatives to attract more tourists, skilled workers and international students

(1) With effect from 1 May 2021, CDLHT entered into hotel management agreements with AccorHotels to manage the Perth Hotels and there are no longer third party leases for these hotels.

# Update on Japan Portfolio



*Twin Room, MyStays Kamata*

**Tokyo: 2 Hotels**

**2.4% of Portfolio Valuation**

**0.9% of FY 2022 NPI**

Japan Hotels	FY 2022	FY 2021	Better / (Worse)
RevPAR (¥)	4,393	2,729	61.0%
NPI (S\$ '000)	1,154	386	199.0%

## Market Update & Outlook

- Limitations on foreign arrivals to Japan remained largely in place for most of 2022 with the full reopening of borders only in Oct 2022
- Recovery gained momentum thereafter and the Japan Hotels achieved a RevPAR growth of 61.0% YoY to ¥4,393 for FY 2022
- Japan lifted on-arrival COVID-19 tests for travellers arriving from China from 5 Apr 2023 <sup>(1)</sup>
- Continued recovery of inbound visitors and return of visitors from China, which accounted for approximately 30% of total visitor arrivals pre-pandemic, are expected to drive hotel demand going forward

(1) CNA, "Japan to scrap COVID-19 tests on arrival for China travelers", 3 Apr 2023

# Update on Maldives Portfolio



**2 Resorts**

**5.2% of Portfolio Valuation**

**6.7% of FY 2022 NPI**

Maldives Resorts	FY 2022	FY 2021	Better / (Worse)
RevPAR (US\$)	322	256	25.9%
NPI (\$\$ '000)	8,280	8,084	2.4%

## Market Update & Outlook

- Towards the end of 2022, the reopening of alternative island destinations and the strengthening of the US dollar resulted in a dilution of demand for resorts in the Maldives
- Despite these challenges, the Maldives Resorts achieved a RevPAR increase of 25.9% YoY to US\$322 for FY 2022
- The Maldives has set a target of attracting two million tourists in 2023 (2019: 1.7 million visitor arrivals) <sup>(1)</sup>
- The return of Chinese travellers, which is the largest pre-pandemic source market, should mitigate the impact of the new supply of resorts as well as the diversion of demand into other resort destinations which have now fully re-opened
- On 14 Dec 2022, CDLHT entered into a new 10-year lease agreement for Angsana Velavaru with the previous lessee (a subsidiary of Banyan Tree Holdings Limited), on similar terms to the previous lease. The new lease commenced on 1 Feb 2023

(1) Avas Online, "2023: Maldives sets target for 2 mln tourists", 29 Sep 2022

# Update on United Kingdom Portfolio



Presidential Suite, The Lowry Hotel

**Cambridge: 1 Hotel**  
**Manchester: 2 Hotels &**  
**1 Build-to-Rent project (under development)**

**9.2% of Portfolio Valuation**

**10.9% of FY 2022 NPI**

UK Hotels	FY 2022	FY 2021	Better / (Worse)
RevPAR (£)	123	72	70.2%
NPI (S\$ '000)	13,546	7,733	75.2%

## Market Update & Outlook

- Despite a slow start to the year due to the outbreak of the 'Omicron' variant, consumer confidence quickly improved after all remaining domestic restrictions were lifted towards end-Feb 2022
- Hilton Cambridge and The Lowry Hotel recorded RevPAR growth of 70.2% YoY to £123 in FY 2022
- Including the contribution from Hotel Brooklyn (acquired on 22 Feb 2022), the UK portfolio registered NPI growth of 75.2% YoY to S\$13.5 million
- Inbound visitation for 2023 is forecasted at 35.1 million, representing 86% of the 2019 level and 18% higher than in 2022 <sup>(1)</sup>

(1) VisitBritain, "2023 tourism forecast", 13 Dec 2022

# Update on EU Portfolio



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Executive Room, Pullman Hotel Munich

**Munich: 1 Hotel**  
**Florence: 1 Hotel**

**7.3% of Portfolio Valuation <sup>(1)</sup>**

**8.6% of FY 2022 NPI**

Germany Hotel	FY 2022	FY 2021	Better / (Worse)
RevPAR (€)	86	28	207.3%
NPI (S\$ '000)	7,395	5,786	27.8%
Italy Hotel	FY 2022	FY 2021	Better / (Worse)
RevPAR (€)	152	35	339.3%
NPI (S\$ '000)	3,203	1,507	112.5%

## Market Update & Outlook

- **Pullman Hotel Munich:** Growth supported by the return of project-based corporate travel and a strong events calendar. The hotel achieved the highest annual ADR of €157 since acquisition in 2017
- **Hotel Cerretani Firenze:** Registered its highest annual ADR of €229 since acquisition in 2018. Strong performance achieved despite a 3-week disruption due to air-conditioning repair works from late Jul 2022
- The Germany and Italy Hotels recognised variable rent of S\$1.9 million (€1.3 million) and S\$1.5 million (€1.1 million) respectively in FY 2022
- Recovery in Munich and Florence expected to continue into 2023, with Florence benefitting from an extremely strong resurgence in leisure demand

(1) On the basis of a 100% interest before adjustment of non-controlling interests.

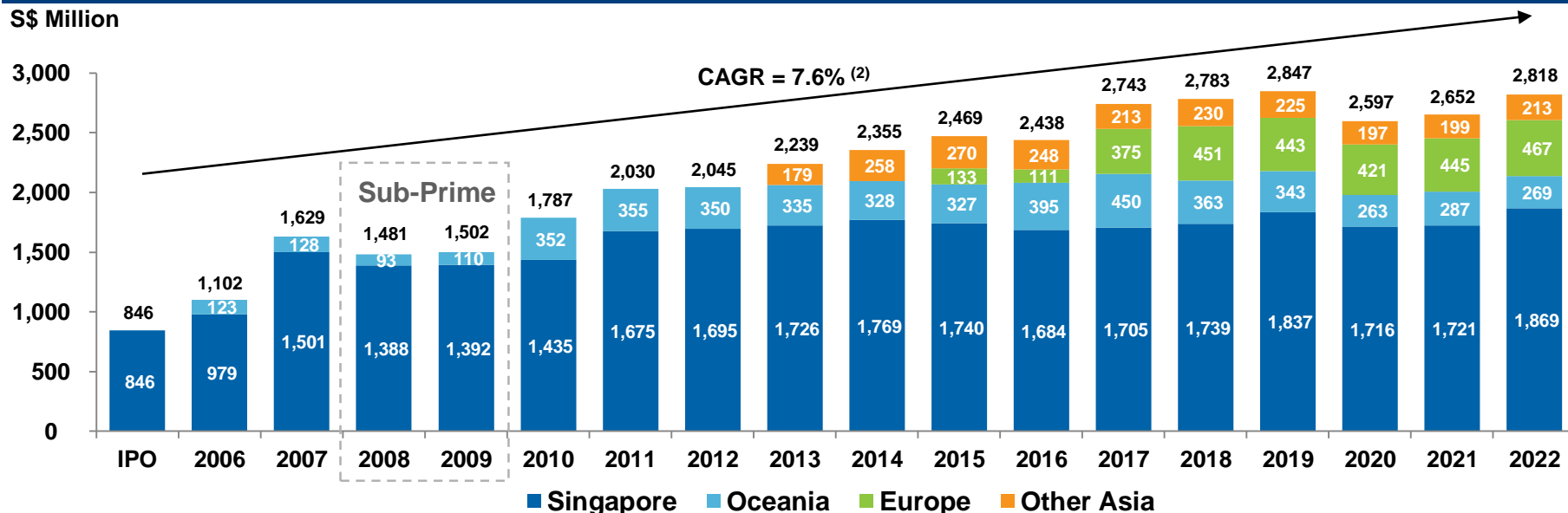
# Portfolio Valuation as at 31 Dec 2022



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- Portfolio valuation increased by 6.3% or S\$166.3 million YoY mainly due to the growth in valuation of the Singapore portfolio the inclusion of Hotel Brooklyn (acquired in Feb 2022) and construction progress of The Castings<sup>(1)</sup>
- On a same-store basis (excluding Hotel Brooklyn), the portfolio valuation would have increased by S\$127.6 million or 4.8% YoY

## 7.6% CAGR in Portfolio Valuation Since IPO



(1) Property under development (UK BTR) via a forward fund scheme. The independent valuation as at 31 Dec 2022 was derived by applying the percentage of the spend-to-date (from 31 Aug 2021 to 31 Dec 2022) over the total contractual commitment to the assessed market value.

(2) CAGR from IPO to 31 Dec 2022.

# Geographically Diversified Portfolio

## Breakdown of Portfolio Valuation as at 31 Dec 2022

### Singapore 66.3%

Orchard Hotel	17.0%
Grand Copthorne Waterfront Hotel	13.4%
W Hotel	12.0%
M Hotel	9.2%
Studio M Hotel	6.7%
Copthorne King's Hotel	4.6%
Claymore Connect	3.5%

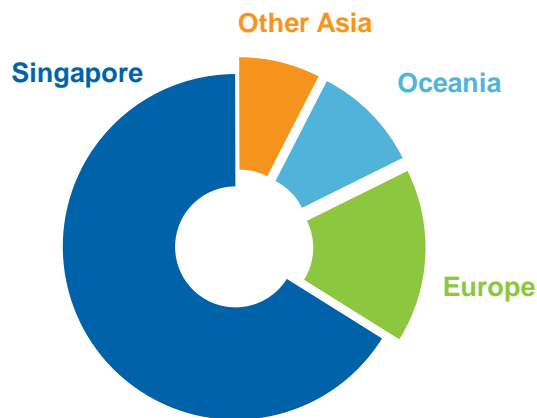
### Europe 16.6%

#### United Kingdom 9.2%

Hilton Cambridge City Centre	3.2%
The Lowry Hotel (Manchester)	2.6%
The Castings (Manchester)	2.1% <sup>(1)</sup>
Hotel Brooklyn (Manchester)	1.4%

#### Germany – Pullman Hotel Munich 5.3% <sup>(2)</sup>

#### Italy – Hotel Cerretani Firenze 2.0% <sup>(2)</sup>



**Portfolio Valuation**  
**S\$2.8 billion**

### Oceania 9.5%

<b>New Zealand</b> – Grand Millennium Auckland	7.1%
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### Australia 2.5%

Mercure Perth	1.5%
Ibis Perth	1.0%

### Other Asia 7.6%

#### Maldives 5.2%

Angsana Velavaru	2.9%
Raffles Maldives Meradhoo	2.3%

#### Japan 2.4%

MyStays Asakusabashi (Tokyo)	1.4%
MyStays Kamata (Tokyo)	1.0%

(1) Property under development (UK BTR) via a forward fund scheme. The independent valuation as at 31 Dec 2022 was derived by applying the percentage of the spend-to-date (from 31 Aug 2021 to 31 Dec 2022) over the total contractual commitment to the assessed market value.

(2) On the basis of a 100% interest before adjustment of non-controlling interests.

# Management Strategy





# Long Term Management Strategy to Enhance Unitholders' Value



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1

## Acquisition Growth Strategy

- Pursue quality assets with growth potential
- Pursue asset class diversification within the lodging space and promote income stability
- Adopt a medium to long term perspective to ride through market cycles
- Partner with or tap on potential pipeline from M&C / CDL

3

## Capital Recycling Strategy

- Evaluate divestment opportunities periodically to recycle capital for better returns, rebalance portfolio and/or unlock underlying asset values
- Continually improve quality of portfolio

2

## Asset Management Strategy

- Work closely with master lessees, hotel/property managers and/or operators to implement active revenue and cost management
- Implement asset enhancement initiatives to optimise asset potential
- Operate and invest in alignment with relevant ESG standards

4

## Capital and Risk Management Strategy

- Maintain a healthy balance sheet
- Enhance financial flexibility by maintaining diversified sources of funding
- Manage exposure arising from interest rates and foreign exchange through appropriate hedging strategies



**Growing unitholders' value via acquisition, organic growth and capital recycling while maintaining a firm financial foundation**

# Management Strategy

## – Acquisition Growth Strategy



# CDLHT UK Build-to-Rent Project – The Castings (Under Development Through a Forward Funding Scheme)



Concept drawing – subject to change



Concept drawing – subject to change



Progress as at Mar 2023



Progress as at Mar 2023

## Manchester BTR Market Update <sup>(1)</sup>

- Manchester continues to face an acute rental supply shortage with the number of available rental properties at an all-time low, resulting in record letting speeds while rents continue to climb
- Overall residential rents in Manchester have continued to grow with Dec 2022 recording a growth of 20.4% YoY

## The Castings: Project Update

- Construction of the superstructure: Completed 21 of the 24 levels above ground
- Works on the building façade, interior and services are ongoing
- Estimated practical completion date: By 3Q 2024
- Funded £30.2 million out of the Maximum Commitment Sum of £73.3 million as of Dec 2022

(1) urbanbubble, Manchester Monitor Q4 2022

# Acquisition of Hotel Brooklyn, Manchester, UK



## Key Highlights of Acquisition

- Acquired Hotel Brooklyn on 22 Feb 2022 for £22.8 million
- A new 189-key, 4-star upscale hotel in Manchester, UK
- Allows CDLHT to further penetrate the lifestyle hotel market
- Full repairing and insuring occupational lease for 60 years, commencing on 7 May 2021 <sup>(1)</sup>
- Inflation-adjusted fixed lease provides stable income to increase CDLHT's resilience and fixed rental base
- Attractive property yield of 7.4% at entry, which has increased to 7.8% from 7 May 2022 (annual inflation adjustment)

(1) The occupational lease contains a break option exercisable by the occupational tenant on 15 Jan 2045, and then on every fifth anniversary from that date, by providing at least 6 months' prior notice to CDLHT.

# Management Strategy

## – Asset Management Strategy



# Asset Enhancement Plans – The Lowry Hotel



CDL HOSPITALITY TRUSTS

## Manchester, UK

### The Lowry Hotel:

- Completed the refurbishment of two floors in Aug 2021
- Remaining four floors completed in early-2022
- Enhancements have boosted the guest experience and strengthened the hotel's positioning as one of the premier hotels in Manchester



*Executive King Room, The Lowry Hotel*

# Asset Enhancement Plans – Studio M Hotel



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## Singapore

### Studio M Hotel:

- Refurbishment of all 360 rooms completed in May 2022
- Elevated the hotel's product offering and market positioning



*Premier Loft, Studio M Hotel*

# Asset Enhancement Plans – Grand Copthorne Waterfront Hotel



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## Singapore

### Grand Copthorne Waterfront Hotel :

- Full renovation of 549 rooms in phases which is expected to continue through Jun 2023
- All rooms to be upgraded with intelligent guest services and room management systems



Grand Deluxe Waterfront Room



# Asset Enhancement Plans – Grand Copthorne Waterfront Hotel (Con't)



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## Singapore

### Grand Copthorne Waterfront Hotel :

- Meeting facilities are undergoing extensive rejuvenation from Apr to Jul 2023
- These asset enhancement initiatives will strongly boost the prospects for the hotel as one of the pre-eminent conference hotels in Singapore



*Meeting Room (before)*



*Meeting Room (after), Concept drawing – subject to change*



## Green Initiatives

### 5 M&C Hotels:

- BCA Green Mark certified
- EV chargers installed
- Smart in-room control systems for energy efficiency at Copthorne King's Hotel

### Japan, Perth and Germany Hotels:

- All single use bathroom amenities replaced with recyclable pump amenities

### Renewable Energy

- **The Lowry Hotel** – Purchasing 100% renewable energy sources since 2018
- **Installation of Solar Panels** – In progress for the Maldives Resorts (by 2Q 2023)

### Portfolio LED Conversion Project:

- >80% of portfolio value completed
- Rest of the portfolio under progress

### Partnerships for Eco-tourism Certifications

- In progress for the Singapore portfolio

### Net Zero Target: By 2050



## Reporting

### Task Force on Climate-Related Financial Disclosures (TCFD):

- Adoption of TCFD Framework in climate risk reporting

### Scope 1 and Scope 2 emissions:

- Disclosure of emission by property in FY2022 Sustainability Report
- Commence setting Science Based Targets (SBTi) by 2024

# Management Strategy

## – Capital & Risk Management Strategy

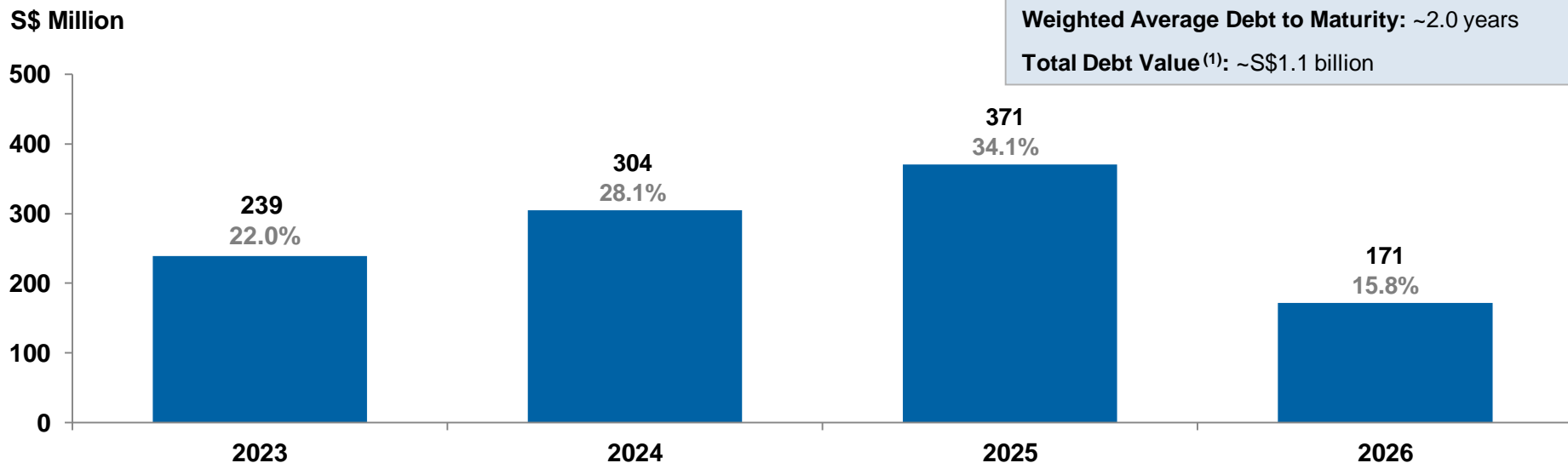


# Debt Maturity Profile as at 31 Dec 2022



- Successfully refinanced S\$509 million of loans and bank facilities in FY 2022
- Commenced discussion to refinance the upcoming S\$120 million fixed rate term loan expiring in Jun 2023

## Debt Maturity Profile as at 31 Dec 2022 <sup>(1)</sup>



(1) Based on exchange rates of US\$1 = S\$1.3456, €1 = S\$1.4318, £1 = S\$1.6265 and S\$1 = ¥98.8142

# Healthy Financial Metrics



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As at 31 December 2022



(1) For purposes of gearing computation, the total assets exclude the effect of FRS 116/SFRS(I) Leases (adopted wef 1 Jan 2019).

(2) Computed by using trailing 12 months EBITDA divided by trailing 12 months interest expense and borrowing-related fees.

(3) Comprises S\$348.9 million of cash and undrawn committed revolving credit facilities and term loan and S\$362.5 million in uncommitted bridge loan facilities.

# Debt Profile as at 31 Dec 2022



## Interest Rate Profile <sup>(1)</sup>

	Fixed Rate Borrowings	Floating Rate Borrowings
<b>SGD</b>	46.8%	53.2%
<b>USD</b>	60.6%	39.4%
<b>GBP</b>	21.9%	78.1%
<b>JPY</b>	100.0%	0.0%
<b>EUR <sup>(2)</sup></b>	98.6%	1.4%
<b>Blended Total</b>	<b>55.9%</b>	<b>44.1%</b>

- To manage interest rate risks, CDLHT entered into three fixed-rate interest rate swaps in FY 2022 to hedge against the interest rate volatility arising from:
  - i. Progressive draw down of the UK Residential BTR development term loan facility (£60.2 million);
  - ii. Funding of the acquisition of Hotel Brooklyn (£24.1 million); and
  - iii. Re-financing of a €64.0M loan.
- Proceeds from previous divestments, amounting to £18.8 million, were utilised to partially pay down GBP borrowings
- In Feb 2023, CDLHT utilised its revolving credit facility to repay a one-year bridge loan that was used to acquire Hotel Brooklyn in Feb 2022. The borrowing is on a fixed-rate basis with interest locked in through an interest rate swap entered in Mar 2022

(1) Based on exchange rates of US\$1 = S\$1.3456, €1 = S\$1.4318, £1 = S\$1.6265 and S\$1 = ¥98.8142

(2) Includes term loans fixed via EUR/USD and EUR/SGD cross currency swaps, effective exposure is in EUR.

# Concluding Remarks



# Concluding Remarks



**Singapore Portfolio**  
(CDLHT's core assets  
~66% of portfolio valuation)

- Our core Singapore market has rebounded strongly with full tourism recovery expected in 2024

**Next phase of recovery  
in international tourism**

- Reopening of China's borders in early-Jan 2023 is expected to boost international tourism in 2H 2023 as flight capacities from China are gradually restored

**Near to medium term  
headwinds**

- Average funding costs are expected to be higher in 2023
- The global economy continues to show weakness
- While inflationary cost pressures and higher energy prices could compromise profitability levels in the near to medium term, some of these costs can be passed on, e.g. in the form of higher room rates, especially in strong markets or in periods of high demand

**Growth and value-  
creation focused**

- CDLHT will continue to invest in its own assets via asset enhancements and look for suitable acquisitions to support medium and long term growth aspirations. This will serve to enhance returns to unitholders





**Thank You**