

YTL HOSPITALITY REIT



First Quarter FY2021 Financial Results

26 November 2020

FINANCIAL

HIGHLIGHTS

- Income available for distribution of RM16.8 million, -49.5% q-o-q due to the COVID-19 pandemic and resultant rental variations (deferral) for properties in Malaysia and Japan and weaker performances from the properties in Australia

CAPITAL

MANAGEMENT

- Average interest rates for the quarter
 - Borrowings in Ringgit Malaysia : 4.6%
 - Borrowings in Australian Dollar (AUD) : 2.2%
 - Borrowings in Japanese Yen : 0.8%
- Debt headroom of ~RM577 million for acquisitions (based on 50% leverage limit instead of temporary 60% leverage limit permitted until Dec 2022 due to the COVID-19 pandemic)

PORTFOLIO

MANAGEMENT

- Properties in Malaysia and Japan under master leases
- Properties in Australia (1Q FY2021 vs 1Q FY2020)
 - Average Occupancy Rate: 53.1% vs 88.1%
 - ADR: AUD123 vs AUD248
 - RevPAR: AUD65 vs AUD218
- Properties in Australia (1Q FY2021 vs 4Q FY2020)
 - Average Occupancy Rate: 53.1% vs 46.0%
 - ADR: AUD123 vs AUD118
 - RevPAR: AUD65 vs AUD54
- Melbourne Marriott Renovation Capex (Planned): AUD3 million



1

Financial performance 1Q FY2021

FINANCIAL PERFORMANCE: 1Q FY2021

YTL HOSPITALITY REIT

1 July - 30 September	1Q FY2021	1Q FY2020	Change
Total Revenue	79.0	120.7	(34.5%)
- Hotel Revenue (Management Contracts)	35.2	78.5	(55.2%) ⁽¹⁾
- Lease Rental (Master Leases)	43.9 ⁽²⁾	42.2	+ 3.9%
Net Property Income (NPI)	53.0	62.7	(15.5%)
- Management Contracts	12.0	23.4	(49.0%) ⁽¹⁾
- Master Leases	41.0 ⁽²⁾	39.3	+ 4.4%
Income available for distribution	16.8	33.4	(49.5%)

Notes:

(1) Decreased mainly due to the impact of COVID-19 pandemic since February 2020 .

(2) MFRS16 Leases recognises the lease income on a straight line basis over the tenure of the lease notwithstanding the rental variations.

All figures in RM million unless indicated otherwise.

FINANCIAL PERFORMANCE: 1Q FY2021

YTL HOSPITALITY REIT

	1Q FY2021	4Q FY2020	Change
Total Revenue	79.0	69.8	+ 13.3%
- Hotel Revenue (Management Contracts)	35.2	27.3	+ 29.0% ⁽¹⁾
- Lease Rental (Master Leases)	43.9 ⁽²⁾	42.5	+ 3.2%
Net Property Income (NPI)	53.0	44.3	+ 19.7%
- Management Contracts	12.0	4.6	+ 159.2% ⁽¹⁾
- Master Leases	41.0 ⁽²⁾	39.7	+ 3.5%
Income available for distribution	16.8	27.0	(37.7%)

Notes:

(1) Participated in government isolation group business and subsidy from the JobKeeper programme.

(2) MFRS16 Leases recognises the lease income on a straight line basis over the tenure of the lease notwithstanding the rental variations.

All figures in RM million unless indicated otherwise.

STATEMENT OF FINANCIAL POSITION

YTL HOSPITALITY REIT

RM ('000)	As at 30 September 2020 (Unaudited)	As at 30 June 2020 (Audited)	Change
Investment properties	2,742,515	2,747,190	(0.2%)
Property, plant and equipment	1,744,399	1,750,176	(0.3%)
Cash & cash equivalents	113,111	145,908	(22.5%)
Other assets	70,071	50,262	+ 39.4% ⁽¹⁾
Total Assets	4,670,096	4,693,536	(0.5%)
Borrowings	2,036,996	2,036,559	+ 0.0%
Other liabilities	56,595	101,078	(44.0%) ⁽²⁾
Total Liabilities	2,093,591	2,137,637	(2.1%)
Net Asset Value (NAV)	2,576,505	2,555,899	+ 0.8%
Number of units in circulation ('000)	1,704,389	1,704,389	-
NAV per unit (RM)	1.512	1.500	+ 0.8%

Notes:

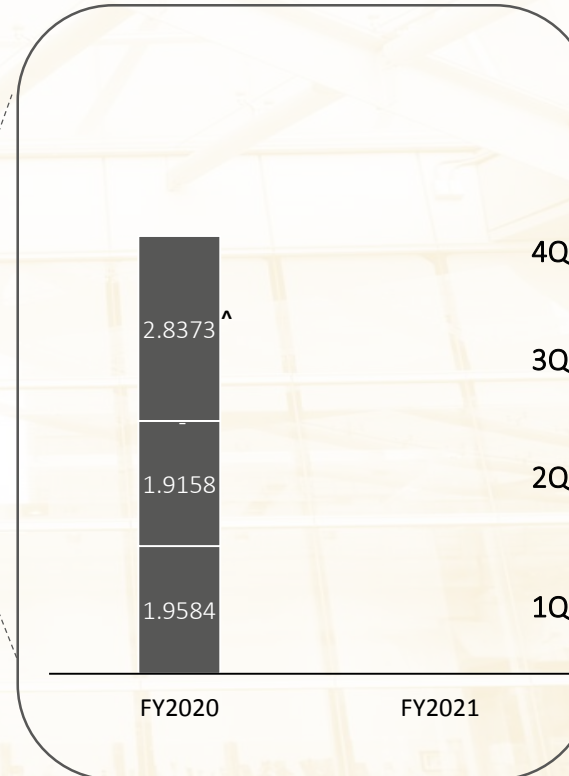
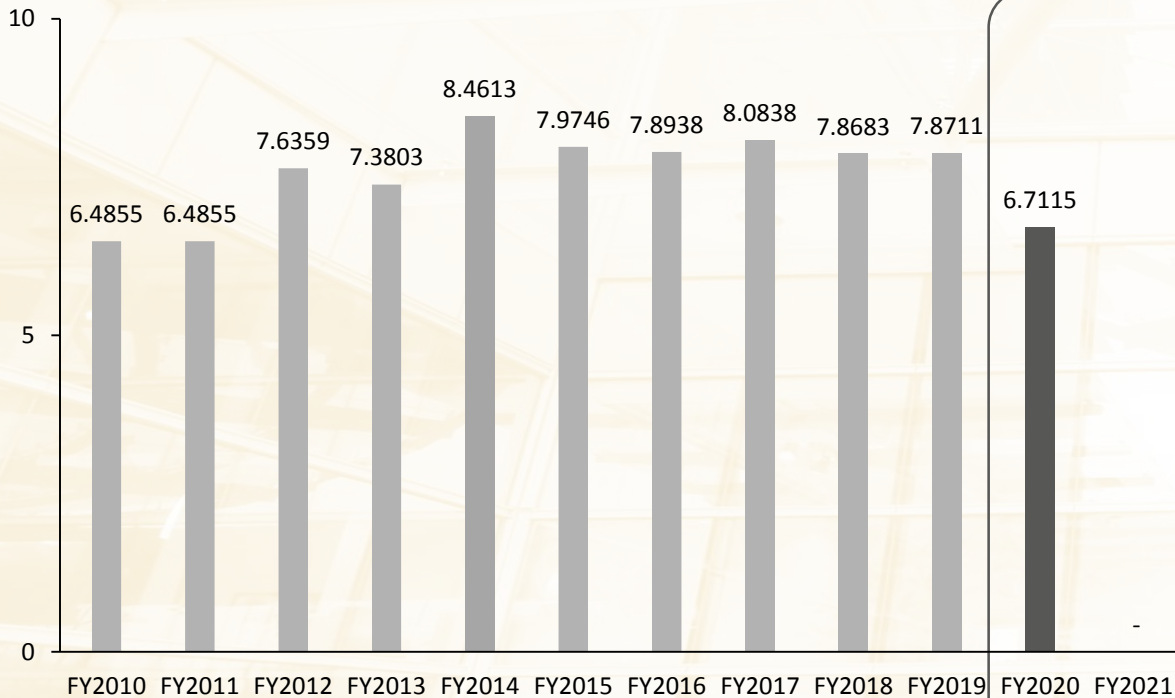
(1) Increased mainly due to recognition of accrued lease income consequent to rental variations under MFRS16 Leases.

(2) Decreased due to no income distribution declared for the current financial quarter.

Total DPU

Quarterly Breakdown

DPU (sen)



	Total Distributions*	
	FY2020	FY2021
Cumulative	114.4	-
4Q	48.4 [^]	
3Q		
2Q	32.7	
1Q	33.4	

* In RM million

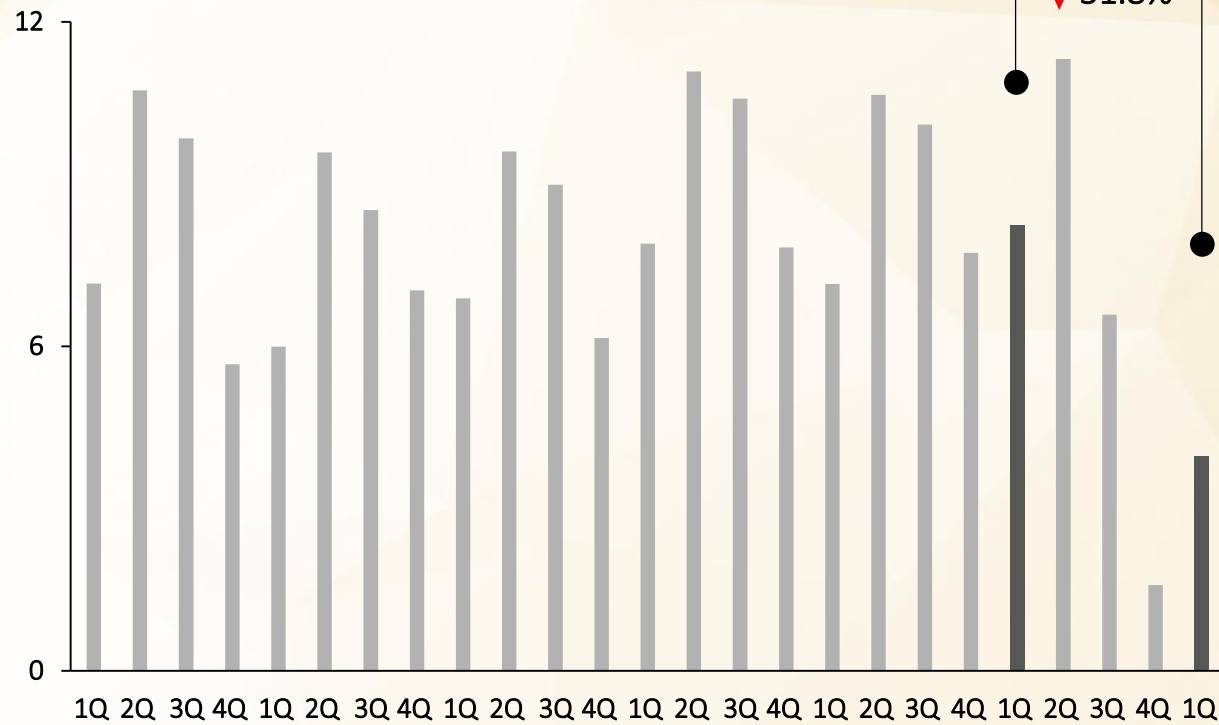
Notes:

1. Quarterly distributions commenced during the financial year ended 30 June 2014. Change of income distribution frequency from quarterly to semi-annually distributions effective the financial quarter ended 31 March 2020.
 2. DPUs subsequent to the issuance of 380,000,000 new placement units on 16 December 2016 are based on the enlarged number of units in issue.
- [^] Income distribution for 6 months period from 1 January 2020 to 30 June 2020.

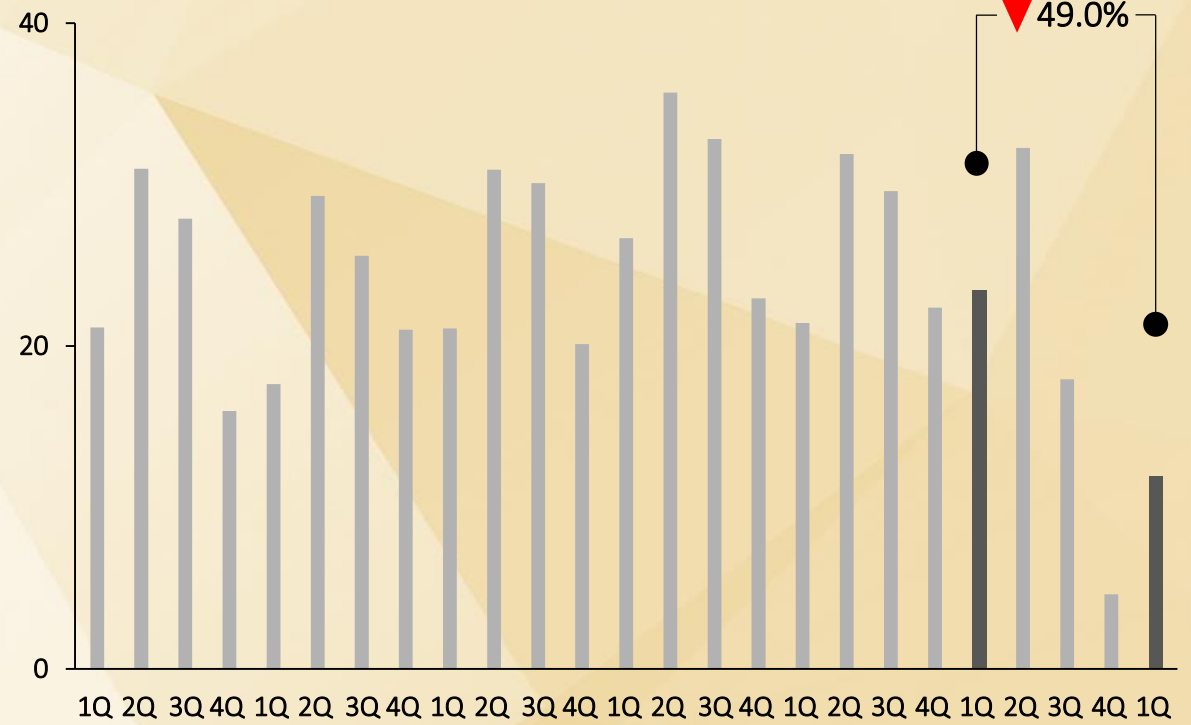
NPI FOR AUSTRALIA IN AUD AND RM

NPI in RM impacted by the foreign exchange effects of the stronger AUD relative to RM

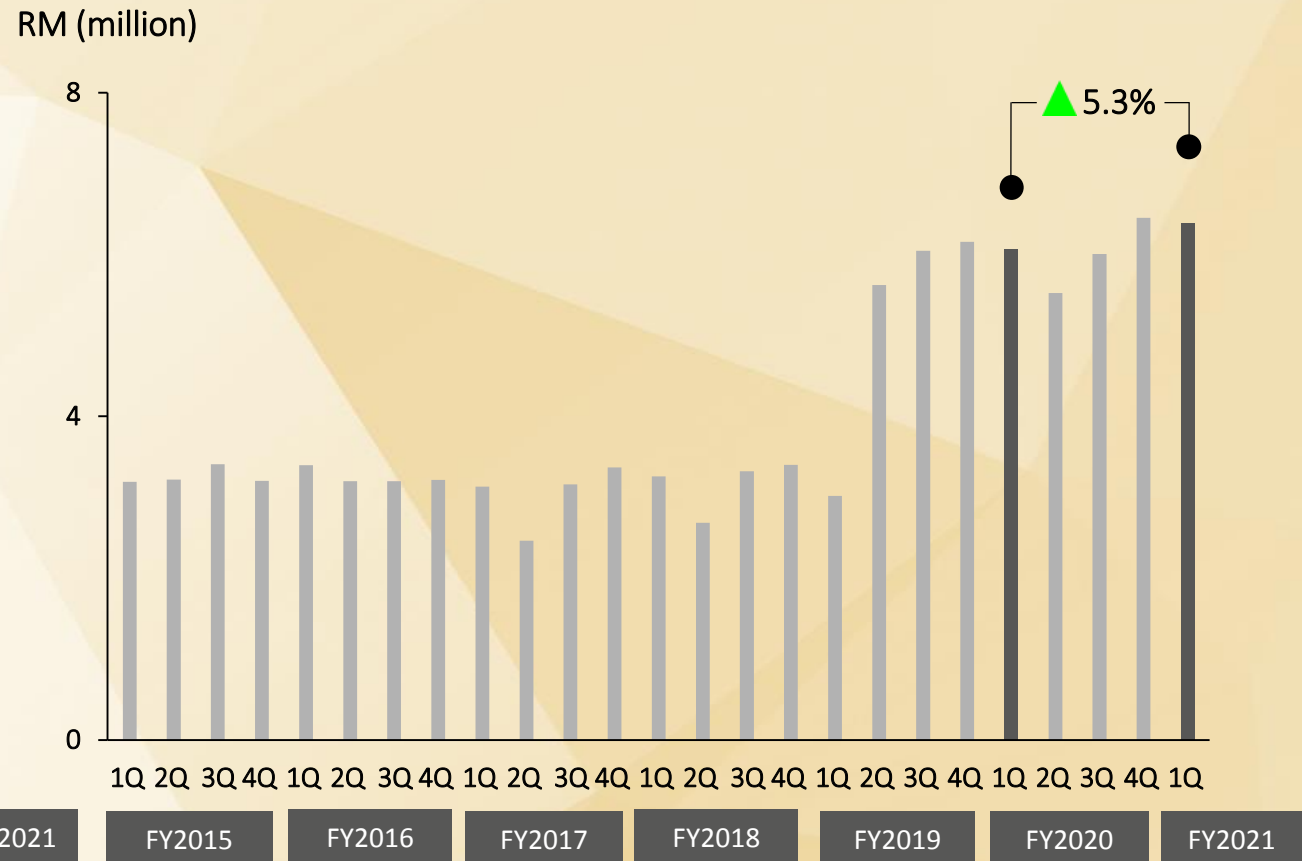
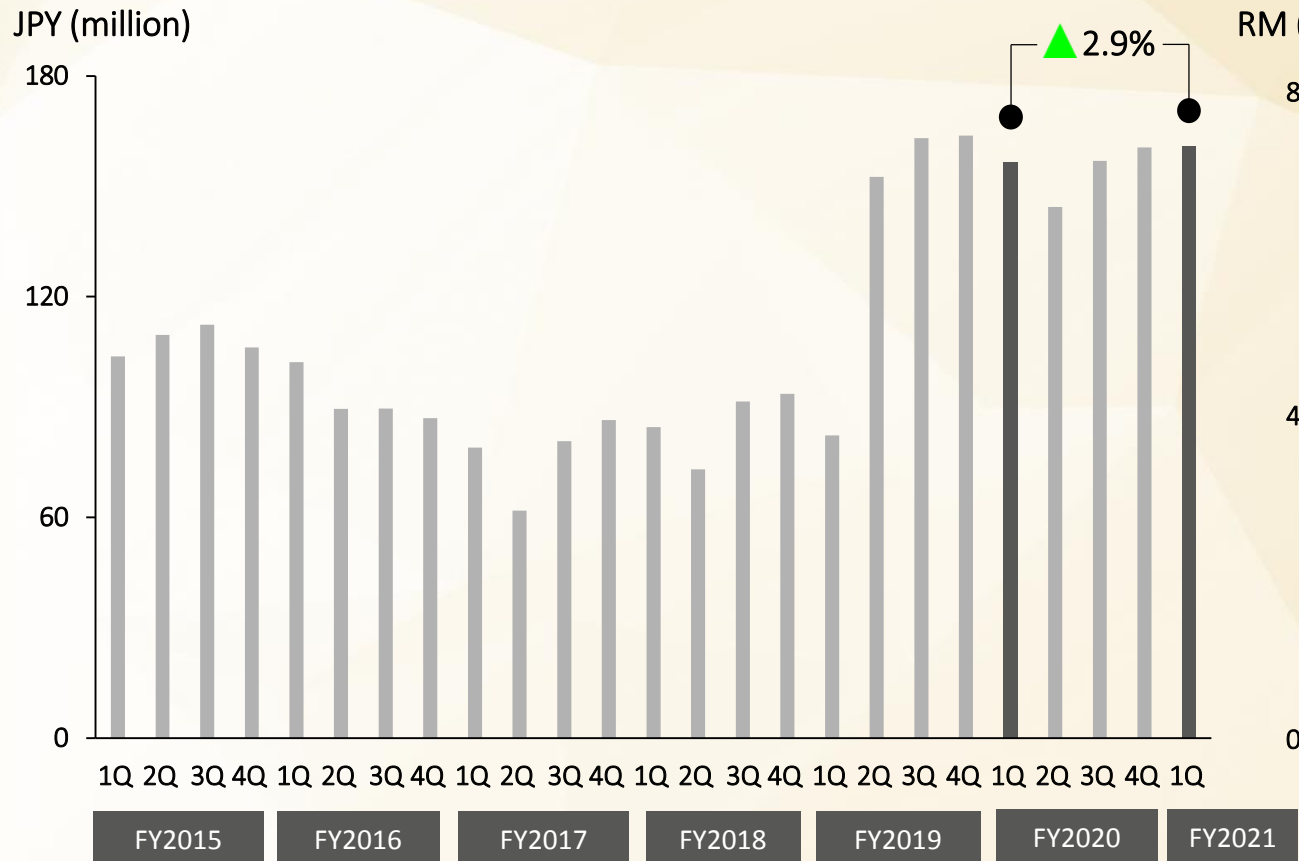
AUD (million)



RM (million)

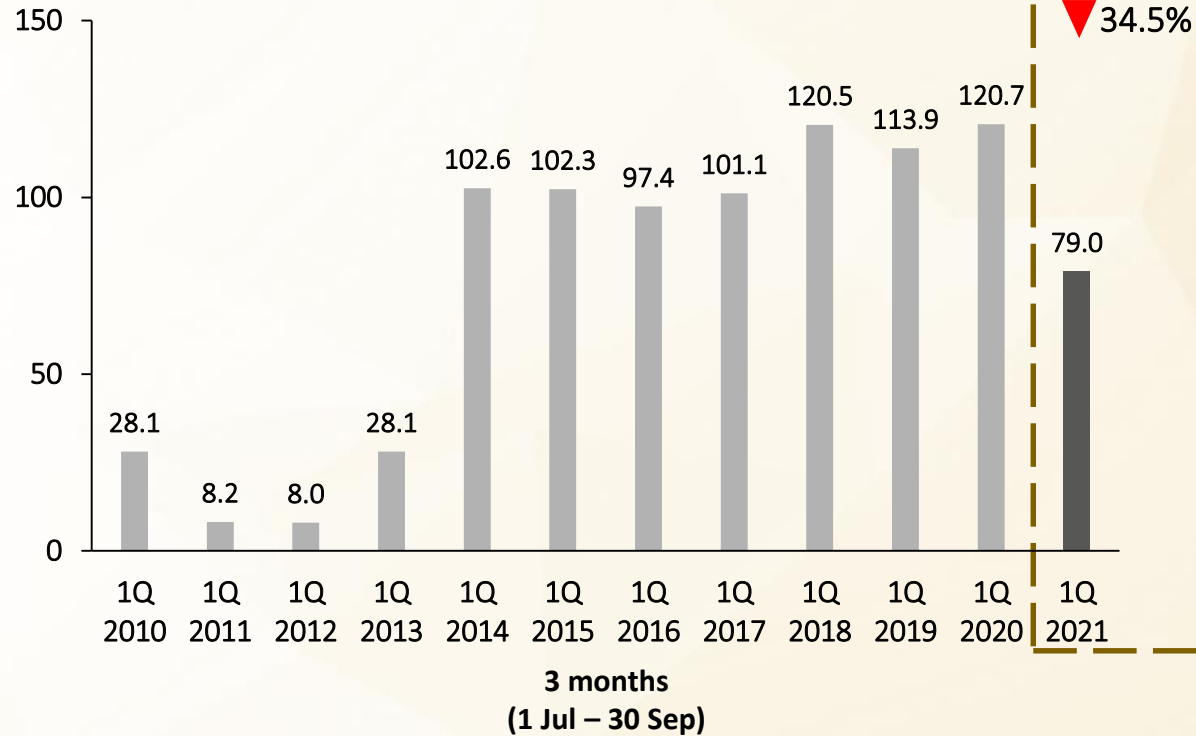


NPI in RM impacted by the foreign exchange effects of the stronger JPY relative to RM



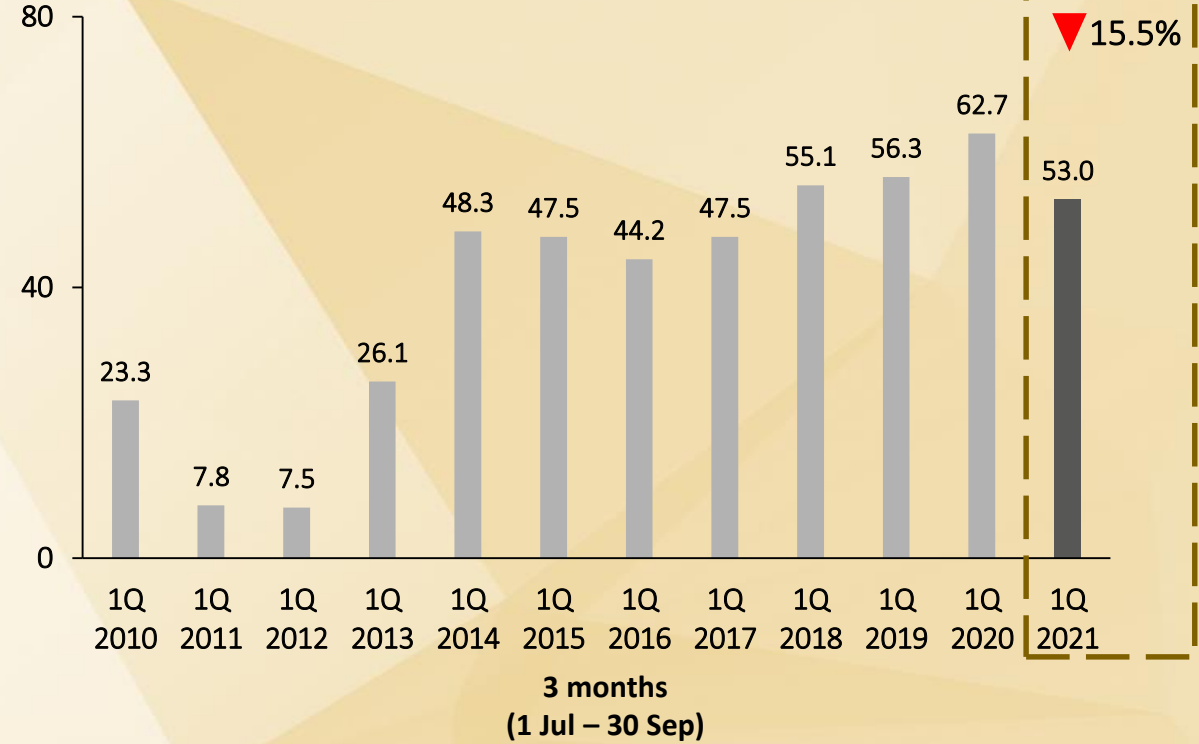
TOTAL revenue

RM (million)



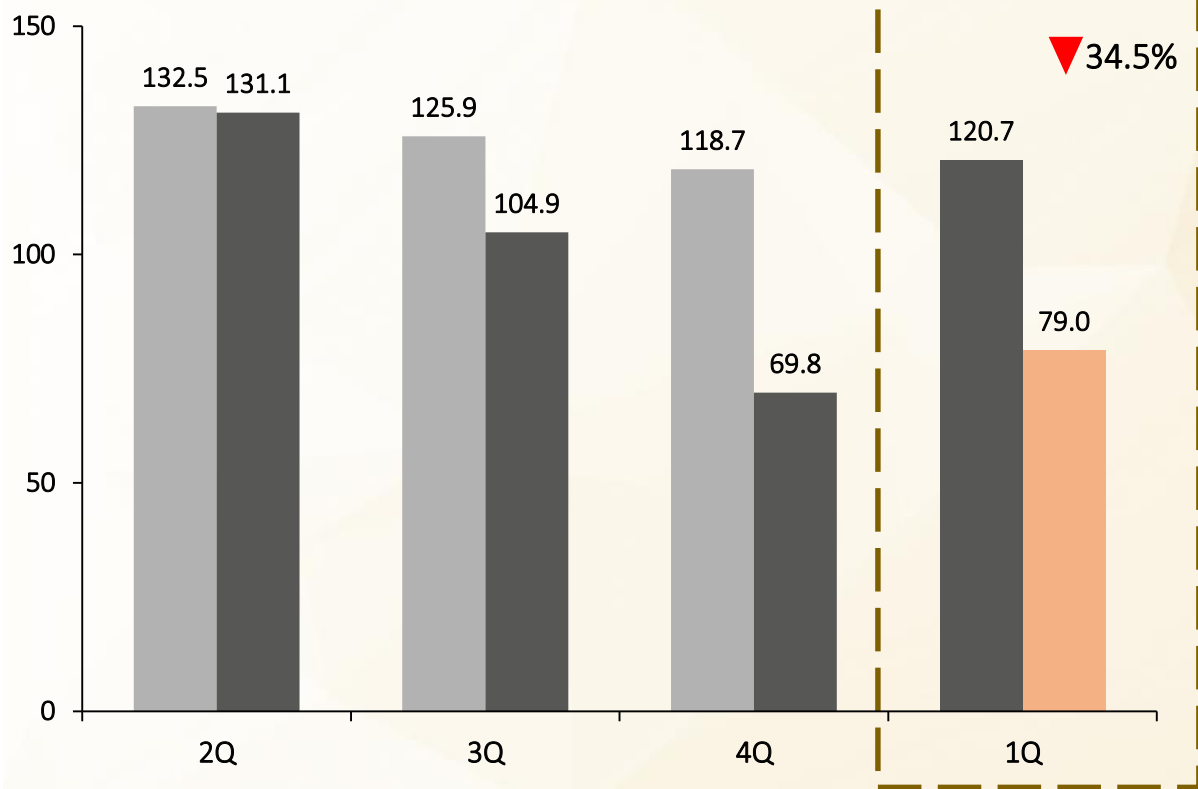
NET property income

RM (million)



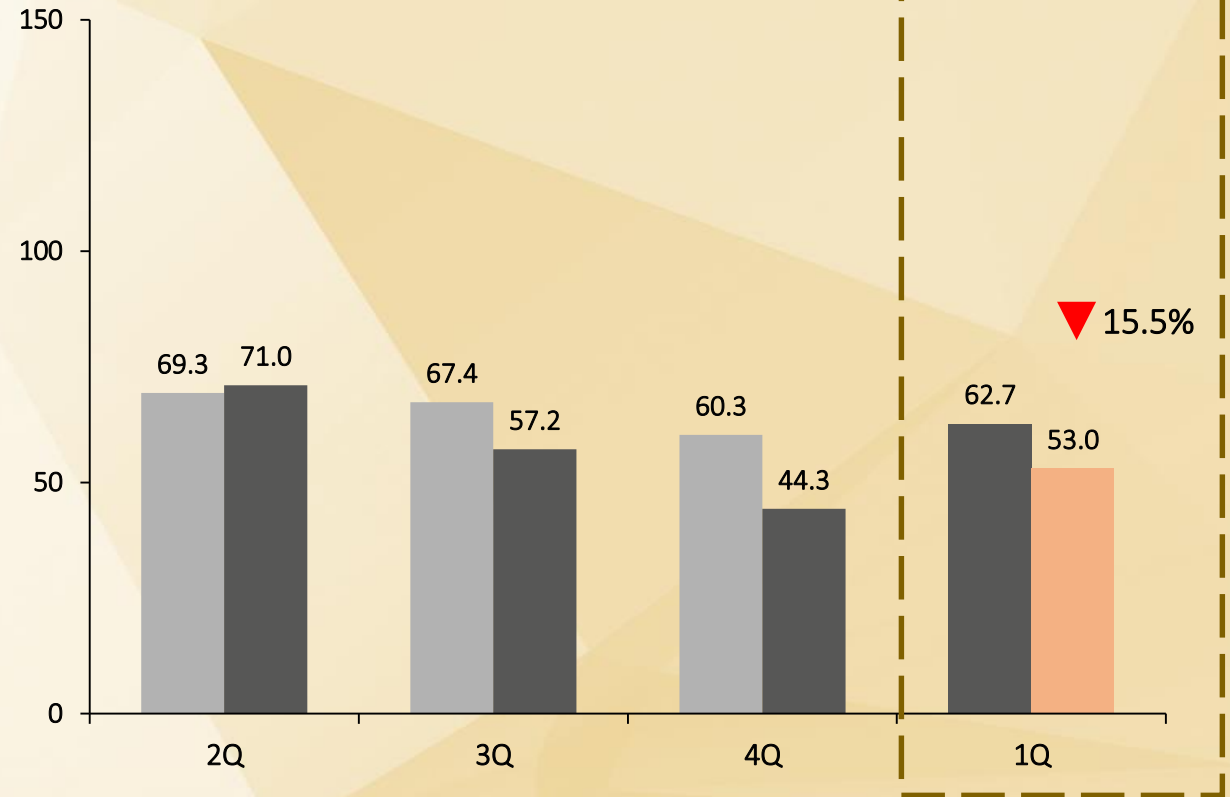
TOTAL revenue

RM (million)



NET property income

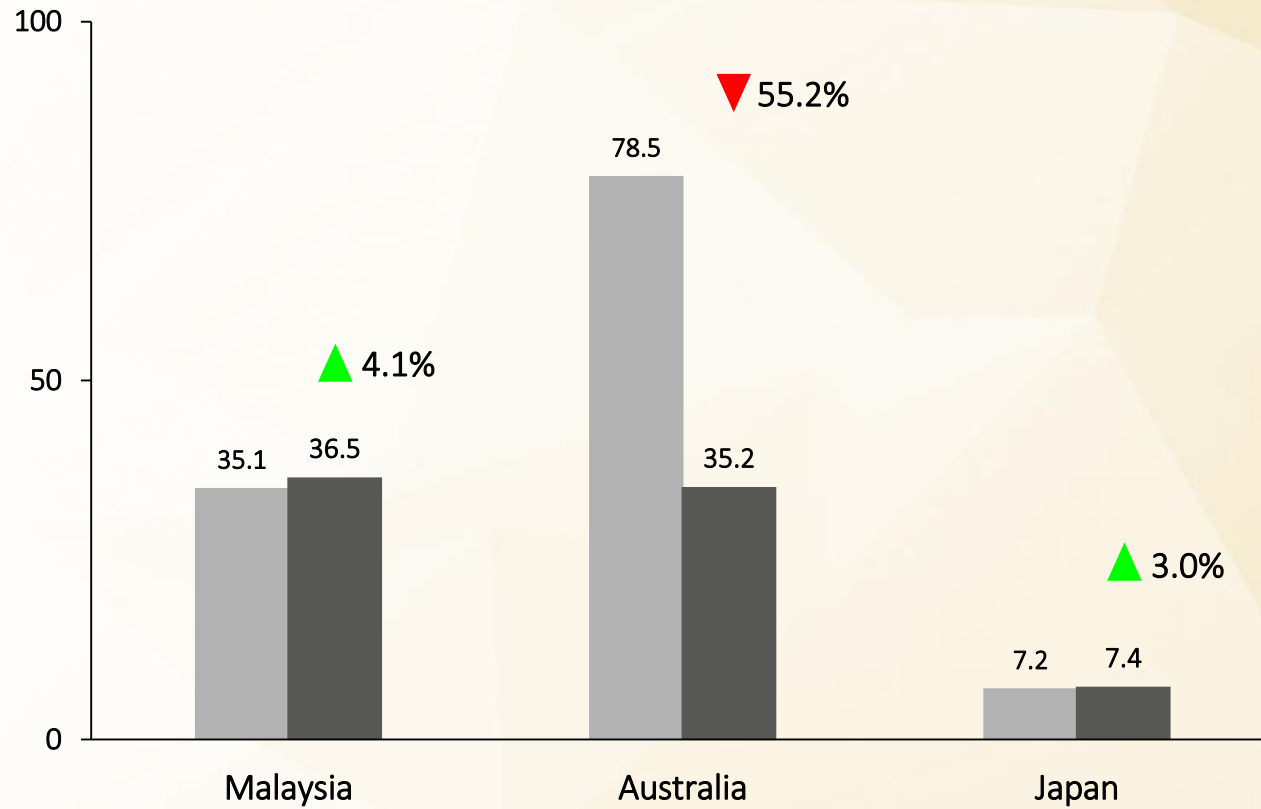
RM (million)



FY2019
 FY2020
 FY2021

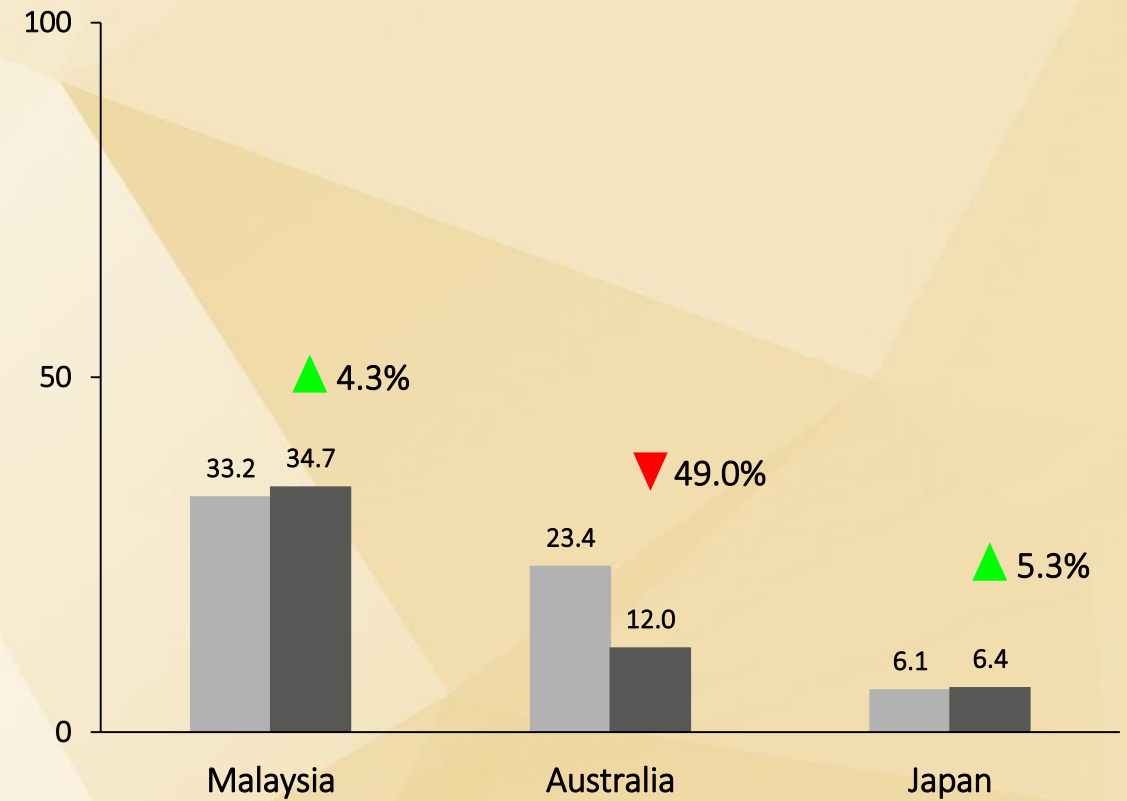
TOTAL revenue

RM (million)

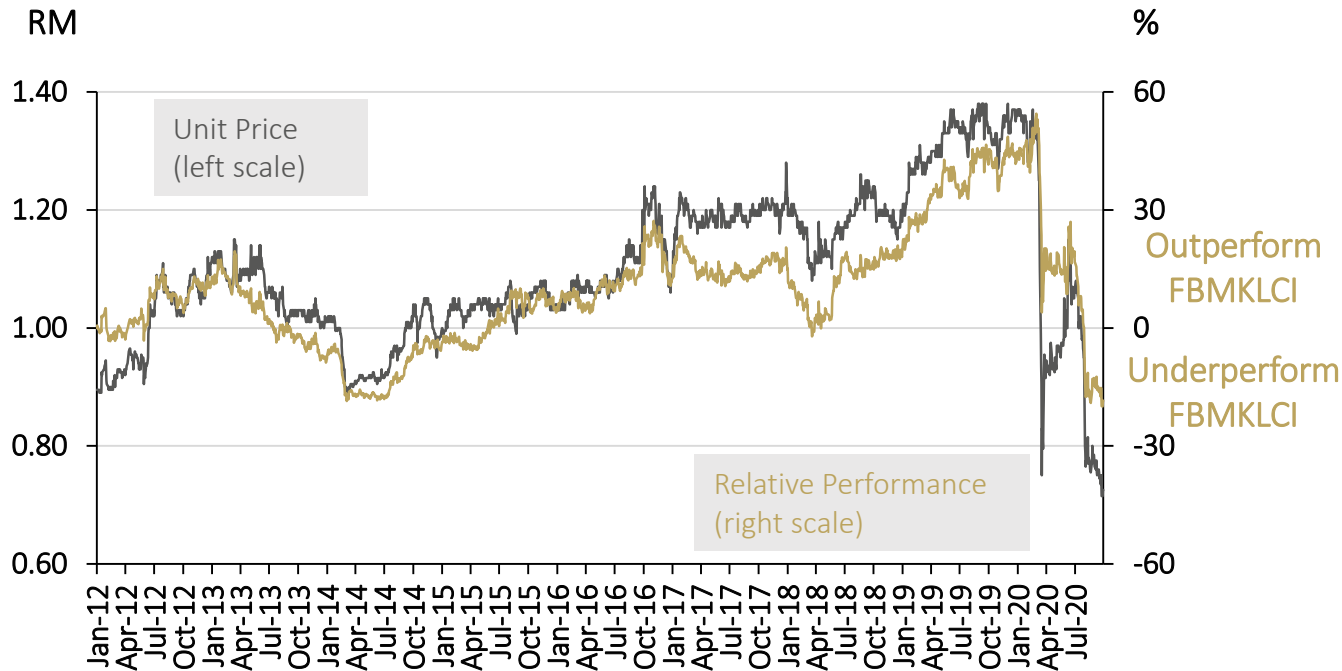


NET property income

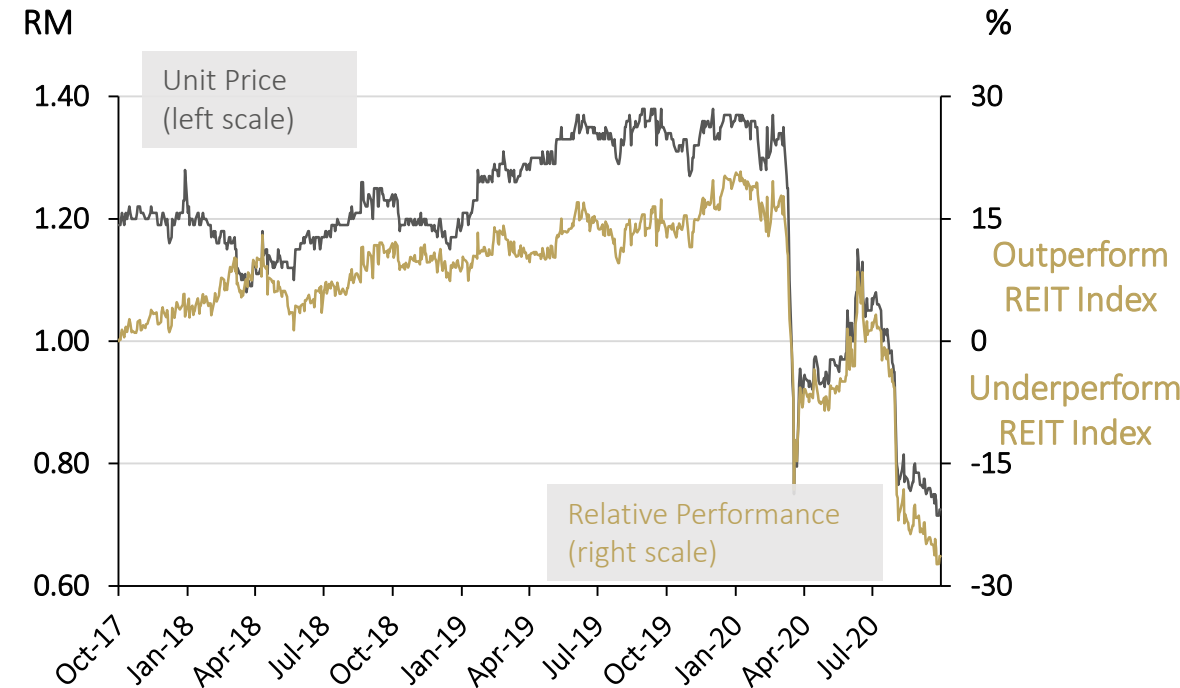
RM (million)



YTL Hospitality REIT's
Unit Price Movement & Relative Performance to FBMKLCI
(1 January 2012 to 30 September 2020)



YTL Hospitality REIT's
Unit Price Movement & Relative Performance to REIT Index
(1 October 2017 to 30 September 2020)



TRADING STATISTIC

Closing price ⁽¹⁾	RM0.725
Market Cap (RM) ⁽¹⁾	RM1,236 mil
Units issued ⁽¹⁾	1,704,388,889
Average daily traded volume for 1Q FY2021 ('000 units) ⁽²⁾	1,914.6

Source: Bloomberg

Notes:

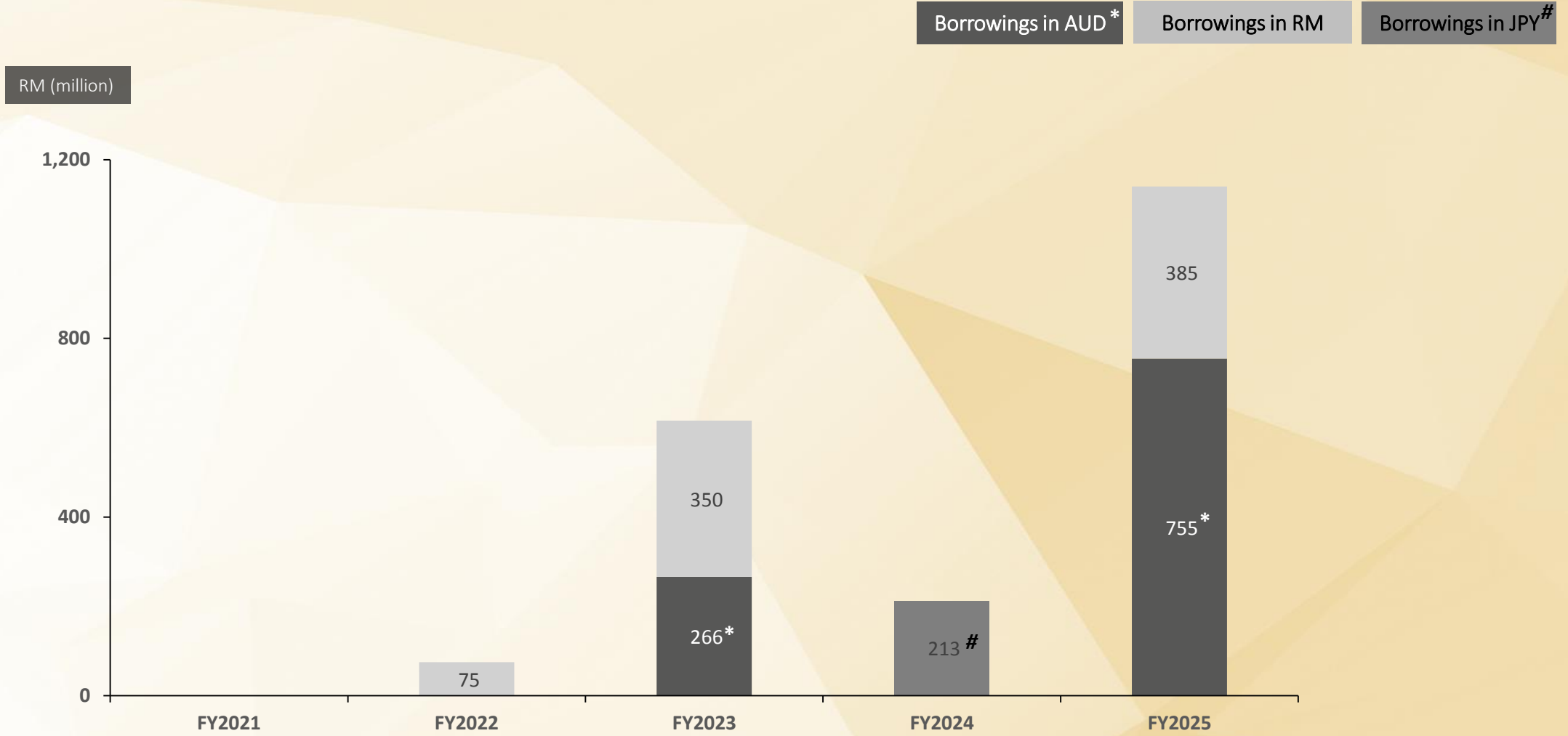
(1) As at 30 September 2020.

(2) For the quarter ended 30 September 2020.

A wide-angle photograph of a tropical beach. The foreground shows a dark, shadowed area with a person's legs and feet. The middle ground features a sandy beach with several lounge chairs and white umbrellas. A person is visible near one of the chairs. The background shows the ocean and a clear blue sky. The right side of the image is lined with lush green palm trees and other tropical vegetation.

2

Capital management



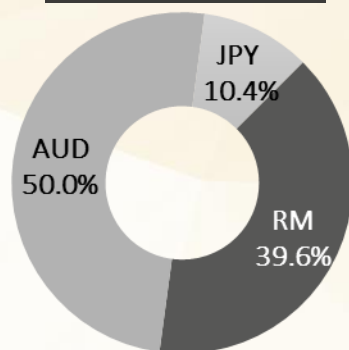
Notes:

^ Excluding the effects of capitalised transaction costs.

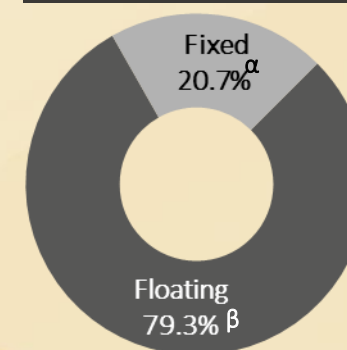
* RM equivalent based on the exchange rate of A\$1.00: RM2.9586 as at 30 September 2020.

RM equivalent based on the exchange rate of JPY100: RM3.9378 as at 30 September 2020.

CURRENCY



INTEREST RATE



	30 September 2020	30 June 2020	Change
Borrowings [^] (RM'000)	2,043,978	2,041,351	+ 0.1%
Total Asset Value (RM'000)	4,670,096	4,693,536	(0.5%)
Gearing (%)	43.8%	43.5%	+ 0.3 pp
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	4.6%	4.7%	(0.1 pp)
- Borrowings in Australian Dollar	2.2% [@]	4.3%	(2.1 pp)
- Borrowings in Japanese Yen	0.8%	0.8%	-
Interest Cover * [#]	3.3 x	2.1 x	1.2 x

Notes:

* For the respective Quarter.

[^] Excluding the effects of capitalised transaction costs.

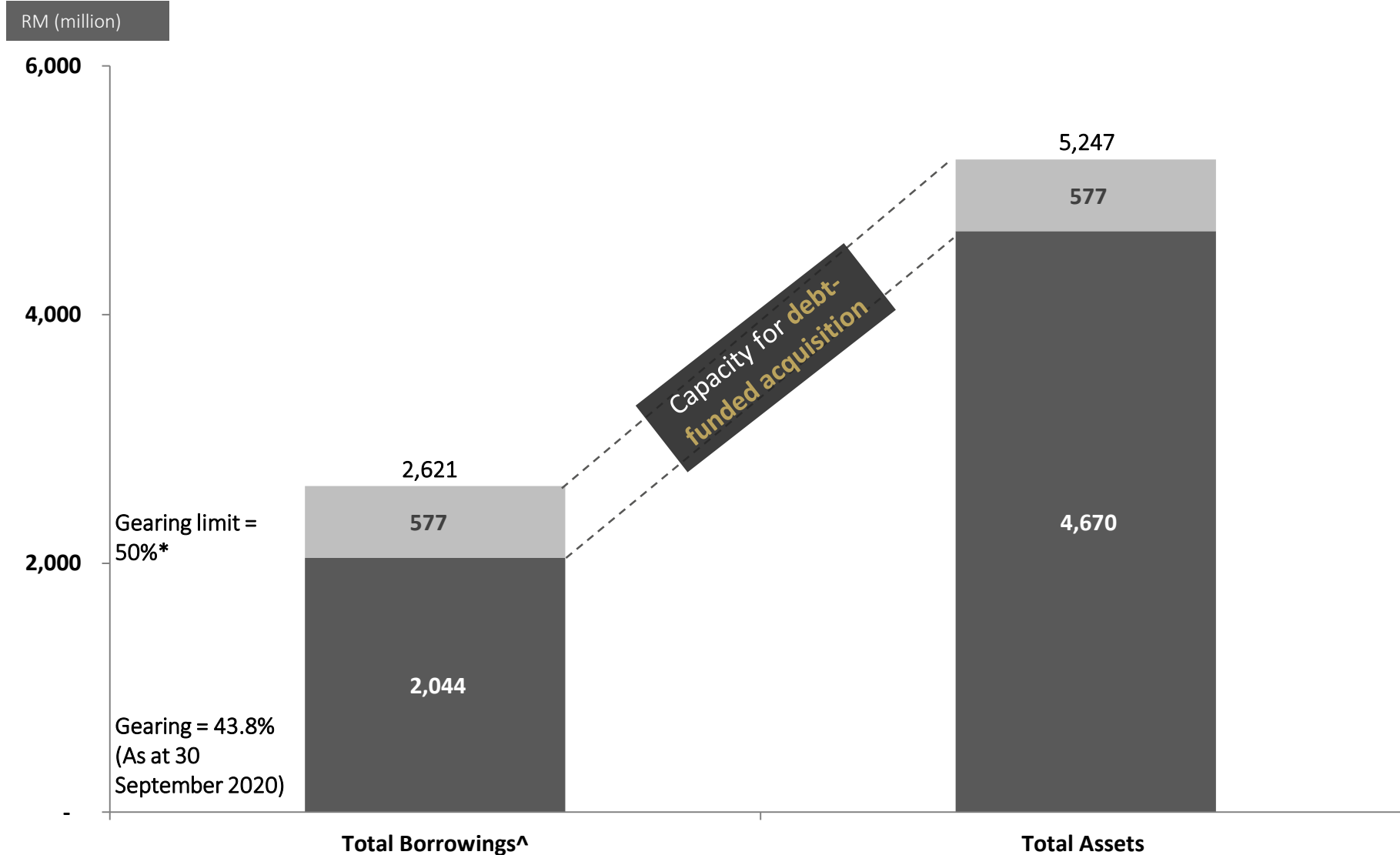
[#] Computed as NPI / Finance Cost

[@] Due to refinancing on 29 June 2020.

^α Denominated in RM.

^β 50.0% denominated in AUD, 10.4% denominated in JPY and 18.9% denominated in RM.

DEBT HEADROOM OF ~RM577 million FOR ACQUISITIONS



Notes:

[^] Excluding the effects of capitalised transaction costs.

* SC grants temporary increase in gearing limit from 50% to 60% until 31 December 2022 but debt headroom estimated based on 50% long term limit.

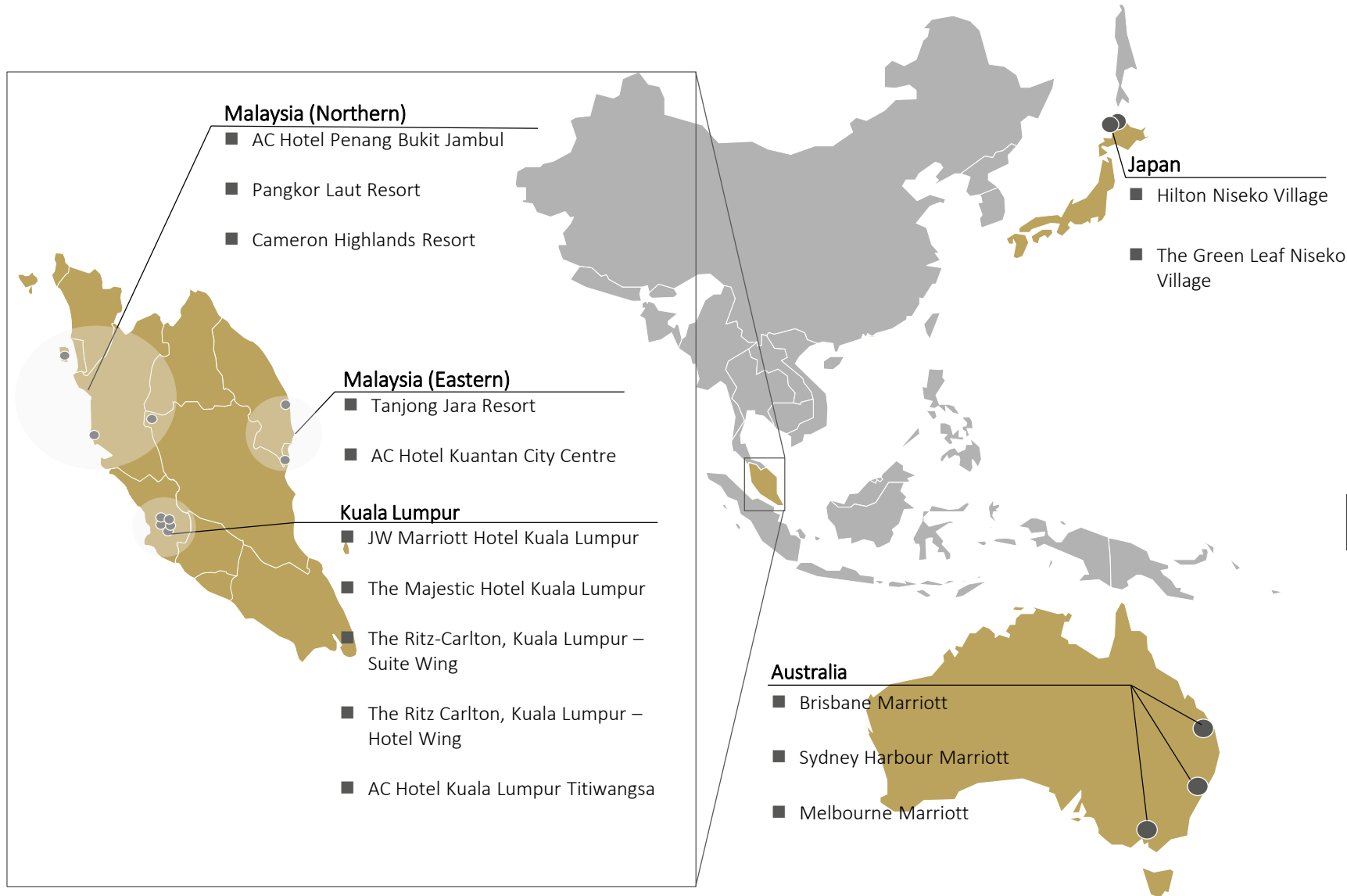


3

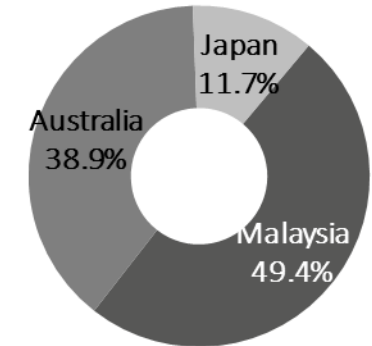
Asset management

LUXURY HOTELS & SERVICED RESIDENCES IN 3 COUNTRIES

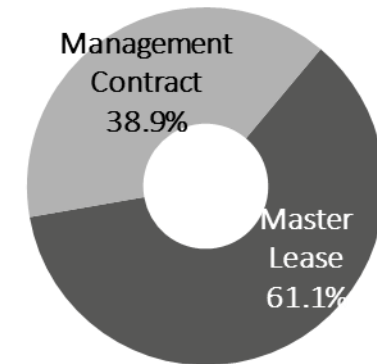
YTL HOSPITALITY REIT



ASSET breakdown (by Country)⁽¹⁾



ASSET breakdown (by Contract Type)⁽¹⁾



Note:

(1) Based on investment properties and property, plant & equipment as at 30 September 2020.

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	1QFY2021
Malaysia	Under Master Leases								
Japan	Under Master Leases								
Australia	83.1% ⁽¹⁾	84.2%	84.4%	86.4%	86.9%	87.8%	84.9%	73.1% ⁽²⁾	53.1% ⁽²⁾

Notes:

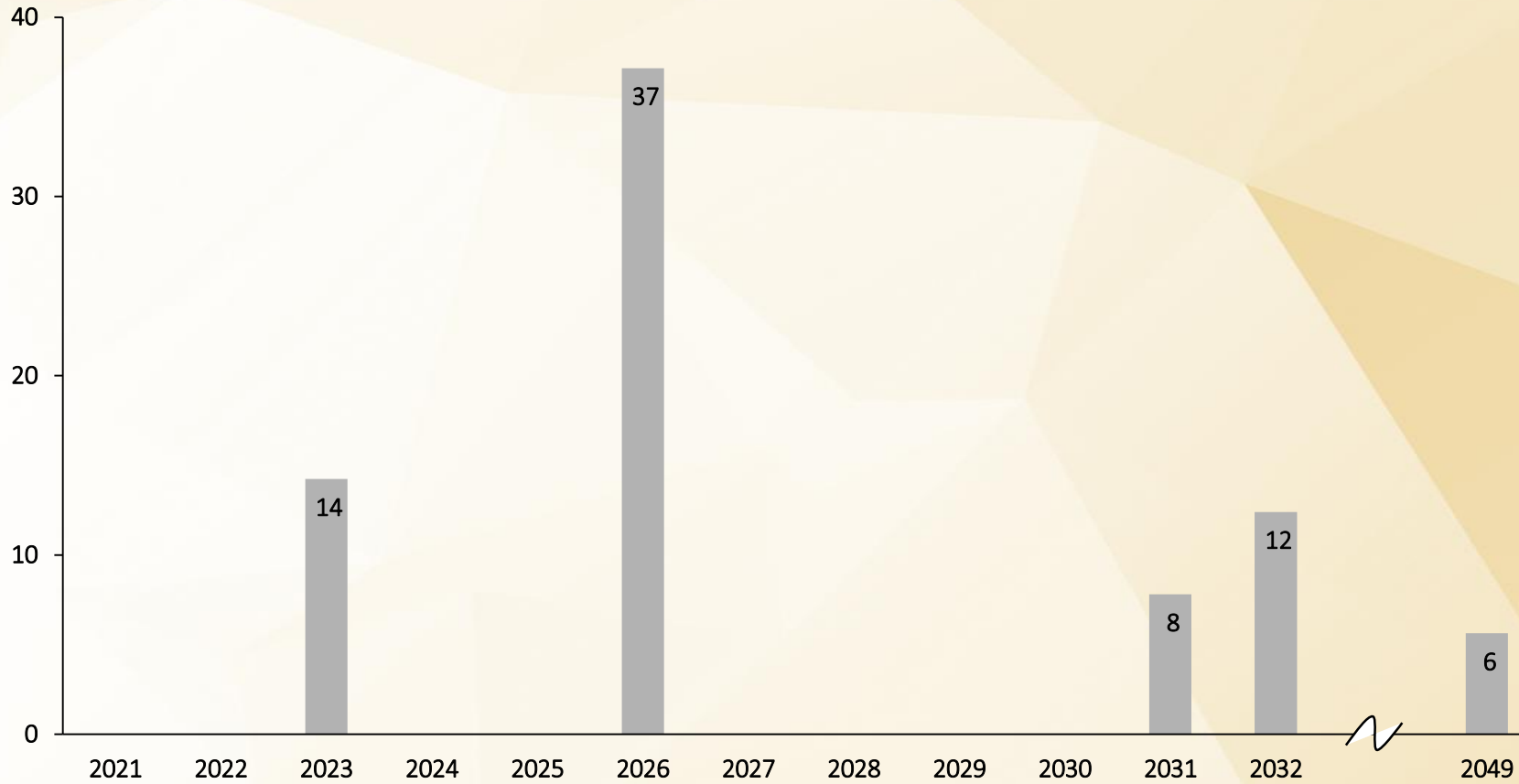
(1) For 1 July 2012 to 30 June 2013 which includes certain pre-acquisition period as the properties were acquired on 29 November 2012.

(2) Due to the impact of the COVID-19 pandemic.

NET property income
(% of total *)

Master leases

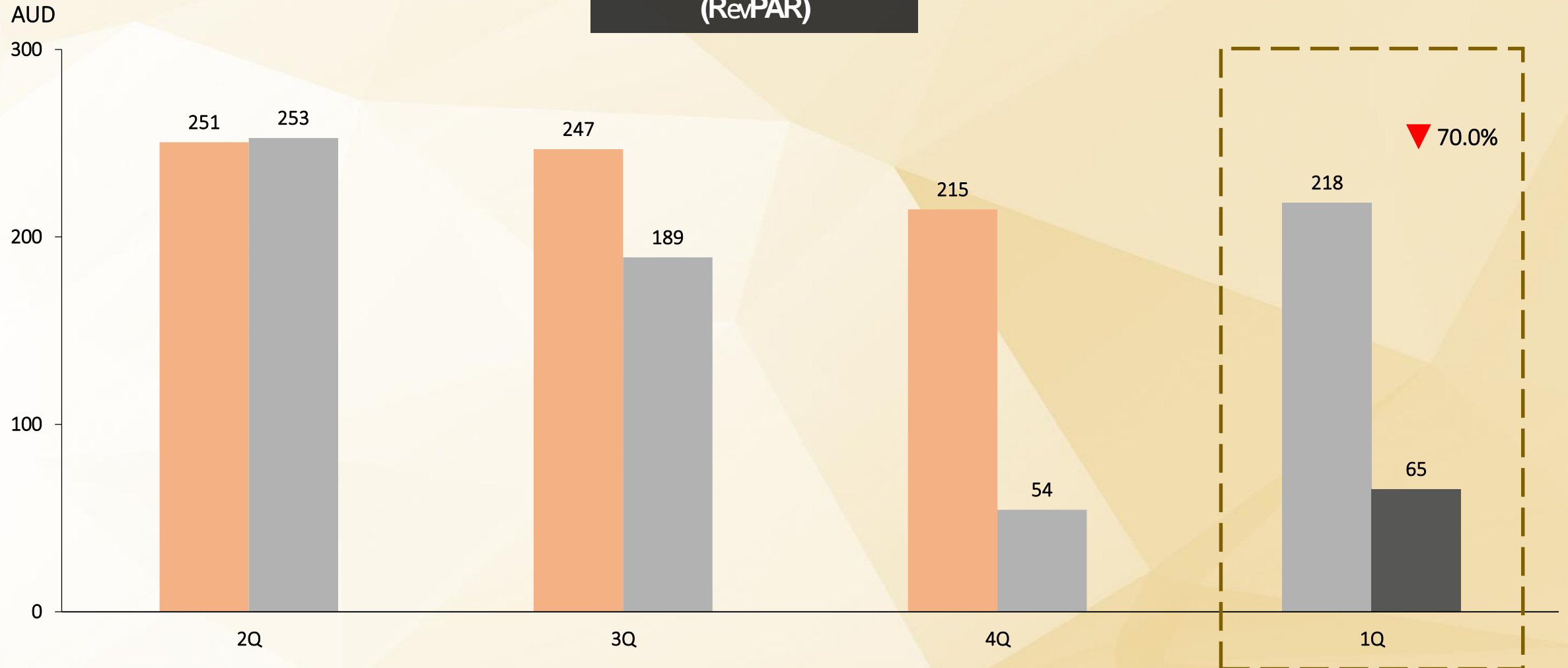
NET property income
(% of total *)



Note:
** For 1Q FY2021.*

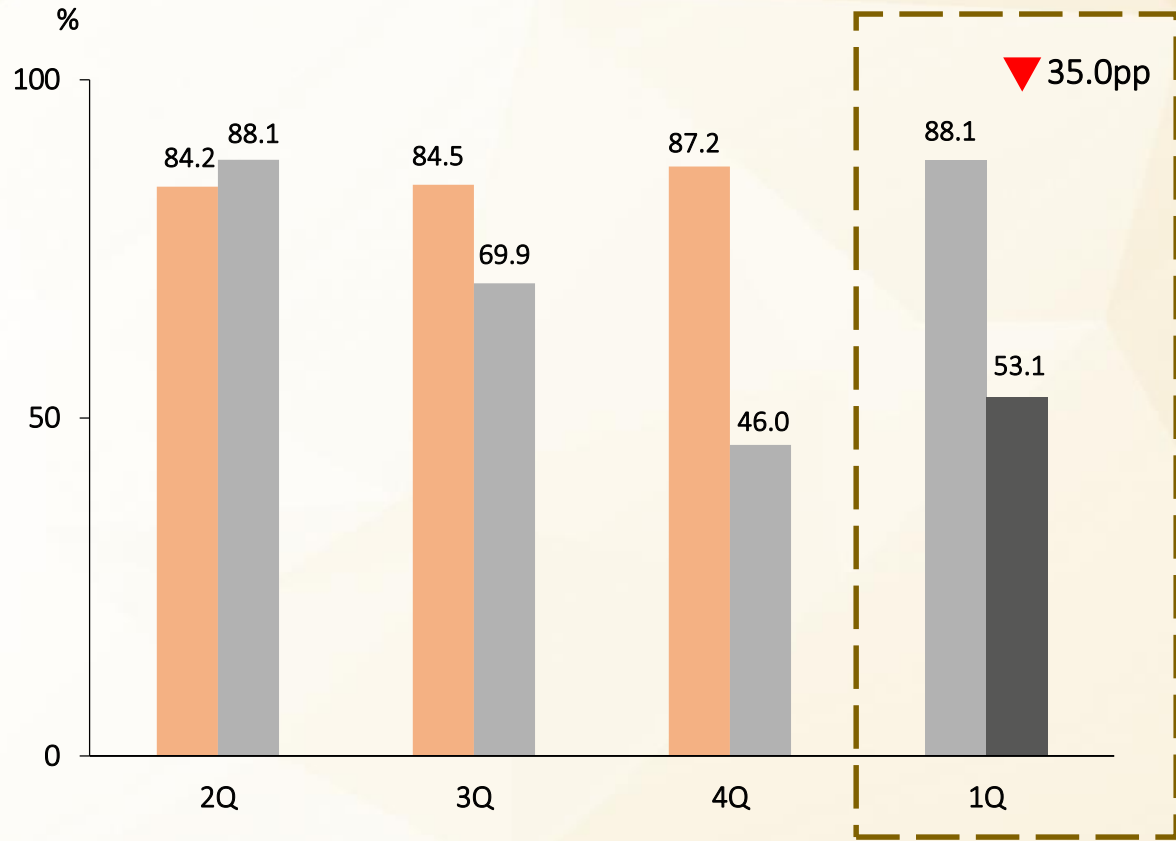
REVENUE per available room (RevPAR)

FY2019 FY2020 FY2021

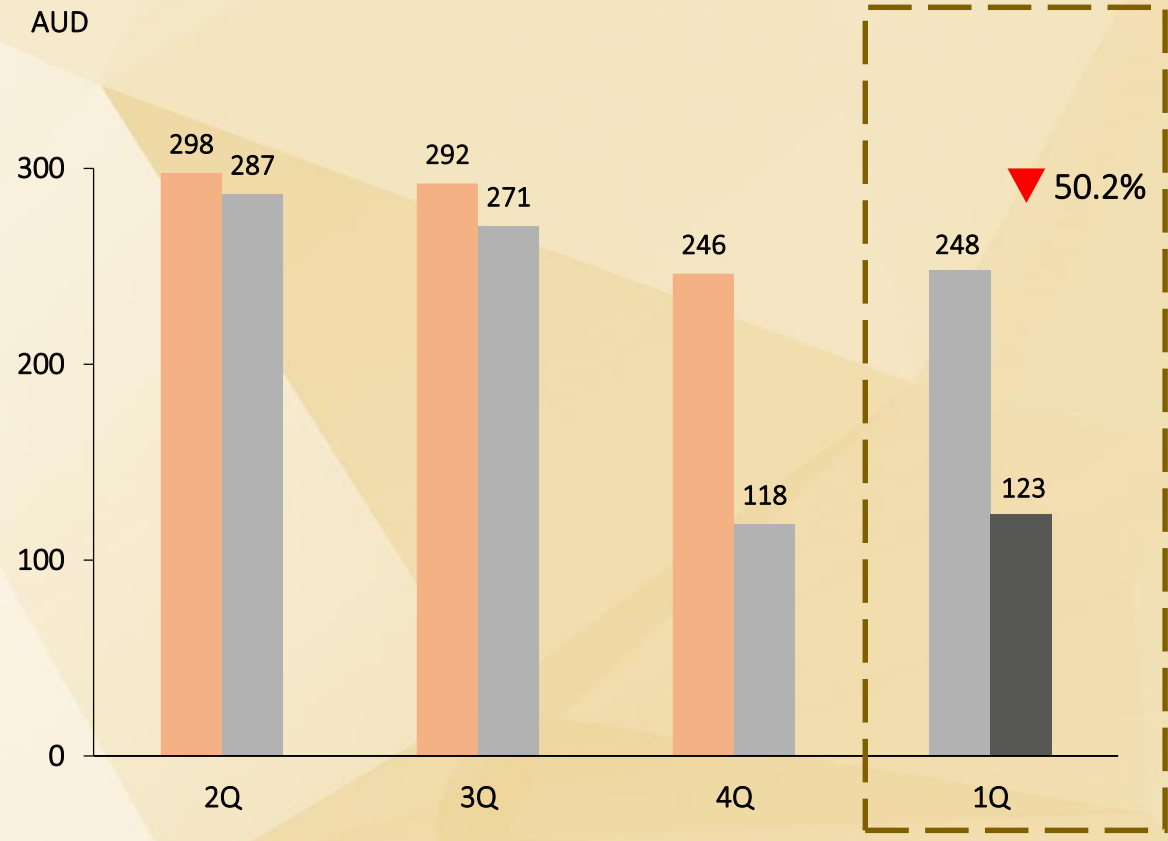


FY2019 FY2020 FY2021

Average occupancy



Average daily rate (ADR)





4

Appendices

Address	No. 183, Jalan Bukit Bintang, 55100 Kuala Lumpur
Description	A 5-star hotel with 578 rooms located on part of an 8-level podium block and entire 24-level tower block of Starhill Gallery together with car park bays located partially at basement 1 and 4 and the entire basement 2, 3 and 5 of JW Marriott Hotel Kuala Lumpur
Tenure	Freehold
Master lease expiry	31 December 2023
Master lease remaining ⁽¹⁾	3 years
Annual rental ⁽²⁾	Hotel: RM14.85 million Car park: RM2.04 million
No. of rooms	578
Acquisition date	16 December 2005
Valuation ⁽³⁾	RM523 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation on the hotel property.
3. As at 31 May 2020.

Address	No. 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur
Description	A 5-star hotel comprising Majestic Wing (original historic hotel building) with 47 luxurious suites, Tower Wing with 253 guestrooms and suites, Majestic Ballroom with seating capacity of 1,200 for banquet or 1,500 theatre-style, Contango restaurant with seating capacity of 250, Colonial Cafe with seating capacity of 120, Orchid Conservatory with seating capacity of 15 and 3 levels of basement car park
Tenure	90-year registered lease expiring on 11 May 2091
Master lease expiry	2 November 2032
Master lease remaining ⁽¹⁾	12 years
Annual rental ⁽²⁾	RM13.30 million
No. of rooms	300
Acquisition date	3 November 2017
Valuation ⁽³⁾	RM390 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	Parcel 1: 60 units of hotel suites, 4 levels of commercial podium, 1 level of facilities deck and 2 levels of basement car park Parcel 2: 50 units of hotel suites, 4 units of penthouses and 1 level of basement car park
Tenure	Freehold
Master lease expiry	30 June 2031
Master lease remaining ⁽¹⁾	11 years
Annual rental ⁽²⁾	RM8.19 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation ⁽³⁾	Parcel 1: RM211 million Parcel 2: RM102 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car park
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM10.81 million
No. of rooms	251
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM360 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	No. 9, Jalan Lumut, Off Jalan Ipoh, 50400 Kuala Lumpur
Description	17-storey hotel building with 364 rooms and 2-storey basement car park
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM4.31 million
No. of rooms	364
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM139 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	No. 213, Jalan Bukit Gambir, Bukit Jambul, 11950 Pulau Pinang
Description	17-storey Hotel Wing with 238 hotel rooms and 26-storey Suite Wing with 189 hotel suites with an annexed 3-storey podium
Tenure	99-year leasehold expiring on 27 October 2094
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM4.31 million
No. of rooms	427
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM121 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	Jalan Teluk Sisek, 25000 Kuantan, Pahang
Description	8-storey hotel building with 215 rooms
Tenure	99-year leasehold expiring on 11 July 2092
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM3.15 million
No. of rooms	215
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM90 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	Pangkor Laut Island, 32200 Lumut, Perak Darul Ridzuan
Description	36 units of Garden Villas, 52 units of Hill Villas, 8 units of Beach Villas and 1 unit of Pavarotti Suite
Tenure	99-year registered lease expiring on 21 May 2095
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM4.41 million
No. of rooms	97
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM119 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	Batu 8, Off Jalan Dungun, 23000 Dungun, Terengganu Darul Iman
Description	Small luxury boutique resort with 100 rooms
Tenure	60-year leasehold expiring on 4 December 2067
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM3.68 million
No. of rooms	100
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM103 million



- Notes:**
1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
 2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
 3. As at 31 May 2020.

Address	By the Golf Course, 39000 Tanah Rata, Cameron Highlands, Pahang Darul Makmur
Description	3-storey luxury resort with a 2-storey spa village block with 56 rooms and suites and a single storey building
Tenure	99-year leasehold expiring on 9 December 2108
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM2.10 million
No. of rooms	56
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM60 million



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 31 May 2020.

Address	Aza-Soga, Niseko-cho, Abuta-gun, Hokkaido
Description	16-storey hotel building with 1-storey of basement comprising 506 rooms
Tenure	Freehold
Master lease expiry	21 December 2026
Master lease remaining ⁽¹⁾	6 years
Annual rental ⁽²⁾	RM8.16 million
No. of rooms	506
Acquisition date	22 December 2011
Valuation ^(3, 4)	JPY7,250 million (RM285.49 million)



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020. Supplementary agreement executed to vary existing lease to reflect the terms of the rental variation.
3. As at 30 April 2020.
4. RM equivalent based on the exchange rate of JPY100:RM3.9378 as at 30 September 2020.

Address	Aza-Higashiyama, Niseko-cho, Abuta-gun, Hokkaido
Description	5-storey hotel building with 1-storey of basement comprising 200 rooms
Tenure	Freehold
Master lease expiry	25 September 2048
Master lease remaining ⁽¹⁾	28 years
Annual rental ^(2,4)	JPY315 million (RM12.40 million)
No. of rooms	200
Acquisition date	26 September 2018
Valuation ^(3, 4)	JPY6,070 million (RM239.02 million)



Notes:

1. Lease remaining calculated as at 30 September 2020. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 30 September 2020.
3. As at 30 April 2020.
4. RM equivalent based on the exchange rate of JPY100:RM3.9378 as at 30 September 2020.

Address	30 Pitt Street, Sydney, New South Wales
Description	33-storey hotel building with central atrium comprising 595 rooms including 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms	595
Acquisition date	29 November 2012
Valuation ^(1, 2)	AUD445 million (RM1,316.58 million)



Notes:

1. As at 30 April 2020.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9586 as at 30 September 2020.

Address	515 Queen Street, Brisbane, Queensland
Description	28-storey hotel building comprising 267 rooms with 3 levels of basement with car parking bays
Tenure	Freehold
No. of rooms	267
Acquisition date	29 November 2012
Valuation ^(1, 2)	AUD80 million (RM236.69 million)



Notes:

1. As at 30 April 2020.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9586 as at 30 September 2020.

Address	Corner Exhibition and Lonsdale Streets, Melbourne, Victoria
Description	16-storey hotel building comprising 186 rooms with 5 split levels of car park
Tenure	Freehold
No. of rooms	186
Acquisition date	29 November 2012
Valuation ^(1, 2)	AUD72 million (RM213.02 million)



Notes:

1. As at 30 April 2020.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.9586 as at 30 September 2020.

This presentation shall be read in conjunction with YTL Hospitality REIT's interim financial report for the quarter ended 30 September 2020, a copy of which is available on www.bursamalaysia.com and www.ytlhospitalityreit.com.

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