

YTL HOSPITALITY REIT



Second Quarter FY2020 Financial Results

20 February 2020

FINANCIAL

HIGHLIGHTS

- Income available for distribution of RM32.7 million, -1.2% q-o-q
- 1.9158 sen distribution per unit (“DPU”) declared for 2Q FY2020

CAPITAL

MANAGEMENT

- Average interest rates for the quarter
 - Borrowings in Ringgit Malaysia : 4.9%
 - Borrowings in Australian Dollar : 4.5%
 - Borrowings in Japanese Yen : 0.8%
- Debt headroom of ~RM807 million for acquisitions (Leverage limit reduced to 50% under new regulatory guidelines)

PORTFOLIO

MANAGEMENT

- Properties in Malaysia and Japan under master leases
- 2Q FY2020 average occupancy rate for properties in Australia at 88.1%, 3.9 percentage points higher as compared to 2Q FY2019
- 2Q FY2020 ADR for properties in Australia at AUD287, 3.6% lower as compared to 2Q FY2019 ADR of AUD298
- 2Q FY2020 RevPAR for properties in Australia at AUD253, 0.9% higher as compared to 2Q FY2019 RevPAR of AUD251
- Melbourne Marriott Renovation Capex (Planned): AUD3 million

REBRANDING VISTANA HOTELS TO AC HOTELS

YTL HOSPITALITY REIT



Notes:

Rebranding of Vistana Hotels to AC Hotels in February 2020.

Launch parties held on 4 February 2020 at AC Hotel Kuala Lumpur Titiwangsa, 5 February 2020 at AC Hotel Penang Bukit Jambul, and 7 February 2020 at AC Hotel Kuantan City Centre.



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Financial performances 2Q FY2020

FINANCIAL PERFORMANCE: 2Q FY2020

YTL HOSPITALITY REIT

1 October - 31 December	2Q FY2020	2Q FY2019	Change
Total Revenue	131.1	132.5	(1.0%)
- Hotel Revenue (Management Contracts)	89.0	91.9	(3.1%) ⁽¹⁾
- Lease Rental (Master Leases)	42.1	40.6	+ 3.7% ⁽²⁾
Net Property Income (NPI)	71.0	69.3	+ 2.5%
- Management Contracts	32.3	31.9	+ 1.2% ⁽³⁾
- Master Leases	38.8	37.4	+ 3.6% ⁽²⁾
Income available for distribution	32.7	33.0	(1.2%)
Income distribution	32.7	33.0	(1.2%)
- from current quarter	32.7	33.0	(1.2%)
Distribution per unit (DPU) (sen)	1.9158	1.9387	(1.2%)
Payout ratio (%)	100.0	100.0	0.0 pp*

* pp = change in percentage points

Notes:

(1) Decreased mainly due to the weakening of Australian Dollar against Ringgit Malaysia.

(2) Increased mainly due to additional rental from JW Marriott Hotel Kuala Lumpur effective July 2019 after completion of the reimbursement for renovation costs paid by the lessee.

(3) Increased mainly due to operational efficiency and cost savings.

All figures in RM million unless indicated otherwise.

STATEMENT OF FINANCIAL POSITION

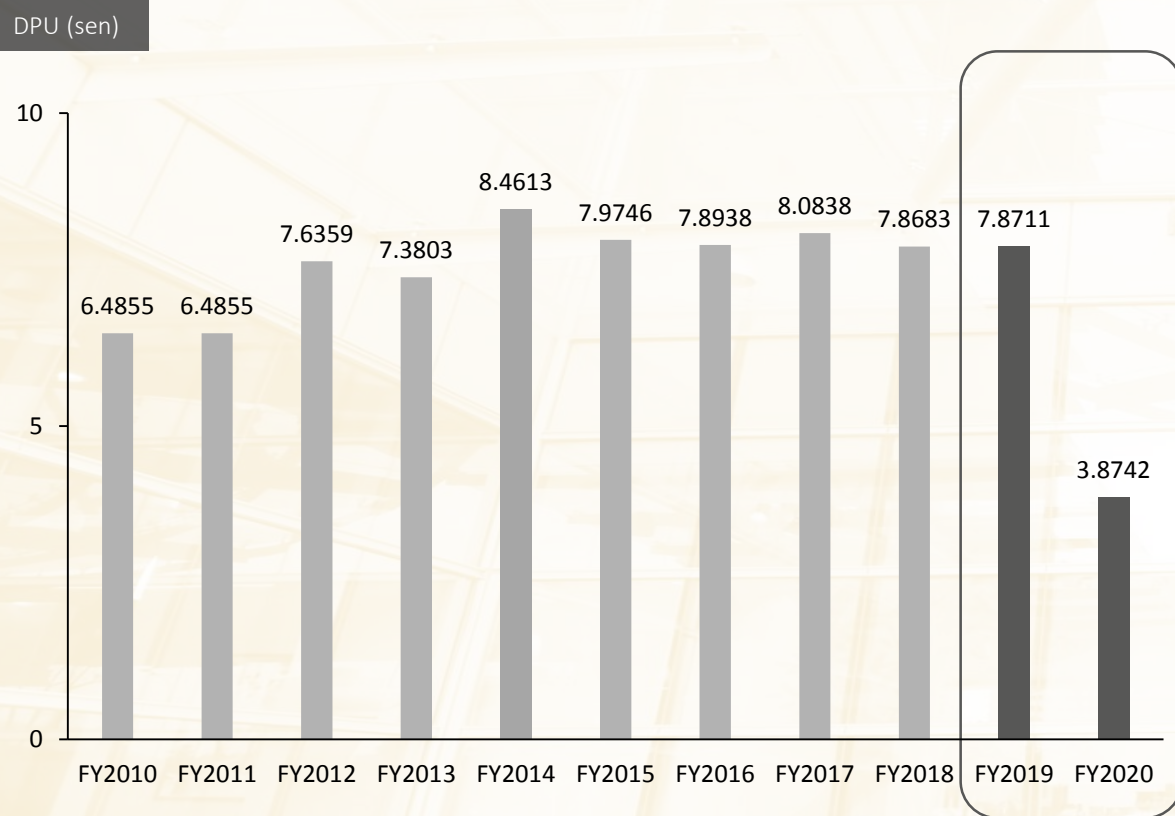
YTL HOSPITALITY REIT

RM ('000)	As at 31 December 2019 (Unaudited)	As at 30 June 2019 (Audited)	Change
Investment properties	2,721,133	2,732,554	(0.4%)
Property, plant and equipment	1,889,709	1,946,226	(2.9%)
Cash & cash equivalents	145,807	148,972	(2.1%)
Other assets	48,078	37,025	+ 29.9%
Total Assets	4,804,727	4,864,777	(1.2%)
Borrowings	1,993,500	2,009,424	(0.8%)
Other liabilities	111,991	118,253	(5.3%)
Total Liabilities	2,105,491	2,127,677	(1.0%)
Net Asset Value (NAV)	2,699,236⁽¹⁾	2,737,100	(1.4%)
Number of units in circulation ('000)	1,704,389	1,704,389	0.0%
NAV per unit (RM)	1.584⁽¹⁾	1.606	(1.4%)

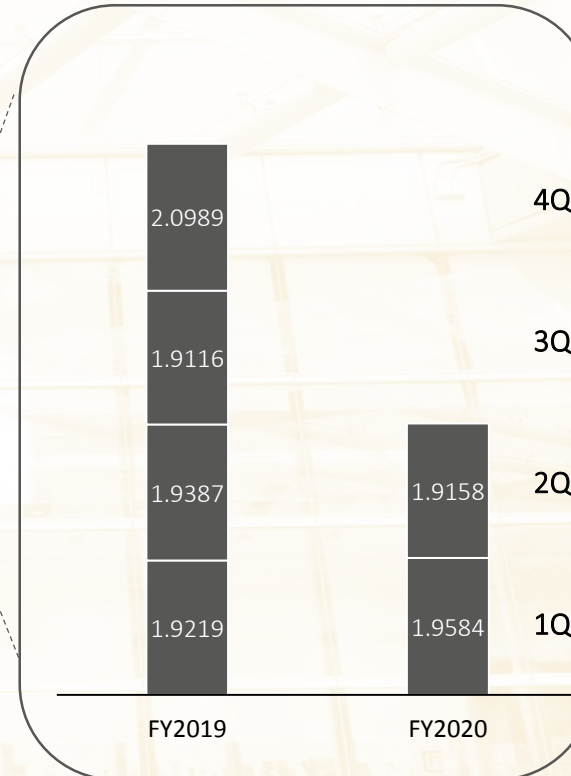
Note:

(1) After total income distribution of RM66.0 million in respect of YTD FY2020.

Total DPU



Quarterly Breakdown



	Total Distributions*	
	FY2019	FY2020
Cumulative	134.2	66.0
4Q	35.8	
3Q	32.6	
2Q	33.0	32.7
1Q	32.8	33.4

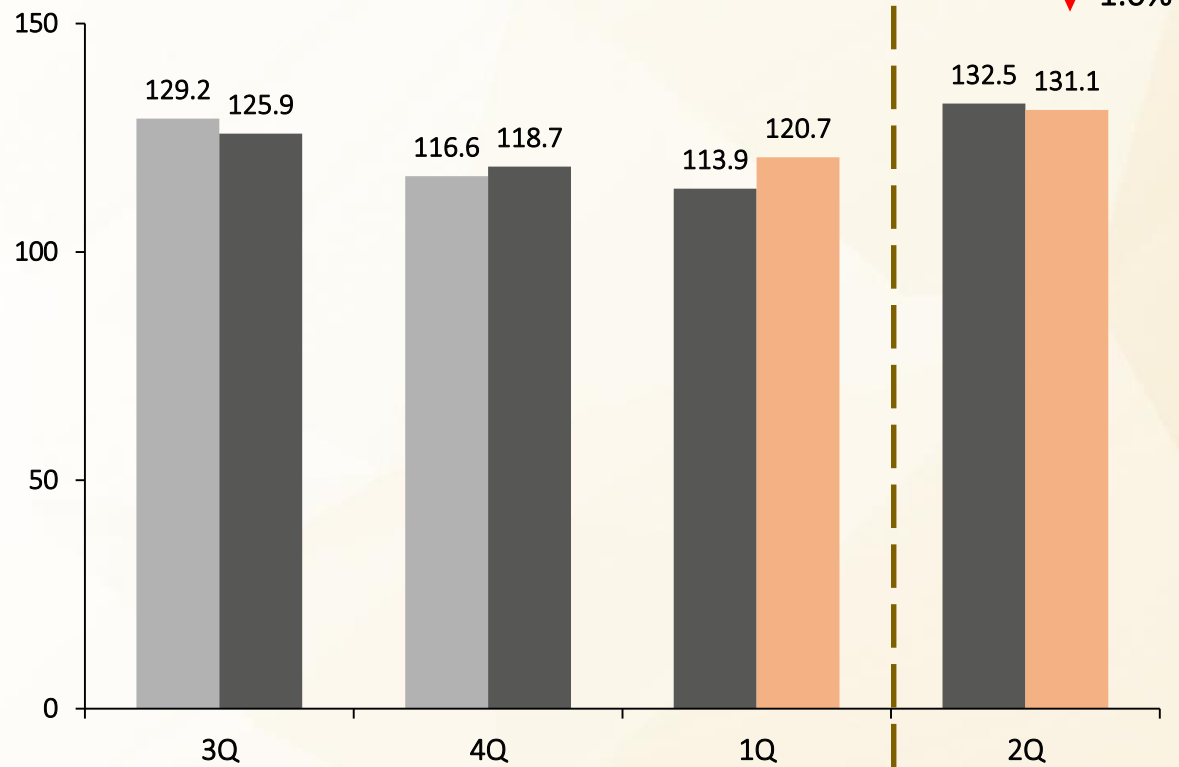
* In RM million

Notes:

1. Quarterly distributions commenced during the financial year ended 31 December 2014.
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.

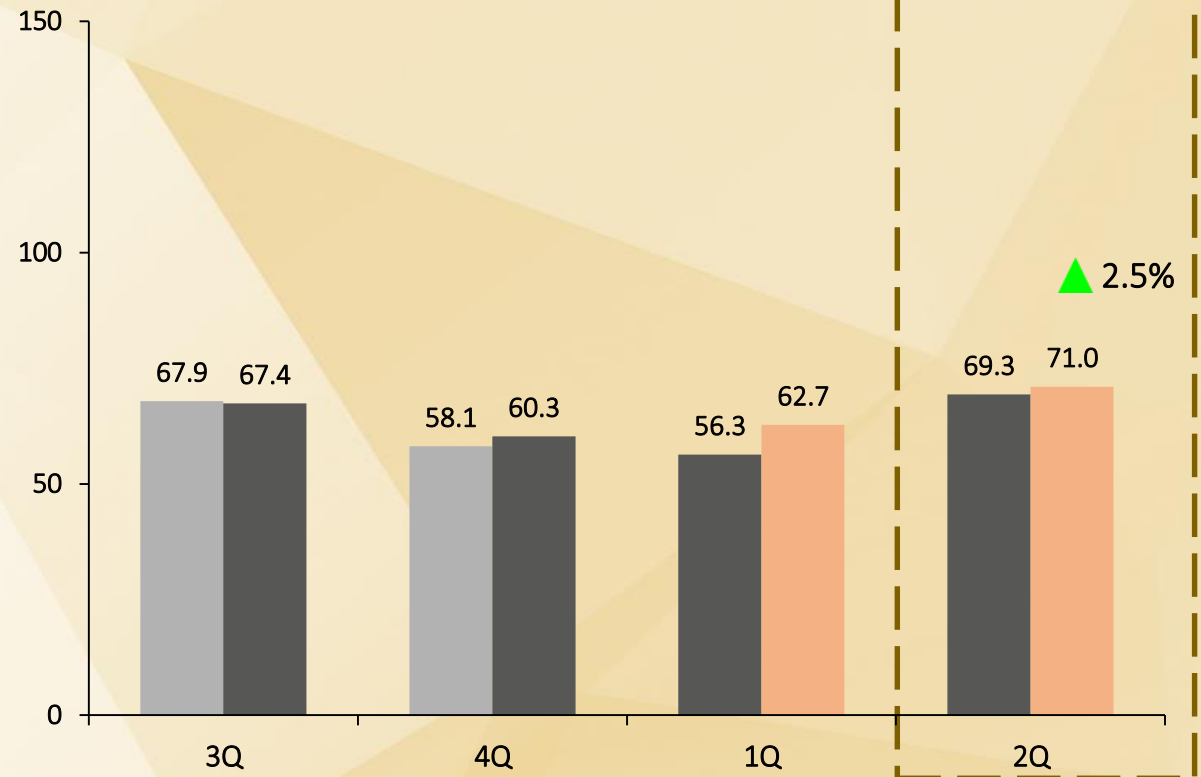
TOTAL revenue

RM (million)



NET property income

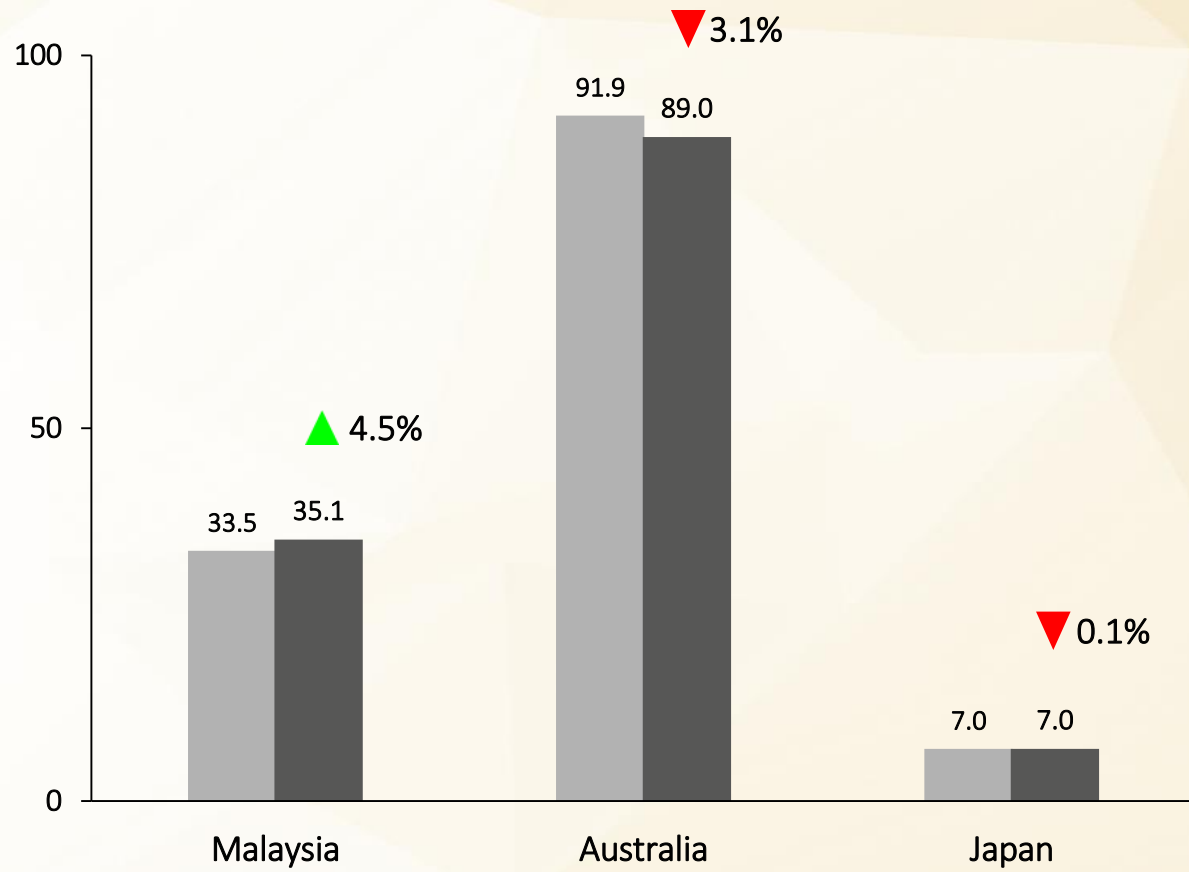
RM (million)



FY2018 FY2019 FY2020

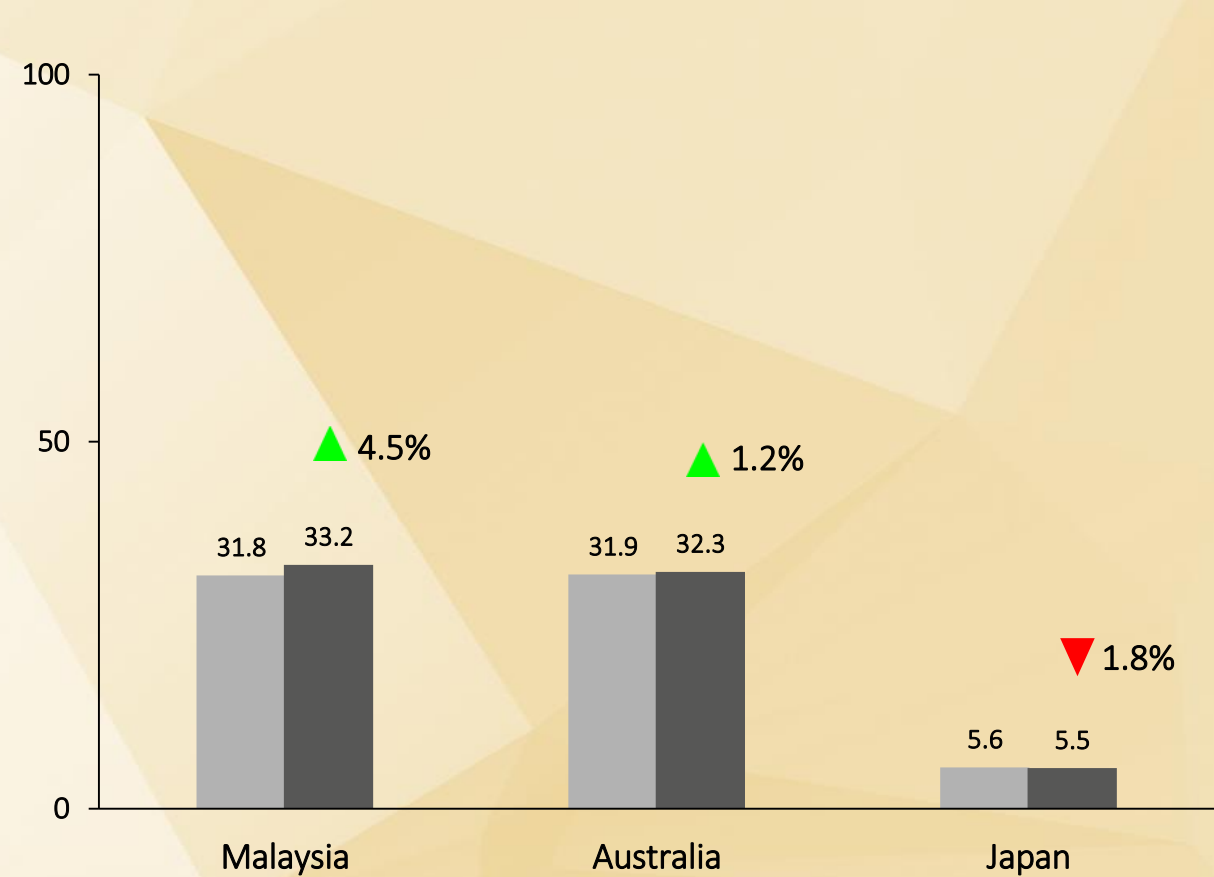
TOTAL revenue

RM (million)



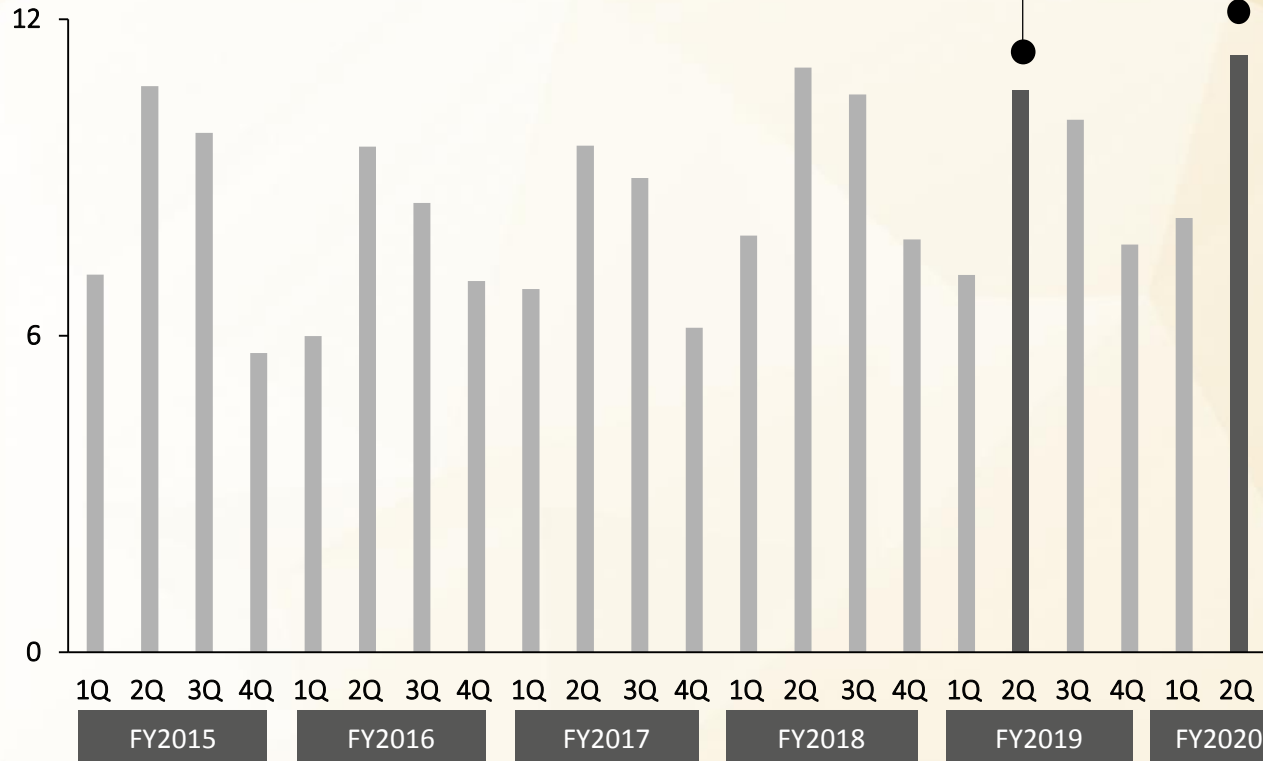
NET property income

RM (million)

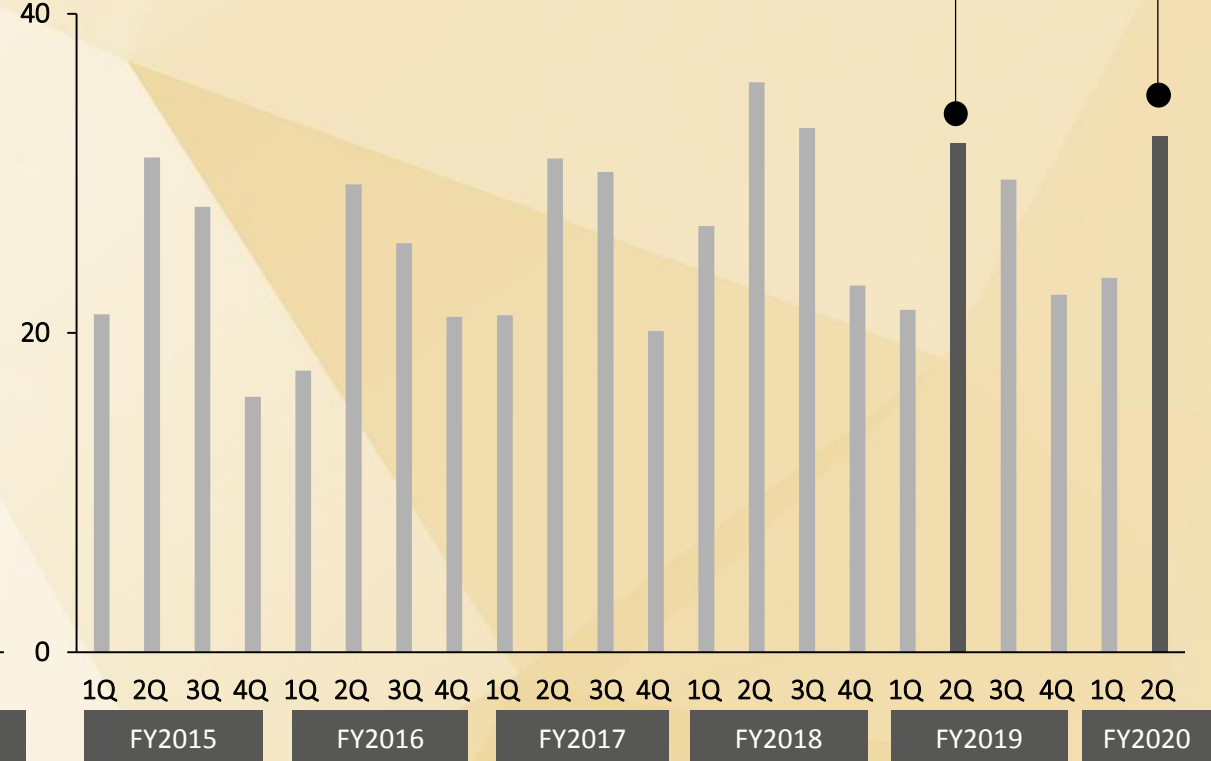


NPI in RM impacted by the foreign exchange effects of the weaker AUD relative to RM

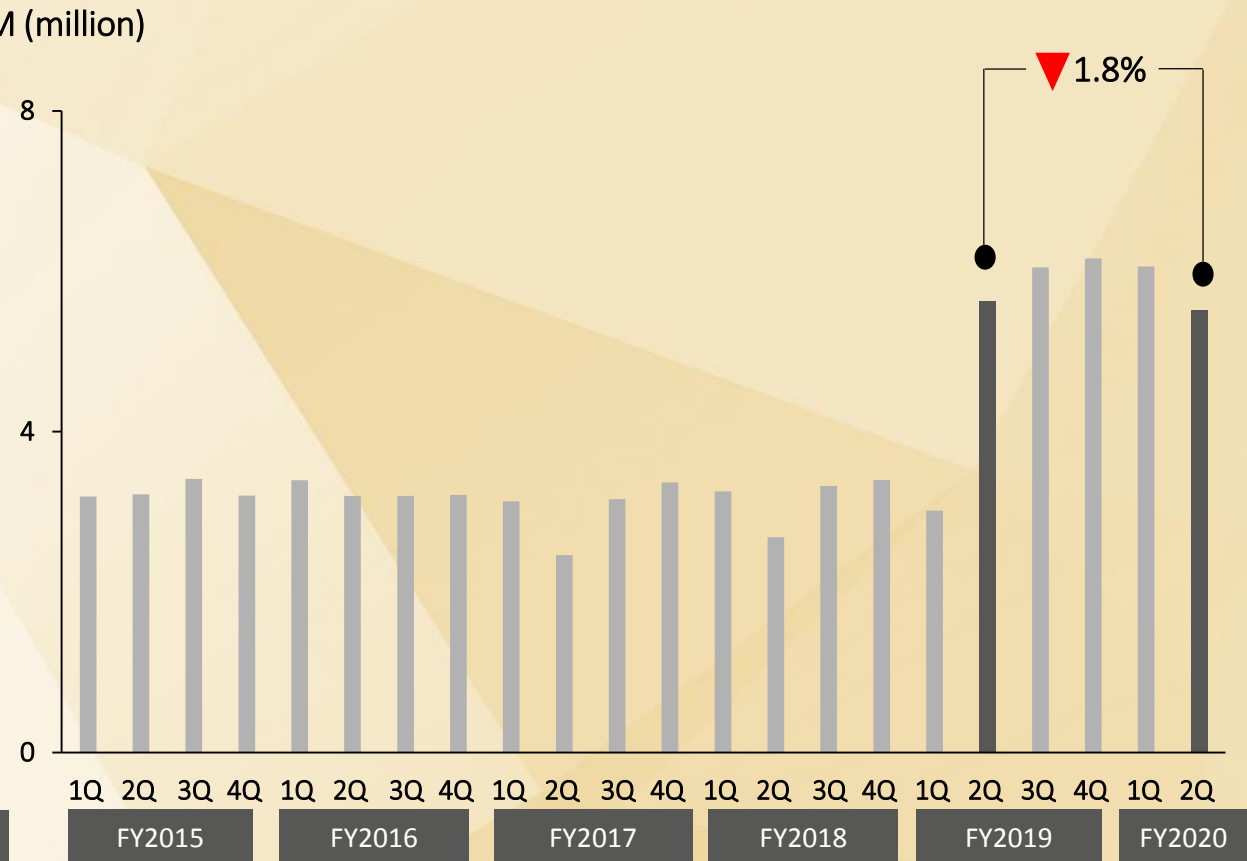
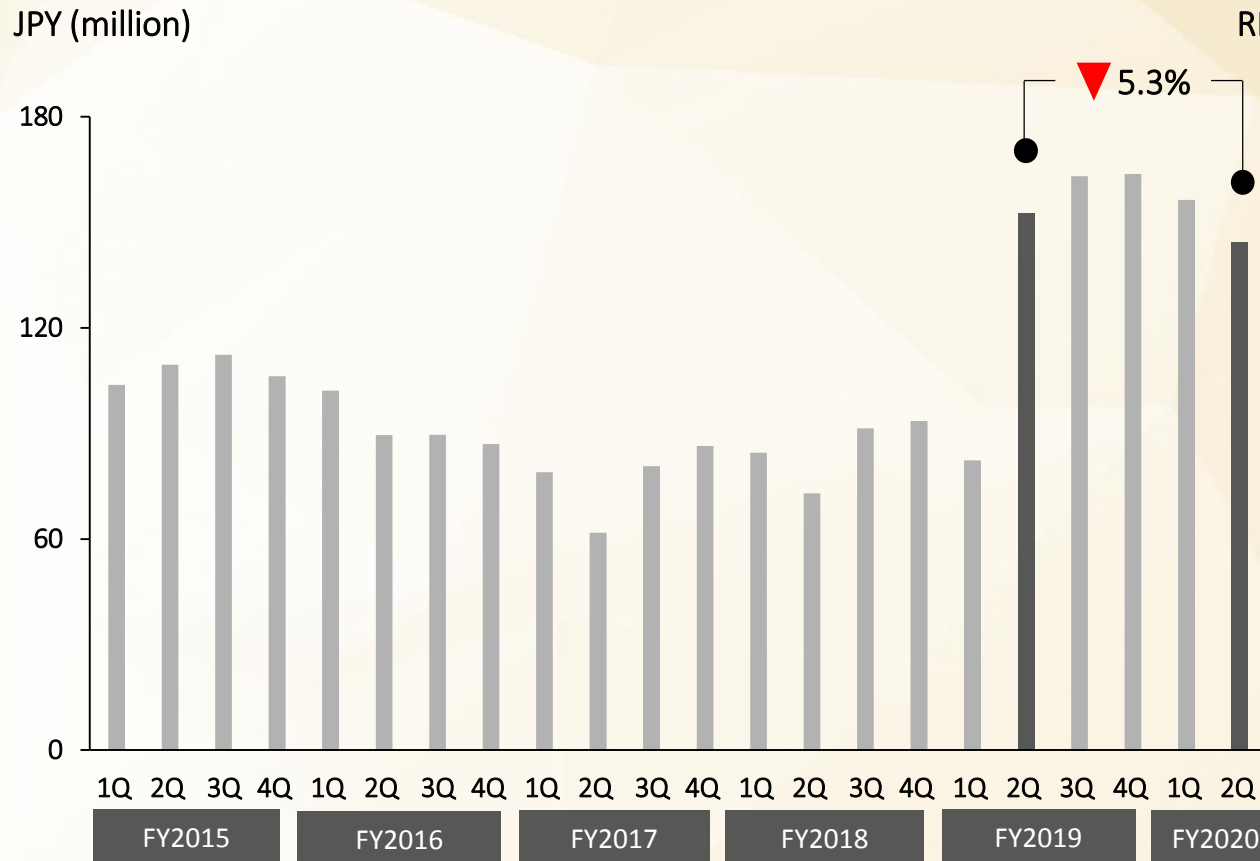
AUD (million)



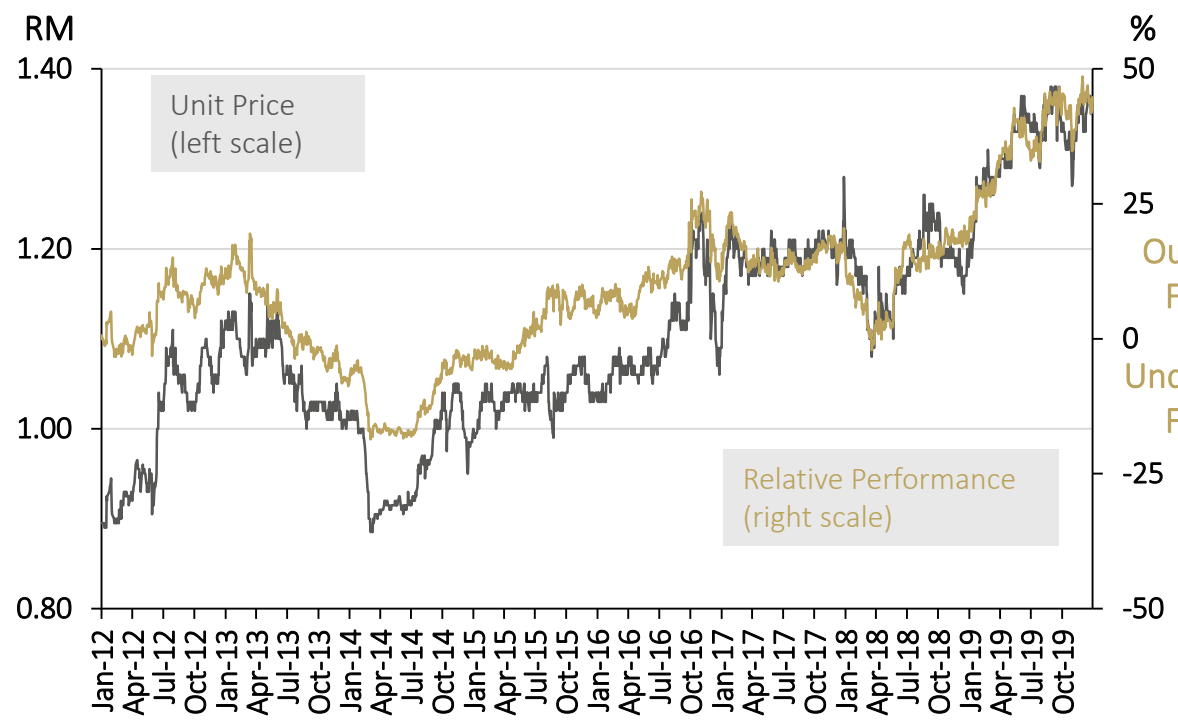
RM (million)



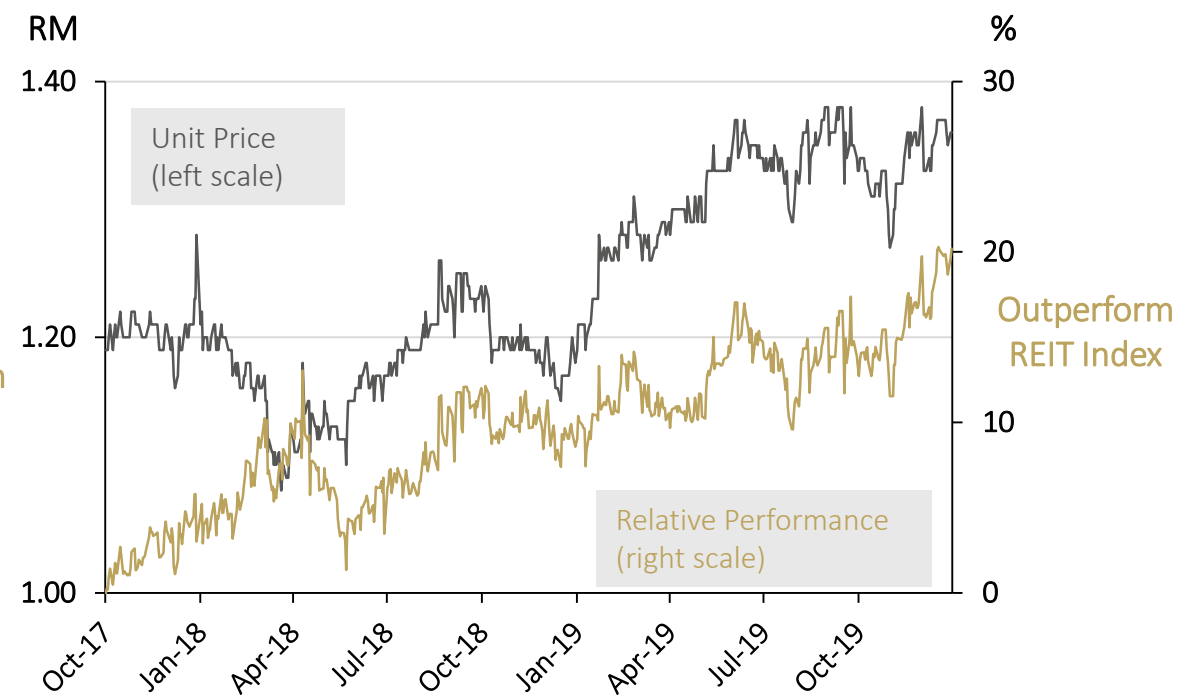
NPI in RM impacted by the foreign exchange effects of the stronger JPY relative to RM



YTL Hospitality REIT's
Unit Price Movement & Relative Performance to FBMKLCI
(1 January 2012 to 31 December 2019)



YTL Hospitality REIT's
Unit Price Movement & Relative Performance to REIT Index
(1 October 2017 to 31 December 2019)



TRADING STATISTIC

Closing price ⁽¹⁾	RM1.36
Market Cap (RM) ⁽¹⁾	RM2,318 mil
Units issued ⁽¹⁾	1,704,388,889
Average daily traded volume for 2Q FY2020 ('000 units) ⁽²⁾	671.0

Notes:
 (1) As at 31 December 2019.
 (2) For the quarter ended 31 December 2019.

Source: Bloomberg



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Financial performances: 6 months ended
31 December 2019 (YTD FY2020)

FINANCIAL PERFORMANCES: 6 MONTHS ENDED 31 DEC 2019 (YTD FY2020)

YTL HOSPITALITY REIT

1 July - 31 December	YTD FY2020	YTD FY2019	Change
Total Revenue	251.8	246.3	+ 2.2%
- Hotel Revenue (Management Contracts)	167.6	168.0	(0.2%) ⁽¹⁾
- Lease Rental (Master Leases)	84.3	78.4	+ 7.5% ⁽²⁾
Net Property Income (NPI)	133.8	125.6	+ 6.5%
- Management Contracts	55.7	53.3	+ 4.5% ⁽³⁾
- Master Leases	78.0	72.3	+ 7.9% ⁽²⁾
Income available for distribution	66.0	65.8	+ 0.4%
Income distribution	66.0	65.8	+ 0.4%
- from current year	66.0	65.8	+ 0.4%
Distribution per unit (DPU) (sen)	3.8742	3.8606	+ 0.4%
Payout ratio (%)	100.0	100.0	(0.0 pp*)

* pp = change in percentage points

Notes:

(1) Decreased mainly due to the weakening of Australian Dollar against Ringgit Malaysia.

(2) Increased mainly due to (i) full period (6 months) of contributions from the lease rental income of The Green Leaf Niseko Village for YTD FY2020 as compared to 3 months in YTD FY2019 and (ii) the additional rental from JW Marriott Hotel Kuala Lumpur effective July 2019 after completion of the reimbursement for renovation costs paid by the lessee.

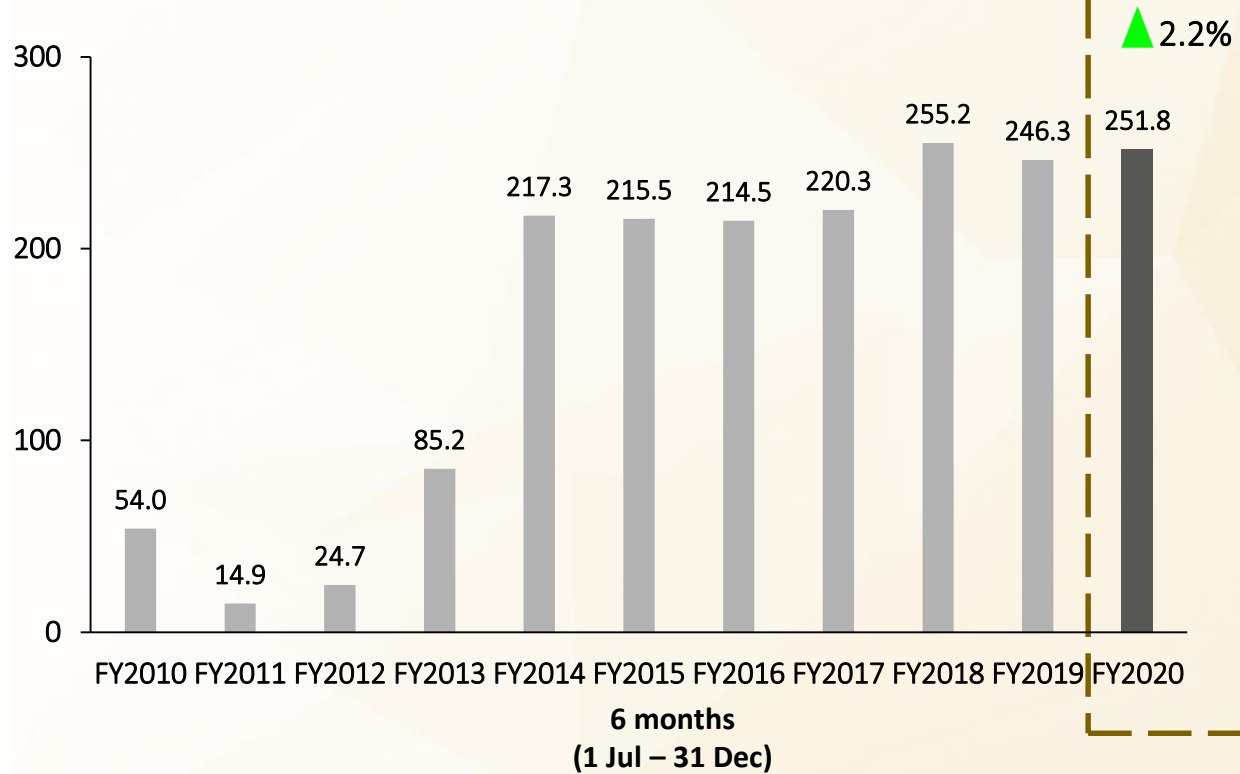
(3) Increased mainly due to operational efficiency and cost savings.

6 MONTHS (1 JUL-31 DEC) FINANCIAL PERFORMANCES

YTL HOSPITALITY REIT

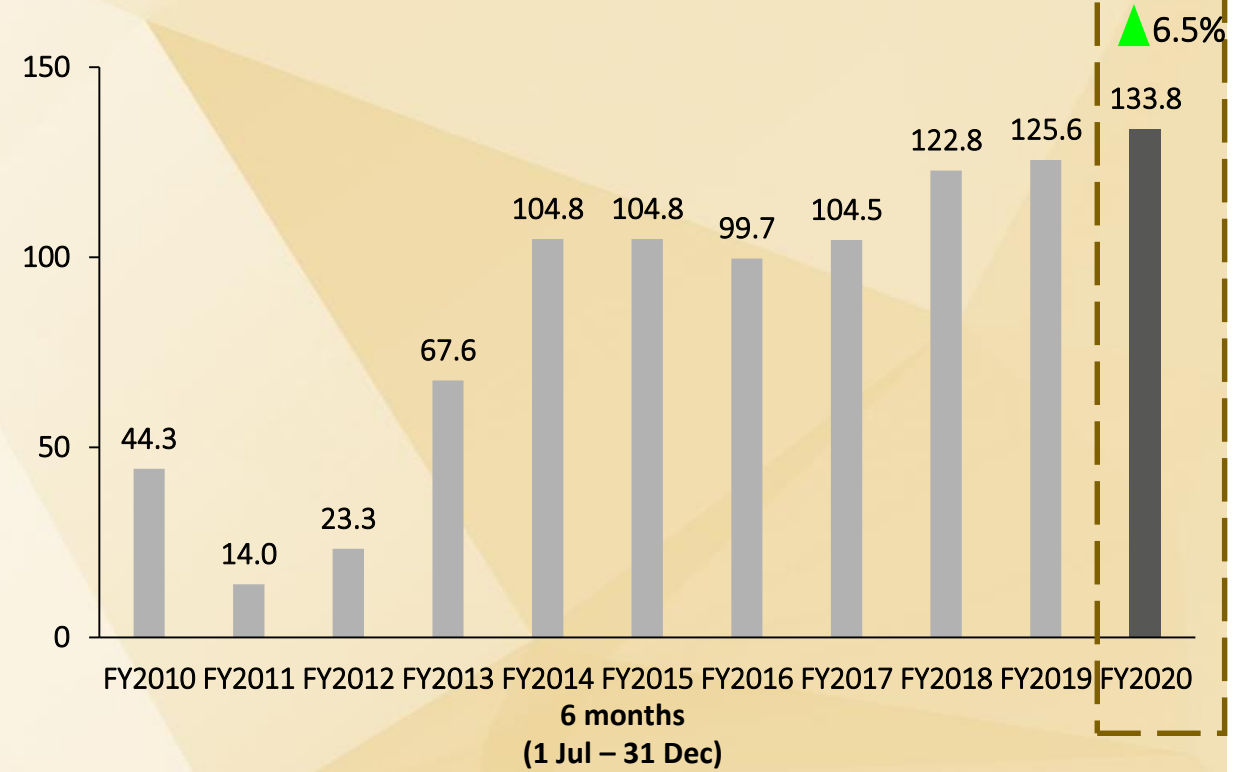
TOTAL revenue

RM (million)



NET property income

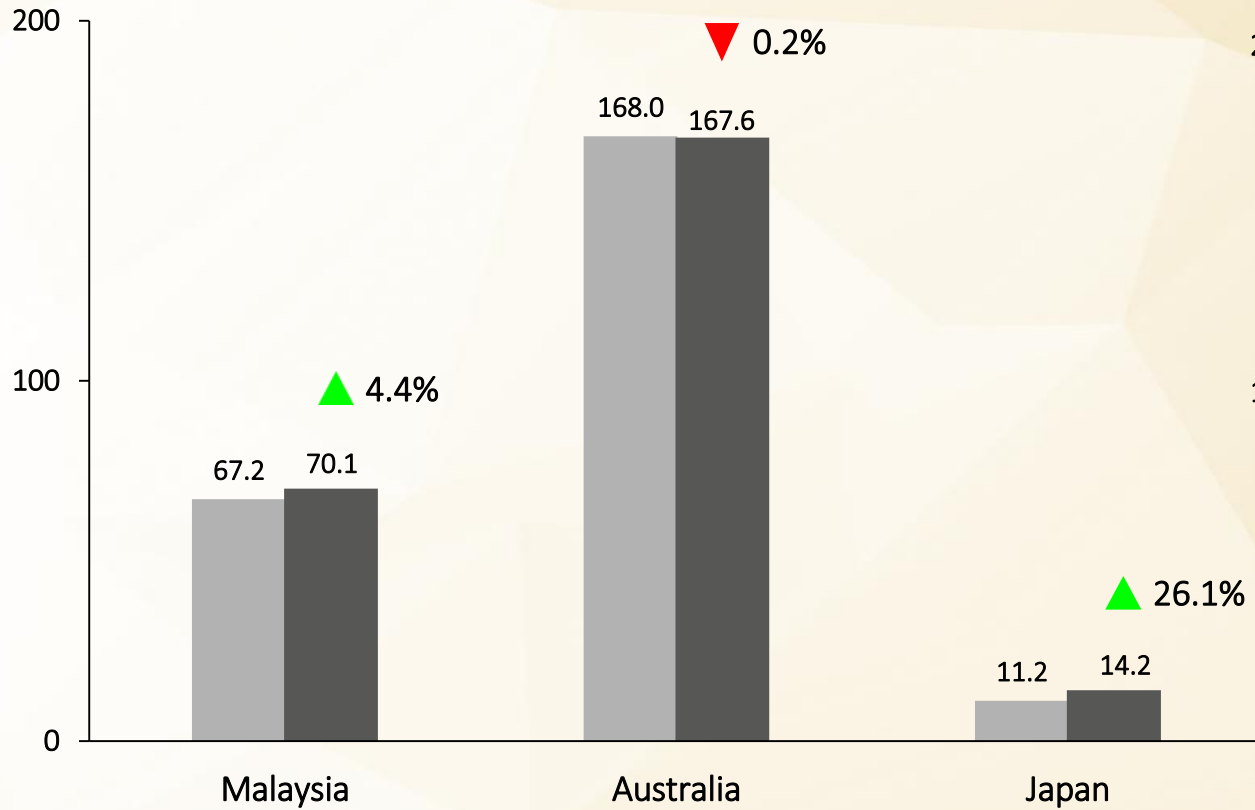
RM (million)



6 MONTHS (1 JUL-31 DEC) FINANCIAL PERFORMANCES BY COUNTRY

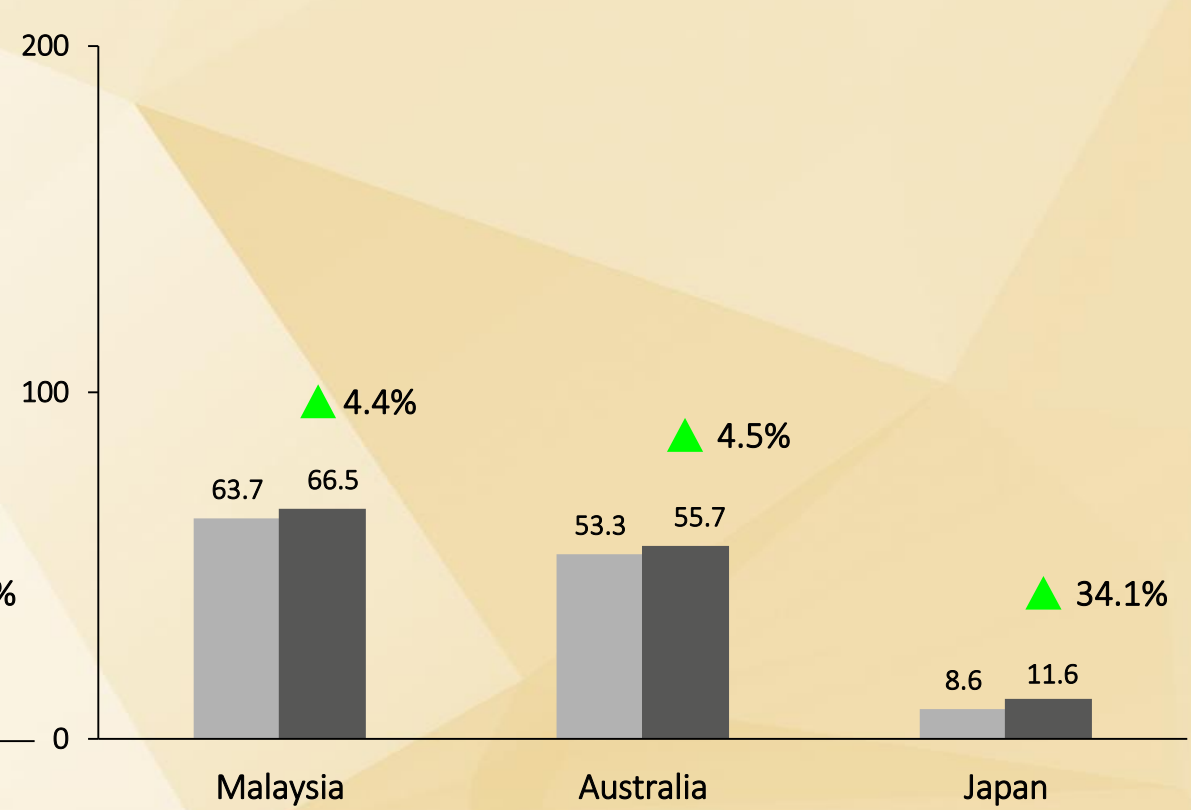
TOTAL revenue

RM (million)



NET property income

RM (million)

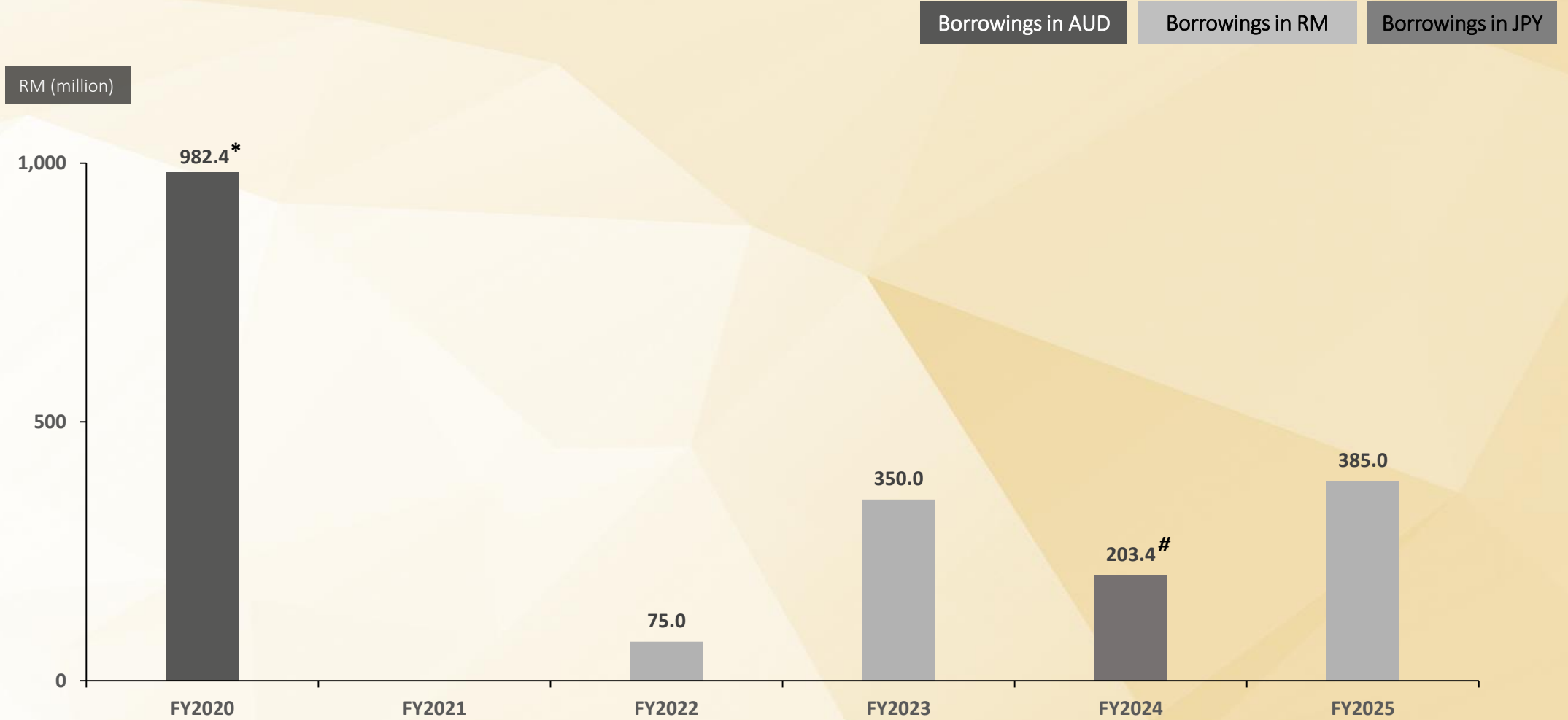


FY2019 FY2020



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Capital management



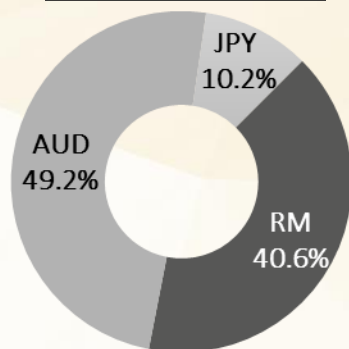
Notes:

^ Excluding the effects of capitalised transaction costs.

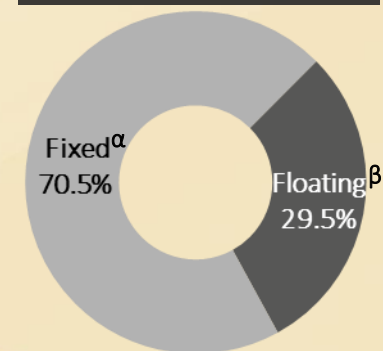
* RM equivalent based on the exchange rate of A\$1.00: RM2.8660 as at 31 December 2019.

RM equivalent based on the exchange rate of JPY100: RM3.7655 as at 31 December 2019.

CURRENCY



INTEREST RATE



	31 December 2019	30 September 2019	Change
Borrowings [^] (RM'000)	1,995,834	1,989,408	+ 0.3%
Total Asset Value (RM'000)	4,804,727	4,809,324	(0.1%)
Gearing (%)	41.5%	41.4%	+ 0.2 pp
Average Interest Rates (%) *			
- Borrowings in Ringgit Malaysia	4.9%	5.0%	(0.1 pp)
- Borrowings in Australian Dollar [@]	4.5%	4.5%	0.0 pp
- Borrowings in Japanese Yen	0.8%	0.8%	0.0 pp
Interest Cover * [#]	3.2 x	2.8 x	0.4 x

Notes:

* For the respective Quarter.

[^] Excluding the effects of capitalised transaction costs.

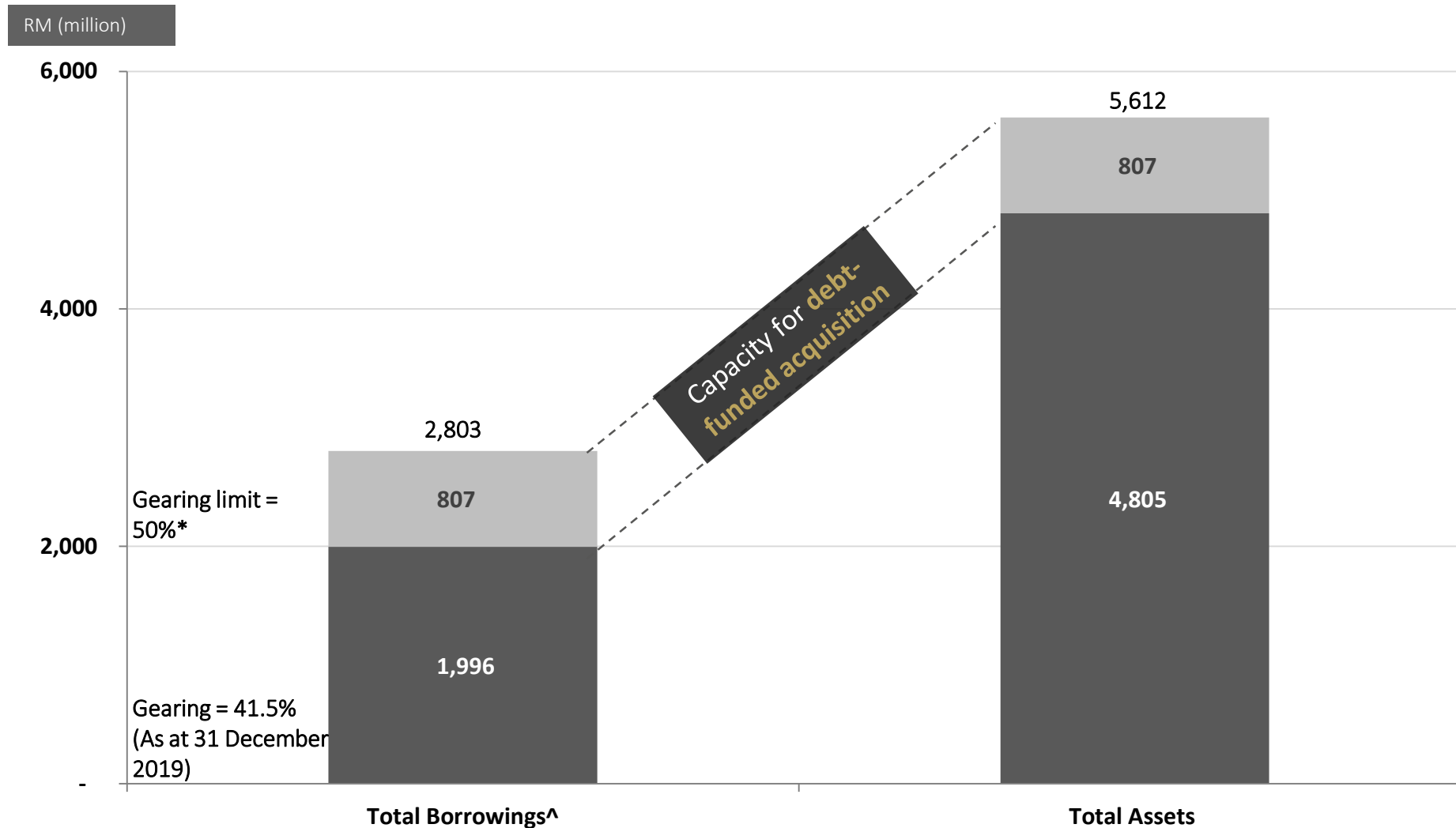
[#] Computed as NPI / Finance Cost

[@] The interest rate is hedged and fixed at the effective rate of 4.68% with effect from 29 December 2017.

^α 49.2% denominated in AUD and 21.3% denominated in RM.

^β 10.2% denominated in JPY and 19.3% denominated in RM.

DEBT HEADROOM OF ~RM807 million FOR ACQUISITIONS



Notes:

[^] Excluding the effects of capitalised transaction costs.

* Leverage limit reduced to 50% under new regulatory guidelines, previous limit of 60% no longer applicable

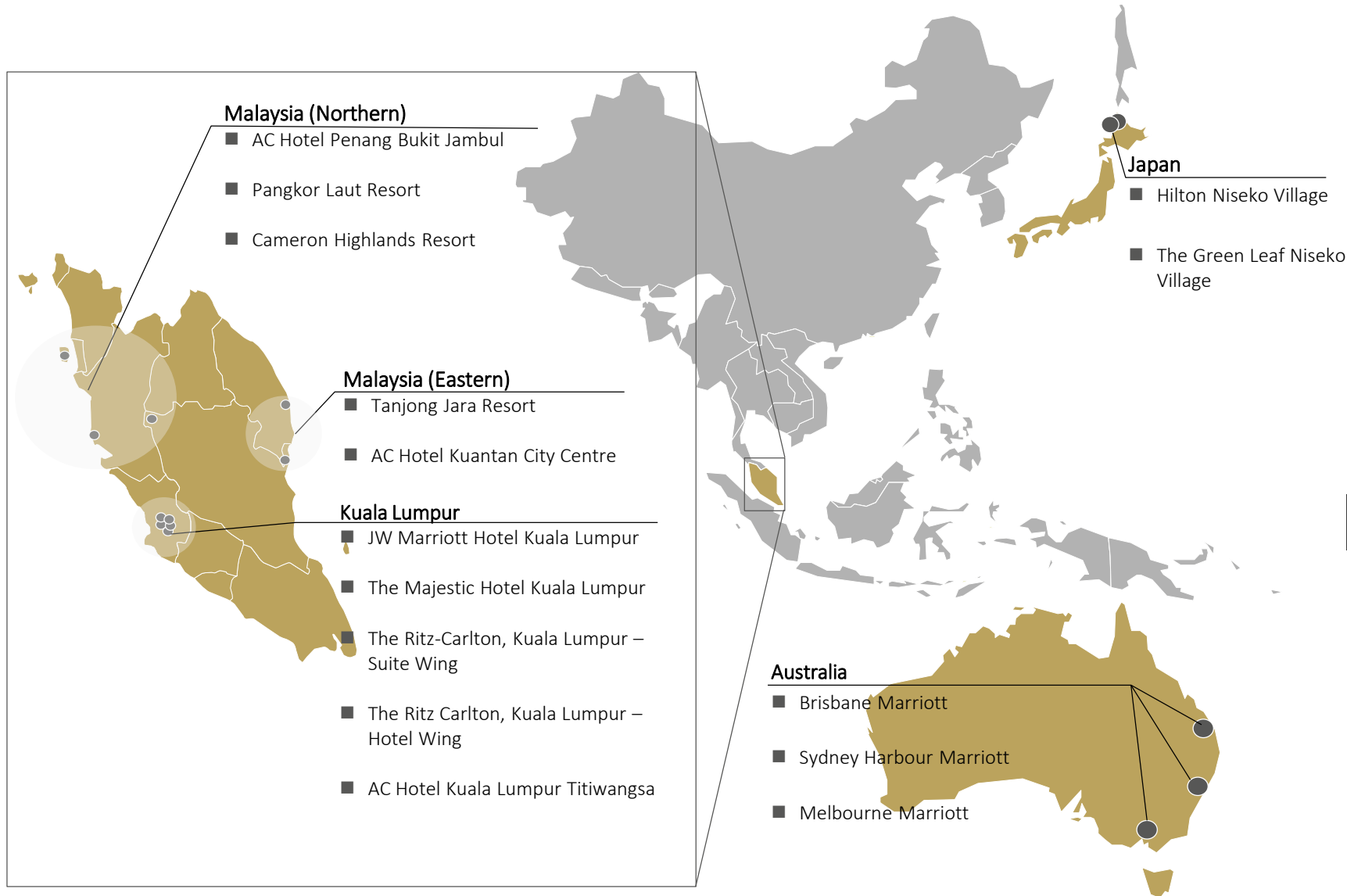


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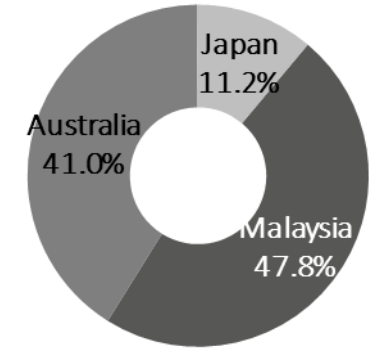
Asset management

LUXURY HOTELS & SERVICED RESIDENCES IN 3 COUNTRIES

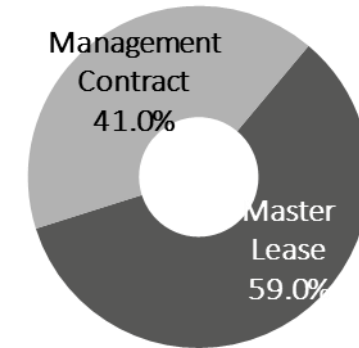
YTL HOSPITALITY REIT



ASSET breakdown (by Country)⁽¹⁾



ASSET breakdown (by Contract Type)⁽¹⁾



Note:
 (1) Based on investment properties and property, plant & equipment as at 31 December 2019.

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	2Q FY2020
Malaysia	Under Master Leases							
Japan	Under Master Leases							
Australia	83.1% ⁽¹⁾	84.2%	84.4%	86.4%	86.9%	87.8%	84.9%	88.1%

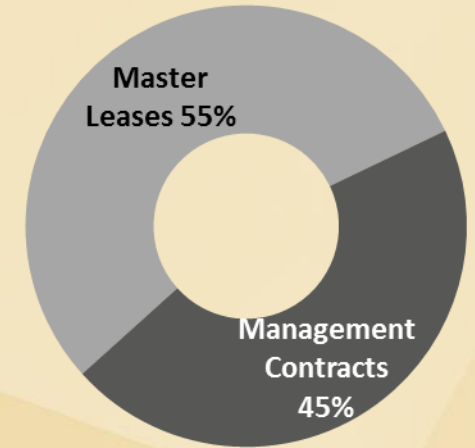
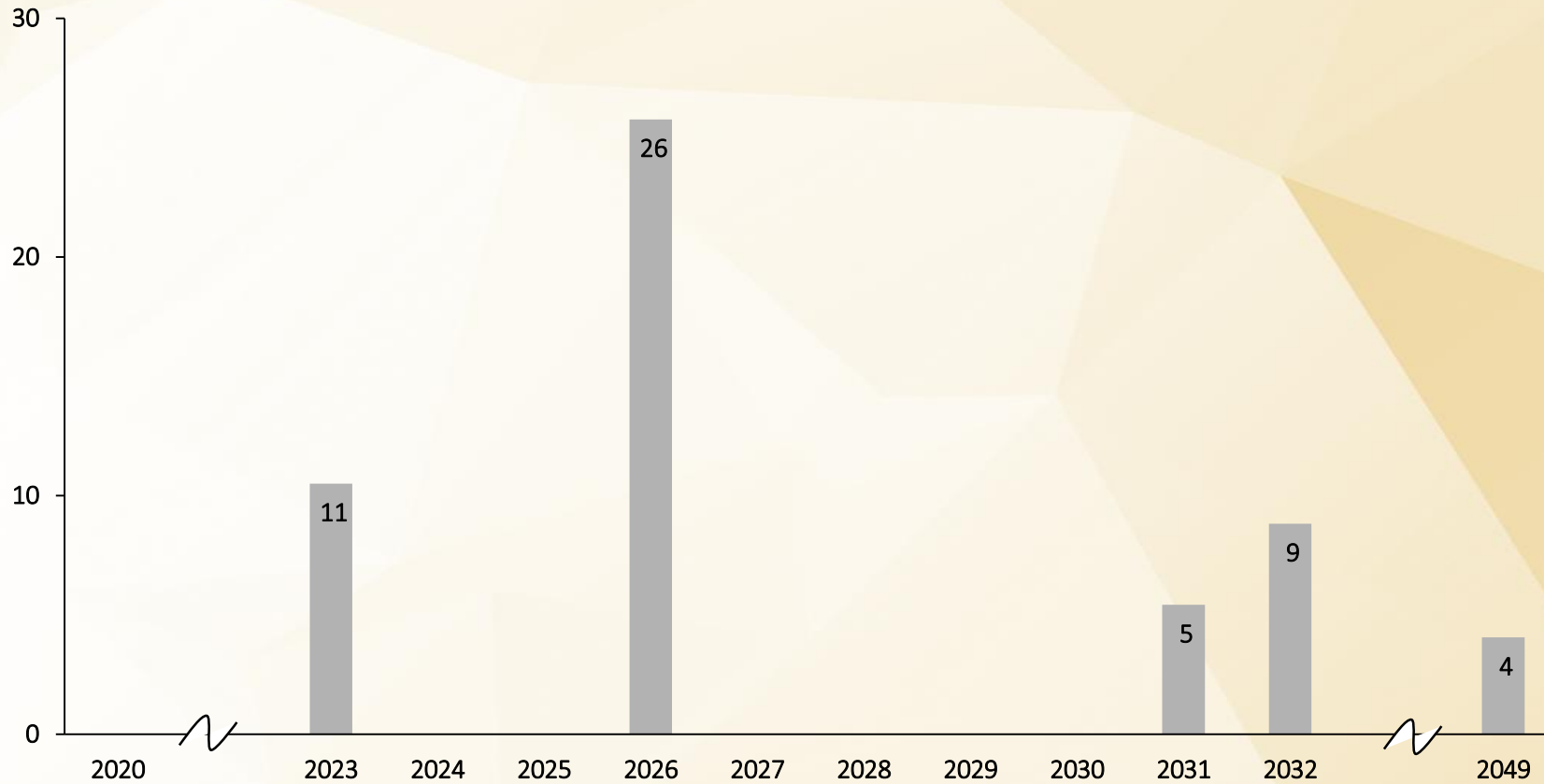
Note:

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

NET property income
(% of total *)

Master leases

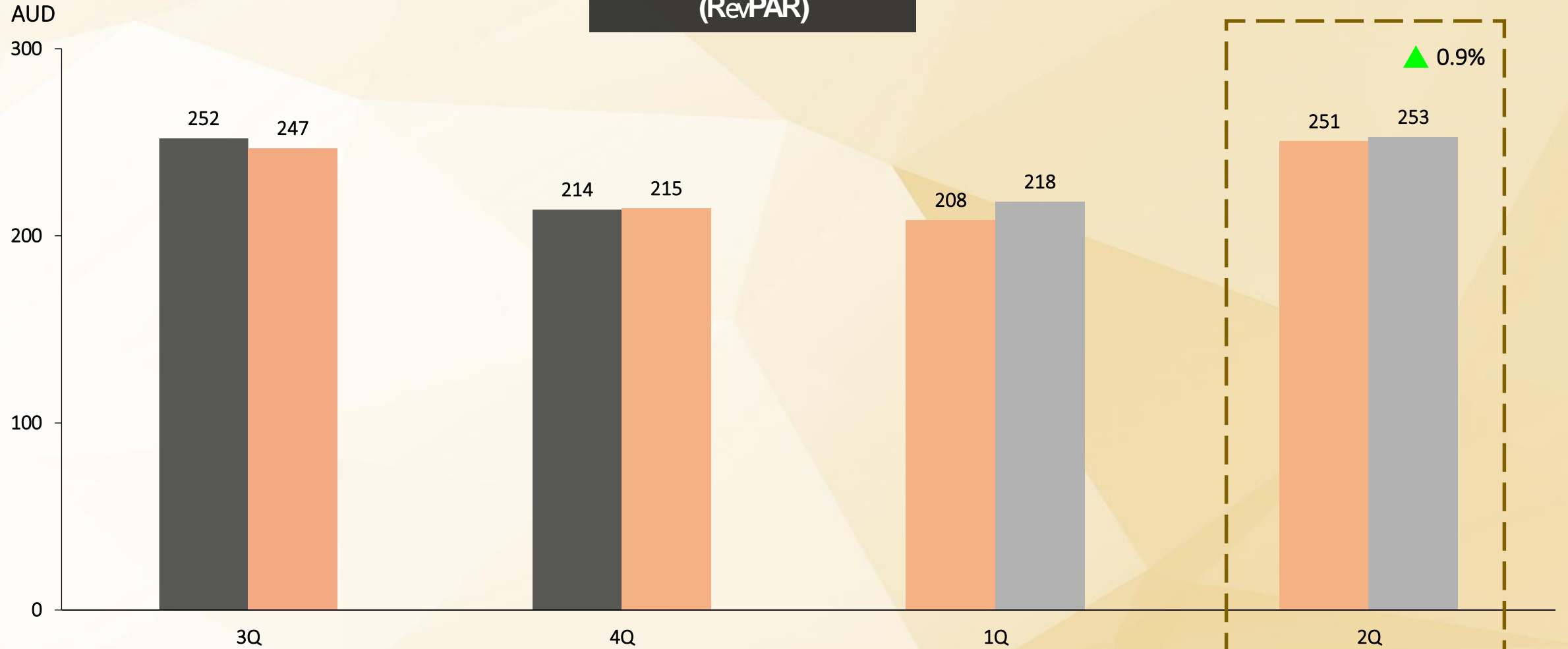
NET property income
(% of total *)

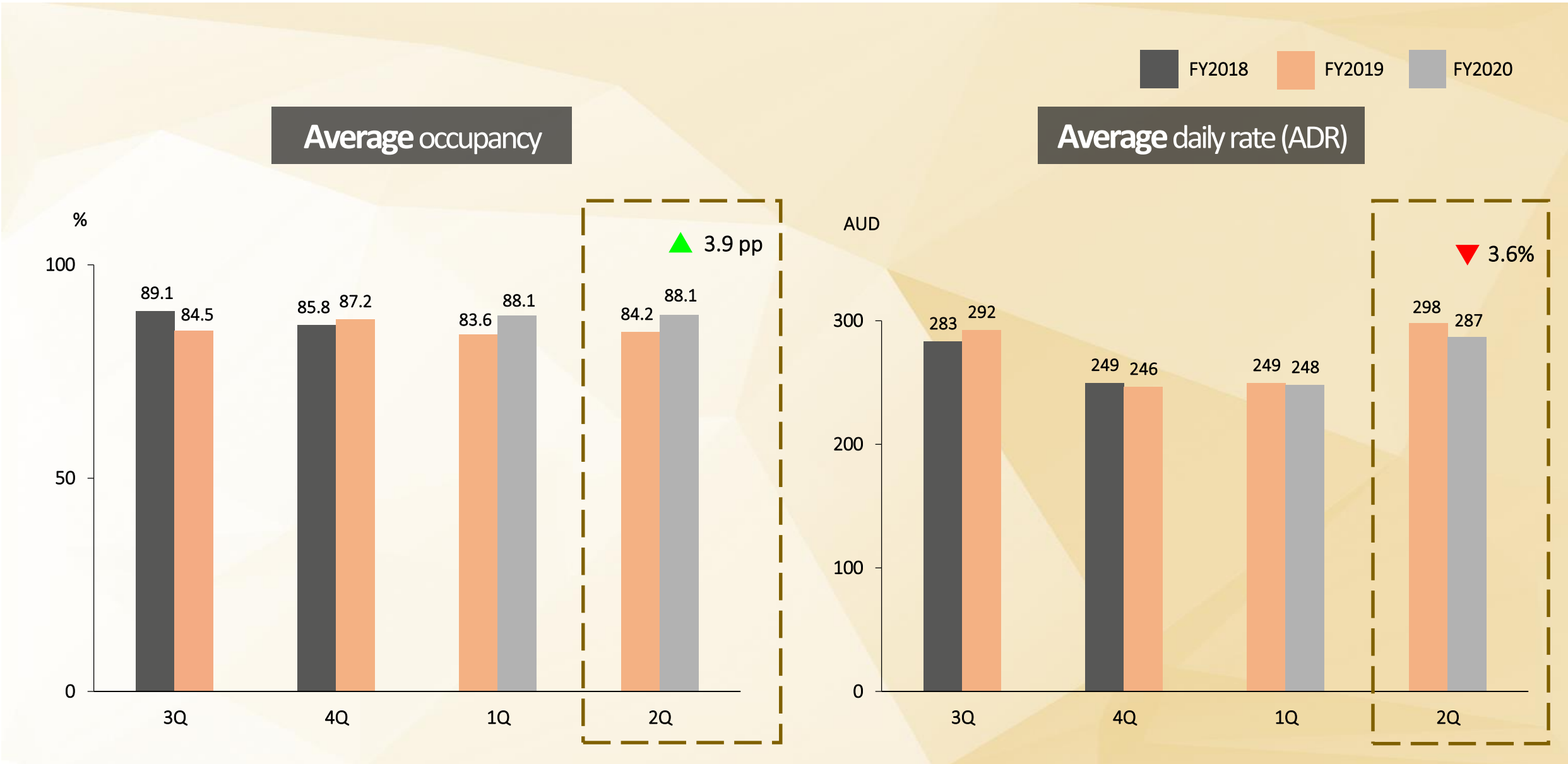


Note:
* For 2Q FY2020.

REVENUE per available room (RevPAR)

FY2018 FY2019 FY2020







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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⁾	4 years
Annual rental ⁽²⁾	RM31.74 million
No. of rooms	578
Acquisition date	16 December 2005
Valuation ⁽³⁾	RM519 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 30 June 2019.

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⁾	13 years
Annual rental ⁽²⁾	RM26.60 million
No. of rooms	300
Acquisition date	3 November 2017
Valuation ⁽³⁾	RM388 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

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 parks Parcel 2: 50 units of hotel suites, 4 units of penthouses and 1 level of basement car park
Tenure	Freehold
Master lease expiry	31 December 2031
Master lease remaining ⁽¹⁾	12 years
Annual rental ⁽²⁾	RM16.38 million
No. of rooms	114
Acquisition date	16 May 2007 & 15 November 2011
Valuation ⁽³⁾	Parcel 1: RM210 million Parcel 2: RM101 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

Address	No. 168, Jalan Imbi, 55100 Kuala Lumpur
Description	22-storey 5-star hotel building comprising 251 rooms with 4-storey basement car parks
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	7 years
Annual rental ⁽²⁾	RM21.63 million
No. of rooms	251
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM357 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

Address	No. 9, Jalan Lumut, Off Jalan Ipoh, 50400 Kuala Lumpur
Description	17-storey hotel building with 364 rooms and 2-storey basement car parks
Tenure	Freehold
Master lease expiry	14 November 2026
Master lease remaining ⁽¹⁾	7 years
Annual rental ⁽²⁾	RM8.61 million
No. of rooms	364
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM138 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

Address	No. 213, Jalan Bukit Gambier, 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⁾	7 years
Annual rental ⁽²⁾	RM8.61 million
No. of rooms	427
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM120 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

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⁾	7 years
Annual rental ⁽²⁾	RM6.30 million
No. of rooms	215
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM89 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

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⁾	7 years
Annual rental ⁽²⁾	RM8.82 million
No. of rooms	97
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM118 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

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⁾	7 years
Annual rental ⁽²⁾	RM7.35 million
No. of rooms	100
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM103 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

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⁾	7 years
Annual rental ⁽²⁾	RM4.20 million
No. of rooms	56
Acquisition date	15 November 2011
Valuation ⁽³⁾	RM60 million



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.

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⁾	7 years
Annual rental ⁽²⁾	RM16.32 million
No. of rooms	506
Acquisition date	22 December 2011
Valuation ^(3, 4)	JPY7,700 million (RM289.94 million)



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.
4. RM equivalent based on the exchange rate of JPY100:RM3.7655 as at 31 December 2019.

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⁾	29 years
Annual rental ^(2,4)	JPY315 million (RM11.86 million)
No. of rooms	200
Acquisition date	26 September 2018
Valuation ^(3, 4)	JPY6,060 million (RM228.19 million)



Notes:

1. Lease remaining calculated as at 31 December 2019. There is an option for the lessee to renew the lease upon expiry.
2. Derived by annualising the applicable monthly rental as at 31 December 2019.
3. As at 31 May 2019.
4. RM equivalent based on the exchange rate of JPY100:RM3.7655 as at 31 December 2019.

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)	AUD500 million (RM1,433.00 million)



Notes:

1. As at 31 May 2019.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.8660 as at 31 December 2019.

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)	AUD93.5 million (RM267.97 million)



Notes:

1. As at 31 May 2019.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.8660 as at 31 December 2019.

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)	AUD78.5 million (RM224.98 million)



Notes:

1. As at 31 May 2019.
2. RM equivalent based on the exchange rate of A\$1.00:RM2.8660 as at 31 December 2019.

This presentation shall be read in conjunction with YTL Hospitality REIT's interim financial report for the quarter ended 31 December 2019, a copy of which is available on www.bursamalaysia.com and www.ytlhospitalityreit.com.

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