



The Ascott Limited

Scales up lodging business with US\$26-million investment in Indonesia's leading hotel operator TAUZIA

17 Sep 2018



Disclaimer

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Ascott Scales Up Lodging Business & Expands Beyond Serviced Residences

- 1 Continue to grow core business in serviced residences and existing business in apartments for corporate lease
- 2 Step up growth of our existing portfolio of business hotels
- 3 Scale up lodging business by widening our offering of products and services
- 4 Integrate strategic acquisitions into Ascott's network – synergies in cross selling, operational efficiencies and customer outreach

Executive Summary



17 Sep 2018 – The Ascott Limited (Ascott) scales up lodging business with 70% investment in Indonesia's leading hotel operator TAUZIA with a total investment of about US\$26m.

Strategic Rationale of the Investment

- 1 Advance in business hotel segment and acquire valuable time-to-market with TAUZIA's existing inventory
- 2 Capture new segments targeting Southeast Asia's middle-class travellers and strengthen Ascott's position in Indonesia
- 3 As part of Ascott's target of 160,000 units by 2023, Ascott is extending its mandate to the business hotel space, to better serve the evolving lodging needs of business travellers

Ascott's Global Presence

1 Advance in business hotel segment and acquire valuable time-to-market with TAUZIA's existing inventory

Over 94,000

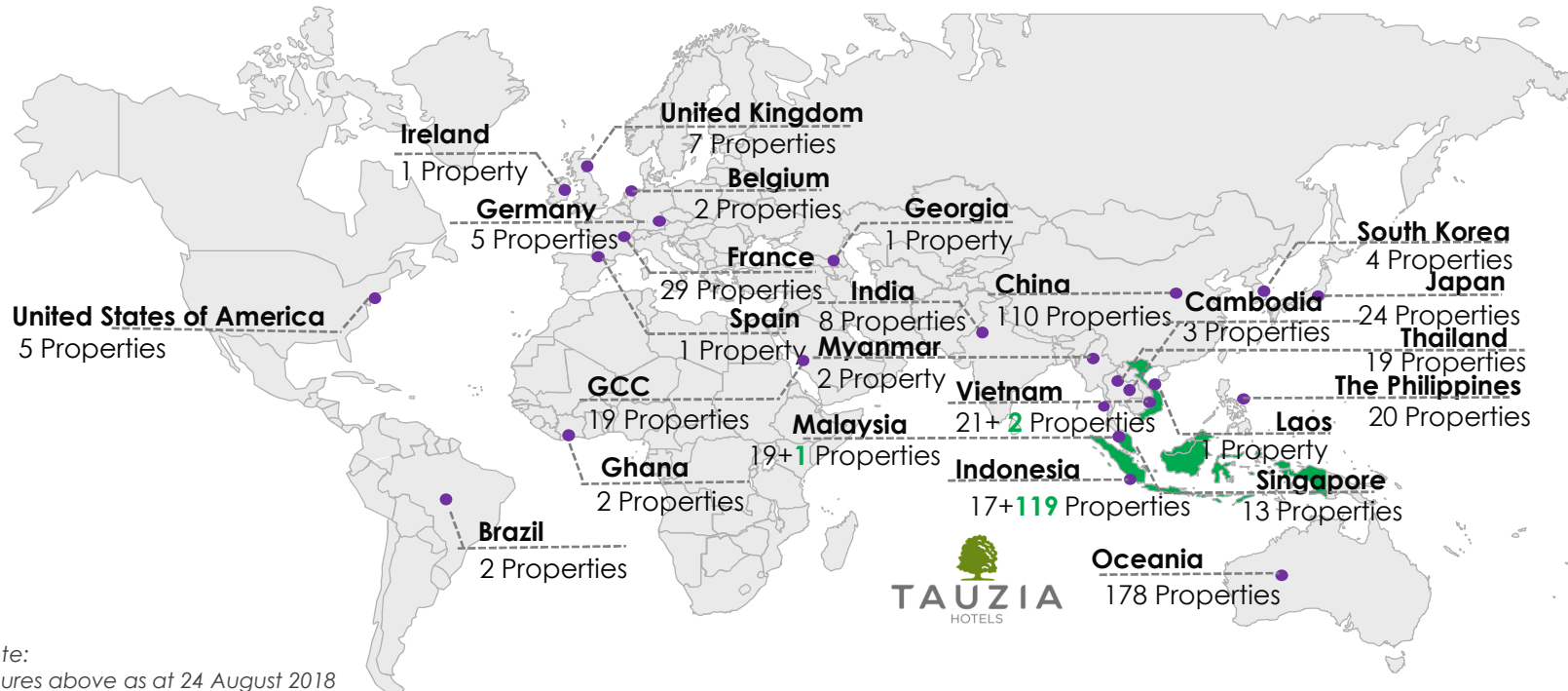
Keys/Units

636

Properties

165

Cities in 31 Countries



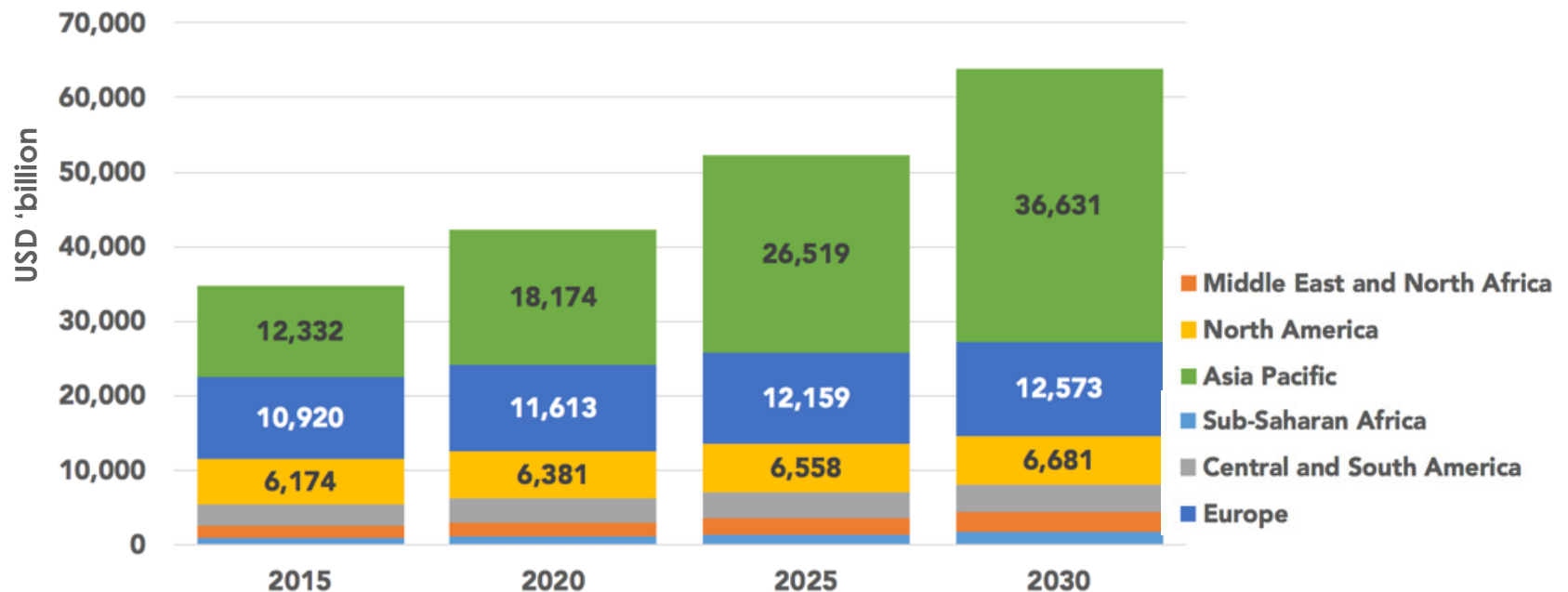
Note:
Figures above as at 24 August 2018

Investment in TAUZIA provides access to the **business hotel segment**, which complements Ascott's portfolio of **serviced residences and apartments for corporate lease** in key gateway cities across Asia Pacific, Europe, Middle East and the Americas.

Capture New Segments

- 2 Capture new segments targeting Southeast Asia's middle-class travellers and strengthen Ascott's position in Indonesia

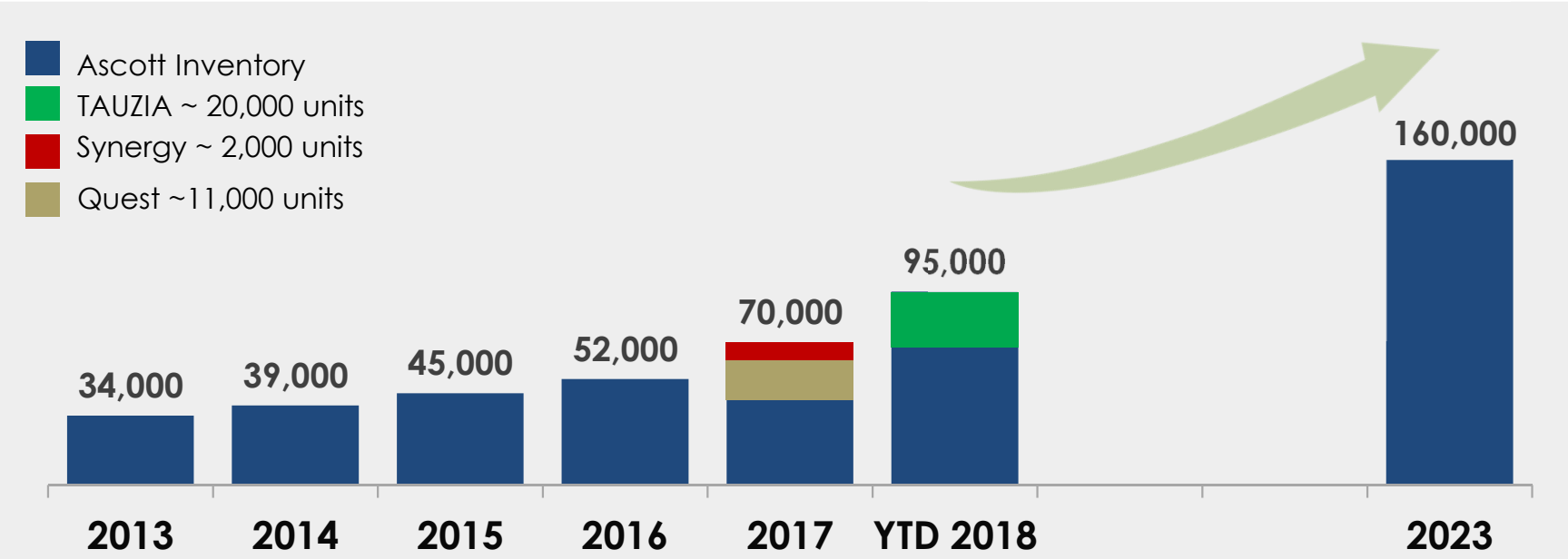
Global Middle Class Spending



- By 2030, **Asia will represent 66% of the global middle-class population** and will spend their additional income on travel and tourism
- **Increased connectivity across Asia** with sustained investment into transport infrastructure and growth of the aviation market boost demand for business hotels

Accelerated Growth through Strategic Acquisitions

3 As part of Ascott’s target of 160,000 units by 2023, Ascott is extending its mandate to the business hotel space, to better serve the evolving lodging needs of business travellers



- Ascott is targeting **tomorrow’s business travellers**, who may make **shorter business trips**, and prioritise price-point and experience while continuing to **insist on reliability**.
- Brands such as **lyf, HARRIS and YELLO**, and acquisitions such as **Synergy’s** tech-focused client base – help make **Ascott’s lodging offerings accessible to a wider pool of customers**.

Note:
1. YTD 2018 as at 24 August 2018

Investment in Indonesia's leading hotel operator TAUZIA



YELLO Hotel Harmoni, Jakarta
& HARRIS Vertu Harmoni, Jakarta

About TAUZIA



TAUZIA is a leading hotel operator in Indonesia with an established track record of close to 20 years in the industry

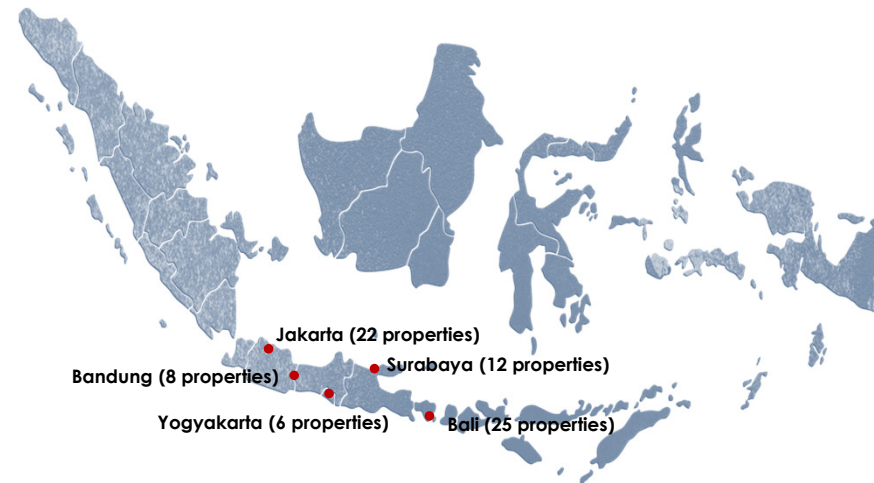
Top 5 hotel operator in Indonesia

Portfolio of close to **20,000** units and **122** properties in Indonesia, Malaysia and Vietnam, half of which are under development

2017 portfolio performance:

- Occupancy: ~**70%**
- ADR range across economy to upscale brands: ~**US\$20 – 100**
- **70%** of TAUZIA's hotels cater to **business & convention** travellers

TAUZIA's Existing Footprint



122 properties are mostly located in Indonesia, with ~60% of inventory in key cities of Jakarta, Bali, Bandung, Surabaya, and Yogyakarta

Founder of TAUZIA



TAUZIA is a leading hotel operator in Indonesia with an established track record of close to 20 years in the industry

- **Current management will continue in the running of TAUZIA's hotels and the integration with Ascott's network**
- **Work with Ascott to grow the TAUZIA brands overseas**



Mr. Marc Steinmeyer, Founder

- Founded TAUZIA Hotel Management in 2001
- Worked with Accor Hotels for 20 years
- CEO of Accor Indonesia-Malaysia-Singapore (1991-2001)

TAUZIA's Brands



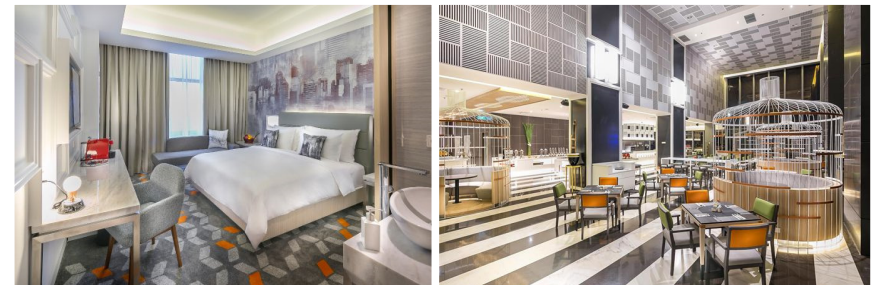
- **Préférence** is a boutique resort hotel brand
- Caters to leisure travellers seeking unique experiences in a discreet & intimate setting
- 9 Properties (7 under development)



The Tamarind Resort, Nusa Lembongan



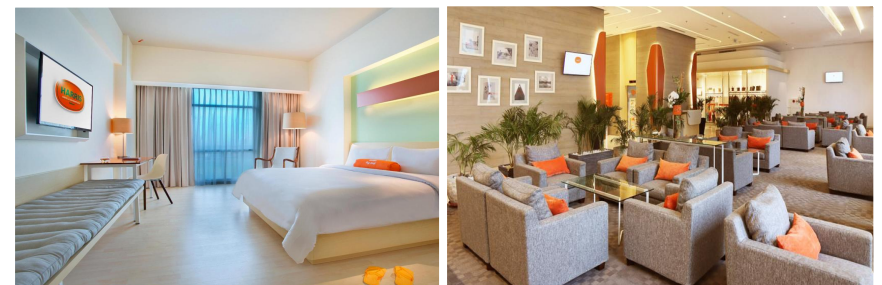
- **HARRIS Vertu** is an upscale business hotel brand
- Caters to corporate and MICE travellers seeking unique experiences in a discreet & intimate setting
- 2 Properties (1 under development)



HARRIS Vertu Harmoni



- **HARRIS** is a vibrant mid-tier hotel brand
- Targets the weekday business demand and weekend leisure demand from families.
- 42 Properties (19 under development)



HARRIS Bekasi

TAUZIA's Brands



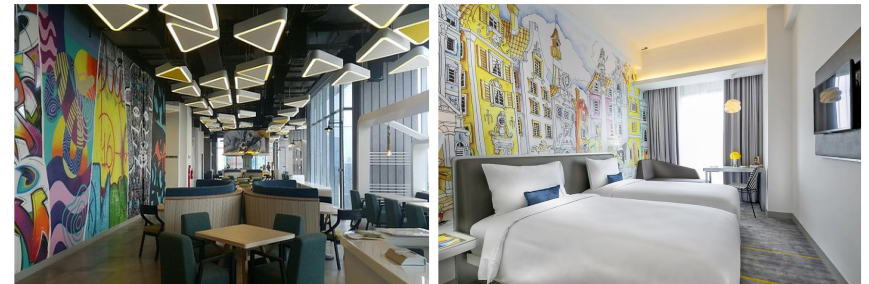
- **FOX HARRIS** is a mid-tier brand for converted hotels
- Targets weekday business demand and weekend leisure demand from families.
- 14 Properties* (8 under development)



FOX HARRIS Pekabaru



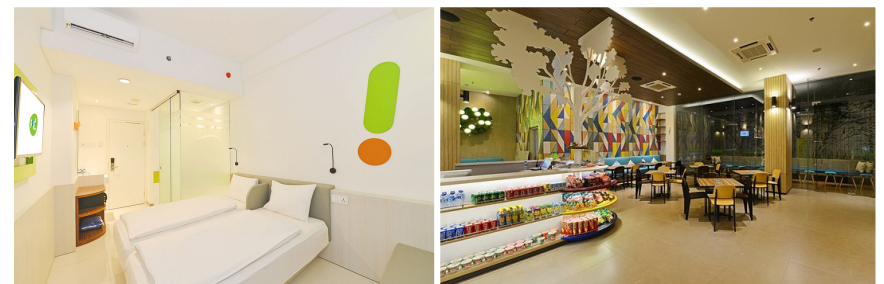
- **YELLO** is a lively mid-tier brand which integrates technology and shared social spaces in each hotel
- Focuses on millennials who combine business with leisure
- 18 Properties (14 under development)



YELLO Harmoni



- **POP!** is an economy brand which offers affordable and eco-friendly accommodation options in major cities
- Targets value-conscious transient travellers on both business and leisure travel
- 37 Properties (14 under development)



POP! Pasar Baru

Strengthen Ascott's Presence in Indonesia

Deepen Ascott's penetration in Southeast Asia's fastest growing and largest economy

Indonesia's growth in the travel and tourism sector is supported by the 260 million domestic population and 14 million international visitors.

Travel and tourism contributes more than US\$5.4 billion (~6%) to Indonesia's GDP

Domestic travel spending generated ~60% of the Travel and Tourism GDP and is expected to grow by 5.5% annually

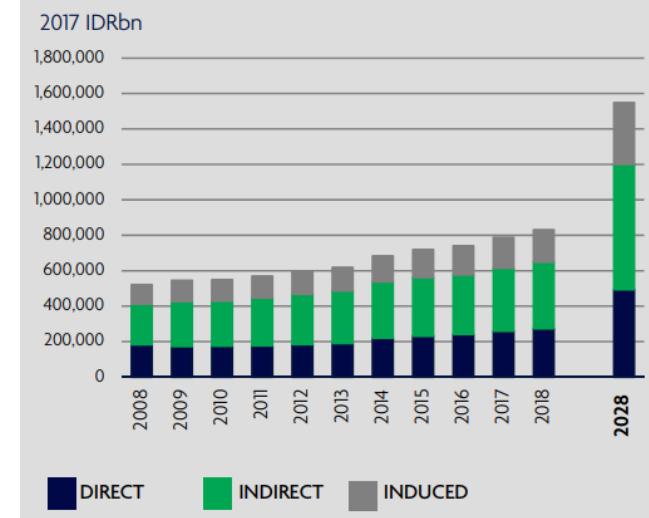
Growth in Indonesia's Travel and Tourism sector is supported by :

Increased domestic spending power: Indonesia's GDP per capital has grown to US\$3,600 with a 10-year CAGR of 6.5%

Growth in international arrivals: Indonesia received 14 million international visitors in 2017. This is expected to grow by ~4% annually

Investment in transport infrastructure: US\$353 billion channeled to road, rail and air travel projects from 2015 to 2019

Contribution of Travel & Tourism to GDP (Indonesia)



Capture the Growing Mass Market Business Hotel Segment in Southeast Asia

Rise of the middle class fuels the demand for lodging

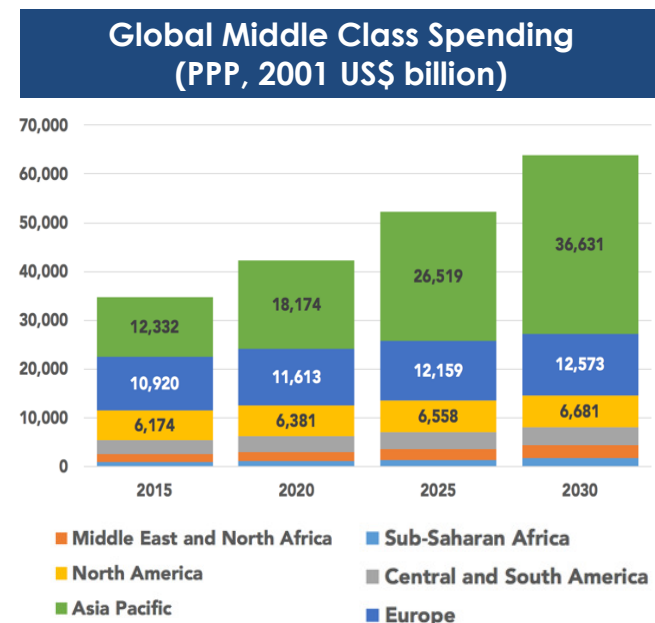
- Potential to grow 20,000 keys in Southeast Asia over the next 5 years, increasing Ascott's business hotel portfolio by 25% to over 41,000 keys by 2023
- Enlarge pool of customers for Ascott's products

By 2030, Asia will represent 66% of the global middle-class with a spending of US\$36 trillion.

In 2017, domestic travel spending in Southeast Asia (~US\$ 130 billion) makes up ~50% of total tourism spending.

Domestic travel spending in Southeast Asia is expected to grow by 5.4% annually to US\$240 billion in 2028.

Strengthen Ascott's portfolio by extending into the business hotel space, both horizontally via portfolio expansion and vertically via different price points and products.



Broaden touchpoints for today and tomorrow's business travellers to access Ascott's lodging services

Conclusion

As part of Ascott's target of 160,000 units by 2023, Ascott is expanding beyond serviced residences and apartments for corporate lease to advance in business hotel segment

Broaden touchpoints for today and tomorrow's business travellers to access Ascott's lodging services

Expand in the business hotel segment and acquire valuable time-to-market with TAUZIA's existing inventory

Capture new segments targeting Southeast Asia's middle-class travellers and strengthen Ascott's position in Indonesia



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Thank you