

NEWSRELEASE

ASCOTT UNVEILS INTEGRATED STRATEGY TO ACCELERATE ASSET-LIGHT GROWTH IN LODGING BUSINESS

Presents business outlook and strategic thrusts at CapitaLand Investment Investor Day 2022

Singapore, 17 October 2022 – At CapitaLand Investment (CLI) Investor Day 2022 event, which was held over two days (13 – 14 October 2022) in Singapore, CLI’s wholly owned lodging business unit, The Ascott Limited (Ascott), shared its business outlook in a panel discussion titled: “Riding the Wave of Travel Recovery and Beyond”. Ascott also presented its lodging investment management strategy at this gathering of over 200 institutional investors, bankers and market analysts.

Mr Kevin Goh, CEO, CLI Lodging and The Ascott Limited, shared during the panel discussion: “The recovery of the lodging sector has accelerated alongside the rapid lifting of travel restrictions starting second quarter of 2022. At the end of the third quarter, Ascott’s revenue per available unit was pacing close to pre-pandemic levels in 2019. We expect our serviced residences, which has the flexibility to cater to both short- and long-stay customers, to further bolster revenues. Beyond the initial travel rush, growth of the hospitality sector is on a positive and sustainable trajectory.”

During the event, Ascott outlined the strategic thrusts of its lodging business, riding on post-COVID travel recovery to enter a phase of accelerated asset-light growth.

- **Powering a resilient and differentiated model.** As an integrated player across the lodging real estate value chain, Ascott’s business model is powered by two engines of growth. The investment management engine is anchored by the listed CapitaLand Ascott Trust (CLAS) and its private funds, while the lodging management engine powers the growth of room units across its portfolio of product brands. Harnessing the synergy of its owners’ network, strong product branding and in-depth local expertise, Ascott is well-positioned to scale fund and lodging management fees.
- **Focusing on asset-light growth.** Ascott is embarking on an increasingly asset-light growth, with over 80% of its properties currently signed under management and franchise contracts, up from 39% in 2011. The long contract duration, for 10+10 years, helps to build a stable recurring income stream for Ascott. In the first half of this year, Ascott signed more than 7,500 new rooms and opened over 4,500 rooms. With the acquisition of Oakwood, it has achieved a healthy net room growth¹ of 15%.

¹ Net Room Growth represents new rooms added in 2022 net of terminations.

- **Accelerating growth through strategic mergers and acquisitions.** [Ascott's latest acquisition of Oakwood in July 2022](#) gave an immediate boost to the group's portfolio, expanding its global presence to more than 150,000 units in about 900 properties across over 200 cities. The acquisition cemented Ascott's position as one of the top three extended stay serviced residence providers in the world². This follows a string of prior strategic investments which include the acquisition of Quest Apartment Hotels and substantial investment in Synergy Global Housing – both in 2017. In 2018, Ascott acquired TAUZIA Hotel Management (TAUZIA).
- **Growing a portfolio of global brands.** Building on its capabilities to manage both short and long-stay lodging requirements, the group continues to drive lodging options that allow for the flexibility to pivot based on demand across geographies, ensuring resilience across business peaks and troughs. Playing to the strengths of Ascott's dual-engine business model, the lyf brand was created to appeal to the next-generation travellers. The brand has gained much traction in the coliving space since its debut in 2019. Now with 21 lyf properties and 13 more under development, Ascott is confident of lyf's strong potential and is targeting to sign 150 lyf properties by 2030.

“Ascott has a resilient and differentiated business model and we will continue to build on our strength as an integrated lodging player across the real estate value chain. Our portfolio of brands caters to different types of travellers, from short stay to long-term guests and our strategy is to focus on unlocking their full value potential. From 2017 to 2021, Ascott has had five consecutive years of record signings, in spite of COVID. We are keeping pace in 2022 as well. Ascott is on track to achieving its target of 160,000 units globally by 2023.” added Mr Goh.

Brand360 Strategy

Ascott's portfolio of brands spans varying lodging options including serviced residences and aparthotels, hotels and coliving concepts. As its brand portfolio expands for continued growth in the dynamic hospitality sector, it has embarked on a groupwide exercise to strengthen its brand portfolio through sharpened brand stories and the introduction of signature experiences and programmes unique to each brand.

The **Citadines** brand refresh was [unveiled in September 2022](#). With the tagline ‘For the Love of Cities’, Citadines offers travellers the comfort of a serviced residence and the flexibility of a hotel. The refreshed **Somerset** is slated for launch in November 2022 and is about celebrating families and friends coming together in a sustainable, inclusive and harmonious environment. The Ascott

² Global Serviced Apartment Industry Report 2022

brand and The Crest Collection will also be rolling out new brand signatures and programmes in 2023.

“As a leading provider of accommodation, Ascott is committed to continue building our brands to drive loyalty amongst our guests, enhance experiences to attract the next-generation travellers and deliver sustainable value and returns to owners and investors. Taking what’s unique about our brands and building on its heritage and reputation to elevate consumer experiences will allow us to grow our brand equity and unlock the substantial potential that is embedded within our brands,” said Tan Bee Leng, Ascott’s Managing Director for Brand and Marketing.

Ms Tan added: “Post-pandemic, Ascott’s flex-hybrid model not only allows us to offer the option of both hotel rooms and serviced residences, but also enables us to design robust brand programmes that better cater to the various lifestyle needs of our guests, and have proven to be much sought after. Ascott is therefore bullish on the conversion trend, as we are seeing the potential of more assets coming into play. In our Brand360 exercise, brands such as Citadines and The Crest Collection have been designed to be “conversion-friendly” because they require less structural work to switch.”

Oakwood Integration and Growth

Ascott has started to integrate the newly acquired Oakwood³ brand into its diverse portfolio of global brands. Tapping on the gain of synergies from the Brand360 exercise, Oakwood will go through a brand refresh, which includes the migration of oakwood.com into discoverasr.com.

Harnessing the strength of Ascott’s business and distribution network, Oakwood properties will gain access to greater resources and benefit from an extended network of systems, channels and tools to drive revenue growth, improve operational efficiency and enhance value to guests and business partners. With comprehensive front-to-backend technology, improved web data analytics and a loyalty programme to be a part of (Ascott Star Rewards), Oakwood properties will be able to customise experiences based on the implicit and explicit preferences of its guests.

Set to target the rising demographic of ‘bleisure’ guests, the refreshed Oakwood brand will focus on three brand pillars – comfort, craft of hospitality and connections. Some of its brand signatures will include purpose-designed workspaces to support business needs, curated dining programmes that provide convenience for home-cooked meals within the apartment, signature community engagement initiatives, and programmes to develop associates in the craft of hospitality.

³ Refer to Appendix for more information on Oakwood.

Appendix – Pipeline Plans for Oakwood

Since the start of 2022, the Oakwood portfolio has seen the addition of five new properties this year, namely, [Oakwood Hotel & Apartments Daxing Beijing](#) and [Oakwood Premier Phnom Penh](#) in August, [Oakwood Studios Sukhumvit Bangkok](#) and [Oakwood Suites Kuningan Jakarta](#) in September and [Oakwood Hotel & Apartments Saigon](#) in October 2022. Following these recent openings, Ascott will open several more Oakwood properties across key cities in the region over the next quarter.

[Oakwood Premier Jakarta](#) is scheduled to open in November and will be located at the heart of the Sudirman Central Business District (SCBD). A flagship property that will deliver on some of the newly introduced brand signatures, the property will house 347 luxuriously appointed hotel rooms, suites and serviced apartments and will offer direct access to the ASHTA Mall and some of the city's best nightlife and restaurants.

Also opening in November is the 191-unit [Oakwood Suites Tiwanon Bangkok](#). Strategically located next to the Yaek Tiwanon Metro Station, which is in close proximity to the Chatuchak Weekend Market, the property will deliver an elevated stay with amenities such as a residents' lounge, restaurant, bar, pool, fitness centre and meeting venues.

Located next to the Nana BTS station, [Oakwood Hotel Sukhumvit 11 Bangkok](#) will be Oakwood's 10th property in Thailand. Set to open by the end of the year, the property will have 178 rooms alongside a comprehensive suite of facilities.

Testament to the group's growth trajectory, a recent partnership with Bangsar Heights Pavilion (BHP) for the development and management of **Oakwood Hotel & Apartments Johor Bahru** paves the way for Ascott's first property in the capital city in the state of Johor. Scheduled to open in July 2026, the property will comprise 482 units alongside facilities such as a restaurant, bar, fitness centre and pool.

Expanding the Oakwood footprint in new destinations, the group is also expecting new developments in Switzerland and India with new signings for **Oakwood Hotel du Parc Baden** and **Oakwood Hotel & Apartments Visakhapatnam**.

Amidst ongoing efforts to establish Oakwood's brand positioning in the group, the brand's legacy continues to win the hearts of many as established at the recent [Readers' Choice Awards 2022](#) organised by Travel Weekly Asia, where Oakwood was awarded the Best Serviced Residence Group in Asia Pacific.

This is the first accolade Oakwood has received since its acquisition and serves as a testament to the brand's continued commitment to elevating the everyday experiences of guests and delivering excellence.

More information on Oakwood can be found at discoverasr.com, where guests now have more stay options to discover with Oakwood.

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About The Ascott Limited

The Ascott Limited (Ascott) is a Singapore company that has grown to be one of the leading international lodging owner-operators. Ascott's portfolio spans over 200 cities across more than 40 countries in Asia Pacific, Central Asia, Europe, the Middle East, Africa, and the USA.

Ascott has about 92,000 operating units and more than 63,000 units under development, making a total of about 155,000 units in over 900 properties.

The company's serviced apartment, coliving and hotel brands include Ascott, Citadines, lyf, Oakwood, Quest, Somerset, The Crest Collection, The Unlimited Collection, Préférence, Fox, Harris, POP!, Vertu and Yello.

Ascott's loyalty programme, Ascott Star Rewards, offers exclusive benefits to its members when they book directly with Ascott for their stays at its participating properties.

Ascott, a wholly owned subsidiary of CapitaLand Investment Limited, pioneered Asia Pacific's first international-class serviced apartment with the opening of The Ascott Singapore in 1984. Today, the company boasts over 30 years of industry track record and award-winning brands that enjoy recognition worldwide.

For more information, please visit www.discoverasr.com.

About CapitaLand Investment Limited

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 June 2022, CLI had about S\$125 billion of real estate assets under management, and about S\$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 20 private vehicles across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve net zero emissions by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

Visit <http://www.capitalandinvest.com> for more information.

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