THE OIC GROUP

HKG GROUP 4

Monthly Report

February 2026

Blackstone

HAMILTON ISLAND
GREAT BARRIER REEF AUSTRALIA

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Director : Renee Ngan, Scott Tang **Analysts** : Matthew Poedjianto, Billy Lam, Max Qin, Joey Shi, Ryan Lee Feb 2026

Blackstone to Acquire Hamilton Island in AUD1.2bn Deal

Transaction Summary

Announcement Date	December 23, 2025
Transaction Size	AUD1.2 bn (USD1bn eqv.)
Cap Rate	N.A. (No disclosure in NOI)
Close Date	Est. 1H, 2026
Deal Structure	Cash
Value Per Key	AUD1.61 mn
Value per Hectare	AUD1.06 mn

Deal Background

- **Blackstone Inc.** ("**Blackstone**", the "**Sponsor**", or the "**Acquirer**"), the world's leading alternative asset manager, has entered into a definitive agreement to acquire Hamilton Island ("**Hamilton Island**", the "**Target**", or the "**Island** ") from the Oatley family (the "**Transaction**")
- **Hamilton Island** is one of Australia's most iconic leisure and hospitality assets, acquired by the Oatley family in 2003 for c.AUD200mn and subsequently invested over AUD350mn in infrastructure and development enhancements
- The Transaction was announced on 23 December 2025, subject to customary regulatory approvals

Deal Rationale

Acquirer : Blackstone

- **Australian Market Dominance:** This AUD1.2 billion Transaction significantly strengthens Blackstone's footprint in the Australian hospitality and tourism industries. It strategically builds on the private equity giant's earlier, much larger AUD8.9 billion takeover of the Crown Resorts casino and hotel group in 2022
- **Long-Term Investment Strategy:** Blackstone is pursuing a long-term investment approach with this deal. The strategy is focused heavily on maintaining existing operations and committing capital to future infrastructure development across the 1,133-hectare island
- **Leveraging Iconic Status:** The acquisition capitalizes heavily on the island's unique and globally recognized status as a premier Great Barrier Reef resort destination.

Target : Hamilton Island

- **The Oatley family is realizing significant value** after more than 20 years of ownership, selling for AUD1.2 billion is a substantial return on their original purchase price of roughly AUD200mn in 2003
- **The sale ensures the continued operation of the island** as an integrated tourist resort under a Perpetual Crown Lease from the Queensland Government
- **Estate Planning & Succession:** The sale simplifies complex intergenerational wealth transfer and estate planning, moving an illiquid real estate asset into cash for the extended family members.

Acquirer

Blackstone Inc. (NYSE: BX)

Blackstone Inc. is the world's leading US-domiciled alternative asset manager, with AUM exceeding USD1.2 trillion globally, focusing on private equity, real estate, and credit investments.

Founded Year	1985
HQ	New York, USA
Market Cap	USD116.45 bn
AUM	USD1 tn
Strategy	e.g. Buyout, Growth (A - pre-IPO), Infra
Focused Regions	Global
Focused Sectors	Real Estate, Private Equity

Target

Hamilton Island

Hamilton Island is an iconic resort destination located in the Whitsunday Islands, at the edge of the Great Barrier Reef in Queensland, Australia, known for luxury tourism and hospitality.

Founded Year	Developed since 1980s
Location	Australia
Estimated EV	AUD1.2 bn
Total Overnight Visitors	130,000 Anually
Total Accommodation Inventory	c.744 rooms
Annual Resort Occupancy	Avg. 75%
Revenue	Est. AUD129.5 mn
Average Length of stay	5.5 days

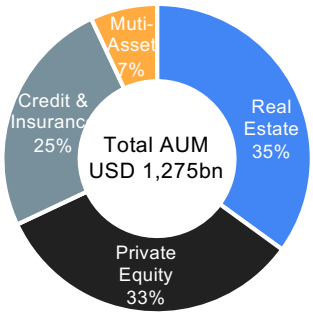
Source: Pitchbook

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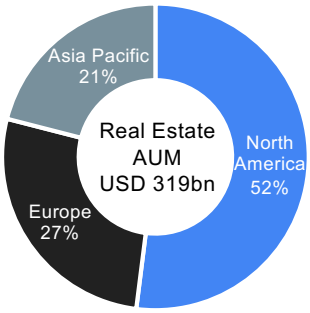
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Sponsor Overview: Blackstone

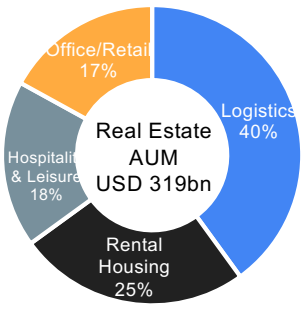
The World's Largest Landlord Betting on Global Tourism Recovery



Graph 1 - Strategy Breakdown (AUM)



Graph 2 - Region Breakdown (Real Estate)



Graph 3 - Sector Breakdown

- **Fund Strategy Intro:** Blackstone Real Estate Partners(Blackstone's flagship opportunistic real estate fund series) focuses on acquiring high-quality, cash-flowing assets with "irreplaceable" characteristics, utilizing active management to unlock value.
- **Region & Sector Focus:** The Sponsor has demonstrated strong conviction in the "post-COVID experience economy," aggressively targeting hospitality assets in top-tier travel destinations within the APAC region.
- **Future Strategies & Trends:** Strategy involves significant CAPEX deployment to upgrade aging infrastructure, potentially introducing global hotel brands to enhance ADR.
- **Market Sentiment:** The deal is viewed as a "confidence booster" for the Australian tourism sector, setting a valuation benchmark for trophy leisure assets

Track Record

Crown Resorts

- **Year:** 2022
- **Deal Size:** AUD8.9bn
- **Sector:** Hospitality & Gaming
- *The largest hospitality public-to-private transaction in Australian history.*

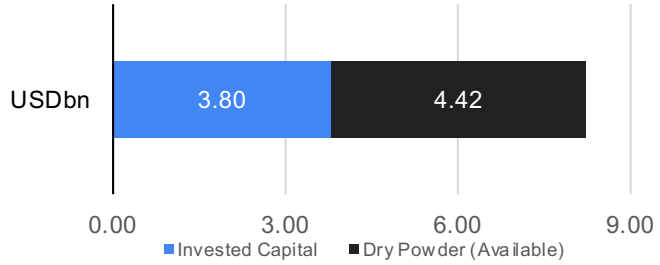
Hilton Worldwide

- **Year:** 2007
- **Deal Size:** AUD26.0bn
- **Sector:** Hospitality
- *The most successful PE hotel turnaround in history*

AirTrunk

- **Year:** 2024
- **Deal Size:** AUD24.0bn
- **Sector:** Digital Infrastructure
- *The largest digital infrastructure transaction in Asia-Pacific history.*

Acquirer Overview: Blackstone Real Estate Partners Asia III ("BREP Asia III")



Vintage 2022	INV. Period Ends Sep 2027
Total Committed Capital c.USD8.23 Billion	**MOIC** 1.1x

- **Significant Dry Powder & Deal Capacity:** BREP Asia III is a massive c.USD8.2B vehicle with USD4.42B in available capital remaining as of FY25Q4, which provides the acquirer with immediate liquidity to execute large-scale transactions.
- **Investment Phase & Portfolio Valuation:** Currently in its active deployment phase (through Sept 2027), the fund holds USD4.15B in investment value with a 1.1x MOIC. The portfolio has maintained value stability, positioning the fund to aggressively acquire distressed or growth-oriented assets.
- **Strategic Focus & Operational Scale:** As part of Blackstone's USD319B Real Estate platform, BREP Asia III leverages proprietary data to target high-conviction themes in APAC, utilizing a "Buy it, Fix it, Sell it" strategy.

Source: Blackstone Website and Financial Report, Blackstone's Forth Quarter 2025 Supplemental Financial Data

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Target Overview: Hamilton Island

Blackstone bet on Australian Hospitality

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Operating Asset Composition

Component	Specification	Strategic Importance
Accommodation	5 hotel properties with varying star ratings and positioning	Diversified guest experience; seasonal occupancy dynamics
Food & Beverage	20+ restaurants, bars, and specialty dining venues	Ancillary revenue generation; guest experience enhancement
Retail Operations	~20 retail outlets	Ground-floor revenue; ancillary margin expansion
Marina Facility	301 berths; capacity for vessels up to 60 meters	Premium yacht destination; charter operations; recreational boating
Aviation	Commercial airport facility	Guest access enablement; charter services; regional connectivity
Golf	18-hole championship course (Dent Island)	Premium amenity; golf tourism; membership optionality
Workforce	~1,400 FTE + 600 Seasonal (estimated)	Material regional employment; operational complexity; cost structure

Revenue Model

Accommodation Revenue (primary 55%): Room rate, occupancy, and length-of-stay dynamics driven by seasonal demand cycles, pricing power, and brand positioning

Ancillary Hospitality Revenue (material 20%): F&B, retail, gaming, and entertainment services generating high-margin supplementary revenue

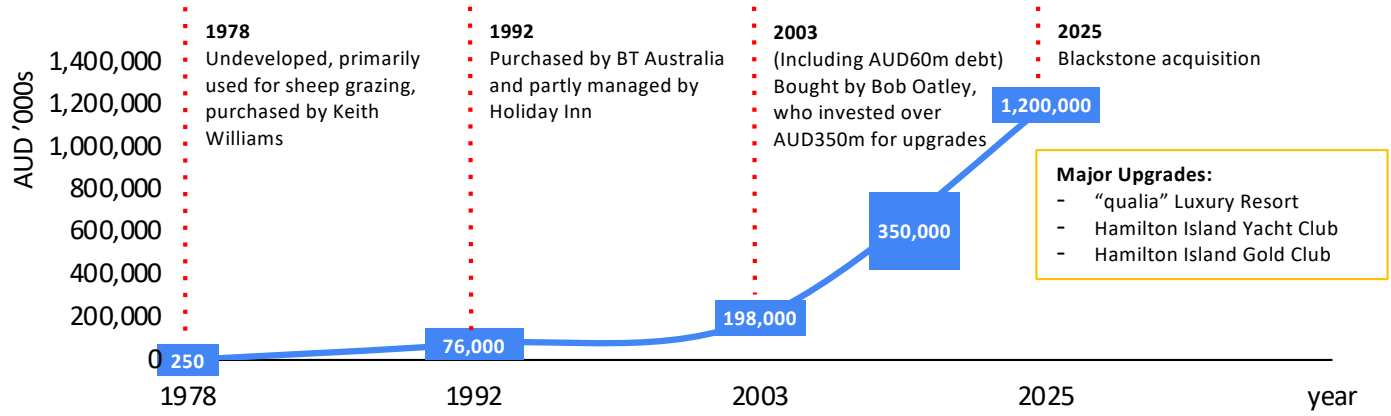
Marina Operations (niche 10%): Premium mooring fees, services, and charter revenue

Golf Amenities (tertiary 5%): Green fees, membership, and associated services

Transport Services (enabling 5%): Aviation, water transport, and ground logistics facilitating guest movement
Real Estate and Events (supplementary 5%): Property sales, hosting fees, and long-term leasing
Peak Months (June – October): Whale watching season and typical summer periods, with the pronounced seasonality, cash flow cyclicality and working capital requirement are what Hamilton Island pays attention to for efficiencies

- **Trend Analysis**: The island has benefited from Australia's tourism rebound, with tourism visits of 2.34M and spendings of AUD6.4M reaching and surpassing its pre-pandemic level of 2.4M and AUD5.9M
- **Future Strategy Focus**: Investment and expansion build on the 70% undeveloped land, integrate with other Blackstone Australian assets and management for cross-promotions, operational efficiencies
- **Market Sentiment**: Domestic sentiments were negative towards foreign ownership taking control over the natural asset of Australia

Valuations in past transactions



Graph 6: Hamilton Island Transactions source: various

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Resort Transactions

Asset	Year	Buyer	Seller	Price (AUD mn)	Keys	Price per Key (AUD)	Occupancy Rate (%)	Est. Cap Rate (%)
Hamilton Island	2025	Blackstone	Oatley Family	1,200	~565+	~2,100,000	~75%	~6-8%+
JW Marriott Phoenix Desert Ridge Resort	2025	Ryman Hospitality Properties	Trinity Investments	~1,340	950	~1,410,000	N/A	~7%
Sunseeker Resort Charlotte Harbor	2025	Blackstone	Allegiant Travel Company	~310	785	~395,000	52-70%	~8-10%+
Sheraton Grand Mirage Resort	2023	Karedis & Laundy families	The Start Entertainment Group	192	295	649,000	~73.7%	~6%
Sofitel Brisbane Central	2023	City Developments Limited (SG)	Brookfield Asset Management	~178	416	427,000	78.5%	~5.5-6.5%
Lizard Island	2021	Tattarang Investments	Previous operator	42	~40	~1,050,000	N/A	N/A
Daydream Island	2015	China Capital Investment Group	Vaughan Bullivant	~25-30	~277-300	~90,000-100,000	N/A	N/A
Mean				**469**	**477**	**875,000**	**~68-72%**	**7.0%**
Median				**192**	**416**	**649,000**	**~73-75%**	**7.0%**

Precedent Transaction

Announce Date	Target	Acquirer	%Cash	Transaction Value (AUD mn)	EV (AUD mn)	Equity Value (AUD mn)	EV / EBITDA
Feb 24, 2025	Safe Harbor Marinas	Blackstone	100%	8,869	8,869	8,860	21.0x
Feb 14, 2022	Crown Resorts	Blackstone	100%	8,874	9,814	8,870	12.3x
Dec 14,2018	Belmond Ltd	LVMH	100%	4,450	4,450	3,616	22.9x
Oct 11, 2017	Mantra Group	Accor Hotels	100%	1,300	1,372	1,300	12.4x
Mean				5,872	6,126	5,914	17.2x
Median				6,660	7,141	6,243	16.9x

Source: Pitchbook, Blackrock-GIP Press, Roland Berger's Infrastructure 2024 Outlook, and Bloomberg

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Potential Playbook

Disciplined NOI-First Value Creation

- Prioritize pricing power and margin expansion through average daily rate optimization, yield management, and high-margin experiential revenue, while limiting capacity growth to preserve scarcity and luxury positioning.

Optionality-Led Upside Without Forced Execution

- Convert undeveloped land into monetizable optionality by advancing entitlements and master planning, embedding future growth into valuation while deferring capex and execution risk via JVs or parcel-level exits.

Transaction Implications & Strategic Considerations

Market Impact

The Hamilton Island transaction represents:

1. **Largest recent leisure M&A in Australia:** One of the largest tourism and hospitality acquisitions in recent Australian history
2. **Validation of leisure asset valuations:** Sets valuation benchmark for premium, brand-driven leisure assets in APAC region
3. **Continued APAC capital inflows:** Reflects sustained institutional investor appetite for quality leisure assets despite macro headwinds

Strategic Positioning

Post-closure, Blackstone will control a dual-asset Australian leisure platform (Crown Resorts + Hamilton Island), positioning the firm to:

- Drive **operational synergies** between platforms (marketing, procurement, technology, talent)
- Establish a **meaningful regional leisure platform** for potential future M&A at scale
- **Leverage brand portfolio** for institutional and consumer engagement across APAC

Potential Risks & Mitigations

Integration Risk

- Multi-asset hospitality platforms involve legacy IT systems, employees, and operational complexity during transition.
- **Mitigations:** Blackstone's opportunistic real estate platform deploys standardized operating playbooks from Crown Resorts integration (2,500 keys across 3 sites); phased transition with retained key management minimizes disruption; AUD200mn+ capex pipeline targets 70% undeveloped land for accretive yield expansion.

Regulatory Risk

- FIRB clearance and Queensland state approvals remain uncertain, given foreign investment scrutiny on iconic tourism assets adjacent to the Great Barrier Reef.
- **Mitigations:** Blackstone's AUD15+bn Australian investment history (e.g., Crown Resorts) and dedicated public policy team facilitate streamlined FIRB processes; commitments to local job preservation and environmental stewardship align with regulatory priorities.

Market and Operating Risk

Hospitality assets exhibit cyclicality, specifically:

- Economic sensitivity tied to discretionary spend and inbound tourism
- Geopolitical exposure via international visitation patterns
- Climate vulnerability in cyclone zone with reef ecosystem dependencies
- **Mitigations:** Diversified revenue mix (hotels, marina, private residences) buffers downturns; Blackstone's data-driven asset management optimizes RevPAR through dynamic pricing and loyalty programs; comprehensive insurance covers cyclones

Key Takeaways & Conclusion

The Blackstone acquisition of Hamilton Island at AUD1.2 billion **represents a landmark transaction in Australian leisure and hospitality,** reflecting:

- ✓ **Strategic value creation:** Premium leisure platform acquisition by a well-capitalized, operationally sophisticated buyer
- ✓ **Market-level benchmark:** Validation of quality hospitality asset valuations in the APAC region
- ✓ **Platform buildout:** Continued execution of Blackstone's regional leisure strategy, complementing Crown Resorts holdings
- ✓ **Regulatory clarity:** Anticipated regulatory approvals expected to clear by mid-2026. The transaction underscores sustained institutional investor appetite for high-quality, branded leisure assets and establishes Blackstone as a leading platform consolidator in the Australian hospitality sector.

Source: BX Press, ABC News, Hospitality Net, Bloomberg

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