

# SGX & CGS-CIMB Invest Singapore Virtual Forum 2020

18 November 2020



# Sustainable Pan-Asian Portfolio with Income Resilience

## 98.3% occupancy

Grade A commercial portfolio with strong committed occupancy to an established and diversified tenant base

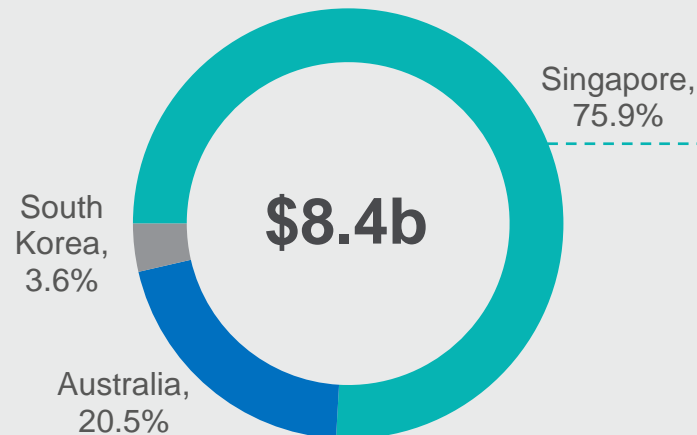
## 7.1 years WALE

Long portfolio weighted average lease expiry (WALE)

## Green portfolio

BCA Green Mark Platinum award for all Singapore assets; 5 Stars NABERS Energy rating for most Australian assets

### AUM<sup>(1)</sup> by Geography (As at 30 Sep 2020)



# Managing the COVID-19 Situation

- Keppel REIT's quality office portfolio and high-quality tenant profile continue to provide income stability and resilience
- Safety measures in place to facilitate the return of tenants to the workplace
- To support tenants, and in line with government measures, measures were implemented to alleviate tenants' cashflow and cost pressures
- Rental collection remains high for Grade A office, with limited deferrals and rental relief impact



**Rental collection<sup>(1)</sup>**  
**97%**  
in 3Q 2020



**Rental deferrals**  
**\$1.7m**  
as at 30 Sep 2020



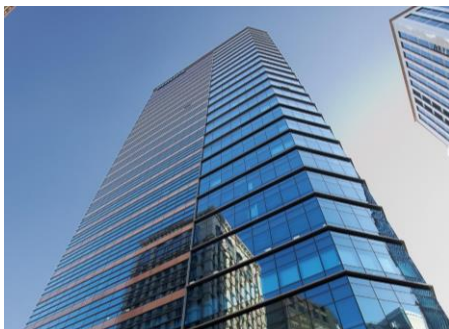
**Tenant relief measures<sup>(2)</sup>**  
**Approx. \$13.8m**  
including estimated \$10.0m of  
government property tax rebates  
and cash grant

# Continuing Active Portfolio Optimisation

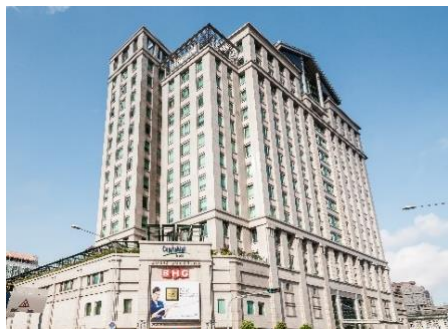
- Portfolio optimisation to improve yield and create long-term value for Unitholders
- Holding quality assets across different markets enhances income diversification and long-term stability



**Dec 2018: Divested  
20% of Ocean Financial  
Centre in Singapore**  
(Sale Price: \$537.3m)



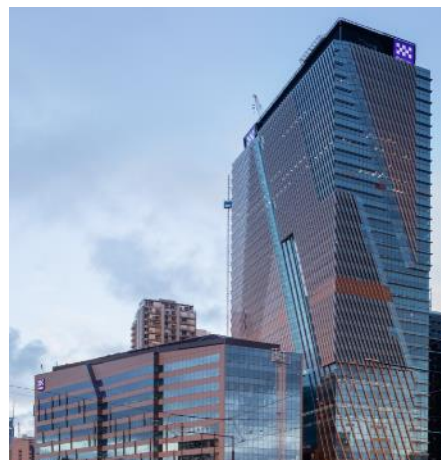
**May 2019: Acquired  
T Tower in Seoul**  
(Acquisition Price:  
\$292.0m<sup>(1)</sup>)



**Nov 2019: Divested  
Bugis Junction Towers  
in Singapore**  
(Sale Price: \$547.7m)

## **3Q 2020 developments:**

- Commencement of 311 Spencer Street's income contribution
- Acquiring Pinnacle Office Park to expand into Sydney Grade A metropolitan office space



**Jul 2020: Completed  
311 Spencer Street  
in Melbourne**  
(Carrying Amount:  
\$372.5m<sup>(2)</sup>)



**Sep 2020: Acquiring  
Pinnacle Office Park  
in Sydney**  
(Agreed Property Value:  
\$303.3m<sup>(3)</sup>)

(1) Based on an exchange rate of KRW 1,000 to \$1.156 used for payment.

(2) Based on "as is" valuation as at 31 Dec 2019, as well as progress payments and capitalised costs from 1 Jan 2020 to 9 Jul 2020. Includes A\$5.4 million of estimated final payment to be made after 9 Jul 2020. Based on an exchange rate of A\$1 to S\$0.9695 as at 9 Jul 2020.

(3) Based on an exchange rate of A\$1.00 to S\$0.9912 as at 9 Sep 2020.



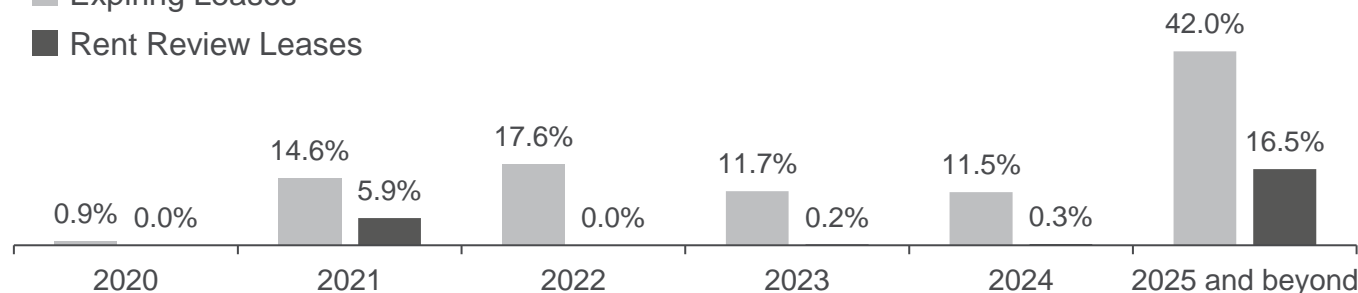
# Leasing Reversions Positive; 3Q DPU from Operations Increases

## Lease Expiries and Rent Reviews

(by Committed Attributable Area)

■ Expiring Leases

■ Rent Review Leases

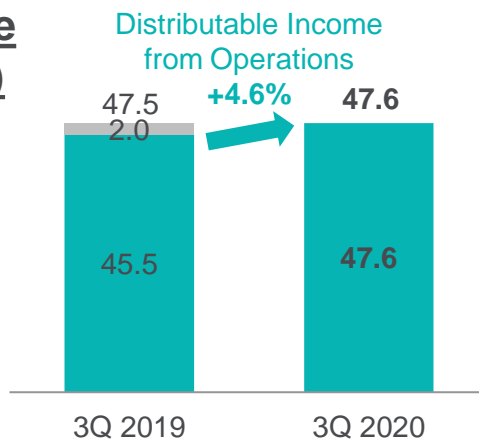


- Average signing rent for Singapore office leases concluded in 9M 2020 was \$11.03<sup>(1)</sup> psf pm
- Average expiring rents<sup>(2)</sup> of Singapore office leases (psf pm): \$9.72 in 2021, \$10.25 in 2022 and \$11.00 in 2023

## Distributable Income (\$m)

■ From operations

■ Capital gains distribution



- 3Q 2020 distributable income from operations<sup>(3)</sup> was \$47.6m; Up 12.0% q-o-q and 4.6% y-o-y
- Aggregate leverage was 35.0%, with all-in interest rate reduced y-o-y to 2.39% p.a. from 2.82% p.a.

(1) Based on a weighted average calculation. Simple average signing rent was \$11.81 psf pm.

(2) Weighted average based on attributable NLA of office lease expiries and reviews in Singapore.

(3) As Keppel REIT has adopted half-yearly distributions, any distribution of capital gains for 2H 2020 will be disclosed at the FY 2020 results announcement.

# Operating in the New Environment

- Tenants continue to maintain physical offices as a necessity for business, although the form and functions of the office is evolving
- Keppel REIT will continue to optimise the portfolio and calibrate its leasing strategy to meet potential shifts in occupier demand

## Keppel REIT's Strategic Approach:





# Thank You

For more information, please visit:  
[www.keppelreit.com](http://www.keppelreit.com)

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