



Annual General Meeting

22 April 2022



Outline

- FY 2021 in Review 3
- 1Q 2022 Update 10

Constituent of:



FTSE ST Large &
Mid Cap Index



FTSE EPRA Nareit Global
Developed Index



GPR 250
Index Series



MSCI Singapore
Small Cap Index

IMPORTANT NOTICE: The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking” statements due to 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, competition from similar developments or shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel REIT (the “Manager”) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

FY 2021 in Review

Artist's Impression of
Blue & William,
Sydney



FY 2021 Performance



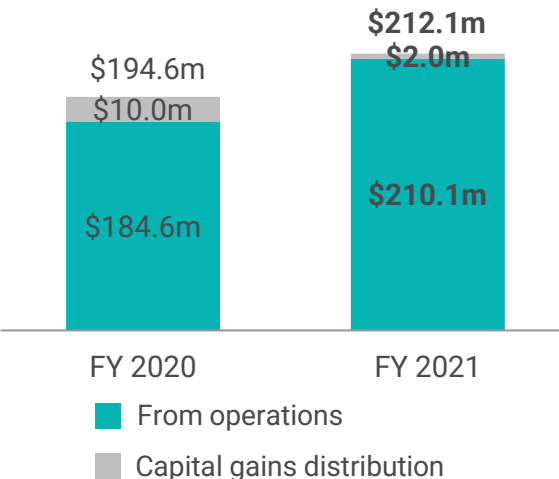
Growth in Distribution

5.82 cents

DPU up 1.6% y-o-y

\$212.1m

Distribution to Unitholders up 9.0% y-o-y



Proactive Capital Management

38.4%

Aggregate leverage as at 31 Dec 2021

Low all-in interest rate of 1.98%

4.6x covered

\$270.0m private placement
in Feb 2021

\$150.0m

7-year medium term notes issued at 2.07% p.a.

in Sep 2021

Portfolio Optimisation & Sustainability

- **Healthy portfolio metrics** with portfolio committed occupancy of 95.4% and long portfolio weighted average lease expiry (WALE) of 6.1 years
- **Strong ESG focus** with MSCI ESG Rating upgraded to 'A' in Dec 2021 and refreshed ESG targets announced in Jan 2022
- **Supporting the transition to a low-carbon future** with the acquisitions of Keppel Bay Tower and Blue & William



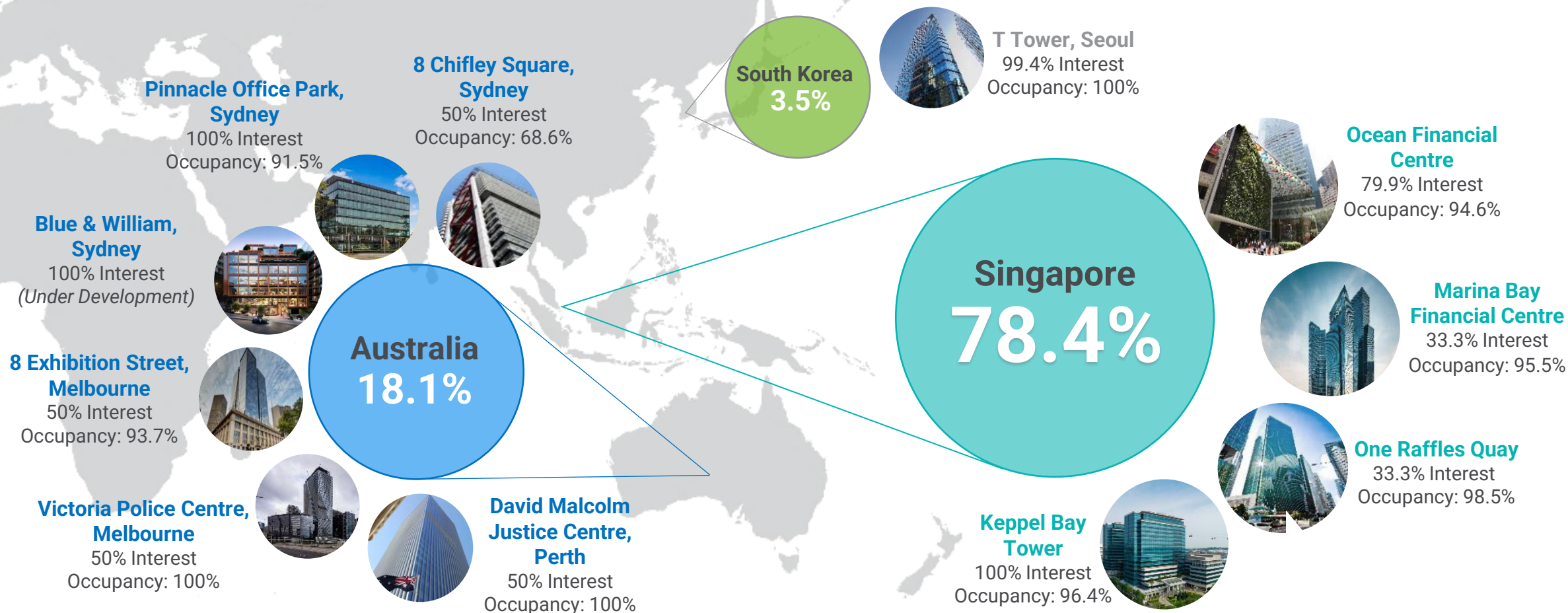
Keppel Bay Tower



Blue & William (Artist's Impression)

Diversified Pan-Asian Portfolio of Prime Commercial Assets

\$8.9b portfolio of quality and well-located assets across different markets enhance income stability and long-term growth opportunities



Quality Portfolio with Diversified Tenant Base

- Well-leased to diversified tenant base, including many established corporations
- As at end-2021, there were 384⁽¹⁾ tenants from various business sectors
- Healthy rental collection of 99.6% in FY 2021
- Ongoing asset enhancement initiatives at 8 Chifley Square to enhance building amenities

Tenant Business Sector	% ⁽²⁾
Banking, insurance and financial services	30.1%
Government agency	15.2%
Technology, media and telecommunications	13.1%
Legal	7.1%
Energy, natural resources, shipping and marine	6.7%
Manufacturing and distribution	6.5%
Real estate and property services	6.1%
Accounting and consultancy services	5.2%
Services	4.5%
Retail and food & beverage	2.6%
Others	2.9%
Total	100%



Continuing Portfolio Optimisation

- Acquired Keppel Bay Tower, a Grade A office building in the Keppel Bay waterfront precinct in HarbourFront on 18 May 2021
- Unlocked value with the divestment of 275 George Street on 30 Jul 2021
- Expanded into North Sydney on 14 Dec 2021 with the acquisition of Blue & William development which will offer Grade A office spaces with advanced green features and smart building technologies

Developments in 2020:



Jul 2020:
Completed Victoria Police
Centre in Melbourne

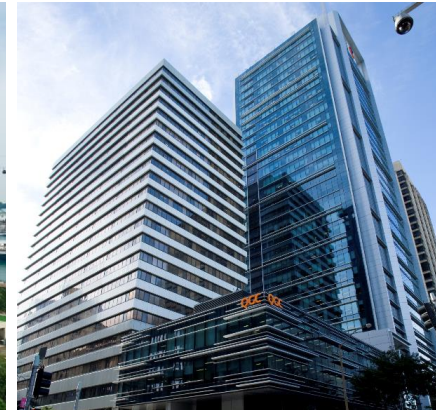


Dec 2020:
Acquired Pinnacle Office Park
in Sydney

Developments in 2021:



May 2021: Acquired
Keppel Bay Tower
in Singapore



Jul 2021: Divested
275 George Street
in Brisbane



Dec 2021: Acquired
Blue & William development
in Sydney

Blue & William: DPU-Accretive Fund-through Development with Regular Coupon

Blue & William will offer panoramic views of the Sydney Harbour Bridge and Sydney CBD



- **DPU accretive investment** with 4.5% initial NPI yield after practical completion
- **Coupon of 4.5% per annum receivable⁽¹⁾** during fund-through development
- **Deepen Australian footprint** with 100% interest in a freehold Grade A office building development in North Sydney
- **Strategic expansion** into major commercial district with excellent connectivity and positive leasing dynamics
- **3-year rental guarantee** on any unlet space after practical completion estimated in mid-2023
- **Strong sustainability credentials**

Refreshed ESG Targets

To further its efforts on the sustainability front, the Manager has set new targets for the management of material ESG aspects

Environmental Stewardship

- Halve Scope 1 and 2 emissions by 2030 from 2019 levels
- Reduce energy and water usage
- Increase renewable energy usage
- Increase waste recycling rate

Responsible Business

- Uphold high standards of corporate governance and risk management
- Attain green certification for all properties by 2023
- Increase sustainability-focused funding to 50% by 2025

People and Community

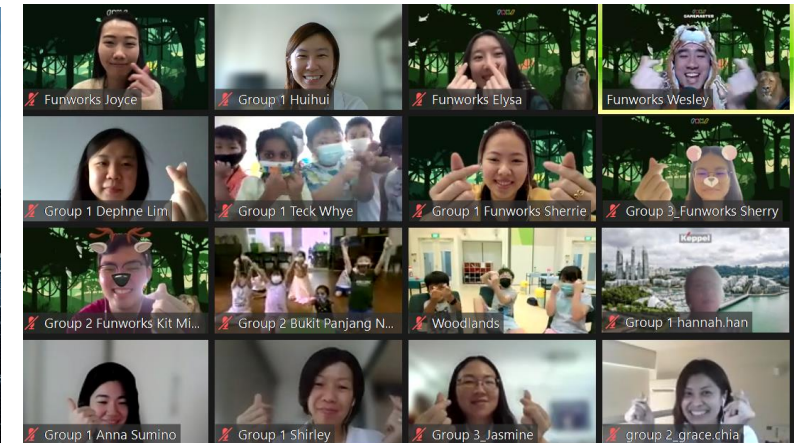
- Provide a safe and healthy workplace
- Invest in developing and training its people
- Uplift communities wherever it operates
- Maintain approximately 30% of female directors on the Board



Solar panels were installed at Pinnacle Office Park in Dec 2021 to tap on renewable energy



Sustainability credentials and potential for enhancement are taken into consideration in investment decisions



Virtual game session with New Life Community Services (Singapore) Children and Student Care

1Q 2022 Update

View from Keppel Bay Tower,
Singapore



1Q 2022 Key Highlights



\$53.8m

1Q 2022 distributable income from operations⁽¹⁾

Up 4.3% y-o-y

38.7%

Aggregate leverage as at 31 Mar 2022

1.81% p.a.

All-in interest rate for 1Q 2022



95.1%

Portfolio committed occupancy as at 31 Mar 2022

6.1 years

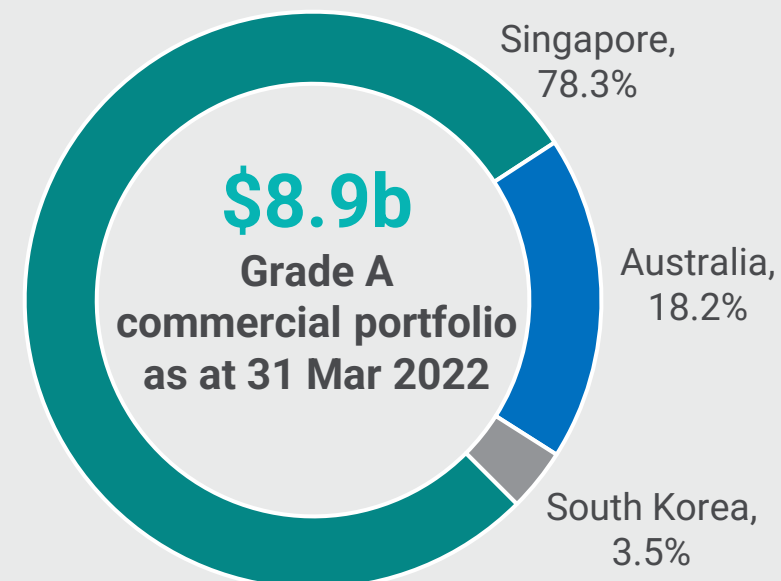
Long portfolio weighted average lease expiry (WALE) as at 31 Mar 2022
Top 10 tenants' WALE was 10.7 years

Certified Carbon Neutral

By Climate Active for Victoria Police Centre in April 2022

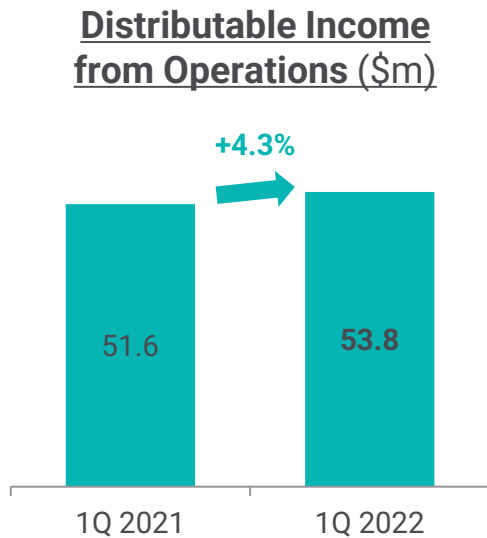
Pan-Asian Portfolio with Income Resilience

Anchored in key business districts of Singapore, Australia and South Korea



Higher Distributable Income from Operations

- Distributable income of \$53.8 million, a 4.3% year-on-year growth due mainly to the acquisition of Keppel Bay Tower in May 2021
- The increase was partially offset by the impact of the divestment of 275 George Street in July 2021



	1Q 2022	1Q 2021	+/(−)
Property Income⁽¹⁾	\$54.5m	\$51.1m	+6.7%
Net Property Income (NPI)	\$44.2m	\$40.7m	+8.6%
Less: Attributable to Non-controlling Interests	(\$4.2m)	(\$4.3m)	(2.3%)
NPI Attributable to Unitholders	\$40.0m	\$36.4m	+9.9%
Share of Results of Associates⁽²⁾	\$23.0m	\$24.9m	(7.6%)
Share of Results of Joint Ventures⁽³⁾	\$5.8m	\$7.7m	(24.7%)
Distributable Income from Operations	\$53.8m	\$51.6m	+4.3%

(1) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, 50% interest in Victoria Police Centre, Pinnacle Office Park, T Tower, Keppel Bay Tower after it was acquired on 18 May 2021 and 50% interest in 275 George Street before it was divested on 30 Jul 2021.

(2) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre.

(3) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

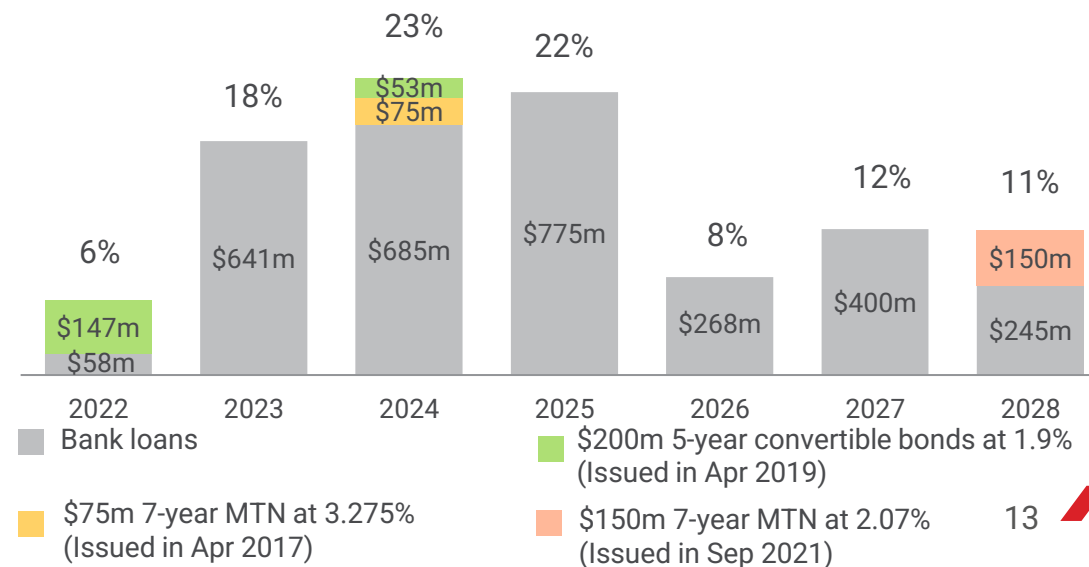
Prudent Capital Management

- All-in interest rate reduced year-on-year to 1.81% p.a. from 2.01% p.a.
- Total borrowings on fixed rates increased from 63% to 71% during the quarter, to mitigate interest rate volatility
- Approximately 48%⁽¹⁾ of Keppel REIT's total borrowings are green loans
- On 11 April 2022, \$146.5 million of the 1.90% convertible bonds due 2024 were redeemed. The redemption was funded through loan facilities at comparable interest rates, maturing mainly in 2026 and 2027

- (1) This includes Keppel REIT's share of external borrowings accounted for at the level of associates.
 (2) Excluded the distributable income for the period 1 Jan 2022 to 31 Mar 2022 to be paid in Aug 2022.
 (3) Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.
 (4) Refers to changes to SOR/SORA/BBSW for applicable loans on floating rates.
 (5) Computed based on DPU of 5.82 cents for FY 2021.

As at 31 Mar 2022	
Adjusted NAV per Unit ⁽²⁾	\$1.29
Interest Coverage Ratio ⁽³⁾	3.8x
All-in Interest Rate	1.81% p.a.
Aggregate Leverage	38.7%
Weighted Average Term to Maturity	3.1 years
Borrowings on Fixed Rates	71%
Sensitivity to Interest Rates ⁽⁴⁾	+ 50 bps = ~0.14 cents ↓ in DPU p.a. or ~2.4% ⁽⁵⁾ ↓ in DPU p.a.

Debt Maturity Profile (As at 31 Mar 2022)



Robust 1Q 2022 Portfolio Performance

Total Leases Committed

~475,000 sf

(Attributable ~222,500 sf)

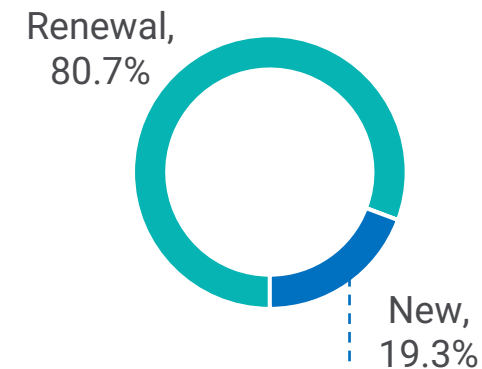
Retention Rate

91%

Leases Committed
by Geography⁽¹⁾



Leases Committed
by Type⁽¹⁾



- Rental collection remained healthy at 99% in 1Q 2022
- Tenant relief measures of ~\$0.2m were granted in 1Q 2022, mostly to ancillary retail tenants

New leasing demand and expansions from:

Real estate and property services	43.4%
Manufacturing and distribution	23.1%
Banking, insurance and financial services	13.0%
Accounting and consultancy services	8.9%
Technology, media and telecommunications	6.3%
Legal	4.3%
Retail and F&B	1.0%

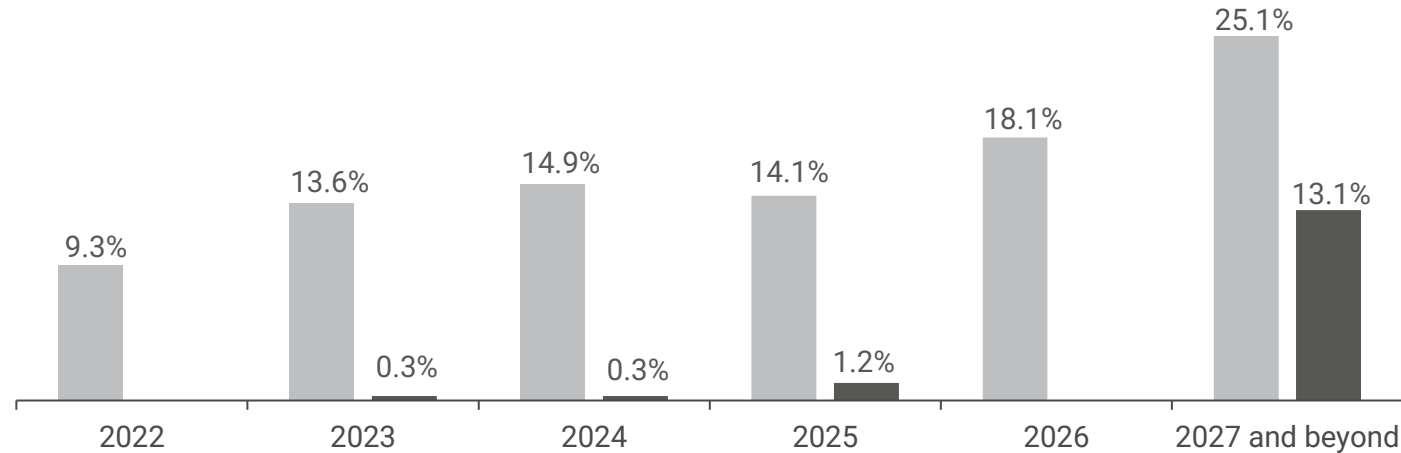
Well-spread Lease Expiry Profile

- Average signing rent for Singapore office leases⁽¹⁾ concluded in 1Q 2022 was \$11.15 psf pm
- Average expiring rents of Singapore office leases⁽²⁾(psf pm): \$10.10 in 2022, \$10.84 in 2023 and \$10.72 in 2024

Lease Expiries and Rent Reviews⁽³⁾

■ Expiring Leases

■ Rent Review Leases



Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

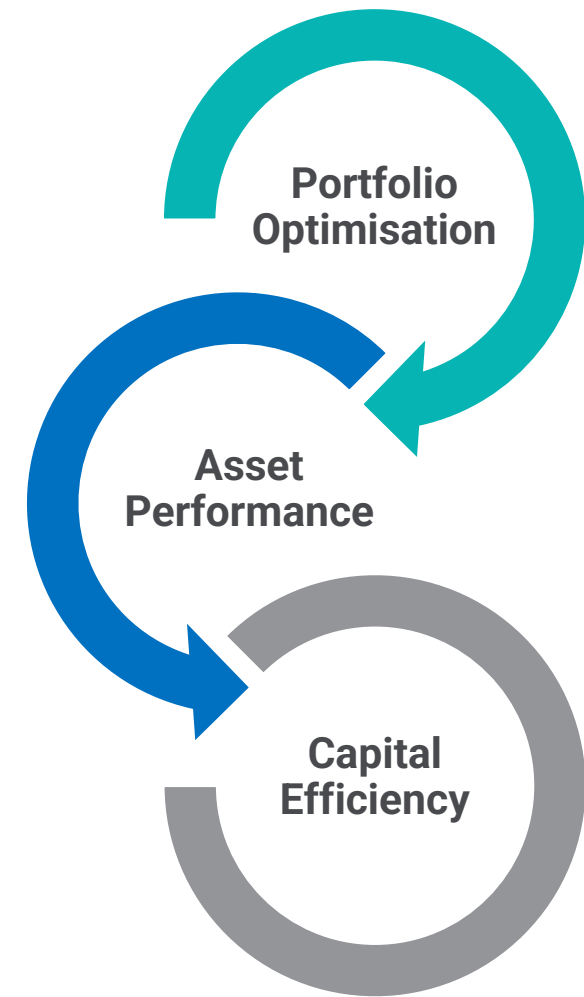
- Portfolio optimisation to improve yield, anchored by prime CBD assets in Singapore
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

Asset Performance

- Drive individual asset performance with proactive leasing and cost management strategies
- Implement initiatives to future proof assets and enhance sustainability

Capital Efficiency

- Optimise capital structure to reduce borrowing costs and improve returns
- Manage debt maturities and hedging profiles to reduce risk



Thank You

For more information, please visit:
www.keppelreit.com

Connect with us on: 

Victoria Police Centre,
Melbourne





Annual General Meeting

22 April 2022

